

*Friday,
27th February, 1914*

ABSTRACT OF THE PROCEEDINGS

OF THE

Council of the Governor General of India,

LAWS AND REGULATIONS

Vol. LII

April 1913 - March 1914

ABSTRACT OF PROCEEDINGS
OF
THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA
ASSEMBLED FOR THE PURPOSE OF MAKING
LAWS AND REGULATIONS,

From April 1913 to March 1914.

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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, & 9 Edw. VII, c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on
Friday, the 27th February, 1914.

PRESENT :

The Hon'ble SIR HARCOURT BUTLER, K.C.S.I., C.I.E., Vice-President, *presiding*,
and 54 Members, of whom 48 were Additional Members.

QUESTIONS AND ANSWERS.

The Hon'ble Mr. Das asked :—

1. (a) Has the Government received a copy of any letter addressed by the London Chamber of Commerce to the Secretary of State for India containing a request to prevent the use of barium sulphate or barium compounds in the manufacture of leather in India?

Use of barium sulphate or barium compounds in the manufacture of leather.

(b) Has the Government made any inquiry to ascertain whether barium sulphate or barium compounds are used in India in the manufacture of leather?

(c) If such inquiry has been made, will the Government be pleased to state whether it has been found that barium sulphate or barium compounds are used in the manufacture of leather in India, and, if so, to what extent and in which parts of India?

(d) Is it a fact that the use of leather adulterated with barium sulphate or barium compounds is injurious to the human body, and sometimes leads to serious cases of blood-poisoning?

(e) Is it a fact that in 1912 the Commonwealth of Australia issued a proclamation prohibiting the importation into that country of all leather meant for human wear containing any portion of barium sulphate or barium compounds?

[Mr. Das ; Mr. Clark.] [27TH FEBRUARY, 1914.]

(f) If barium sulphate or barium compounds are used anywhere in India in the manufacture of leather what measures, if any, does the Government propose to adopt to prevent the practice ?”

The Hon'ble Mr. Clark replied :—

The answers to questions (a) and (b) are in the affirmative.

(c) Inquiry has shown that the adulteration of leather with barium salts is not practised to any appreciable extent in any part of India.

(d) and (e). The attention of the Government of India has been drawn to the fact that the Australian Government have prohibited the importation for human wear of leather so adulterated, on the ground that it is injurious. The Government of India have not, however, received any further evidence to show that such leather is injurious, nor have any instances come to their notice of its causing blood-poisoning to those who wear it.

(f) The results of the inquiry indicate that there is no necessity for the imposition in India of statutory restrictions on the use of barium sulphate or compounds in the manufacture of leather. The principal tanners of the Madras Presidency have, however, been warned that the use of barium salts is objected to by English manufacturers, and that any tanner who may persist in the practice runs the risk of losing his export trade.”

The Hon'ble Mr. Das asked :—

2. “ Will the Government be pleased to furnish information on the following points :—

- (a) The value of rough tanned leather exported to England from each of the provinces of Bengal, Bombay, Punjab, Madras and United Provinces during the years 1910, 1911, 1912, and during the portion of 1913 for which figures are available.
- (b) The value of hides and skins exported to England from the provinces and during the periods named in (a).
- (c) What portion if any of the rough tanned leather exported from India to England is re-exported to Australia as finished leather or as leather goods ?
- (d) Will the Government be pleased to give separately the value of rough tanned leather and of hides and skins exported from India to Germany during the years 1911, 1912 and 1913 or such portion of 1913 for which the figures are available ?”

The Hon'ble Mr. Clark replied :—

“ With reference to questions (a) and (b), a statement* is laid on the table showing the value of hides and skins, tanned or untanned, which were exported to England from the Presidencies of Madras, Bombay and Bengal, and from Sind, during each of the three years 1910-11 to 1912-13. Separate figures are not available to show what proportion of these exports originally came from the Punjab or from the United Provinces.

(c) The information asked for in the Hon'ble Member's third question is not at present available, but efforts are being made to procure it.

(d) A statement* is laid on the table which contains the information asked for.”

The Hon'ble Mr. Das asked :—

3. “ Is the question of maintenance of land records under the consideration of the Government ? If so, when may its final decision thereon be expected ?”

Value of rough tanned leather, hides and skins exported to England and Germany.

Maintenance of land records.

[27TH FEBRUARY, 1914.] [*Sir Robert Carlyle ; Sir Ibrahim Rahimtoola ; Mr. Clark.*]

The Hon'ble Sir Robert Carlyle replied :—

"The question of the maintenance of land records in Bengal and Bihar and Orissa is under the consideration of Government. It is not possible to say when a final decision on the subject will be arrived at?"

The Hon'ble Sir Ibrahim Rahimtoola asked :—

4. "Will Government be pleased to state in parallel columns whether each of the countries named below works on the principles of free trade or on those of protection :—

Great Britain, France, Spain, Portugal, Italy, Switzerland, Belgium, Holland, Denmark, Germany, Sweden, Norway, Russia, Austro-Hungary, Bulgaria, Roumania, Servia, Turkey, Greece, United States of America, Canada, Australia, British South Africa and Japan?"

Countries where principle of free trade or of protection is observed.

The Hon'ble Mr. Clark replied :—

"It is impossible to answer the question raised by the Hon'ble Member in the general way in which he states it, since the terms 'protection,' and 'free trade,' are often very loosely employed. An entirely free trade country would be one where, as in the United Kingdom, import duties are levied for revenue purposes only, and where, in the event of the country itself producing articles of like character to those imported, an equivalent excise is also levied. An entirely protectionist country would be one where the customs tariff was framed throughout with the intention of encouraging local industries to the detriment of foreign imports by the levy of specially large duties on the latter, while the former were left free or might even receive bounties. Between these extremes, there is a large number of cases in which while a tariff is levied primarily for revenue purposes, it is also applied, in degrees which may be of very varying character, to the protection of local industries or some of them. It is quite impossible for the Government of India to state in general terms the exact system which prevails in each of the numerous countries the Hon'ble Member refers to in his question. That would imply an exhaustive study of the existing tariff of each country and of its history."

The Hon'ble Sir Ibrahim Rahimtoola asked :—

5. "With reference to the correspondence published by Government in connection with the Resolution passed by the Imperial Legislative Council in the matter of the re-opening of the ports of Calcutta and Chittagong for the embarkation of Mohammedan pilgrims proceeding to Mecca for pilgrimage :—

Mad. Pilgrimage.

(1) Will Government be pleased to state :—

- (a) what amount of non-recurring expenditure will be incurred if the port of Calcutta was re-opened for the embarkation of pilgrims?
- (b) what amount of annually recurring expenditure will be involved in re-opening the port of Calcutta to such traffic?
- (c) whether the proportion of pilgrims who went to *Hadj* from the Bengal Presidency during each of the last five years was as follows :—

Year.	Total number of pilgrims who left Bombay.	Pilgrims from the Bengal Presidency.	The percentage of Bengal pilgrims to the total number of pilgrims.
1908	16,111	5,644	35.04
1909	21,054	5,424	25.75
1910	18,023	4,739	26.30
1911	22,856	6,200	27.13
1912	15,464	4,938	31.93

[*Sir Ibrahim Rahimtoola; Sir Harcourt Butler; Mr. Clark* [27TH FEBRUARY, 1914.]]

(2) With reference to the telegram from the Government of Bengal quoted by the Hon'ble Sir Harcourt Butler in speaking on the Resolution referred to above, will Government be pleased to state whether the pilgrims, namely, 1,112 in 1892, 1,141 in 1893, 796 in 1894, 2,746 in 1895 and 920 in 1896, who arrived in Calcutta, proceeded on pilgrimage from that port?

(3) With reference to the following sentence, which appeared in letter No. 92 of the 9th January from the Officiating Secretary to the Government of Bengal, to the Secretary to the Government of India, Department of Education, namely, 'and further, the measures which would be necessary to safeguard the health of the City and the port of Calcutta would impose restrictions which would discourage pilgrims from embarking at this port,' will Government be pleased to state the nature and description of the restrictions under contemplation by the Government of Bengal?

(4) Will Government be pleased to state what were the maximum, minimum and average rates for deck passages from Chittagong to Jeddah for each year during the period that Chittagong remained the only port of embarkation for the pilgrims?

(5) With reference to letter No. 78 of 31st July, 1913, from the Officiating Secretary to the Government of Bengal, to the Secretary to the Government of India, Department of Education, will Government be pleased to furnish the names and addresses of the leading Mohammedan gentlemen who were consulted by the Governor of Bengal in Council, and to place on the Council table the opinions received from all such gentlemen?"

The Hon'ble Sir Harcourt Butler replied :—

"The whole question of arrangements for the pilgrimage to Mecca is now under consideration. The views of the Bombay Government are awaited. The matter has also been the subject of a Resolution in this Council. The Government of India have no information in regard to (a) and (b) of section (1), and in regard to (2) no accurate statistics are available to show the extent of the pilgrim traffic before the Port of Calcutta was closed. The figures (1) (c) are, it is believed, substantially correct. The third question refers to a matter entirely under the Local Government. An effort will be made to get the information asked for in clause (4).

The Government of India are not prepared to furnish the information asked for in clause (5) of the question."

The Hon'ble Sir Ibrahim Rahimtoola asked :—

6. "Will Government be pleased to furnish the following information :—

- (1) The average total quantity per annum of cotton piece-goods imported into India during each decade ending in 1870-1880—1890-1900 and 1910 ?
- (2) The average total value per annum of cotton piece-goods imported into India during each decade ending in 1870-1880—1890-1900 and 1910 ?
- (3) The average total quantity per annum of cotton piece-goods manufactured in India by power looms during each decade ending in 1870-1880—1890-1900 and 1910 ?
- (4) The average total value per annum of cotton piece-goods manufactured in India by power-looms during each decade ending in 1870-1880—1890-1900 and 1910 ? "

The Hon'ble Mr. Clark replied :—

"A statement* is laid on the table which gives the information asked for by the Hon'ble Member in so far as it is available. I regret that figures cannot be supplied showing for the periods specified the quantity and value of cotton piece-goods manufactured in India by power-looms."

Quantity and value of cotton piece-goods imported into, and manufactured in, India.

* *Vide Appendix B.*

[27TH FEBRUARY, 1914.] [*Sir Ibrahim Rahimtoola; Mr. Clark; Raja Kushal Pal Singh; Sir Robert Carlyle; Sir Reginald Craddock.*]

The Hon'ble Sir Ibrahim Rahimtoola asked :—

7. " Will Government be pleased to furnish the following information for each of the last ten years :—

Year.	The total quantity of raw jute exported from India.	The total quantity of manufactured jute exported from India.	The total quantity of raw hides exported from India.	The total quantity of tanned hides exported from India.	The total quantity of raw goat and sheep skins exported from India.	The total quantity of tanned goat and sheep skins exported from India.
1903-12.*						

Raw and manufactured jute, raw and tanned hides and raw and manufactured goat and sheep skins exported from India.

The Hon'ble Mr. Clark replied :—

"The following statement* is laid on the table."

The Hon'ble Raja Kushal Pal Singh asked :—

8. " Will the Government be pleased to lay on the table a statement showing, in each major province, the amount of revenue reduced on account of deterioration during the currency of settlements in—

- (a) Estates under the management of the Court of Wards,
- (b) Estates under private management during the last five years."

Amount of revenue reduced on account of deterioration during currency of settlements.

The Hon'ble Sir Robert Carlyle replied :—

"Government is unable to give the statement asked for, as the revenue returns do not show separately reductions in the annual demands due to deterioration from those due to other causes."

The Hon'ble Raja Kushal Pal Singh asked :—

9. "(a) Has the attention of the Government been drawn to the last paragraph of the Hon'ble Colonel Manifold's speech reported on page 294 of the proceedings of the United Provinces Legislative Council for 1911 ?

(b) Will the Government be pleased to state whether any research scholarships have been granted ?

(c) Do the Government propose to consider the desirability of creating similar research scholarships in other Medical Colleges as well ?"

Research scholarships in Medical Colleges.

The Hon'ble Sir Reginald Craddock replied :—

"(a) The Government of India have seen the speech in question.

(b) It is not known whether any research scholarships of the kind indicated have yet been created or not.

(c) The matter is one for consideration by Local Governments by whom the funds for such scholarships would be provided."

[*Raja Kushal Pal Singh*; *Sir Reginald Craddock*; *Rai Sri Ram Bahadur*.] [27TH FEBRUARY, 1914.]

The Hon'ble Raja Kushal Pal Singh asked :—

Suggestions made by Decentralization Commission re. Divisional Conferences.

10. "(a) Has the attention of the Government been drawn to the suggestion made by the Royal Commission upon Decentralization in India in paragraph 533, which runs as follows :—

Each Commissioner should convene periodical divisional conferences to which non-officials of standing from different districts would be invited in respect to subjects in which they are likely to be interested. Such conferences, before which important matters relating to the Division would be placed, seem to us to afford a due opportunity of co-ordinating official and representative non-official opinion.

(b) Will the Government be pleased to state what steps, if any, have been taken in the various major Provinces to give effect to the above suggestion ?"

The Hon'ble Sir Reginald Craddock replied :—

"The Government of India considered at the time the passage referred to in the Report of the Decentralization Commission, and the opinions of Local Governments were elicited regarding it. These recognised, generally, the value of such conferences in certain circumstances, but no definite orders were issued by the Government of India prescribing them. The application of the principle underlying them is primarily for local consideration, and the matter can scarcely be governed by absolute rules."

The Hon'ble Raja Kushal Pal Singh asked :—

Suggestions made by Decentralization Commission re. District Boards.

11. "(a) Has the attention of the Government been drawn to the suggestion made by the Royal Commission upon Decentralization in India in paragraph 534, which runs as follows :—

We also agree with those witnesses who spoke against a separate Advisory Council for the Collector. We consider that the District Boards which include leading officials of the District as well as representative non-officials, afford a convenient instrument for furnishing advice to the Collector upon matters which, although not included in their administrative sphere, affect the District generally, or important portions of its area or people. We understand that some Collectors do already make use of their District Boards in this way ; but we should like this practice extended.

(b) Will the Government be pleased to state what steps, if any, have been taken in the various major Provinces to give effect to the above suggestion ?

(c) If no step has been taken, do the Government propose to call the attention of the Local Governments to this recommendation of the Royal Decentralization Commission ?"

The Hon'ble Sir Reginald Craddock replied :—

"The Government of India are aware of the passage quoted from the report of the Decentralization Commission. It was considered by all Local Governments, though no definite orders were issued in respect of it. Of these it scarcely permits, and the matter is essentially one to be dealt with by the Provincial Governments in the light of the circumstances of different districts and the questions upon which it is desired that public opinion should be elicited. It cannot be reduced to rules and it is not proposed to attempt to do so."

The Hon'ble Rai Sri Ram Bahadur asked :—

Number of Hindu and Mohammedan Orphanages.

12. "Will the Government be pleased to state the number of Hindu and Mohammedan orphanages respectively, as well as the places where they are situated, in each of the major Provinces of India ?"

[27TH FEBRUARY, 1914.] [Sir Reginald Craddock; Mir Asad Ali; Sir Harcourt Butler.]

The Hon'ble Sir Reginald Craddock replied :—

"Steps are being taken to collect the necessary information which will be communicated when available."

The Hon'ble Mir Asad Ali asked :—

13. "With reference to my question regarding separate Mohammedan representation and the reply given thereto on the 9th of September last, will Government be pleased to state (a) whether the question above referred to is still under the consideration of Government, or whether Government have arrived at any conclusion on the subject, and (b) whether Government propose to carry out the recommendations of the Royal Commission on Decentralization in regard to communal representation (*vide* Report, pages 264, 281 and 308, paragraphs 789 and 850 and Recommendation, paragraph 109)?"

Separate Mohammedan representation.

The Hon'ble S Harcourt Butler replied :—

"The question is under consideration and the Government of India can make no statement at this stage."

The Hon'ble Mir Asad Ali asked :—

14. "Will Government be pleased to give in a tabular form, province by province, for each year, since the passing of the Press Act of 1910—

Press prosecutions.

(i) the total number of proceedings taken under the Press Act against presses owned (a) by Indians, (b) by Europeans,

(ii) the number of (a) English and (b) vernacular newspapers owned or edited by Indians, the editors or printers of which have been (a) prosecuted, (b) convicted under Chapter VI or section 153A of the Indian Penal Code,

(iii) the number of (a) English and (b) vernacular newspapers owned or edited by Indians, (1) the deposits of which have (a) reached the maximum allowed by law, (b) been enhanced, (c) been forfeited, (2) the presses of which have been confiscated,

(iv) the total number of (a) English (b) vernacular newspapers owned or edited by Indians immediately before the Press Act, 1910, was passed and at present,

(v) the number of (a) newspapers owned or edited by Europeans previously warned before proceedings under the Press Act were taken against the editors or printers, and the number of (b) newspapers owned or edited by Indians similarly so warned giving the figures for English and vernacular papers separately."

The Hon'ble Sir Reginald Craddock replied :—

"(i), (ii), (iii) The information asked for has been obtained from Local Governments and is laid on the table."

(iv) A statement^a giving the latest information available is laid on the table.

(v) When the Press Act was passed the Government of India impressed upon Local Governments the desirability of giving warnings to offending newspapers or presses before taking definite action against them, and they have every reason to believe that these instructions are generally followed. Such warnings may be formal or informal and in the latter case no record is kept of them. It is not therefore possible to furnish the Hon'ble Member with figures which would present with sufficient accuracy the information he wants."

[*Mr. Rama Rayanigar* ; *Sir Robert Carlyle* ; [27TH FEBRUARY, 1914.]
Mr. Wheeler ; *Sir William Meyer*.]

The Hon'ble Mr. Rama Rayanigar asked :—

Proposed
increase
of land cess
in Madras.

15. "(a) Have the Government of India received any information that the Government of Madras propose to increase the land cess so as to provide funds for the improvement of means of communication in rural areas ?

(b) If so, is any such increase consistent with the declared policy of the Government of India ?

(c) If the answer to part (a) is in the affirmative, will the Government of India be pleased to say if they will recommend the Local Government to consider the desirability of levying a cess on non-agricultural sources of income instead of increasing the land cess ?"

The Hon'ble Sir Robert Carlyle replied :—

"(a) The Government of India have no official information on the alleged proposal but have seen it mentioned in newspapers.

(b) Until specific information is before them the Government of India cannot say if such a proposal would be consistent with their declared policy.

(c) As regards clause (c) of the question, I would invite a reference to the views expressed by the Hon'ble the Finance Member in replying to the Resolution moved by the Hon'ble Rai Sri Ram Bahadur on the 25th February."

THE INDIAN MOTOR VEHICLES BILL.

The Hon'ble Mr. Wheeler :—" Sir, I beg to move that the Report of the Select Committee on the Bill to consolidate and amend the law relating to Motor Vehicles in British India be taken into consideration."

The motion was put and agreed to.

The Hon'ble Mr. Wheeler :—" Sir, I understand that the two amendments of which notice was given have been withdrawn. I therefore beg to move that the Bill, as amended, be passed."

The motion was put and agreed to.

THE LOCAL AUTHORITIES LOANS BILL.

The Hon'ble Sir William Meyer :—" Sir, I beg to move that the Report of the Select Committee on the Bill to consolidate and amend the law relating to the grant of loans to Local Authorities be taken into consideration. I had the honour to present the Report at a recent sitting of the Council, and as I then pointed out, the only alterations that the Select Committee made in the Bill as originally drafted were of a purely verbal character and intended to make the meaning of three or four passages more clear."

The motion was put and agreed to.

The Hon'ble Sir William Meyer moved that the Bill, as amended, be passed.

The motion was put and agreed to.

[27TH FEBRUARY, 1914.] [Raja Kushal Pal Singh.]

RESOLUTION REGARDING LONG-TERM LAND-REVENUE SETTLEMENT.

The Hon'ble Raja Kushal Pal Singh :—“ Sir, I beg to move that the Council do adopt the following Resolution :—

That this Council recommends to His Excellency the Governor General in Council that the opinions of Local Governments be invited as to whether they consider it desirable and practicable to extend the period between settlements of land-revenue from 20 or 30 to 50 years, in such parts of the country as are become ripe for permanent settlement, in accordance with the conditions laid down in the Secretary of State for India's despatch of 1862.

“ Believing as I do that a *permanent* settlement of the land-revenue would be in the highest degree beneficial to the people, and would add to their wealth, prosperity and staying power, I nevertheless refrain from asking so much. Quite a distinguished body of Anglo-Indian and British statesmen have expressed themselves in favour of a permanent settlement. Three Governors General under the East India Company, three Viceroys under the Crown, men like Lord Canning, Lord Lawrence and Lord Ripon, exerted all their great influence towards imposing a permanent limitation on the land tax in India. But they were over-ruled by the authorities in England. From its earliest years, the Indian National Congress has included in its Resolutions a pressing demand for the permanent settlement of land-revenue in India. The Provincial and All-India Moslem Leagues also recommend it. My request, now made, is a most moderate one. Thirty years is too short an interval between the revisions of settlement. Its extension to 50 years is absolutely essential to the well-being and prosperity of our agricultural populations. Secretaries of State, Royal or Government Commissions, Viceroys, Governors General, Lieutenant-Governors, Members of Council, and other high officers have discovered and acknowledged the harm which periodical revisions of the land-revenue demand entail. The harassing nature of the operations, the door they open to corrupt and oppressive practices, the enhancements they bring about have been described in vivid colours by men like Sir Auckland Colvin, Mr. Carpenter and others, with their life-experience of Indian land tenures. The disadvantages due to, and inseparable from, 30-year settlements are graphically described in the Secretary of State for India's despatch of 1862, from which the following quotation is taken :—

It must also be remembered that all revisions of assessment, although occurring only at intervals of thirty years, nevertheless demand, for a considerable time previous to their expiration, much of the attention of the most experienced Civil officers whose services can be ill-spared from their regular administrative duties. Under the best arrangements, the operation cannot fail to be harassing, vexatious, and, perhaps, even oppressive to the people affected by it. The work can only be accomplished by the aid of large establishments of native ministerial officers, who must, of necessity, have great opportunities for peculation, extortion, and abuse of power. Moreover, as the period for re-settlement approaches, the agricultural classes, with the view of evading a true estimate of the actual value of their lands, contract their cultivation, cease to grow the most profitable crops, and allow wells and water-courses to fall into decay. These practices are certainly more detrimental to themselves than to the Government, but there can be no question that they prevail extensively. The remedy for these evils, the needless occupation of the valuable time of the public officers employed in the revision, the extortion of the subordinate officials, and the loss of wealth to the community from the deterioration of cultivation, lies in a permanent settlement of the land-revenue.

“ If the duration of settlements is extended, the expense and harassment incidental to the present mode of assessment operations, and recurring every 20 or 30 years, would be materially lightened, and the accumulation and investment of capital directly encouraged ; the people would lead a fuller and more contented life, and the indirect benefit thus accruing in the future would more than compensate for any immediate loss of revenue. Mr. Seton-Kerr enumerates the disadvantages of the present settlement system thus—

As the period for revision draws nigh, a certain amount of distrust and disquietude arises in the minds of the population. Wealth is concealed, lands are purposely thrown out of cultivation, and many unfair means are resorted to to avoid all increase of rental.

“ At the time of settlements, a great deal of litigation ensues between tenants and landholders, and between tenants and other persons ; and much

[Raja Kushal Pal Singh.] [27TH FEBRUARY, 1914.]

ill-will and bitterness are engendered between them. The time of settlement becomes one of general enhancement of rent. The result is that one class is set against another; and a good deal of irritation is caused by enhancement and abatement proceedings. All sorts of claims, real or imaginary, are put forward at the time of settlement, against both tenants and landholders. Claims on the ground of joint tenancy are quite the usual thing. At such times there is a very large number of suits respecting rights in tenancies, and for declaration of status. The number of suits for resumption and assessment of rent-free grants is equally large. In short, great bickerings and free fights between class and class occur at the time of settlement. The agricultural population of the area under settlement are thrown into a state of great ferment and wild excitement during the continuance of assessment operations. It has been rightly said that there is nothing more unsettling than settlements. If the Resolution before the Council is accepted much of the ill-feeling and irritation arising from the frequency of settlement operations will be avoided. The advantages of long-term settlements are obvious. In spite of all precautions, every re-adjustment of land-revenue is a harassment of the people.

"Short-term settlements cut away all incentives to improvements; while more extended ones give some assurance and encouragement to the people, and promote enterprise in the landed classes.

"The statement given on page 543 of the Proceedings of the United Provinces Legislative Council for 1913 shows what an enormous amount of public money is spent on settlement operations. Although, recently, economies have been effected by the simplification of the procedure, yet even now the cost of settlement work is very large, as may be seen from the statement referred to above. If the period between settlements is extended, there will be a considerable saving of public money.

"The Secretary of State's despatch of 1862 authorised a permanent settlement in tracts where four-fifths of the cultivable area had been brought under cultivation and assessed. In places where the maximum cultivable area has been brought under tillage, there is no good reason for not extending the period of settlements from 30 to 50 years.

"In the Resolution dated 16th January, 1902, the Government of India said:—

Where the land is fully cultivated, rents fair, and agricultural production not liable to violent oscillations, it is sufficient if the demands of Government are re-adjusted once in thirty years, i.e., once in the lifetime of each generation. Where the opposite conditions prevail, where there are much waste land, low rents and a fluctuating cultivation, or again where there is a rapid development of resources, owing to the construction of roads, railways, or canals, to an increase of population or to a rise in prices, the postponement of re-settlement for so long a period is both injurious to the people who are unequal to the strain of a sharp enhancement, and unjust to the general tax-payer who is temporarily deprived of the additional revenue to which he has legitimate claim.

"In reply to the question asked in the United Provinces Legislative Council on the 18th April, 1910, Mr. Hoare stated:—

The latest figures regarding the areas cultivated and culturable in the United Provinces are contained in Statement II appended to the Director's Season and Crop Report for 1908-09, which is a publication on sale to the public. Comparison of the figures as shown in the statement would be misleading as an indication of how nearly cultivation has approached the possible limit, because the cultivable area includes groves, the maintenance of which is essential and which themselves provide a not inconsiderable food-supply. Allowing for this and including groves in the cultivated area the following districts show a percentage of cultivated to culturable of 80 per cent or over:—

Saharanpur, Muzaffernagar, Meerut, Bulandshahr, A garh, Muthra, Agra, Mainpuri, Barielly, Budaun, Moradabad, Shahjahanpur, Benares, Ballia, Gorakhpur, Basti, Sitapur, Fyzabad, Su'tanpur, Partabgarh, Barabanki.

Perhaps one or two more should be included since a part of the land shown as current fallow should also be included with the cultivated area. It cannot, however, be said what the area so to be included in each district should be.

[27TH FEBRUARY, 1914.] [*Raja Kushal Pal Singh.*]

“ So far as the United Provinces of Agra and Oudh are concerned, the majority of districts have reached that condition. Means of communication have been opened in most districts, and no further appreciable development in this respect can be expected. The plea of a further rise in the prices of marketable commodities can no more have any force, because the usual prices at present prevailing are what formerly used to be regarded as famine prices. Prices have reached their utmost limits, and the expectation of any further rise is sure to meet with disappointment. The statements under the heading ‘ Prices current,’ given in the ‘ Statistical Abstract relating to British India from 1901-02 to 1910-11,’ affords proof that in recent years prices have shown a tendency to become stationery. Railways and roads have equalised prices. India is no longer isolated, but has been linked up with the world’s commerce. The result is that the prices of agricultural productions are not liable to violent oscillations.

“ Even if there has been some slight advance in prices, we must not lose sight of the fact that the soil of India is becoming impoverished. The question whether or not its fertility is approaching exhaustion has been fully discussed by Dr. Voelcker, in his report on the ‘ Improvement of Indian Agriculture.’ He says :—

It must be accepted as an axiom in Agriculture that what is taken off the land in crops must in some way be put back into the soil, or else the soil will suffer exhaustion. It is an equally accepted fact that the production of heavier crops means that more manure must be applied to the land. A country which exports both crops and manure must be declining in fertility. Now, what is the state of things as regards India? On the one hand, there is a large export of oil-seeds, cotton, and other products besides an increasing one of wheat, all of which remove a considerable amount of the soil-constituents. What is returned in their place? Only the straw or the stalks and leaves; and it is not even correct to say that these are returned, for, after all, it is only a portion, and frequently a very small portion, that does find its way back to the soil. Part is necessarily used up in the bodies of the cattle, part is wasted by imperfect conserving and storing of manure, part must unavoidably be lost, however great the care that may be taken; thus it comes about that it is only a fraction that contributes finally to making up the loss the soil has sustained.

The consequence must be that the soil becomes gradually poorer, though the effect may not as yet be visible to the eye; for, even if the soil be still producing the same crops, the *potential fertility* (by which I mean the reserve of constituents for the production of future crops) must be suffering loss, and the capabilities of the soil must be less than under a system of equal giving and taking. In face, therefore, of the enormous increases recorded in the population, and future increases that will have to be met, it becomes a most serious question how the food for these millions is to be found; in other words, how the manure is to be obtained without which the crops necessary for feeding these people cannot be grown.

I cannot, therefore, agree with the theory that fixes a certain level to which production may sink, but below which it will not go. This is apparent rather than real. The decline may be slow, but this is a mere matter of time.

“ The fact that the cost of living has vastly gone up of late years should also not escape consideration. High prices mean dear labour, and high wages tell on the cost of production. The cost price of articles has kept pace with the selling price; and so the enhanced outlay on cultivation should not in fairness be overlooked. The standard of comfort in living has likewise risen; and even cultivators and peasant-proprietors have been touched by such change.

“ The construction of roads, railways, and canals has been set down as a ground for the enhancement of revenue. But the real advantages which the cultivator secures from new roads or lines of railways are shown in a rise of prices. When a tenant takes canal water for a field which was not so irrigated at the previous settlement, it is well known that, in addition to the payment he makes for the water, a charge is made on the landholder, in order that Government may share in the enhancement of rent that is supposed to follow. In the Canal Law of 1873, this is called the ‘ owner’s rate.’ Advantages derived from canal irrigation are thus fully taxed during the currency of a settlement. The term of 30 years was fixed, not by law, but by executive order for the first regular settlement. And this term has been very general for temporary settlements. One of the objects in fixing the period of 30 years was to encourage improvements by securing to the improvement-making proprietor the benefit of an increase during the term of settlement. In the United

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Provinces the exemption from assessment of improvements by irrigation is guaranteed until the expiry of the settlement next succeeding that during the currency of which the improvement was carried out. The term of exemption may therefore possibly vary from 30 to 60 years, and is usually 50 years.

"The statement given on page 539 of the Proceedings of the United Provinces Legislative Council for 1913 will show that in no fewer than eight districts the Government of the United Provinces has extended the period of settlement.

"But instead of extending the original term of settlement, the Government kept postponing the re-settlement from time to time. At the anticipated approach of each renewal of assessment which necessitates revision of records of rights as well, all the bitterness of feeling and the strained relations between landholders and tenants were engendered. If instead of these postponements the original term of settlement had been fixed for a lengthened period, all this would have been obviated. I mention Agra as an instance. It is admitted that the assessment of Agra District at the time of its introduction was undoubtedly high. But the settlement was sanctioned for a period of 30 years only. In 1903, however, the present settlement which would have expired in 1907 was extended for a further term of 10 years. Two years ago the re-settlement of Agra District was postponed till the year 1922.

"This system of extending the period of settlement from time to time in the way described above causes loss to Government. On the approach of an impending revision of settlement, cultivation is neglected and lands are purposely thrown out of cultivation.

"I, therefore, recommend that instead of extending the term of settlement from time to time the longer term of 50 years should be fixed where assessments are full.

"Where the land is fully cultivated, and rents are fair, it will be sufficient if the demands of the Government are re-adjusted twice in a century, i.e., after intervals of 50 years. I venture to say that landholders will not grudge to give their tenants greater fixity of tenure, if they are assured that the term covered by a settlement will be lengthened out to 50 years. The very thought of revision of assessment at short intervals hangs like the sword of Damocles over the landholders' heads, and does not give that peace of mind which is so necessary to enable them to improve their own estates, or to help their tenants in improving their condition.

"The late lamented Mr. R. C. Dutt says:—

Land is the source of living of four-fifths of the population; leave them good margin of profits from land and they are prosperous; sweep away all increase in the profits from land into the Imperial treasury at every settlement, and they are impoverished and helpless.

But if the settlement officer is constantly among the agricultural population, pruning away every increase in the profits from land once in thirty years, or once in fifteen years, it is idle to talk of improvement in the condition of the agricultural population.

"It is no doubt true that settlement officers themselves do not consciously make excessive demands; on the contrary, they desire to be moderate and fair. Yet, nevertheless, the anxiety to show some increase in the revenue animates all officers from the highest to the lowest; and every increase in the revenue means a corresponding decrease in the resources of the people, and in their ability to provide against years of bad harvest. The share of the produce from the land generally left to the people enables them to live well enough in good years, but it does not enable them to provide against bad times.

"In the Resolution issued by the Governor General in Council on the 16th January, 1902, the Government of India say:—

The general question of the term of settlement was exhaustively examined in 1895, when it was finally decided by the Secretary of State that 30 years should continue to be the ordinary term of settlement in Madras, Bombay and the North-Western Provinces, that in the Punjab 20 years should be the general rule (30 years being admitted in some cases), and in the Central Provinces 20 years also. A 30 years' term has been adopted for the recent re-settlement of Orissa.

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"It is now nearly 20 years since the last examination of the general question of the term of settlement by the Government of India. A vast change has taken place in the economic condition of India in the meantime. In Northern India, especially in the United Provinces, the most noticeable feature of the last two decades has been a series of years of drought and scarcity. A series of seasons of deficient rainfall has produced certain cumulative effects. The eminent Indian economist, Professor V. G. Kale, M.A., writes in his 'Industrial and Economic Problems' that 'if we look into the history of the rise of prices for the last few years, we see that they have been generally regulated by the conditions of the harvest, though latterly they seem to have become permanent, drought or no drought. Even in times of normal rainfall prices are as high as in times of scarcity.'

"The time has now arrived when this question of the term of settlement should be re-examined in the light of the altered economic conditions; and the opinions of the Local Governments on this subject might also advantageously be invited and considered.

"There is no other question which so directly and vitally affects the condition of the mass of the people as this one.

'In the Resolution of the 16th January, 1902, the Government of India say: 'The question of the effect upon the domestic life of the community of long as against short settlements has been the subject of much discussion. It may be regarded as certain that long-term settlements leave more money to the people, however large be the revenue enhancement at the close.'

"The policy of long-term settlements is gradually being extended, the exceptions being justified by conditions of local development.

"In conclusion, I beg to submit that all I ask for is that the opinions of the Local Governments be invited as to whether they consider it desirable and practicable to extend the intervals between settlements of land-revenue to 50 years, in those parts of the country, where the land is fully cultivated, where rents are fair, and agricultural productions not liable to violent fluctuations. I do not recommend the extension of the period of settlement for those parts where opposite conditions prevail.

"With these observations I resume my seat, in the hope that the Resolution I have laid before the Hon'ble Council will receive the sympathetic consideration of the Government."

The Hon'ble Sir Gangadhar Chitnavis:—"Sir, I beg to support the Resolution more in the interests of the tenant than of the Malguzar, especially as I take it the intention of the mover seems to be to pray for greater elasticity in the period of settlements depending upon the development of the districts to be settled. Time and experience have so far only lent force to my conviction. In my opinion, the time has come for the adoption of a more liberal policy as regards period of settlement, certainly for a period of more than 30 years. I need not raise on this occasion the question of a permanent settlement which does not find the same amount of official support as in 1862, although I have reasons to believe Lord Minto favoured some system approaching to it and moved the Secretary of State for an extension of the principle so far as tenants were concerned. The weighty pronouncements made by high Government officials within the last twenty years, however, about the factors determining the period of settlement justify an appeal for longer settlements. Sir Antony Macdonnell, now Lord Macdonnell, an acknowledged authority on land tenures, as Home Member, in reply to two of my interpellations on the subject in 1894, stated broadly that with the supervision of normal conditions with development there would be a strong case for long-term settlements. The same principles underlay Lord Curzon's celebrated Land Revenue Resolution of 1902, as the passage quoted by the Hon'ble Mover will show. It is useless to multiply authorities. A review of the official literature leads one to the conclusion that the sufficient economic development of an area must *per se* afford ground for a long-term settlement of the land-revenue

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within that area, if not for a permanent settlement. According to the official view, judging from the despatch of the Secretary of State of 1895, and the Government of India's Resolution of 1902, a thirty-year settlement would be a long-term settlement, although, as a matter of fact, temporary settlements have a longer currency in some areas, as in parts of the United Provinces. Now it is difficult to draw the line between the stages of economic development which justify a thirty-year settlement and a longer-term settlement, and to find a reason for the denial of the privileges of a longer-term settlement to areas where communications are fairly developed, rents are fairly high, and cultivable waste is negligible.

"Sir, the main reason for enforcing the lower limit is the anxiety of Government to share in the unearned increment of land. Now so far as the Malguzar is concerned, a longer period of settlement will mean the postponement of appropriation of his share of the profits as in the case of Government. The unearned increment, assuming there is any during a period of 30 years, is appropriated by the tenant. The land legislation of every province has secured and will secure the tenant in the enjoyment of his rights as against the landlord. The question of enhancement of tenants' rents during the currency of the settlement need not be seriously discussed. Leaving out of count the Malguzar's *shar*, which forms after all a small proportion of the whole cultivated area, the dispute about the unearned increment is between the Government and the tenant whose interests are supposed to be the subject of the special care and concern of the Government. It will be quite in harmony with the spirit of protective land legislation if in a difference of this kind the Government treats the actual cultivator with some degree of liberality. Even on the theory of the supervention of a large unearned increment during the life-time of a generation an extension of the period of settlement would be, not only a justifiable procedure, but sound policy, and the recommendation embodied in the Resolution before the Council should be acceptable to Government. But the whole theory of a large unearned increment being appropriated by the tenant is wrong in fact. The conditions of sufficient economic development premised, there is not much room for a large unearned increment. Supposing prices of agricultural produce do advance in the interval, an assumption of a consequential increase in the agriculturist's profits is unwarranted. Any one conversant with the movements of economic factors knows that a stable rise in prices is generally equated by a corresponding increase in the cost of production. Then there are the normal effects upon the domestic economy of the agriculturist of a general advance in prices of all necessaries and of increased wants incidental to a progressive and attractive material civilisation. There are also the uncertainties of cultivation, one of the most certain of eventualities, and the gradual deterioration of the soil to which the Hon'ble Mover has already alluded to keep down agricultural profits to the lowest level. The prosperity due to bumper crops and high prices is discounted by the losses entailed by a succession of poor crops. Increase in rural population is another disquieting factor in rural economy. The large agricultural indebtedness again, except in certain well defined tracts, testifies to the unsoundness of the theory of large agricultural profits. Improvidence alone will not explain that indebtedness. Every consideration would negative this theory of a large unearned increment during thirty years, and would counsel the abandonment of a policy of quick appropriation of the Government's share of it.

"Sir, one strong argument against the extension of the period of settlement is that the tenants make large profits by sub-letting their holdings. The fact that improvement of the soil by heavy manuring at the tenant's expense can alone make sub-letting continuously profitable would show once for all that the profits, such as they are in such cases, are not due to unearned increment. The change very often made in the soil classification at every revision of settlement and unconscious tendency of the Settlement Department to transfer lands of one class to a higher class for the purposes of assessment entail hardship upon the cultivators, and discourage all efforts at improvement; and this cannot but be regarded as a national loss. The blame is not the Settlement Officer's. I

[27TH FEBRUARY, 1914.] [Sir Gangadhar Chitnavis; Mr. Ghaznavi; Mr. Rice.]

can bear personal testimony to the patience, tact and industry he brings to bear in the discharge of his unpleasant duty and how hard working and careful he is. But he cannot prevent the operation of economic laws. The fault is in the system.

"The solicitude of Government in the interest of the general tax-payer, advanced as an argument in favour of short-term settlements, will likewise be found on scrutiny to furnish a weak defence of the system. The last Census shows that agriculturists form 71 per cent of the total population, leaving 29 per cent of non-agricultural population to make up the total. Of this 29 per cent there must be a section which cannot be taxed in any way. The general tax-payers thus form only a small portion of the people, and care must be taken to see that any theoretical considerations of justice to them do not prove harassing in effect to the much larger agricultural community. Besides the cultivator pays most of the indirect taxes in common with the others. Over and above the Land Revenue and the Irrigation Revenue, the whole of which the agriculturist pays, he contributes to the Excise Revenue, the Customs Revenue, the Stamp Revenue, the Salt Revenue, and some others that could be named. He has therefore as good a claim to be classed as a general tax-payer as anybody not having anything to do with land. There cannot thus be any sound reason for refusing to extend the period of settlement from 30 years to 50 years in the developed areas.

"Sir, in this matter of period of settlements the Province I have the honour to represent has a special grievance. In the early sixties we had the thirty-year settlement and a permanent settlement was within sight. With the development under British Rule during the succeeding years the period of settlement was reduced to 20 years, and in some cases to 15 years, and we now have a normal of a twenty-year term. It would be idle to contend that the Provinces have become more undeveloped in the interval. But development in our case, for some unaccountable reason, has had the opposite effect of reducing the period of settlement, and the actual settlement is at variance even with the more illiberal principles laid down in the 20th century."

The Hon'ble Mr. Ghaznavi:—"The land-revenue of the country is determined by what is known as settlement, of which there are two kinds: permanent and temporary. Lord Cornwallis introduced the system of permanent settlement in India at the close of the 18th century and in Bengal it has been prevalent since 1793 and the greater part of Oudh since 1859. It also extends to certain districts of Madras. On the basis of trigonometrical and topographic surveys carried out by the Government of India all lands under the temporary settlement system are assessed at intervals of 30 years or more. The scope of the Resolution is to extend that period to 50 years. At a time when relations between the Government as supreme landlord and zemindar or ryot were considerably strained that wise statesman Lord Cornwallis formulated a scheme of permanent settlement which at once pacified the country and has since been not only a boon in the areas where it was introduced but has created a class of men of the staunchest loyalty to Government. Without further entering into the merits of the permanent settlement system it will be enough to say that the trend of policy enunciated by that wise statesman is to gradually extend the system of permanent settlement throughout India. This resolution is a very modest demand and seeks merely the making of an experiment toward that policy in such areas that are considered as ripe by the Local Governments whose opinions it has been desired to invite. Under such circumstances it is to my mind not an unreasonable one, and I therefore have much pleasure in supporting this Resolution."

The Hon'ble Mr. Rice:—"Sir, perhaps I may be allowed to make a very few remarks on one aspect of the subject under discussion, namely, the question what is the practice in other civilised countries as regards the duration of settlements in the taxation of land. I have collected some information on this point, but I must explain that my information is necessarily tentative, as I have no first-hand experience, and one has to be careful in making

[*Mr. Rice; Maharaja Manindra Chandra Nandi.*] [27TH FEBRUARY, 1914.]

statements regarding systems of taxation with which one has not got a personal acquaintance; but so far as I can gather, there is no country which ventures on a guarantee against change for a longer period than 30 years.

"In England, as we know, land has to pay tithes and rates as well as the income-tax; and all these payments, which amount to a considerable sum, are liable to changes from year to year. The valuations for income-tax last for three years only, and the rate of the tax itself may be altered annually.

"The French land tax, which is more like our Indian land-revenue, was till lately an 'apportioned' tax; and the distributions over districts and villages, and consequently the amounts payable by individual landholders, might vary from year to year. The tax has, I understand, been lately transformed into a 'rated' tax, like our own, and I have not been able to find out for what term the assessments are now guaranteed; but I find a prominent French economist recommending a few years back that the assessments should be liable to revision every ten years. Foreign economists, indeed, when dealing with the land-revenue, seem generally to lay much stress on the necessity for frequent revision, in order to adapt the tax to the resources on which it is paid. Their grievance is that the existing terms of settlements are too long; and the point of view underlying the Hon'ble Member's Resolution does not appear to have occurred to them.

"In France, as in other countries, it appears that the assessments or valuations are often allowed to run on, as they sometimes do in India, beyond the guaranteed terms, or, in the case of some countries, there may be no term guaranteed at all and re-assessments made when convenient. In Belgium, for instance, I find it stated that there were revaluations in 1812-16 and again in 1860 and again in 1896, but apparently without any guarantee regarding the term for which the valuation was to last. In Prussia and Austria, on the other hand, the assessment when made was guaranteed for 15 years, but was allowed to run for longer. In Italy, I believe, the new valuations are to last for 30 years, and in Egypt the taxpayers are guaranteed against redistribution for a similar period. In the minor European States (some of the Balkan States) I find notices of settlements for one, three, five or ten years, but none for longer terms; and in the United States of America revaluations appear to be carried out at intervals varying from one to four years.

"It seems to me therefore to be beyond doubt that a landholder in India, who enjoys a guarantee against change for 20 or 30 years, is in a position quite as favourable as that of the landholders in other civilised countries; and there is nothing in the practice of other parts of the world to justify an extension of the term to 50 years."

The Hon'ble Maharaja Manindra Chandra Nandi of Kasim Bazar:—"Sir, if there is one thing more certain than another it is that short-term settlements have the direct effect of interfering with the full development of the resources of the land. At every revision of the settlement there is an enhancement of the land-revenue and the landholder or zemindar who spends money in improving his land does so with the full knowledge that after ten, twenty or thirty years he will be called upon to pay a higher rate of land-revenue. Where the land is permanently settled this apprehension does not arise, and landowners do not hesitate to spend freely on the improvement of their lands. Even if it is found impracticable to extend the permanent settlement all over India, it is necessary that there should be some guarantee that the man who bears the cost of the improvement of the land should enjoy the profits for a reasonable number of years. Land-revenue may be looked upon as an elastic source of income to the State, but it is obvious that a point must be reached beyond which the elasticity of revenue from the land can no further be stretched, and it is wise that that time should be put off as long as possible. In order to attain this object the present terms of settlements should be enhanced and a period of 50 years seems to be a fair compromise. With these few remarks I beg to support this Resolution."

[27TH FEBRUARY, 1914.] [*Mr. Rama Rayaningar ; Mr. Diack.*]

The Hon'ble Mr. Rama Rayaningar :—“ Sir, my position as the representative of both the zamindars and landholders of Madras makes it undesirable that I should give a silent vote in support of the Resolution. There is some risk of my attitude being misunderstood. The point raised in the resolution is of no consequence to the zamindars, as the ‘landed estates’ are permanently settled. It is the ryotwari holdings that are held by the landholders under a temporary settlement from Government. Now the usual period is 30 years, though there are instances in which it is even less. The extent to which holdings are divided in Government *zeraiti* lands makes the position of landholders nothing better than that of zamindari ryots. But there is a material difference between the rights of the two. The temporary landholder on Government *zeraiti* lands does not enjoy two of the most important privileges secured by the Madras Estates Land Act to the ryot of the zamindari estate. In the first place, the ryot's rent can not be enhanced by more than two annas in the rupee at a time, and that till after the fixed period ; and in the next place, where an enhancement is claimed on the ground of an improvement in the nature of the soil, the zamindar is put to the proof of the fact that such improvement has been effected by him at his own cost. These are valuable privileges, and secure the ryot in the enjoyment of the whole of the unearned increment. But the landholder on Government *zeraiti* lands has neither of these securities against a sudden and sharp enhancement. And it is only fair and equitable that he should have by way of compensation at least a longer period of settlement. An extension of the period of settlement, moreover, will offer the surest and the best encouragement to the landholder to improve the holding, and to that extent will be beneficial to the whole community. In this view of the matter I cordially support the Resolution.”

The Hon'ble Mr. Diack :—“ Sir, it would scarcely be contended by any one that the Punjab, with its rapidly changing conditions resulting from the multiplication of canals and the development of irrigation, is, to use the language of the Resolution, ‘ripe for a permanent settlement.’ In a number of districts we have not yet felt justified in fixing a longer period of settlement than 20 years and in one or two we have been compelled to limit it to 10. I say ‘compelled’ because it is our desire to give a 30 years’ term to as many districts as we can with a due regard to the revenues of the State. And in recent years we have allowed a 30 years’ term not only to districts in which the margin of cultivation and irrigation has been reached but also to some in which there is still scope for development of canal irrigation. And as the Hon'ble Raja Kushal Pal's Resolution may be interpreted to mean that in such districts we should give a 50 years’ term rather than 30, I think it well to explain my reasons for differing from him.

“ I think the scheme is to be deprecated not only in the interest of the State but also on behalf of the revenue-payer. The State is affected in two ways. Firstly, even if it be supposed that the enhancement at the end of 50 years would be greater than it would be at the end of 30, the State would suffer the loss for 20 years of the increment that might be demanded at the end of 30. Secondly, while the theoretical basis of assessment is one-half the net rental, the tendency is at settlement to pay much more regard to the percentage of enhancement and its effect on the individual revenue-payer than to the attainment of the half net asset standard, and the probability is that at the end of 50 years the percentage taken would be little more than at the end of 30. Perhaps that is what the Hon'ble Member is aiming at. If so, the proposal is peculiarly inappropriate at the end of such a cycle of 20 years as we have just passed through, which has witnessed a rise of as much as 40 per cent in the prices of the principal agricultural staples of my province, wheat and cotton. With that percentage as the rise in prices, and a more than proportional rise in cash rents, we find that, concerned as we are to temper the enhancement to the revenue-payer, we are taking, even in fully developed districts, not one-half of the net rental, but only one-third, or one-fifth, or

[*Mr. Diack; Rai Sri Ram Bahadur.*]

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even less. We may be content to suffer for 30 years the loss involved by so lenient an assessment in order to avoid harassment to the revenue-payers by frequent settlements, but to maintain such leniency for 20 years more would be most unjust both to the State and to tax-payers other than land-owners.

"I now come to the effect on the individual revenue-payer of a revision of settlement at the end of 50 years. That means that he and his father before him, and probably his grandfather also, have been paying a certain sum of money as their land revenue throughout that time. The rent they have received has risen steadily: the amount they have paid to the State has remained the same: the balance available for expenditure on luxuries has grown, and a taste for luxuries has been created. The present revenue-payer has become accustomed to these luxuries. Suddenly at re-assessment the revenue is raised to something approaching the equivalent of half his rental. Most of his luxuries must go. Must he not feel this much more than his father would have felt the more moderate enhancement which would have been taken had the re-assessment been made in his life-time, within 30 years of the previous settlement, before he and his children had become accustomed to a changed mode of life? That is what would most commonly happen. But occasionally there would be holdings or estates or portions of estates that instead of gaining in productiveness would lose. Where decrease in fertility is marked or widespread our revenue system is sufficiently elastic to allow of relief being given by reduction of assessment even during the currency of a settlement. But if that is to go on for 50 years without any corresponding increase of revenue for increased fertility, it will be a case of 'Heads you win, tails we lose.' What is more often experienced, however, is a change in relative fertility between holding and holding, or between estate and estate, not so marked as to necessitate a reduction of assessment anywhere, but sufficiently so to make one landowner feel that he is paying a full demand while another, his neighbour, is getting off very lightly. In a country of small holdings like the Punjab it is the custom for men to make such comparisons. When, for instance, the new demand is announced at a settlement villages are quick to institute comparisons between their respective rates of assessment, and it is a very common ground of appeal in assessment cases that the appellants' village has been rated higher than another which they allege to be of equal or greater fertility.

"Similarly the people of the various tahsils into which a district is divided criticise freely the treatment meted out to each at re-assessment, and do not hesitate to complain if they think the relative treatment unfair. Under our present system the inequalities between holding and holding and between estate and estate, which are gradually produced by slow physical changes, are redressed and levelled up at intervals of 30 years, and I cannot help thinking that there would be considerable discontent if the redress were postponed for 20 years more.

"The 30 years' term has been adopted, I believe, because it is the equivalent of a generation. So long as re-settlement occurs once in a generation and no oftener it involves little upsetting and little harassing. If we are to adopt a longer period it can only be when prices as well as cultivation and irrigation have reached a state of absolutely stable equilibrium, and that time is not yet in sight."

The Hon'ble Rai Sri Ram Bahadur:—"Sir, I also give my cordial support to the Resolution moved by my friend the Hon'ble Raja Kushal Pal Singh. The Hon'ble Mover of the resolution and its supporter have dealt with the subject so exhaustively that it is not necessary for me to reiterate them. But instead of giving a silent support I beg to offer a few remarks regarding one very important aspect of the question.

"Revision of Government demand at short intervals creates a feeling of insecurity in the minds of the owners of land. The thought that within a short period the assessment will be revised and Government demand on his estate will be raised acts as a deterrent in many cases, and improvements are not made to the extent as they would otherwise be made.

[27TH FEBRUARY, 1914.] [Rai Sri Ram Bahadur; Maharaja Ranajit Sinha of Nashipur; Sir Reginald Craddock.]

“Many landholders apprehend that they will not have sufficient opportunity to get an adequate return for the sums spent by them in providing new and improving the existing means of irrigation, in getting waste land reclaimed and brought under cultivation and in getting new tenants in their estates. These and other measures which increase the productive power of land and increase the assets of an estate require an outlay of capital which many landholders are not ready to do, because they think that the assessment will be revised within a comparatively short period. Extension of the term of settlement would give the owners of land greater inducement to improve their estates than is done at present. The gain to the State by adopting a longer period will be greater than it is now.”

The Hon'ble Maharaja Ranajit Sinha of Nashipur:—

“Sir, I should like to associate myself with the recommendation made by my Hon'ble friend Raja Kushal Pal Singh. Though I come from a province where there is permanent settlement, still I have got some experience of temporarily settled land. They are called the Government *Khas* lands in Bengal, and we find the tenants of these temporarily settled estates are not as happy as those living on permanently settled estates. After every ten years the Government of Bengal formerly used to resettle those lands. But they are now being settled for 20 years. It is desirable that the period of settlement should be made longer, not only because frequent settlements cost the Government much expense but also because they cause harassment to the people. Sir, those who live in parts where there is no permanent settlement have dealt with the subject at considerable length and I do not think it is necessary for me to go over the ground again. With these few observations I beg to support the Resolution which has been moved by my friend Raja Kushal Pal Singh.”

The Hon'ble Sir Reginald Craddock:—“Sir, I only intervene in this debate because it so happens that during my service I have been for many years face to face with settlement problems. The assessment of every district in the Central Provinces has at one stage or another passed through my hands, and I have therefore been very familiar with the local circumstances there and hope that perhaps my experience may be of some assistance to the Hon'ble Members of this Council in making up their minds on this subject. I confess that I do not expect to be able to convert our landlord members, but I have hopes that among those who are not landlords there may be some who are still open to conviction.”

“There are two things that have always to be remembered in connection with the land settlement question. One is that no rule can be applicable all over India at once and that for every province the subject of the term of settlement must be a separate problem for it to decide on its merits. There are many circumstances that bear on the subject. There is the history of land tenures, there is the state of the tenancy law, and there is the state of development of the land. That is one important thing that one always has to remember in these controversies. The other one is that this is not a case of concessions to the tax-payer. It is a case of nice distribution of varying interests. The land is primarily the property of the people of the country, and the State is Trustee on behalf of the whole people. Ordinarily speaking, it would be open to the State as the Trustee of the people to cultivate and manage all the land of the country, but for obvious reasons it is impossible for the State to undertake so great a task. Its next business therefore is to find cultivators for that land and to arrange with them that the interests of the whole people, i.e., the whole proprietary body of the land are properly safeguarded by receiving some payment or share of the produce from the people to whom the right to cultivate it is conceded by the State. In some provinces there are only two parties primarily to the transaction—the State as Trustee of the people, and the tiller of the soil. In others there has sprung up an intermediate party, namely, the landlord. Now the landlord's duty was primarily to manage the

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property and to collect the State's share of the produce from the tiller of the soil. In recompense for their services they were allowed to keep some of it, and the rest they handed over to the State. That was the origin of the relations of the three parties to this transaction, and if any Government makes any arrangement which causes any one of those three parties to gain at the expense of the others, it has not done its duty properly. Well, Sir, the origin of landlords is a big subject. I do not want to pursue it in great detail, but coming to the Central Provinces the circumstances incline much more to the theory that I have explained of the direct relations between the State as Trustee of the people's land and the actual tiller of the soil.

"In those provinces under the Mahratta Government, the lands were given out annually, and the middleman was the patel or the principal ryot, who was allowed to farm the village for the annual sum at which the Pargana officer chose to give it. The Pargana officer had pressure from above, *viz.*, that of the Raja, to extract as much as he could, and he in turn applied pressure to the patel, and let out villages by auction from year to year to the highest bidder. When the British Government succeeded to the government of the Mahrattas, the idea of landlords which Englishmen generally brought over from England was put forward more prominently, and many of those who had farmed the villages from time to time were constituted proprietors. There were many villages in which proprietors could not be found readily, and they had to be searched for. There were others in which there were strong rival claims made to a village, and the settlement officer had to make an award as well as he could. Well, on that basis the proprietors were allowed to keep pretty well the whole of what they were then getting as patels which was a small percentage, and the rents minus that percentage were paid to the State. Settlement was made then for 30 years, because it was thought that the land would develop and they would be given time for the new order of things to settle down. As a matter of fact, however, the result of the 30 years' settlement was not as satisfactory as could have been wished. Landlords in some places raised these rents very largely, so that when the 30 years' settlement came to be revised, their revenue had to be raised very considerably; or else the Government would have had to hand over to these landlords a much larger share of the produce than the interests of the State warranted. Both the Hon'ble Sir Gangadhar Ohitnayis and the Hon'ble Mover have spoken about this longer duration of settlements as if it would be a special concession to tenants. But we have to look in these cases to the actual tenancy law; and dealing specially with the Central Provinces (and I will confine my remarks to that province only) there are in that province, broadly speaking, three classes of tenants. Absolute occupancy tenants, whose rents remain fixed for the term of the settlement, occupancy tenants whose rent can be enhanced every 10 years, and the ordinary tenants whose rents can be enhanced every 7 years. Now, if we were to increase the terms of settlement to 50 years as proposed, I do not understand clearly whether the landlord desires to abandon all claims to these increases of rent during the currency of a settlement. If he does not wish to abandon them, then what he is asking this Council to do is to vote him a large subsidy of the people's share of the profits from rent. If he does wish to abandon them, then I do not believe that the landlords would support this proposal with the enthusiasm which they seem to display here, because in that case, they would have to deny themselves the hope of increasing rents on their lands for 50 years at a time. Just to show you what the amount of that concession would be, I will give you a concrete example from the revenues of the Central Provinces. That, roughly, is now 1 crore of rupees. Supposing at the next settlement we should raise it by 25 per cent. that is to say, we should add 25 lakhs a year; and then after another 25 years, that is 40 years hence, we should raise the revenue by 20 per cent more, that would mean another 25 lakhs a year. Consequently if we were to give up this right to recover our share of the produce, then it would mean that the State, which is, after all, the people, would lose 25 lakhs a year for 20 years, or 5 crores, and 50 lakhs for 10 years more or another 5 crores, that is to say, 10 crores. That money would go to the landlord unless it was accompanied

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by a law that no rents should be raised in the interval, in which case of course it would go to the tenant, and the landlord would not benefit at all. I do not conceive that the business men here and the non-agricultural members of the Council are specially desirous of handing over these crores of rupees, which is really as I have said the people's money, to the landlord alone. However much the affection which the Hon'ble Mr. Pandit, for instance, may feel for the Hon'ble Sir Gangadhar Chitnavis, I hope that it will not lead him to vote a large subsidy to the Hon'ble Sir Gangadhar Chitnavis. It may be said that if the landlord foregoes all this, and if the whole money (and I must explain, that these 10 crores that the landlord would pay to the Government means 20 crores paid by the tenants) were to remain absolutely with the tiller of the soil, then there might be something to say for it. But, as a matter of fact, what invariably happens is that when the rent that the ryot pays is entirely out of proportion to the value of a fair share of the produce of his land there springs up a class of middlemen. Whatever we may say for the ryot, however much we may want him to prosper, the middleman between the landlord and the ryot is absolutely useless to society. There he sits; the tiller of the soil has now gone down one place; the tiller of the soil is no longer protected, he is not protected from ejection, and he is not protected from enhancement; and the tenant who originally tilled the soil has now become a parasite; there is no advantage to the State from the existence of this class; and it has been our invariable experience that wherever any rise in prices or improvement in communications and so on took place and increased the value of the produce, then the tendency is for the tenant to say 'I am not going to cultivate any further; I do not wish to work hard every day; I will sub-let my land to another man.' That man is not protected by the law. He does nothing to improve the land and the only result is that you get in the end a state of things in which there are layers upon layers of tenure-holders and intermediaries between the landlord and the tenant and between the tenant and the tiller of the soil and the people's share of the profits which is the land revenue, neither reaches them, nor does it go to the tillers of the soil. It is frittered away among a number of intermediate tenure-holders of various kinds who do not improve the land and who do not add to the wealth of the country, but who simply desire annuities from the land to the detriment of the people.

"I wish to draw the attention of the Council to another point; and that is that these intermediate tenure-holders spend money in obtaining these tenures, when they might have spent it more usefully in developing industries, and in improving the manufacture of the produce of the land instead of merely using their means to obtain these annuities out of the share which ought ordinarily to be divided between the tiller of the land, the landlord and the State. So that, from whatever point of view you look at it, neither the tenants nor the landlords would reap the full benefit of the concessions which the State is asked to forego; and when the State is asked to forego these sums, which as, I said, amount in the aggregate to a great deal, I do not think that the people realise what they are really recommending. Now, I dare say, certain Hon'ble Members will say 'It is all very well to talk about raising the revenue by 25 lakhs, and so forth; what guarantee is there that the land will increase in value?' The answer is that when the original revenue of the Central Provinces was fixed, the price of wheat was Rs. 5 a candy. When I made my settlement in the Nagpur district some 20 years ago, it was about Rs. 10 a candy. It is now Rs. 15 a candy and very often Rs. 20. The price of cotton in those days just before the 30 years' settlement was about Rs. 20 a candy. It was about Rs. 40 when I made the settlement, and it is very often from Rs. 80 to Rs. 100 now. Have the revenues anywhere kept pace in the least degree with those increases? Land, which when I settled it at Rs. 2 an acre was sub-let at Rs. 5 an acre, is now sub-let at Rs. 10 an acre or Rs. 20 an acre. We have kept pace so little with this progress that there are 20 million acres in occupation in the Central Provinces and the revenue is only one crore of rupees, that is only 8 annas an acre; then if I raise it by the 25 per cent

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I speak about, it will be raised from 8 annas to 10 annas, and if it is raised by another 20 per cent in another 20 years, it will only rise to 12 annas an acre. No one can possibly contend that, with the progress that is going on, the large sums of money that are expended on roads, railways, irrigation works; and last, but not least, the sums spent by the Agricultural Department in introducing new methods tending to increase the produce of agriculture, no one can contend that in that state of things, this small increase that I have mentioned can possibly be a severe tax on the country. On the contrary, if we were to carry out the proposals of the Hon'ble Mover, I think that we should be making a very great sacrifice, not as I have said of the State alone, but of the people's interests for whom the State is the Trustee; and we should be helping either to swell the profits of the landlord leaving the tenants as they are; or in the other case to swell the profits of the tenants, but with the natural result that large numbers of intermediaries will spring up, and the profits of agriculture instead of remaining among the three classes abovementioned will be distributed among a number of useless middlemen."

The Hon'ble Pandit Madan Mohan Malaviya:—"Sir, the objections which have been urged to the Resolution before the Council may be divided into two heads, one is on the ground that the measure will not benefit either the zamindars or the cultivators and the other is that it will involve a surrender of a very large part of revenue which ought to come to the State, that is, the people. Among other objections urged against the Resolution the Hon'ble Mr. Rice has laid stress on the fact that in other countries the terms of settlement are not so long as they are in this country. But as the Hon'ble Member himself observed such comparisons ought to be made with a great deal of reservation. He has instanced the case of other countries, but has he taken into consideration the proportion of revenue which has to be paid by the land of these different countries. On comparing the proportion of revenue paid by these countries Mr. Rice will probably find that the objections he has raised will lose much force. I do not know if there is any country in the world where the land revenue demand is as heavy as it is in this country; if it is, I should like to be instructed about it. Then, Sir, another objection that has been taken was that urged by the Hon'ble Mr. Diack on the ground that the Punjab certainly was not prepared for a measure such as has been proposed by the Hon'ble Mover. In his Resolution the Hon'ble Mover has been careful to say that the measure which he recommends to the Council shall apply to such parts of the country as are ripe for permanent settlement in accordance with the conditions laid down in the Secretary of State's Despatch of 1862. That will protect the Punjab. I am sure the Hon'ble Member does not support the idea that the same settlement should be extended to all parts of the country; no one has suggested it. We entirely agree with the Hon'ble Member that different parts of the country require different methods of treatment. The Resolution has taken note of it and asks that a longer period should be extended to such parts of the country as are more developed, that is, as are ripe, in accordance with the Despatch of 1862. So far then as these objections are concerned, they are not fatal to the Resolution. The most formidable attack that has been made has come from the Hon'ble the Home Member; he has traversed the whole ground and I wish just to invite attention to a few facts. I take it that the Hon'ble the Home Member would not view adversely a proposal for extending the term of settlement to 50 years if he could be sure that the benefits accruing from it would be secured to the tenant. The Hon'ble Member is right in saying that there would be very little justification for a measure like this or for a measure of permanent settlements if it would benefit the zamindar only. But I submit, Sir, that if the Legislature recognise the value of a permanent settlement, if the Government is satisfied that a permanent settlement or the proposal before the Council, which I submit is merely an apology for what it should be, should be accepted, then the Government will take care to lay down provisions by which the benefit

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of the measure would be secured to the tenant. The one important fact to be remembered, in this connection is, as I have said before, that land is very heavily taxed in this country. Sir Reginald Craddock has said that in one Province alone, it might be that 20 crores of rupees will be lost by Government, that is to say, the people, and that it would be secured not to the tenants but to intermediaries. Now, Sir, it has been pointed out that 71 per cent. or more of the population in this country are agriculturists and depend in some form or other for their subsistence upon the soil. If therefore the measure is calculated to benefit such a large proportion of the population it may be not unreasonable to assume what it will benefit the people as a whole. There is no person in this country who deserves more assistance, more real sympathy, not merely lip sympathy, but whole-hearted sympathy, than the tenant, the tiller of the soil; he toils and moils, he contributes large revenues to the State and has been so contributing throughout ages. We all gratefully acknowledge that his condition has been improved in the country, but owing to the sacrifices he makes many persons have from time to time advocated that a larger measure of the fruits of his industry should be secured to the tiller of the soil than is secured under the existing arrangement. The Hon'ble the Home Member has spoken from the results of his experience in land revenue settlements. I respect his views as one must because of his experience and because of his wisdom. But I would invite the attention of the Council to the remarks of another servant of the Crown, the Director General of Statistics for India, Mr. O'Connor. Speaking with an experience of 40 years spent on a study of the economic condition of the people, Mr. O'Connor pointed out that the condition of all classes of persons who depend directly upon land calls for much improvement, and pleaded earnestly for a change in the present agrarian policy of the Government. 'It is no complete defence of that policy,' he observed, 'to compare the assessments on the land to-day with the assessments in the days of our predecessors. It does not follow that we are very moderate in our demands on the land, because we do not take so much as was squeezed from the cultivators by rulers and Governors who were highly esteemed if they did a man the favour of allowing him to live. We ought to arrange to let him live and thrive, not taking from him the competition rent of a private landlord.' The practical remedy which Mr. O'Connor suggested was that there should be a reduction of the land revenue demand by 25 per cent. That would sound rather astonishing to some people and it might strike horror in the heart of the Finance Member if he were here. But this officer of the Crown after 40 years' experience laid it down clearly that in his opinion no measure that could be adopted would improve the condition of the masses as the measure which he proposed. He said: 'It is doubtful whether the efforts now being made to take the cultivator out of the hands of the money lender will have much effect, or, even if they have the fullest effect, that they will materially improve the cultivator's position, until a larger share of the produce of the soil is left in his hands, and he is protected against enhanced assessment by Government officials and against enhanced rents by private landlords. This, as I have said, is much the most important of Indian industries, more important than all the rest put together, and it should receive from the State more discerning attention than, I am afraid, has as yet been given to it. We must appreciate to the full all that the State is doing, or proposing to do, in the provision of irrigation, in the provision of advances for improvements, in lessons on reformed methods of cultivation, in the introduction of new plants and improved implements; but important as these are, specially the development of irrigation, I have little doubt that the reduction of land revenue by 25 or 30 per cent, if the reduction is secured to the profit of the cultivator, would be of far more value in the improvement of the class who constitute the bulk of the population and who contribute most largely to the finances of the state.'

"Now, Sir, the objection which the Hon'ble the Home Member has urged was taken note of by Mr. O'Connor. The Hon'ble Mover of the resolution in making his very able speech did say that the landlords would be sure to give a security of tenure to the tenants if there was a long term settlement

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such as he proposed accepted by the Government. I would go further—the real measure which is wanted for the improvement of the agriculturists is a measure of permanent settlement.

“ I personally do not view with favour the idea that a fifty years' settlement merely should be substituted for a thirty years' settlement, but I would say this, Sir, that if the Government recognise that either the one or the other measure should be adopted, it can always take care to secure that, so far as fixing the rents is concerned, the profits shall be entirely secured to the cultivator.

“ In the various proposals which have come forward regarding permanent settlement, this aspect of the question as also the aspect of the loss of revenue to the State has been considered. I have never been an advocate of the Bengal system of permanent settlement. With all due respect to my Hon'ble friends from Bengal it may be good enough for Bengal; but for other parts of India, I have never advocated a permanent settlement such as obtains in Bengal, but I have always, Sir, from the time that I began to study this question, felt that the recommendation of Lord Ripon's Government on this question was entirely acceptable. In 1862, Lord Ripon sent out a Despatch to the Secretary of State recognising the evils of periodical settlements, and, with a view to minimising them and securing to the agriculturist some of the advantages of permanent settlement, has also laid down in this despatch the principle that in districts which had once been surveyed and assessed by the settlement department, assessment should undergo no further revision except on the sole ground of the rise in prices. This proposal had an advantage for the Government in that it left the door open for an increase of land revenue on the ground of the rise in prices. In this proposal it was not a surrender of the revenues for all time to come. The Hon'ble the Home Member has said prices have been rising. True prices have been rising by leaps and bounds, but in the proposal put forward by Lord Ripon's Government, this rise of prices would be the circumstance which would always enable Government at such periods as it thought fit, to raise the rent that was fixed and thus to secure a larger revenue than it would otherwise receive. Therefore, Sir, if the proposal of Lord Ripon's Government were accepted, it would secure to the cultivator of the soil, occupancy rights in the land. In the result the tenant would be greatly benefited and the State would not entirely lose the revenue if conditions justifying an increase of its revenue arose, and people would be more prosperous than they are now. It is strange and regrettable that in this matter the Government have not adhered to the policy which they advocated in 1862. Members of Council will remember that on 9th July, 1863, Sir Charles Wood, then Secretary of State for India, expressed his entire approval of the proposal of a permanent settlement of the land revenue of India. I will not take up the time of the Council by reading long extracts, but I would just invite attention to one passage in which he says: 'Her Majesty's Government are of opinion that the advantages which may reasonably be expected to accrue not only to those immediately connected with the land, but to the community generally, are sufficiently great to justify them in incurring the risk of some prospective loss of land revenue in order to attain them, and that a settlement in perpetuity in all districts in which the conditions absolutely required as preliminary to such a measure are, or may hereafter be, fulfilled, is a measure dictated by sound policy and calculated to accelerate the development of the resources of India and to ensure in the highest degree the welfare and contentment of all classes of Her Majesty's subjects in that country.'

“ It is unfortunate, Sir, that a later Secretary of State for India has put aside that decision. But I am never very much depressed by adverse decisions. The Government of India has been advancing in the right direction all along in spite of its previous decisions which stood in the way of reform, and I do hope that the day is not very distant when the Government of India will recognise the necessity of leaving a little more to the tiller of the soil. The only measure which will ensure it in its full effect will be a measure of permanent settlement such as was advocated and decided upon by the Secretary of State in 1862. The proposal put forward by my friend is, as I have said, a very feeble move in the right direction and, therefore, I support it for what it is worth; but I really feel that

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the right measure to adopt is a measure of permanent settlement for all districts which have attained a reasonable development."

The Hon'ble Rai Sita Nath Ray Bahadur:—"Sir, I am not here to expatiate on the virtues of permanent settlements, and if I say a word or two about it, it is only to show the benefit that has accrued from the permanent settlement and the proportionate benefit that would flow from a long-term settlement. There is no blessing so lasting, so far-reaching, so comprehensive in its effects and so prolific of good as the blessing of permanent settlement which has placed the zamindars of Bengal and Bihar, and all others who participate in the benefit of such settlement under a heavy and lasting load of obligation to the British Government, and which has contributed materially to the present prosperity of Bengal, for combined with favourable climatic conditions, it is the sense of security one feels in his lands which stimulates a man to spend money and labour for its improvement.

"But with the diminishing opium revenue and its ultimate disappearance at no distant date, it would be asking too much to ask that the principle of permanent settlement should be gradually extended to these provinces, but short of permanent settlement, nothing would be more desirable, more beneficial, than the extension of periods of settlement from 20 or 30 to 50 years. I have no hesitation in saying that the short-term settlement has its demoralising effects. With the commencement of settlement operations a number of rapacious amins are let loose on the locality, who do everything in their power, to set up the ryots against the zamindars and the result is that it gives rise to a series of litigation, and in consequence it goes to create, it would be too mild to say unpleasantness, I would rather say bad blood and bitterness of feelings, between zamindars and ryots. And what is a more regrettable feature of the short-term settlement is that with every settlement there is an automatic increase in the rents which a landlord has to pay to Government, and a corresponding increase in the rents which a tenant has to pay to his landlord. Nowhere are the rents so high as they are in temporarily settled estates, and it is to the payment of heavy rents that the chronic indebtedness of the ryots is due, and where is a peasantry so prosperous and happy as in Eastern Bengal, which again is in a considerable manner due to the extremely low rents they pay to their landlords. From all this it would be evident that a long term settlement is highly advantageous to both zamindars and tenants and the ferment and excitement which take place at the end of every 20 or 30 years are avoided. With these few words I beg to support the Resolution moved by my Hon'ble friend."

The Hon'ble Mr. Madhu Sudan Das:—"Sir, I am very thankful to the Hon'ble the Home Member for having put the question in a manner which has brought out prominently the real issues of the case. The Government, according to the Hon'ble the Home Member's exposition is a trustee for the people, and it is the duty of Government to see a proper, just and equitable distribution of the increase that the land yields after a certain period. In making his remarks on the case, the Hon'ble the Home Member pointed out that, if the terms of the settlement were increased, if they were made longer, the result would be that the benefit would go to the zamindar who is in no way bearing the burden of the toil which brings about better productiveness of the soil. We know there are estates, which are called *khas mahal* estates, where the zamindar is the Government and the tenant is the tiller of the soil. Reference in connection with this discussion has been made to countries in Europe and to the rules that have been applied there in revising settlements, but the one question that suggests itself is, is the condition of the ryot, the tiller of the soil in India, anything like what it is in Europe? Is there any tiller who may properly be called a person who invests his capital, who is interested in improvement of the soil, who actually is the person who reaps the benefit of a better state of agriculture? We know very well that the ryot is always in a chronic, impoverished position; he is in a chronic state of debt, and in his

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chronic state of debt it does not matter much how high the price of the product of the soil rises.

" In comparing the price of the produce of the soil with the rent and the enhancement of revenue at successive settlements, the Hon'ble the Home Member said the increase in the settlement of revenue was nothing like the increase in the price of the produce of the soil. Though the produce of the soil increases, a very small part of the rise in the produce goes to the actual tiller. The tiller is always indebted. Before the produce goes to the market and fetches the market value, it passes through a number of hands and these are money lenders, people who have commercial motives, and the real tiller of the soil gets a very little of the increased value of his agricultural produce.

" In *khas mahal* estates where there is no zamindar, can it be said that the condition of the ryot has improved in proportion to the rise in price of the produce of the soil within the last 20 years? There is no zamindar there who runs away with by far the larger portion of the produce; it is a matter in which the economic situation is adjusted between the Government and the tiller of the soil.

" In the discussion of this resolution the last speaker, the Hon'ble Rai Sita Nath Ray drew attention to the fact that every settlement means, not only an increase of rent, but it means a good deal of harassment to the people and loss to the tenant, loss of time, loss of money. I have had no experience of the settlement in the Central Provinces, but my experience of settlement in Orissa is that settlement is a thing which unsettles everybody and everything for a number of years. First of all there is the settlement; then there comes the revision of settlement, because what the Settlement Officers did was not correct, then follows in its wake for a number of years maintenance of records. So there is a perennial source of trouble to the ryot. Whatever settlement may mean in the abstract, settlement as it is known to the ryot means, not the visit, but the visitation of certain ill-paid Government officials, *amins*, to the village, who are not inspired by high patriotic or philanthropic motives. These are the men who inflict that visitation every year, and actual instances have been known where a single *amin* from a single village carried away, for instance, six or seven hundred rupees—"

The Hon'ble Sir Robert Carlyle:—" Sir, may I rise to a point of order? Is the Hon'ble Member entitled to discuss the question of the maintenance of records on a resolution dealing with the extension of the terms of land revenue settlements? "

The Hon'ble the Vice-President:—" Except in so far as it concerns the preservation of the original record, it is entirely out of order. The Hon'ble Member must confine himself to the question before the Council."

The Hon'ble Mr. Madhu Sudan Das:—" All that the resolution has asked for is that the several Local Governments be asked to give their opinion as to whether a longer term of settlement is not desirable in certain cases. It has been brought out during the discussion that different terms of settlement are in existence in different parts of India. Consequently all that is required now is to find out by reference to the Local Government whether it would not be desirable to make 50 years the minimum period. At any rate this is certain, that the condition of the ryot ought to be improved and that cannot be done unless the ryot is sure that he is going to reap the benefit of his labours for a certain number of years. Certainly I agree with the Hon'ble Mr. Malaviya that, in case a settlement of this kind is made, every care should be taken that the greatest share of the benefit which would arise from such an arrangement should go to the tiller of the soil and certainly not to the zamindar.

" As the Government has taken upon itself the duty and the position of a trustee for the people, I hope they will realise the duties of a trustee; they will see that settlement does not become a system by which the people should

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suffer, and that the funds in the hands of the Government, if they come from settlement operations, are trust funds. Such trust funds should not be derived by inflicting anything which may be called a suffering on the people whose interests the trustees represent—”

The Hon'ble the Vice-President :—“ I would call the Hon'ble Member's attention to the fact that he has got two minutes more.”

The Hon'ble Srijut Ghanasyam Barua :—“ Sir, I want to say only just a few words in support of the Resolution moved by my Hon'ble friend, on the principal point which has formed the basis of the discussion, as to whether the extension of the revision of settlements to a period of 50 years is desirable for the improvement of the condition of the ryot and not for anything else. If the Resolution aimed at anything else, I would certainly not be at all in favour of it. But I think much margin should be left for the ryot to improve his condition as much as possible, specially in view of the fact that India is practically an agricultural country and the whole backbone of the Indian population is the agricultural population.

“ With regard to the relation between the recognised landlord of the Government and the ryot, I think a perfect adjustment can always be made by Government. A landlord cannot be put in a position of undue advantage over the ryot if his share of the rents or of his power to augment the rents is restricted by Government, and, therefore, I think on that ground the extension of the period of settlements will not in any way prejudice the benefits of such extensions going directly to the tiller of the soil.

“ With regard to intermediaries, I beg to submit that these unfortunately do always exist and will continue to exist, whether the settlements are extended or not, and the nature and greedy habits of this class of people also cannot by any means be checked unless perhaps some legislation is undertaken to prevent extortions by them. But I should like to point out that even these intermediaries are affected by the constant revision of settlements. Their tendency to take the utmost out of the ryot will never cease, and as soon as a settlement is revised, they will go on similarly enhancing their rents, whereas if a settlement is not revised, I think that temptation would be much less. And the only way of avoiding these intermediaries is, I beg to submit, to improve the condition of the agriculturists themselves. If a sufficient period is allowed to the tiller of the soil not only to reconcile himself to the enhancements that are brought about by a fresh settlement but also to improve his holding as well as his material condition in other respects so as to be less and less dependent on either the intermediaries or the money-lenders, then the possibility of these intermediaries interfering in the gain of the State or in the gain of the tiller of the soil would be more and more reduced. So, for all these reasons, I think the enhancement of the periods of these settlements will always tend to benefit the tiller of the soil, and although India as a whole is passing through a period of transition and development, I think in many parts of it a condition has been reached where further frequent enhancement in the rates of revenue would not be very desirable if we wish to see the agricultural classes bettering their condition more thoroughly than they can do now.

“ With these remarks I beg to support the Resolution.”

The Hon'ble Sir Robert Carlyle :—“ Sir, it is now 12 years since the Government of India published their well-known Resolution on Land Revenue Policy. As the Resolution points out : ‘The well being of the agricultural community in India, constituting as it does so overwhelming a proportion of the entire population of the Indian continent, and contributing so large a quota to the Indian Revenue, cannot fail to be to the Government a matter of the most intimate concern.’

[*Sir Robert Carlyle.*] [27TH FEBRUARY, 1914.]

"I welcome this opportunity of reaffirming their desire, 'that assessments should be equitable in character and moderate in incidence, and that there should be left to the proprietor or to the cultivator of the soil, as the case may be, that margin of profit that will enable him to save in ordinary seasons and to meet the strain of exceptional misfortune.'

"This was no mere pious expression of opinion. The Resolution pointed out various directions in which improvements were possible, and much has been done since then. In several provinces the term of settlements has been increased; great efforts have been made to simplify and cheapen the proceedings connected with settlements; the imposition of large enhancements is now progressive and graduated, and there is far greater elasticity in the revenue collection; suspensions and remissions of revenue being given on a scale hitherto unknown.

"We welcome all these indications of progressive liberality. A golden rule in settling land revenue is moderation. Whatever the basis of the settlement—whether the net assets or rental or general considerations—the most careful attention should be given to the well-being of the revenue-payer in applying the local settlement rules whatever they may be. While however the keynote of our policy is moderation, we are not prepared to take any steps towards a change from temporary to permanent settlements of land revenue. The foundation of our present land revenue system is the immemorial custom of the country under which the ruling power is entitled to a certain share of the produce of the land. Our system of land revenue settlements tends to disguise this fact. Except in the comparatively rare cases of fluctuating settlements, we no longer vary our demand from year to year with the outturn of the crops, and in making our assessments we look as a rule less to the gross produce than to the net produce or profits. The basis of the whole system however, is the right to a share of the gross produce, and every departure from the strict application of this principle is based on the desire of Government to reduce as far as possible the burden on the people and to avoid any unnecessary expenditure on settlements.

"Before dealing with the Resolution I would like to deal with one or two points. I may mention that though I was in the department during the greater part of Lord Minto's Viceroyalty I know of no authority for the statement that any suggestion was made by the Secretary of State in the direction of permanency of settlement. I would also add my entire dissent from the statement made by one Hon'ble Member that the condition of Government tenants in temporarily settled tracts in Bengal and Bihar and Orissa is worse than in permanently settled tracts. I speak with knowledge as I served for 27 years in those provinces. One more remark is in answer to an Hon'ble Member who asked if any country could be found in the world where the land tax is as heavy as in India. I believe there is one case where the land tax is considerably heavier and that is Japan.

"If I accepted the Resolution in the form in which it has been put forward by the Hon'ble Member, I should be consenting to two assumptions: firstly, the assumption that there are parts of the country which have become ripe for permanent settlement in accordance with the conditions laid down in the Secretary of State's Despatch of 1862, and secondly, the assumption that if there are such parts of the country, a 50 years' settlement of land revenue would be more appropriate than one of 20 or 30 years. I am not prepared to agree with either of these assumptions.

"As regards the first point, namely, the determination of those parts of the country which are ripe for permanent settlement in accordance with the conditions laid down by the Secretary of State in 1862, I may briefly describe the conditions then laid down by Sir Charles Wood as three in number. Firstly, the tracts selected were to have already a full, fair and equitable assessment; secondly, the assessment was to be equitably apportioned to the satisfaction of the Government of India; and thirdly, no considerable increase was to be expected in the land revenue.

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I am not concerned at present with disoussing whether these conditions were good conditions or not. I may note that by a full and fair assessment was understood in those days something far more onerous than the full and fair assessment as now practised, and I may also note that the apportionment of land revenue which might be satisfactory at any given time, could not be guaranteed as likely to be satisfactory even thirty years later on. In any case, the conditions I have referred to were obviously somewhat uncertain of their application, and the Government would have to use its discretion in deciding in each case whether a tract was suited for permanent settlement or not. If it had decided that a tract was not so suited, there were many arguments which could be brought to bear against this conclusion, and in every case the Government would have been in the unenviable position of trying to defend itself against a charge of breach of faith. I do not, however, wish to refer further to the adequacy or otherwise of these first two conditions, but I would invite a special reference to the third condition which was that no considerable increase was to be expected in the land revenue.

“The fact is that since 1862 the prices of produce and the value of land have risen enormously. This is a matter which is within the knowledge of everybody at the present day, but it was not contemplated by the authorities in 1862. In this very Despatch to which the Hon'ble Member has referred us, the Secretary of State wrote as follows:—

The apprehension of a possible fall in the relative value of money, though deserving consideration, does not seem to His Majesty's Government to be of sufficient moment to influence their judgment to any material extent in disposing of this important question.

“In speaking therefore of the selection of tracts in which there was no likelihood of a considerable rise of land revenue, the Secretary of State had his eye almost entirely on possible increases of cultivation, and almost entirely neglected any consideration of a possible rise in prices. It was, however, on an actual rise in the value of land caused by a rise in the prices of produce that the Secretary of State's scheme actually struck and foundered. He himself was not altogether satisfied with his neglect of what now appears to us to be a most essential factor of the case. In the Despatch to which allusion has already been made, he specially emphasises his wish that the system of permanent settlement should be introduced by very gradual degrees, and he said that one of the main recommendations in favour of a cautious advance was that if a rise occurred in the value of land or a depreciation in that of the precious metals, any loss from these sources could be avoided in subsequent settlements. In other words, that if there was to be a considerable rise in prices, the introduction of a permanent settlement should be postponed, and as I have said, a large rise in prices did take place, and permanent settlement was consequently postponed. If therefore we were now called upon to say what districts were ripe for permanent settlement in accordance with the conditions laid down in the Despatch of 1862, we should have to say frankly that there were no such districts and that there was no prospect of any district complying with these conditions.

“The Hon'ble Member who moved this Resolution prophesied that prices have reached their limit. I am entirely unable to agree. No one can tell for certain what may happen in the next 20 or 30 years; but, on the whole, some rise in prices seems probable.

“The Resolution of the Hon'ble Member stands condemned so far as the Secretary of State's despatch is concerned. I do not however wish to shirk the point really at issue, namely, the question of the merits or demerits of a settlement for a term of 50 years as compared with settlements for terms of 20 or 30 years, and I will proceed to discuss this question on its merits. I would premise as I have said before that the Government of India are not prepared to make any movement in the direction of converting temporary into permanent settlements and I look on this Resolution as a move in that direction and indeed the Hon'ble Mover admitted he would greatly prefer a permanent settlement. In this connection I may add with reference to the remarks that

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fell from one Hon'ble Member that I would not for a moment admit that more loyalty is to be found among those whose land has been permanently settled than among those with whom land has been temporarily settled.

"The Hon'ble Member has on a previous occasion urged that our land revenue is a land tax pure and simple. I do not agree with him, but assuming he is right, how can he ask Government to pledge itself for a very long period, he would no doubt prefer for ever, to make no change in a very important tax. Should Government be unwise enough to give such a pledge would it be possible to prevent some future Finance Member from seeking to tap by some other tax the profits from land? Do the Members of this Council believe it would have been possible to refrain from doing so had the permanent settlement been extended as has at various times been proposed to the whole of India? The objection applies almost as strongly to a 50 years as to a permanent settlement, and 30 years appears to be the utmost prudent limit to an engagement not to alter a tax. This period has become a kind of tradition in the administration of this country and it has the advantage of giving a new assessment only once in a generation. On the other hand great economic changes are possible in so long a period and assessments may become very unequal. It is a longer term than we find in most other countries, and the disadvantages as compared with the benefits would increase very rapidly with any lengthening of the term.

"What does the Hon'ble Member think he is going to gain by prescribing a longer term of settlement? No doubt when prices are rising a longer term would generally result in leaving to the landholder a larger proportion of the wealth to be got from the land. The Hon'ble Member has argued that the longer the term of settlement, the better pleased will the landholder be. But is this altogether correct? If we have an assessment for 50 years, the people to be assessed have forgotten the circumstances and almost the actual fact of the previous assessment, and they look on the new assessment as a grievance. We have been referred to the old story of the harassment and expense of settlements. The expenses connected with settlements have now very materially decreased. A settlement must involve a certain amount of trouble, and I admit that an inquiry into the value of land cannot be made by officers of Government without some co-operation on the part of the landholders; but there is far less harassment and vexation than in old times. While in former times a settlement entailed inquiries into the rights of the various landholders and a careful measurement of the fields; speaking for India generally, at present a record of rights is ordinarily kept from year to year independently of the settlements, and it is becoming less and less the custom to undertake a re-measurement of the fields. A settlement which used to last for 6 or 7 years or even longer, is now ordinarily completed in 2 to 4 years, and the work is done almost entirely by the ordinary staff of the district without the assistance of those temporary outside establishments whose exactions were often so oppressive in former years.

"The Hon'ble Member refers to the unsettlement and the raising of class differences. I would point out, on the other side, that a settlement affords an otherwise unequalled opportunity for redressing grievances.

"Reference has also been made to the alleged practice of letting land go out of cultivation before a settlement in order to avoid an increase of assessment. The practice in question was no doubt in vogue in former days, but it has now almost, if not entirely, ceased. The revenue records now contain accurate data regarding the amount of land under cultivation in each year, and it is only a very foolish landholder who thinks that he can gain anything by letting his land go out of cultivation before settlement.

"I gather too that the Hon'ble Member has referred again to the question of improvements. The term of exemption for improvements is independent or can easily be made independent of the term of settlement, and an extension of the term of settlement would not necessarily imply an extension of the term of exemption. Improvements can be equally well exempted and equally efficiently

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protected. They can even be permanently exempted under a 30 years' settlement as well as under one for 50 years.

"One Hon'ble Member has apparently urged that settlements should be extended to make up for the deterioration of the soil. I have gone into the question very carefully, and believe that there is no foundation for the belief that the soil is deteriorating. A recent issue of the Agricultural Journal of India gives information on this subject which the Hon'ble Member does not seem to have seen. It gives a very different complexion to the question than that adopted by the Hon'ble Member.

"I fail to see that there is any substantial gain to be obtained by increasing the period of settlement. On the other hand, there are several disadvantages which we must certainly bear in mind. The Government of India could not on financial grounds accept the resolution. During the last 50 years our income from land revenue has increased at the rate of almost 20 lakhs a year. We could not forego this increased income for 20 years. Should prices continue to rise, the normal Government expenditure is bound to increase with them; and over and above all this, we will have to meet pressing demands for further large expenditure in various directions; I need only mention education and sanitation. However much our revenues may increase from other sources, such as railways and forests, there is no reason to believe we will be able to forego all additional contributions from the growing profits of the owners and cultivators of land.

"While a rise in prices would hit Government if the term of settlements were greatly increased, a serious and prolonged fall in prices would, as I have already pointed out, spell disaster to the revenue-payers. We know how the Madras land revenue system was disorganized during the first 50 years of last century by a continuous fall in prices, and the same disorganization would occur on a larger scale if there were a serious fall in prices during the course of settlements for very long periods.

"Another serious objection to such settlements is that in the course of time the standard of living changes, and if at the end of the period Government were to take its full share of the profits from land, the revenue-payers would be hard hit by the enhancement. If the Hon'ble Member answers that his object is to force Government to moderate its demands on the revenue-payer and that the standard of living must be left untouched, my reply would be that this object could be attained much more directly by reducing the share of the assets taken by Government.

"While it is impossible in practice to assess land revenue, or for the matter of that any tax, so as to be perfectly equal in its incidence, equality of assessment is the ideal and every effort should be made to come as near it as possible. This is specially important in the case of small proprietors, but the longer the term of settlement, the more difficult it is to redress any inequalities that may have sprung up during its course.

"Should my Hon'ble friend get his long term settlements, what does he propose to do as regards the large and increasing class of tenants and sub-tenants in his province? Will landlords welcome the extension to the actual cultivators of longer terms of unchanged rental or does he propose to confine the benefit to the proprietors? In the latter case, does he think that Government would agree to the extra profits being monopolized by one class?

"As the Hon'ble Member has himself pointed out, it is not impossible for the Government even under present arrangements to extend a settlement wherever this may be required for a period exceeding the ordinary 30 years' limit. In Orissa we had a settlement which was extended to a term of 60 years, while in the Hon'ble Member's own district of Agra settlement is now running towards the end of a period of 45 years; and in the neighbouring districts of Muttra, Fatehpur and Allahabad the term for which the settlement has been allowed to run, has, for special reasons, been extended considerably

[*Sir Robert Carlyle ; Raja Kushal Pal Singh.*] [27TH FEBRUARY, 1914.]

beyond the original 30 years. The rule in fact is and Local Governments are bound to observe it, that if at the conclusion of the period of a settlement there is no chance of a rise in revenue sufficient to make the operations financially advisable, and if there is no adequate administrative reason, such as inequality of assessment, to render a re-settlement necessary, no re-settlement is undertaken; that is to say, that practically speaking, if the conditions mentioned by the Secretary of State in 1862 exist at the end of the period of a settlement, the settlement is prolonged. It is impossible at the beginning of a settlement to say whether these conditions will be present at the end of the term. We are none of us reliable prophets and least of all in matters connected with a rise in prices. It is in my opinion far more reasonable to wait till the end of the term of a settlement when the facts are known and are before our eyes. If the proper conditions are then found to exist, we can extend our settlement for as long as may be necessary, and we obtain thereby the object desired by the Hon'ble Member without incurring the risks which the system he proposes would entail.

"On every ground I must oppose this Resolution. Government could not agree to forego its share in the profits from land, and very long terms of settlement would entail many disadvantages even to the landholder. The Resolution is apparently a modest request for a reference to Local Governments to ascertain their views. As a matter of fact, any such inquiry would probably lead to a long and minute inquiry into our whole settlement policy. The despatch on which this Resolution is based forms part of a correspondence which went on for 27 years. I am not prepared to embark Government on another discussion on revenue matters which is likely to be very protracted and almost certain to be entirely infructuous.

"The proportion borne by land revenue to the total revenue of the country has largely decreased in the last 50 years. I for one would gladly see the time when our finances would admit of an actual—and not merely a proportionate—decrease in our land revenue. But the time is not now, if indeed, it will ever come; and I venture to predict that if the time ever does come, a lengthening of the term of settlement beyond 30 years will not form part of our revenue system.

"I regret I must oppose the Resolution."

The Hon'ble Raja Kushal Pal Singh :—"Sir, the Hon'ble Mr. Rice has given certain figures to show that in various western countries, taxes, especially land taxes, are increased after very short intervals. My friends, the Hon'ble Pandit Madan Mohan Malaviya and the Hon'ble Mr. Das have already replied to his criticisms. This relieves me of the necessity of replying at length to it. I beg to point out that English landed proprietors enjoy the benefits of a permanent settlement in England under Pitt's Act of 1798. In western countries landlords pay land tax and other taxes. In India too, they are not exempt from paying other taxes, though they do not pay any tax in respect of the profits which are derived from agriculture. But in India landlords and agriculturists pay cesses, which are also in the nature of taxes. The conditions prevailing in western countries are quite different from those prevailing in India. The western countries are trading and manufacturing countries where trades and manufactures are developing with amazing rapidity. But India is an agricultural country; 72% of its total population are engaged in agriculture. The main and premier industry of India is agriculture, which is the source of living of 4ths of its population. Sudden changes which are possible in the case of development of manufacture and trade are not, as a rule, possible in respect of the development of agriculture. There is, therefore, no analogy between the conditions which obtain in other countries and those which prevail in India. The Hon'ble Pandit Madan Mohan Malaviya and the Hon'ble Mr. Das have pointed out that the incidence of land revenue is much higher in India than in other western

[27TH FEBRUARY, 1914.] [*Raja Kushal Pal Singh.*]

countries. The Hon'ble Member in charge of the Revenue Department has pointed out that in Japan the incidence of land-revenue is higher ; but the case of Japan is quite different. Japan is the wealthiest country in the East. In India the condition of agriculturists is deplorably bad. The majority of them are in a state of chronic poverty. The Hon'ble the official Member for the province of the Punjab said that, if the extending of the period of settlement from 20 or 30 to 50 years would give rise to inequalities owing to physical conditions and changes, some holdings will be in a more advantageous position than others ; therefore the person who does not enjoy the advantage will consider it a grievance that his neighbour should enjoy it. I respectfully submit that envy cannot be a valid ground for withholding the concession prayed for in the resolution. All right-minded persons should rejoice if their neighbours are prosperous. In my humble opinion, the Government should give no encouragement to those envious and jealous persons who cannot see their neighbours happy. The same Hon'ble gentleman has pointed out that if the period of settlement is raised from 30 to 50 years, and that if after the elapse of 50 years an enhancement of revenue takes place, it will cause hardship ; because it will entail great reduction in the domestic expenditure of the person whose revenue has been enhanced. I wish to mention that the Hon'ble Member has overlooked one very important fact. I quote from paragraph 34 of the Resolution issued by the Government of India on the 16th January, 1902 :—

To meet such cases the Government of India desire to lay much stress upon the principle of gradual and progressive enforcement of sudden increases of other than moderate dimensions.

The mitigation of large enhancements by spreading its imposition over a term of years has been recognised feature in the settlement procedure of Upper India for a long time past ; but has not till recently been brought systematically into practice. In 1895, the Government of India, with the concurrence of the Secretary of State, drew general attention to the advisability of making larger use of progressive enhancements.

“ I respectfully submit that the remedy which at present exists will continue ; and if allowed to continue will be sufficient to meet the cases of hardship referred to by the Hon'ble Member. With regard to the remarks made by the Hon'ble the Home Member, I beg to point out that my Resolution will not affect the Central Provinces. In the Central Provinces there is hardly a district where four-fifths of the culturable area has been brought under tillage. From the figures given in the Agricultural Statistics of India for the years 1904-05 to 1908-1909, Volume I, it appears that, with the exception of the single district of Kandala, there is no other district in the Central Provinces where four-fifths of the cultivable area has been brought under cultivation. I am not acquainted either with the history of the land-revenue settlements in the Central Provinces or with the origin of the landlords there. But with regard to the landlords of the United Provinces I can say that even under Mohammedan Kings, especially during the Mogul rule, ancestors of many of the present landlords were not only landlords in the English sense of the word but were also *de facto* rulers within their own estates. The Hon'ble the Home Member has pointed out that if the period of settlement is extended from 30 to 50 years, there will be a continuous loss of revenue which he has calculated at the rate of 25 lakhs of rupees. I beg to submit that after a short time all the districts of the Central Provinces will be fully developed and the increase thereafter will not be as large as is calculated. The Hon'ble the Home Member has pointed out that prices have risen by leaps and bounds, but I beg to submit that of recent years the rise has not been so marked as before. A reference to the statements under the heading ' Prices Current ' given in the Statistical Abstract relating to British India for 1901-02 to 1910-11 would bear out my statement. Several Hon'ble Members have asked whether the benefit derived by landlords will be secured to tenants or not. I beg to draw their attention to the following remark made in the speech just delivered.”

[*The Vice-President ; Raja Kushal Pal Singh.*] [27TH FEBRUARY, 1914.]

The Hon'ble the Vice-President :—" If the Hon'ble Member is referring to a speech delivered this morning, I think it will be sufficient to make a reference to it."

The Hon'ble Raja Kushal Pal Singh :—" I stated in my speech that the benefit would be secured to the tenant. I beg to thank the Hon'ble Member in charge of the Revenue Department for his re-affirmation of the policy underlying the well-known Resolution of the 16th January, 1902. He says that the procedure of settlement operations has been very considerably simplified, but I beg to point out that in spite of simplification, even now the cost of settlement work is about 2 lakhs and 50 thousand rupees and the time taken varies from 4 to 5 years. Even now settlement operations cause harassment to the people and have a disturbing effect on agriculture. The same Hon'ble Member has said that prices have risen enormously since the year 1862 ; but I think that in recent years prices show a tendency to become more or less stationary.

" A reference to the statements under the heading ' Prices current—' "

The Hon'ble the Vice-President :—" I think the Hon'ble Member is repeating what he has already said. He referred us to the statistical aspect of the question "

The Hon'ble Raja Kushal Pal Singh :—" The Hon'ble Member in charge of the Revenue Department has stated that the extension of the term of settlement will entail a serious loss of revenue to the State, when money is urgently required to meet the growing needs of administration, especially in respect of education and sanitation. My submission is that the Government is meeting these needs in order that people might become happy and prosperous. According to the view taken by the Hon'ble the Home Member, the Government is the trustee of the people. The ultimate object aimed at being thus the happiness and prosperity of the people. How can the people be happy and prosperous, if the settlements are allowed to recur after every 20 or 30 years with the not infrequent result that the accumulation of wealth from the soil is interfered with and the gains and incomes of our agriculturists are intercepted? In my humble opinion the sacrificing of a small amount of revenue to the improvement of the material prosperity of the people will be a better way of dealing with the public money than the spending of it in improving the administrative machinery of Government or in providing more educational or medical facilities. The incentives which Government supplies to agricultural improvements and the prosperity which those improvements bring to the people should be a matter of as much concern to the Government as the amount of revenue which is brought into the exchequer of the State. I have shown in my speech that short term settlements cut away all incentives to improvements ; while more extended ones give some assurance and encouragement to the people and promote enterprise in the landed classes—"

The Hon'ble the Vice-President :—" The Hon'ble Member has only half a minute in which to continue his speech. "

The Hon'ble Raja Kushal Pal Singh :—" In regard to inequalities in holdings, I have already replied in the remarks which I made in answering the criticisms of the Hon'ble the official Member for the Province of the Punjab. "

[27TH FEBRUARY, 1914.] [*Rai Sri Ram Bahadur.*]

The Resolution was put and the Council divided as follows :—

Ayes.—18.

The Hon'ble Raja Kushal Pal Singh.
 The Hon'ble Rai Sri Ram Bahadur.
 The Hon'ble Paudit M. M. Malaviya.
 The Hon'ble C. V. R. Achariar.
 The Hon'ble R. R. Venkataranga.
 The Hon'ble Khan Bahadur Mir Asad Ali Khan.
 The Hon'ble Sir Ibrahim Rahimtoola.
 The Hon'ble Maharaja Ranajit Sinha.
 The Hon'ble Maharaja M. C. Nandi.
 The Hon'ble Raja of Mahmudabad.
 The Hon'ble Raja Abu Jafar of Pirpur.
 The Hon'ble Mr. M. S. Das.
 The Hon'ble Mr. Q. Huda.
 The Hon'ble Malik Umar Hyat Khan.
 The Hon'ble Sardar Daljit Singh.
 The Hon'ble Mr. V. R. Pandit.
 The Hon'ble Sir G. M. Chitnavis.
 The Hon'ble Mr. S. G. Barua.

Nocs.—35.

The Hon'ble Sir Robert Carlyle.
 The Hon'ble Sir Harcourt Butler.
 The Hon'ble Sir Ali Imam.
 The Hon'ble Mr. W. H. Clark.
 The Hon'ble Sir Reginald Craddock.
 The Hon'ble Sir William Meyer.
 The Hon'ble Mr. W. M. Hailey.
 The Hon'ble Mr. Cobb.
 The Hon'ble Mr. J. B. Wood.
 The Hon'ble Mr. Brunyate.
 The Hon'ble Mr. Wheeler.
 The Hon'ble Mr. Enthoven.
 The Hon'ble Mr. Sharp.
 The Hon'ble Mr. Porter.
 The Hon'ble Sir E. D. Maolagan.
 The Hon'ble Major-General Birdwood.
 The Hon'ble Mr. Michael.
 The Hon'ble Surgeon-General Sir C. P. Lukis.
 The Hon'ble Mr. Russell.
 The Hon'ble Mr. Maxwell.
 The Hon'ble Major Robertson.
 The Hon'ble Mr. Kenrick.
 The Hon'ble Mr. Kesteven.
 The Hon'ble Sir William Vincent.
 The Hon'ble Mr. Wynch.
 The Hon'ble Mr. Donald.
 The Hon'ble Mr. Walsh.
 The Hon'ble Mr. Arthur.
 The Hon'ble Major Brooke Blakeway.
 The Hon'ble Raja Jai Chand.
 The Hon'ble Mr. Diack.
 The Hon'ble Mr. Laurie.
 The Hon'ble Mr. Arbuthnot.
 The Hon'ble Mr. Rice.
 The Hon'ble Maung Mye.

The Resolution was accordingly rejected.

RESOLUTION ON THE UNITED PROVINCES SETTLEMENT.

The Hon'ble Rai Sri Ram Bahadur:—" Sir, I have the honour to move the Resolution which stands against my name and is as follows :—

That this Council recommends to the Governor General in Council that the annual amount allowed at present by the Imperial Government to the Government of the United Provinces out of the shared heads of revenue raised by the said provinces, for provincial expenditure, be increased by a sum equivalent to one-eighth of their land revenue, either by raising the provincial share of land revenue from three-eighths to the full extent of one-half or by increasing that share only partially and making up the rest by raising their share in such other shared heads of revenue as the Government may consider proper.

[27TH FEBRUARY, 1914.] [*Bai Sri Ram Bahadur.*]

“ Sir, the inadequacy of the amounts allotted to the United Provinces for local expenditure has a history of its own. As is well known the system of giving to each province separate sums for provincial expenditure was for the first time introduced by Lord Mayo by his famous Decentralization Scheme of 1870. At that time the Provinces of Agra and Oudh formed two separate administrations and in the financial adjustments of 1870 they were dealt with separately. In 1877 the Provinces of Agra and Oudh were amalgamated and were placed under one provincial ruler. Sir George Couper was the first Lieutenant-Governor, and after him came Sir Alfred Lyall and Sir Auckland Colvin. The policy followed by the provincial rulers of the eighties and in the earlier portion of the last decade of the last century, stands at the root of the inadequacy of provincial allotments made in subsequent years by the Imperial Government. That policy was to keep the provincial expenditure as low as possible. Instead of spending the money in improving the administrative machinery, in giving the people more extended educational facilities and a better organized judicial service, and in providing measures for improving material prosperity of the people, the Government effected large savings which were used in constructing lines of railway. Between the years 1878 and 1888 the large sum of nearly one and a quarter crores of rupees was spent from provincial revenues on the development of railways within the United Provinces, and the Cawnpore-Achnera, the Dildarnagar-Ghazipur and the Bareilly-Pilibhit lines were constructed from those revenues. This was done with the hope that the receipts from those railways would go to increase the provincial income. But when completed, those lines were taken over by the Imperial Government, and the ultimate gain to the province was *nil*. The result of the economies practised by the rulers of the time was that it created the impression that the requirements of the United Provinces were not on the same scale as those of the other advanced provinces in India. The amount of the then existing expenditure was taken as the standard for future provincial settlements. The sums allotted in the subsequent settlements for local expenditure were barely sufficient for the existing expenses of the administration and for removing the immediate needs, but they left no margin for the future wants of a province, which even in those days was progressing, though not at such a rapid pace as it is doing now. The treatment accorded to the United Provinces in those days in respect of their finances was anything but liberal and just.

“ The fact of the inadequacy of the sums allotted to the provincial Government for expenditure came to the notice of Sir Antony (now Lord) Macdonnell soon after the assumption by him of the administration of the United Provinces. He found that those allotments were not sufficient for carrying out the administration with due regard to efficiency, nor for meeting the existing and growing needs of the provinces which had then begun to move rapidly in every direction towards progress and advancement. He represented the matter very strongly to the Imperial Government and obtained an improvement in the terms of the provincial settlement.

“ Both the official and non-official representatives of the United Provinces in this Council—and I had the honour to be among them—made repeated representations on the subject and drew the earnest attention of the Government of India, in Lord Curzon's as well as in Lord Minto's time, towards it. Sir Edward Law and Sir Edward Baker, seeing the justice of the provincial demands, raised the amount of the allotments. The people of the United Provinces are thankful to the Government of India for the favourable response they received to those appeals. They are also thankful for the recurring and non-recurring grants given from time to time, and specially for those given in March last, for the advancement of education in all its branches and for the improvement of sanitation of the larger cities.

“ The last provincial settlement was arrived at in the time of Sir John Hewett, and it must be admitted that it was a great improvement upon those which had preceded it. Instead of making recurring annual grants in the shape of doles, the provincial share was raised in the divisible heads of revenue; in Land Revenue it was raised from one-fourth to three-eighths;

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in Excise, Assessed Taxes and Forest from one-fourth to half; in Registration from one-fourth to the whole; but in Stamps it remained the same, i.e., a moiety. A guarantee was also given as regards the minimum sum to be obtained from Irrigation receipts. There can be no doubt that this settlement is much more advantageous to the provinces than its predecessors.

"In order to provide for the future growth of provincial expenditure it was assumed, at the time of making this settlement, that, as time goes on, the receipts from shared heads of revenue would give a progressive increase and supply the provinces with the means to meet the growth of expenditure on their needs in education, sanitation and in improvements in the general administration.

"Regarding the prospect of progressive increase in the different heads of revenue, Mr. Gillan, then Financial Secretary of the United Provinces Government, made very pertinent observations in the Financial Statement of March, 1910. He said that :—

Under the settlement recently effected the province was in theory given a largely increased share in expanding revenues, and it was hoped that in this way a margin would be made available to meet the growth of expenditure. It is impossible, however, under present conditions, to say that this will be the result.

To take for instance the case of land revenue. This accounts for a very large portion of the whole provincial income, and it has shown in recent years a very large increase; the cause of that increase, however, has been the series of settlements which has recently been brought to a close, and apart from regular revisions of settlements, the growth of land revenue is found to be a mere Rs. 18,000 a year to which may be added the increments due to regular settlements, averaging Rs. 30,000 a year, which will be gained during the next five years, making a total of Rs. 48,000, of which the provincial share is, say, Rs. 15,000.

"I give below a statement showing the amount of shares received during the quinquennium 1908-1909 to 1912-1913, by the United Provinces Government in the shared heads of revenue, *vis.*, Land Revenue, Stamps, Excise, Assessed Taxes, and Forest, and also in Irrigation as well as in Registration, which has now become wholly provincial.

	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.
Land Revenue	2,42,16,462	2,58,02,719	2,48,83,614	2,43,82,023	2,47,42,761
Stamps	49,90,193	55,20,081	60,25,135	54,95,118	57,45,063
Excise	42,81,124	43,38,406	51,39,682	88,48,840	94,46,321
Assessed Taxes	11,50,896	11,09,120	11,61,181	12,06,981	12,59,263
Forest	10,87,703	11,50,582	11,89,220	80,16,160	35,43,963
Registration	5,66,595	6,28,200	5,96,697	5,94,858	6,53,893
Irrigation { Major works	94,71,901	88,74,549	83,34,478	82,60,232	79,57,265
{ Minor works	1,62,215	1,69,725	1,60,020	1,50,841	1,79,913

"These figures are taken from the Finance and Revenue Accounts of the Government of India. A study of these figures cannot lead to any encouraging assurance that the progressive rise in future in the receipts from the several heads will be commensurate with the money required for the increasing expenditure of the Province.

"On the subject of the inadequacy of the provincial allotments no higher authority can be cited than that of Sir John Hewett, who administered the United Provinces for six years. In closing the debate on the Provincial

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Budget of 1912-13, just a few months before his retirement, he observed as follows:—

Both within this Council and throughout the province generally there is an overwhelming body of opinion that the permanent settlement made with us is unfavourable. That opinion I entirely share.

There are many reforms involving recurring expenditure which appear to me to be urgently required and which cannot possibly be carried out under the terms of the present financial contract.

We have hitherto failed to induce the Government of India to give what we regard as adequate consideration to the fact that our expenditure on land revenue, general administration, courts of law, education, jails, police, medical and civil works comes in no instance up to the average expenditure per head of the population in the other six large provinces in India: in some instances (I may cite general administration, education and courts of law) we come last, while in no single instance do we occupy a higher place than fourth. I do not despair of the Government of India recognizing the validity of the claim that I have made to better treatment.

“These are the words of a Governor who made an estimate of the requirements of the province after an experience of six years, and in whose time the Local Government administered its finances conscientiously and economically. Referring to the Hon'ble Mr Gillan's report on the accounts of the Government of India for 1910-11, Sir John Hewett said that it was ‘very satisfactory that the Comptroller General has not found any item to criticize as objectionable in the provincial accounts.’

“No doubt our present Lieutenant-Governor, His Honour Sir James Meston, when Financial Secretary to the Government of India, in the course of his remarks on the resolution moved by my Hon'ble friend Pandit Madan Mohan Malaviya, expressed his views to the contrary. But those were his views in 1912, and we hope that as time goes on His Honour's experience of the administration of the province will bring home to him the necessity of larger sums for expenditure on the growing needs of the provinces than the present provincial settlement can give.

“The United Provinces occupy the first place as regards the numerical strength of their population, which is a little less than four and three-quarter millions; while Bengal, standing second in this respect, has a population of little over four and a half millions. The United Provinces have the largest number of towns as compared with all other provinces in India, their number being 418, while Madras, which stands second in this respect, possesses only 279 towns. Bengal occupies a much lower place in the scale, having only 119. A very considerable sum is required for the sanitation of these towns.

“Within the United Provinces there is a large number of sacred places which are resorted to by very considerable numbers of the followers of the Hindu religion from every nook and corner of India. The sanitation of these places of pilgrimage is a matter of the highest importance, not only to the United Provinces but to the whole of India. Because, unless the sanitation of these places is kept in a satisfactory condition, there is the great danger—and it actually happens very often—of epidemic diseases being carried over to the other parts of the country by the pilgrims who assemble there in enormous numbers on certain occasions. A very considerable outlay is required for improving the water supply of these places, for widening their existing roads and constructing new ones, for increasing the staff necessary to keep these places clean and for carrying out other urgent measures of sanitary reform. The expenditure to be incurred on these places will not be for local benefit only, but for the benefit of the whole of India. What amount will be required for these purposes I am not in a position to say—but we shall soon know it when the report of the Hon'ble Major Robertson's Committee is out.

“On the sanction of the Pike scheme for the revision of district establishments, an additional recurring expenditure of Rs. six lakhs a year will be required. Then there is the necessity for raising the pay of *Patwaris* and their assistants—a class of Government officials whose work has now become heavy. Their salaries at present range from Rs. six to Rs. twelve per mensem. Their

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number in the United Provinces is 29,419. If an increase of Re. 1 per month be given to each of them the additional expenditure will amount in round numbers to more than three and half lakhs a year.

"To remove educational needs very considerable sums are required both on the recurring and non-recurring sides. We require roughly speaking Rs. 1,25,000 for Colleges, two lakhs for raising the pay of teachers of Secondary Schools, Rs. 80,000 for Girls' Schools, another Rs. 80,000 for European Schools and Rs. 50,000 for Technical and Special schools.

"In addition to the above there is the all-important question of raising the pay of Vernacular School teachers for which twelve lakhs at least a year are necessary to make any impression. Not only should existing teachers be given something more than a subsistence allowance, but the number of teachers should be also greatly increased.

"Then comes the item of rural sanitation. Under this head we require roughly calculated about five lakhs a year for the staff and establishment, and other necessary expenses for making a beginning in this important branch of sanitation.

"The above are some of the heads under which a large additional recurring expenditure is required for supplying the administrative and educational needs of the province and for introducing measures of sanitary reform in rural areas.

"The United Provinces contribute the largest amount of land revenue to the Imperial Exchequer. All other provinces get, for their expenditure, a larger share out of the land revenue raised by them. Not one of those provinces, I am speaking subject to correction, gets less than half and some get more than half. Justice requires that the United Provinces should not be allowed to remain in a worse position than the other provinces and their share for local expenditure in the receipts from land revenue should be raised to a moiety. By increasing the share in land revenue from three-eighths to half, the provincial receipts will increase by about 80 lakhs a year, which sum will suffice for the present to remove their existing wants, and those coming in the near future. But in case the Government does not think it advisable to raise the share in land revenue alone, an equivalent sum may be given by increasing the share in land revenue only partially, and making up the rest by raising the shares in such other shared heads of revenue as the Government may consider proper.

"With these remarks, I beg to move the Resolution."

The Council adjourned here for lunch.

The Hon'ble Raja Kushal Pal Singh:—"In 1867 Sir Richard Strachey (to whom the credit of the remedial measures undertaken is largely due) wrote:—

The distribution of the public income degenerated into something like a scramble, in which the most violent had the advantage, with very little attention to reason; as local economy brought no local advantage, the stimulus to avoid waste was reduced to a minimum, and as no local growth of the income led to local means of improvement, the interest in developing the public revenues was also brought down to the lowest level.

"Although this state of things was remedied to some extent by the system of financial decentralization inaugurated by Lord Mayo, still the evil referred to above has not been entirely removed. In moving the resolution on provincial grants on the 7th March, 1912, the Hon'ble Mr. Gokhale said:

Sir, an unfortunate feature of the present policy, which needs special mention, is that a great deal of scramble goes on among the different provincial Governments as to how to secure the largest share for themselves. In fact, one almost feels that the days prior to 1870, when the decentralization of our provincial finance first began, are again returning in some respects. It is not the Province that has the greatest need that gets the most, but it is the Province that makes the most clamour, that manages somehow to be heard most, that gets most.

[*Raja Kushal Pal Singh.*] [27TH FEBRUARY, 1914.]

" In the matter of the standards of expenditure fixed we are undoubtedly suffering now from the niggardly allotments for Provincial expenditure in the somewhat distant past. The policy then followed has prevented the standard of expenditure under various heads from ever reaching the figure demanded in the interests of the provinces.

" In the speech delivered in the Provincial Legislative Council on the 31st March, 1897, Lord MacDonnell said :

Last autumn in anticipation of the discussion of the revision of the contract, I made it my business, with Mr. Miller's invaluable help, to examine the past financial history and the actual financial position of these provinces. Without troubling you with the details of that examination, I may say that two conclusions emerged very clearly from it. The first was that in the period of the earlier contracts the material development of these provinces had been preferred to their administrative advancement; the second conclusion was that from the very commencement the administration of the provinces had been conducted on a most economical scale.

With reference to the first conclusion I would observe that during the earlier contracts this Government had accumulated a balance of about a crore of rupees. That balance it could dispose of in two ways. It could have spent the money in improving the administrative machinery of the province, in giving it more extended educational facilities, a better police, a more liberally organised judicial service, and so forth. Or it could have spent the money in improving the material prosperity of the people by the construction of railways and other communication. The Government of the day chose the latter alternative course relying doubtless on the hope that in the profits of its railways it would find an assured income for promoting the administrative improvements to which I have just referred. Accordingly the large accumulations which this Government had made were spent to the great material advantage of the country in building railways. From these railways at the present time a substantial income is derived. But since they were built, they have passed out of our possession; the Government of India has thought fit to take them over, and the income instead of coming into the Local Exchequer, is appropriated by the predominant partner.

Now I must not be understood by the Council as for a moment questioning the policy or the propriety of the action of the Government of India in thus taking over the investments of this Government in pursuance of an Imperial railway policy. Doubtless their action has been for the good of the country on the whole. But what I wish to point out is the restrictive and injurious effect which that action has had on the administrative development of these provinces. The Government of these provinces, while engaged in saving money wherewith to make railways, spent less on the provincial services than it would otherwise have spent. The appropriation by the Government of India of the interest on our investment disabled my predecessors from making up leeway in administrative reform and expansion; and as each successive contract takes its character from the parsimony of the preceding one, we have come in the United Provinces to stereotype a low scale of provincial expenditure and a defective administrative equipment.

" In introducing the Financial Statement in 1909, the Hon'ble Mr. Gillan said :—

It is not, I think, out of place to observe, it is indeed sufficiently well-known that this Province has undoubtedly suffered from the application of the principles on which previous settlements were conducted. We think it can be shown that in the early days for one reason or another the finances of these provinces were administered much more strictly and economically than was the case in most other provinces. But so long as the system of short term settlements endured, the policy deliberately announced and consistently applied was to base each revision on the recent actuals of expenditure. To compare great things with small, the result is the same as if in fixing the contract grants of district officers the Government were to pay attention only to the actuals of recorded expenditure. In that case the Collector who spent the most would get the most, while it would be judged that a district where the expenditure was small had small requirements. Similarly this Province, because it began with little, has continued to receive little.

" We are the premier province in the Indian Empire in respect of population, and we pay the largest amount of land revenue to the Imperial Government. In the following passages our late Lieutenant-Governor, Sir John Hewett, points out in eloquent language the needs of our provinces :

I am satisfied that it is absolutely necessary, if the people of these provinces are to be treated as they deserve to be treated and as the people of other provinces are treated, for the Local Government to be given a larger share of the revenue which accrues within the United Provinces. I am convinced that this will be necessary in order to meet the clamant and unanswerable demand for expenditure on such matters as education, particularly on primary, female and industrial education, on sanitation and medical relief, on the improvement of judicial arrangements, and on the revision of the terms of service of ministerial establishments.

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“In summing up the debate on the budget for the year 1912-13, Sir John Hewett said :—

Both within this Council and throughout the Province generally there is an overwhelming body of opinion that the permanent settlement made with us is unfavourable. That opinion I entirely share. Each financial settlement, whether temporary or permanent, is based on the standard of expenditure in force when it is brought into effect. Now, for practically the whole of my service in India, this province has been suffering because of the policy which the Local Government adopted, with the full approval of the Government of India, of investing all its available balances in productive public works. Between the years 1878 and 1888 a sum of 123 lakhs of rupees was spent from provincial revenues on the development of railways within the Province. The Cawnpore-Achnera, the Dildarnagar-Ghazi-pore, and the Bareilly-Pilibhit lines were constructed from provincial revenues. After these railways had been constructed the Government of India decided that the Provincial Government ought not to be permitted to own railway systems and these three railways were then taken over by the Supreme Government. It is obvious that the money invested on these lines could only have been obtained by postponing expenditure on administrative needs, and that the construction of railways meant that the standards of expenditure were kept lower than they ought to have been. The form of compensation given to the Provincial Government by the Government of India was an assignment of ₹1,80,000 a year. It is easy to see that this grant could not be in any sense equivalent to the loss suffered by the provincial revenues owing to the expenditure of a crore and a quarter of rupees on railways, and in time, as successive settlements came into effect, even this miserable compensation became merged in the general assignments. Can we wonder that the result has been that the standard of expenditure under different heads is far below what it ought to be, and below what it is in other parts of India? We have hitherto failed to induce the Government of India to give what we regard as adequate consideration to the fact that our expenditure on land revenue, general administration, courts of law, education, jails, police, medical and civil works comes in no instance up to the average expenditure per head of the population in the other six large provinces in India: in some instances (I may cite general administration, education, and courts of law) we come last, while in no single instance do we occupy a higher place than fourth.

“In the last speech made in the United Provinces Legislative Council on the 1st August, 1912, Sir John Hewett expressed his dissatisfaction with the financial arrangements now in force in the following words, ‘At the last meeting of the Council I mentioned that a representation had been made to the Government of India regarding the financial settlement. A reply has since come, in which the Government of India, while acknowledging the completeness with which the case was put before them, declined to re-open the question. There the matter must rest, so far as I am concerned; but my opinion that the financial arrangements now in force are not fair to the province remains unaltered. Recently I learnt that one local Government had been able to give some 28 lakhs to its municipalities for sanitary improvements and that the normal expenditure of another Government falls short of the normal income by 84 lakhs while that income increases by 15 lakhs annually. We have also all read of the large initial balances given to the three provinces reconstituted in accordance with the announcement made at the Durbar at Delhi. It is disheartening to reflect that, after a desperate fight with the famine on large scale, which exhausted all our resources, we were three years ago given as a balance to start afresh with the minimum permissible, *viz.*, 20 lakhs, and that an examination made in order to test the elasticity of our finances under the contract now made permanent satisfied a Financial Secretary to this Government, who now occupies a much more exalted position, that we must anticipate that our normal income would increase by 2 lakhs a year, while our normal expenditure increased by 3 lakhs. Is any argument needed to show that in such conditions the distribution of land revenue in the proportion of $\frac{1}{3}$ ths to the United Provinces and $\frac{2}{3}$ ths to the Government of India, while in all other provinces the Government of India and the Local Government share it equally, is not justifiable? I sincerely trust that the Province will be successful in getting this altered before long.’

“The speeches made every year by the non-official members of the United Provinces Legislative Council, as well as by those of this Council who represent the United Provinces, clearly show that in the United Provinces there is a general complaint as to the inadequacy of the provincial allotment.

“The Hon'ble Mover has made out a strong case for the prayer contained in the Resolution before the Hon'ble Council and has shown with wealth

[*Raja Kushal Pal Singh; Raja Saiyid Abu Jafar of Pirpur.*] [27TH FEBRUARY, 1914.]

of detail that the claim of the United Provinces for generous treatment is unanswerable.

"It is with great pleasure that I beg to support the Resolution which has been so ably moved by the Hon'ble Rai Sri Ram Bahadur."

The Hon'ble Raja Saiyid Abu Jafar of Pirpur:—

"Sir, there is no question about which the inhabitants of the United Provinces are more unanimous than on the question of the provincial settlement. Indeed it has become an axiomatic truth. I find that for many years the non-official members of the Provincial Council have been urging this in the United Provinces Council, and even the Local Government till recently was in its favour. Last year on the occasion of the Budget debate at Lucknow, the Hon'ble Pandit Moti Lal very aptly said that with all the members of the Council, past, present and future, it is an article of faith and it rests on the solid rocks of justice. In October, 1913, the United Provinces Political Conference at Fyzabad unanimously passed a resolution and brought this question to the notice of the Local and the Imperial Governments. On the 1st December, 1913, the Hon'ble Khawja Ghulam Saqlain, a member of the Provincial Council, asked with reference to the Resolution No 4 of the Provincial Conference at Fyzabad that the Government of the United Provinces might move the Imperial Government in this matter, but the reply was unfavourable.

"I submit that on every consideration, theoretical and practical, the demand for an equal and equitable distribution of the Provincial revenue is simply unanswerable. I hope and I trust the Imperial Government would be pleased to take this question earnestly in hand.

"The United Provinces in every way deserve the sympathy of the Government. They are peopled by a very quiet race, which has seldom given any trouble to the Government. The density of population there is very high and the people require special sanitary and medical protection. The people, both the Hindus and the Mussulmans, have a great history in the past. These provinces had further the highest Oriental civilization, both in the Hindu and the Moslem periods. Greatest rulers, reformers, poets, and authors were born and flourished there; yet the education is comparatively very backward. It is not that the people of the United Provinces love ignorance more than that of any other major province, but because the money spent on education is not sufficient. Of the school-going population of the United Provinces 15.1 per cent. only go to school, while the number in Madras is 30.8, in Bombay 33.6, in Bengal 33.1, even in Burma it is 20.9 and in the backward and sparsely populated districts of Berar and Central Provinces, it is about fifty per cent. more than in the United Provinces. What is even more remarkable, the new Frontier Province has nearly the same percentage as the United Provinces, as it has 18.1 of its school-going age population in schools.

"We will have further the new Hindu and Moslem Universities at Benares and Aligarh, which require to be liberally helped and more money would be needed. Poor villages and even many small towns have practically no medical relief. They require to be helped to get doctors, *tabibs* or *veds*, but the medical department cannot supply them. The sanitation of the towns and villages is also a question of money. But unfortunately the United Provinces cannot spend much upon these most necessary improvements in the country. No country with a population of forty millions can possibly develop with such a small amount spent on sanitation and medical relief. The district boards have to be helped to improve the roads, the lighting, education, sanitation, and the general welfare of the schools. They have always to postpone most of their reforms for want of funds. If these Provinces were treated as liberally as the others are done the condition of things would not have been so bad. The vast amounts which the Agra and Oudh Provinces have been made to pay in excess of their due, if added together, would startle any economist.

[27TH FEBRUARY, 1914.] [*Raja Saiyid Abu Jafar of Pirpur; Sir William Meyer; Pandit Madan Mohan Malaviya.*]

"It is sometimes said that the evil is of long standing, hence it should not be so keenly felt. But it is in the nature of such questions that with the advance of education they are more and more keenly felt. I trust that in the benign régime of *His Excellency* at least a beginning shall be made and a scheme sanctioned by which a gradual if not an immediate advance should be made, so that in a few years the United Provinces might enjoy the benefits of its normal minimum. The difference between 37·5 per cent. and 50 per cent. of the vast revenues of the United Provinces is not a thing of small moment.

"I feel, Sir, that the question cannot be long ignored. I have laid such stress upon this important resolution of my Hon'ble friend because it is a proposal by which the inhabitants of my provinces could be helped more effectively than by any other proposals, and by means of this reform their educational, sanitary economic and industrial, moral and material condition can be improved. Then after all it is a question of pure justice.

"With these remarks, I support the Resolution proposed by the Hon'ble Mover."

The Hon'ble Sir William Meyer :—Sir, this is by no means the first time that this Resolution has been brought forward in one shape or another. It was moved by my Hon'ble friend, Mr. Madan Mohan Malaviya in 1911. He was effectively answered by the distinguished official, who is now Lieutenant-Governor of the United Provinces, Sir James Meston. The resolution was defeated. The Hon'ble Pandit took the field once more in 1912. This time the Finance Member himself came out to meet him; and again the Hon'ble Pandit was defeated.

"A resolution which immediately preceded the present one brought into play the land-revenue settlements and agricultural conditions, and to use an agricultural analogy my non-official friends in the United Provinces, seeing that this particular plot of ground did not bear good crops, evidently thought they would leave it fallow for a time; for in 1913, wonderful to say, no resolution was moved. However, 1914 has come, and with it the evergreen has sprouted once more. I may turn now to another analogy from the cricket field. It often happens that when the fielding side think that their fortunes may be improved by so doing, they change the bowling; on this occasion my Hon'ble friend, the Pandit has retired, and has put in, if I may say so, a veteran insidious bowler, the Hon'ble Mr. Sri Ram—"

The Hon'ble Pandit Madan Mohan Malaviya :—"I hope he succeeds better than I."

The Hon'ble Sir William Meyer :—"There is also a new and untried batsman. However, with the examples of my predecessors before me, I trust I shall on this occasion successfully defend the financial wickets. My Hon'ble friend the Mover started, on this occasion, with ancient history. He referred to remote Lieutenant-Governors who were guilty of, what appears to be a great crime in his eyes, economy; and, by so doing, injured the prospects of the province. However, events move fast in India, and that is a matter of the remote past. The Hon'ble Mover himself admitted that the settlements that have since been made have been of a progressively liberal character. I will not go again over the ground that I had to take two days ago, when I think I convinced the Council that the Government of India, in making the Provincial Settlements, have gone on with greater and greater liberality, and the United Provinces are no exception to this rule. The last settlements in particular were practically framed by Sir James Meston. Sir James has played a great part of late years in the history of the Finance Department here; and he was not only a very able, but a most loyal and conscientious officer. Is it likely that Sir James Meston, of all people, would have been guilty of injustice to the province of which he was so proud?"

[*Sir William Meyer ; Pandit Madan Mohan Malaviya.*] [27TH FEBRUARY, 1914.]

"In fact all this talk of injustice is due to a misapprehension. The Hon'ble Mover and his friends say that it is an injustice to the United Provinces that it should get $\frac{2}{3}$ of the land revenue while other provinces get $\frac{1}{3}$. I explained on Wednesday that the real principle that the Government of India have gone on was to start the provinces with a liberal standard of expenditure and to finance them as far as possible by allotments of growing revenue. The United Provinces got their share of Excise raised from $\frac{1}{3}$ to $\frac{2}{3}$ and the major irrigation works were entirely provincialised. The province was exceedingly well treated and I shall show by concrete example later on how well treated. There was moreover a valid reason for having taken the land revenue share at $\frac{2}{3}$. This proportion was deliberately devised by Sir Edward Baker. I will read to the Council his reason for doing so. He wrote :

The reason is that the United Provinces land revenue is quite exceptionally large amounting to over 60 per cent. of the whole revenue, Imperial *plus* Provincial, and it is also exposed to climatic vicissitudes in an exceptional degree. In order therefore to protect the Local Governments from violent fluctuations in its revenues (which are destructive of the objects of a permanent settlement) we should (1) reduce the provincial share to three-eighths and (2) guarantee a relatively high minimum.

"That was what was done. Let us see how the arrangement has answered. The United Provinces are now unfortunately in a period of scarcity. What has been the result of the present arrangement? It has guaranteed to them a minimum revenue of 240 lakhs under land revenue. The result of this is that in the present year all but 5 lakhs of the loss under land revenue which inevitably follows from a famine is transferred to Imperial, whose share is reduced by some 19 lakhs. If the Local Government had had a half share with no guarantee, in place of $\frac{2}{3}$ with a guarantee, instead of losing 5 lakhs they would have lost 82. The United Provinces may well claim to be saved from their friends who advocate a change of this sort. Sir Edward Baker followed the Scriptural maxim of doing good by stealth. Alas ! I fear his good acts have not provoked the gratitude which they ought to have inspired. I wish also to remind the Hon'ble Mover and his friends that although the United Provinces have $\frac{2}{3}$ only of their land revenue, with the material safeguard of the guarantee of which I have spoken, they have also got 40 lakhs of the fixed assignments. The Hon'ble Mover has entirely ignored this and says 'give us half the land revenue, that is, increase the provincial resources by 80 lakhs.' This is the sort of argument that any Province in India might make. The Hon'ble Pandit in his previous speeches used to compare the United Provinces with Madras, and he said that these were the two provinces out of which the Government of India got most in proportion to the total revenue. If I were speaking as a Madras officer instead of in my present position I should say 'very well. You claim the same treatment as Madras, will you kindly give up your additional proportion of excise, will you kindly content yourself with half your major irrigation works receipts as Madras does?' My Hon'ble friends cannot have it every way. They cannot take the plums out of any particular settlement and leave the drawbacks alone. What would happen if that went on? It would be a case of the most favoured province treatment all round. Every province would require to be levelled up to the standard in the share of a divided head which had been given to provinces most favoured in this respect. The result would be not a mere question of 80 lakhs as now, but of crores. The Hon'ble Pandit, I think, in Wednesday's debate, spoke of crores being poured into the provincial exchequers. I do not know whether people suppose that I am a conjurer, able to produce money from my Hon'ble friend Mr. Hailey's hat, or in some other mysterious method. If crores are given to the Provinces they must be found somewhere—"

The Hon'ble Pandit Madan Mohan Malaviya :—"I should like to correct the Hon'ble the Finance Member. I said that if my proposal had been accepted the Government of India would have had to disgorge crores upon crores. That referred to the past, not to the future"

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The Hon'ble Sir William Meyer :--“ Even in the past the process would have been embarrassing, but I accept the Hon'ble Member's correction ; and I say that if this principle were applied all round, and it must be applied all round if it is to be applied with justice, it means additional allotments of crores to the provinces hereafter. This can only come in two ways, in real fact, only in one way. I think Hon'ble members are aware that the Government of India are not in a position in which they can hand over crores to the provinces. Even if they were in such a position this would mean suspending beneficent reforms and starving the development of important heads which the Government of India have to reserve as Imperial—so what the policy would practically mean is an increase of taxation. Would the members of this Council welcome an increase in taxation ? I do not think so.

“ Now, stress has been laid on speeches by Sir John Hewett. I may observe here that Sir John Hewett, in 1907, writing to the Finance Department, described the then settlement with the United Provinces as a liberal settlement. As for Sir John Hewett's valedictory speech, with all deference to a great provincial administrator, I confess that I am not particularly moved by it. It was an *ex parte* utterance with no representative of the Government of India there to gainsay him ; and any departing Governor or Lieutenant-Governor could, if he chose, before relinquishing his *gadi* say that his province required so much more money, and that it was very hard lines indeed if it did not get it. I say that not only have we been most liberal in the present settlement with the United Provinces ; but that we have gone further of late years and have made provision at the expense of Imperial revenues for remission of the *patwari* and famine cesses, a measure which was of special benefit to the people of those provinces. Again the District Boards there have for the first time been put on a sound financial footing. The Local Government used to take a good deal of money to which the Board were really entitled. The Government of India stepped in and said ‘ Give the Local boards the full land cess and we will compensate you.’ The Government of India have indeed been regarded as so generous to the Government of the United Provinces that we have had a remonstrance from another Local Government, who said that we were giving the United Provinces too much and their province too little. Then comes an appeal *in forma pauperis*. ‘ The province is wretchedly poor, there are many claims which it has to discharge ; the Government of India must be kind and give it some money.’

“ Well, Sir, in the speeches that have been made on this subject, there is one word which I have entirely missed—the word economy. People are ready enough to denounce the Government of India—and not merely the Government of India, but all Governments in India—for extravagance when it suits their purpose, but when it comes to a case like this, there is to be no question of a Provincial Government economising, of its trying to cut its coat according to its cloth—“ Oh no ; more money for this, more money for that, more money for the others—but not to be found by us, to be found (apparently) by somebody else.’ And in this connection I think my friend the Hon'ble Mover was a bit inconsistent, because in the resolution preceding this he supported a proposal which would have materially diminished the future receipts from land revenue. Is it logical to say that a province does not get enough land revenue and then to take that course ? Surely he ought to begin by husbanding what he has.

“ Well, now, I promised a little demonstration of what the actual condition in the United Provinces is. I have already mentioned how the provincial land revenue has been saved owing to the duration of the guarantee. As regards other ordinary heads, famine conditions have not, in the current year, prevented a very fair growth of revenue, they have actually led to a considerable increase of income under irrigation. In the next year some setback must be expected. To a province with a large balance in a secure position as regards its guaranteed land revenue, this setback is not crippling in its effects. In the current year there has been no demand for curtailment

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of expenditure, and a very large outlay will be incurred—from special grants formerly given by the Government of India in particular. Also the Imperial Government makes itself responsible for practically the whole of the actual famine expenditure; that is this year. In the coming year the Local Government will have to take its share of famine relief expenditure, both direct and indirect, but its resources are nevertheless sufficient to provide again for certain important administrative schemes, for example the provincialisation of village police in Oudh, what is known as the Pike Committee's scheme for the revision of ministerial establishments and so on—matters which we used to be told in former years the province could not possibly finance on its present resources, and which it is now doing in a time of famine.

“As to expenditure next year, I should also like to read a particular paragraph from the Lieutenant-Governor's budget letter. He says:—

The Lieutenant-Governor earnestly trusts that no material reduction in the figure of budget expenditure (that is, the figure he proposed), will be enforced. It is true that the provincial balance is considerably reduced; but the balance has been built up in the past as a result of careful administration in order to meet the very purpose for which it is now being utilised, one of the too frequently recurring scarcities to which these provinces are unhappily liable.

“Here is the Government of this so-called poor province specially asking us not to restrict expenditure. Its closing balance at the end of next year is expected to amount to the very large sum of 112 lakhs, of which some 85 lakhs are independent of the Government of India's special grants. The minimum provincial balance prescribed is 20 lakhs, so that, outside the special grants, they will still have about four times as much. No one would seek to deny, Sir, the hardship and loss which famine must entail under the best and most liberal arrangements, but those who are familiar with the state of provincial finance not so many years ago in times of famine, will realise the extraordinary degree in which it is mitigated under our present policy. Then a reference was made to certain remarks by Mr. Gillan as Financial Secretary in the United Provinces. One remark was really rather interesting, because I gather that Mr. Gillan complained that too large a share of the United Provinces resources was obtained from land revenue, which he argued to be relatively stationary; and it is this relatively stationary head which my hon'ble friend wants to get a greater share of. Then again Mr. Gillan estimated most cautiously that the growing revenues assigned to the province would develop very slowly. As a matter of fact they have developed twice as fast as the Government of India anticipated when framing the last settlement. Against an anticipated development at the time of the settlement of 18 lakhs over a particular period, the actual development has been 36 lakhs.

“Now, Sir, to sum up. I have tried to show that there is no injustice involved to the United Provinces. This idea of injustice, because they do not get a particular share of a particular head of land revenue, is a mere catchword. In essentials they are treated at least as well as anybody else. The actual policy proposed must involve one of two things proposed by the Hon'ble Mover; either, as I have said, it must logically be applied all round, with the results that I have indicated, or the Hon'ble Mover will say ‘I demand preferential treatment for the United Provinces and I don't care a blow what happens to anybody else.’ Well, let us take it on that ground. He asks the Government of India to give the United Provinces 80 lakhs more a year. My predecessor said on the last occasion—and I endorse it—that the Government of India are unable to make such a grant from Imperial revenues without bringing to a standstill those beneficent activities with which you, Sir (to the Vice-President) have been so prominently associated, and without bringing to a standstill also its work and duties in other respects. There are only two remaining possible courses in order to carry out my Hon'ble friend's wish. The first is taxation. I, for one, am not going to propose in this Council a special tax for the development of the United Provinces. The second is to tear up the present provincial settlements all round and to take the 80 lakhs a year from other provinces. As to

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that, I wonder how many of the other non-official members of this Council, coming from these other provinces, will support a proposal to make the rest of India tributary to the United Provinces.

" I do not want to be misunderstood. I have had to resist this motion, because I think it is based on misconception; while in so far as it would have any real effect, it would be, as I have said, by giving unjust and preferential treatment to one province of India over the rest. I have travelled a good deal in the United Provinces: some of my best friends have come from there. I recognise that they are in many respects the premier province of India. Through their officers they have been most closely connected with the Finance Department. Taking recent years, I need only again mention Sir James Meston and Mr. Gillan, and now, my most able Secretary Mr. Brunyate. All come from the United Provinces. I of all men would be the last to speak disparagingly of this great province; all I do say is that its non-official representatives must not ask that they shall receive treatment which would be unjust to the rest of India."

The Hon'ble Pandit Madan Mohan Malaviya :—" Sir, the Hon'ble Finance Member has kept his wickets with as much obduracy as he could and he can well congratulate himself upon doing so. Now, Sir, this resolution is brought forward not with a desire to take up the time of this Council over a mere theoretical discussion of what would be right for the United Provinces in comparison with the other provinces. The resolution is based upon a living sense of injustice which is keenly felt in regard to the present arrangements, not merely by non-official members of the United Provinces in this Council, but by a number of officials of the Government connected with the administration of the United Provinces. My friend has tried to dispose somewhat lightly of the last protest addressed by Sir John Hewett on the eve of his administration. I was sorry to find my friend similarly lightly treat the remarks of Sir Charles Trevelyan on another occasion regarding Provincial and Imperial arrangements. My friend is welcome to do so, but, Sir, the objection taken by him was that Sir John Hewett addressed those remarks *ex parte* (I do not know what *ex parte* means there because he was addressing the whole Council and through the Council the Government and the country). Then my friend's objection was that they were remarks addressed at the time of a valedictory address. Now, Sir, I will not take up the time of the Council, but I invite my friend to read the protests which run through the Financial Statements and budget debates year after year for the last three or four years, before Sir John Hewett laid down the reins of his office, and I submit Sir John Hewett acted only as many officials act. At the time he went to the Government of the United Provinces, he expected that the claims of the United Provinces would be considered fairly and reasonably by the Government of India. I made a suggestion, I think it was in the year 1909, that the Local Government, the Government of Sir John Hewett, should address a representation to this Government in order to get this inequality remedied. Sir John Hewett was almost angry at the suggestion that I made that he should then address the Government of India. He thought that, by not making a representation, he had proved to the Government of India that he had very great confidence in them and that he would thereby secure fair treatment, but he was disillusioned. The settlement that was made was examined by him and by his Secretaries and by the Council and it was found to be more illusory than real.

" My friend the mover of the resolution has already acknowledged, and I repeat the acknowledgment that the Government of India have in past years made many assignments to the Government of the United Provinces which have improved the financial position of the Province. But, Sir my friend should remember what he said the other day, that when the Provincial Settlements were started, the great desire, the one predominant desire of the Government of India, was to gain as much of the finances of the country to themselves as they could, and to give as little to the provinces as they could. I will not repeat what I said two years ago in this Council on this question but I will just draw

[*Pandit Madan Mohan Malaviya ; Sir William Meyer.* [27TH FEBRUARY, 1914.]]

attention to what is stated in the resolution of the Government issued in May 1912 on this subject. In that resolution the Government have clearly recognised that 'the second important principle of the system was that the distribution of revenues between the Provincial and Central Governments was made, except on occasions of great emergency, with practical reference, not to the needs of the Central Government, but to the outlay which each province might be called upon to incur upon the services which it administered.'

"Further on in the same resolution the Government of India recognised the inequality of the present arrangements in the following words. 'It is perfectly clear that, at the time of concluding the last contracts, some of the Provinces were more backward than others. It is known that some of the previous settlements had been framed on generous and others upon less liberal lines, and that the standards of expenditure were in consequence unequal, and that certain provinces have thus been placed at a definite disadvantage for all time' In this way the older Provinces and those most insistent in their demands now find themselves in comfortable circumstances, while the more backward and less demonstrative administrations have to face permanent financial stringency.

"In the reply which Sir James Meston gave to my resolution in 1911 he also pointed out that we had suffered in the past for our virtue. Well, I submit, Sir, that we should not be made to suffer for our virtue. In opposing my resolution Sir James Meston said among other things:—'If in old days they (the United Provinces) suffered for their virtue, in later days they have certainly been making up lost ground.' But they have not made up the full ground. What I submit is this, in the beginning of these settlements it is admitted on all hands that there was no principle underlying these settlements; later on the Government of India have laid down certain principles. One of these is that a uniform share of revenue, so far as possible the same share of the chief sources of revenue, shall be given to each Province to insure a reasonable equality of treatment. Now we say the same share should be given to us of the land revenue which is given to other provinces. At one time the share of the land revenue was only one-fourth. The Government have now raised it to one-half in the case of every other province, except my own. In the case of Burma it has been raised to five-eighths. What I contend is that our share should be raised. The Hon'ble Finance Member says Sir Edward Baker pointed out the reason why this was given to us, and the reason was that we contributed a very much larger sum than other provinces.—"

The Hon'ble Sir William Meyer:—"The reason was that you had a very large share of land revenue and that it was particularly liable to visitation and therefore this with a guarantee was better than a half without it. That was the reason."

The Hon'ble Pandit Madan Mohan Malaviya:—"I am not sure, Sir, that the minimum guarantee was started in the time of Sir Edward Baker. I thought it came later on. One of the reasons why only this was given to the United Provinces was that we had a very large share of the land revenue. Now, Sir, I submit that the fact that we have to contribute a larger share of land revenue ought not to be made a direct or indirect ground for refusing to us half the share of revenue granted to other provinces. But my friend says 'you have no reason to complain, the real thing you have to see is that you get compensation under other heads; you get more under Excise than some other provinces do, and you get more under Irrigation.' And my friend the Hon'ble Rai Sri Ram Bahadur has invited us to accept an arrangement practically by which we shall give up what we get under these heads and get our half share of the land revenue.

"Now, Sir, in the resolution to which I have referred, the Government of India recognised the extreme difficulty of answering these criticisms, and my friend has said that the answer is to be found in the fact that we get

[27TH FEBRUARY, 1914.] [*Pandit Madan Mohan Malaviya.*]

something more under other heads. I am quite willing, Sir, that we should, in the first instance, be put on a level with other provinces so far as the land revenue is concerned, and that other adjustments which may be necessary should be made. That we have contributed in the past very much larger sums than other provinces. We certainly are entitled to more consideration than we have received.

“ My friend has repeatedly reminded the Council of what the Government of India have given to the United Provinces in the last few years, but he has forgotten or he did not care to mention what the United Provinces have been contributing to the Government of India for these many decades. A glance at the tables of land revenue will show that the United Provinces have contributed more than any other province singly under the head of land revenue. I therefore submit that, so far as the justice of the claim is concerned, it is not met by pointing out that under certain other heads we are receiving more. If we are receiving more than we deserve under certain heads the matter may be considered. The reason why we ask for this increase in the land revenue is because our land revenue is the largest item in the receipts and because if we get one-eighth of that share it comes to 80 lakhs yearly. My friend says that will upset the finances of the Imperial Government. I do not think, Sir, it would. When the Government of India raised the standard from one-fourth to one-half in the case of other provinces, their finances were not upset. When the Government of India gave five-eighths to Burma the finances of the Government of India were not upset. As it was done in the past so it would be done in the future. If we have to make practical suggestions as to how it could be done, I am quite willing that we who submit the resolution should sit down with the Hon'ble Member and discuss it at any time, but here all that we ask for is that the principle should be recognised, and if it is not possible to accede to our demands, our utmost demand at once and this year, it should be recognised that it is to be met and it may be met either this year or next year, or at the earliest favourable opportunity.

“ Our object is not to embarrass the finances of the Government. Our object is not to take away from other provinces what is their due. Our whole object is to receive the same share in the shape of land revenue which is allowed to every other province in the Empire. My Hon'ble friend towards the conclusion of his speech stated that we made an appeal in *forma pauperis*. I submit, Sir, that it is adding an insult to the injury that we have received to suggest that we make an appeal in *forma pauperis*. We are asking the Finance Department simply to act justly towards the United Provinces. If our contributions did not justify this demand I would not be here to press it. But we say we have been contributing such large sums and the Finance Department has been withholding what is our due. We do not ask the Finance Department to take away anything from any other province ; we do not ask for it as a matter of charity or as a matter of grace ; we ask only that the principles which the Government of India laid down of equality of treatment for the provinces should be applied to the United Provinces. We are willing that there should be adjustment, but my friend has not suggested any single reason why the demand of the United Provinces for this larger share should not be accepted, except that the Government of India have not at this moment money enough in their hands and that we are receiving something more under certain other heads. I submit, Sir, the claims of the United Provinces in the many matters which have been pointed out by my friends are insistent. If the demands of education require that the Government of India should have large funds, well those funds should be made available after what is properly due to every province has been secured to that province. I expect there will be large enough funds in the hands of the Government of India to meet those demands. If we get our share of the land-revenue, then our share can be considered in making any grants which he may make to other provinces and to us. Those are things which can be adjusted. But the broad fact remains that we are not getting what every other province is getting. There is only one other point and that relates to the irrigation rates and the excise rates. From

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figures for which I was indebted to my Hon'ble friend's department, I showed two years ago that we were getting only about 52½ per cent. of the provincial revenues for provincial expenditure, while other provinces were getting something like 71 and 69 per cent. of theirs—"

The Hon'ble Sir William Meyer :—" What about Madras ? "

The Hon'ble Pandit Madan Mohan Malaviya :—" My Hon'ble friend refers to Madras. The Hon'ble Sir James Meston, while he tried to defeat my Resolution and did defeat it, was conscious all along that there were certain provinces who were badly treated, and he said Madras, the Punjab and the United Provinces were so treated. On page 328 of the Proceedings of this Council for the year 1911 this is what Sir James Meston said :—

The United Provinces have got this, and what they now have to do is so to regulate the development of their expenditure that it does not exceed the pace of the growth in their revenue. Their progress, I must admit, will not be so rapid as some of us would like to see. But certain provinces have, and must always have, relatively smaller spending powers than certain others. I must admit that Madras, the Punjab and the United Provinces are unquestionably the three which have in the past been forced to exercise the greatest economies. Inequality there has been and inequality I am afraid there must always be to some extent; but it is not nearly so bad as the Hon'ble Pandit would have us believe.

"There is a clear admission that inequality there has been in the past and that Madras, the Punjab and the United Provinces have suffered. I only ask that so far as my province is concerned, the inequality should be remedied. With these few words I strongly commend the Resolution to the acceptance of the Council. I hope, Sir, that if my Hon'ble friend is not willing at the present moment to concede this demand, the demand will be conceded in a few years."

The Hon'ble Sir William Meyer :—" Sir, I did not want to trouble the Council again, but the Hon'ble Pandit's speech requires some reply. I find that in the former debates to which I referred Sir James Meston described the Hon'ble Pandit's speech as a 'dying swan song.' I really do not know why he called it that; nor has the metaphor proved very apt. If I had to use one, I should compare the Hon'ble Pandit to that immortal bird, the phoenix, for here he is more alive and singing more lustily than ever.

"In the first place I must take exception to the way in which the Hon'ble Pandit read from a Resolution of the Government of India in the Finance Department on the subject of Provincial Settlements—as regards alleged irregularities the passage he read summarised the objections which the Government of India said were urged by 'certain critics,' but if I had not risen to make this correction, it might have been assumed by the Council that they were the objections of the Government of India themselves. I will read what the Government of India said as their reply—"

The Hon'ble Pandit Madan Mohan Malaviya :—" May I explain? In the remarks I made about the Hon'ble Sir James Meston, I intended them to apply to them both, because Sir James Meston pointed out that these were conclusions which the Government of India did not admit, though they stated the case for the opposite side very fully."

The Hon'ble Sir William Meyer :—" The Hon'ble Pandit did not make it clear that the passage he read was not the case admitted by the Government of India, but the case of 'certain critics.' Now I will read what the Government of India went on to say—that is what *was* the case of the Government of India :—

The Government of India were prepared to admit the extreme difficulty of giving a conclusive reply to these arguments. It is impossible to devise a satisfactory test of equality of treatment which could be applied with safety to the results of the various settlements. They were not, however, ready to concede the justice of the criticisms. The supposed inequality of

[27TH FEBRUARY, 1914.] [*Sir William Meyer ; Pandit Madan Mohan Malaviya ; The Vice-President.*]

treatment, if it exist at all, is historical and inevitable rather than the outcome of administrative partiality ; while its very existence is extremely doubtful. Each province has had periodical re-settlement since 1852. During the intervening years there has been a steady advance in the equipment of every Local Government. The pressure has been constant, both from within and from above, in the direction of greater efficiency and increased administrative comfort ; while the supervision and control of the Central Government have had the same tendency. All these influences have re-acted on each successive revision of the permanent settlements, and have inevitably worked towards an equalization of the scale of expenditure in the different provinces. At every periodical review the poorer Local Governments have pressed their grievances ; and the haggling of a quarter of a century has established a rough equality which could not now be replaced by theoretical calculations. One province may be behind another in its jails, or a third in its roads, and its subordinate officials may be worse paid than a fourth ; but it probably spends more than its neighbours on police or on education. Taking the administrative equipment as a whole, the Government of India found it impossible to believe that inequality in the settlements had gone far enough to starve one province in its necessities in order to load another with luxuries, and they considered it entirely unnecessary in seeking a basis for permanency, to make any radical alterations in the existing settlements which have been evolved by the slow process of years.

" On that, Sir, I take my stand. The settlements did grow up in a haphazard fashion. But as was very clearly shown in this Resolution, which was brought out in the time of my predecessor and signed by Mr. Gillan, the provinces had gradually attained to what was a rough equality, and it was under these conditions that the last provincial settlements were framed.

" Perhaps my Hon'ble friend thinks I am a person of leisure. I can assure him I am not. I find the day hardly long enough to get through the day's work, and I am certainly not going to embark, having only lately assumed office, on the task of pulling up the provincial settlements effected in 1911 by the roots in order to see if there are still some theoretical inequalities which may have to be redressed

" Then, my Hon'ble friend talks persistently of injustice and says his province demands ' just treatment,' some inalienable right apparently to get a specific share of the land revenue receipts. In past times one heard a good deal of the divine right of kings, or of the divine right of bishops ; then of the divine right of Parliaments, and now, I think, we have got to the divine right of labour. But here is a quite new cry, the divine right of Provincial Governments"—

The Hon'ble Pandit Madan Mohan Malaviya :—" Of the people."

The Hon'ble Sir William Meyer :—" Very well, I will take my Hon'ble friend on that point. I accept entirely the proposition that the revenues of India are raised from the people of India to be expended for the benefit of the people of India. But I entirely repudiate the idea that the Provincial Governments are in some way nearer to God, and more closely represent the people as a whole, than the Government of India

" We have a distribution of functions which has gradually grown up ; but the functions of the Government of India touch the people closely enough. The Government of India are responsible for the defence of the people ; the Government of India are responsible for irrigation and railway works ; the Government of India are responsible for posts and telegraphs : the Government of India are working just as much in the interests of the people as the Provincial Governments are"—

The Hon'ble Pandit Madan Mohan Malaviya :—" The people pay."

The Hon'ble the Vice-President :—" Order, order ! "

The Hon'ble Sir William Meyer :—" The people pay, but why anybody should say that Provincial Governments have for some reason or other a prior claim to the money, I do not know. The Government of India try and make the relative shares as even as they can, but they cannot admit the divine right of Provincial Governments.

[Sir William Meyer; Rai Sri Ram Bahadur.] [27TH FEBRUARY, 1914.]

"Then my Hon'ble friend comes down to something very materially different from what was said by the Hon'ble Mover. The latter says 'give us 80 lakhs straight away, *i.e.*, increase the land revenue share to one-half, and hang the rest!' I may remark, with reference to something that fell from the Hon'ble Pandit, that no province has ever got 80 lakhs straight off as a pure increase in any one settlement. 'But,' says the Hon'ble Pandit, 'if you won't give me 80 lakhs, I am willing to do a deal with you. Give me 80 lakhs in the shape of land revenue, and see if you cannot take away something in another direction.' That is in its way a more modest proposal than the Hon'ble Mover's; but nevertheless I cannot accept it, because it involves tampering with the provincial settlements which have only lately come into existence. One thing I will say. As I said before, I do not wish to be regarded as in any way harsh to the United Provinces. If I at all seem to be so, it is merely to defend the interests of the other provinces. The United Provinces have already got some 40 lakhs of fixed assignments, and as time goes on, that may increase. As I said two days ago, when the fixed assignments get large enough, I shall be perfectly ready to take up the question of converting those fixed assignments into a share of growing revenue; and if my Hon'ble friend and his Local Government can convince me that the land revenue is the best head to take, why, the land revenue will be taken."

The Hon'ble Rai Sri Ram Bahadur:—"Sir, I have been anticipated by my Hon'ble friend, Pandit Madan Mohan Malaviya, in many of the replies I intended to make to certain remarks made by my friend the Hon'ble the Finance Minister. There are still, however, some points on which I wish to say a few words.

"One of the points urged by the Hon'ble the Finance Minister was that in the year 1911-12 an identical Resolution was brought forward before this Council and defeated. I humbly submit that past defeats should not be set against us when we are in a position to bring before this Hon'ble Council fresh facts and figures which establish the necessities of raising the share in revenue for our provincial expenditure. Then, it was said that the reason why three-eighths of the land revenue was assigned to the United Provinces was because they raise a very large amount of revenue, and therefore three-eighths was considered to be sufficient. To this reasoning, Sir, I demur. That is the greater reason why our provinces ought to get half and should be placed on the same footing as other provinces. All other provinces get at least half and some of them more than half. The Hon'ble the Finance Minister has put before the Council certain figures relating to this year. Of course this is a bad year, so far as my provinces are concerned. The object of this Resolution is not that an amendment in the existing settlement should be made this year: it may be made in the year which will come after this or even in the year coming after the next. There are the necessities and wants staring us in the face and they must be removed. They cannot be removed without the helping hand of the Imperial Government being extended to us. I placed before this Council some of the pressing wants of my provinces. There is no denying the fact that those wants do exist and that we require additional expenditure to remove them. If the wants do exist and their existence cannot be denied, they must be removed for the welfare of the people and means must be found by the Imperial Government; for in the matter of finance the hands of the Local Government are so much tied that they cannot take the initiative in anything without the sanction of the Central Government.

"As regards the speeches made by Sir John Hewett in the closing months of his Lieutenant-Governorship, my friend the Hon'ble Pandit has said all that can be said on them.

"Then, the Hon'ble the Finance Minister has remarked that our appeal for the increase of allotments is in *formâ pauperis*. The Legislature has made provisions for hearing appeals in *formâ pauperis*, and those appeals are heard by the Courts when there is justice on the side of the man who comes in *formâ pauperis*. If that procedure is to be adopted it should be adopted in the case

[27TH FEBRUARY, 1914.] [*Rai Sri Ram Bahadur ; Sir William Meyer.*]

of the United Provinces, because justice is on their side and therefore they earnestly appeal that their case should be taken into consideration by the Central Government.

"It is said that I supported the Resolution which was moved by my friend the Hon'ble Raja Kushal Pal Singh on the subject of extension of the term of settlement, and that in supporting that Resolution I was guilty of maintaining, in a way, the position that the revenue should be diminished. I submit that I did not do it with that motive. The extension of the term of settlement would keep the revenue as it is now, and it is out of the existing amount that my provinces claim half. If the revenue is revised after the expiration of some period, then the extension of the share also will be made at that time.

"Then, Sir, a reference was made to Mr. Gillan's remarks made at the time of announcing the financial statement of the United Provinces in the year 1910.

"The passage which I quoted and which is to be found at page 91 of the Local Council Proceedings, shows that what Mr. Gillan meant as regards the expanding revenues of the United Provinces was that they had expanded in the past, because the revision of assessments had come into force, and that land revenues formed the bulk of the income from which the United Provinces get the major portion of their expenditure. He did not refer to the justness of the settlement then made under which the provincial share was raised from one-fourth to three-eighths.

"My Hon'ble friend has referred to the letter of His Honour the Lieutenant-Governor enclosing the Budget submitted by him and said that it shows a balance of 112 lakhs, although the minimum provincial balance prescribed by the orders of the Financial Department is 20 lakhs only. I have no knowledge of that letter, which forms part of the official correspondence between the Financial Department of the Government of India and the United Provinces. I think that perhaps many of those sums which were given by the Government of India for special purposes have not yet been spent, and that is the reason why such a large balance is shown. Take, for instance, the case of primary education. Our Government has not yet finally decided how the money given for it is to be spent. A committee has been sitting to suggest the means and objects on which that money should be spent, and the matter will be decided very shortly. I think that similar remarks can be made with regard to other objects for which these assignments were given"—

The Hon'ble Sir William Meyer :—"I said that the balance would be 85 lakhs independent of these special assignments from the Government of India."

The Hon'ble Rai Sri Ram Bahadur :—"My prayer is that I have shown the necessity why the Government of India should come to help my province ; the amount which is placed at the disposal of the Provincial Government is not sufficient to meet the coming necessities which cannot be overlooked. They must be supplied either to-day, to-morrow, or the day after. The raising of the provincial share of revenue for expenditure on them is the only means by which they can be supplied."

The Resolution was put and rejected.

The Council adjourned to Monday, the 2nd March, 1914.

W. H. VINCENT,

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

DELHI ;

The 10th March, 1914.

APPENDIX A.

(Referred to in the Answer to Question 2.)

A.

Statement showing the value (in rupees) of hides and skins, tanned or dressed, and hides and skins, raw, exported to the United Kingdom from the Provinces of Madras, Bombay, Bengal and Sind during the years 1910-11 to 1912-13.

Provinces.	Hides and skins, tanned or dressed.			Hides and skins, raw.		
	1910-11.	1911-12.	1912-13.	1910-11.	1911-12.	1912-13.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Madras . . .	2,79,91,098	3,20,60,445	3,13,70,897	3,40,881	3,28,400	6,55,738
Bombay . . .	65,12,243	63,73,727	75,51,532	6,49,743	9,80,800	17,30,195
Bengal . . .	10,300	9,000	17,770	24,87,423	25,46,818	20,87,769
Sind . . .	6,13,335	6,43,445	4,94,150	6,03,710	7,63,397	20,76,509

B.

Value (in rupees) of hides and skins, tanned or dressed, and hides and skins, raw, exported from India to Germany during the years 1911-12, 1912-13, and 9 months April to December 1913.

	1911-12.	1912-13.	9 months April to December 1913.
	Rs.	Rs.	Rs.
Hides and skins, tanned or dressed	5,90,790	5,98,545	3,07,821
Hides and skins, raw	2,33,60,445	2,79,58,515	1,97,26,909

A PENDIX B.

(Referred to in the Answer to Question 6.)

Statement showing the average per annum of the quantity and value of cotton piece-goods imported into India and manufactured in India by power looms during the period specified in the first column.

Decade.	COTTON PIECE-GOODS IMPORTED INTO INDIA.		COTTON PIECE-GOODS MANUFACTURED BY POWER LOOMS IN INDIA.	
	Quantity in millions of yards.	Value in lakhs of rupees.	Quantity in millions of lbs.	Value.
1861-63 to 1867-71 .	Not available	1,332		
1871-73 to 1880-81 .	1,337*	1,025		
1881-83 to 1890-91 .	1,850	2,331		
1891-93 to 1900-01 .	1,985	2,500		
1901-03 to 1910-11 .	2,243	3,373	170	

* Certain classes of piece-goods were recorded exclusively in pairs, pieces and dozens between 1871-73 and 1874-75. These denominations have been converted into yards on a conventional basis. Consequently the yardage of figures during the decade 1871-73 to 1880-81 are only approximate.

Note 1.—The average per annum of the quantity of cotton piece-goods imported into India during the period 1867-68 to 1870-71 is 1,026 million yards approximately. Figures of quantity prior to 1867-68 are not available.

2.—The average per annum of the quantity of cotton piece-goods manufactured by power looms in India during the period 1894-97 to 1900-01 is 94 million lbs. Figures of production for the preceding years are not available.

3.—The value of cotton goods manufactured in India by power looms is not available.

APPENDIX C.

[Referred to in the Answer to Question 7.]

Statement showing the quantity of raw and manufactured jute, raw and tanned hides, raw goat and tanned goat and sheep skins, exported from India by sea in the ten years ending 1912.

Year.	The total quantity of raw jute exported from India.	THE TOTAL QUANTITY OF MANUFACTURED JUTE EXPORTED FROM INDIA.			The total quantity of raw hides exported from India.	The total quantity of tanned hides exported from India.	The total quantity of raw goat skins exported from India.	The total quantity of tanned goat and sheep skins exported from India.
		Gunny bags.		Other kinds.				
		No.	Yds.	Cwt.				
1908	11,640,668	210,514,523	539,163,904	48,223	658,344	93,740	161,002	
1904	14,350,903	200,990,449	590,974,291	48,558	699,105	125,468	143,129	
1905	12,949,658	231,579,531	630,117,253	33,584	839,334	177,811	157,813	
1906	15,809,347	248,585,732	685,409,312	49,488	152,886	239,753	138,608	
1907	15,099,576	281,622,251	799,155,118	88,471	800,835	146,528	157,575	
1908	17,183,500	305,039,802	768,546,808	58,134	714,657	155,354	136,837	
1909	15,397,252	353,447,443	938,774,489	49,549	733,687	190,709	130,104	
1910	13,079,139	376,624,105	971,151,155	54,120	841,515	152,130	131,755	
1911	14,535,051	299,118,479	852,535,334	51,377	903,744	157,403	149,435	
1912	17,191,723	302,537,301	953,453,537	77,056	1,133,573	228,543	129,931	

* Figures not available.

† There is no separate record for sheep skins.

APPENDIX D.

(Referred to in the Answer to Question 14.)

I.

Statement showing action taken against Presses under the Press Act of 1910.

Provinces.	1910.		1911.		1912.		1913.		REMARKS.
	Number of proceedings taken under the Press Act against presses owned by		Number of proceedings taken under the Press Act against presses owned by		Number of proceedings taken under the Press Act against presses owned by		Number of proceedings taken under the Press Act against presses owned by		
	Europeans.	Indians.	Europeans.	Indians.	Europeans.	Indians.	Europeans.	Indians.	
Madras	10	...	20	...	4	...	10	
Bombay	20	...	5	...	11	...	15	
Bengal	1	...	3	...	2	...	12	
United Provinces	8	...	2	...	4	...	11	
Punjab	4	...	14	...	10	...	21*	
Bihar and Orissa	1	...	2	
Burma	
Central Provinces	1	
Assam	1	...	...	...	...	...	...
North-West Frontier Province	1	...	...	...	...	...	...
Coorg	
Delhi	3	...	7	...	3	...	8	† Excludes 2 Presses exempted from furnishing security.
TOTAL	...	48	...	51	...	36	...	80	

* Excludes 15 Presses in the case of which security was waived.

II.

Statement showing the action taken against editors or printers of newspapers under Chapter VI or Section 153-A., Indian Penal Code.

PROVINCE.	No. OF INDIAN-OWNED NEWSPAPERS.				REMARKS.
	Prosecuted for sedition.		Convicted of sedition.		
	English.	Vernacular.	English.	Vernacular.	
	1910.				
Madras					
Bombay					
Bengal	1	1		1	
Bihar and Orissa . . . . .	...	...	...
United Provinces . . . . .	...	1	...	1	
Punjab . . . . .		...	...	...
Burma . . . . .		...	
Central Provinces . . . . .		...	...	...
Assam . . . . .	...		...	...
North-West Frontier Province.	...		...	...
Coorg . . . . .		...	...	...
Delhi . . . . .	...	...	...	...
TOTAL	1	2	...	2	
	1911.				
	<i>Nil.</i>				
	1912.				
	<i>Nil.</i>				
	1913.				
	<i>Nil.</i>				

III.

Statement showing the action taken against newspapers under the Press Act of 1910.

Province	NUMBERS OF INDIAN-OWNED NEWSPAPERS IN NUMBER OF WHICH										REMARKS.	
	The maximum security has been deposited.		The security originally deposited has been enhanced.		The security originally deposited has been forfeited.		The press at which published has been confiscated.					
	English.	Vernacular.	English.	Vernacular.	English.	Vernacular.	English.	Vernacular.	English.	Vernacular.		
Madras	
Bombay	..	1	..	..	..	..	..	..	..	..	..
Bengal	
Bihar and Orissa	
United Provinces	..	1	..	..	..	..	..	..	..	..	..
Punjab	..	1	..	..	..	..	..	..	..	..	..
Burma	
Central Provinces	
Assam	
North-West Frontier Province	
Coorg	
Delhi	
TOTAL	..	3	..	..	..	..	..	..	..	..	..

1910.

Statement showing the action taken against newspapers under the Press Act of 1910—contd.

PROVINCE.	NUMBERS OF INDIAN-OWNED NEWSPAPERS IN RESPECT OF WHICH								REMARKS.
	The maximum security has been supplied.		The security originally deposited has been enhanced.		The security originally deposited has been forfeited.		The press at which published has been continued.		
	English.	Vernacular.	English.	Vernacular.	English.	Vernacular.	English.	Vernacular.	
Madras
Bombay
Bengal
Bihar and Orissa
United Provinces
Punjab	1	...	...	...
Purua
Central Provinces
Assam
North-West Frontier Province
Coorg
Delhi
TOTAL.	1	...	...	...

1912.

IV.

Statement showing the number of newspapers and periodicals owned or edited by Indians published on the 31st December 1909 and on the 31st December 1912.

PROVINCE.	31st DECEMBER.				REMARKS.
	1909.		1912.		
	PUBLISHED IN		PUBLISHED IN		
	English.	Vernacular.	English.	Vernacular.	
Madras	58	* 212	49	* 101	* Including Anglo-Tamil and Tamil-French.
Bombay	36	319	28	349	
Bengal	64	192	55	193	
Eastern Bengal and Assam	2	55	...	...
Bihar and Orissa	6	23	† Including two partly in English.
Assam . . . . .	...	...	2	† 13
United Provinces	11	143	16	213	
Punjab, North-West Frontier Province and Delhi	25	172	30	174	
Burma	9	14	5	24	
Central Provinces and Berar	22	1	18	
Ajmer	1	...	
TOTAL	300	1,158	193	1,121	