

*Tuesday,
24th March, 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 & 58 Vict., c. 14, & 9 Edw. VII, c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on
Tuesday, the 24th March, 1914.

PRESENT:

His Excellency BARON HARDINGE OF PENSHURST, P.C., G.C.B., G.O.M.G., G.C.V.O.
G.M.S.I., G.M.I.E., I.S.O., Viceroy and Governor General, *presiding*,
and 60 Members, of whom 52 were Additional Members.

QUESTIONS AND ANSWERS.

The Hon'ble Sir Gangadhar Chitnavis asked:—

1. "Has the attention of Government been drawn to the leaders in the *Amrita Bazar Patrika* of 8th and 9th March current, headed ^{Famine Insurance Fund.} 'The Famine and Famine Insurance Fund'?

"(b) If so, does Government propose to make a full statement on the subject of this Famine Insurance Fund, with a view to remove popular misconception, if any, on this subject?"

The Hon'ble Sir William Meyer replied:—

"The Government have seen the leading articles referred to in the question.

"The objects of the grant and the purposes to which it is applied were fully explained by my predecessor in replying to a Resolution moved by

[*Sir William Meyer ; Raja Jai Chand ; Sir Reginald Craddock ; Sir Robert Carlyle.*] [24TH MARCH, 1914.]

the Hon'ble Mr. Gokhale on the 9th March, 1910. The past history of the question has also been summarized on pages 188-189 of Volume IV of the Imperial Gazetteer.

Briefly, the grant remains at its original figure of Rs. 1½ crores, though the fact that under the conventional valuation of the rupee at 2s. then current, this sum originally represented £1½ million, and is now equivalent to £1 million only, appears to have caused some misapprehension on this point. Half the grant is applied to such irrigation and railway projects—in practice almost exclusively to the former—as are definitely expected to confer protection against famine on the area which they serve. The remaining half is applied in good years to the financing of productive capital expenditure, that is, for the most part to railway construction, and thus contributes to the improvement of communications which now so greatly mitigate the unhappy consequences of a defective rainfall by enabling food supplies to be moved freely to the areas affected and by conducing to a more uniform level of prices. These allotments have also materially strengthened our general financial position by leaving us with a smaller volume of unproductive debt than would otherwise have been attained, and so improving our borrowing powers in years of actual famine. Finally, when famine does occur, this reserve of revenue can, if necessary, be applied to actual famine relief, and as Hon'ble Members are aware under a recent but somewhat technical development of the system, the burden of such relief has now to a large extent been transferred to the shoulders of the Central Government. The Famine Insurance Grant thus continues to serve its original purposes in a very real and valuable way,—more effectively indeed than if the Government had rigidly adhered to the exact form of the earliest experiments in this direction."

The Hon'ble Raja Jai Chand asked :—

**Made in
North-West
Frontier
Province.**

2. "(a) Will Government be pleased to state whether any measures for the better protection of life, person and property of British subjects in the North-West Frontier Province are under consideration? If so what?

"(b) Is it a fact that gangs of wandering Pathans from beyond the border, generally known as *Hing* sellers in the Punjab, commit crimes wherever they happen to resort among British subjects? If so, does Government propose to authorise the police to remove such gangs from villages and other places which they frequent or where they put up?"

The Hon'ble Sir Reginald Craddock replied :—

"(a) The Hon'ble Member is referred to the answer given to the Hon'ble Sardar Daljit Singh.

"(b) The matter is one for the Local Governments concerned, but it is thought that the evil is overstated in the terms of the Hon'ble Member's question."

The Hon'ble Raja Jai Chand asked :—

**Memorial
from land-
holders of
new colonies
in Punjab.**

3. "Has the Government of India received any memorial from landholders of new colonies in the Punjab? If so, has Government considered the memorial and what, if any, is its decision thereon?"

The Hon'ble Sir Robert Carlyle replied :—

"The answer to the Hon'ble Member's question is in the negative."

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[*The President; Sir Gangadhar Chitnavis.*]**BUDGET, 1914-15.**

His Excellency the President:—"I would remind Hon'ble Members that the limit of duration of speeches to-day will be 20 minutes, and I must ask them to adhere strictly to that rule."

The Hon'ble Sir Gangadhar Chitnavis:—"My Lord, the very lucidity of the Financial Statement is likely to divert the public attention from certain important points. The Hon'ble Sir William Meyer's frankness is attractive, and the innovations he has introduced have, with some exceptions, our hearty approval. The increased facilities for deposit in the Post Office Savings Bank, the bigger Rupee Loan and the accommodation to trade out of Government surpluses are all measures in which the Hon'ble Member has the country with him. Each has its own set of wholesome effects upon the economic condition of the people. But the necessity, or even the utility, of a reserve of two crores of rupees against 'capital commitments' after capital expenditure has been fully provided for is not clear. The practical extinction of our opium revenue from the China trade, after symptoms of an abnormal vitality during the last few years, taken along with the record loan provision of 17 crores of rupees in 1914-15, though for capital expenditure, is matter for serious consideration. India will not be reconciled to the inevitable consequence of the British Opium policy by the fact, emphasised by the Hon'ble Finance Minister, that 'in China . . . cultivation still continues in several of the provinces, and there is still a large local demand for opium and a considerable amount of local production.' My Lord, the surrender of an annual revenue of five or six million pounds sterling from sentimental or ethical considerations is a unique historical act the merit of which disappears from its being forced upon us. It is difficult to overlook the fact that, but for this loss, our borrowings would be considerably less. I am aware, according to some, our annual loans are not onerous because they are reproductive. But whether unproductive or reproductive, they spell increasing indebtedness, and it will be conceded that indebtedness is worse than freedom from debt. Anything, therefore, which reduces the revenue and increases this indebtedness is serious. Besides, the budgetted loan of 17 crores of rupees is not all for reproductive works. A dispassionate consideration of the whole situation will justify the claim India has more than once put forward for a substantial contribution from the Imperial Exchequer by way of compensation for the loss of our handsome opium revenue.

"My Lord, the railways bulk large in the budget; they absorb two-thirds of the total allotment for capital expenditure. And this when the Hon'ble Finance Minister himself draws pointed attention to the uncertainties and the unsatisfactoriness of the railway profits. I have always maintained that, though the railways for their civilising influence and economic results are valuable, the time has come when only a cautious advance should be made in the matter of extension of trunk lines. Improvements have become more necessary than extension. The Hon'ble Sir William Meyer indeed has acted upon this principle, and the allotment for construction next year represents a small proportion of the total. On the other hand, there is large scope for activity in branch lines and feeder lines, and extension should be encouraged by Government as much as possible. The Hon'ble Finance Minister refers to the existing liberal rules regulating construction of branch lines, but nothing is said about feeder lines. In my humble opinion, Government should encourage the construction of these lines by guaranteeing a small return upon the capital outlay. A Government guarantee will prove far more stimulating to private enterprise than a District Board guarantee. I hope the Hon'ble Sir William Meyer will favourably consider the advisability of adopting this policy if only to provide safe and sound investments for the people.

"While I am on this subject of railway development, it is but bare justice that I, an old friend with an intimate knowledge of his capabilities and work, should record on the eve of his retirement our appreciation of the solid services rendered by the Hon'ble Sir Trevellyn Wynne in this matter of railway development.

" My Lord, an examination of the capital expenditure leads to the agreeable discovery that the fears of the opponents of the transfer of the Capital to Delhi have been falsified by the care and watchfulness evinced by Government in the settlement and execution of the programme of construction. The expenditure has been well kept down, and maximum of economy appears to be the determining principle with the further guarantee against waste supplied by the close personal supervision of Your Excellency. We all hope New Delhi will provide to the people an inspiring example of town building at a minimum of cost and within a short time, and will be a capital city worthy of this great Empire.

" My Lord, the Hon'ble Sir William Meyer has shown commendable solicitude for local bodies in providing a recurring grant of £40,000 ' for the remission of a number of miscellaneous contributions which local authorities at present pay to local Governments as a return for services rendered.' May we expect that he will in the same spirit relax the rules relating to ' lapse ' in grants, and thereby increase the financial resources of those bodies ? The existing system encourages, at times, thoughtless and wasteful expenditure, as there is always present a desire to spend during the year the whole amount to prevent lapse. This, as can well be seen, does not contribute to economy in administration.

" My Lord, the steady growth of revenue from the sale of postage stamps for postal purposes (Rs. 2,97,78,000 in 1913-14 against Rs. 2,47,43,396 in 1910-11, or an increase of 20 per cent. in four years) suggests a further concession in inland rates. The increase in the maximum weight of a single letter carried for half-anna to two tolas would be greatly appreciated. The maximum weight for one anna is ten tolas as against one tola for half-anna. The disparity is too great. The concession, I am sure, will not entail any serious and permanent loss of revenue.

" My Lord, agricultural improvement is a subject of perennial interest to us, and the only criticism I feel justified in offering, especially after the sympathetic speeches of the Hon'ble Sir Robert Carlyle on the Revenue Resolutions of this year, is that Government has shown reasonable interest in the matter, and that, in view of all the circumstances, the advance we have made is satisfactory. It is further gratifying to note that moderation in assessment is an aim which the Government has kept steadily in view. The recent encouraging references made by the Hon'ble Sir Robert Carlyle to the decreasing proportion borne by the land revenue to the total revenue of the country and his desire to see a still further improvement in that direction will, I am sure, have a moderating and wholesome effect upon settlements and assessments in the country.

" My Lord, agricultural improvement and moderate assessments do not exhaust the reforms so necessary for the amelioration of the economic condition of the people. There is another great need. The increased pressure upon land, admitted by all, should be relieved, and that can only be done by encouraging industrial development. And in connection with this question of industrial development the need for a change in the economic policy of this Government is becoming acuter everyday. My Lord, practically all India wants protection, and failing that, many would be content with a preferential tariff. And, as an enabling condition, we claim fiscal autonomy. Our claim is founded upon the highest considerations of justice and fairness as also the exigencies of the situation. The Indian feeling on these points is rapidly growing in volume and intensity. It is not for our industrial development alone that we demand this change in our fiscal relations with the Imperial Power, but the growing financial needs of this Government supply an equally powerful reason. It is true the extinction of our opium revenue from the trade with China has not so far directly necessitated additional taxation, but the fact must not be ignored that our expenditure is equated to some extent by revenue derived from some imposts regarding the wisdom of which public opinion is, by no means, unanimous. Reasonably heavy customs duties would enable Government to readjust taxation and relieve them of all anxiety for revenue. But without fiscal autonomy we are helpless. My Lord, we would bless the loss of our opium revenue if the consequential financial necessities of this Government help us to secure this autonomy. Out of evil cometh good, and even that detestable growth of a militant civilisation, anarchism, has evoked an

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[*Sir Gangadhar Chitnavis; Malik Umar Hyat Khan.*]

outburst of loyalty from all sections of the people, has rallied round Government the sober elements of society, and has brought into relief the splendid devotion and fidelity of the Indian public servant. God grant, the loss of our opium trade with China is attended with good, and leads to the grant to us by the Imperial Government of a far more substantial benefit than an Imperial contribution, fiscal independence.

“ My Lord, one word about a Provincial matter. The Central Provinces from all report have advanced rapidly in education, public spirit, financial resources, revenue and importance, and the time has come when the question of raising the status of the local administration may be sympathetically considered. I beg to repeat here the submission I have made before that we should now have a Lieutenant-Governor.

“ My Lord, I cannot conclude without expressing, on behalf of the Province I represent, our sincere joy at the successful termination of the labours of the South African Inquiry Commission, the members of which have approached the subject in a spirit of reasonable compromise. To Your Excellency whole India is profoundly grateful for your determined and patriotic stand against unjust treatment of the Indian settler in South Africa. We all feel that, but for Your Excellency's bold, statesmanlike and timely interference, the South African Indian question would not have been settled so satisfactorily. My Lord, allow me to point out that Your Excellency's efforts in this behalf have been well supplemented by the earnest and skillful advocacy on the spot of this Government's able and experienced representative, I mean the Hon'ble Sir Benjamin Robertson. I feel a peculiar pride in that the effective interpretation of your wishes on the spot should have fallen to the lot of a Chief Commissioner of the Central Provinces.”

The Hon'ble Malik Umar Hyat Khan :—“ My Lord, while congratulating the Hon'ble the Finance Member for making the best of a year of somewhat indifferent prosperity consequent on drought and other causes, I will briefly allude to some other points which are directly or indirectly connected with the Budget, since no alterations proposed to further any scheme or suggestions leading thereto can be effected without the aid of money. During this session many various points have been brought under discussion on which the members have had the fullest opportunity to ventilate their views. The more the members put forward various subjects in the form of Resolutions and initiate debates of this character, the less important and fascinating feature do the Budget speeches assume on the last field-day.

“ I am glad to say that I am getting more and more satisfied with the changes effected by the Government. It has been a strange coincidence that many of my suggestions have been approved of in spirit and accepted in total or part thereof. I do not desire to suggest that Government was exclusively moved by my observations, but I can safely say this much that a necessity was felt by the Government to move in the direction advocated by me. I stated in my last year's Budget speech that my suggestions about changing the law regarding state offenders, inflicting on them severer punishment, increasing the power of Criminal Investigation Department, reforming the educational system and shifting the capital, met with the approval of the Government to a great extent. I emphasised the necessity of a general change in criminal law and procedure, and I am glad to find that the Bills are now introduced to amend the Indian Penal Code and the Criminal Procedure Code; and I am sure that similar further amendments will continue to be introduced when the Government realizes the troubles suffered by the individuals in getting justice, which I have alluded to briefly in connection with the presentation of one of the above Bills. I laid stress on the urgency of making the Press Act more drastic and efficient than its present form. I am glad to find that the Government by rejecting the Hon'ble Mr. Banerjee's Resolution have indicated that there is no intention to restrict or relax the provisions of the Code. I also hope that a further move will be made to put a permanent stop to a paper the security of which has been forfeited more than once.

"Dealing with this subject I would like to suggest that there should be an official journal translated in widely spoken languages and circulated in masses to counteract misconceptions created by ill-informed papers about the motives of the Government and their officers, as the present Government Gazettes are insufficient to meet such a necessity. I complained last year against the insufficiency of time given to the Members to discuss various important matters; but I am very glad to find this year that such has not been the case.

"As to the resolutions in respect of which last year I invited the Government to show more sympathy, I think that matters have much improved as a whole, but at the same time I must confess that the language in which they were couched, and the nature of their wholesale demand for the appointment of different committees composed of official and non-official members and consultation with local Governments, were of such a type that if they had been adopted and non-official members freely taken on the above committees, there would have been no non-official member left in this Council to-day to make speeches; and ordinary business of many officials would have materially suffered. A great variety of different subjects which I put before the Decentralization Commission are receiving careful consideration, and it will be premature and a waste of time if I alluded to them here in the Council. While carefully going through my previous Budget speeches I find that on most of the matters I am entirely of the same opinion; and, instead of putting them before the Council again, I will only request that a further consideration should be given to them.

"I will now, however, briefly touch on some subjects in which I am particularly interested. The first of these is Islam and its followers in the Punjab, whom I represent. I desire to draw attention of Government to the true sense of steadfast and unwavering loyalty which they have conspicuously and admirably manifested to the Crown and their entire aloofness from the propaganda of sedition and anarchy in trying times of universal commotion in the Near East. This can well be judged from the text of a memorial which they hope conjointly to present to Your Excellency to-morrow. Their conduct and attitude were still more admirable, as some clever journalists, from selfish financial motives and a desire to bring themselves into notoriety, tried to strike a blow at their fidelity; but I am glad to say, in vain. I thank the Government on behalf of the Punjab Mohammedans for their kindly giving a helping hand to a backward community with the express purpose of raising them to the level of the advanced sister communities. For all Mohammedans the reading of their holy book is a religious obligation and as it contains multifarious subjects—social, moral, spiritual, historical and legal, etc.—to comprehend which a sound education is of supreme necessity and equally obligatory, the Government, I hope, will always afford them every facility to acquire it by granting them liberal funds for the maintenance of their literary institutions.

"Turning to the army, I only remind the Council of my speech I delivered the other day on the Resolution proposed by the Hon'ble Mr. Rama Rayanagar in connection with the Nicholson Committee, and, admitting, that a great deal has been done by our previous Commander-in-Chief towards elevating the prestige of Indian officers and bettering the position of the army in general, I am sanguine that we are at the dawn of a new era under the auspices of the command of our present war-lord and that a further advance in the same direction will be made. The advance can only be accomplished by the aid of our Finance Minister, because the increase of pensions and pay, efficiency in various arms, construction of better lines and army defence works, navies and air-craft, etc., require funds. The funds available can safely be utilised by our new Commander-in-Chief, who comes here with not only the matured experiences of the armies of the British Empire, but has also closely studied the problems relating to the continental armies by personally visiting the whole continent and seeing the armies at their respective manoeuvres. I hope that some regulations will also be framed in regard to the honorary rank so that the officers newly appointed should not supersede those already holding commissions. As to my detailed suggestions about various matters affecting the army, I do not think it necessary or desirable to trouble the Council in regard to them.

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[*Malik Umar Hyat Khan; Khan Bahadur Mir Asad Ali Khan.*]

"Turning to the agriculturists, I draw the attention of the authorities again towards the petty land-holder whose income is inadequate to meet his bare requirements of food in the year. He should be exempted from land revenue, as that will be taxing his food.

"Being the oldest member in the Council from the Punjab and speaking on behalf of the Punjabees generally I can say from my personal experiences of rural and urban areas that they have absolutely alienated their sympathies from the anarchical movements and are only horrified at hearing that some of the Punjabees should have been arrested in connection with such sinister movements. But all are of opinion that this movement is not from within but from without and only amongst half a dozen immature youngsters from the population of about two and a half crores. When the Punjab is under the rule of Sir Michael O'Dwyer, it should be considered a settled fact that it will remain a sedition-proof province."

"The Council will remember that I made certain remarks about certain drawbacks in the working of the railways last year; but owing to the transfer of capital from Calcutta to Delhi, a great change for good has come to pass since last year in the Punjab; and, apart from many other lines, there is a line under construction from Sangla Hill to Sargodha and Khushab, which will greatly open up my part of the country.

"It will not only be beneficial for the spread of trade and commerce but will immensely serve the *strategical* purposes, being a shorter route to the frontier; and it may prove of the greatest value with the aid of another line from Bhera to Khushab. But it is hoped that the lines will be broad-gauged, as otherwise a great deal of the Railway's carrying capacity will be lost for important and useful purposes."

The Hon'ble Khan Bahadur Mir Asad Ali Khan:—"My Lord, I rise to congratulate the Hon'ble Finance Minister on the successful Budget he has presented to the Council. In a lean year like the present he managed to show an Imperial surplus of nearly a million and a half pounds. This surplus is even more than what was anticipated last year. 'In present circumstances,' says the Hon'ble Member, 'it is desirable to have an unallotted balance of about £1,280,000 to assist us in our heavy capital commitments' 'Such a surplus,' he adds further, 'also serves the purpose of a reserve against unforeseen contingencies.' It appears to me that the real purpose of a reserve is defeated when the amount is proposed to be utilised for meeting any charges other than unforeseen contingencies. In the absence of any consideration for heavy capital commitments, the reserve might have been still further reduced, and a substantial portion of it might have been added to the educational grants. As it is, only £240,000 is available for disposal. Burma carries away a large non-recurring grant of £100,000, and a number of miscellaneous contributions claim a recurring grant of £40,000. But education and sanitation seem destined to receive recurring grants of £60,000 and £40,000 respectively. While 'fully recognising the necessity of adequate provision for the increase in expenditure which the great advance now being made in education and sanitation must inevitably entail,' the Hon'ble Finance Minister still finds it impracticable to go further than is proposed, as regards Imperial allotments. But I venture to submit that in view to a further increased surplus, he might have allotted an increased grant to education. For a recurring grant of £80,000 is hardly adequate to meet the growing needs of the country. Whether in fat years or lean years education and sanitation ought to claim a substantially large share of the Imperial grants, as they have continued to receive during Your Excellency's prosperous regime. While the budgeted expenditure last year on education under Imperial and Provincial heads was estimated at over six crores, the revised estimate has brought the figure down to less than five crores of rupees. I am, therefore, somewhat doubtful if the budgeted figures for 1914-15, now standing at about six crores under Imperial and Provincial heads, may not come down as near the revised estimate for 1913-14. While I plead before this Council for an increased grant to education, I do deplore the incapacity of the Provincial Governments to spend

the large balances in their hands. 'The underspending of the Provincial Governments,' says the Hon'ble Member, 'falls mainly under education and medical.' That the Local Governments should allow the accumulation of large unspent balances may possibly lead to the curtailment of Imperial grants. I should, however, like to remind the Provincial Governments of the copy-book maxim, 'never put off till to-morrow, what you can do to-day.'

"My Lord, I am very thankful to Your Excellency's Government for their liberal and progressive educational policy, particularly as regards the development of Moslem education. My community gratefully appreciates the earnest resolve of the Government of India to improve and promote Moslem education. During the last five years our youths have made considerable progress in education as is evident from the last quinquennial Report on Education. The number of mussalman pupils under instruction has risen by 32·3 per cent. as against 25·8 per cent. in the case of pupils of all classes in India. Again, it is very satisfactory to note that there has been an increase of 75 per cent. in the number of moslem girls under instruction. These are indeed healthy signs of our national progress.

"Referring to the needs of our community, the Educational Report frankly admits,—'Its needs require special measures; and the account of its progress demands separate treatment.' It is, therefore, necessary, My Lord, that a portion of the Imperial grant towards education should in future be earmarked for moslem education. Satisfactory as the progress of our youths is in the elementary and secondary stages of education, they have yet to make their way in higher education: 'The community,' says the Report, 'is still very backward in the field of higher education.' While the remedy to a great extent lies in our own hands, we may yet seek the willing assistance of our benign Government. I may, however, suggest the desirability of (a) appointing more mussalman Inspectors of school, and as an experimental measure, a few qualified moslem Inspectresses of school in selected areas, (b) training lady teachers for *zenana* instruction in private homes, and (c) giving a number of state scholarships to moslem youths to prosecute their studies at colleges in India and abroad. Moreover, in primary and secondary stages of education, special schools with Urdu as the medium of instruction are needed in each province. Minor details as regards the suitability of text books, the mode of instruction, the school fees, etc., may be left to the discretion of the local authorities.

"In the course of his Financial Statement, the Hon'ble Sir William Meyer truly observed, 'Our financial position rests ultimately on agricultural and trade conditions.' It is no less the duty of the Government than of the people that continued effort shall be made to promote the agricultural as well as the commercial prosperity of the land. Indians are deeply grateful to the Government for all they have recently done to improve agriculture. Increased facilities for the acquisition of scientific knowledge, measures of relief of agricultural indebtedness, irrigation projects, introduction of the improved methods of agriculture, establishment of model farms, and extension of the co-operative movement are the outstanding features of agricultural reform. Just as agriculture is being developed, the trade of India, especially the indigenous trade, My Lord, needs to be developed through State aid. Some good old industries have disappeared under the stress of modern competition. New industries on up-to-date lines have to face certain difficulties, such as want of large capital, skilled labour and effective co-operation. If at this stage the Government would step in and help to promote at least small industries, it would certainly give an impetus to the growth of Indian industries. In my own province something was attempted in this direction, and the successful results showed the wisdom of a new policy. The aluminium and chrome tanning industries were started and worked successfully under Government auspices, until recently they were sold to private agencies. In his admirable Industrial Survey of the Madras Presidency, a chapter added to the last Census Report for Madras, Mr. Alfred Chatterton remarked :

While the work actually done under Government supervision was by no means inconsiderable since it resulted in the successful establishment of the aluminium industry, of the chrome leather industry, of irrigation by pumping, of the rural industrial factory, and in the

[24TH MARCH, 1914.] [*Khan Bahadur Mir Asad Ali Khan ; Mr. Surendra Nath Banerjee.*]

substitution of the fly-shuttle loom for the indigenous hand loom over large areas, it may claim even indirect results of greater importance as the operations of the Department of Industries have undoubtedly stimulated private enterprise in every part of the Presidency.

"I venture to submit that the Imperial Government will be pleased to consider a scheme of state-owned or state-aided industries at suitable centres. Small Government factories, workshops, tanneries, and manufactories may be set up as models. Side by side with these concerns, technical schools may come into existence, so that youths trained in these schools may find employment in state-managed industrial concerns. In this way, My Lord, may be met the objection to want of industries for providing trained youths with suitable employment. As the scheme develops and progresses, it is likely to solve to a great extent the problem of the unemployed.

"Quite a number of stores are yearly purchased both in India and abroad for Government use. Some of these can be manufactured or made in state-owned or state-aided industrial concerns, if ever they come into existence. I do not want that the Government should embark upon any large industrial enterprise, but I do want that the Government should give all reasonable facilities and possible aid to indigenous industries, and set up small industrial concerns as models only for a time to come. In the fullness of time when Government aid is no longer necessary, these Government concerns may with advantage be sold to private companies or parties. I for one feel sanguine that this modest scheme of state-managed industries may be given a safe trial.

"In view to the early disappearance of our opium revenue and the growing expenditure on several objects of public utility, we need more and more revenue to meet the ever-increasing demands on our Exchequer. I may, therefore, suggest the desirability of revising our tariff rates on imported articles, and of raising the customs duties, wherever practicable, purely for revenue purposes. As an alternative I may be permitted to suggest that the question of preferential tariff which was raised and discussed in this Council last year be taken into the serious consideration of the Government. India badly needs protection of her indigenous and infant industries. What form this much-needed protection may take in order to suit Indian conditions is a matter I leave in the hands of the Government.

"Before concluding my remarks, I may be permitted, My Lord, to express my deep thanks as well as the thanks of my community and of my Presidency for the very warm interest Your Excellency has taken in the welfare of our countrymen in distant South Africa. But for Your Excellency's courageous statesmanship and the firm attitude of Your Excellency's Government, the South African question would not have been nearer a practical solution. The recommendations of the South African Commission of Inquiry, so far as they go, are indeed satisfactory. I do hope and trust that the Union Government will see their way to accept them in their entirety."

The Hon'ble Mr. Surendra Nath Banerjee :—"My Lord, my first words on this occasion will be words of congratulation to the Hon'ble the Finance Minister for his clear and exhaustive financial statement. The Statement may perhaps be lacking in some of the superficial elements of attractiveness; it may seem a bit prosaic, and a trifle gloomy; but, My Lord, in the simple, clear, direct presentment of the situation and in the evident anxiety which it displays throughout to place the fullest information before this Council and the country, it will stand favourable comparison with previous financial statements and will afford a valuable guide to the exposition of our present financial position. My Lord, in the opening words of the Financial Statement, the Hon'ble the Finance Minister says that it is his earnest wish to maintain the friendly relations between this Council and the Financial Department which have been bequeathed to him by his great predecessor. Speaking for myself, and I may claim to speak also on behalf of the non-official Members, I may say that we warmly reciprocate the sentiment. I may say that both in regard to his Department and other Departments the

realisation of that ideal will largely depend upon the attitude of these Departments and the spirit which inspires them under the control and guidance of their honoured chiefs. My Lord, official and popular opinion will sometimes differ; we cannot always see eye to eye with our official colleagues in this Council Chamber; there must be differences of opinion and occasionally they will be expressed with considerable emphasis, but, My Lord, an atmosphere of charity, and of tolerance, of mutual esteem and mutual regard will go far to exercise a soothing influence upon our deliberations and soften the acerbities of our debates. My Lord, an educated Indian taking up the Budget Statement and glancing through its pages has his attention irresistibly drawn to the provision under Sanitation and Education. That is his test; and judging of the present financial statement by that test, I must confess to a feeling of disappointment. We have only a grant of £100,000 for sanitation and education. My friend to the left, Pandit Madan Mohan Malaviya, asked for an extra grant of £640,000; but it was refused, chiefly on the ground that there were large unspent balances in the hands of Provincial Governments, and that even if the Provincial Governments were able to spend the grants which they had budgetted for in the coming year, they would have an unspent balance of over £2,000,000 in their hands. My Lord, I cannot shut my eyes, no body can shut his eyes, to the force of the objection. But who is responsible for these unspent balances? Certainly not the people, certainly not their representatives. My Lord, I quite admit that sanitary and educational projects need to be carefully thought out and as carefully worked out, but Sanitation and Education are the most pressing amongst our problems. As regards Sanitation I will say this that the issues are immediate; and indeed pressing; and that delay is dangerous; for it may mean the loss of human life and the prolongation of human misery. From my place in the Bengal Legislative Council I asked the Government last session to submit statements showing details of proposed expenditure in connection with Sanitation and Education out of the Imperial grants. So far as Education was concerned my request was complied with; so far as Sanitation was concerned, my request was rejected. My Lord, it seems to me that the true solution of the situation lies in the association of the people in the work—the goading influence of popular opinion and popular enthusiasm will spur on Local Governments and quicken their pace. There is a suggestion that I would like to make and it is that Committees of the Legislative Councils of officials and non-officials should be associated with the authorities in the matter of this expenditure. I do hope that an arrangement of this kind, if it goes forth with the imprimatur of the Government of India, will expedite the pace of the administrative machinery. My Lord, on the subject of education I feel constrained to say a word or so about technical instruction. The attention of the Government has largely been devoted to literary education. We rejoice that it has been so, for, whatever national spirit, whatever patriotic impulse, whatever enthusiasm for the public good exists at the present moment, among my countrymen, is due largely to the beneficent and the awakening influence of that education which we have received at the feet of our English instructors. I gratefully acknowledge the fact, I am proud to acknowledge the fact in this Council Chamber, in the presence of the august head of the Government of India. But, My Lord, our industries need to be revived. There is a visible industrial awakening all over the country; it can only be led into fertilizing channels by technical education. The Government appreciates the need of technical education; indeed the Government of Bengal proposes to establish a technological institute, I hope and trust it will soon be an accomplished fact.

“But, My Lord, there is a cloud no bigger than a man's hand which darkens the horizon in Bengal at the present moment. It is proposed to transfer the Sibpur Engineering College from the vicinity of Calcutta and establish it in Dacca, making it a part of the Dacca University. We have not the slightest objection to there being an Engineering College at Dacca, but it would be a deplorable blunder to remove an engineering college, fully equipped for all branches of engineering education, from the vicinity of a great industrial centre like Calcutta. I think in this matter I am speaking with

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some confidence and voicing the sense not only of the Indian, but also that of the local Anglo-Indian community.

"Intimately connected with the question of sanitation is the question of the waterways of Bengal. Our river system is in a deplorable condition and is a source of anxiety to the public and the Government alike. Many of our rivers have silted up, or are fast silting up; and what has been the result? The drainage of large areas has been interrupted and the country around has been exposed to the attacks of malarious fever. In the Jessore district there has been a sensible decrease in the population owing to the ravages of malaria. The same story is repeated in Nadia. In the Dacca district the Dhabaleswari river is silting up. A waterways committee has been appointed and my friend over there is a member of that Committee. But we want funds.

"It is no use elaborating large projects of drainage or irrigation, when we have not got the money. Looking over the secretary's memorandum, I find no provision made for any scheme of water communication in Bengal. Possibly it is due to an omission on the part of the provincial Government, but I do hope and trust that if any such scheme be laid before the Hon'ble the Finance Minister later on, he will give it a sympathetic and indulgent consideration. I rejoice to find, My Lord, that the Italian system, *bonificazione*, has engaged the attention of the Government of India. It is a double system of irrigation and sanitation. It is associated with a great and honoured name, that of Leonardo da Vinci, who was not only the greatest painter, but also the greatest engineer of his age. It has now been in operation for several centuries in Italy and has yielded admirable results. The central idea of the system is to raise the level of the land and to deepen the level of the rivers. It is expensive, but it is remunerative as well as sanitary. I hope and trust the Hon'ble Member in charge of sanitation will experiment with this system in large areas selected for the purpose.

"Intimately connected with the question of waterways is that of railways, and here, My Lord, I must sound a discordant note. Our Railway expenditure has gone up by leaps and bounds. In 1910-11 it was 7½ millions; in 1913-14 it was 12 millions and more; in 1914-15 the budgeted grant is nearly 12 millions. My Lord, though the Capital expenditure on railways amounts to about 843 millions, the earnings are only 1·14 per cent., very inadequate indeed, looking upon the matter as a commercial enterprise. I do not in the smallest degree desire to minimise the value of railways. They serve to develop the country, mitigate the horrors of famine, offer facilities to the travelling public and are most useful for strategic purposes. None-the-less, My Lord, I think it is the universal sense of my countrymen that no railway construction should be undertaken, except it be for protective or strategic purposes, unless upon commercial lines and financed from capital. I believe that also was the view of Sir Guy Fleetwood Wilson.

"'I must not allow our railways,' said he, 'to be, even temporarily, a not burden on the Indian taxpayer.' But, My Lord, there is an ominous note of warning in the Financial Statement which has been laid before us. There is an unallotted balance: I hope and trust that no portion of that balance will be devoted to railway commitments. But this is what the Financial Statement says:—'It is desirable to have an unallotted balance to assist in our heavy capital commitments.'

"One or two words more and I have done: first, with reference to opium revenue, My Lord, I think the Imperial Government ought to come to our rescue. Our financial system has been dislocated, and it has been dislocated largely through the pressure of British public opinion. When that opinion has been paramount in our counsels and we have been practically voiceless in the matter, it is only meet and proper that the Imperial Government should come forward and help to mitigate a situation which was of their making. Sentiment is not sentiment worth speaking about unless it involves sacrifice and its sincerity proved by such sacrifice. Let me not be misunderstood. I do not for a moment advocate the retention of the opium revenue. I do not think we should ever have had such a revenue at all as a part of our fiscal system, for

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it entailed the ruin and demoralization of a vast population. I do earnestly hope that Your Excellency's Government will plead for compensation for the loss we have sustained.

" My Lord, I find that our military expenditure has been rapidly increasing. In 1911-12, it was £19,265,000 : to-day the budget statement puts it at £20,500,000 for 1914-15, which is slightly in excess of what it was in the revised estimates for 1913-14. £83,000 have been added as additional pay to officers in the British service owing to concessions which have been made to them. Not for one moment do I say that these officers should not get the increased pay. If the concessions have been made to them, it is right and proper that they should get the increased pay, whether they serve in India or in England. But I claim it as a matter of financial justice to India that this money ought to come from the Imperial treasury. The Indian army serves as an Imperial reserve : it has been so used in the past and it will continue to be so used in the future. This point was pressed with great insistence upon the attention of the Welby Commission. As a matter of Imperial justice, I think the Imperial Government ought to pay for that portion of the Indian army which is in excess of our requirements and which is in the nature of an Imperial reserve. At any rate we pray for this small contribution towards the partial redemption of a long-standing debt.

" My Lord, one word with regard to our provincial finances. Next year our provincial system will be revised. Well, My Lord, Bengal is now practically in a state of bankruptcy. In the budget of 1914-15, the expenditure comes up to about 7 crores (I am stating it in round numbers), the revenue comes up to 6 crores, the deficit being about 1 crore and 8 lakhs. This is an undesirable state of things, and this bankruptcy would have been fatal but for the Imperial doles. My Lord, a province ought to be self-contained, and therefore the provincial settlement should be so revised that we should be able to pay our own way without assistance from the Imperial Government. I have a suggestion to make with regard to Bengal. The land revenue cannot be increased in a permanently settled Province ; you give us half the stamps and half the assessed taxes. What I would like to suggest is that the whole of the stamps and the whole of the assessed taxes should be made over to us. Half of the excise, the whole of which we now have, may, if necessary, be made over to the Government of India, for we cannot overlook the danger of having excise as a purely provincial revenue. There is the risk of the provincial authorities, of course I refer to the underlings, of stimulating the growth of the revenue by increased consumption. Thus, according to my suggestion (I have worked out the figures and will state them) if we have the whole of the stamps, the whole of the assessed taxes and half the excise, we should have Rs. 3,57,00,000 in place of the Rs. 2,92,00,000 we now have : that is to say, 65 lakhs in addition to the present revenue, which would nearly make the situation equal.

" My Lord, I desire to associate myself thoroughly with the expression of deep gratitude which has been conveyed to Your Excellency by all those who have spoken in connection with your labours in regard to the South African question. The matter has been settled. I cannot say that it has been finally settled. All India feels this, that it would not have been so settled but for the courageous and the noble statesmanship of Your Excellency's Government. This constitutes another of those services which will enshrine Your Excellency's name in the grateful recollections of the people of this country.

" One word more and I am done. I desire to record my most emphatic protest against the observations of my friend Malik Umar Hyat Khan. He says that public opinion demands more drastic press measures. Public opinion demands, if I have rightly understood the trend of public opinion, that the Press Act should be modified, if indeed not altogether repealed. I feel it my duty, from my place in this Council Chamber, to strongly protest against observations which may lead to a misunderstanding of public opinion on this subject."

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[*Maharaja Manindra Chandra Nandi of Kasimbazar.*]

The Hon'ble Maharaja Manindra Chandra Nandi of Kasimbazar:—"My Lord, I congratulate the Hon'ble the Finance Member on his lucid and exhaustive exposition of the Budget. It is to be regretted that the conditions which uniformly favoured the period during which the Hon'ble Finance Member's distinguished predecessor held office should be absent on the threshold of the Hon'ble Member's assumption of office, and that his first Financial Statement should have been made under the shadow of famine and a grave financial crisis due to the recent bank failures. We all recognise the need for caution in these circumstances. Much will depend on the rainfall during the next south-west monsoon. Should the rains be timely and abundant the famine conditions in the United Provinces and elsewhere will pass. Should the rains fail, which may Heaven forbid, the country will be face to face with a grave calamity and the budget estimate of Rs. 45 lakhs under the head of Famine Relief may be indefinitely exceeded. The revised estimate for 1913-14 shows £64,484 millions as total revenue and £38,599 millions as expenditure, or a surplus of £885 millions. In the budget estimate for 1914-15 the revenue is somewhat better, £85,079 millions, but the expenditure is £87,029 millions, showing a deficit of £1,950 millions. The Imperial surplus is estimated at £1,280,000 against an Imperial surplus of about £1½ million in 1913-14. In the Budget under discussion some economy has been exercised under heads of expenditure met from ordinary revenue. Out of these I shall refer only to Education, Sanitation and Medical, the latter two being comprehended in the term Medical. Between 1910-11 and the estimate for 1914-15, it is pointed out, the scale of expenditure under Education and Medical has practically doubled. With submission, I may venture to remark that the real test is whether the expenditure under these heads is adequate and commensurate with the requirements of the country. The Hon'ble Finance Member proposes to make recurring grants of £60,000 for Education and £40,000 for Sanitation. These are recognised as the primary objects of the policy of the Government, but financial conditions do not permit of a larger grant. The Hon'ble Member holds out a hope that next year, if circumstances are propitious, the Government may give stronger practical proof of its sympathy. We are thankful for this assurance, but I should like to ask whether it is right that the shears should be applied to Education and Sanitation, the importance of which is freely recognised, whenever the need for economy arises. The Hon'ble Finance Member observes that the large donations already made by the Central Government have gone far beyond the immediate spending power of Local Governments. Surely it is not meant that Education and Sanitation in India have reached a stage of efficiency at which further expenditure would be a waste. As a matter of fact the expenditure under these heads is far below what is urgently called for in the interests of the country. No amount of expenditure on the improvement of sanitation could be regarded as extravagant, for the health of the population is the most valuable asset of the Government themselves. To say nothing of such terrible scourges as plague, small-pox and cholera, the far reaching evil effects of malaria are becoming visible in every part of the country. It is sapping the vitality and the manhood of the whole population. Malaria is a distinctly preventable disease and much could be done for its abatement if provision were made for liberal funds to grapple with it. Speaking at the foundation-stone-laying ceremony of the Calcutta School of Tropical Medicine on the 24th of last month, Colonel G. F. Harris, Inspector-General of Civil Hospitals, Bengal, mentioned that such a school was in existence at Naples and possibly elsewhere in Italy. He pointed out that the conditions in Italy are somewhat similar to those found in India and proceeded to add:—"I draw attention to the work done in connection with silting operations with a view to the prevention of malaria and which may prove useful in Bengal." The only reason why the work done in Italy is not being carried out in Bengal is the paucity of funds.

"Turning to Capital outlay on non-revenue issues we find that the revised estimate for 1913-14 shows an outlay £12,167,000 on railways and £1,330,000

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on irrigation. The budget estimate for 1913-14 on railways was 12 millions but this has been exceeded in the revised estimate. The Hon'ble Finance Member says that his predecessor was able to provide in 1913-14 for a railway programme of £12 millions. It was announced sometime ago that this figure would be repeated in 1914-15. Accordingly, the £12-million standard has been maintained in the budget now before the Council, although the Hon'ble Finance Member is unable to give an assurance that this will be done in future. Besides the Secretary of State's bills on India, a rupee loan of 5 crores, subject to the usual reservations, is announced. This will be the largest loan ever raised in India in a single year, and as it will be spent on productive works, no exception can be taken to it. It is always desirable that the Public Debt of a country should be raised, as far as possible, in the country itself. I welcome the decision of the Government to raise the maximum of deposits in the Postal Savings Banks in a single year by a depositor from Rs. 500 to Rs. 750 and the total amount in ordinary deposit from Rs. 2,000 to Rs. 5,000. In view of the failure of a number of banks and also bearing in mind the fact that the principal sufferers were people of small means who usually deposited their Savings in the Postal Savings Banks, the expansion of these Banks will be a guarantee of security which will be appreciated throughout India."

The Hon'ble Rai Sita Nath Ray Bahadur :—" My Lord, it has become, so to speak, a time-honoured custom, more particularly with the non-official Indian members of this Council, to preface their criticisms of the Budget with congratulations to the Hon'ble Member in charge of the Finance Department, who is supposed to be the dispenser of bounties and giver of doles. But I need hardly assure my Hon'ble colleagues that it is no conventional, but sincere and heartfelt congratulations that I beg to offer to the Hon'ble Finance Minister for the ability he has displayed in framing a Budget, providing not only increasing expenditure under all important heads, but also dispensing the customary doles and at the same time showing a tolerably large surplus without imposing, as was once apprehended, any extra taxation : and all this he has done in the face of adverse and unfavourable circumstances, more or less due to the vagaries of the weather god and the practical annihilation of the large windfalls from opium.

"By the bye, speaking of the opium revenue, that is, the attenuated revenue that we shall now get from opium (2½ crores rupees) and contrasting it with the opium revenue of any previous period, taken at random, say, of 1880-81, which showed a revenue of about 8 crores of rupees, we find what a sacrifice has been made for a sentiment : and all this at the bidding of a few moralists at Home who wanted to appease their moral susceptibilities at the expense of poor India.

"With the practical extinction of this huge revenue in the near future, it is particularly desirable that the Government should be a little more cautious and circumspect in the matter of the ever-growing expenditure.

"It may be said, in this connection, that there is no use in crying over spilt milk, but what we do deplore is that such a huge sacrifice should take place in a poor country like India, where famine, not to speak of scarcity, is something like a permanent fixture. There is scarcely any other country in the world so dependent for its crops on the vagaries of the weather god as India. The thing is that, for want of industries and manufactures in the country, about 72 per cent of the population have to depend for their sustenance on agriculture and agricultural pursuits. There are, I make bold to assert, other causes besides climatic conditions which account for the recurring famines in this country. Even now large tracts in the United Provinces and some areas in Central India, Rajputana and the Bombay Presidency are under the visitation of that grim spectre of famine, and I understand more than 25,000 people are in receipt of gratuitous relief at the hands of a generous Government ; which, it is very gratifying to add, has laid it down as a maxim that no human life should be lost, not one man should die, for

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want of food. Though it is very generous and laudable of the Government not to allow a single man to die of starvation, the attendant or incidental evils of famine are so numerous and so far-reaching in their effects that it is not so easy to devise suitable means to mitigate the evil results that flow from famine. Not only the victim is reduced to a state of chronic indebtedness, but his whole domestic polity is so disrupted that it takes nearly a whole life before he can be rehabilitated into his former condition. I admit that agriculturists who have enough lands and other classes of people,—namely, those engaged in trade and commerce and others following some professions,—are now much better off, more prosperous than what they were forty years ago. I admit that on the whole people are now-a-days better prepared to face famine and that agriculturists who have enough lands do not feel the pinch of famine; but it is the small and petty cultivators, the non-agriculturists, the artisans, the day labourers and the poor *bhadralogues*, who are the greatest sufferers from famine. Though symptoms of growing prosperity are visible in the increasing use of the luxuries of civilised life, there can be no denying the fact that in no other civilised country is famine so recurring as in this country. It is to my mind due to the following causes:—

“ 1. With the increase of population the number of the unemployed is growing larger year by year.

“ 2. That between the *samindrs*, merchants and traders big, or small, on the one hand and the very large and growing body of agriculturists on the other hand, there existed, and even now exist, several classes of people who from generation to generation were wedded to and followed different branches of trade, different callings and different branches of art, and they acquired a certain degree of efficiency and skill by sticking to a particular art or industry and thereby earned enough money for their sustenance; and it must be remembered, in this connection, that the purchasing power of a rupee was far greater than it is now, as all articles of food and other necessary things were much cheaper than what they are now. But, as it is not possible for products of hand labour to compete with the machine-manufactured articles of Europe and America, far less for hand-loom-made cloths to compete with the cotton-manufactured articles of Lancashire, the result is that numerous classes of people, Hindu and Mohammedan, consisting mostly of petty traders, artisans of all grades and classes and weavers, have been thrown out of employment, thrown adrift into this wide world without anything else to fall back upon; and it is these classes who are the greatest sufferers from famine, who have materially swelled the rank of the unemployed. My Lord, I crave Your Excellency's indulgence for speaking out the plain truth that a partial increase of crimes, of which we hear so much now-a-days, is due to these economic causes, is due to what is called in plain language, want, due to want of employment. Pray, remove the want; find out the means for keeping the idlers engaged; all will go on well, for it is the idlers who hatch the greatest mischief; with a belly-full there can be no murmur or grumble.

“ I therefore respectfully pray that Government should do all it can to promote the industrial development of the country. Half-hearted measures will do no good. The first and foremost step in that direction, in my humble opinion, would be the immediate establishment of a large and properly equipped Technological College in a busy centre of commerce and industry and of technical institutions, for the present at least, in all provincial capitals. While Government has been generous beyond expectation and has with a bountiful hand supplied ample funds for truly literary education, while Government has been profuse in supplying all the institutions of a civilised life throughout the country, it is deeply to be regretted that the same measure of liberality has not been extended to the promotion of knowledge which would go to stimulate the arts and industries.

“ If there is a revival of arts and industries, if the numerous classes of people who formerly subsisted by arts and industries can resuscitate their former trades and callings and find markets for their articles and thereby acquire enough money, we shall hear less and less of famine; for, broadly

speaking, it is not so much the dearth of foodstuffs which creates famine, but dearth of money with which to buy foodstuffs.

“ We are glad, My Lord, that the Railway Board has been reorganised, and that some changes have been made in its constitution ; the result being that the Board, instead of being comprised of exclusively three railway men, would henceforth have one member with financial and administrative experience, and we are glad that Mr. Gillan, who has deservedly acquired a great financial reputation, has been taken in as a member of the Board. But, My Lord, I regret to observe that the present opportunity has not been taken advantage of to enlarge its sphere of usefulness by taking an outsider as its member—I mean a commercial man, with large commercial and administrative experience, and one who has had to control and supervise large factories and mills. I dare say a commercial man with large experience of the country and its requirements would infuse a new spirit in the administration of the Board. It is said that the Railway Board is out of touch with the Indian public opinion and more especially with the Indian commercial opinion, otherwise a proposal like the one now before the Calcutta Port Facilities Development Committee involving sacrifice of crores of rupees,—I mean the proposal of removing the entire jute trade from Hatkhola, that is from Calcutta to Cossipur,—could not have been mooted, far less seriously entertained. But, My Lord, which is more congested, Barabazar or Hatkhola? And why has no proposal been made for removing the piece-goods trade from Barabazar? Because our Marwari friends have the weight and support of the Bengal Chamber of Commerce at their back. However, we trust and hope that attempts will henceforth be made to consult Indian commercial opinion in the administration of the Railway Department. It is very gratifying that such a large sum as 18 crores of rupees has been allotted for capital expenditure on railways. With the very large additions already made and going to be made to waggons we hope the complaint of the Indian jute and coal merchants for the timely supply of waggons will meet with sympathetic response. It is said that very little heed is paid to the demand of Indian merchants for waggons, and the result is serious loss.

“ My Lord, while on this, a few words about a cognate subject would not, I think, be out of place here. I mean the natural waterways of the country, which I look upon as the twin sister of railways ; and I say it has an important bearing on trade and commerce. But, My Lord, the regret is that the subject has never received that degree of attention which its importance demands. This country, more particularly Bengal, has been blessed with a magnificent system of rivers and other water channels ; they are most advantageous to the country in several ways, but in the eyes of a merchant their principal use lies in furnishing easy and cheap—I say much cheaper—means of transport for merchandise. They are the principal means of developing the trade of the country. It is a common experience and it is well known that, while there is no great urgency for rapid transport of particular goods,—that is, when there is no urgent demand and the market is not sufficiently tempting,—merchants and traders invariably prefer to send their goods by steamers, flats and even country boats ; for the freight is much cheaper, there is less wastage and articles are not so much damaged in transit. But the Railway Department, and I may go a little higher up and say that the Government, has always looked upon these rivers with a jealous eye as so many rivals to the railways, as they are supposed to take away a good deal from the earnings of railways ; and no money, at least, not much money, has ever been spent for improving those rivers and keeping them navigable ; and the result is that most of the rivers have silted up. I can cite numerous instances of rivers in Bengal, commencing from the Bhagarathi near Murshidabad down to the Dhaleshwari and Buriganga near Dacca, which once deep and navigable, affording easy means of transport to the country products, are now high and dry. These rivers are hardly dredged and the Local Government has not money enough, at least cannot spare enough money, to buy powerful and costly dredgers ; nor has it sufficient means to keep men with expert knowledge at its disposal for this purpose.

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“The Calcutta mercantile communities, both European and Indian, have been strenuously urging for some time for a Grand Canal connecting Calcutta with Eastern Bengal by a direct and short route, and Mr. Lees has elaborated the project of a Grand Trunk Canal which, if carried out, would go to provide a very safe, short and cheap channel for the carriage of all articles of merchandise, specially jute, rice and piece goods, and I say there is no room for jealousy, for, even in the present state of trade and commerce, both the Eastern Bengal and the Central Bengal Railways find themselves utterly paralysed in coping with the daily expanding trade; and I say the capacity of the Eastern Bengal Railway will be taxed to its utmost on the opening of the grand Sara bridge and, secondly, on the opening of the Sara-Sarajgange Railway and other projected railways in the districts of Dacca and Mymensingh. I therefore beg to suggest—rather I beg to urge with all the emphasis I can command—that, taking the railways and waterways as two branches under the same head—internal communication as they surely are and are so treated in all the great countries of the world,—a portion of the annual grant of 18 crores of rupees for expenditure on railways, say to the extent of a crore of rupees a year, should be utilised partly in improving the existing channels which are fast deteriorating and partly in carrying out the Grand Trunk Canal project, which, it is said, will be sufficiently remunerative. It may be said that a waterways committee having been recently established in Bengal, it is the function of that committee to deal with the subject which pre-eminently concerns Bengal. In answer to that I may say, being a member of that committee and knowing full well its working, that it is beyond the power and resources of that committee and, for the matter of that, of the Bengal Government to tackle this subject successfully. It requires men and money which the Provincial Government has not got at its disposal. It is a subject for the Imperial Government to take up, and it should be treated as such. For I say the natural waterways are an indispensable adjunct like railways in promoting trade and commerce.

“Before concluding my remarks on railways and railway grant I beg to suggest that, like the East Indian Railway (the premier railway in India and a model of good and efficient management), every railway should have an Advisory Board, and I commend this suggestion to the favourable consideration of the Railway Board. My further suggestion is that every such Advisory Board should have one Indian commercial member in it, for the very presence of an Indian member will have very good and salutary effects in different directions.

“My Lord, Your Excellency's recent announcement at Bombay in connection with the Department of Commerce and Industry and the Commercial Intelligence Department, for bringing them into the closest possible contact with the commercial community, has our hearty approval.

“Before coming to a close, I beg to say a few words on the present banking crisis which has overtaken some of the *swadeshi* banks in the Punjab and the Bombay Presidency. The collapse of so many Indian banks and the consequent failures of several Indian firms in those provinces are calamities too big to be blinked at. We cannot yet realise what their cumulative effect will be upon the industrial development of the country, but this far is certain that they will set the industrial development of the country fifty years back, if not more. In a commercial crisis like the one we are passing through, it is indeed very reassuring to the commercial public that the principle of Your Excellency's generous and sympathetic policy declared at Madras should have found an echo in the speech of the Hon'ble Finance Member that the Government, through its accredited agents, the Presidency Banks, would always be ready to assist such banks as conduct their business on sound lines. The Indian commercial public would like to know in what circumstances, and under what conditions, an Indian-managed bank would be entitled to ask for financial aid from a presidency bank.

“After what has happened and transpired and the dire consequences which have resulted from the almost simultaneous failures of the several Indian-

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managed banks, entailing immense loss and untold miseries upon the Indian investing public, there is no denying the fact that it has now become necessary, in the interest of the unwary investing public, that some sort of banking legislation should now be undertaken. But we trust and pray that no drastic legislation should be undertaken which would go to put a stop to further banking enterprises in this country and in consequence retard the industrial development of the country, for I say that industrial development greatly depends on the financial assistance it may legitimately hope to have from Indian banks.

"My Lord, as one hailing from Bengal and intimately connected with the district of Dacca, I beg to express, on my own behalf as well as on behalf of my countrymen, our congratulations on the happy conception of the scheme of concentration of troops of all arms at Dacca and the excellent results which have been secured and the successful manner in which the whole thing has been carried out, and the very good impression which it has produced on all classes of people. Though it began in fright and alarm, it ultimately ended in pleasant surprises and in establishing pleasant relations between the European soldiers and the people; and, what was more, in convincing the people that behind the single district magistrate and the policeman, there are latent forces which can be summoned at a moment's notice and which are large and strong enough to crush the wicked and to defend and to stand by the loyal and the faithful.

"My Lord, one word more, the Report of the Solomon Commission is out; the Indian problem in South Africa, which was at one time distracting the minds of the Indian Public, now seems to be within the prospect of a happy solution. The feeling which is now uppermost in my mind and in those of my countrymen is one of deep and sincere gratitude to Your Excellency for the bold and sympathetic attitude which Your Excellency was pleased to take in this question, and I may add that the prospective solution of this perplexing question will be entirely due to Your Excellency's noble exertions on poor India's behalf."

The Hon'ble Sir Fazulbhoy Currimbhoy:—"My Lord, the Hon'ble Sir William Meyer should be felicitated upon his openness and his desire to carry the public with him. In the explanatory speech with which he laid the Financial Statement before us early this month he appears to have broken through departmental reserve and to have overstepped the customary lines. It is to be hoped that he will develop his policy of popularising the annual budget by fuller explanations on abstruse points of Indian finance.

"My Lord, interest in the budget under discussion centres *inter alia* round two features, (1) the caution in estimate necessitated by the prevalence of famine conditions in parts of the United Provinces, the Central Provinces, the Bombay Presidency and the Punjab; and (2) the unallotted balance of £1,280,000, being the expected Imperial surplus in 1914-15, kept by way of a reserve to assist us in our heavy capital commitments, notwithstanding the capital expenditure of £17,900,000 as against £17,226,000 in the current year. Now, a discussion of the first point will not be profitable. The financial results of the ensuing year alone will show whether the caution is or is not justified. Criticism would be premature, despite of the finding of the Indian Finance Commission :

'Caution . . . has been carried rather further than was necessary in recent years.'

"The first budget of a new Finance Minister in a period of stress must proceed upon the accustomed cautious lines. An innovation is justifiable only on the restoration of normal economic conditions and after the year's experience has disclosed the possibilities of advance. But the proposed reserve requires fuller explanation in the light of the allotments for capital expenditure. It is difficult to see how such a large sum as two crores of rupees, roughly, is necessary during the year to meet sudden calls for our capital liabilities. According to the technical advisers of Government, there is

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no scope for large outlay on productive irrigation works and New Delhi. Ample provision has likewise been made for outlay from Provincial balances, repayment of India bonds, etc., and Local Loans. Any unforeseen and unavoidable expansion of expenditure under these three heads is unlikely, unless the spread of famine necessitates heavy outgoings in agricultural advances. But the Hon'ble Sir William Meyer's anticipations would discount the chances of this last contingency. Then remains the principal item, railways, for which liberal provision has been made, the allotment for 1914-15 being equal to that in 1913-14, the highest since the Mackay Committee. Any extra demand for railways during the year is improbable and unjustifiable alike. How is then the large unallotted balance of £1,280,000 necessary to be put to a sort of reserve in view of 'our heavy capital commitments'? This is a point on which explanation will be welcome.

" My Lord, in connection with these Indian railways, I beg to invite your Excellency's attention to three points, (1) the account of capital expenditure incorporated in the Financial Secretary's Explanatory Memorandum, (2) the appropriation of the 'net' profits, and (3) the special loans raised for financing railways. With regard to the first point, I submit, that the summary of details of the budget grant for open lines given in paragraph 225 of the Memorandum should be more complete. The absence of fuller particulars deprives the public of information most necessary for a correct judgment about the capital requirements of our railways. The amounts allotted are at present shown under two heads, 'Rolling stock' and 'other items,' without differentiation between renewals and additions under each head. This handicaps public criticism about the commercial value of the railways. Such detailed information in the Memorandum alone can show what proportion of the total expenditure for renewals should be charged to revenue account and what to capital account. The present system of appropriation to the general revenue account of the 'net' surplus after deduction from the gross profits from railways of the working expenses and interests, is likewise unsatisfactory. Renewals, as distinguished from other improvements, are the first charge upon revenue. In the calculation therefore of the net railway income due allowance must be made for them. Nothing can be legitimately claimed as net profits until renewals have been fully provided for out of the revenue. It may be that in a lean year there is no surplus revenue out of which to make the provision; it may likewise be that even in a normal year the surplus revenue is insufficient for the purpose. And yet renewals must be financed, and capital expenditure on that head becomes unavoidable. To provide against such contingencies the principles of sound finance would suggest the creation of a permanent depreciation fund out of the abundance of prosperous years. It is false economy to appropriate the surplus income from a concern and leave unprovided the wear and tear of the mechanical appliances. It is indeed urged that provision is at present made periodically for renewals, but the point is that the principle of the arrangement by which the capital employed in the concern is annually added to, not only for additions and other improvements but also for renewals, is neither sound nor profitable. The fact that the surplus profits from railways go to swell the general revenues out of which the multifarious demands of a complex and progressive administration are met, makes the question something more than one of accounts. A false idea is conveyed about our financial position, encouraging demands for liberality in expenditure, while the commercial results of the application of loan capital to renewals are obscured by the imposing figure of surplus profits. I must not be misunderstood. I attach the greatest importance to these renewals. They are absolutely necessary. Constant watchfulness against depreciation alone will maintain the railways in an efficient condition. It follows as a corollary that the surplus income after payment of working expenses and interest charges should be applied in the first instance to defrayal of the cost of renewals, the unspent balance alone being carried to the general account. My submissions accordingly are that in the future the details of renewals and additions should be clearly shown in the aforesaid summary under each head separately, and that allowance should be made

for renewals out of the surplus income. The question of a railway depreciation fund must be reserved for future consideration.

"But the special railway loans demand immediate attention. Before I offer any remarks on the subject, I must congratulate the Hon'ble Sir William Meyer upon his loan policy. It marks an advance, and will meet with universal approval in India. Educated India fully endorses the view that Indian capital should be utilised to the fullest extent in our reproductive works. The Hon'ble Sir William Meyer deserves our thanks for his intended move in this direction. But Government should be prepared to go further, and, as a matter of general principle, should decide that our reproductive loans must in the first instance be raised in India, and that the London market should be exploited only for the unsubscribed balance. The community looks to the Hon'ble Sir William Meyer for the initiation of this larger policy which is only a development of the policy he has tentatively adopted in the present budget. He has justified his action in increasing the amount of Rupee Loan by excellent reasons. The exigencies of our Exchange policy and the desirability of creating additional gilt-edged securities for the investment of Indian capital supply other cogent reasons. *Prima facie*, an increase in our sterling debt is a menace to our Exchange policy in so far as it increases our annual sterling liability. Fears may be entertained that the most imposing Gold Standard Reserve located in London will fail to support the sterling exchange should our Home charges be abnormally inflated. The lesser the amount of these charges the greater is the security against a falling exchange. But in disregard of this almost axiomatic truth, our sterling liability is advancing at a rapid rate. In 1904-05 the total sterling debt stood at over £132 millions and in 1911-12 at over £178 millions or an advance of 35 per cent in seven years, while the railway sterling debt nearly trebled during the interval, the figure for 1911-12 being £109 millions as against £40 millions of 1904-05. The annual interest charges upon the total advanced about 50 per cent during the period. The position has not materially improved, despite of the recent expenditure for discharge of debt, in consequence of the additions to our sterling debt since 1911-12. And next year the Secretary of State proposes to borrow £8,000,000 in London, including the amount already raised in anticipation. This is not sound policy. The exchange is surely not strengthened by these sterling transactions. On the other hand, the transfer of the loan transactions to the Indian market must result in a substantial reduction in our sterling liability, and to that extent will contribute to the success of our Exchange policy. These considerations would prove the impolicy of further applications to the London market for reproductive loans.

"The general consideration that the capital of the country should be attracted more and more into safe channels of investment would equally counsel an increase in our rupee loans limited only by the capacity of the market and the needs of the State. In the considered opinion of the Indian Finance Commission, 'any reforms inducing Indians to invest instead of hoarding their saving should be greatly encouraged.' Expansion of the rupee loans is one of the effective ways of doing this. The Hon'ble Sir William Meyer has taken a necessarily cautious move forward, although the history of this year's new rupee loan, to which he has alluded in his introductory speech, could have suggested a bolder experiment. The amount of tender (₹91,05,300) covered the loan (₹3,00,00,000) three times over and more, and the average rate of accepted tender (₹96-8-0) was fair. That shows we could raise more than five crores without much difficulty.

"One other consideration would justify a change of policy on the lines indicated above. The rapid increase in our sterling loans is to a large extent responsible for the present depression in Government paper. A few years ago, the rupee paper in spite of the uncertainties of exchange, was a favourite investment in England. A stable exchange, far from increasing its popularity there, has had the opposite effect of attracting the bulk of the holdings back to India. In 1902 the total amount held in England was 20 crores and 36 lakhs, but by 1912 the total went down to 11 crores and 73 lakhs. The synchronous increase in our sterling debt furnishes a satisfactory

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explanation. English investors naturally prefer sterling loans raised in London, and a steady exchange helps them to clear their rupee holdings on favourable terms. And the fact that the price of rupee paper has been maintained in India, notwithstanding the importation of this large additional stock simultaneously with the issue of fresh rupee loans, proves incontestably the strength of the Indian market. The large increase (over 50 per cent) in savings banks deposits (from Rs15,99,19,789 in 1904-05 to Rs24,69,49,326 in 1911-12) likewise testifies to the general anxiety for safe investment. Everything thus points to the conclusion that, in their own interest as much as in that of the country, Government should and can safely depend, in a larger measure than in the past, upon the Indian market for their reproductive loans, and should go to the London market in the last resort.

" My Lord, the Hon'ble Finance Minister has referred to the coinage profits of last year and this year (£5½ million upon 25½ crores of rupees coined) with some degree of satisfaction, as the amount has gone to strengthen the Gold Standard Reserve. In my humble opinion, and I am supported by a large body of public opinion, these profits, however, are of questionable value. The policy is unsound; the whole arrangement is artificial and unsatisfactory. The system of currency is artificial, requiring a huge Gold Standard Reserve to prop it up. The profits from fresh coinage may be imposing and even convenient for the time being, but we ought to realise that we are adding considerably to our future exchange difficulties by expanding the depreciated currency. The more artificial rupees we have, the greater becomes our difficulty in dealing with sterling exchange and the greater our dependence upon the Gold Standard Reserve for a firm exchange. The country also is prepared for a gold currency. The Hon'ble Sir William Meyer himself alludes to the increasing popularity of the sovereign as a current coin. His opinion coincides with, and lends additional weight to, the views of this Government embodied in their despatch to the Secretary of State of 1911 on the subject of a gold mint. There is no difference about principles. The only practical difficulty is about a gold mint, and this can surely be overcome by negotiations with the Imperial Treasury. The Indian Finance Commission has left this subject of gold mint to be dealt with by the Government of India. It behoves this Government now to apply themselves energetically to the reform, and to introduce at an early date an honest gold currency.

" My Lord, the Hon'ble Sir William Meyer's policy of laying out Government balances through the Presidency banks for the support of trade marks another agreeable feature of the year's transactions. These advances would perhaps be more satisfactorily managed by a State Bank, but the needed reform is delayed by the decision of the Indian Finance Commission to have the subject examined by an expert committee, which Government would do well to appoint soon.

" My Lord, speaking of this financial committee, I am reminded of another expert committee, the Army-in-India Committee presided over by Field-Marshal Lord Nicholson. The further substantial increase in our Military Expenditure next year, which will be the highest since 1904-05, following closely upon the report of a committee appointed for discovering the possibilities of reduction, would cause anxiety but for the assurance given by the Hon'ble Finance Minister that it 'implies no setting aside of the Committee's recommendation', as they have not been examined yet. I hope Government will soon come to a satisfactory decision upon the report and relieve the public anxiety.

" My Lord, from Military to Civil Expenditure is an easy step, and one of the gratifying features about this is that Government is anxious to enforce the strictest economy in the construction of New Delhi. The proposition does not admit of serious controversy that the Imperial capital should be worthy of this great Empire as also of the great Sovereign who laid the foundation stone. At the same time it is undoubtedly a sound policy that the cost should not cause a severe and sharp strain upon the general revenues, and should be spread over a number of years.

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Sinha of Nashipur.*]

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"One item in the budget, the non-recurring grant to the United Provinces during the current year of one lakh of rupees 'for the Badrinath and Kedarnath pilgrim route,' initiates a commendable policy in the treatment of the important question of pilgrim traffic which with time should be steadily developed. Pilgrims—be they Hindus or Mussulmans—should have every facility of travel and comfort assured to them as much by private charity as by Government subventions. In pursuit of this enlightened policy the Imperial Government, I hope, will be pleased to allow reasonable sums for the relief of *Hajis* at Bombay, the port for the *Haj* traffic, on the lines that may be suggested by the Colonel Robertson Pilgrim Committee, which will inquire into the question. I hope further that the report on the *Haj* traffic which may shortly be expected from the Bombay Government will receive the earnest and immediate attention of this Government. The *Haj* question is the burning question among Mussulmans, and there is a considerable amount of feeling over it. From its Imperial importance it deserves the best and sympathetic consideration of the Government of India. I feel sure the Hon'ble Sir Harcourt Butler, whose treatment of this matter has been throughout marked by genuine sympathy, will be pleased to settle it promptly in a manner agreeable to Moslem sentiment in consultations with the leaders of the community.

"My Lord, any reference to Moslems in connection with budget allotments without a pointed reference to Mohammedan education must be incomplete. I thankfully acknowledge Government is alive to the importance of the subject, and has evinced legitimate interest in it. The latest official publication on Education shows that some of the initial difficulties have been overcome, and, further, that some progress has been made in Mohammedan education; but the admission is there that much leeway has yet to be made up. The need for special efforts and special encouragement is thus still present. I hope, therefore, that when the reports of the committees now investigating the subject are received, the recommendations will be liberally financed by Government.

"My Lord, one other submission on the budget. Government will be pleased to seriously consider the desirability of a further reduction in cable rates with a view to facilitate the foreign trade. The system of deferred messages at half rates has worked well, and is believed to be gaining in popularity. In 1912-13 the number of these telegrams was 28,666 as against 8,720 of the last quarter of 1911-12. The history of the Telegraph Department justifies the hope that if the general cable rates are further reduced, the increased volume of business in the end will amply compensate the State for any temporary loss of revenue.

"My Lord, two other points and I have done. First in importance is the question of the reconstitution of the India Council brought to the fore by the pronouncement of the Secretary of State. I respectfully submit that in any scheme of reform the claims of India to a due share of representation on the Council should be carefully and favourably considered.

"Then comes the question of the South African Indians. The news of the recommendation of the Inquiry Commission, regarding the abolition of the three-pound tax will be received with unfeigned joy throughout India; and on behalf of the people of Bombay, especially the Mussulman section, who have the greatest stake in South Africa, allow me, my Lord, to express to Your Excellency our deep gratitude for your sympathy and whole-hearted support of the Indian cause which has had so great an influence upon the Imperial and the Union Government."

The Hon'ble Maharaja Ranajit Sinha of Nashipur:—"My Lord, I notice that there has been a decrease in the collections of land revenue, partly owing to heavy remissions and suspensions of revenue in the United Provinces, and partly owing to droughts and floods in some other Provinces; but in spite of this the Hon'ble the Finance Minister has been able to make the two ends meet without curtailing any of the recurring grants regarding important

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matters, and so he deserves our best thanks and congratulations. My Lord, with your permission, I venture to submit one suggestion as regards the discussion of the Financial Statement. Under the present practice we are called upon to give notice of Resolutions we intend to move within three days after the Financial Statement is laid on the table, and within this short period it is very difficult for non-official Members to digest and master all the facts and figures contained in the Financial Statement and so they are to put forward their Resolutions only after a cursory study of the Budget, and the result is that they cannot convince the Finance Member of the need to alter any figure in the Budget at that stage. So, My Lord, if the Hon'ble the Finance Member holds an informal conference of the non-official Members before the Financial Statement is finally prepared and ascertains their views as to the distribution of the grants in the different provinces on several important matters, I think that it would not only facilitate the discussion of the Financial Statement, but also reduce the number of sittings in our Council Chamber.

" My Lord, I find that under the head ' Police ' the expenditure has risen since 1910-11 from Rs. 6,52,42,316 to Rs. 7,80,29,000. My Lord, I am not one who would grudge this increase or who would advocate any course which might lead to reduce its efficiency, rather I would like to strengthen it. The question is whether their efficiency has really been increased in proportion to the amount of expenditure which we incur. We notice that the working of the Criminal Investigation Department, as also that of the Police in the Presidency towns, have much improved ; but, My Lord, the general impression as regards the *mufassal* Police is that there has been no appreciable improvement in that respect and that they cannot detect crimes, and harass the people unnecessarily on some occasions. My Lord, if each *thana* be provided with one selected and well-paid officer, whose sole duty will be to investigate crimes and if he be not saddled with any other routine duties, I hope the result will be satisfactory.

" My Lord, I am glad to notice that the expenditure under the head ' Education ' has increased since 1910-11 from £1,846,248 to £3,999,000. The Hon'ble the Education Member is to be congratulated for this steady progress as regards education, and we are grateful to Your Excellency for the noble and generous policy which Your Excellency has adopted in the cause of the advancement of education in this country. I have also one suggestion to make in this respect and that is that, according to the practice prevalent in most provinces in India, girls after their marriage do not attend public schools, and unless education is extended to the *Zenana*, we will not be able to make satisfactory progress in female education in this country.

" Then, as regards Sanitation, My Lord, we are fully alive to the fact that this question is engaging the serious attention of Your Excellency's Government and that Your Excellency is going to issue a resolution as regards the sanitary policy of the Government of India very soon. The improvement of sanitation has become one of the most crying needs of the day. There is not a single province which is free from the visitation of some foul diseases, such as malaria and plague, which carry away hundreds and hundreds of people every year. The other day when I moved for an additional sanitary grant for Bengal, I showed by facts and figures that the population in some of the municipal towns is gradually decreasing, which is not at all satisfactory. Every municipal town should be provided with drainage and pure water supply, but the resources of the municipalities, except very few big municipalities, are so very limited, that they cannot undertake even the preparation of such schemes within their income. So, if Your Excellency's Government have a sanitary survey of all urban areas made, I think it will be a great help towards the improvement of sanitation.

" My Lord, we are grateful to Her Excellency Lady Hardinge for the interest she takes in the cause of female medical aid in this country, and it is through her generous effort that we had the foundation stone of the Female Medical College laid the other day. I trust that Her Excellency's noble

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example will be followed in all other provinces, which should also be equipped with institutions which would produce large numbers of lady doctors. There are many women in this country who do not like to place themselves under the treatment of male doctors, and I hope that during Your Excellency's regime this scheme will be further advanced in other provinces.

"My Lord, the development of our country depends to a large extent upon the improvement of agriculture; and the question of the improvement of cattle is so much associated with this, that we cannot leave one for the other. It is an admitted fact that the condition of cattle is gradually deteriorating; and we find that the bullocks are gradually becoming very weak, and they cannot do the same amount of work which they used to do before. There has also been a scarcity of milk not only in villages but also in towns, and the supply of pure milk is out of the question. My Lord, we find that the increase in infantile mortality is also due to this cause. Some doctors are of opinion that pure milk is essentially necessary for the development of young children, and so it has become very necessary to improve our cattle. We know that Your Excellency's Government is doing its best to improve the breed of cattle, and I think that in every village there should be a plot of land reserved for grazing purposes. If the Government is inclined to take up this question, I am sure there will be no difficulty in finding out the means to carry out the scheme.

"My Lord, I find that, after deducting working expenses and paying off interest, the major and minor works of irrigation yield an annual income of more than one crore of rupees, and for next year, Rs. 1,30,19,000 has been budgeted. It is a fact that many of the rivers in India are being gradually silted up. If a provision be made every year for dredging out the rivers, I think it would not only facilitate communication and trade, but it would also help the people to have pure drinking water and would contribute towards the improvement of the sanitary condition of the neighbouring villages.

"My Lord, in conclusion I associate myself with the speakers who have preceded me in expressing our deep gratitude to Your Excellency for the bold stand which Your Excellency made in solving the South African question. I am sure that if Your Excellency had not taken deep interest in the matter, the question would not have been settled so satisfactorily."

The Hon'ble Sardar Daljit Singh:—"My Lord, it is well known in the Hindu mythology that whenever one by noble deeds, *Tapas* and meditation, is on the threshold of the highest attainment, the gods, sometimes Indra himself, come in with a thousand and one devices to test his intrinsic worth and the earnestness of his purpose. In the same way the Hon'ble the Finance Member has been lately, passing through a similar kind of trial set by Indra and Vayu, the gods of rain and wind, before he has ascended to the place from where plenty and prosperity are announced. The failure of the monsoon in the United Provinces or the irregular distribution of winter rainfall was not due to the sins committed in a previous existence, but the gods found 'that' in him and hence the trial. Our new *Kuvera* has ascended and plenty and prosperity are announced.

"Under the circumstances the surplus shown in the Budget is really satisfactory. I wish to congratulate the Hon'ble the Finance Member for the lucid Budget statement and his administration of our finances; which, in spite of failure of crops, are as satisfactory as when the year began.

"After the unfortunate non-fulfilment of the meteorological predictions, came the series of disastrous bank failures. The crisis has been tremendous and widespread, my province being the worst sufferer. It is a pity that the Secretary of State could not see his way to agree with the Government of India in the latter's most benevolent recommendation that the Government interest-free balances with the Presidency Banks be increased with a view to give a relief to sound and solvent banks from the extraordinary rush upon them caused by mere scare and losing confidence in banking institutions.

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" My Lord, it is a truism to say that India is pre-eminently an agricultural country, and the cultivator is the backbone of society. While it must be acknowledged that the Government has done a good deal to equalise the assessments all over the land, to give fixity of tenure to the tenant, to control the increase of the rent by the landlord, and so on, the cultivator, all the same, deserves more benevolent attention of the Government in the way of affording substantial relief and bringing the land tax into line with other taxes. Without going into the details of the question on this occasion, I feel inclined to observe that the Government which so magnanimously sacrificed an enormous revenue from the opium to satisfy the British sentiment of helping a foreign nation towards moral and material improvement, will, there is every hope, reconsider the whole land revenue policy to better the position of its great agricultural population which for generations has lived in unenviable circumstances, all the same being most industrious, peace-loving and loyal. All other reforms may wait till the peasant is assured of his bread and is in a position to look hopefully forward when the rains fail.

" My Lord, it is a true complaint that, while the cultivator toils, it is others that enjoy the benefit. For instance, take the recurring grants for education and sanitation to be adjusted through land revenue. The Government proposes to grant 15 lakhs under this head. I should like to know how much of this sum will go direct to the benefit of the poor peasant. When Railway, Post Office and other revenue-paying services pay well, certain concessions are allowed to that portion of the public which has assisted in bringing about the surplus. But if a larger area has been brought under the plough and consequently more money put in the public treasury, no fresh concession or facility is offered to the cultivator. On the other hand, it is other classes of the population that take away the lion's share of the benefits derived from the farm.

" It is a matter of great gratification that the attention of the Government has been drawn towards the uplifting of what are generally styled the Depressed classes and the reclaiming of the criminal tribes. It is hoped that Government's intercession will incite public spirit, and it will soon be relieved of this duty.

" My Lord, unfortunately frontier raids and increase in criminal offences have been disquieting features of late. It is, however, satisfactory to note that negotiations with regard to trans-frontier raids already concluded with the Amir and other requisite measures will bring in peace and safety again.

" I may also mention of Your Excellency's sincere solicitude and earnest desire on behalf of Indians in South Africa. In summer last, when the atmosphere was so thick with agitation on this point, your attempt at bringing about a better understanding between the Home authorities and the Union Government worked like oil on troubled waters. Your Excellency's announcement in this Council has strengthened our faith in British justice and your helping the cause of the vast millions entrusted to your care.

" My Lord, this is the second session of the Council which has held its sittings in the Imperial city that has always been, and sooner or later was bound to be the capital of the Indian Empire. From time immemorial it has been the cradle of Emperors and the seat of Empires. The British came from across the seas and raised Calcutta to a great city, but Delhi refused to remain in the background and retained its hold on the minds of our rulers. In fact it has always been the ceremonial capital of India. Lord Lawrence was the first to think of moving the seat of the Government to Delhi, but it seems as if the fates waited simply to make amends for the injustice done to the eternal city and see her lost crown placed on her brow by the auspicious hands of our beloved Emperor. We can see the new influence at work everywhere about us, in social gatherings and at Government House, where Indians and Europeans gather together as friends and fellow-workers. Only the other day at the Higher Chief's College Conference no fewer than 32 ruling princes assembled here to talk together the question of the higher education of their sons. My Lord, it is hardly necessary for me to say that Delhi is famous for its architectural and decorative glories. Here stands the great

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solitary tower which has no rival in the world, here we see a single marble arch, *Mizan-i-adal* that cost the Emperor Shahjahan not less than half a crore. Here we are told by the historian was the Peacock throne of the great Moghal worth more than three crores. My Lord, I fully realise that neither these are the days nor the intention of the Government to lavish money to please the eye alone, but I would urge that it will bring no credit to the country if it could not provide the Empire with a capital worthy of its greatness. I would impress the Government that it is most desirable that the new capital should be built worthy of the place, so rich in history and monumental structure, and the greatness and importance of the Indian Empire. I believe that in view of the Imperial interests adverse criticism of an interested few will have no weight with the Government and that the new capital and its environments will rise in such magnificence and beauty as may be in consonance with the grandeur of the mighty Empire."

The Hon'ble Raja Saiyid Abu Jafar of Pirpur:—"My Lord, the Budget of the Hon'ble the Finance Member, though it may not be a 'prosperity' one, and though there are no liberal non-recurring grants to the Provinces (besides Burma), yet these omissions are only due to forces of nature. The lucidity and the ability of the Hon'ble the Finance Member leave nothing to be desired, and the Budget in this respect is a model one.

" United Provinces Claims.

"Unfortunately the defective rains in certain parts of the Punjab and the United Provinces have caused a partial famine. Considering the general balance, after deducting the expenses, it remains nearly the same as was expected. The Hon'ble the Finance Member may be congratulated on this success. I think the Government of India should have been more liberal to the United Provinces. But as the question has been lately discussed in full, I want only to refer to it here in brief.

" Exports and Imports.

"A very remarkable feature in the figures of last year is the decrease of exports of rice, wheat, and barely to the extent of ten and half crores of rupees. Had it not been due to bad crops and the higher price of grain, I have little doubt that my fellow-countrymen would have welcomed this result. It would have shown that more grain was being consumed in the country. Even now, from the financial point of view, we feel the gratification that the decrease in exports is counterbalanced by a greater increase in cotton and jute to the extent of seventeen crores. Thus the loss of seven crores incurred by India, due to the stoppage of the opium trade in China, has also been speedily made up. Nothing can better show the importance of agriculture for the development of this country. It is solely due to this vast industry that heavy losses caused by unforeseen events are replaced soon by turning to other cultivations, such as jute and cotton. As to the increase in imports, the chief item is piece-goods amounting to five crores of rupees during the last year. In a way it is due to improved resources of the people, but I am afraid that it is principally due to an increasing desire of most of the middle and lower middle classes for costly and showy dresses, chiefly on occasions of marriages, etc.

" Post, Telegraph and Railway.

"Coming to the chief departments under the direct supervision of the Government of India, *i.e.*, the Railways, the administration of posts and telegraph, it is noteworthy that my community is not sufficiently represented in these important departments. Without desiring that the proper patronage given to other important communities be unduly curtailed, I think I am justified in asking the Government of India to give to the Mussulmans a due share in these departments; and the attention of the Railway Board be directed towards this. In this connection I may also say that the treatment of the third

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class passengers has not improved to any appreciable extent, and the rolling stock is still insufficient, and thefts are widely committed. Also the railway servants, particularly young men, do not behave to the poorer and sometimes even to the well-to-do travellers in the manner in which they ought to do. The department should keep them in order and warn them not to behave to the public with rudeness.

" Famine Relief.

" The Hon'ble the Finance Member, while discussing the question of Famine Relief, has pointed out that nearly 75 lakhs of rupees every good year are spent on expenses that insure against famine. They are spent on protective irrigation work. In this connection I may again be permitted to point to one of the best and the cheapest, and a just protective measure against famine, *i.e.*, the encouraging of the construction of masonry wells, which was lately suggested to the Government by the united voice of the *Zamindar* members and other non-official members, and which had had a strong official support before the debate took place in January last. Even now I trust it is not too late, and the Government may be pleased to treat such wells as part of the exclusive property of the constructors and the fruits of this improvement may not be taxed. This would in itself be a great incentive to the construction of such wells.

" The Economic Condition of Agriculturists and the Usury Laws.

" While dealing with protective measures against famine, the mind naturally turns towards the economic condition of the agriculturists. We are all grateful to the Government for the various measures of relief which it has passed from time to time for the agriculturists in some provinces. However, such temporary reliefs are not adequate to the needs of large rural populations of India, and do not at all touch the labourers and the small traders. The laws passed since 1855 allowing unrestricted usury must also be considered. People now are losing patience against the system which has proved very disadvantageous to the vast majority of the people.

" The Sardah Canal Project.

" The British Indian Association of the Oudh *Taluqdars*, since 1912, has become very keen on a question of irrigation. They forwarded a representation to the Government detailing their needs and views. On the 18th September, 1912, in reply to a question of my Hon'ble friend the Raja of Mahmudabad, the Hon'ble Sir Robert Carlyle said that the matter would be considered by the Government. In January last the British Indian Association specially referred to this project in the address which they submitted to Your Excellency. I trust that the question will soon receive the full and favourable consideration of the Government of India, as this canal would serve both as an insurance against famine and also as a means of improving the fertility of a large tract of soil in the provinces of Agra and Oudh.

" Education.

" The Hon'ble the Finance Member has pointed out that the direct expense on education in the current year exceed by over three crores of rupees, compared with 1910-11. This is a very satisfactory increase, but it would be interesting to know whether the general increase in the educational budget has helped the education of the land-owning classes in proportion to their contribution to the revenues of the country. It is also very doubtful whether the Mahommedans derive as much benefit as their numbers and requirements deserve. My community has a vast population of illiterates and so I trust that the Mussulmans with the help and encouragement of the Government will soon take up the question of primary and secondary education of their masses. The historical letter of the Hon'ble Mr. Sharp, issued on behalf of the Government of India, should be given effect to in every province by means of encouraging local and communal efforts and by liberal and judicious grants to the struggling schools of the Mussulmans.

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“ Encouragement of Vernaculars.

“ Dealing with education, I may suggest that out of such a large educational budget a sum of rupees one lakh per annum might be distributed amongst the various provinces to encourage important vernaculars. I think a few hundred rupees are paid as rewards to authors in the Punjab, and practically nothing is given in the United Provinces. The Madras Government, so far as I learn, has been pleased to create a lecturership for Urdu literature on the model of the Tagore Law Lecturership of Calcutta. A comparatively small expenditure could help struggling authors and men of letters and a body of useful and loyal writers might be brought into prominence. The present bonus of Rs. 100 per year to *Shamsul Ulama*s and *Mahamahopadhyas* is by no means sufficient to encourage learning.

“ The New Capital.

“ Looking at the Budget, I find a noteworthy item concerning the expenses for the new Imperial Capital. My Lord, considering the importance and the ever-abiding benefits of this change of capital, the expenses are justifiable and quite necessary. I think, Delhi, with its glorious memories, is a more suitable place than the previous capital and is more centrally situated. I trust the new capital, when it is built, will be a fitting one and worthy of the British rule in India. It is sure to promote great facilities for the administration and to secure greater facilities and benefit to the people.”

The Hon'ble Raja Kushal Pal Singh:—“ I beg to tender my respectful congratulations to the Hon'ble the Finance Member on the remarkable lucidity which characterises the Financial Statement presented this year. The Hon'ble Member's task has by no means been an easy one, in view of the appearance of famine conditions in parts of the United Provinces, the Central Provinces, and Rajputana, due to the partial failure of the rains, and the disturbance of commercial conditions arising from the banking crisis. In spite of these unfavourable circumstances, he has contrived to show in the budget for 1914-15 a clear surplus of 1,280,000 pounds, without imposing any additional burden on the people. Our warmest thanks are due to him for his very able and judicious disposition of the finances. He says that he felt it desirable at the outset of his term of office to take the Council into full confidence touching the capital expenditure and other matters of financial policy, outside the budget proper. I repeat that the Hon'ble the Finance Member deserves our hearty thanks for this friendly attitude. It is above all things desirable that the maximum of information should be placed at the disposal of the non-official members, who are the chosen representatives of the people.

“ On behalf of the constituency which I have the honour to represent on this Council, I beg to tender my most grateful thanks to the Government of India for the special recurring grant of six lakhs for the remission of a number of miscellaneous contributions which local authorities at present pay to Local Governments as a return for services rendered by the regular provincial establishments.

“ An increase of Rs. 36,30,000 is expected in the excise revenue next year. The policy of Government, it is true, is to increase the price of intoxicants for the consumer, so that a smaller quantity of them may be purchased. But in practice this policy has proved illusory, as an insufficient check on consumption. It is therefore necessary that the number of retail shops should also be reduced; and that they should not be located in crowded thoroughfares, and other places of public resort.

“ There has been much hue and cry raised by the Calcutta Chamber of Commerce and by a section of the Calcutta papers about the probable expenditure on the building of New Delhi. A yearly outlay of Rs. 75½ lakhs on the construction of the New Capital of British India is not a drain that would disorganize Indian finance, or impoverish the ordinary tax-payer. In the

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historic Darbar of 1911, His Imperial Majesty proclaimed Delhi to be for ever the Capital of the Indian Empire. The speeches made by the non-official members of the Imperial Legislative Council, on the budget debate in 1912, clearly showed that the change of capital met with universal approval. The New Capital which has to be built should be worthy of the Indian Empire, and no money should be grudged for this purpose. But the Finance Member has said enough to reassure all critics that the progress of the work would not be unduly hastened, but that it will be steady, and all considerations about cost will be fully taken up in the light of the annual financial position of the country.

"We are also grateful to the Government of India for the recurring grant of £60,000 for education and for £40,000 for sanitation. It would have been a great satisfaction if the Government could have seen their way towards making a similar grant for Agriculture. Cultivation is the main support of the rural population, which constitutes 72 per cent of the total population of India. Agriculture supplies the major part of the income of the Government in the form of revenue. Agriculture, being the premier industry of India, anything that affects its wellbeing, vitally affects the welfare of the country. It therefore seems most desirable that money should be granted to local Governments, for enlarging the number of demonstration plots, so that new and improved kinds of crops may be brought to the notice of actual cultivators. The value of good seeds is fully appreciated by the cultivators. The Department of Agriculture can supply only a fractional portion of the seeds required by them. The available seed is for the most part sold in advance. The Department of Agriculture needs more demonstration farms to enable it to produce the seed required. Local seed farms are also necessary to discover the varieties best suited to each locality. Money should be found for encouraging the Co-operative Credit Societies to erect seed stores. Handsome contributions towards shows of agricultural stock and produce, the payment of premiums to the owners of stud bulls and to selected growers and distributors of improved seed, should be given. The needs of agriculture are as urgent as those of education and sanitation. Money devoted to agriculture will be money well invested.

"More money ought to have been granted for expenditure on famine relief. India is essentially an agricultural country,—and agriculture depends on plough cattle. It will not be an easy thing for cultivators to replace the cattle that die off. The grant for famine relief should be increased by several lakhs of rupees, in order that more extensive concessions for the carriage of fodder might be made.

"The question of the export of bones deserves serious consideration. The trade in the export of bones from this country is of comparatively recent growth, and has been possible only since railway communication has extended more generally over the whole country. It is a trade which in the interests of agriculture should be discouraged, as it is depriving the soil of India of a valuable kind of manure. The trade might be checked by a refusal to grant low rates of railway freight, or by the imposition of a heavy export duty. Either step would be a move in the right direction. I cannot say if it would be possible to expressly forbid the export of bones; but something analogous is already being done,—I refer to the existing prohibition of the export of the feathers and skins of birds. If it is desirable to prohibit the export of these, on the ground that, otherwise, India would in time lose all her beautiful birds of plumage, much more desirable is it to check the export of bones, and so save the soil of the country from being gradually deprived of what should, in the natural order of things, go back to it.

"In the year 1884-85 the quantity of bones exported from India amounted to 18,000 tons, and in the year 1911-12, it rose to 88,863 tons. The latter figure will show what a huge drain the export of bones is upon the agricultural resources of the country. I would humbly request the Government to impose an export duty of eight annas per maund on consignments of bones. For certain irrigated crops it has been experimentally shown that the action of bones dissolved by sulphuric acid, has been quick and powerful; but the cost of

imported acid makes the price of dissolved bones almost prohibitive. If the Government be pleased to subsidise the manufacture of sulphuric acid in this country, or encourage it in some other way, the gain to the agriculture of the country will be immense.

"The rapid development of the sugar industry in the island of Formosa although a matter of interest to sugar producers all the world over, has special significance for producers in this country. As Government is doubtless aware this sugar is now replacing in the Japanese market the Java and the Australian sugars refined in Hongkong. Its production is being promoted by various forms of State subsidies; and there is little doubt that after the Japanese Market has been satisfied, producers in Formosa will turn their attention to the capture of outside markets, among which India is not likely to be overlooked.

"I beg to move the Government to make inquiries whether Formosa sugars are really subsidised.

"The late lamented Mr. R. O. Dutt rightly observed that there is no reason or justice in assessing the land for schools. But if the cess for education is retained, I would strongly urge upon the Government the justice of exempting the sons of agriculturists from payment of fees in primary schools. In my humble opinion the fairness of taxing agriculturists, both directly and indirectly, for the instruction which is given to their children, is open to serious doubt. Recent inquiries show that in the United Provinces 78 per cent. of the lands of the cultivators are under mortgage, and that three-quarters of the *ryots* owe more than a year's rent. Considering the extent of indebtedness of the agriculturists, I strongly hope that the Government will be graciously pleased to extend to them as a class the benefits of free primary education.

"I should like to take this opportunity of expressing our deep sense of gratitude to the Government of India for the active sympathy which they have shown to our fellow-countrymen in South Africa.

"One University cannot possibly meet the needs of our Provinces. One teaching and residential University should be located at Agra. In the City of Agra we have already many of the materials for a University, besides the hospitals, which should make the nucleus of a magnificent Medical Faculty. We have, unlike any other city in the United Provinces, three Colleges, two of which have got a very large number of scholars on their rolls. As far back as the time of Sultan Sikandar Lodi, Agra was the chief seat of learning. It was the capital of the greatest Moghul Emperor, and attracted savants from all parts of the world. It is sincerely hoped that the long-lost position as the great seat of learning will be restored to Agra at no distant date.

"We have ceased to sell opium for export to China. This source of revenue has disappeared. I submit that the whole cost of the awakening of the national conscience in England, to the iniquity of the opium traffic with China, should not be thrown upon India. We claim financial help from the Imperial Exchequer.

"Although the revenue assessed upon each *mahal* is ordinarily 50 per cent of the assets yet, wherever the Settlement officer thinks that the recorded cash rental is inadequate or fraudulent, he discards the recorded cash rental and substitutes what in his opinion the proper rental should be. Whether the recorded cash rental is inadequate or fraudulent is a question of fact. So far as my experience goes such questions are not determined by the Settlement officers in a judicial spirit and the result is that the operation of the half assets rule is evaded in many cases. I am strongly of opinion that when a Settlement officer decides that the recorded cash rental is inadequate or fraudulent, the aggrieved party should have a right of appeal to the High Court. It is not proper that an impression should be created that the Government seeks to uphold arbitrary acts of Settlement officers by stopping all appeals to Courts of Justice. Should there be an objection on the ground of the length of time which the disposal of appeals to the High Court involves, the Government might be pleased to appoint special judicial officers to dispose of such appeals. The Government of India should recognise the principle that in

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the determination of such questions of fact, it is undesirable to bar the jurisdiction of Civil Courts altogether. I fully admit that Settlement and Revenue officers endeavour to perform their difficult and onerous duties as justly and conscientiously as judicial officers. But it will appear from a moment's reflection that in such matters the Settlement officer and the Revenue officer are virtually a party, and it cannot meet the ends of justice if they are made final judges in these matters.

"When our benign Government devotes an immense amount of care to the conservation and preservation of the ancient monuments of India and grudges no expense in preventing them from falling into ruin, spending large sums of money in throwing light upon ancient arts and sciences, which have remained buried in oblivion for so many centuries, it is not too much to expect that the Government may be pleased to make suitable provision for the regular and systematic study of the *Ayurvedic* and *Yunani* systems of medicines. I am sure that our just and benign Government will not let the healing art of the land die out for want of encouragement and that Hindu and Mohammedan medical science will receive that attention which it deserves. Indian Medical Science has reached its highest standard of excellence in *Materia Medica*, *Therapeutics* and *Hygiene*, and may well be proud of its symptomatology, diagnosis, and prognosis. No other system boasts of such an extensive and highly developed *Materia Medica* as the *Ayurvedic* system, from which the European system might, with advantage, borrow many useful drugs. Consequently, Indian Medical Science deserves preservation."

His Excellency the President:—"The Council will now adjourn till half past two. I should be grateful if Hon'ble Members will return punctually at that hour, as it is proposed to take a photograph and I hope that all the Members of my Council will be present."

The Council then adjourned for lunch.

On re-assembly a photograph was taken, and after that the debate was resumed.

The Hon'ble Mr. Rama Rayaningar:—"My Lord, the Hon'ble Sir William Meyer's illuminative exposition of the financial position of the Government has greatly narrowed the scope of effective criticism. He has assured us that there is no intention on the part of Government to set aside the recommendations of the Nicholson Committee, and that if their influence upon the budgeted Military Expenditure is absent, it is because certain adventitious circumstances have prevented the formulation of a scheme by Government so far. We earnestly hope to see a Resolution on the subject before long.

"My Lord, some pronouncement was expected from the Hon'ble Finance Minister regarding two other inquiries,—the inquiry into Indian Marine Expenditure by the Slade Committee and Mr. K. L. Datta's investigation of the whole subject of prices. Mr. Datta's report has now been before Government nearly a year, and nothing is known yet if it will lead to any practical results. The matter is urgent, and some decision is necessary.

"My Lord, a representative of Madras naturally scans the programme of Capital Expenditure in the Financial Statement for his interest in three schemes connected with the Presidency,—the Cauvery Project, the Vizagapatam Harbour and railway connection between Bellarpur and Warangal for shortening the railway distance between the New Imperial Capital and Madras. But barring general information about the Cauvery Reservoir, that it awaits settlement, there is no reference which might even hold out hopes of early commencement. Possibly this Government has not before it any complete scheme relating to the Harbour; but the urgency of the improvement should induce it to hasten the preparation of a scheme. The connecting railway should also be sanctioned at an early date. In connection with the Cauvery Reservoir, I submit that in negotiating with Mysore due care should be taken to safeguard the interests of the Tanjore ryot who is likely to be affected by the proposed Kanambadi project.

“My Lord, the Hon'ble Finance Minister has referred with satisfaction to the substantial increase during this year (about 40 lakhs) in the excise revenue of Madras. Excise is an expanding source of revenue in Madras, but our regret is that the whole of this revenue has not been provincialised as in Assam, Bengal and Bombay. Under existing arrangements the local Government gets only 50 per cent., but we badly want the balance for our local needs. The resources of the rural bodies are wholly insufficient for the work entrusted to them. The Hon'ble Sir William Meyer, with his large personal experience, will be able to testify to the extremely unsatisfactory condition of communications in the rural areas of the Presidency. Improvement of communications is the great need there, but unless the income of local bodies is reinforced by liberal subventions from the provincial funds nothing appreciable can be effected in this direction. But the Provincial Government have not much to spare. In their difficulty they are forced to adopt the policy of inducing District Boards to increase the rate of the cess upon land. In reply to my question on the subject, this Government was pleased to state that without definite information from Madras they could not say if the proposed increase in land cess was in conformity with the policy of Government. But it is a matter of common knowledge in the Presidency that District Boards have been addressed by the Local Governments, with a view to secure an increased rate of cess for the improvement of communications in rural areas. Agitation has been going on over this. If more precise information were wanted, the following extract from the Hon'ble Sir Harold Stuart's statement in the Madras Legislative Council on 14th March current would supply it :

“There are three District Boards which levy the land cess at a rate in excess of one anna in the rupee, *viz.*, the Nilgiris, Malabar and South Canara. The Nilgiris District Board already receives special subventions from Provincial Funds, and we do not propose to make any further increase in that case. To Malabar and South Canara, however, we intend to give an additional grant equal in each case to the amount which those Boards realise on that portion of the cess which is in excess of the one-anna rate. We do this on the ground that it is desirable to give special encouragement to Local Boards which show an earnest desire for the improvement of those branches of administration which are entrusted to them by imposing additional taxation upon themselves. This is the sound principle which underlies the system of grants-in-aid. It may be objected that other Local Boards are unable in the present state of the law to raise their rate of taxation. I am sure, however, that, if Local Boards desire it, the Government will be prepared to give every facility for the amendment of the Act, and they will then be able to obtain this increased rate of grant from Provincial revenues.”

“This authoritative statement does not leave any doubt about the policy of the Local Government. It is equally certain that that policy is not in conformity with the land revenue policy of this Government as laid down in their Resolution of 1902. The only satisfactory way out of the difficulty is to provincialise in Madras the whole of the excise revenue on the express understanding that the additional moiety would be earmarked for improvement of rural communication. It is unnecessary to refer to the Imperial subvention of £100,000 for improvement of communications in Burma in our support. Our case is sufficiently strong on the merits to commend our appeal to the sympathetic and favourable consideration of this Government.

“My Lord, rural improvement reminds one of the needs of agricultural improvement. As my friends the Hon'ble Sirdar Daljit Singh and Rajah Kushal Pal Singh have rightly remarked agriculturists form the majority of the people of India. They are the back-bone of the nation. They toil for the upkeep of the national finance, yet reforms to improve their lot are kept in the back-ground, adequate amounts are not allotted for the improvement of agriculture. The urgent reforms for the improvement of agriculture may be divided, for our present purposes, into four groups,—rural education in agriculture, manufacture of cheap manure, cattle-breeding, and agricultural loans at a lower rate of interest than the present rate of 6½ per cent. Now, in the matter of rural education, I note with pleasure in the quinquennial review just published some progress has been made, but we have to go a long way yet before that education will have any appreciable effect upon the agriculture of the country. Besides, Madras has a special grievance in this matter. Nothing appears to have been done there during the quinquennium ending with 1912. In my humble opinion

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a comprehensive scheme of agricultural education is necessary, and for the sake of economy, agriculture may be advantageously included in the general lower primary standard. But mere knowledge of improved cultivation will not be of much help to the agriculturist unless a decent supply of manure is ensured. But here is the greatest difficulty. The Indian *ryot* generally depends on cattle dung for his manure. Cheap artificial manure is not available in the country to any appreciable extent. I think Government might profitably do the necessary pioneer work in this line, mining for minerals of manurial value, the manufacture of bone meal and sulphuric acid, charcoal distillation, etc., may well be attempted. This sort of State initiative in industry has proved very successful and stimulating in Madras. We owe the prosperous aluminium industry and chrome tanning of Madras to State initiation. The Madras Government started and worked the factories before they were made over to private companies. Much can in the same way be done by Government to popularise the manufacture of manure. Then there is the important question of cattle breeding. In the latest Parliamentary Blue Book on India it is admitted that 'there has been a decline in the cattle-breeding industry'. This has been partially due to decrease in the available grazing. Indiscriminate cow slaughter again has reduced the number of cattle. The result is two-fold. There is deterioration in quality and number of cattle, and the prices of plough-cattle have gone up rapidly all over India. And this must injuriously affect agriculture. Greater attention must therefore be paid to cattle-breeding, and it would facilitate progress if rural efforts in this direction can be organised on a co-operative basis. With the example of Sir Horace Plunkett of Ireland before us, we could attempt something great in this line. Government undertook a cattle survey some time ago, but we do not know how it has ended. Unless the results are published we cannot offer any detailed practical suggestions on the subject. Greater energy and greater zeal in the improvement of cattle is desirable. Efforts in these directions must be supplemented by encouragement to agriculturists to execute improvements on their lands by reducing the interest on *takkavi* loans to the lowest possible rate. I make this suggestion notwithstanding the Government of India Resolution No. 6-204-16 of 30th November 1905 for the sound reason that a loan at 6½ per cent would not be applied to improvements which yield only a return of 5 or even 6 per cent. And as the average profits are never large, the present higher rate does not offer sufficient incentive to the agriculturist to undertake improvements. In the result the progress of agriculture will be hampered. I hope, My Lord, these humble suggestions will engage the sympathetic attention of Government. And in this connection the whole subject of Indian pauperism should, for its bearing upon the question of labour supply, be thoroughly investigated. Agricultural labour is everywhere becoming scarce, and yet we find from the last Census return that in India beggars, vagrants, etc., who form the bulk of the unproductive classes, number over 33 lakhs. Of these the actual workers number about 20 lakhs. The figures for beggars and vagrants are not separately given, but that they form a large proportion of the total may be assumed. That the majority of the actual workers are able-bodied may also be assumed. Their impressment into the service of society would be a great step forward, and would provide a partial solution of the present labour difficulty.

"My Lord, this question of administrative treatment of pauperism leads to the further subject of provision for the impotent poor, and on this point is it not desirable that some scheme of relief on the English model should be prepared as early as convenient? In my humble opinion, such relief is a proper charge upon the resources of the local bodies, and with a view to strengthen them for this special purpose, the imposition of a special tax upon all sections of the wealthier people may be usefully considered.

"My Lord, with the transfer of the Capital to a more central place like Delhi, which ensures closer touch between this Government and the great body of Feudatory Chiefs, begins a new chapter in British Indian History. With the memories of empires all round, the British Ruler must imbibe here a truly Imperial spirit, and shake off the commercialism which has grown

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up imperceptibly but surely round British Indian Rule at a commercial town like Calcutta. We feel sure New Delhi, worthy of the Empire, will rear its head soon, the source of a fresh architectural impulse to the people. We only hope, My Lord, Indian materials and Indian labour will be freely used in the construction. Opportunity should also be taken to give a new direction to the co-operative movement by organising labour on a co-operative basis. In Madras in the Salt Department the formation of co-operative association of labourers has been attended with promising results. But the New Capital affords the grandest opportunity for giving the movement a definite and permanent shape. I beg also to suggest that the inauguration of New Delhi should be associated with a reform for which India has been crying long, and a Military College for Indian officers for training preliminary to admission into the commissioned rank of the Army should be one of its first important buildings. This institution may for the present form a part of the proposed Chiefs' College, which, thanks to the liberal policy of Government, will be open, not only to the Chiefs, but to all the members of Indian aristocracy. The step will popularise Delhi as nothing else will, and promote loyalty to the British Throne.

"My Lord, I cordially join my friends here in expressing on behalf of the Madras *Zamindars* and Landholders our heartfelt gratitude to Your Excellency for your kind and successful intercession with both the Imperial Government and the Union Government for justice to the Indian settler in South Africa.

"I hope, My Lord, I fervently hope that Your Lordship's noble example in acting to the impulse of generosity towards the oppressed, is followed by my countrymen. May they make an attempt, a grand attempt, to remove the social disabilities of their depressed brethren in the country."

The Hon'ble Mr. Madhu Sudan Das :—"My Lord, the Hon'ble the Finance Member has received congratulations from everybody who has spoken in this Chamber and by this time I fear a feeling of satiety has grown up, but so that my silence may not be construed as a want of appreciation, I endorse those remarks. Multifarious suggestions have been made and I should not add any more to these suggestions, but should wait till next year just to see how many of these suggestions have been adopted by the Hon'ble the Finance Member. We have had sufficient experience of his iron grip on the purse he holds in the discussions on the Resolutions which were before the Council during the last few sittings. I should like, My Lord, to refer to one or two matters which have been referred to by some of the speakers. Education and Sanitation occupy a prominent place in the policy of Your Excellency's Government; they have occupied a good deal of the attention of this Council during these last few sittings by reason of the Resolutions which were moved and they have been referred to by several Hon'ble speakers this morning. The importance of these two subjects cannot be over-estimated. Let it not be understood, that I am against advancing these two, Sanitation and Education, but I must say that I cannot endorse the remarks of the Hon'ble Mir Asad Ali when he said 'never put off till to-morrow, what you can do to-day.' That is a good old maxim when applied to actions, but it is not desirable that it should be applied to the spending of money. We must not lose sight of the fact that in asking for sanitation we are asking for the introduction of a method which is foreign to oriental civilisation. The contact of England with India really means the meeting of two opposite civilisations. What was known as the cause of disease in old days is not the cause of disease in public opinion now. We have amongst us the most powerful democratic microbe that makes no difference between the peasant and prince and which uses its own victim as its carrier. So this being the state of things, the real question that comes up for serious consideration is which is to have precedence, Education or Sanitation? My Lord, I am not referring to high education, but to that type of education which would be of value for furthering the cause of Sanitation amongst the masses. In old days some philosophers were troubled with the question whether the seed came first or the tree.

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This is the form of question that arises now as to whether Education should have precedence or whether Sanitation should come first and Education afterwards. Sanitation, for the sake of causing relief in times of epidemic, stands on a different footing from sanitation by which is meant a system that will secure longevity of life and protect life from destruction by disease. Of course, sanitary relief measures are always welcome and should not be postponed for a single day if that can be helped, but the introducing of sanitary reform in the country, I submit, should not be undertaken unless the people are as it were, inoculated under the principle which underlies the modern system of sanitation. Some of the speakers, My Lord, have referred to the opium question. This opium question seems to have been prominently before the public mind as will be seen from the references to the importance of the question by several Hon'ble Members here. The way in which the Indian public view the question is if England agrees to put down the system which was a source of income to India on the ground of moral sentiment, and if it is condemned as it is demoralising to the people, how is it that the consumption of opium is not interdicted in India? If it is defended on the ground that that use of opium here is a very different thing from introducing it into another place, then the question presents itself to the Indian mind, how is it that foreign liquors are allowed to be imported into this country? What is immoral in the one case, ought to be immoral in the other. The difference between preaching and practising is one which has never been appreciated, and the Indian is not to blame if he does not appreciate it now. Another matter to which reference has been made is the New Capital. My Lord, I was at least one of those who thought that the question had been settled, but it has been referred to by three or four Hon'ble Members in the Council and from the remarks that have been made, and especially remarks regarding the advantages of removing the Capital here, it seems that these references have been made with reference to certain criticisms which one hears outside this Council Chamber and which I am sorry to see have been lingering to this day.

"The function which was performed by His Majesty, when he was here, was not laying the foundation of a city which would contain a Viceregal residence and some other buildings necessary for carrying on the work of administration. Most people looked upon it as laying the foundation of an Empire; and where could the foundation of an Empire—a foundation which would help the people to realise fully in their lives the conception of an Empire—I say, where could the foundation of an Empire be laid but in Delhi, where noble Queen Victoria assumed the title of Empress of India, where Edward VII, in proclaiming his coronation, promised that he would carry out the policy of his mother, the first Empress of India? Since the days of that ceremony, the conception of an Empire has been felt. Parts of this vast Empire, whose interests had been neglected in the past, have received attention; the needs and wants of certain other parts have been attended to. So really the broad foundation of an Empire, which rises above all parochial, commercial or communal interests, has been not only laid, but has been felt by the people. And if there was anything wanting to develop that conception in the Indian mind, it was done by this Government. We shall ever remain thankful, India shall ever remain thankful, to Your Excellency for your noble, kind, and statesmanlike services in connection with the South African question. We have before us now a broad conception of an Empire, an immense Empire, in which India occupies a conspicuous and prominent place, and I do sincerely hope that conception will be strengthened and widened and that its basis and foundation will extend over the whole British Empire over which the sun never sets.

"There are many other matters, but I do not think I should take up more of the Council's time, as the rules make one's articulate existence here short, and I have already taken up sufficient time."

The Hon'ble Rai Sri Ram Bahadur:—"My Lord, before taking up topics connected with the general discussion on the Budget, I beg to join the speakers who have preceded me in expressing to Your Excellency the deep sense of gratitude of the people of India for what Your Excellency

has done to get the disabilities removed under which our countrymen in South Africa have been labouring so long. Your Excellency's firm protest against and strong representations on the unfair and unjust treatment of Indians by the Government and the people of that country, led to the appointment by the Union Government of a Commission to make enquiries into their grievances; and it is satisfactory to learn that the Commission have made recommendations favourable to our countrymen. Of these recommendations, I would mention two which seem to me of great importance, *viz.*, repeal of £3 license tax and recognition of marriages celebrated in accordance with the rites of Hindu and Mohammedan religion. We hope that the Union Parliament will lose no time in giving legislative sanction to these and other recommendations of the Commission. Our countrymen are indebted to Your Excellency for these beneficial results which are the outcome of the deep and sympathetic interest taken by Your Excellency in handling this difficult question, and the firm attitude adopted by Your Excellency in the negotiations with the Government of South Africa.

" My Lord, with Your Excellency's permission, I shall now proceed to make a few remarks on the Budget for the year which is about to begin. The year that is drawing to a close has not proved to be one of prosperity and of plenty like its three immediate predecessors. Several adverse circumstances have given to it the characteristics of a lean year. Famine has made its appearance in a great part of the United Provinces; it has already affected and will affect in future Land Revenue and necessitate an increase in direct and indirect expenditure for mitigation of its severity. Bank failures have affected trade of the country. Revenue arising from opium trade with China, which used to be a very important factor in swelling the surpluses of the by-gone years, has disappeared altogether. Receipts from Railways have not shown progressive increase like the past. And the money market, specially in London, has not been in as satisfactory condition as it used to be. The Hon'ble Finance Member is to be congratulated that in the face of these adverse conditions, he has framed his first Budget so carefully and cautiously that provisions have been made in it for all the items of expenditure. The framing of a satisfactory Budget under the state of things above described was not an easy task; the Hon'ble Finance Member deserves great credit for having accomplished that object. We are obliged to him for the detailed and lucid statement of the finances of the Empire.

" My Lord, even at the risk of being considered a pessimist, I cannot refrain from saying that the prospects of Indian finance in the near future are anything but cheering, and that timely measures are necessary to improve its condition. A consideration of the large amounts required, in the immediate future, for additional expenditure on the several branches of administration, will show the necessity of such a course.

" I shall take Education first. In order to fully carry out the policy of the Government in respect to Education large sums, with yearly increases, are required. Actuated by a sense of duty which deserves all praise, the Government have adopted a course of action to promote Education in all its branches. A special department was created in 1910, and placed under the charge of an official whose measures for promoting education and sanitation have more than justified his selection to this high and responsible office. His Imperial Majesty's gracious pronouncement in the reply to the address of the Calcutta University that the cause of education in India will ever be close to his heart, has given a new and strong impetus to the action of the Government. The now famous Resolution of 21st February 1913, has chalked out the programme which the Government are going to adopt to advance education in this country. Considerable additions have lately been made in both recurring and non-recurring grants to be spent on it. With the year 1910-11 a new epoch has begun in the history of education and sanitation in India. The scale of total expenditure on education both Imperial and Provincial has almost doubled. The tabular statement given below, prepared from the figures given by the Hon'ble Finance Member in his speech delivered on the 2nd of this month,

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will show the gradual large increments under this head of expenditure since the year 1910-11 :—

1910-11 (Actuals)	. . . . .	1,846,000
1911-12 (Actuals)	. . . . .	2,021,000
1912-13 (Actuals)	. . . . .	2,610,000
1913-14 (Revised)	. . . . .	3,242,000
1914-15 (Budget)	. . . . .	4,000,000

"The people of India are extremely grateful to Your Excellency for the inauguration of this policy of progress and for the action taken to carry out that policy by making annually increasing grants. The educational summary, published in the *Gazette of India* issued on the 14th of this month, gives the total of pupils in institutions of all kinds to be 7,149,669 and the percentage of pupils in those institutions to children of school-going age, 17.0 per cent. But when we look to the enormous population of India under the direct control of the British Government, numbering 244,267,542 souls, and compare our figures with those of other countries and specially of Japan, the irresistible conclusion is that much more is still required to be done in order to reach the level of those countries. Japan in 1910, with a population of little over 52 millions, had 6,479,204 children receiving elementary education. The Hon'ble Mr. Sharp in his Quinquennial Report on the Progress of Education in India, issued last month, says:—'It is the desire and hope of the Government of India to see not in the distant future some 91,000 public schools added to the 100,000 which already exist for boys and to double the 4½ millions of pupils who now receive instruction in them'. According to his calculation the approximate annual cost of a primary school is Rs. 375 per annum. The establishment of 91,000 schools, at this rate of cost, would require an additional annual outlay of Rs. 3,41,25,000. This additional sum will be required not in the 'distant future,' for one branch only, *viz.*, Elementary Education. Collegiate, Secondary, Technical and Industrial are other branches which will require additional expenditure of considerable sums in order to maintain their present progress and provide for future needs. .

"Sanitation is another item which requires additional expenditure of a growing nature. We are thankful to the Government for the large recurring and non-recurring grants given to improve sanitation in the past three years, and also for the provision made in the Budget of the coming year. In this head also the amount has practically doubled since the year 1910-11. But in the large grants made in the past the amount spent on the improvement of sanitation in rural areas which is under the direct control of Government with a population of 221,449,827, has been very small. Practically no settled scheme has yet been adopted in many of the provinces. The improvement of rural sanitation requires greater attention, as it affects the lives and health of by far the greater portion of the population of India who reside chiefly in rural areas. In order to maintain the progress already made in sanitation and to promote it in rural tracts considerable annual outlay both recurring and non-recurring is required in the immediate future.

"I have mentioned in detail the two important heads which require additional expenditure in the near future. Besides these there are other administrative measures and reforms, which cannot be carried out, without a substantial addition to their present scale of expenditure.

"My Lord, Opium and Railways were the two sources of income which contributed mainly towards the big surpluses of the last few years, and placed large sums at the disposal of the Government to enable them to make substantial grants for education and sanitation. Sale of opium to China, and in smaller quantities to other countries, brought to the Indian Exchequer large revenues.

in past years. The maximum was reached in 1909-10, when it gave more than 11 crores. Then came the diplomatic engagements with China. In pursuance of those engagements the gradual reduction in the quantity of opium exported to China began. In 1912-13 the amount was reduced to about 7½ crores. The last sale to China was in December 1912. Though under the terms of the treaty engagements India was entitled to continue the opium trade—with gradual reduction—till the end of 1917, but on the representations of the Chinese Government it was stopped suddenly at the beginning of 1913. The small trade that is still left is with such countries as the Straits Settlements, Hong Kong and the Dutch East Indies. But this trade is much less remunerative and the income for the year which is drawing to a close is calculated only at 2 crores, 40 lakhs, and for the coming year it is estimated at 2 crores, 60 lakhs.

“ As is well known, the abolition of the opium trade with China has been forced upon India by British Parliament in response to the representations of certain philanthropists at Home. In the words of the late Finance Member (Sir Guy Fleetwood Wilson) ‘ the Government of India clearly have had to deal with a situation created for them and for which they were not responsible’. As regards the prospects of rooting out the evil of opium-eating from the Chinese, I beg to quote his words again :—‘ We cannot conceal from ourselves that China has set herself a task which experience proves to be one of the greatest difficulty—the enforcement of a morality possibly too advanced for popular acceptance.’

“ In connection with this subject it is to be noticed that diplomatic engagements have been faithfully observed on the part of India, but as remarked by the Hon'ble Finance Member ‘ in China on the other hand cultivation still continues, in several of the provinces, and vigorous as the attempts to carry out a prohibitionist policy have no doubt been, there is still a large local demand for opium and a considerable amount of local production ’.

“ My Lord, I cannot restrain myself from saying that this philanthropy to China has been shown at the expense of India. Our country has been obliged to carry out the mandate of the Home Authorities and incur loss of an annual income of several million pounds without getting anything in recompense. As shown above, large additional expenditure is required to satisfy the urgent calls of education, and to promote sanitation in order to improve the health of the people and save their lives from such scourges as plague and cholera which carry off millions of people. The proceeds of sale of opium to China brought large sums to the Indian Exchequer. This source of income has vanished now in obedience to a mandate of the British Parliament. It is submitted that a heavy obligation is cast on the British Exchequer to contribute to the expenditure of India a sum *pro tanto* to the loss caused to her revenues by the abolition of the opium trade with China. My Lord, India is a poor country; she has reached the limits of local taxation; her wants are increasing day by day; she cannot without great detriment to her educational and material progress bear the loss in her sources of income and specially when such a loss is caused to her on sentimental grounds urged by a certain section of the British public. Justice and fair play call for a favourable response to India's appeal for financial help from the ruling country.

“ My Lord, there is another ground why this appeal for financial help should be responded to by the Home Government. The expenditure on Military Services has been rising for some time past. Taking the year which is about to close and the one which will shortly begin, there are increases in this head of expenditure of £3,73,000 and £4,81,000, respectively. If for some political reasons it is considered advisable to keep the troops in India on the present high numerical scale, the experience gained in past years, by the continued absence of a large portion from here and their employment in foreign countries, leads to the conclusion that this large number is required more for Imperial than for Indian purposes. That such is really the case was the view expressed on behalf of the India Office by their Financial Secretary, in paragraph 2 of a memorandum submitted by him in 1895 before the Royal Commission

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appointed to enquire into the question of expenditure in India. That paragraph runs as follows :—

That India is utilized as a reserve for England in a much truer sense than England is for India; that England not merely claims the services of British regiments for the time stationed in India, but that she frequently uses the Native regiments towards the cost of which she has in no way contributed; that it may, therefore, be reasonably urged that England ought to assist in the maintenance in India of so large a force upon which England does not hesitate to draw.

“ My Lord, it is therefore evident that a very strong,—nay I would say—an unanswerable case exists for England’s giving pecuniary help to India from the British Exchequer; and it will be an act of justice if England will contribute a fair share towards the maintenance of these troops. India will, in this way, get a substantial relief and the amount so set free will be available for increasing expenditure required for the expansion of education of the masses and improvement of sanitation in urban and rural areas.

“ The Indian public had entertained a hope that the deliberations of Field Marshal Lord Nicholson’s Committee would result in making suggestions for reductions in Military expenditure. The Report of that Committee has not been made public, and as far as we can judge there are not even any signs holding out a hope that any reductions are going to be made in the near future. Instead of reduction there has been an increase during the year which is about to close, and the Budget figures show that there will be a still higher increase in the coming year. The net Military Budget for 1914-15 has been fixed at 20½ millions, which, in the words of the Hon’ble Finance Member, ‘represents an advance of £481,000 upon the net expenditure now anticipated in the current year, and of £853,000 above the standard adopted in framing the Budget last March.’ No doubt a portion of this increase is of non-recurring character, but the sum of £85,000 representing the additions to the pay of British Service Officers will be a recurring charge of permanent nature.

“ My Lord, it might be said that in the description of the financial condition of India, I have not taken into account the future expansion of railway income which is an important item of assets in the Indian finances, and that Railways in the past few years have given substantial increases which have played an important part in swelling the surpluses. If we could count upon a sure and steady rise in the receipts from Railways, the future outlook of Indian finances would be more satisfactory. But our late and the present Finance Members have, very properly, expressed opinions not of an assuring character. Sir Guy Fleetwood Wilson, in his speech of 1st March last year, said that he ‘could not refrain from giving the word of warning.’ He went on to say that the Government of India had to pay nearly 4 per cent. for the loans taken in London Market, that in the years 1909-10, 1910-11, 1911-12 the returns on capital spent on Railways were 4·48, 4·66 and 4·99 per cent. respectively, and in 1912-13 that return was 5·89 per cent. The Hon’ble Sir William Meyer has, for the coming year, estimated the net profits from Railways after meeting all charges including interest at £629,000 less than those of the year which is about to end, and has said that ‘although the net profits we have derived from Railways in recent years are *per se* imposing, they represent very small margin of profits on the total capital involved, and that margin may be materially affected by trade or climatic circumstances beyond our control.’ Proceeding further, he said, ‘now that we are free from the vagaries of opium, the net railway receipts form the portion of our Budget which it is most difficult to forecast with exactitude or rely on with certainty.’

“ My Lord, these are the views of great authorities on Indian finance and they support my remarks that much reliance cannot be placed on a steady and progressive rise in the receipts from railways so as to furnish funds for increasing expenditure under the several heads of administration. My Lord, I venture to suggest that Your Excellency may be pleased to refer the subject of Indian finance to a Committee composed of experts, official and non-official, who may be instructed to go thoroughly into the question and submit a report containing their views as to what steps should be taken to place the financial condition of the country on a sure and stable basis.

" My Lord, I shall now proceed to make a few remarks on some other matters which I consider of importance ; and the first of these is the removal of capital from Calcutta to Delhi. It appears that in some quarters, specially in Calcutta, adverse criticisms are still made on this change. Whatever may be the view of those critics, to the great majority of the Indian people the change was a very welcome measure. The city of Delhi has historical associations in the minds of Hindus and Mohammedans both. It formed the capital of a large kingdom in the ages surrounded with hoary antiquity. Indraprasta was the seat of Government of the Pandavas in the time of the great war of the Mahabharata. It was the capital of the great Chauhan Emperor Prithviraj with whom the Hindu rule in this part of the country ended. When Mohammedans came, dynasty after dynasty retained Delhi as their capital. It was a very wise and far-sighted policy of His Majesty the King-Emperor to restore to this city the honour of being the seat of Government of an empire much more extensive than either in the Hindu or the Mohammedan times. In the address presented to Your Excellency on the occasion of your visit to Lucknow soon after the great Coronation Durbar, the Oudh *Taluqdar's* Association—of which I have the honour to be a humble member—welcomed the change in the following words :—

The very important announcement of the change of the Capital of the Indian Empire from Calcutta to Delhi made by His Imperial Majesty has given us great satisfaction. The change will be beneficial and advantageous to the public interest of India and we believe good will result from it. The removal of the seat of the Central Government to Delhi will bring that Government in greater and closer touch with the majority of the Ruling Chiefs as also with us the people of Oudh and will facilitate to a very high degree intercommunication between the Imperial and the Provincial Governments and their peoples.

" More than two years have passed since then, and the experience gained during this period has shown the soundness of our view expressed at that time.

" This brings me to the question of expenditure on New Delhi. The opinion of the public is that that expenditure should be met from loans, and not from the current revenue. The speech delivered by the Hon'ble Finance Member had left some doubt in my mind regarding the source from which the sum of Re. 1 crore proposed to be spent in the coming year was to come. I approached the Hon'ble Finance Member with the view of getting information on the subject. He was good enough to point out to me that the New Delhi expenditure was lumped with Railways and Irrigation in the General Capital Account and formed a very small portion of it, and that the figures in paragraph 63 of the Financial Statement showed that for the coming year it was about $\frac{1}{10}$ th of the whole. As regards the extent to which the Capital Expenditure is to be met from current surplus or previous accumulated balances, I was referred to the figures in the tabular statement given in that paragraph. It was further pointed out to me that making the adjustment required against balances due to the fact that a portion of these represented a loan raised in advance for 1914-15 during the current year, the figures roughly stood thus :—

Total Capital outlay provided from balances and current surplus.	£4½ million.
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Total amount from borrowing (making the adjustment above referred to).	About 11 million.
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" As regards the contribution from surplus and balances, the Hon'ble the Finance Member pointed out to me that this was considerably less than the *per contra* surplus contributions of Railways and productive irrigation works to the coming year's revenue budget. Railways were giving an income of £3·9 million and irrigation £1·8 million as detailed in paragraphs 67 and 69 of the Financial Statement. In these circumstances, I think it might most fairly be argued that the amount obtained from surplus and balances against the capital outlay for 1914-15, was entirely for these heads, and that the sum of £700,000 allotted for Delhi expenditure was entirely financed from loan funds. The explanation so kindly furnished to me by the Hon'ble Finance Member convinced me of the soundness of the Government policy, and also of the inadvisability of raising a loan to be called specially as loan for the New Capital.

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“ My Lord, there is another matter towards which I wish to draw the attention of Your Excellency's Government, it is the establishment of a State Bank for India. As to the advantages of such an institution I cannot do better than quote a passage from the speech of the Hon'ble Finance Minister delivered on 2nd instant, at the time of presenting the Financial Statement. He said ‘ the advocates of a “ State ”, or, as I should prefer to call it, a “ Central ”, Bank will no doubt find much in recent events to justify their views. *Prima facie*, it may well be urged that, in such a crisis as that through which we have been passing, there ought to be a centralised and comprehensive handling of the whole situation, and a unification of resources with a view to their being applied, whenever they are most needed at any moment, as opposed to the existing system under which each Presidency Bank's sphere of operations is confined to the particular territory with which it deals, while its power of giving assistance is materially circumscribed by the restrictions of the present law.’ In his speech the Hon'ble Finance Minister left the question open till the views of the Royal Commission on Indian Finances became known on the subject. The report of that Commission has just been received in India. That report shows the Commissioners were unable to give any opinion for or against the establishment of such Bank. But they say that the question is of great importance and deserves careful and early consideration by the authorities, and suggest the appointment of a small expert committee to examine the whole question in India either to pronounce against the proposal or to elaborate a detailed and concrete scheme capable of immediate adoption. My Lord, we have now been apprised of the Royal Commission's views on this subject. It is therefore for Your Excellency's Government to take the initiative in the matter and we hope that it will soon be done.

“ My Lord, I beg to bring to your notice the fact that some of the rules at present in force for the transaction of business in Your Excellency's Legislative Council are not satisfactory. I do not propose to describe in detail on this occasion the defects in those rules. All that I wish to say at present is that Your Excellency will be pleased to take the question of their revision into consideration.

“ Before I conclude I would like to say a few words on famine and scarcity prevailing in a considerable area of the United Provinces. This is a subject which is for the moment engaging the serious attention of the Government and the people. The tract worst affected comprises an area of more than 46,000 square miles and a population of 19 millions. It includes the whole of the Agra, Rohilkhand and Bundelkhand Divisions and parts of Allahabad and Lucknow Divisions. The number of people on relief and test works together with their dependants, in the week ending the 14th of this month, was 84,526, and on gratuitous relief 63,977.

“ The people of the United Provinces are thankful to the Government for the timely distribution of agricultural advances and for the other measures of relief which are being taken to remove the severity and intensity of famine and scarcity.”

The Hon'ble Sir Ibrahim Rahimtoola :—“ My Lord, I wish to associate myself with the previous speakers in the words of appreciation to which they gave expression for the masterly exposition of Indian finance which the Hon'ble Sir William Meyer gave in his financial statement. I do so particularly because he has, if I may use the expression, put all his cards on the table and has taken the Indian public into his full confidence.

“ I feel confident that the explanations which he has so lucidly offered will lead to helpful examination and criticism and will ultimately lead to improvements in the financial arrangements of this country.

“ My Lord, the first point that I wish to deal with is the principles underlying the provincial settlements. I do not propose to detain the Council in going over the history of the question. The principles underlying the provincial settlements, as I understand them, are that each province collects

revenue under several heads. These heads are given three different names—the Imperial heads, the divided heads and the provincial heads. Under Imperial heads of Salt, Customs, Opium, Railways, Posts and Telegraphs, the whole of the revenue is handed over to the Imperial Government. Then out of a certain number of provincial heads, the Government of India call for and receive certain portions of the revenues collected, while some items of revenue are left as entirely provincial. After adjusting these items, the Government of India examine the normal expenditure of each province, and if it is found that the amount of revenue that would be left with the province under this arrangement is insufficient, then fixed assignments are given for the purpose of enabling each province to carry on its administration. That completes the system of provincial settlements. The Government of India, if they find that the amount of revenue that they have drawn from the different provinces under this system is more than their actual requirements, then they keep aside a certain sum which they call surplus and distribute the balance amongst the provinces in the form of bounties and doles. Now, My Lord, it appears to me that, though such a system is admirably suited to maintain the high dignity of the Government of India as it enables them to take money from the provinces out of their revenues in many cases in excess of their requirements and then having taken the money in this way it is distributed in the form of doles and bounties, for sanitation, education, and other purposes, and in that way they earn the thanks of Provincial Governments and provincial representatives for their great generosity, it can hardly be regarded as a correct or just system. The system which appears to me to meet all the requirements of the case is this. Let the entire revenues under Imperial heads be paid into the Imperial Government and let a fixed portion of provincial revenue be taken from each province, to meet the total Imperial requirements. In determining each provincial contribution, regard should be had to the extent of provincial population and their needs and the ratio per head. Each province, besides paying under Imperial heads, should be asked to contribute towards Imperial requirements such portions of their revenues, fixed under normal conditions and increased under special circumstances, so that the requirements of the Government of India may be amply met and the provinces may be free to develop their own resources and their own expenditure under sanitation, education, etc. The principle which governs the present system is open to another objection. Under the system which I am advocating, each Province would secure the fullest benefit of the amount of revenue which it collects under provincial and divided heads and utilize the same for the benefit of its own people, subject to Imperial contribution. Under existing arrangements it may frequently happen that contributions levied from some provinces may be appropriated for expenditure in other provinces. Of course the Provinces which receive such presents would be most highly grateful to the Government of India for the bounties and grants paid to them, but what about those Provinces which are forced to contribute towards the support of other Provinces who do not sufficiently tax the people for their own needs and requirements? Sir, I venture to offer this suggestion in the hope that it will receive the careful consideration of the Government of India, and especially of the Hon'ble the Finance Member. It is always a very pleasing task to be able to have sufficient funds at one's disposal, and to be able to distribute them amongst insistent provinces and earn their thanks.

"I think it will be recognised that the principle I have enunciated is sound; and I trust that the Hon'ble the Finance Minister will indulge in a little self-denial by dispensing with such gratitude and will allow each Province to develop not only its revenue but its expenditure on the lines of its own financial considerations.

"My Lord, the next point which I will deal with is one which I have on several occasions, both during the previous and the current Sessions, urged upon the attention of this Council, I mean the great necessity there is for the industrial development of this country. Sir, it was very gratifying to me that the Hon'ble Sir Gangadhar Ohitnavis has adopted my idea in giving expression

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to what has been my strongest conviction, viz., that this Government should secure fiscal independence. I do not wish to dilate on that point at present, but I do feel that fiscal independence for this Government is essentially needed for the promotion of our industrial development. Sir, how important industrial development in India is, is generally conceded. But one point to which I should like particularly to invite the attention of this Council to-day is the effect which industrial development has upon famine conditions. Sir, I will read a portion of the report which the Government of Bombay has made on the famine of 1911-12 in the Bombay Presidency. The Bombay Government in their report say—

The area affected included two distinct tracts of country, the northern part of Guzrat which only in recent years has come to be regarded as liable to famine, and the plains of the Deccan and Karnatic where the rainfall is scanty and capricious. Both have suffered from the wide spread famine of 1899-1900 and the two succeeding years of scarcity; and the Deccan and Karnatic had been again visited by famine in 1905-1906, but a rapid recovery was in progress. The cultivators were profiting by a rise in the price of agricultural products and fortunately had two distinctly good seasons immediately before the year under report. *Increased industrial activity and a number of large works in progress had created a demand for labour in excess of the supply and rendered the labouring classes largely independent of agricultural employment. Thus, when the strain came, the people displayed an unsuspected power of resistance, and though the failure of the harvest was nearly as complete and the prices of food grains rose nearly to the same level as in 1899 and 1900, the assistance that people required from Government was infinitely less.* Employment on relief works had to be provided only for the *Bhils* and *Kolis* of the Panch Mahal District. Elsewhere the district officers were able to devote all their energies to the task of mitigating the effects of a severe fodder famine and of preventing a disastrous loss of agricultural stock.

“ Sir, I think it will be admitted that this quotation clearly indicates that one of the measures for famine relief, in addition to irrigation and the construction of railways, is the development of industries for the employment of the Indian people. If these people are largely employed in industrial concerns, the effects of famine will become infinitesimal. It appears to me, that just as the Government of India are devoting so much attention to the construction of railways and to the construction of irrigation works, they should also bestow equal attention to the development of industries in India. Sir, to show the effect of present conditions, I will merely invite the attention of the Council to a few words which the Hon'ble the Finance Minister has given expression to in his Financial Statement. He says :—

‘ I now turn to our trade figures. In the first 9 months of the year there has been an increase of over 9 crores in the exports of raw cotton and 8 crores in the value of jute exports raw and manufactured.’

“ It will be observed that although we have developed the cotton industry on a large scale in the Bombay Presidency, so much as 9 crores worth of additional raw cotton was exported during the current 9 months. It is a question for very serious consideration by the Government as to whether they should permit the exploitation of the raw materials of this country for manufacture in other countries which prohibit the importation, under heavy duties, of our manufactured goods. I know it is a very big problem and I do not therefore propose to deal with it at present. I am only drawing the pointed attention of the Government of India to the effect of the present fiscal policy, which is forced upon this country.

“ I observe, Sir, that the provision for Railway construction is repeated this year at 12 million, and I find that the provision for irrigation is only £1,200,000. I understand that such a small provision for irrigation is due to the fact of the inability of the department to spend more money. If that is so, we have no criticism to offer; but it must be stated that the country regards the promotion of irrigation as of far more importance than the construction of railways, and I trust that the several other projects to which the Hon'ble Member in charge has referred in a later paragraph will be expedited and that in future years we will find a very large increase in the budget provision for irrigation works.

[*Sir Ibrahim Rahimtoola ; Pandit Madan Mohan Malaviya.*] [24TH MARCH, 1914.]

"Sir, it must be gratifying to Your Lordship and to the Government of India that Member after Member has got up in the Imperial Council to urge that their policy in regard to the construction of the New Capital should be carried out in a manner befitting the great Indian Empire. I think it is most appropriate for the non-official Members of this Council, who can well claim to represent the taxpayers of this country, to give unanimous expression to their view that they want their Government to be well-housed and that a Capital should be built befitting not only the great Indian Empire, but the dignity of the vast British Empire.

"The only other point I will make—it will only occupy a couple of minutes—is about the opium revenue. Your Excellency will have seen the general feeling that prevails amongst the Indian people in regard to the surrender of this revenue. Sir, if it was surrendered out of humanitarian motives, the Government of India are entitled to ask the Chinese Government also to prohibit the cultivation of that drug within their country. But apart from this aspect, I cannot help pointing out that the Hon'ble the Finance Minister has increased the sale of opium during the next year from 9,000 to 132,000 chests. May I ask, why, if the use of opium is deleterious to Chinamen and the export of the drug to China is therefore prohibited, it should be exported to the Straits Settlements, Hongkong and other parts of the world? Are not the residents of these places also human beings, and do they not require the same humanitarian consideration from the Indian Treasury as the Chinamen have secured? If you want to work the problem logically, you ought to extinguish the opium revenue altogether. There is no meaning, to my mind, in saying 'We will save the Chinaman from the use of a deleterious drug, but we will let others, including Indians, have free access to it.' Sir, I think the whole thing has been a sorry business, and I cannot help repeating that the manner in which India has been forced to surrender this revenue is open to serious objection."

The Hon'ble Pandit Madan Mohan Malaviya:—"My Lord, the Budget has been discussed, so far as the details of it are concerned, by many speakers from many points of view. I would confine myself to a few questions of principle that seem to me to be deserving of consideration. In the first instance, My Lord, I would invite attention to the desirability of the Finance Member taking the non-official Members of this Council into his confidence at an earlier stage in the preparation of the Budget than he does at present. My Lord, Your Lordship has seen, and every member of the Council has seen, that when the Budget has been prepared, when all the disposition of revenue, which the Hon'ble the Finance Member thinks fit to make, has been made, it is practically a hopeless task for any non-official Member to bring about any material change by Resolution or otherwise, in the disposition so made. I do not claim that the suggestions of Hon'ble Members are always unexceptionable. I do not claim that for non-official Members, any more than I think my hon'ble friend the Finance Member will claim it for his Department. But I think that if the Legislature has thought fit to provide that an opportunity should be given to non-official Members to make suggestions as to the disposal of the revenue of the year, as to the regulation of expenditure, by reduction or increase in any direction, then a real and suitable opportunity should be given to offer criticisms or suggestions when they can be offered in an effective manner. I leave this matter here, My Lord, in the hope that it will receive the consideration which, in my humble opinion, it deserves.

"The next question to which I will refer is the control which His Lordship the Secretary of State for India exercises over our Budget, and the disposal of the revenues of India. I do so, My Lord, in view of the proposals for a re-organization of the India Council which Lord Crewe outlined last July in a speech made by him in the House of Lords. Time will not permit me to go into a detailed discussion of the proposals so put forward; but I wish to give expression to the views which I believe are largely held by educated Indians that the proposal to abolish or modify the Committee System which exists at present and to substitute for it a system

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under which particular departments, with which the India Office has to deal, will be placed in the charge of particular Members of Council is in principle objectionable and ought not to be carried out. On this point the views of educated Indians have received strong support from the recommendations of the Royal Commission on Indian Finance and Currency. Speaking of the Finance Committee of the India Council, they point out that it will be highly undesirable to do away with that Committee and to put the financial work of the India Office in charge of one Member of Council as Finance Member at the head of the Finance Department. Dealing with this matter the Royal Commission say in paragraph 208 of their Report :

' In this proposal, so far as it affects financial matters, we cannot concur. We are of opinion that the financial work of the India Office, which involves many technical and difficult problems requiring for their consideration a combination of Indian experience with expert acquaintance with the London Money Market, is of a kind for which the Committee system is specially suitable, and we think that the continuance of the Finance Committee in some form is most desirable.'

" My Lord, we object strongly to one member of the Secretary of State's Council sitting in judgment over the collective judgment of the Government of India when they have threshed out a proposal, considered it in its various aspects, and in so doing have taken the views of the non-official members and the general public and press of this country into consideration. I object most strongly to one member of the India Council taking up such proposals and disposing of them. The change proposed by Lord Crewe would alter the character of the India Council from an advisory or consultative body into an administrative one. This is virtually the same proposal which was formulated many years ago by General Chesney in his book on Indian Polity. He expressed himself strongly in favour of a system of entrusting particular departments of the work of the India Office to particular members of the Council. But, My Lord, General Chesney also pointed out at page 378 of his book (I believe it is in the third edition) that 'an objection might perhaps be raised to the change that it would be too strong; that able and experienced men coming to it after holding high positions in India and placed in charge of the different departments of the India Office might be tempted to try to direct the administration of the country from their new position, and to press their own views against those of their successors in India. This is certainly a possible danger.' General Chesney went on to say that the restraint which the India Office have recognised in dealing with the Government of India would provide an effective safeguard against such a danger. But I submit, My Lord, that in this he was mistaken. And we do not like the idea that a position should be created where one member of the India Council would be able to overrule the Government of India and to direct their policy in matters of importance. My Lord, we welcome the proposal to re-organise the India Council. The Indian National Congress has, from the year 1885, when it first came into existence, up to the last year when it met at Karachi, repeatedly urged a reform and reconstruction of the India Office. It has urged that the Council of the India Office as it exists should be ended, if it cannot be properly mended; and that the proper way to mend it would be that the Council should consist of nine members, one-third of whom should be Indians elected by the elected non-official members of the Imperial and Provincial Legislative Councils, one-third, officials who have served in India for not less than ten years, and the remaining one-third, public men of merit and ability unconnected with the Indian administration. I hope that before coming to a final conclusion, the Government will give full consideration to the views of educated Indians in this matter.

" I submit, My Lord, that the most satisfactory solution would be to have nine members in the India Council, appointed as suggested by the Congress, and to divide them into Committees of three members each, one of whom should invariably be an Indian to represent the views of educated Indians to the Secretary of State. The important reform which Lord Morley introduced by appointing two Indians as members of his Council has been deeply and widely appreciated. It will be a natural and beneficial development of

that policy that in every Committee of the Secretary of State's Council which is entrusted with the work of revising or reviewing the work of the Government of India, there should be at least one Indian member to ensure a full presentation and consideration of the Indian point of view of the questions dealt with by the Committee.

"There is another matter to which the Finance Commission have drawn attention about which I would with, Your Lordship's permission, say a few words. Dealing with the system of preparing our budget and our large balances, the Commission have pointed out that the Government of India have for several years been putting up large aggregate balances by under-estimating revenue. At pages 31 and 32 the Commission say 'In the circumstances of the case it would therefore seem that primarily the question is one of estimating and we cannot but feel that in preparing their estimates of revenue the Government of India have erred on the side of caution.' Further on they say 'In the circumstances of the case, we recognise that cautious estimating was in the main justifiable,' but they add that 'it was carried rather further than was necessary.' They recognise, My Lord, the difficulties of preparing a budget in India, which is to be presented before the end of March, because our revenues fluctuate to a large extent with the success or failure of the agricultural operations of each year, and these depend predominantly on the monsoon; and they have suggested that the date of the beginning of the financial year should be changed so as to correspond with the calendar year. The Commission say:

'The late Finance Member of the Viceroy's Council, indeed, has described the framing of a budget as a gamble in rain. We would observe, however, that this description applies only because the budget is taken before the monsoon. It is clear in fact that from the financial point of view the present date is almost the most inconvenient possible for the budget and, the suggestion has therefore been made that the date of the beginning of the financial year should be altered from the 1st April to the 1st November or 1st January. There may be administrative difficulties in carrying the suggestion into effect, but financially it would be a great improvement. Criticism directed against the inaccuracy of Indian budgeting is not effectively answered by a reference to the difficulties which arise from the present conditions. It has to be shown further that these difficulties cannot be removed by a change of date, without incurring graver disadvantages, and we commend the question to the consideration of the Government.'

"I hope, My Lord, that the Government of India will be pleased to take this matter into their consideration at a very early date, and rectify an evil which has been protested against both in this country and in England.

"Coming to the disposition of the Indian revenues in the budget before us, I may say, My Lord, that I did not intend to speak on this occasion of Provincial Settlements; but the remarks of my Hon'ble friend Sir Ibrahim Rahimtoola lead me to repeat what I have said several times before that I consider such a radical change in the system essential as will make the Provincial Governments financially semi-independent of the Government of India. And in this connection I would invite the attention of the Council to one passage in Sir John Strachey's book on India. I will quote Sir John Strachey to-day, because I am sure he will receive more consideration from the Hon'ble the Finance Member than did Sir Charles Trevelyan whom I quoted on a former occasion. Speaking of the prevailing unitary system, Sir John Strachey says:

'Concentration and centralization were often inevitable, while the empire was being gradually built up. But now that it has been constituted on a firm and peaceful basis, decentralization is an essential condition of progress. The time will come when, in regard to many ordinary matters of internal administration, each great province of India will be virtually a separate State'

"I hope the Hon'ble the Finance Member will take this important question into his consideration and earn the gratitude of the country by expediting the advent of the day when our provinces will be more independent than they are; that is to say, when there will be a real system of provincial finance established to enable the Government of the different large provinces to properly promote the well-being of the people entrusted to their care.

[24TH MARCH, 1914.] [*Pandit Madan Mohan Malaviya.*]

"My Lord, there are many other questions which call for attention, but time does not permit of my dealing with them at any length. I will only briefly draw the attention of the Council to the provision for railway expenditure in the next year. At page 24 of the speech introducing the Financial Statement, the Hon'ble the Finance Member points out that the total capital outlay to the end of the year 1914-15 on railways will be £343,086,000, and that the percentage of net profit to capital outlay will be 1.14. In the very next page he points out with regard to Irrigation that the total outlay to the end of the same year will be £35,907,000, and the percentage of net profit to capital outlay will be 5.03. My Lord, I endorse what has been said by several other members that irrigation should receive a little more attention than it has done, and that railways should receive a little less attention than they have done. As a justification for a high railway programme, it has been urged that railways yield us profit. I will quote the Hon'ble the Finance Member himself as to the extent of that profit. He says: 'The net profit has thus varied from about $\frac{3}{4}$ per cent. to $1\frac{1}{4}$ per cent. in the years mentioned. In 1909-11 it amounted to $\frac{1}{2}$ per cent. only, and in 1908-09 it disappeared and was replaced by deficit.' And then he goes on to repeat a warning which Sir Guy Fleetwood Wilson had pronounced. 'Briefly, although the net profits we have derived from railways in recent years are *per se* imposing, they represent but a small margin of profit on the total capital involved, and that margin may be materially affected by trade or climatic circumstances beyond our control.' I take it that these figures correctly state the position; if they do not, the Hon'ble the Finance Member will, I hope, take the earliest opportunity of explaining them. But taking them as correct, I submit, that to borrow at 3 per cent. and to earn 1 per cent. or a little more makes but a poor business. It certainly does not justify any enthusiasm for a high railway programme.

"There is another aspect of the question. Railways have no doubt greatly improved the country, nobody would think of underrating the benefits resulting from them; but I fear that sometimes the advocates of railways exaggerate the benefit they bring to the people, and overlook the disadvantages which result from them. Railways, no doubt, prove great blessings in carrying food to the people in areas stricken by famine, but their inevitable tendency has been to raise the general level of prices. In many places what used to be famine prices prevail now throughout the year, mainly as the result of new lines of railway having been opened. Besides, railways cannot be a direct preventive of famine, while irrigation is; and therefore the insistent claim of Indian public opinion that irrigation should receive more attention than it has received is, I submit, deserving of the fullest consideration from Government. We recognise that the irrigation projects which have already been carried out have been among the most glorious achievements of British rule in this country. For these achievements we are very grateful, as we feel that they have been instrumental in producing plentiful harvests and in saving life and mitigating suffering. But we submit that more should be done in the same beneficial direction. We submit that more attention should be paid not only to river canals but also to what are called inundation canals, that will receive and distribute water in the dry days of the rainy season, and more particularly to tanks and wells. The recent Irrigation Commission recommended that there should be a great multiplication of masonry wells wherever that is needed and is possible. I would draw the attention of the Hon'ble the Finance and Revenue Members to this question. The multiplication of wells would create conditions in which even on a failure of the monsoon, people would be able to irrigate their lands. True, My Lord, the Government cannot regulate sunshine and shower, but it certainly can and ought to provide ample facilities to the people to draw the water that is stored under ground, to irrigate the soil and to make it yield a rich harvest.

"Passing, My Lord, to another point, may I humbly point out that there seems to be no definite determined policy with regard to financing Education and Sanitation. We have railways being provided for year after year. Irrigation also is being similarly promoted, and I submit, My Lord, that it is high time that there should be a definite financial policy which would ensure or, at any rate, give a reasonable assurance, that primary education shall be

[*Pandit Madan Mohan Malaviya; The President; Raja Jai Chand.*] [24TH MARCH, 1914.]

regularly and steadily promoted to the extent to which Government has committed itself to promote it. This demands that there should be a sound and well-defined policy to finance it. We cannot make much progress towards universal primary education with the help of merely occasional grants made out of uncertain surpluses of revenue. With regard to secondary education I would invite the attention of the Government of India to the vital need for providing students at school with a better preparation for the University and for life than they get at present. It is necessary to so raise the standard of education in high schools that on leaving them students will be better prepared to benefit by University courses, and be better trained also to enter into life. With this end I would provide teaching up to the standard of the F. A. in all High Schools, and I would then let a student take his degree in 3 years after he passes out of the school. This would no doubt require an increase of expenditure. But it will mean money usefully spent. My Lord, there are only two other points to which I would like, with your permission, very briefly to refer—

His Excellency the President:—"I can only give the Hon'ble Member two minutes."

The Hon'ble Pandit Madan Mohan Malaviya:—"Thank you, My Lord. I join with other Hon'ble Members in expressing our gratitude to Your Excellency for having contributed so powerfully to the solution of the South African question. I believe that the question of the disabilities of Indians in Canada is also receiving Your Excellency's attention. And I hope that the time is not distant when Your Excellency will earn the further gratitude of Indians by having that question also solved in a satisfactory manner. The other matter, My Lord, is the want of a good library at Delhi for the purposes of Council business. I may say in passing that when dealing with a resolution the other day that the surplus should be reduced by half, I was unwittingly drawn into a discussion with Sir William Meyer regarding the provision for expenditure on Delhi. I did not attack that expenditure. As Delhi has been made the capital, expenditure in building it is inevitable. My whole contention was that having provided one crore for such expenditure in the budget, it was wrong also to provide for a high railway programme of £12 million, and to keep a large surplus in hand with a view partly to finance it. Well, Delhi will necessarily take time to be built up. But there are some matters which cannot wait till it is so built up, and a library is one of them. I hope, My Lord, that the Government will provide us early with a suitable library, which will cause a saving of our time and enable us to render better service both to the Government and the public."

The Hon'ble Raja Jai Chand:—"My Lord, the Budget discussion, as usual, is full of broad views and rich sprinkle of assorted demands, is well spread over all sides, while several demands have already met with liberal consideration of Your Excellency's Government. It is true that, family affairs pretty fairly attract the attention of a dutiful mother. The children require things, and they may be satisfied or refused. But when they grow up into noisy adults gifted with a free use of the power of speech, their cries are sure to bring the mother round to listen to the legitimacy and reasonableness of their requisitions and answer to their wants accordingly. But, if there be any dumb member of the family, who cannot expressly urge his demands, it remains for the mother to attend to and not ignore his wants."

"My Lord, if my this imaginary focussing Kodak is accurate, then there is the perfect photo of His Majesty the King-Emperor's loyal subjects residing within the Land of the Five Rivers, mostly consisting of Hindu and Mohamadan martial tribes. The more these look soldier-like, the more they are far outstripped in the race of literary advancement by communities inhabiting other Indian Provinces, and need special considerations of the Government of India, who should be so kind as to extend to them facilities in order to bring education within their easy reach."

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" Since last year, when I briefly spoke on the occasion of the Budget speeches, I have not come across any cries of protest or grievances from my fellow-land-holders; but the less I tried the more I gained in that direction. When I go back to and see the visible marks of their internal position I find that sanitation, medical aid (especially for female sex), consideration of moderation in assessing plots of land irrigated by means of wells or small rainy canals constructed by poor *zamindars* from their own purses call for an active support and a liberal consideration by both the Provincial and Imperial Governments. The fact to which I particularly beg to draw the attention of Your Excellency's Government is that high class Rajput and Brahman agriculturists who are by religion and custom debarred from ploughing, generally own very small tracts of land, whose total produce is absolutely insufficient to defray their expenses even for six months. In my humble opinion facility should be extended to them by grant of more land, in any district of the Province, for the agricultural purposes.

" I, therefore, on behalf of the dumb land-holders of the Punjab, whom I have the honour to represent in this Council, beg to express our sincere and staunch loyalty and devotion to the Throne and deep sense of gratitude for the interest which Your Excellency is taking in our welfare; and I earnestly hope, that time will not be far off when our humble demands above alluded to will be favourably considered."

The Hon'ble Srijut Ghanasyam Barua:—" My Lord, as the temporary Provincial Settlement with Assam is coming to an end next year and the terms of the permanent settlement will be considered in the course of the year, I beg Your Excellency's leave to utilize the privilege of this day in putting forward some facts about the Province deserving of the notice of Your Excellency and this Council.

" My Lord, education, sanitation and communications are some of the most pressing needs of my Province. I will first speak about its educational position. From the very able and interesting report of our worthy and capable Director of Public Instruction for 1912-13 (this is the latest report) it appears that the total number of towns and villages in the Province is 29,378, the number of towns being 21. The population is roughly 7,060,000. The total number of primary schools for boys is 3,534, giving instruction to 188,236 boys. This shows that out of every 17 villages, 15 are without a school, and only about 20 boys per *mille* of population receive primary education. The number of primary schools for girls gives a ratio of 1 school to 211 villages, giving instruction to 5 girls in a population of 2,000. The total number of secondary schools is 177, of which 154 are of the middle standard, the number of high schools for boys being 27 and that for girls being 2, of which one was opened only in the year under report. Of the middle schools 10 are devoted to girls. The total number of boys receiving secondary education is 25,249 and the total number of girls getting such education is 1,209, giving ratios of 3.57 and .17 respectively to a population of 1,000. There are only two Arts Colleges with a roll of 360 scholars. Both these colleges want expansion and improvement, which are being attended to and to which I shall refer presently. At present the inadequacy of provision in those colleges is keeping something like 200 boys in the Bengal colleges.

" In these circumstances I hope to be excused if I venture to ask Your Excellency and this Council to vouchsafe liberal and special treatment for some time yet to my poor and backward Province, which may rightly be said to be just emerging from what may be called a series of past vicissitudes.

" I now beg to lay before the Council the present financial needs for education as set forth by the Director of Public Instruction. Schemes have been sanctioned for development and improvement of the Cotton and the Murari Chand Colleges, involving in the case of the former a recurring annual expenditure of Rs. 50,000 and a non-recurring expenditure of Rs. 3,00,000 and in the case of the latter of Rs. 82,532 recurring and Rs. 6,00,000 non-recurring respectively. Referring to the provincialisation of some aided, and the improvement of some unaided, high schools, the Director says:

Meantime it may be stated that the action proposed will involve the Government in very heavy additional charges both for recurring and non-recurring expenditure. The special grants from the Government of India amounting to Rs. 64,000 will go far towards meeting the recurring charges'. I may add that the non-recurring charges under this portion of the project of improving high schools will be not less than Rs. 4,00,000. With regard to the existing Government high schools, the Director says 'it is useless to expect really good work in our high schools until they are provided with a sufficiency of suitable class rooms. At present, in the majority of cases, the class rooms are insufficient in number, ill-lit, badly designed and so placed in relation to each other as to render supervision difficult'. In some of the schools, the school-buildings have proved insufficient of accommodation and are therefore in need of extension. Projects are, therefore, being considered for the erection of entirely new buildings in some cases and for the extension and improvement of the present buildings in others, as well as for the erection of new hostels. About these projects the Director expresses himself thus: 'A large grant of Rs. 8,50,000 from the Government of India will probably suffice for the immediate present in the matter of hostel accommodation, but it will require funds far in excess of those communicated to make any definite impression upon the programme of school construction'. With regard to the teaching staff the Director says 'if the schools are to be staffed by competent and contented teachers, it will be necessary to offer very much higher rates of pay. This has been realized and a scheme is in preparation. It will involve expenditure much in excess of anything which the Provincial revenues can afford'. At present the English teachers are put down, as a class, as being inexperienced. Out of 678 masters only 77 are graduates and only 34 trained men. The Director, therefore, says that a new training college for Assam is an 'immediate necessity'. For the Law College which has been recently sanctioned, large amounts both recurring and non-recurring will be required. A medical school for the Surma Valley has been demanded and will probably be found to be a reasonable demand calling for similar expenditure. The needs of female education are summarised by the Director as being (1) teachers, (2) more and higher schools, (3) trained teachers, and (4) 'over all' he says 'is the need for larger subsidies from the public revenues'. Referring to primary education, the report says that during the year under report Boards spent Rs. 1,42,184 in excess of their obligations. The following are the Director's remarks: 'The growth of income can hardly suffice to meet the normal increase in expenditure on existing institutions and development must be retarded unless the Boards are helped by continuous and continuously increasing subsidies from the State'. He also considers that large sums are needed for the improvement of existing training schools and for the establishment of new ones for training primary-school teachers and also for the improvement of their terms of service.

"He says: 'The first need, however, is not for the improvement of the training school, although this is most important, but for the improvement of the terms of service so as to attract to the profession a less lowly educated class of men. And we are now fortunately, in view of the Government of India grants received and hoped for, in a position of expectancy that funds will soon be vouchsafed in measure sufficient to permit of village teachers being rewarded at rates which will equal the wages of unskilled labour'. This, in my estimate, will require at least Rs. 50 per school per annum and result in an immediate recurring expenditure of Rs. 1,69,500 and if new schools are opened with a view to double the present number in the course of 30 years as anticipated in the Government of India Resolution of last year, we shall require an addition of about Rs. 15,000 recurring and Rs. 15,000 non-recurring expenditure every year at the rate of Rs. 120 per school under each head. Besides all these, there are questions of technical and industrial education, oriental education and education of special classes. It will thus be seen that the special grants already made by the Government of India are hardly sufficient even for the immediate needs of the province both under recurring and non-recurring heads.

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"The next bewildering items are sanitation, water-supply and medical relief. It is needless to expatiate largely on these as it is hopeless to meet the wants on these heads, especially the first two, by asking for any suitable grants. Still I cannot but say that all help that can possibly be given should be given. To give some idea of the magnitude of the task, I may quote some figures that were collected in connection with a conference held by our popular Chief Commissioner to consider about the allotment of the special grants of last year.

"The number of villages in the Province was by those figures put at 16,671, a figure which does not seem to be correct as it is only a little more than half of the number (which is of course the correct one) shown in the Report on Public Instruction. Roughly speaking, two villages appear to have been taken as one in most cases. Taking even this figure, we find that only 7,573 villages have satisfactory water-supply, natural or artificial.

"If we have to supply the remaining 9,098 villages with single tanks of Rs. 1,000 each, the figure comes to Rs. 90,98,000. I am sure, as I have indicated above, many of the villages will require more than one tank. If we take the very small figure of Rs. 50 per tank for protecting it by a fencing throughout the year, the recurring expenditure could be over 8 lakhs if all tanks were provided.

"As to other matters of village sanitation it may be said that even a beginning has hardly been made as yet. If we take an average of Rs. 500 per village as initial expenditure for keeping it free from logged water and unhealthy jungle and Rs. 100 for annual up-keep of these improvements, the non-recurring and recurring demands come to roughly Rs. 45,00,000 and Rs. 9,00,000, respectively.

"Comprehensive drainage and water-supply schemes are also necessary in a number of towns; but it is impossible to make rough and ready calculations for them; but every one in the Council is aware what such schemes would mean. A perusal of the annual sanitary report for the year 1912 will show how the special grants of the last two years have been swallowed up by a few towns. The cry for additional medical aid is also loud everywhere.

"Under the head of Communications and Development there is equally immense field for expansion. The liberal grants made in the last two years have not gone further than improving some of the existing roads by being raised, bridged or metalled in some of the most important portions. Even there the programme is anything but complete. Demands are supposed to be the most cautious and unambitious and only the first instalment of the very important items came up to an estimate of close upon Rs. 60,00,000. Nothing like any comprehensive scheme of development or of appreciable new communications has been possible to undertake. And the further development of numerous unexplored resources of the country greatly depend on the opening of new roads.

"I therefore appeal to Your Excellency and to this Council that in consideration of the backwardness of the Province and the impossibility of the normal growth of revenue to cope with its urgent needs, the Government of India will be pleased to continue liberal special grants until the Province comes to a satisfactory footing in all important departments and also to allow a greater share in the divided heads of revenue (especially land revenue) to enable it to meet the rapidly growing increase in the expenditure in all directions.

"In conclusion, I beg to associate myself with my other friends in the Council in expressing my sincere gratitude and thankfulness to Your Excellency for Your Excellency's noble and statesmanlike action in relation to the South African question. It is to Your Excellency's action alone that the solution so far arrived at is due; and that action is not only valuable for the immediate results, but it will be more valuable as an example for the future. This action of Your Excellency is only another addition to the long list of benefactions which you have conceived for and conferred upon India, for which Your Lordship will be always gratefully remembered."

The Hon'ble Mr. Vijiaraġhavachariar :—"My Lord, at this late hour I will not detain the Council more than a few minutes. I had intended to make some observations on provincial autonomy and on the projected India Office reform. These two points have been a great deal traversed by what has been already said by the Hon'ble Sir Ibrahim Rahimtoola and the Hon'ble Pandit Madan Mohan Malaviya.

"First and foremost I desire to state that I share the very warm feelings of appreciation and gratitude expressed by the Hon'ble previous speakers on the action of Your Excellency's Government in view to secure a solution of the acute South African problem. I had an advantage over most of these speakers, because I was present and listened along with thousands of my countrymen, with rapt attention to the memorable pronouncement which Your Lordship made in Madras, when the whole situation was most acute and most depressing. The solution which is now looming in the horizon, I doubt not, is due to a very great extent to that pronouncement, which looking far into the future sent a thrill of joy throughout the country and wherever Indians are. And let me add it caused some considerable surprise and alarm somewhere, but I hope and believe that that surprise and that alarm were healthy and were great factors in the solution which we are about to reach. While therefore the warmest thanks of the country are due to Your Excellency's Government, I should think it is not very desirable to mix up this special situation with the larger question of emigration in general from this country to other countries. This is not the time to endeavour to express my convictions and views, which I share along with my countrymen in general as regards that vital national problem. The present South African question can be disposed of on its own merits. It is hardly right to call South Africa a colony of England and a self-governing dominion of England. I mean no disrespect to anybody; all that I wish to say is that England spent enormous blood and money and succeeded in establishing the Boers there more strongly, firmly than they were ever before. And unlike other dominions the coloured population in South Africa is far greater in numbers than the European population there. Therefore the problem of immigration to South Africa stands on a totally different footing, in my humble opinion at all events, from the problem of emigration of pure Indians to Canada, Australia and other countries, where the settled populations are entirely Europeans. Whenever this larger question may arise, and it will arise for a statesmanlike and permanent solution at no distant date, speaking for myself, it would not be altogether right to ignore the difficulties which this and the Imperial Governments will experience in solving that problem; it would not be right to ignore the feelings of those people who are permanently settled in those countries, and who are anxious to exclude an alien population that cannot be absorbed amongst them and by them. For my part I will put it the other way, and I hope I shall not be deemed guilty of offence to anybody, if I venture to say that in case a large colony of Russians or Germans or Englishmen were to settle down in India, I should hesitate to view the question without alarm. Similarly, the Canadians and the inhabitants of the United States and of some others are, I believe, entitled, somewhat at all events (in the present conditions of the world, until we know something more about the destiny of mankind as a whole in the distant future), not to be obliged to add to the problems, economical and political, by allowing an absolutely alien population to settle amidst them, who will not bring wealth with them and who will carry off what they earn to distant countries and who are conditioned ever to remain alien amidst these white populations. But on the other hand, I deprecate the idea of Indians being allowed to emigrate or, on contract, sent to any country where they are not treated on a complete footing of equality with all the other people. Any colony of England which passes discriminative laws and which accords differential treatment to the Indians must be asked and made to discontinue such, or allowed, and must be even encouraged, to prohibit immigration from India altogether; and so far as this Government is concerned, I desire that such emigration should be absolutely discontinued. I am not at all competent enough to say whether this Government has power and means to prohibit

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emigration altogether from this country to other countries, but in regard to such countries as I have mentioned above, and to which the people emigrate, this country can practically prohibit it, and by the exercise of the right of diplomatic influence an absolute prohibition can be secured. The reason, My Lord, is that I do not wish that the Indian, wherever he might be, should be ever told by treatment and by law that he is an inferior being, which it would be a truism to say he is certainly not, that his rights as a member of the greatest Empire in the world, ancient or modern, are, as a matter of fact, inferior to the rights of the favoured members of it. Rather than allow these Indian colonies to go and settle in such a place, do not let them go there at all; let them remain in this country. My view, very humbly, My Lord, is that, so far as emigration to those countries is concerned, it should be discouraged and prohibited by every means. India wants absolutely the labour of all her hardy children; we are not developing our resources, as we ought to, and a great deal in that way can be done by retaining them all here. I do not subscribe to the argument often advanced that these people are economically better off in those countries. In the great art, and sacred duty, of making a nation for India and in India, I never can forget the fable of the country mouse and the city mouse. I am like the country mouse. I do not like the mere comfort and luxury of the city mouse and do not like to sacrifice any portion of my liberty, by feelings and sentiments and my dignity as man, as social and rational man, for physical comforts and luxury. I had rather the Indians were here ill-fed, ill-sheltered, ill-clad and ill-educated into his rights than that they should go and earn a great deal of money and be treated like half-slaves and half-rational human beings. Therefore, My Lord, I would accept no compromise between full rights of citizenship and prohibition in any solution of this great problem of emigration from India. A middle course, I am honestly convinced, is highly objectionable as a national misfortune.

"Coming now to the question of finance, it is always difficult for me to tender to the Finance Minister a beautifully blended mixture of provincial patriotism and imperial patriotism. I believe that under present arrangements, provincial patriotism is generally synonymous with discontent, and imperial patriotism is subordinate to this provincial patriotism, paradoxical as it may appear. On the whole I have no reason to be discontented with the presentment of the Financial statement this year. Much of what I had intended to say on this subject has been, as I said before, said by Sir Ibrahim Rahimtoola. While congratulating the Hon'ble Finance Minister on his success in making such a presentment in spite of famine and of the fall of opium revenue, I believe that there is a statement of his for which I heartily render thanks to the Hon'ble Finance Minister, and that statement is that the present financial relations between the Imperial Government and the Provincial Governments is artificial. And it is so, and I want him, and I implore the Government as early as possible, to get rid of this artificiality between the Imperial and the Provincial Governments. But this cannot be done in the Finance Department alone and by a re-adjustment of financial settlements alone.

"The whole relationship between the Indian Government and the Provincial Governments should be re-examined and re-adjusted. For my part, if I may be allowed to make allusion to the memorable passage in the great despatch of August, 1911, relating to provincial autonomy, that passage has once for all and completely disposed of this question; only the necessary ways and means should be adopted and developed from time to time until we should reach the goal. Your Lordship will pardon me, I trust, if I venture to compare that divine passage to the philosophical system of the great Indian sage, Kapila. His system was attacked as inconsistent with the Vedas when he asked which is inconsistent with which? 'Is it the Vedas that are inconsistent with my philosophy, or is it my philosophy which is inconsistent with the Vedas?' It is true that at last he seemed to allow people, just to avoid annoyance and persecution to construe his philosophy in the light of faith in religion, but he did not re-adjust his philosophy and he continued to teach his *chelas* his own doctrines. And his philosophy exists to-day, and nobody thinks of its interpretation by religious

faith. So I think that it behoves every Indian to save this passage from treatment accorded to it by interpretations in the faith of bureaucracy, in this country and in England. Then it will be all right and begin to bear fruit in a few years; otherwise there is the risk of its being often authoritatively construed until it becomes a foundling; some two years hence.

"I also wish to call Your Lordship's attention to another point, and that is the proposed reform of the India Office. It is claimed as a domestic reform. The scheme is outlined by His Lordship the Secretary of State for India, in his speech last year in the House of Lords, and also by the then Under Secretary, the Hon'ble Mr. Montagu, in the House of Commons, a week later. As far as I understand it, its object seems to be three-fold. The Council is now a consultative body; it is proposed to make it an administrative body. The business is now carried on by committees; it is proposed to transact the business by single members, each being put in charge of a separate department. Thirdly, it is important to observe that service in the India Office as member of the India Council should be part and parcel of the service in India, so that it counts for pension. It is also said that it is capable of interchange, i.e., a member of the Indian Civil Service who goes there can come back to India on promotion. This last scheme it is somewhat difficult to understand. For my part, I think the time has come for abolishing the Council altogether. All are agreed that it does not work well. We all know the history of this Council, My Lord. It is a statutory creature, it is the creature of the Government of India Act of 1858. We know that it is a continuation of the Board of Directors, especially the Secret Committee, a mere complimentary continuation. As John Bright put it at the time the Bill was discussed in the House of Commons, this continuation of the Council was due to timidity on the part of the Government, and even of Parliament. Now that is the origin of this Council. It was admitted by Lord Stanley, who introduced the Bill which became the Act of 1858, transferring Company's Government to the Crown, and by all then that the function of this Council was to be one of moral influence and moral control, not administrative influence and administrative control. So from 1858 onwards, we have had only moral influence and moral control exerted by the members over the Secretary of State. I cannot understand why this moral influence and moral control should be at this late hour of the day in its life converted into active administrative control. The noble Lord, the Secretary of State for India, has discovered a new and somewhat startling reason for continuing this Council. He says there may be now and then a Viceroy of independent views and even of an arbitrary turn of mind, backed up by expert advice in India, and unless the Secretary of State then is a Bismarck, he also wants expert advice to enable him to hold his own. In other words, this Council is to be composed of Civil Servants in England in order to fight Civil Servants in India. I cannot quite see, My Lord, how this is to be done, assuming it is desirable. A Member of the Secretary of State's Council will, under the new scheme, receive £1,200 a year, that is, £100 a month. How a Civil Servant from India can go to England and serve on this pay, it is difficult for me to understand. I read both the speeches of the Secretary of State and the Under Secretary of State with some care, and there is no solution indicated there of this difficulty. Take, for instance, an Indian Civil Servant who has served here for 20 years. If he becomes a Member of the Secretary of State's Council, he will only get £100 a month. If he serves in India for 25 years, he can get a retiring pension of £1,000 a year or even £1,200. Therefore, I wish to know who are the people who are likely to go and serve there before and without retiring from the Indian Civil Service on pension? There may be a few people of weak health and of inferior prospects who may wish to go there for the sake of climate and for the sake of health, or who cannot swiftly climb up the ladder of promotion here. Now I cannot at all understand how it is desirable to make the Council administrative by reinforcing it by people of this sort and to exercise a control over great Viceroys, backed up by virile expert advice. The whole reform is asked for on the ground of strengthening the hold of the Secretary of State over the Government of India. The Hon'ble Pandit Madan Mohan Malaviya said

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the people view it with alarm ; they do, and suspect that the whole object is, as I have said, further to strengthen the control of the Secretary of State over the Government of India. I am very sorry to say that I do not like the proposed reform from any point of view. Under the portfolio system, if some of these members are likely to be promoted to posts in India under the rule of interchange, it may be possible for a member in charge of a department of this Government to tell a Member of the reformed Council, 'If you behave like a good boy on this occasion, you will get a Lieutenant-Governorship as your prize'. Now this sort of interchange has certainly nothing to recommend it to this country. It seems to me that the Council may, with great advantage, be altogether abolished, or, in the alternative, it may be kept consultative and harmless as it is at present.

"Another disquieting element in the scheme of reform is the fact that there are to be two Indian Members as at present, but God knows why. Look at the scheme. It says that 8 members are sufficient. But as there are to be two Indian Members, the number is to be ten. So these two Indian Members are to be supernumerary. Although their salaries are to be met at the expense of the Indian taxpayer, they are to be supernumerary and merely ornamental. They may occasionally be put in charge of departments, but when they do not have this rare privilege, they are, I presume, to be *dīwans* to everybody, consultative *dīwans*. But I do not know what they are to do even as such. My Lord, all this clearly shows that the time has come when the whole Council should be abolished. Reform may be made in a different direction with advantage. It is admitted that the permanent staff of secretaries and assistant secretaries and the clerks of the India Office are very able men and do excellent work. Anything which the Secretary of State wants further in the way of Indian experience can be well achieved by throwing open some of these appointments to distinguished Indians, including domiciled Europeans—to statutory Indians of every race and creed, and even to Civil Servants. We all know that the Secretary of State is not legally bound and as a matter of fact never consults his Members of Council in matters of high and deep policy. Your Lordship knows that in the days of the East India Company this was done entirely by the Secret Committee, not at all by the whole Court of Directors. It was only occasionally that they were controlled by the Board of Control. But this was done exclusively by the Secret Committee, and the practice has been continued by the Secretary of State in his own person exclusively. All that I say, My Lord, is this, that since in important matters of policy the Secretary of State by statute and by usage is not bound to consult the Members of his Council and does not in fact consult them, no case has been made out for the reform such as has been outlined. I do not see why the Secretary of State for India should want a Council, consultative or administrative. Let us take the case of the Foreign Secretary. The present Foreign Secretary has won the admiration of the world, whether we regard his policy in Europe and America, or in Persia, in China or in Japan.

"Has he had a Council with Persian experience, with Chinese experience, with Japanese experience? If not, why should the Secretary of State for India have members with Indian experience? So far as the routine work is concerned, as distinguished from high policy, the staff of permanent secretaries and assistant secretaries is more than sufficient, especially if about one-half of them would be recruited from the Indian Services—Imperial and Provincial. For all these reasons, My Lord, I join in the note of warning that has been sounded that the Secretary of State's reform scheme has caused considerable alarm in this country, and I also believe that, unless it receives further elucidation, it is incapable of being worked so as to carry out his intentions or to be in anywise useful."

The Hon'ble Mr. Abbott :—"My Lord, I beg to take this opportunity of congratulating the Government in general, and the Hon'ble the Finance Minister in particular, on the Budget presented, which shows the flourishing financial position of India to-day, notwithstanding the exceptional season of drought we are at present going through in parts of India and

which, whilst seriously affecting the United Provinces, Central India, and Bundelkhand, can only be compared to the appalling famine of 1877. But unlike those dark times what must strike one to-day is the great difference between then and now—a benign and liberal Government, fully equipped and ready to meet the most pressing needs. Speaking as a living witness of the harrowing times of 1877, many a vivid but ghastly picture comes back to my mind of the hundreds of famine-stricken dead and dying on the Grand Trunk Road between Agra and Sipri and many villages deserted to a man. It was a common sight for officers of the Morar cantonment to drive out of an evening and count a score or more of corpses and carcasses, and see strings and strings of famine-stricken people and animals wending their way to the great labour mart of India—Malwa. What do we find on the same road to-day. In the greatest affected area, a few, if any, wanderers instead. Energetic Government and State Engineers, Contractors with their Agents, all strenuously vying with one another for any labour that may be procurable. At the present moment, over the greatest part of the affected area, it will be difficult to find a single labourer on the unemployed list. Speaking from my own experience, I can at the present moment employ 10,000 labourers, in the Gwalior State, instead of which I have been able to procure about 3,500 only; and out of this more than one half have had to be imported—hundreds from Afghanistan and the Frontier. What is even more marked is that these imported men are accepting the same identical rates for their work as the local or village men, despite the fact that they have travelled about a thousand miles from their homes and through country in which their safety and lives were entirely in their hands. This surely is an object lesson to the world; and the highest tribute that could be paid to Your Excellency's Administration as also to His Highness the Maharaja Scindia of Gwalior, who have been the two potent factors in bringing about these marvellous results.

“ My Lord, our province and the people are happy in the knowledge in having at the helm Sir James Meston, who has their fullest confidence in these serious times.

“ Your Excellency, I understand that we are allowed the privilege to-day of bringing before this Council any matters relative to the people and communities we have the honour to represent. Taking advantage of this prerogative, I beg to bring to notice some of the disabilities under which the Anglo-Indian Community at present labour; the principal among them are—

“ *The right to carry arms for King and Country.*—I would remind Your Excellency that during your recent tour in Madras you were pleased to affirm that our boys, whose fathers and grandfathers had served in the British Army, were eligible for enrolment. I regret to have to state that at present, notwithstanding this public pronouncement, the privilege is still in practice withheld, and I venture to assert that as long as enlistment is vested in Commanding Officers so long will this right be denied our lads. To mend this unsatisfactory state of affairs, I would beg to suggest that some such recruiting system in particular centres as now prevails in Great Britain may be introduced in India, and that the boys selected direct from these recruiting centres be drafted to units of Cavalry, Artillery and Infantry Regiments. Though the Army is at present open without reserve to any English, Irish or Scotch or Welsh boy—all castes in India being also eligible—the most respectable Anglo-Indian is blocked.

“ *Representation.*—Whilst thanking Your Excellency for the representation already given, the Anglo-Indian Community are anxiously looking forward to the day when Your Excellency will be pleased to accord us representation on all Presidency or Provincial Councils, as also on the Municipal and District Boards, the same as given to our Indian friends.

“ *Education.*—Whilst gratefully thanking Your Excellency for the rapid strides made in this direction in the interests of our Community, I may be pardoned the liberty of reminding Your Excellency that several of the most important Resolutions submitted by the Committee of the Educational Conference of July, 1912, have not yet received the consideration of Your Excellency's

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Government; more so, the questions of University training and avenues of employment dependent on higher education.

"Railways.—I would urge that 50 per cent. of appointments in the official grades on Railways be given to experienced and deserving men in the subordinate grades, it being well known that a very much bigger percentage of these appointments are so recruited by the leading Railways of Europe and America. This is further borne out from the fact that on the traffic side of one of the biggest and best managed Railway systems in India the Traffic Manager and all his Deputies are officials who have risen from the subordinate grades. This removes the prejudicial fallacy that sufficiently competent and reliable men cannot be found in the lower ranks.

"Titles.—I would also strongly advocate the granting of titles to the working classes of Anglo-Indians employed on Railways and subordinate Government departments, such as the Police, Post, Telegraph, etc., holding similar distinctions to those of Rai and Khan Bahadar, as is given to Indians.

"Your Excellency, I further beg to take this opportunity of thanking you, your Ministers, and the non-official Members of this Council for the assistance, attention and courtesy I have invariably received, as also for the clear and painstaking lucidity with which the many questions I have from time to time troubled you with, have been patiently listened to and answered."

The Hon'ble Mr. Pandit:—"My Lord, I do not wish at this hour to detain the Council for more than a very few minutes. The Hon'ble the Finance Member has this year presented his first Financial Statement. It is a document which required careful study from us, and it is only our duty to express our obligation to the Hon'ble Member for the extremely lucid statement which was presented to the Council, both in the Memorandum of the Financial Secretary and in the speech explaining his policy which was delivered by Sir William Meyer in the Council on the 1st day of this month. I may instance, for example, the exposition of provincial balances and of the system of the various provinces banking with the Government of India, especially in its bearings on grants for Education and Sanitation, which, so far as last year's statement was concerned, was somewhat obscure to Hon'ble Members who were uninitiated. Last year I had to get the point explained by the then Finance Secretary. There is thus a great advantage in such a statement as this year's and the Hon'ble the Finance Member has also our hearty congratulations upon the satisfactory Budget which he has produced, despite adverse circumstances.

"My Lord, there was a time not many years ago, when questions relating to the Central Provinces and Borar used to come up more frequently before Your Excellency's Council, and several Hon'ble Members seemed to look upon the questions somewhat in the light of an intrusion upon the work of this Council. One Hon'ble Member of this Council had gone so far as to say:—'Give the Central Provinces the Provincial Council they want and have done with it!' Though he himself followed the course he deprecated and dealt at length with matters concerning his province alone. And now that the Central Provinces Legislative Council is within sight, I do not feel that I should be justified in discussing here any provincial questions. I shall be content with associating myself with the views expressed by my Hon'ble friend, Sir Gangadhar Chitnavis, with regard to the raising of the status of the province, which has now attained to a stage when that status can reasonably be asked for, and with urging that the time has also arrived when the Central Provinces should have a Chief Court of their own. Already there are four Judges sitting in the Judicial Commissioner's Court, including one temporary Judge, whose term of office has from time to time been extended, and the volume of work that comes up for disposal before that Court and the number of cases which have to be heard by a Bench of Judges as well as the serious inconvenience experienced in appeals having in certain cases to go to other High Courts, all point to the conclusion that the highest court in the province should be raised to the status of a Chief Court.

"My Lord, several Hon'ble Members have already expressed their alarm at the changes which the Secretary of State for India proposes to introduce in

the constitution and working of His Lordship's Council. At this stage I do not wish to say more than this, that it is necessary that responsible and enlightened public opinion in this country should be ascertained with regard to these momentous changes, or at any rate that there should be sufficient opportunity allowed for that opinion being made known to the authorities at home and to Parliament.

"My Lord, at this stage of the discussion on the Budget all that is required of us is that points of a general character arising out of the Budget might be discussed, not for the benefit of one province or another, but that of the whole Country. Several Hon'ble Members have referred to the Provincial Settlements. In view of the general complaint about them I would only urge that when Bengal and Bihar and Orissa will have the question reconsidered next year, when the new settlement with regard to the new provinces is to be effected, the question of the soundness and justice of those made with other provinces might also be gone into.

"My Lord, I have only one word more to say. My Hon'ble friend, Sir Gangadhar Ohitnavis, has referred to the question of fiscal autonomy, which is of vital importance to this country. Last year, when speaking on the sugar duties question, I expressed my views on this subject, and I can only say that the instances of Formosa and other countries lend great weight to the proposition which my Hon'ble friend has urged in the interests of the industrial development in India.

"Lastly, My Lord, I wish to point out that although there may be some difference of opinion with regard to railway policy, as to how the expenditure on railways should be met, and whether the profits accruing from them are properly shown and other similar matters, yet I would urge that once the construction of a line is undertaken, it should not be worked in bits here, and bits there; nor portions of the line left in abeyance for a long period, but funds should be found year after year, so that the progress may be steady and the whole line completed within a reasonable period. I would refer especially to the Itarsi-Nagpur railway, the work on which has been carried on by fits and starts ever since it was taken in hand.

"In conclusion, I fully associate myself with all the expressions of heartfelt gratitude which have fallen from Hon'ble Members and in particular from the Hon'ble Sir Gangadhar Ohitnavis with regard to Your Lordship's share in the settlement of the important, though delicate, South African-Indian question; with regard to the pride we feel in the effective representation of the views of Your Excellency's Government by the Hon'ble Sir Benjamin Robertson and, last but by no means least, also in connection with the hopes that we all entertain regarding the new and truly Indian Capital of Delhi, the foundation of which was laid by His Majesty the King-Emperor."

The Hon'ble Sir William Meyer:—"My Lord, I beg to tender my hearty thanks to my non-official friends and colleagues who have spoken to-day for their most kindly references to myself and to this my first Budget. As I said in introducing it, I did my best to make things full and clear, and I am very glad to learn from the remarks of Hon'ble Members that I have succeeded in my object. Well, My Lord, it could never happen to any Finance Member of any Government under the sun to produce a Budget which would satisfy everybody in all its details; but from the general tone of the debate here, and from intelligent criticism received from outside, I think I may well claim, on behalf of Your Lordship's Government, that speaking generally, our proposals and dispositions have met with, I might almost say, universal approval. Of course one man may say we are spending too little here, another that we are spending a bit too much there, and so on; there will necessarily be those differences of opinion. But, speaking generally, I claim the stamp of widespread approval for our financial dispositions.

"Well, My Lord, the debate has been very interesting and has travelled over a great variety of matters past, present and future, and if not from China to Peru, at any rate from the hamlets of Assam to the Secretary of State's Council at Westminster; but, my time being limited, I only propose to deal

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with those matters which are of most importance as regards the existing Budget. Sufficient unto the day is the evil or good thereof—especially if the day happen to be hot, as this day is. But I can assure Hon'ble Members that if I omit any relevant matter owing to the limitations of time, it does not mean that I have overlooked it; it will be taken into consideration in due course.

“ Well, various references have been made to the Finance Commission. The Commission's Report, which has just come to our hands, is of course a document of the highest importance, not merely from the point of view of the Department over which I have the honour to preside, but with reference to the financial and commercial interests of the country generally. The *personnel* of the Commission was strong and representative, and its inquiries covered the most abstruse problems of currency, as well as a large part of the field of Indian financial policy during recent years. As Your Lordship said in Bombay, however, we shall have to study the report and the evidence carefully before deciding on any action to be taken. I must therefore, decline, in the most friendly way, to be drawn into a reply to any of the references which have been made to a gold mint for India, a State Bank, etc. We fully appreciate the impartiality and fairness of the Commission's attitude, and we anticipate that their labours will be productive of good and lasting results.

“ I am afraid that an expression I used in my speech introducing the Financial Statement has caused some misapprehension in the mind of my friend the Hon'ble Sir Fazulbhoy Currimbhoy and some other Hon'ble Members. I spoke in paragraph 20 of the surplus of £1,280,000 as an unallotted balance, and said it was kept to assist us in our heavy capital commitments. When I used the expression 'unallotted balance' I meant 'unallotted' for purposes of the Revenue Budget; but if Hon'ble Members will turn to paragraph 63 of the speech, they will find that it is very much allotted in the Capital budget. It figures there in the second item of Assets as 'Imperial Surplus of 1914-1915', so that it is not an additional reserve amount, as has been supposed by these speakers: it is a vital part of the assets from which our capital programme is to be financed. I also referred to this surplus in paragraph 20 of my original speech as a possible reserve against famine or other unforeseen contingencies; but it can only serve this purpose if withdrawn from the capital account.

“ I explained this point more fully in a recent debate.

“ What I then said was that if the abnormal happened, if we had, for example, a famine to face, it would be better to curtail capital expenditure by withdrawing this amount than by imposing fresh taxation. But apart from such a contingency the surplus is taken into account against our Budget capital programme.

“ I am very glad that our borrowing proposals have been received with so much approval; and I am quite with my friend Sir Fazulbhoy when he says that we should borrow in India as far as possible. But we must go steadily, and I hope that by his own large tender for the coming loan, my Hon'ble friend will show us how enthusiastically the Indian commercial community is going to take up our policy.

“ As regards famine expenditure, which one Member mentioned, I should like to explain that we have not cut down any single proposal of any Local Government in regard to that matter. In regard to direct famine expenditure, as also in regard to such matters as *takkavi* loans, we have fully accepted all that the Local Governments thought necessary.

“ Reference has been made to lapses. As I said in my speech introducing the Financial Statement, we have made arrangements which will materially diminish the chances of lapses in the net capital expenditure on Railways. Again, as regards the Public Works revenue expenditure, I may tell the Council that instructions are under issue which, I hope, will have a great effect in reducing the volume of lapses.

“ As regards Irrigation and Railways, I may say that from the financial point of view, since Irrigation yields much the larger relative profit, I should

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certainly go for irrigation expenditure first; and in fact that is what I did, I first went to the Irrigation people and said 'How much do you anticipate that you can spend?' That amount made the first item in my ways and means programme, and thus it will always be. But of course the demand is limited by shortage of labour and various things that I need not go into. All I wish to impress on the Council is that we did not stint irrigation.

"My Hon'ble friend, Pandit Madan Mohan Malaviya, referring to my remarks about the small relative percentage of net profit on railways—which I made not as depreciating railways, which give us a very large absolute amount of revenue, but merely by way of caution and as showing the difficulties with which we have to contend, seeing that a small alteration in the situation may mean a million pounds one way or the other in the budget—my Hon'ble friend says—'What is the use of borrowing at 8½ per cent. if you make only 1 per cent. profit out of it? That is very poor business.' I admit that that would be very poor business; I should be ashamed to get up in this Council and to say that I was associated with anything of that sort. But we are not doing this! What we make is 1 per cent. and more net profit after paying back the 8½ per cent. interest, or whatever the exact figure may be, on the sums we have borrowed, and we put that extra 1 per cent. or so into our pockets: I quite wish that the extra profit was larger, but it is substantial."

The Hon'ble Pandit Madan Mohan Malaviya:—"How much do you put in every year for renewals?"

His Excellency the President:—"Order, order!"

The Hon'ble Sir William Meyer:—"We provide for renewals under the Revenue head under working expenses. All we do is this, that when a locomotive is worn out for instance, and is replaced by a locomotive of superior power, we put the cost which would be incurred by providing a fresh locomotive, of the old pattern, down to revenue, and put the balance to capital because that is practically new plant. As regards 'renewals,' they occur regularly in our budget under the expenditure head, and the net profits, which are given in paragraph 67 of my previous speech are after deducting that expenditure. In fact a decrease of net profits in the revised estimate and in the coming year's budget is mainly due to my having, at the instance of my Hon'ble colleague Mr. Clark, agreed to a larger outlay for these renewals.

"Then my friend, Mr. Surendra Nath Banerjee, quoted my predecessor's *dictum* against railways becoming a burden on the taxpayer. I quite agree with that in the sense in which my predecessor used it. He meant by railways being a burden on the taxpayer the contingency that instead of railways yielding this profit, they would produce a deficit as they used to in years gone by. That is a burden on the taxpayer; but when railways yield £3,921,000 and you pay £1,130,000 toward the capital account, the remaining £2,600,000 is an alleviation to the taxpayer; it corresponds to the profits of a shareholder in a prosperous company.

"My friend also made some reference to waterways in Bengal. That is a very important question, the gravity of which I quite appreciate. Eight lakhs have been already provided in the current year by the Bengal Government. As for large schemes, so far we have not yet had them before us. They have been under examination by a distinguished engineer, Mr. Lees; they will have to be very carefully examined here; and of course, as Hon'ble Members will appreciate, they will have to be considered with reference to their productive character; because if they are not productive, although circumstances might still call for expenditure on them, you could not rank them along with railways, as, has been suggested, in the productive account.

"Sir Ibrahim Rahimtoola made a reference to opium. He says 'As you have stopped sending opium to China, why do you go on sending non-certificated opium to the Straits Settlements? The one is as wicked as the other'.

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Well, I do not admit that sending opium to China was wicked; but at any rate the circumstances are materially different. When we sent opium to China, we sent it to the territories of an anorphous Government that cannot control its affairs very efficiently, and there was no guarantee against abuse of the opium. When we send it to the Straits Settlements, or to the Dutch Indies, or to other places to which we now send, we send to countries that have a system very much akin to our own, realising the maximum of revenue from the minimum of consumption: and I say that makes all the difference. If you send opium to a country like that, you are really helping the country to promote the cause of temperance, because you enable it to give the people an article under high taxation when otherwise it would be obtained probably by smuggling, and in greater quantities.

"I do not think, My Lord, that I have anything more to say, especially having regard to the short time at my disposal. I have estimated, as I have said before two or three times, for a normal year, and we can only hope that Providence will give us plentiful rains and prosperity, so that when I meet the Council next year, I shall not have to tell them that my calculations have been disturbed by agricultural distress or by any other calamity."

His Excellency the Viceroy:—"My first and very pleasant duty in addressing you to-day, at the close of a Session during the course of which questions of finance have been much under discussion, is to re-echo the views of my Council and to congratulate Sir William Meyer on the presentation of his first Budget to the Imperial Legislative Council. It was a great satisfaction to me last year, as Head of the Government, to welcome a colleague of Sir William Meyer's known ability and wide experience both in the special field of finance and in Indian administration generally.

"We are indebted to him for an unusually informing account of present financial policy. The line he has adopted, in thus taking both yourselves and the public generally into his confidence, is one which no doubt invites criticism, because it makes criticism easy, but that is a result which neither he nor my Government can deprecate. The more intelligently our policy is scrutinised, the more confident we are of general support.

"It is true that he has had to budget under conditions which are not entirely favourable. Unlike his predecessor, he has had but a small surplus to dispose of, and practically no doles to distribute. It is always pleasant to give doles to needy claimants, and perhaps it is even more pleasant to receive them, but large unanticipated surpluses are not an entirely healthy element in our finance, while the distribution of doles is apt to be demoralising and to provoke disappointment when in lean years further doles are not forthcoming.

"On the other hand, the sums available due to the natural growth of the Imperial share of the revenues are an entirely healthy development in our financial system, and I regard the needs of education and sanitation as amongst the first claims upon them.

"That is all that I intend to say on the subject of the Budget, but I am also glad to be able to announce that we have just secured a reduction in the telegraph rates between India and Europe of 4 annas a word on the ordinary rates and 2 annas a word on the deferred rates. I may say that it was not an altogether easy matter to obtain this concession, which has been the subject of negotiation for some time past. Its importance, I am sure, will be greatly appreciated by the commercial community, to whom the cheapening of telegraphic communication with Europe is a matter of ever-increasing moment. These reductions will probably take effect from the 1st May.

"It is a matter of deep concern to me that India should again be visited by famine. The scarcity which now prevails in parts of the United Provinces, Rajputana and Central India is, I am sorry to say, fairly widespread, and in places it is of a severe type. We had hoped and long continued to hope that the winter rains might come in time to ensure a fair spring crop in the affected areas, but we have been disappointed, and the scarcity has only been

slightly mitigated by the little rain which has fallen. At the same time it is not on a scale commensurate with that of the serious visitation which afflicted the United Provinces in 1907-08, and there are certain features of the present distress which are significantly hopeful, both as regards our immediate troubles and in their bearing on the tendencies of future famines in India. The people started with a series of good seasons behind them, and not inconsiderable stocks. There is fortunately a promise of an excellent harvest in a great part of the Punjab; prices in the United Provinces have not risen so rapidly as might otherwise have been the case; and the whole situation has developed somewhat more slowly than was originally expected. Those who have followed the course of the recent scarcities in the Bombay Presidency will have been struck with the change which appears to be gradually coming over the character of our Indian famines, and which is reflected in the administrative measures now taken to meet them. A prescience born of previous experience works almost as a matter of routine to meet the gradual approach of scarcity. Revenue is suspended with a liberality unknown ten years ago. Agricultural advances are distributed on an enormous scale. Ordinary public works, instead of being closed for want of funds, are extended as far as possible. For the maintenance of working cattle, whose services are of such economic importance, every effort is made to provide fodder at cheap rates, the cost of transit being reduced at great expense to the State. Everything, in short, is done to stave off, as far as this can be safely done, the day on which relief works must be opened. Nothing is perhaps more striking than the almost secondary place into which the system of relief works, formerly a cardinal feature of our relief programme, has tended to fall in our recent famines. Whether this will be characteristic of future famines, it is yet impossible to say, but our recent experience has certainly emphasised this tendency. The progressive improvement in recent years in the means of communication in India, and a marked increase in the alertness and confidence of the labouring classes, have enabled a large proportion of the able-bodied poor to go further afield in search of work. The large works and the big industrial enterprises of modern days have provided a considerable degree of automatic relief, and while we have, as before, to provide gratuitous relief for a large number of persons who are precluded from the possibility of obtaining work, we are finding it less and less necessary to centre all our energies on the artificial provision of labour for the able-bodied. Indeed, at the present moment, we are assisting a larger number of persons in the famine areas in the United Provinces by gratuitous relief than by the system of relief works. It is impossible to foresee what the future may have in store for us, especially if we were to be unfortunately visited by a severe and extensive failure of the rains, but in the tendencies which I have described there are some who are able to see—and I think not without justification—the beginning of an economic movement which, if unimpeded by other influences, will bring about a momentous change in the scope and effects of monsoon failures in this country.

“It is my earnest hope that present expectations as to the limited scope and duration of the scarcity will be confirmed by a good autumn monsoon, and that the distressed areas will enjoy a speedy return to agricultural prosperity.

“Since I last addressed you on the subject of foreign affairs in Simla, on the 17th September last, it has been pleasant to know that affairs in Eastern Europe are gradually settling down, and that the shadow of war which has lately for so long enveloped the Balkan Peninsula, is now gradually being dispelled by the sunlight of peace. We can only hope that time will heal the wounds that have been inflicted, and soften the animosities that have been created, and that the Empire of Turkey, our neighbour in the Red Sea and Persian Gulf, will emerge from her recent trials with renewed vitality and determination to consolidate her position by an enlightened policy of peaceful progress and material development. In the pursuit of such a policy we in India have everything to gain, and we can warmly wish her God-speed.

“I told you in September last of the disinterested attitude of His Majesty's Government towards Persia, and that we had recently lent the Persian Government a considerable sum of money for the creation of a force of gendarmerie

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under Swedish officers, with a view to the suppression of anarchy in Southern Persia and the restoration of order and security on the trade routes, where British and Indian trade had suffered serious loss during the past few years. I am glad to say that our hopes have so far not been disappointed. The regiment of gendarmerie, which was raised at Shiraz, has been employed during the winter in patrolling the roads and has dealt successfully with the robber bands who infested it. It is true that quite recently these gendarmerie have been confronted once more with a troublesome situation at Kazerun, but I am glad to learn that on the arrival of reinforcements the tribal rising dispersed, and that order has once more been restored. Evidence of the successful activity of the gendarmerie is shown in the improved returns of British and Indian trade in Southern Persia. Another force of gendarmerie has been dealing with the situation on the trade route between Bunder Abbas and Kerman, and, although they have had some serious engagements with the Perso-Baluchi tribes in that neighbourhood, there is every reason for confidence in their ability to restore order in the immediate future. The action in South Persia of the Swedish officers and the Persian gendarmerie appears to have been eminently successful, and to be worthy of unstinted praise. I may point out that the only alternative would have been the despatch of a British expedition to Southern Persia for the restoration of order in those provinces—a policy to which, with the entanglements and expenditure it would entail, the Government of India have always been firmly opposed; and I would only ask those, who have been somewhat lavish in their criticisms of the attitude of the British Government in Persia, now to recognise what we in India owe to Sir Edward Grey for his policy of disinterested support, and abstention from interference in the internal affairs of Persia.

“ A further development that has taken place in connection with the affairs of the Persian Gulf is the conclusion of an agreement with the French Government, by which they now recognise the new Arms Traffic Regulations, drawn up by the late Sultan of Muscat at our instance, and by which they abandon the privileges and immunities secured to them by ancient treaties. We believe that gun-running from Muscat has now been stopped, and that our agreement with France will effectually prevent its revival. Should this prove to be the case, we may hope not only to avoid in future the necessity for those occasional small military expeditions, which for many years have been a drain on Indian revenues, but also in the very near future to be able to discontinue the expensive naval blockade operations on the Mekran coast.

“ Turning to Afghanistan, the relations of the Government of India with His Majesty the Amir have continued to be most friendly and cordial. Indeed we have had only one complaint to present to the Afghan Government—and that of a serious order—*vis.*, in regard to the depredations on British territory by gangs resident in Afghan limits. The recent outrages on the Jehangira and Khairabad Railway stations in the Peshawar District were, we have reason to believe, the work of a gang, whose base is in the Afghan Shinwari country. I have addressed His Majesty the Amir on the subject, demanding the punishment of the offenders, and I have every reason to hope that the Afghan Government can, and will, co-operate in this matter. An even more flagrant instance of the evil in question is to be found on the Kohat-Bannu border, which for some years past has been constantly harried by gangs from the neighbouring Afghan district of Khost. These gangs, consisting of outlaws from British territory, assisted by bad characters from Khost, have with impunity murdered and robbed in British territory, and carried off British subjects to their asylum in Afghanistan and there held them to ransom. The strongest representations have from time to time been made to the Amir on the subject, and he assured me last December that he had issued orders to his local officers to deal vigorously with the matter. In spite of this, however, since then two serious outrages have been committed by Khost gangs. In one of them a Hindu and his wife were carried off from the Tochi, and though the Afghan local officials could, so it is reported, have saved them—indeed had pledged themselves to do so—the unfortunate Hindu was brutally murdered and decapitated by the outlaws and his head sent to our post at Miranshah, with a

demand for an enormous ransom for the woman. To deal with this intolerable situation, we decided that mere representations, unbacked by action, were valueless. I therefore authorised as a reprisal the arrest and detention of all Khostwals found in British territory, pending settlement of this matter, and I sent a letter to the Amir, informing him of our action, and calling upon him to depute an officer with the necessary force to deal promptly and effectively with the situation in co-operation, if need be, with a British officer supported by the necessary force.

"I am happy to be able to announce that I received news yesterday that this action has already borne fruit, and that His Majesty the Amir immediately on the receipt of my letter issued stringent orders for the surrender of the captive Hindus in Khost and the arrest of the perpetrators of the outrages in question. Already three captive Hindus have been brought in to the Political Agent in the Tochi under escort, and it is reported that the greater number of the outlaws have been arrested and despatched to Kabul for trial.

"The North-West Frontier has otherwise been quiet, with the exception of an outrage by the Utman Khel in the north of Peshawar District; and two serious raids by the Bunerwals into British territory, in which eight British subjects were killed and considerable property taken. As regards the Utman Khel, a blockade against them has been established, which it is hoped will lead to a speedy settlement of this case. As regards the Bunerwals, I ordered the movement of a column into their country on the 23rd February last to punish some of the villages mainly at fault. This operation, in spite of the most trying conditions of weather and roads, was carried out most successfully. The troops met with half-hearted opposition, and returned without loss, after inflicting exemplary punishment on the offending villages. There are reasons to believe that the effect of this action has been most salutary on the frontier, and I trust it will be clear from what I have said that the Government of India are dealing vigorously with the question of insecurity on the North-West Frontier, and intend, whatever it may cost, to restore reasonable peace and order on that border.

"The future status of Tibet is still the subject of negotiations between accredited representatives of Great Britain and accredited representatives of China and Tibet.

"During the past year we have added greatly to our knowledge of the little known countries lying on the North-East Frontier along the Assam border. Surveys have been carried out; some roads have been made; and a large portion of the unexplored highlands in that direction have been visited, so that we are now in a position to determine our natural boundaries on this side.

"On the north-east border of Burma it has been decided to extend our administrative control over a part of our tribal area, and the new district of Putao has been peacefully established. On this side, too, the outlying portions of the Indian Empire have been explored, and the knowledge so gained will enable us, when the time comes, to settle a satisfactory international frontier.

"I am grateful for the flattering words that have been used by a great many Members to-day relating to the action of myself and my Government in connection with the position of Indians in South Africa, and I think it will be a source of satisfaction to us all if I mention the fact that a Reuter's telegram from Cape Town has come in to-day stating that General Smutts has announced in the Union House of Assembly that Government would introduce legislation next Session based on the report of the recent Commission.

"I would now like to turn to a subject nearer home and to give you all the information in my power respecting the project estimate for the construction of the Imperial City of Delhi. This project estimate, which is really a monumental work, reflecting the greatest credit upon the Delhi Committee, of which Mr. Hailey is the Chairman, and upon the Chief Engineer, Mr. Keeling, and the staff of Engineers and others working under him, was received by the

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Government of India about the New Year. I should like to take this opportunity of expressing my warm appreciation of the untiring industry and devotion to duty of the officers on the staff of the Committee, who for weeks together during last hot weather worked, as I know, every day till 11 o'clock at night in order to press forward the completion of this heavy task. This estimate has been most carefully and thoroughly scrutinised by Mr. Russell and the staff of the Public Works Department, and they have brought to bear on it their vast and expert knowledge and have made some very useful and practical modifications. Their report reached me on the 4th March and has now undergone a close examination before acceptance by the Government of India and transmission to the Secretary of State. The above facts will explain to you why Sir Robert Carlyle in reply to a question put to him in February was unable to give any figures of the estimate. It is even irregular that I should do so now before the estimate reaches the Secretary of State, but as I am anxious to take the Members of my Council as much as possible into my confidence, I have obtained special permission from Lord Crewe to do so on this occasion. I wish, however, to make quite clear that the publication of the figures of the estimate does not in any way commit the Secretary of State to their acceptance.

"Hon'ble Members may possibly remember the tenour of the despatch addressed by the Government of India to the Secretary of State on the 25th August, 1911, in which the administrative changes announced by the King-Emperor at the Durbar were proposed. This despatch may truly be said to have achieved a certain measure of notoriety, if that can be gauged by the lively discussions that have taken place over its contents. In the 22nd paragraph, in which the cost of the proposed new Capital is discussed, the following words are used :—

'We will now give a rough indication of the cost of the scheme. No attempt at accuracy is possible, because we have purposely avoided making inquiries as they would be likely to result in the premature disclosure of our proposals. The cost of the transfer to Delhi would be considerable. We cannot conceive, however, that a larger sum than four million sterling would be necessary, and within that figure probably could be found the three years' interest on capital, which would have to be paid till the necessary works and buildings were completed.

"The rest of the paragraph deals with various assets which could be utilised to counterbalance this expenditure.

"Whether the Government of India were wise in mentioning a figure in however guarded a manner is, I frankly admit, open to serious doubt, and it was only after consultation amongst ourselves and with the concurrence of our former Colleague of the Finance Department, whose caution is well known to you all, that the figure of four million sterling was inserted in the despatch. In any case the figure has since been the subject of much controversy in the Press and elsewhere, and various predictions of the cost of the new city have been made.

"Now that the Government of India have been in a position to obtain expert information and to prepare thorough and comprehensive estimates for the creation of a capital which shall be built without extravagance and which shall yet be worthy of this great Empire, it is clear to us that the original estimate of four million sterling must be exceeded, but not to the extent of many of those forecasts which have been made by our critics, as Hon'ble Members will see when I give them presently the figures of the project estimate in its latest form. I might argue that this excess is due to the abandonment, owing to sanitary reasons, of the Durbar site and the cost of the consequent preparation of the new site, and I might put forward other reasons, but I have no desire to do anything of the kind, but simply to say frankly on behalf of myself and those who are still Members of my Council that, owing to the special circumstances in which we were placed, we made an under-estimate in mentioning the figure of four million sterling, and how great or small a mistake we made, you, Hon'ble Members of Council, will shortly be able to judge.

"I will now endeavour to give as succinctly as possible the figures of the estimate as amended by the Public Works Department. I may mention that as a result of their careful scrutiny the charges under certain headings have been reduced, while others have been increased, but the net result has been a material reduction of the total estimate as sent up by the Delhi Committee.

"The figures are as follows under their various headings:—

	Rs.
A.—Salaries and allowances	70,18,700
B.—Travelling allowances of officers and establishment	6,30,000
C.—Supplies, services and contingencies	3,78,600
D.—Works expenditure—	
(1) Buildings	8,59,87,200
(2) Communications	20,91,800
(3) Parks and Public improvements	27,34,500
(4) Electric light and power	43,40,700
(5) Irrigation	27,49,000
(6) Water-supply, sewerage, drainage, etc.	73,77,900
(7) Purchase of tools and plant	35,50,400
(8) Survey camps and general preliminary expenditure	42,82,100
(9) Maintenance during construction	20,09,000
E.—Acquisition of land taken up	36,48,200
F.—Other miscellaneous expenditure	6,000
Deduct—Anticipated recovery from tools and plant	10,00,000

"These figures, when added up, make an aggregate total of Rs. 7,67,04,300 or £5,118,620. But as we are anxious to face our liabilities for starting the new city to the fullest extent possible, we consider it necessary to make a special provision for contingencies and unforeseen expenditure in excess of the usual provision that has been made of 5 per cent. on the works outlay by adding a sum of one and a half crores or £1,000,000. We have accordingly a very large reserve to meet future possibilities which we are not able to foresee at present. I should add that the expenditure of this additional crore and a half on unforeseen contingencies will be strictly controlled by the Government of India, and no part of it spent unless absolutely necessary.

"Hon'ble Members may remember that recently a statement was made in Parliament by the Under Secretary of State for India that the estimated cost of new buildings in Delhi, then under the consideration of the Government of India, amounted to £2,800,000, or 420 lakhs, while the figure for buildings that I have just given you is 360 lakhs. The discrepancy that arises between these two figures is due chiefly to the excision of the cost of the Survey of India Office, and the residential accommodation for the staff, reduction in the provision for offices for the local administration, etc. It has been decided by the Government of India that the presence in the Capital of the Surveyor-General's Office is not administratively expedient.

"It may be of interest to Hon'ble Members to know that under the heading of buildings, of which the total is Rs. 8,59,87,200, a sum of half a million sterling, or 75 lakhs, has been allotted for the construction of Government House and the Council Chamber and necessary appurtenances with gardens, stables, offices of the Private and Military Secretaries to the Viceroy, bungalows for the staff and accommodation for military guards, while a further sum of three quarters of a million sterling, or Rs. 1,12,50,000, has been set aside for the Secretariat buildings of the Government of India. The remaining Rs. 1,72,37,200 is the estimated cost of Local Administration Offices, Chief Commissioner's Office, Imperial Record Office, residences for officers of Government and for clerks' quarters, electric installation in officers' and clerks' quarters, medical buildings, police accommodation, fire-brigade station,

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markets, and slaughter-house, and accommodation for the Viceroy's Bodyguard and for troops in the Capital.

" There are other headings of expenditure such as irrigation which require more detailed elaboration, and on which it is possible that certain savings may be effected, but in all such cases an outside figure has been taken which we may reasonably hope will not be exceeded.

" On the other hand, the project estimate contains certain items such as land, residences, water-supply, electric power, irrigation on which recoveries in the form of rent or taxes will, in addition to meeting current expenditure, partially at any rate, cover the interest on capital outlay, while there are other items on which some return on account of the sale of leases, general taxes, and indirect receipts may be expected, for I need not explain that Government officials, for whom accommodation is provided, will pay rent, and that all residents in the new city will have to pay charges for water-supply and other amenities. The project estimate of the Delhi Committee reckoned expenditure of this character at two crores or one and a third million pounds, but we are of opinion that a forecast put forward at this stage might morely prove misleading and furnish materials for criticism. Therefore, although a certain portion of the expenditure will undoubtedly be recouped, we prefer not to specify the items at this stage.

" I have now put before you as briefly as it has been possible on an occasion like the present, the principal details of the project estimate for the construction of the capital city of Delhi, and I think that you may safely rely on my vigilance and on that of the Hon'ble Finance Member and of the Chief Commissioner of Delhi, whose experience in the Finance Department stands him in such good stead, to see that no extravagance or waste of public funds is permitted. I may add that for a long time past I have received a monthly account of expenditure upon the works now in progress in order to secure the fullest financial supervision and control.

" There is just one other point that I would wish to explain so as to avoid all misunderstanding, *viz.*, the absence of any estimate for cantonment or railway expenditure in the project estimate. Sir Guy Fleetwood Wilson in his financial statement last year stated that the cost of cantonments could only be shown in the military estimates, and any diversion of a railway line that might be found necessary must be charged to railways. As a matter of fact, it had been already decided by the Government before the question of making Delhi the capital had arisen to materially increase the garrison of Delhi owing to its strategical importance as the greatest railway centre of India, and to move the Indian infantry regiment from its insanitary lines at Daryaganj, while the long condemned lines of the Indian cavalry regiment should have been rebuilt at least three years ago. Very considerable expenditure would, therefore, in any case have been incurred on increasing and bringing up to date the military accommodation at Delhi. Consequently, a new cantonment would have had to be built in any case. As regards railway expenditure, there is little doubt that if the city of Delhi expands in a southerly direction, as seems probable from the demands made for land in that direction, a diversion of the Agra Ocord may become inevitable, and improved railway facilities for the inhabitants of the new city will become increasingly necessary. All that is being done at present is to acquire the necessary land so as to meet the requirements of the future when they arise, and the only recommendation that has been made to the Secretary of State for railway facilities for the new city is the construction of a railway station with sidings on the Agra Ocord at the estimated cost of 2½ lakhs.

" From the statement that I have made, which, I may point out, could not possibly have been made at an earlier date, you will recognise that we are anxious to give the Members of my Council the very fullest information.

" In giving you these figures it should be clearly understood that the scheme put forward is for the adequate establishment of the Government of India at Delhi. The estimate has been framed to provide for all that can be foreseen as

likely to be required to enable the Government of India to effectively occupy their new Headquarters. In regard to such public services as water-supply, sanitation, and the general laying out and equipment of the new city with roads, public parks, etc., we have based our requirements upon a careful forecast of probable population and made all reasonable provision for future expansion. Although we have considered it desirable to make provision in the estimate for all the residential accommodation that we consider necessary, it is anticipated that private capital will do its share in the development of the new city and erect a proportion of the residences which will be required for the accommodation of officers and clerks in some form or other, in which case we may expect to effect some reduction of expenditure under this head. It does not include public buildings such as museums, institutes, hospitals, other than the civil hospital, etc., which will undoubtedly spring up in the future, and cluster round the seat of Government. All growing cities, even the oldest, develop every year with new buildings and new institutions and the task of the Government of India is, and has been, to see that there is no waste, and, while not expending more than we can spare, to be careful that we do not unduly restrict our plans or schemes merely in order to balance current expenditure in a manner to compromise their future or to prevent our successors from enlarging or beautifying them in the future if they possess the means or the taste to do so. Much no doubt will be done by private initiative and it is very encouraging to find new educational establishments ready to spring up in the Capital of India, amongst them being a new St. Stephen's College, a medical college for women, the Begum of Bhopal's girl school, a post-graduate college for the sons and families of Ruling Chiefs and a college for Indian medicine. Sites for all of these have been requested and assigned and it is not too much to hope that Delhi may, in addition to its other features, become an important educational centre. The Educational Conference held in Delhi last year and repeated only three weeks ago when no less than 24 Ruling Chiefs were present as well as representatives of other Native States is of happy augury and an indication of the great advantage of the accessibility of the new Capital.

"Although the guarded estimate of four million sterling mentioned in the Government of India, despatch of August 25th, 1911, will be exceeded, I am confident that my Council and India as a whole will not regard the total figure now estimated as excessive, and the speeches that I have heard in Council to-day add further confirmation to that confidence. India is worthy of a capital, and the capital must be worthy of her. The provision of funds will be very carefully considered so as to cause no embarrassment to the development of the country and will be spread over at least eight years from its inception in 1912.

"You will also understand that the estimate now communicated to you does not purport to provide for the present and future needs of old Delhi in respect of sanitary reform and urban improvement generally. The Government of India have settled at Delhi and made themselves responsible for its administration by taking over the area in which it lies, an area which would otherwise have received special attention from the Punjab Government in connection with our general grants for education and sanitation, as also in respect of urgent Public Works. Sanitary advance is one of the main features of our general policy, and we cannot allow the requirements of the old city to be prejudiced by the special demands for the new; on the contrary, we shall expect a considerable advance to be made in the near future, partly from local resources, and largely, it may be, from special Government grants, if funds for this purpose are available. This question arises at once in framing our schemes for the water-supply and sanitary equipment of the new Capital, and it is one which we cannot rightly set aside. Such outlay, however, is distinguishable, and must be considered apart, from the cost of building and equipping the new city, and was so excluded in the original rough estimate of the latter made by the Government of India in 1911.

"I may remind Hon'ble Members that in a speech delivered by the King-Emperor in Delhi on the 15th December, 1911, on which occasion all the

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Members of my Council as then constituted were present, His Majesty used the following words :—

'I trust that the planning and designing of the public buildings to be erected will be considered with the greatest deliberation and care, so that the new creation may prove in every way worthy of this ancient and beautiful city.

'May God's blessing rest upon the work which is so happily inaugurated to-day.'

"The commands of the King-Emperor have been faithfully obeyed by the Government of India, who will continue to do all in their power to carry out fully the wishes of His Majesty, a task in which we know that we have the support and confidence of the King-Emperor's loyal subjects in India. It will not, I think, be regarded as an indiscretion if I say that I know from the highest source the immense interest that the King-Emperor takes in the progress of the creation of the new Capital, and His Majesty's earnest desire that it shall be a worthy monument with which his name will always be identified.

"I will now say a few words about ourselves. During the past year and a half since the present Members have entered upon their office, the Legislative Council has dealt with a number of important measures, 20 of which have become law. The most noteworthy perhaps of these is the Indian Companies Act, which has replaced the previous Act of 1882. In this lengthy measure, which is based to a large extent on modern English Law, we have a Code which, as recently amended in this Council, will place this important branch of commercial law upon a satisfactory footing in this country. We have also passed two Acts, one relating to the office of the Administrator-General, and one to that of the Official Trustee, which, though of less general interest, are likely to be of considerable practical utility. During the current Session we have passed an Act making the necessary modifications in the English Copyright Act in its application to India, and in the Decentralization Act, recently under the consideration of this Council, a law has been enacted which will be of great benefit in expediting and facilitating the work of Government.

"We have also still under consideration an important Bill for the protection of minor girls living in undesirable surroundings. Although we are all actuated by one desire in respect of these minors, I observe that there have been divergent views as to the best method of securing protection for them. I hope and believe, however, that in the result we shall obtain a law which will be the means of rescuing numbers of children from lives of shame; and if, for various reasons, we are not at first as successful as the Government of the United Kingdom has been in dealing with this difficult question, we should not be discouraged but should continue our efforts, moving firmly but cautiously, to achieve the desired object. If indeed we are able by any legislation to save from contamination but a fraction of the number of children who have been rescued in England under the provisions of the Children's Act of 1908, we shall not have laboured in vain.

"The activities of this Council have not, however, been confined to legislation. A number of resolutions on matters of public interest have been discussed and carefully considered, and the Government of India have received much assistance from the temperate and thorough manner in which the subjects under discussion have been debated, and even in those cases in which Government have not been able to accept the resolutions proposed, the debates have often been of great use in that they have placed Government in possession of the views of non-official Members, and have promoted a careful consideration and examination of the questions under discussion from new points of view. I may refer to Mr. Gokhale's resolution on primary education, and that of Sir G. M. Chitnavis on the merits of a system of preferential tariffs, as particularly interesting and instructive. This year the discussion on jail administration, arising out of a resolution proposed by Mr. Rayanagar in which the whole question had been most carefully prepared by the Hon'ble Member, has resulted in a decision to appoint a Committee to inquire into the whole system of our prisons. It is my belief that an inquiry of this nature cannot fail to have beneficial results of a far-reaching character.

[*His Excellency the Viceroy.*] [24TH MARCH, 1914.]

"I have now finished, and I must thank Hon'ble Members for their patience and forbearance during a somewhat lengthy statement on my part. I wish you all a happy return to your homes, and I now declare this Session closed."

The Council adjourned *sine die*.

W. H. VINOENT,
*Secretary to the Government of India,
Legislative Department.*

DELHI;
The 1st April, 1914. }