

Monday,
24th March, 1913

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 (21 & 25 Vict., c. 67, 55 & 56 Vict., c. 14,
AND 9 Edw. VII, c. 4.)

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on
Monday, the 24th March, 1913.

PRESENT :

The Hon'ble SIR HARCOURT BUTLER, K.C.S.I., C.I.E., *presiding*,
and 56 Members, of whom 44 were Additional Members.

QUESTIONS AND ANSWERS.

The Hon'ble Rai Sita Nath Roy Bahadur asked :—

(a) Will the Government be pleased to lay on the table a statement showing the aggregate value of manufactured cotton goods imported into India from Japan and China, year by year, since 1900 ?

(b) Are Government aware of any marked difference in quantity between cotton goods imported into this country from the above countries and cotton goods of similar description manufactured by the mills in India ?

(c) Is it a fact that Indian cotton goods have been prejudicially affected by the importation of the Chinese and Japanese cotton goods in the Indian markets ? ”

The Hon'ble Mr. Clark replied :—

“ I lay on the table the statement asked for in the first part of the Hon'ble Member's question.

“ With regard to the second and third parts of the question, inquiries are being made, the result of which will be communicated to the Hon'ble Member in due course. ”

[Mr. Clark; Mr. Fuzulbhoy Currimbhoy
Ebrahim.]

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Statement showing the value of cotton goods imported from China and Japan into British India during the 12 official years 1900-01 to 1911-12.

		China	Hongkong.	Japan.
		excluding Hongkong.		
		Rs.	Rs.	Rs.
1900-01	Cotton goods excluding twist and yarn	18,777	7,423	17,088
	Twist and yarn	1,14,272	29,210	63,385
	Total	1,33,049	36,632	80,473
1901-02	Cotton goods excluding twist and yarn	618	11,445	73,182
	Twist and yarn	114	82	...
	Total	732	11,527	73,182
1902-03	Cotton goods excluding twist and yarn	10	23,303	1,18,013
	Twist and yarn	2,333	1,930	...
	Total	2,343	25,233	1,18,013
1903-04	Cotton goods excluding twist and yarn	81,680	1,24,238	6,75,313
	Twist and yarn	1,89,203	13,034	1,158
	Total	2,70,883	1,37,272	6,76,471
1904-05	Cotton goods excluding twist and yarn	4,620	3,16,093	13,43,472
	Twist and yarn	1,50,880	29,733	...
	Total	1,55,500	3,45,826	13,46,472
1905-03	Cotton goods excluding twist and yarn	50	1,62,193	17,57,267
	Twist and yarn	63,150	2,800	...
	Total	63,209	1,64,993	17,57,267
1906-07	Cotton goods excluding twist and yarn	71,957	73,880	23,46,855
	Twist and yarn	120	15	...
	Total	71,777	73,895	23,46,855
1907-08	Cotton goods excluding twist and yarn	44,265	37,905	41,39,190
	Twist and yarn	24,900	33,705	75
	Total	69,225	71,670	41,39,265
1908-09	Cotton goods excluding twist and yarn	28,425	57,045	38,68,050
	Twist and yarn	4,405	44,910	270
	Total	32,880	1,01,955	38,69,220
1909-10	Cotton goods excluding twist and yarn	63,85	1,05,390	46,40,310
	Twist and yarn	21,435	30	60
	Total	85,320	1,05,420	46,40,370
1910-11	Cotton goods excluding twist and yarn	10,065	1,27,620	70,74,960
	Twist and yarn	3,210	16,545	4,00,575
	Total	22,275	1,44,165	74,75,535
1911-12	Cotton goods excluding twist and yarn	4,500	2,19,165	67,88,415
	Twist and yarn	885	1,335	7,06,950
	Total	5,445	2,20,500	75,55,365

N.B.—Figures for the years 1900-01 to 1906-07 are based on the old system of registration according to countries of shipment, while those for the last five years relate to countries of consignment.

The Hon'ble Mr. Fuzulbhoy Currimbhoy Ebrahim asked:—

“(a) Will Government be pleased to state what sum out of the capital expenditure on railways during the current financial year has been spent on additional wagons, and what sum it is proposed to spend for the same purpose out of the next year's Budget allotment under the same head?”

“(b) Will Government be pleased to lay on the table a list showing the number of wagons added during each of the past five years on each of the important railways?”

The Hon'ble Mr. Clark replied:—

“(a) The total estimated capital expenditure on additional wagons for the railways financed by the State during the financial year 1912-13 is approximately Rs. 190 lakhs, and the sum which it is proposed to spend for the same purpose out of the next year's grant is approximately Rs. 525½ lakhs.

“(b) A list showing the number of wagons added during each of the past five years on each of the important railways is placed on the table.”

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[Mr. Clark; Maharaja Ranajit Sinha of Nashipur; Mr. Porter.]

List showing the number of wagons added during each of the past five years on each of the important railways.

	1908.	1909.	1910.	1911.	1912.
5' 6" GAUGE.					
Bengal Nagpur Railway	1,698	426	685	269	207
Bombay, Baroda and Central India Railway	470	750	707	398	521
Eastern Bengal Railway	511	88	18	19	51
East Indian Railway	831	1,347	862	—33	223
Great Indian Peninsula Railway	781	593	494	661	688
Madras and Southern Mahratta Railway	55	183	39
North-Western Railway	2,543	3,736	46	564	1,388
Oudh and Rohilkhand Railway	376	213	200	...	222
South Indian Railway	81	69	82	13	...
Total	7,290	7,440	3,183	1,891	3,305
3' 3½" GAUGE.					
Assam Bengal Railway	103	399	84	86	71
Burma Railways	383	443	104	331	181
Eastern Bengal Railway	—18	167	37	180	500
Madras and Southern Mahratta Railway	550	—8	93	205	...
Bombay, Baroda and Central India Railway	152	—151	86	55	123
South Indian Railway	—151	—37	2	115	—7
Bengal and North-Western Railway	239	280	190	66	377
Total	1,293	1,400	593	1,038	1,250
GRAND TOTAL	8,583	8,840	3,729	2,929	4,555

The Hon'ble Maharaja Ranajit Sinha of Nashipur asked :—

"Will the Government be pleased to state if the number of seizures and deaths from plague are gradually decreasing in the Provinces of Bihar, United Provinces and Punjab? If not, will the Government be pleased to inform the Council what special measures are being taken to eradicate the evil altogether?"

The Hon'ble Mr. Porter replied :—

"Separate figures are not available for the province of Bihar and Orissa, but a statement is placed on the table showing the incidence and mortality from plague in the three provinces of the Punjab, the United Provinces and Bengal from 1903 to 1912 inclusive, in two quinquennial periods. From the figures it is apparent that in all three provinces there has been a decline in the general plague mortality.

"As to the special measures at present being taken to eradicate this disease, attention is directed to the annual reports of the Sanitary Commissioners and Chief Plague Officers of the provinces concerned; to the Memorandum dated 15th September, 1911, laid upon the table of the Council by the Sanitary Commissioner with the Government of India; the Resolutions passed at the Sanitary Conference held in Madras in November last, copies of which have already been sent to Local Governments; and the recent speech in Council of the Director General, Indian Medical Service."

[Mr. Porter.]

[24TH MARCH, 1913.]

Statement of plague deaths for the five years ending 1907 and 1912 including figures of Native States under the Provinces mentioned.

	(1) United Provinces.	(2) Punjab.	(3) Bengal.	REMARKS.
(a) Total plague deaths for the five years ending 1907 :—				
1903	80,729	1,92,008 + 18,629	65,680	
1904	1,79,082	*3,96,357 + 38,210	75,456	*In the plague statement of the Provincial Sanitary Report the figure is 3,64,740.
1905	3,83,802 + 32	3,34,897 + 54,868	1,26,084	
1906	69,660	91,712 + 12,748	59,619	
1907	3,28,862 + 185	6,08,685 + 61,231	83,602	
	10,42,135 + 217	16,23,719 + 1,85,686	...	
Total	10,42,352	18,09,405	4,10,441	
Average per year	2,08,470	3,61,881	82,088	
(b) Total plague deaths for the five years ending 1912 :—				
1908	22,878 + 3	30,708 + 9,424	15,948	
1909	38,394 + 3	35,655 + 9,409	11,770	
1910	1,58,074 + 211	1,35,483 + 34,338	46,584	
1911	3,32,301	1,75,630 + 22,546	75,211	
1912	1,14,945	30,058 + 5,436	1,985	
	6,66,592 + 217	4,07,532 + 81,153	...	
Total	6,66,809	4,88,685	1,51,507	
Average per year	1,33,361	97,737	30,301	

NOTE.—The figures in italics indicate plague deaths in Native States under the Provinces mentioned.

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[*Sir Harcourt Butler; Babu Surendra Nath Banerjee.*]

BUDGET, 1913-1914.

The Hon'ble Sir Harcourt Butler :—" I may remind the Hon'ble Members that the time-limit for speeches to-day is twenty minutes, and this limit will be strictly adhered to."

The Hon'ble Babu Surendra Nath Banerjee :—" Sir, my first words on this occasion will be words of congratulation to the Hon'ble Finance Minister on the Budget which he has presented to us. Our feelings to-day, Sir, are of the mixed order. While we rejoice over the financial prosperity of the country and grasp with gratitude the hand that has contributed to it, so far as it lies in the power of a Finance Minister to do so, we are filled with a sense of profound sorrow at his impending retirement and his approaching departure from this country. This feeling, I find is shared by Sir Guy Fleetwood Wilson himself. He says, in the speech with which he prefaced the Financial Statement on the 1st March last, that he views the severance of his connection with the Government of India with great sorrow. If he is sorry to leave us, we are also deeply sorry to part with him. If at the present moment India is prosperous and happy, the result is, in some degree at least, due to the successful financial administration over which Sir Guy Fleetwood Wilson presided with such conspicuous ability and such pre-eminent sympathy for the people. For, Sir, the Department of Finance covers every other Department and colours it with its hue. When Sir Guy Fleetwood Wilson came out to this country towards the end of 1908, the financial horizon was overcast with dark and ominous clouds. The budget which was presented in the course of the next three months disclosed a heavy deficit to the extent of nearly four millions. To-day, Sir, we have a surplus of seven millions. True, some new taxes have been imposed to which nobody in India has seriously objected, but the public expenditure has been well-maintained, the progressive requirements of the country met, and the prospects of steady and continuous advancement assured. In bidding Sir Guy Fleetwood Wilson good-bye, we wish him long life and prosperity in the old country, and may we couple this wish with the hope that he may continue to feel an abiding interest in that country whose prosperity and welfare he so sedulously tried to advance during the period of his official connection with India? He will be remembered, Sir, as one of the ablest and one of the most sympathetic of Finance Ministers whose outlook extended beyond the range of his own particular department and whose sympathies were co-extensive with the entire circle of our varied and multitudinous interests.

"Sir, there is one passage in the speech of Sir Guy Fleetwood Wilson to which I have already referred which will linger in our memories and will appeal to our imagination long after he has left these shores. While dwelling to the necessity of establishing a gold mint in this country, he made the observation that we are all united by the common bond, that we are fellow-citizens of one great Empire. Sir, no nobler sentiment could have been uttered, for it points to the essential equality of status on the part of His Majesty's Indian subjects; and here may I be permitted to make an appeal, if I am allowed to do so without impertinence or irreverence, to the Hon'ble Members who occupy those benches and who constitute the Government of India, that they may so discharge their exalted duties that this sentiment may be deepened and accentuated and that we may all feel and realize, no matter whether we are Englishmen or Scotchmen or Irishmen or Indians, that we are Britishers: fellow-citizens, participating in the privileges and also in the obligations of a common Empire, the greatest, perhaps the world has ever seen?"

"Sir, sanitation and education are the watchwords of modern India. They have been accepted by the Government with alacrity and enthusiasm. Sir Guy Fleetwood Wilson, in the speech to which I have referred, says that they are twins of phenomenal development. So they are. Sanitation is the first of our needs. We must live before we can be educated, and we must be educated in order that we may realise the commonest hygienic needs so indispensable for the

[*Babu Surendra Nath Banerjee.*] [24TH MARCH, 1913.]

purposes of effective sanitation. The inter-dependence between sanitation and education is recognised by the Government of India, which has made them the concern of a common Department. You, Sir, as the head of the Education and Sanitary Department are responsible for the health and the education of the millions of our fellow-countrymen. I can conceive of no higher duty or more exalted trust, and I may be permitted to add that educated India is watching the operations of your Department with interest and expectancy. Sir, we are grateful to the Government of India for the grants which it has made to the Local Governments in respect of sanitation, education and other matters, and here, perhaps, I may be permitted to utter a word of complaint. There has been, perhaps, too great a disposition on the part of the Government to earmark these grants, and the Local Governments, confronted with resolutions and interpellations, often find themselves in the difficult position that they have to refuse reasonable proposals put forward by non-official members on the ground that they are handicapped by the instructions of the Government of India. Sir, I do not for one moment dispute that the Government of India, having made these grants, ought to have a voice in their disposal; but I beg to submit, Sir, that in accordance with the spirit of the great Despatch of the 25th August, 1911, which holds out to us in prospect the boon of provincial autonomy, a greater and larger measure of discretion should be allowed to the Local Governments in the disposal of these funds. Sir, if sanitation and education are the watchwords of the Government of India, they are matters of absorbing interest to the Local Governments. Thus, for instance, the Government of Bengal has taken up the question of rural sanitation and of village water-supply with a degree of earnestness and a measure of practical sagacity which have won for that Government the unstinted gratitude of the people. In matters of sanitation and education the policy of the Government of India is the policy of the Local Governments. I, therefore, may be permitted in this Council Chamber to plead for the independence of the Local Governments in these matters: they have to carry out the instructions of the Government of India, varied by local conditions of which they are best cognisant.

"Sir, the release of the local cesses for local purposes has been an unspeakable boon to the people and is greatly appreciated by them. In Bengal, we get 25 lakhs a year, which, I understand, is to be devoted to village sanitation and rural water-supply. Thousands and hundreds of thousands of lives are lost every year through such preventible diseases as cholera and malarial fever. Good water-supply, a good system of drainage will go far to protect the people against the ravages of these diseases. The Government of Bengal has already started anti-malarial operations, and with admirable results. I can bear my personal testimony to the success of these operations in one particular area with which I happen to be connected. Sir, if the 25 lakhs of rupees to which I have referred be devoted to the digging and repairing of tanks, taking the average cost of each tank to be Rs. 1,000, in the course of four years, we shall have about 10,000 tanks in Bengal, an unspeakable boon to the people in the rural areas.

"Sir, the Hon'ble the Finance Minister has been pleased to speak in terms of sympathy with local self-government. He says the encouragement and development of local self-government is an object about which all are agreed, and he adds that these grants have been made with a view to strengthening their resources. Sir, I am perfectly certain that these grants will enormously add to the usefulness of local bodies. But, Sir, something more is needed for the encouragement and development of local self-government. With added funds larger powers should be vested in them. I think their constitution ought to be recast; they ought to be reorganised upon a more popular and liberal basis. With greater independence, with larger powers of initiative, with less of official control, these local bodies would be quickened into a new sense of awakened responsibility. I rejoice, Sir, that the recommendations of the Decentralisation Commission have been forwarded to the Secretary of State and are under his consideration. I hope early orders will be passed, and

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[*Babu Surendra Nath Banerjee.*]

I hope and trust these orders will include the establishment of a Local Government Board in each province. Sir, this is a proposal which was made in the time of Lord Ripon. For some reason or another it was abandoned. I find, on reading through the Report of the Decentralisation Commission, that Mr. Romesh Chandra Dutt made this recommendation. I really hope, Sir, that this part of the recommendations of Mr. Dutt will be accepted. At the present moment the local bodies are supervised by hard-worked Magistrate-Collectors and Commissioners of Divisions. I think, Sir, the organisation of a central body supervising the self-governing institutions will have the effect of co-ordinating their labours, and helping forward their development along normal and natural lines.

“Sir, we rejoice to find that the military expenditure is practically at a standstill, a sum of about £552,000 having been added in 1913-14 to the expenditure side over the expenditure of the current year. Sir, it is further expected that as the result of the labours of the Nicholson Committee there will be reductions. But, Sir, there is an ominous note of warning in the speech of the Hon'ble the Finance Minister. He says that a Committee has been appointed to inquire into what he calls the Marine expenditure.

“I should like to know what this marine expenditure is. I do hope that this Committee will not make recommendations to add to the contribution which we pay at the present moment to the British Navy. Hon'ble Members will remember the discussion which took place in the English newspapers regarding the alleged inadequate grant which India makes in support of the British Navy. We were reminded of the *Dreadnoughts*—of the gift of *Dreadnoughts* made by the Colonies, and we were told that our contribution was below that of the Colonies. That is so, so far as this particular matter is concerned; but in regard to other matters, our contribution has been far in excess of that of the Colonies—and I may add far in excess, in some cases at any rate, of the requirements of justice and fair-play. The India Office—that magnificent pile of buildings which attracts the gaze of the beholder at Whitehall—was built by our money, and its establishment is maintained by us. The Colonial Office is maintained by the Home Government. The Indian Army is maintained on a footing so that it serves the purpose of an Imperial Reserve for which the Imperial Government does not pay a farthing. In 1899, we sent 10,000 troops to (South) Africa which saved the situation. In the Chinese War we sent an Indian Contingent which did admirable service. Formerly the charges of foreign expeditions in which Indian troops took part—both ordinary and extraordinary—were paid out of the Indian revenues. Happily things have altered for the better now. Lord Morley—then Mr. Morley—speaking in connection with the Sudan War—described this policy as ‘a policy of melancholy meanness.’ But, as I have said, there has been an improvement in this direction. The conscience of the British authorities has been stirred to a sense of justice to the financial claims of India. In any case, Sir, I hope and trust, in view of our contributions in the past, and in view of the poverty of our people, that no addition will be made in the shape of Marine charges.

“The Hon'ble the Finance Minister refers to the improvements in communications as a source of revenue in which the Government of India is interested. Probably those remarks apply to roads; but they might as well hold good in respect of waterways. Sir, these waterways form an important branch of our communications. In country like ours with its long distances, with its fine and magnificent rivers, the maintenance of waterways in a high state of efficiency I conceive to be one of the greatest duties of Government. Sir, these waterways provide facilities for cheap transport; they help the development of inland trade; they constitute a perennial source of water-supply and thus further the interests of sanitation. Sir, the German Government pays the greatest possible attention to their canals and waterways, notwithstanding their magnificent railways, for the purposes of industrial development. I hold in my hand a book on Modern Germany written by Mr. Barker, who is an authority on

[*The President* ; *Babu Surendra Nath Banerjee*.] [24TH MARCH, 1913.]

German affairs, and with your permission, Sir, I will read a short extract from it :

‘Recognising the importance of a cheap transport system, which would bring with it wholesome competition, Germany has steadily extended, enlarged, and improved her natural and artificial waterways, and keeps on extending and improving them year by year, and if a man would devote some years solely to the study of the German waterways, and make the necessary but very extensive and exceedingly laborious calculations, he would probably be able to prove that Germany’s industrial success is due chiefly to cheap transport, and especially to the wise development of her waterways.’

“Well, Sir, we find in paragraph 187 of the Secretary’s memorandum that only a sum of 2½ lakhs of rupees has been provided for the Madaripur Bheel in the Faridpur district. The provision is wholly inadequate. Many of our rivers—I am speaking of Bengal, and I am sure what is true of Bengal is true of the rest of India—many of our rivers are fast silting up and need dredging. My Hon’ble friend on the left, Maharaja Ranajit Singh, has been urging in the Local Council the need for dredging the Bhagirathi river. The silting up of these rivers is a serious matter, even from the sanitary point of view ; as it obstructs drainage and constitutes a menace to the health of the surrounding country. Therefore, Sir, from whatever point of view you choose to view the matter—from the point of view of sanitation, of public convenience or of the development of inland trade—it seems to me that the maintenance of our waterways in a state of the greatest possible efficiency is an Imperial duty of the utmost importance and magnitude ; and I desire to press this consideration upon the attention of the Government of India with all the emphasis that I can command.

“Sir, we find that the Government of India have made grants of a non-recurring character out of the surplus of this year. I hope, Sir—and I have reason to believe—that that surplus will be recurring. An analysis of the situation fortifies me in this hope. Sir, the railway revenue has of recent years developed a distinct tendency to grow and expand. From 1909 up till now there has been an increase in railway revenue year after year at the annual rate of from 2½ to 3½ million pounds. I cannot help thinking that the Finance Minister has been exceedingly cautious—I was going to say over-cautious—in his estimate. He has actually put the revenue of 1913-14 at 90 lakhs of rupees less than the revenue of this year. My countrymen do not share this pessimistic view. Railway revenue depends upon trade conditions as well as upon social causes working in the bosom of the community. So far as trade conditions are concerned, I am not competent to speak, and I think very few are in a position to make a confident forecast. But so far as these social causes are concerned, I may say this, that the greater the facilities offered by the Railway Administrations, the greater the attention paid to the comfort and convenience of railway passengers—especially of the third-class passengers, the greater will be the volume of passenger traffic ; and if passenger traffic goes on increasing, the goods traffic is bound to increase too. The one will re-act on the other, and, by their mutual interaction strengthen each other. I am therefore optimistic in the view that the railway receipts are likely to grow and expand year by year. And, Sir, if the surplus is a recurring surplus, as I believe it will be, it seems to me that the best, the wisest, the most economical thing for Government to do is, instead of making these non-recurring grants, to revise the provincial settlements and to give the Provincial Governments a larger share in the expanding revenues. This is the view which was urged by Sir William Duke on behalf of the Bengal Government from his place in the local Legislative Council.”

The President :—“I am afraid I must ask the Hon’ble Member to stop as his time is up.”

The Hon’ble Babu Surendra Nath Banerjee :—“Just one word more, Sir.”

The President :—“I can make no exception.”

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The Hon'ble Babu Surendra Nath Banerjee :—" Sir, I just want to say one word."

The President :—" Order, order."

The Hon'ble Malik Umar Hayat Khan :—" Sir, while congratulating the Hon'ble the Finance Minister for the present surplus Budget, as well as the previous ones, one begins to think that his personality and prosperity of India are coupled together, and are one and the same thing. We pray that he may be spared for India for a much longer period than the orthodox limit of five years.

"I think some of the members would have read my Budget speech two years ago. I read it the other day after two years, and find that my views instead of having altered have been more confirmed in the same direction. I will ask Hon'ble Members who have not read it, to read it as a supplement to the few words that I am going to say to-day. I have been lucky to find that most of the things that I had suggested, at the end, the Government found it necessary in consistence with circumstances to adopt. I will give some interesting illustrations. In my Budget speech some four years ago, I ventured to suggest, for the consideration of the Government, the advisability of a commission to investigate and alter the system of education. The following year a separate Department was created which was far more useful for the purpose than even what I had suggested. The same year I had brought to the notice of the Government the expediency of the amendment of the Indian Penal Code, as well as the adoption of some severe measures for punishment of offenders against the State, and the grant of greater powers to the Criminal Investigation Department of the Police. I will quote the paragraphs respectively :—

- (1) The first of them is that there is a change most necessarily required of making such alterations in those sections of the Indian Penal Code which deal with the offences against the State as to make them more stringent, and I think the Government will have to do this sooner or later as a preventative measure, and I hope it will not wait as to be able to make a strong case by giving illustrations.
- (2) I strongly urge that we should award severe punishments to the State offenders and for the suppression of open and subterranean currents of sedition.
- (3) I should ask the Government to be still more liberal in increasing the power and scope of the Criminal Intelligence Department.'

"These are exactly the measures which Government has after four years' experience of what is going on in India to adopt by passing the Indian Penal Code and Criminal Procedure Code Amendment Bill. The succeeding year, in my Budget speech, I had alluded to the necessity of the change of capital to a more central place, and now I am glad to find ourselves in Delhi. I had said as follows :—

- (1) The rest of India, my Lord, cannot understand why a place like Calcutta, situated in a corner remote from England and with a bad climate, should have been selected as the capital of India. I think it will be only fair, when funds allow, to select as the metropolis of this country a city which will be up to some extent at an equal distance from the remotest parts of this vast continent.'

"Sir, I have only invited the attention of those who are responsible for the administration, to my previous speeches because when I have once submitted a measure for the consideration of the Government, I don't think it right to repeat my suggestions. On this occasion I have got two suggestions to put before the Hon'ble the Home Member, and they are :—

- (1) Some measures are necessary to check the seditious preachers under a disguised garb.

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- (2) To punish the papers whose line of policy is to criticise the Government in and out of season and by a long process to poison the minds of its readers, far more effectively than by one or two extremely seditious articles which has the inevitable effect on some minds to resort to violence and treason. I hope the adoption of these measures will not take another four years.'

"I will now touch certain subjects generally. I advocated two years ago the necessity of moving towards forming aerial and naval fleets for the efficiency of the Army. I have only said it again because circumstances have since been entirely altered. At that time the air craft was in its infancy, while now it is an accomplished fact, and I hope that, if funds be available, they should be placed in the hands of our mighty War Lord who by his sympathy and ability has not only won the hearts of the Indian soldiers, but has done a great deal towards the efficiency of the Indian Army.

"Turning towards education I would suggest, for the consideration of the Hon'ble Member in charge, that it is most essential to establish schools in central places from where the army is recruited as I hitherto find that there are a greater number of schools where the commercial classes reside. Perhaps this is because they have got much greater voice than that of the soldier class.

"It is well known that the Muhammadan College at Lahore is doing useful work as well as the schools attached to it. I have heard from authorities that it is not working properly. May I say this to the Hon'ble Member in charge that just as a man cannot live without food, so a College cannot get on without funds. I cannot understand why any other Muhammadan College, wherever it may be situated, should get better treatment than the one which is in the Punjab. I do hope that the Hon'ble Member in charge would give it a helping hand.

"I ask him also to allot money for its sanitation as the Sanitation Department is also under his sway.

"I now put before him a very urgent need and that is religious education. If a man is not taught to respect his God, there is no wonder if he does not respect his parents and Government. We have tried this experiment in the Chiefs' College with excellent results. I will not say anything about the technical and other education as it is already receiving the best possible attention of the Government.

"I have been a great advocate of the zamindars as I represented them last three years. As this duty is now devolved on the other Hon'ble Member, I will be saying a word on my personal behalf for their welfare. As to the un-even taxes of a landholder and money-lender, his being troubled by petty officials, the short period of their settlement, etc., has been urged by me in my recent speeches, but there is one thing that I want to say now and that is, that if a man possesses a certain amount of land which does not bring him an income of $\frac{1}{4}$ th of the wages of an ordinary labourer, such a small holding should be exempted from any Government dues in the shape of revenue otherwise he will be treated worse than even a cooly.

"To decide the amount of land is not very difficult, as the product and value, etc., are always worked out at the time of settlement. I think the amount of water in most of the Punjab colonies is far less than needed and people are very much alarmed at its further reduction which will cause not only the loss of income to them but also a great discontent. I hope something would be done to remedy it. I would also strongly urge the necessity of improving the accommodation of 3rd class passengers, and hope that some improvements will be made to provide legitimate comforts for them.

"The service between Delhi and Peshawar is unsatisfactory, and still more so from Lahore to Peshawar. As the capital has now been shifted to Delhi, I think the defects in railways in the near neighbourhood should disappear. As the distance by sea from Aden to Karachi is shorter than that from Aden to Bombay, the distance from Karachi to Delhi is shorter than Bombay to Delhi, it will be most essential that all the mails should come by Karachi. This

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would have to be done one day, and I think the sooner it is done the better. I was glad to read that the questions of arrivals and departures of Delhi Trains are being considered. Therefore I will say nothing on that subject. I think it should be impressed on Railway officials, that when an Indian has got 1st class ticket he must be provided with a seat in the same compartment. It has been experienced over and over again that though there may be only one or two Europeans in one compartment, they try to do their best to keep out the Indian who has every right to a seat.

"Though I am not an expert but when I had prepared to appear before the Decentralization Commission, I had suggested that there should be no Imperial heads of revenue, nor should there be any grant to the Province, each Province should be self-dependent, and there should be only a contract of a fixed lump sum to be annually handed over to the Supreme Government for Imperial requirements. If this could be done, which I know is already done to a great extent, it will further simplify matters.

"I had some time back put before the Council as to the shortness of time given to members to form their opinions about certain legislative measures, and as this has been again the case, I bring it to notice again. Now there is one very serious thing which is felt by many a non-official heart, and that is that our existence and non-existence here has very little difference. I think the cause of it is the pre-arrangement of what is to be done, and when a man is urging and making a speech he thinks that he is talking to a wall and his best arguments would not have the least effect. The other cause has been, I think, the wholesale refusal of good and bad amendments. I think this can be easily remedied. If the non-official members were near the mark and by accepting their suggestions there was no injury done to the administrative machinery, then I think such suggestions should be accepted. This will go a long way to show that we are not only part and parcel of the Government, but we are of some use to them. That will give us an impetus to work with a greater zeal for the good of the country and its best Government which it has ever possessed under the Sun and for whose welfare we all work and pray.

"Last but not least my suggestion is the weeding out the weeds, that is a small percentage of Civilians who have entered the service but are entirely incapable of administration. From their isolated deeds the masses are mistaken to form their opinion regarding the whole Government policy. As a matter the smallest square pieces in round holes of the machinery go a long way in hampering the working of the whole machine. The public money would be far better spent if such men were given pay till the pension period without allowing them to make a muddle of things. I have taken the courage to put this before the Government from a very high sense of duty which equally affects the public and Government."

The Hon'ble Sir Charles Armstrong:—"I desire, Mr. President, to offer a few remarks on two subjects only—Railways and a Gold Coinage—and as regards the former I regret the unsatisfactory character of paragraph 33 of the Financial Statement. It is, I think, very easy to be over cautious. Caution is always advisable, but if this matter was really regarded 'as a strictly business proposition' and these are the words used in paragraph 33—a scheme would surely, ere this, have been put forward to raise money for investment in an enterprise which in the current year has returned as much as 5·89 per cent. and in the three years previous an average of nearly 4½ per cent.; and as this is an all-over rate, the return on the main lines carrying the trade of the country must have been much greater. As a business proposition even if the money be raised at 4 per cent. the return on the whole system is satisfactory and in the hope—I might also say with the certainty—of something better during the next few years, a business man would strain every nerve to increase his wealth by investing more money in the undertaking. For the coming year thanks to ample balances, a larger grant has been given; but if 12 months hence the balances are reduced as forecasted in the Financial Statement, railways in 1914-15 will have to look elsewhere for funds, and although supplies will no doubt be obtained from other sources—but whether sufficient or not time alone will show—the

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feeling is that so far as Railway Finance is concerned, there is no settled plan and that this is a most unfortunate position to be in. If the seasons are good and money flows in, Railways get an increased grant, although it may come too late to be spent, but if the reverse is the case, it is urged that there are no funds readily available, and the serious check to development that then takes place affects the trade and prosperity of the years to come. I do not think Chambers of Commerce are unfair critics in this matter. One can sympathise with merchants and shippers, many of whom have known for years that the railways were being neglected, when in a year of exceptional plenty trade is more or less completely disorganised by the inability of the railways to carry the traffic expeditiously. I admit that during the past year the railways have carried immense supplies, but when the pressure came it was obvious at once that the carrying capacity of the lines was deficient, and if it was excess caution that has kept development back the last few years, I can only say that the country has suffered for it; merchants have suffered for it and much trade has been lost. The President of the Railway Board told us the other day that the policy of the Board was to go on steadily improving existing lines, great care being taken at the same time; that good value was obtained for the money spent. This is, of course, as it should be, but if money is stinted what can the Railway Board do, and it is to this point of providing ample funds over a series of years that the commercial community are now so very anxious that special attention should be given. I felt sure there would be something in the Financial Statement bearing on this point, but what we are told is, that even temporarily, that is to say on the chance of an occasional bad season, our Railways must never be allowed to become again a burden on the general taxpayer, and to ensure this our expenditure on this rapidly growing business is apparently being kept within bounds merely, it seems, to prevent a small loss every now and again. The profit that might be made in prosperous years by increasing expenditure is, however, overlooked, and I feel sure, I can say with safety, that the average would always be a very satisfactory return.

“From the Financial Statement itself it is gathered, I much regret to say, that the total Budget Grant for Revenue expenditure on Railways in 1913-14 has been cut down considerably below the amount which the various Railways have put forward as necessary for their requirements, and this led me on the 14th to send up three questions on the subject, which most unfortunately arrived too late. Any step of this kind means a reduction in the Revenue provision for works, and has the effect also of reducing the capital expenditure as well. Surely this is not the time to curtail expenditure on works of improvement chargeable wholly or partly to revenue intended to increase the carrying capacity of the Railways and moreover as stores for works in 1913-14 have already been arranged for; if work is to be curtailed interest will have to be paid on the value of the material which cannot be drawn and utilized, and this creates an unfortunate position. I feel bound to say that, as regards methods and expenditure on Railways, the position is unsatisfactory, and this being so Chambers of Commerce must continue to urge, by all means in their power, that the Railway systems of the country shall be brought up as quickly as possible to a thorough state of efficiency.

“As regards a gold coinage, I desire in the first place to offer my warmest congratulations to the Government of India on their Despatch of 16th May last on the subject of the *establishment* of a Mint for the coinage of gold in India. The arguments advanced in favour of the coinage of gold appear to me to be overwhelming. It restores to our gold standard policy an essential principle which has been too long neglected when it says ‘it is, we think, an indisputable fact that the establishment of a gold currency was regarded as the logical and natural sequence of the closing of the mints to silver, and as the necessary accompaniment of the establishment of a gold standard’; and in a short historical survey of the opinions of the Herschell and Fowler Currency Committees, and of the intentions of both the Government of India and the Secretary of State following on the reports of those Committees, it is clearly demonstrated that a gold currency was regarded as, and intended to be, the

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natural result of the introduction of the gold standard. It is of the utmost importance that that principle thus authoritatively laid down and accepted should be made effective. From a purely scientific point of view, I believe, the principle is unassailable. From a practical working point of view, it may be admitted that difficulties had to be met and overcome, but we now know from the correspondence which has been published that the chief difficulties which blocked the way to the provision of a gold coinage in India at a much earlier date were created by authorities in England. Apart from those obstacles there would probably have been difficulties to overcome in India at first in getting gold coins produced from an Indian Mint to pass into circulation with sufficient facility to obviate the coinage of token rupees on a large scale. That difficulty still remains so far as a large portion of the country is concerned; but another difficulty to the effective establishment of a circulation of gold has been added because of the enormous additions to the token coinage in the interval. That is a situation which must be accepted and faced however much we may regret it. But it affords no excuse for a continuance of the policy of drift of which it is the off-spring. We cannot retrace our steps and begin afresh. But we can determine that for the future every effort shall be made to minimise further inflation of the silver coinage and to encourage instead the use of gold in the circulation, and to that end recognition of the principle that a gold currency, in the words of the Despatch, is the necessary accompaniment of the establishment of a gold standard, is the first step, and the opening of a Mint to the free coinage of gold is the next. Efforts have been made in various directions to make it appear that the Government of India have been directing their energies to the establishment, not of a gold standard, but a gold exchange standard. It is a matter for congratulation to the whole community to find nothing in the Despatch which countenances such a preposterous idea.

"I have said that the principle I have been referring to has been too long neglected. The consequence has been that the token coinage has been added to, in the words of the Indian Correspondent of the 'Times,' to an extent beyond all sense of balance and proportion. The Despatch brings out in bold relief the disabilities of such a system when it emphasises the importance of the responsibilities which rest upon Government for the maintenance of the gold value of the rupee, notwithstanding the fact that Government do not undertake to give gold for rupees. That is a responsibility which appears to be lightly regarded in many directions, but it is satisfactory to find that the Government of India labour under no illusions respecting it. They admit that although the crisis of 1907-08 was safely tided over, the lesson went home that they must vigilantly aim at strengthening their gold position. They suggest that the situation which arose in 1907-08 may be experienced again, and the difficulties then encountered may on another occasion be much accentuated. No responsible person will venture to dispute that, when it is remembered that the vast additions to the token circulation have been made as the result of, and to carry, booming trade at high prices, and when the changing habits of the public in the matter of currency, referred to in the despatch, are also taken into account. The extent of the responsibility is an unknown quantity, while the measures taken to enable Government to meet it cannot be regarded as sound. Those measures take the form of reserves formed from the profits on all new silver coinage only—there being no separate reserve against the very large rupee circulation which existed before the change of standards. These profits are of necessity of a fluctuating quantity—the greater the silver coinage requirements, the higher the price of silver will be forced, and consequently the smaller will be the profits to go to the reserve. The tendency is thus towards a minimum of reserves against the maximum of responsibility. As the liabilities increase the proportion of reserves tends to diminish. On the face of it that is not sound business. Under such circumstances it is not surprising to find Government saying 'we are driven to the conclusion that our only possible policy is to base our standard on two sure foundations, adding gradually to the reserve of gold in England an effective gold currency in this country.' The Secretary of State found the chief result anticipated from the proposals contained in the Despatch, would be to attract to the Mint bullion now held in India

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I venture to think that it would have been more correct to say that the chief result anticipated by the Despatch was to 'diminish the pressure on the Government of India for the coinage of silver' and to 'keep down the heavy responsibility that rests on them for the convertibility of the rupee.' But in any case, the necessity that Government should take measures to lessen as much as possible that responsibility appears to me to be the paramount consideration.

"It is a matter for regret that the Secretary of State does not appear to have received the proposals of the Government of India with the consideration which, I humbly think, was due to the proposals as a whole and to the supporting arguments. The conclusion he reached was that, having regard first to the ease with which holders of gold bullion in India can, as a rule, exchange it for currency whether sovereigns, notes or rupees, if they wish to do so, and secondly, to the probability that the gold imported into India is so imported because it is preferred in that form rather than in that of coin the adoption of the proposals would not be likely to have any considerable effect of the kind anticipated, but that the experiment is worth trying if it can be done at a moderate expense or on a self-supporting basis. Now I venture to say that the very worst thing that can be attempted in connection with the currency is that some action should be openly taken by way of experiment, and no more undesirable object of experimentation can be imagined than an open mint for gold. The arguments of the Government of India prove the absolute necessity for a gold coinage in India. Why, then, agree to open the Mint to gold and brand it with the repellent name of an experiment before it is born? That is not the way to inspire confidence in the minds of the public in such an important matter. A gold Mint being a necessity it should be opened to remain open, and every effort should be made to ensure that the new gold coinage shall be a success in the circulation. The Secretary of State would further make the opening of the Mint to gold conditional on it being done at a moderate expense or on a self-supporting basis. The Government of India Despatch had stated 'the objection that the sovereign would be an expensive coin is one that carries little weight.' The actual minting of the sovereign is, we believe, comparatively simple and cheap, and the cost of making the necessary additions to the present equipment of the Bombay Mint would be inconsiderable. The matter of expense does not appear therefore a material consideration. It is, I take it, unlikely that the minting of sovereigns would place the Mint on a self-supporting basis if the intention is adhered to not to charge a seignorage on minting.

"Also in view of the seasonal trade of India and the import of gold in satisfaction of the Indian trade balance occurring as a rule only during a portion of the year there might not be constant employment for the Mint. But place against any loss that may arise on that account the great responsibilities thrown on Government by the existing system, and I think the possible loss will be regarded as diminutive. The Secretary of State has himself undertaken to borrow if necessary to maintain the gold value of the rupee. An effective gold currency would greatly reduce his liability in that respect. Is it not worth securing such a reduction at the comparatively small cost of maintaining an open gold mint?"

"Although, however, the Secretary of State is not, apparently, favourably disposed to the opening of a Mint for the coinage of sovereigns, he is prepared to sanction the coining of an Indian gold coin of the denomination of, say, ₹10, but here again he places obstacles in the way by making his sanction subject to a charge for seignorage, and to the expenditure to be incurred for buildings, plant and additional staff. The Government of India had proposed that no seignorage should be charged for the coining of sovereigns. The counter-proposal is to charge a seignorage on the minting of an Indian coin. It seems a penny-wise-pound-foolish policy to seek to obstruct the establishment of a gold mint on the score of expense, which can hardly be very heavy, when we reflect that the gold standard has been of immense benefit to India, that a gold coinage is a necessary part of the gold standard, and that if a gold coinage had been introduced years ago as intended, and the attainment of a gold currency had been steadily pursued in the interval, the currency would have been on a much more

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satisfactory footing to-day, and the contingent liability on the token coinage much reduced.

“In his speech introducing the Financial Statement, the Hon'ble Sir Guy Fleetwood Wilson seemed to indicate that, to begin with, a special Indian coin would be struck at the mint in place of the sovereign which was contemplated, in the Despatch of the 16th May. I should like to ask him, on the supposition that the Mint will strike only an Indian coin, whether, in the event of sovereigns continuing to arrive in volume greater than the absorption into the active currency of those coins, Government would convert sovereigns so received into the Indian gold coins contemplated? The Despatch of last May only dealt with coinage from bullion, but it might be necessary to coin from sovereigns if these continued to arrive in excess of the absorptive powers of the active circulation. Also it appears to me that such conversion of sovereigns would be necessary to begin with by way of send-off to the new Indian coinage, and to provide the treasuries throughout the country with the means of familiarising the public with them. The object being to establish an effective gold coinage, it seems necessary to encourage the use of gold in every possible way, and encouragement to be of any practical value must be accompanied by supplies of the new coins in sufficient volume to prevent them from being regarded as mere specimens only. Also, measures are necessary to gain the confidence of the general public that they will not be losers by taking the new coins. One of the greatest obstacles to the sovereign attaining popularity is that the poorer classes fear a loss when they come to exchange it for rupees, a fear which is not groundless when to many the only means of exchange is at the hands of the sowcar. Government can improve the prospects of the success of an Indian gold coin by making as wide provision as possible for the conversion into rupees of gold coins to the poorer classes at treasuries, post offices, etc. On this point I think the proposals so far announced are defective. It will not be enough to merely open the Mint to the coinage of gold and pay no attention to the encouragement of the use of the gold coins to be struck. No one will advocate forcing the coins into circulation, but there are many ways by which the use of, and the circulation of, gold coins can be facilitated. The object ought to be to endeavour to minimise further additions to the token coinage by facilitating the use of gold to take the place of fresh silver coinage, and it would be of advantage to know what measures Government propose to take in this direction. A great deal is being heard of the fact that Government did not formally refer the question of the opening of the Mint to gold to Local Governments, Chambers of Commerce, etc. It seems to me, however, that Government are now proposing only to complete the gold standard policy on the lines originally laid down and accepted. It would be the height of incongruity to introduce a gold standard on the recommendations of one set of authorities, and make the most essential features of that policy dependent on the approval of a separate set of authorities. In this connection I would bring to the notice of the Council a shipment to London of over £600,000 of light gold coin which could have been dealt with in this country if we had a gold Mint. I hope this question of an open gold Mint for India will be properly investigated by the Royal Commission to which however India must be properly represented and before which competent Indian witnesses must be examined.

“Sir, I was also unfortunate, I regret to say, in sending up too late various questions on financial matters which seem to need an answer at the present time. My limit of time does not permit me to deal with them on this occasion, but it will be interesting later on to learn the original intentions of Government regarding the $5\frac{1}{2}$ crores of profit (less cost of manufactures), on the silver purchases of last year, whether the amount coined from this did not increase the silver branch of the Gold Standard Reserve beyond the maximum formerly fixed of six crores of rupees, and if so, why the surplus was coined and not carried to this Reserve? Also why it is necessary to maintain the silver branch of the Gold Standard Reserve in view of the large reserves in gold belonging to the paper currency reserve now held in London.

“In conclusion, Sir, I desire to congratulate Sir Guy Fleetwood Wilson on his successful management of our finances for the past five years, and to express

[*Sir Charles Armstrong; Rai Sita Nath Roy Bahadur.*]

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my regret that this is his last Budget and that his work in India is now drawing to its close. Sir Guy has had critical times to contend with, and it must be very gratifying to him to feel that his last Budget shows a big surplus, and that prospects for the future are very hopeful. Sir Guy's personal contact with the commercial and banking communities has been very much appreciated on my side of India. We much regret his departure, and can only hope that his successor, whoever he may be, will be equally accessible."

The Hon'ble Rai Sita Nath Roy Bahadur.—"Sir, though remarks and observations made on an occasion like this are somewhat akin to what are called as mere expressions of pious hopes and cannot have the same effect as Resolutions formally moved in Council, I respectfully beg to submit that as no Resolutions, since the power was given to move Resolutions in Council, have, with the solitary exception of one or two perfectly innocuous ones, ever been accepted, the general effect of formulating and moving Resolutions and of making general observations, is exactly alike, that both of them leave a certain impress upon the official mind and occasionally may and do fructify and produce a goodly basket of sweet mangoes or other delicious fruits, but not as so humorously put by the Hon'ble Finance Minister, from the garden of an Indian gentleman, but from the garden of the Government of India.

"This is, Sir, my excuse for making a few observations. Now, I begin with offering my hearty and respectful congratulations to the Hon'ble Finance Minister for the very satisfactory Budget he has placed before us, and for the unexpectedly large surpluses he has presented, and the beneficent objects, such as sanitation and education to which he has been good enough to devote the greater part of the unexpected windfalls, for which the thanks and gratitude of the Indian public are pre-eminently due to the Hon'ble Finance Minister, and the same good luck still adheres to India, has been demonstrated by a small surplus of £1,311,200 declared for the year 1913-14. But our jubilation on account of this temporary prosperity is very largely tinged with the sad thought, that we are going to lose for ever the valued services and the ripe experience of a Finance Minister who combines in himself with the several qualifications of the head, numerous qualifications of heart as well. Capable and qualified Ministers of Finance may come and go, but where shall we have again a man so courteous, kindly, so just and sympathetic? What is more saddening is that with the loss of his services we lose the Hon'ble Sir Guy Fleetwood Wilson altogether, and necessarily the benefit of his advice, experience and guidance, for it is the characteristic of Indian official life that when the fever of Indian official life ceases life in India, as a matter of course, ceases with it. It is something like the recovery of the proverbial Tom from fever, that when Tom's fever went away, Tom himself went off with it.

"There is another thing which is causing us a good deal of anxiety. Though we rejoice over our temporary prosperity, over our unusual and extraordinary windfalls, we are saddened by the thought that these are only temporary, and that it is not unlikely that we may have to meet a heavy deficit in the near future. We are face to face with the total extinction of the opium revenue which yields every year without any hitch or difficulty the magnificent sum of 5 million pounds more or less. We are called upon to submit to this huge sacrifice for a sentiment, in the name of humanity, and that for the benefit of another nation. The arrangement which would entail such a heavy sacrifice was all made at the bidding of the ruling country, for the sole benefit of a third party to which India was not a consenting party, and as such, it is only fair and reasonable that England for the good reputation of her sense of justice, sense of fairness, and injustice to her dependency which is absolutely dependent on her, should come to her rescue and recoup the loss, or if that is not to be, should at least allow India sufficient fiscal autonomy so that she may adjust her finance in a way most suited to her advantage. England was once a protectionist herself, but now the pendulum has swung back and she is now a free trader, and it does not suit her interests to impose protective duties, but is that any reason why India, if additional taxation becomes necessary consequent on the ap-

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proaching extinction of opium revenue, should not be allowed to levy protective duties on manufactured goods such as cotton goods, hardwares and numerous other things that are imported at least from foreign countries, such as Germany, France, Austria, Belgium, America and Japan? The imposition of such duties would be immensely advantageous to India in several ways, such duties will not only bring in money but at the same time go to protect our nascent industries. It is said that fresh taxation may not be necessary consequent on the extinction of the opium revenue, but whether that is so or not it is an admitted fact that India requires money for a variety of purposes and objects, such as elementary education, technical education, sanitation, water-supply, etc., but where is the money to come from? It would indeed be indulging in an extravagant hope to expect compensation from England, but India should at least be allowed to adjust her finance, and to levy taxes in a way most suited to her interests and which at the same time would not materially and prejudicially affect the interests of the Ruling country, but what could be more fair and reasonable, more conducive to the interests of India, than that she should be allowed to levy as proposed by the Hon'ble Mr. Sri Ram the other day, a duty of 5 per cent. on imported sugar which wholly comes from Java and Germany, it would not only add to our not very overflowing coffers a very large sum of money, but would at the same time go to materially help in the revival of a dying industry, and to stimulate it. At one time, and that not long ago, sugar was a very important and paying industry in this country. Besides meeting the whole requirements of India, a large quantity used to be exported abroad, and it necessarily gave employment to several hundred thousands of people, but that is gone; the sugar industry is nearly extinct, it having been superseded by the bounty-fed beet sugar from Germany, and that exported from Java, if not so much for revenue, at least for promotion and protection of our decaying and decayed industries, we badly want protective duties, but that is not to be, for we are helpless, and we have no right to exercise our judgment, and judgment we have none.

"I regret to have to state that it is in a manner useless for us to discuss questions of finance, as in all matters relating to finance we are to be governed by the will of the Ruling country and the policy she may pursue, all such discussions can only serve to show the trend of our feelings and nothing else. However, I may incidentally remark that it will require no small efforts, no little exercise of ingenuity to replace the heavy loss that would be caused by the total extinction of the opium revenue. The reply is often given. 'Trust to God, He will give you the relief.' The near extinction of the opium revenue is a disturbing factor of no mean magnitude, and will go to unsettle and prejudicially affect the financial arrangements of the country. It is therefore very opportune that a Royal Commission has been announced, the main object of which will be to inquire into the present state of the finance of the country. Sir, may we venture to suggest in this connection that the Government of India would be pleased to recommend to His Gracious Imperial Majesty the appointment of one or two non-official Indian gentlemen in the proposed Commission.

"Now, returning to our original subject of temporary surplus and the very large non-recurring grants liberally made to education and sanitation. I beg to point out that, while we cordially welcome these large additions to such noble objects as education and sanitation, it must be admitted on the other hand that fitful generosity and spasmodic efforts of charity cannot do much good of a permanent character, cannot have lasting effects on matters so vast as education and sanitation, concern as they both do a population of 300 millions and a country comprising an area of 1,770,109 square miles, the requirements of which must necessarily be varied and various and large and comprehensive.

"Now adverting to Bengal with which I am so closely associated, I beg to point out that its sanitary and educational requirements are indeed very large. Now that Bengal has been shorn of more than half of its former area, there has consequently been a reduction of receipts from different sources. The Hon'ble Sir William Duke, in presenting the Financial Statement of Bengal for the year 1913-14, frankly admitted that after meeting the ordinary

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recurring charges which amount to 5.63 crores of rupees a year, 11 lakhs of rupees per annum is all that is left to meet non-recurring charges, and consequently if the Government of India had not treated Bengal in a very liberal and generous spirit, by making large and liberal grants, both recurring and non-recurring, many departments would have been starved, and Bengal would have been placed in an awkward predicament.

"It is well known that malaria and cholera are the two greatest scourges of Bengal. If these two terrible scourges are to be uprooted, persistent, continuous and sustained efforts should be made to combat them. Considering the present not very solvent financial condition of Bengal, and while its varied needs and requirements are so large, it won't do for Bengal or any other large province to be dependent on the fitful doles of charity of the Supreme Government. In my humble opinion, instead of unsteady non-recurring, recurring grants of more or less permanent character and of a substantial nature, that is, fixed and tolerably large annual assignments should be made by the Government of India, at least for some years to come, to enable Bengal to tide over her difficulties, to enable Bengal to save her people from the scourges of malaria and cholera, to enable her to satisfy the intellectual cravings of her advanced and progressive people, and in fact to enable Bengal to make two ends meet. Her present embarrassed position is not of her own seeking, but has been thrust upon her against her will. With the abandonment of Calcutta as the seat of the Imperial Government, Bengal has been materially and prejudicially affected. It was in Calcutta that the British power was first established and consolidated, and it was from there the British Empire gradually expanded until it grew into a mighty one, and I may add, the most magnificent in the world, embracing within its fold that vast, extensive territory, extending from the confines of Afghanistan to those of Siam, that Calcutta, the fairest of the fair, and the Queen of the East, and which is entirely the result of British enterprise, now lies forsaken and neglected, and she has been dethroned and the diadem which so long adorned her brow has been taken away.

"It is not the transfer of Capital alone, but along with it variety of adverse circumstances have combined together to depreciate Calcutta, and to detract from her importance and dignity and in all possible ways to prejudicially affect her interests as well as those of Bengal. Calcutta is gone, but her glorious traditions will last.

"But enough. I must restrain myself, for as a loyal subject, I must bow to the decision of His Gracious Imperial Majesty. Now returning to the subject of the very generous but non-recurring grants of 5½ crores of rupees, made to different provinces and for different objects, I humbly beg to make a suggestion which I do with the utmost hesitancy that the 2½ crores of the above amount which has been ear-marked for education in general, might with advantage be solely and wholly devoted to, and ear-marked for, the establishment of a Technological college at a central spot, and that the whole amount of 2½ crores might be utilised in constructing suitable buildings and in equipping it with suitable laboratories, and that the Supreme Government should annually make a recurring grant of, say, 15 lakhs of rupees a year for the efficient up-keep of such an institution.

"My reasons for the above suggestion are as follows :—

"Non-recurring grants of 2½ crores of rupees though apparently very large, cannot do much good which will have a lasting effect when we come to consider that the amount is intended for all branches of education and for all the provinces, big or small, throughout India, whereas if utilised for a single object of permanent character, for the benefit of the whole country as I have suggested, that is, in establishing a Technological college, for the whole of India, its results and benefit would be palpable, large, and at the same time lasting, and it would be more appreciated by the people themselves than otherwise.

"Sir, I venture to assert that all shades of opinion will unite in hailing the establishment of a Technological college, as a lasting and substantial boon. With the near extinction of opium revenue, such a large surplus is not likely

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to occur very soon. I do not deprecate elementary or higher education, but what I do say is, that mere literary education in the present state of our country is certainly less beneficial in its effects upon the people than technical education. If a plebescite were taken, I think the whole country would vote for it. The question of technological education was discussed threadbare in this very Council about three years ago, when Rai Bahadur Mudhalkar moved a Resolution for the establishment of a centralised Technological college in India. I need not repeat the arguments that were used in support of the scheme.

“Now a word or two about the public works cess which has a history of its own. It is well known that the resources of our district and local boards are so limited that they can hardly cope with the several heavy obligations from the excavation of tanks down to cattle breeding that have been thrown on them. The road and public works cesses in Bengal and other local cesses elsewhere which go under different denominations in different provinces, were levied for particular objects and assurances were then given that they would be religiously applied to the objects for which they were levied, but we are all aware how in Bengal the public works cess was diverted and appropriated to totally different objects. However thanks to the sense of justice and fairplay which are the inherent characteristics of the British Government, and thanks also to the patriotic efforts of the Hon'ble Mr. Gokhale, the enormous sum of 70½ lakhs of rupees has at last been most generously set free and remitted to the several provincial Governments, and thus the district and local boards in Bengal will get the benefit of a new accession of revenue to the extent of 25 lakhs of rupees to their not very overflowing funds, which will enable the district boards to materially help the rural areas in the supply of pure drinking water and sanitation, the two objects of the greatest importance to them.

“Before concluding, I wish to say a word or two about the gold coinage and currency. The question of the gold coinage and gold currency in this country has been before the public for a very long time, and has been discussed threadbare. Nothing fresh or interesting can be added to its already vast and voluminous literature. Two things stand out very prominently in this controversy, first, whether it is good for India to have gold coins and gold currency, second, whether people themselves would appreciate it and take to its use. All other questions are beside the point, and need not be taken into serious consideration. Now, it has been proved beyond doubt that in the circumstances prevailing at present, when India has to hold commercial intercourse with other gold-using countries, and, moreover, when gold is locally procurable, it is to her utmost benefit that she should have gold coinage and gold currency, specially when she has set up a gold standard. Then about the second point, I may say that the fear, if any, of the melting pot and of the vaulted or buried hoards, is now no more. It has been acknowledged by the Government and proved by incontrovertible facts and figures that the habits of the people have changed and are changing very rapidly, and they like to use a handier currency than silver. I do not understand the morbid care and anxiety of a certain class of politicians and economists who have gone almost mad over the idea that what will become of the world if India now begins to attract and use gold, their fear is that gold would be absorbed and not be brought back into circulation. I may console them with the assurance that the story of hoarded and buried wealth is an absolute myth. Then our request is very modest. We do not advise Government to rush headlong into the matter, let us proceed cautiously. Let us have a free, open mind for the coinage of gold. That is all we want; then about the kind of coin to be adopted in this country, that is a matter of detail. I think sovereign is the best, it has been happily described by Sir Shapurji Broacha as the cement of the Empire. I may say here in passing that it is forgotten by the so-called foreign experts that we had our gold coinage before the advent of the English in this country. India still remembers her past and aspires to rise again in the scale of nations under the aegis of British rule, and I do not understand why unnecessary obstacles should be placed in her way to achieve her legitimate desire and when that desire is backed by

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incontrovertible facts. However, in spite of all our trials and troubles, I hope we are in sight of the promised land at last.

"We had hoped that the political outlook which was so sad and dismal some years before, would very soon clear up and bright prospect would dawn, bringing joy and restoring peace and order in this ill-fated land, but that is not to be. The abominable and dastardly outrage of the 23rd December last, that that day of India's lasting shame, which has cast an indelible stain on her fair name and fame and the reports of the weekly dacoities in Eastern Bengal and the recrudescence of other crimes of more or less heinous character, have aggravated the situation, and rendered life and property insecure. Sir, one of the greatest blessings of British rule, the much-prized security of life and property, is no more and a sense of insecurity and uncasiness pervades all parts of rural areas in Eastern Bengal."

The President:—"I must ask the Hon'ble Member to resume his seat as his 20 minutes are up."

The Hon'ble Mr. Fuzulbhoy Currimbhoy Ebrahim:—"Sir, it is a matter of joy to us all that His Excellency the Viceroy is, through the grace of God, convalescent, that the cloud has passed away and that His Excellency means to rule over us during the rest of his term of office, and to pursue that enlightened and benevolent policy, so dear to his heart which intense physical suffering has not been able to change. We are also glad Her Excellency Lady Hardinge, with admirable self-sacrifice, has foregone for the present the holiday she intended to take, and has decided to stay among us in India."

"Sir, the Hon'ble the Finance Minister naturally attracts the chief interest on Budget day. That interest is heightened in the case of Hon'ble Sir Guy Fleetwood Wilson on account of his personality. He just now stands high in the esteem of the people. We Indians appreciate sympathy and good intentions, and if the Hon'ble Sir Guy Fleetwood Wilson has 'meant well by India,' he has the warm appreciation of the people in return, which is perhaps the highest reward of public service. On the Bombay side he has endeared himself still more by the genuine concern he has shown for our commercial and industrial progress. Details are unnecessary, reference to one incident will suffice. But for the inquiry he personally undertook at Bombay, resulting in the suspension of the opium sales, the loss to the merchants engaged in the trade would have been enormous. Some idea of the importance of the Government action will be had from the fact that at the time about 15 crores of rupees worth of opium was in stock. Suspension of further sales has thus clearly averted a financial crisis. But something more has to be done. On this subject I wish to speak with due reserve. The Hon'ble the Finance Minister himself will realise the gravity of the situation. The suspension of the sales has only prevented a decline in price, but the stock cannot be cleared. The Chinese Government, I regret to say, is either powerless to observe, or fails to observe, the treaty. A serious responsibility now rests on this Government. The holders purchased the opium in implicit faith in the inviolability of a British treaty. It is only equitable that either the Chinese Government should abide by the treaty, or buy the whole stock, thereby securing to itself all the advantages of a monopoly. If in future China wants to buy Indian opium, she may buy it in the same way as Japan does for Formosa."

"Sir, the next year's allotments for railway expenditure also show the Hon'ble Finance Minister's statesmanlike grasp of our real needs. Improvement on the open lines, instead of extension, absorbs more than five-sixths of the total allotment, and two crores of rupees out of the amount have been earmarked for additional wagons. The arrangement cannot but be regarded as satisfactory."

"Sir, allow me to point out that we expected that the Hon'ble Sir Guy Fleetwood Wilson would meet the most pressing demand of enlightened commercial opinion in India before he lays down the reins of office. However satisfactory his scheme of taxation may appear to him, the duty on our silver imports is a handicap on our export trade with China, and the arguments

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advanced against it in 1910 have not lost in force by time. In 1911, the Hon'ble the Finance Minister pointed to the high price of silver then ruling and the absence of any diminution in the exports to China as supplying a complete refutation of these arguments. This position one would find it difficult to accept. It is true the price of the metal rose high for a time and the injurious effects of the duty upon our import trade with silver-using countries have not so far been apparent; but the phenomenon is due to a number of causes unconnected with the import duty. The apprehended contraction in our exports to China was expected to follow the consequential slump in the silver market, but adventitious circumstances prevented this fall. The influence of the duty upon our export trade has been obscured for the time being. The Hon'ble the Finance Minister knows full well the causes which have contributed to the high price of silver. It will be too much to claim for the import duty this appreciation as its normal effect. The conditions producing this result are from their nature temporary. With the restoration of normal conditions, the injurious consequences anticipated in 1910 will for a certainty develop themselves. As a matter of fact, the volume of Indian twists and yarn exported to China has contracted and the decline is steady. Weaving is now found more profitable than spinning by reason of the loss of the China market, on which Japan, progressive through a protective tariff, dumps her surplus goods to advantage; but the substitution of looms for spindles is a work of both time and extra capital which all cannot afford. These difficulties of the Indian cotton manufacture are increases by the heavy silver duty. The Indian silver imports are likewise sure to go down, producing a depressing effect upon the silver market. The Hon'ble the Finance Minister has himself budgeted for a smaller revenue from the duty in 1913-14, in consequence of smaller purchases of silver. How have then the very sound objections to the duty failed? The Indian public will not be reconciled to this duty, and it behoves Government to take the earliest opportunity to abolish it, or in the alternative to reduce it considerably. A succession of surpluses should enable Government to do this. With the demonetisation of silver, the imported metal has lost its currency value and is equivalent to an ordinary commodity. It is unfair that it should be burdened with a heavier duty than other commodities. The Bombay Millowners' Association is anxious that the duty should be abolished; and if I did not put forward a definite proposal to that effect in connection with the Budget, it was because of the conviction that the Hon'ble Sir Guy Fleetwood Wilson, on the eve of his retirement, would be reluctant to take such an important step.

"Sir, assuming that such a large revenue cannot be surrendered in view of the increasing financial wants of an advanced administration, the loss can be made up by the imposition of reasonable heavy duties upon some other imports. But this Government, in the present state of their relations with the Home Government, might and would hesitate to take this just course. The real difficulty arises from the absence of a reasonable degree of freedom to the Government of India to regulate the tariff according to their financial needs. Sir, apart from all considerations of free trade and protection, this want of fiscal independence or fiscal autonomy must strike any impartial critic as something radically wrong. The tariff in all countries and in all ages has been a productive source of revenue. Free trade England imposes heavy duties on some of her imports. Why is it then that the Government of India should not be allowed to arrange their tariff in the best way they think proper provided the duties are imposed for the purposes of revenue and do not exceed a fixed maximum, say 10 per cent. *ad valorem*? The British Colonies have the right, and much more. They can protect their industries even against the mother country. The case for India for fiscal autonomy with the limitations suggested above would seem to be unanswerable. This is a reform which can be introduced immediately without the abandonment on the part of either England or India of the orthodox principle of free trade. I hope that this Government will now take a practical step, and move the Home Government for the concession which cannot be withheld from us long. We shall not rest content as long as this little justice is done to us.

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"Sir, the Government decision to suspend the coinage of gold in India, pending the export investigation of Indian finances and currency, has been received with profound disappointment by the commercial public, showing as it does, our complete dependence upon England in all our financial arrangement. "The jealous West would appear to be anxious to stop even the course of trade and to intercept the gold that flows into this country with the current. The demand comes for a Royal Commission of Inquiry from English financiers, and all our arrangements for introducing a supplementary coin agreeable to Indian sentiment are upset. Sir, we Indians do not mind the inquiry, but some explanation is due to us why at least a gold coin of a smaller denomination than the sovereign, although approved by the Secretary of State, should not be minted at Bombay forthwith, and why the proposed minting operations should be hung up for the approval of the Royal Commission? We, Bombay merchants, manufacturers and bankers feel strongly on the point.

"Sir, the Indian public feels uneasy about two other facts. The Government of India have no independent relations with any foreign Government. And yet on the 14th February last the Hon'ble Sir Acland, in the course of his reply to the Hon'ble Sir John Rees, stated in the House of Commons:—

'The Government has undertaken jointly with the Government of India to make an advance earmarked for the administration of Shiraz.'

"This is a startling statement which requires elucidation. We are obviously making a new departure in our financial relations and responsibilities which are outside the legitimate sphere of dependency.

"Sir, the other disquieting factor is the expedition for the suppression of the arms traffic in the Persian Gulf. Year after year our Budget provides for expenditure on this account, but the people are completely in the dark as to the arrangement with the Home Government under which we have to pay for these operations. We do not seek to criticise in this Council the Government policy in this respect, but only seek to ascertain if our financial interests have received at the hands of the Home Government adequate consideration.

"Sir, the chief interest in the Budget centres round the liberal grants made out of Imperial revenues for the extension of education, primary, secondary and high. The total budgeted expenditure, both Imperial and Provincial in 1913-14, exceeds the Revised Estimate of the current year by about 2½ crores of rupees. This is a hopeful sign. The apportionment of the Imperial grants, recurring and non-recurring, is, however, open to criticism. Bombay which is ahead of the other provinces in education, gets only 19 lakhs of rupees as against the 33 lakhs of Bengal, 23 lakhs of Madras and the 20½ lakhs of the United Provinces. 'The distribution of the additional sum among the provinces has been made' according to the official explanation, 'generally with reference to population, the demand for education and the express needs of the Local Governments.' *A priori* the hardship upon a province like Bombay where the numerical strength of the population does not provide a fair test of the actual needs. Under the inspiring guidance of Lord Sydenham, our educational activity in Bombay has been varied and phenomenal, general education, primary, secondary and high; technical education, scientific education, commercial education and agricultural education alike are engaging the serious attention of both the people and the Government, and we could surely now utilise a much larger grant, notwithstanding the large unspent balance of the past education grant. A scheme for the conversion of the Victoria Jubilee Institute into a Central Technological Institute is ready; a college of science and a Commercial college will shortly be started; an agricultural school has been established at Poona; manual training has been introduced into the general schools; we have a fixed annual programme of 500 additional primary schools. This is a record of work which stands unequalled, and it does not require any strength of imagination to realise that our activity is only circumscribed by want of funds. To speak of only primary schools, 17,000 of them are required in the province. Bombay thus deserves special treatment.

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“Sir, Government should take note of the special educational needs of the Moslem community. The Mussalmans are a admittedly backward in education. All are likewise agreed that unless they are educated there is not much hope for progress in India. Thanks to the operation of the invisible forces of time, there is now a general awakening among them; they are shaking off their stupor, they yearn for knowledge. Government should take them by the hand, and encourage Mussalmans' education by every means in their power. My Hindu brethren will not grudge the Mussalmans special favour in this matter of education. Experience has taught me that the Hindus are equally anxious for the education of my co-religionists. Government should therefore have no hesitation in pursuing a more liberal policy towards Mussalman education. And the policy must be shaped in frank recognition of the cardinal fact that in consequence of their religion, education, to be effective and popular, must be sectarian. Special schools are absolutely necessary in their case for training in Urdu and religious books. The establishment of such schools will be greatly encouraged by the raising of the maximum aid in the case of Mussalmans to a moiety under the Government system of grant-in-aid to private schools. And for the high education of the community, the proposed Moslem University at Aligarh should be an accomplished fact before long. Government are in possession of the fullest information about Mussalman sentiment. They are doing their best to secure for the Mussalmans all the powers and all the privileges that the circumstances would allow. An amicable and early settlement of the various issues involved in this all-important question of a Moslem University between Government and the leaders, should not be beyond the bounds of reasonable hope. I sincerely trust this Aligarh University will soon be established.

“Sir, in Bombay, Mussalman education is receiving a large share of the public attention. We are doing something for its promotion. Before long Poona will have a residential high school on the model of the English public school for Mussalmans, and a school for Mussalman girls will shortly be established at Bombay. The establishment of a college for Mussalmans is under the consideration of Government. A number of schools for Mussalman boys have been opened in the districts. The Government of Bombay is very sympathetic and is ready to lend us as much financial assistance as their limited resources would allow. Our great need is money. With more liberal Imperial grants we could show better results. I hope we shall have them in the next Budget, if not in this.

“Sir, on a broader review the allotments for education from the Imperial revenues disclose one serious defect. Government have undoubtedly broadened their educational policy, but technical education does not receive its adequate share of attention. The proposition is almost axiomatic that the development of manufacturing industry is the best insurance against the injurious effects of the uncertainties of agriculture. And not only that, manufactures are necessary for the profitable utilisation of the fruits of agriculture—raw produce. I am convinced Government is impressed with their importance. We surely have a higher purpose in life than to be the growers of raw material. And in so far as our industrial development is dependent upon the dissemination among us of technical knowledge, technical education should be an object of paramount interest to the Imperial Government. Sir, it is time Government recognised their responsibility in this matter, and sanctioned special allotment for the support of technical education.

“Sir, speaking of grants for education, I have one other suggestion to make. Residential high schools, on the model of English Public School, for their elevating influence upon the moral character of the students, are a necessity in India. Private enterprise in this matter should be encouraged and stimulated by liberal grants. I beg to suggest that these residential schools should receive preferential treatment.

“Sir, in my humble opinion, the corrective for the financial difficulties of Provincial Government I have just criticised above lies in greater decentralisation in the administration. The Hon'ble the Finance Minister has referred

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in his introductory speech with some degree of legitimate pride to the Provincial Settlements and to the consequential betterment in the financial resources of the Local Government. But the lump grant of a crore of rupees out of the Imperial surplus in aid of provincial resources disproves the proposition that these resources are sufficient for the numerous needs of progressive administration. It would be far better if the arrangement is reversed, and instead of the Local Governments being the recipient of certain fixed proportions of the Imperial revenue the revenue is provincialised and the central Government is content to receive fixed contributions from the Local Governments. I also maintain that the time has come when larger financial powers, the powers of borrowing and taxation among them, should be given to provincial Governments. Sir, the Provincial Legislative Councils have been expanded on a popular basis, with a standing non-official majority. But they will not be the active units Government want them to be until some real power of financial control is given them. The illustrious Governor of Bombay, Lord Sydenham, in his speech at the meeting of the Bombay Legislative Council of the 17th March current, observed :

'The work of this Council has increased, and it will increase still more if ever decentralisation, of which much has been said and nothing done, becomes an accomplished fact. Then in all matters of Provincial concern the Council will become a real power, and I am convinced the progress of this Presidency, now too often retarded because other provinces are not equally ready to advance will be vastly accelerated. I am quite convinced that this Council is now quite fit to assume a larger responsibility, which in my opinion ought, and I hope would, in time to come, be conferred upon it.'

"Every word of this is true. Lord Sydenham with a statesmanlike perception of the wishes and the needs of the people has indicated the direction in which reform is desirable. He has in this appeal the support of educated India. This Government will now be pleased to take this question into their serious and favourable consideration.

"Sir, one point more and I have done. The question of British contribution for the loss of our opium revenue is once again to the fore. The justice of the claim nobody will have the hardihood to deny. Without consultation with the people of India or even preliminary notice the British Government proceeded to knock off an important source of our revenue. The Government of India was deprived of an annual income of over 5½ crores of rupees for the satisfaction of the philanthropic Englishman. But we should not grudge the loss. India has for centuries been noted for spirituality and high morality. The claim for compensation for the abandonment of an immoral trade would be clearly opposed to her noble traditions. Proud in the possession of a magnificent code of ethics, we will not have any compensation from the British Exchequer for the loss of an immoral gain."

The Hon'ble Maharaja Manindra Chandra Nandi of Kasim Bazar:—"Sir, I congratulate the Hon'ble the Finance Member on the fact that the Financial Statement before the Council bears testimony, for the third year in succession, to the material prosperity of the country. The estimated surplus for the official year which is about to close was about a million and a half pounds sterling, while the Revised Estimates show a surplus of £3,362,000, which is nearly two millions better than the estimate. The beginning of the present year was an anxious time in Northern and North-Western India on account of the delay in the winter rains, but all anxiety has been averted by the late but sufficient rains which have fallen in February and the current month. It is noteworthy that in spite of the large surplus in the years 1911-12, 1912-13, and the estimated surplus for the next year it has not been found possible to announce any reduction or remission of taxation. This, no doubt, is partly explained by the undertaking given by the Government of India in 1911 for the extinction of the opium trade with China by 1917, or earlier if the extinction of the production of the indigenous drug in China were proved. Considering the very important part that the revenue

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from opium plays in Indian finance the Hon'ble the Finance Minister is probably justified in not agreeing to any diminution in any source of income. We are within a measurable distance of the time when the opium revenue will be automatically wiped out under the terms of the agreement with the Chinese Government, and though it would be premature to attempt a forecast of the adjustment of revenue and expenditure when that contingency arises, it is to be earnestly hoped that the new situation will be met without recourse to fresh or enhanced taxation.

"In the distribution of the available surplus for 1912-1913 two and a half crores of rupees have been assigned for non-recurring expenditure on education, and one and a half crores for urban sanitation, but provincial allotments have not been specified. In the Budget estimates for the next year one crore has been allotted for recurring expenditure on education and sanitation, 85 lakhs being distributed to the major provinces, seven lakhs being assigned as Imperial expenditure and eight lakhs being retained as a reserve. The amounts set apart for expenditure on education leave Provincial Governments and Administrations unfettered discretion as regards the branches of education on which additional expenditure is to be incurred. I venture to think, Sir, that technical and industrial education has the strongest claim upon public revenue in view of the altered conditions which are rapidly appearing in the country. A mere literary education is no longer sufficient to equip our young men for the struggle of existence. The growing needs of the country and the people have to be supplied in a large measure by commodities brought from foreign countries. A wider spread of technical and industrial education will have the effect of opening up new vocations in life for our young men as well as developing the resources of the country. According to the fifth quinquennial report, 1902-07, on the progress of education in India there were, in 1906-07, 14 technical and industrial schools in the Madras Presidency, 31 in Bombay, 52 in Bengal, 11 in the United Provinces, 19 in the Punjab, 3 in Burma, 12 in Eastern Bengal and Assam and 5 in the Central Provinces and Berar. Confining my remarks to Bengal, which now once again includes Eastern Bengal, the number of technical and industrial schools is apparently the largest of any Presidency or province in India. Of course the number that falls within Bihar, then an integral portion of Bengal, has now to be excluded. But these schools in Bengal are very small institutions and are mostly aided or private. The report on Public Instruction in Bengal for 1910-11 shows that the total expenditure on technical and industrial schools managed by Government was barely R45,074, of which R39,414 were contributed from provincial revenue. The amount is wholly inadequate for the requirements of so important a Presidency as that of Bengal. Even if the establishment of a fully equipped Technological Institute is delayed, a much larger amount should be earmarked for technical and industrial education, and the Bengal Government should have no difficulty in doing so out of the allotments made by the Government of India from surplus and current revenue.

"As stated above, provision to the extent of 1½ crores has been made for urban sanitation from the surplus of the year about to close, as well as a moiety of one crore assigned in the Budget estimates for 1913-1914, but in the latter instance, it is not specified whether for urban or rural sanitation. To us in Bengal rural and suburban sanitation is a problem perhaps more important than urban sanitation since the former affects a much larger population and a wider area. The ravages of malaria in Bengal are well known, and village areas have suffered severely specially in the districts of Murshidabad, Nadia and Jessore. At the second all-India Sanitary Conference held at Madras in November last year, and over which the Hon'ble the Member for Education presided, the subject of rural sanitation in Bengal was discussed in a paper read by Mr. Mati Lal Ghose, a member of the Conference. He referred to the terrible ravages of malaria in Burdwan and other districts in 1861 and subsequent years. The Epidemic Fevers Commission of 1864 attributed the outbreak to miasm, polluted drinking-water, deficient ventilation

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and other causes. Since then malaria has spread over an extensive area and has been undermining the health and constitution of the people, and injuriously affecting the development of the race. It was pointed out in the course of Mr. Ghose's paper with the views of which Rai Bahadur Dr. Kailas Chandra Bose, C I E, an eminent medical authority, generally agreed that the problem in Bengal was one of village sanitation, and there was an imperative necessity for improving the drainage and water supply. This should be supplemented by the clearance of jungle and the growths of rank underwood, the filling up of useless tanks, the freedom of tanks of which the water is used for drinking purposes from pollution, the prohibition of borrow-pits in the proximity of villages and other necessary measures. In his opening speech the Hon'ble the President announced that out of the grant of Rs 5 lakhs for anti-malarial measures Rs 50,000 had been assigned to Bengal for experimental jungle clearing, but the anti-malaria campaign should be carried on in a systematic manner in all directions, and then alone will our efforts be crowned with success. His Excellency the Governor of Bengal, it is satisfactory to note, takes a practical and keen interest in rural sanitation, and I am confident that with the additional funds placed at his disposal, His Excellency will endeavour to deal with the problem of rural sanitation in Bengal.

"Before resuming my seat, Sir, I hope you will permit me to refer briefly to the concluding portion of the Financial Statement. The Hon'ble Sir Guy Fleetwood Wilson has said that this is his last Budget and he will sever his connection with India with profound sorrow, but he rejoices exceedingly that he will leave her loyal and prosperous. We all sincerely share the last sentiment. Sir, by his unflinching courtesy, his affability and urbanity, Sir Guy Fleetwood Wilson has, in his exalted offices of Finance Member and Vice-President of this Council, won the respect and esteem of Hon'ble Members of this Council, while his sympathy for the people of India is remembered by them with affectionate gratitude. When the time comes for the parting word to be said the best wishes of all India for his continued prosperity and success in a different and, we hope, a higher sphere of activity will accompany him to his distant home beyond the wide seas."

The Hon'ble Mr. Ghuznavi:— "Sir, to-day I rise to congratulate my brethren, both European and Indian, my Hon'ble colleagues in this Council, on having come to the end of our labours and brought to a close this first session of the New Council in the historic Delhi of past glories and in the truly Imperial Delhi of future hopes.

"The momentous change of policy which while, upsetting the partition of Lord Curzon, ushered in the transference of the capital from the city of Job Charnock to the city of the Moguls, I confess, Sir, for a moment paralysed the Moslems of Eastern Bengal and Assam, from their rank and file to their accredited head, the Nawab Bahadur of Dacca, who had identified himself so much with the province that was born to die so young. At the time the news reached us, I, who was then stricken with a serious malady and was more dead than alive, thought with the rest of us that it was a veritable political debacle. But God in His infinite mercy not only restored me to a fresh lease of health and activity, but with it as it were brought the conviction to the minds of us, Mussulmans of Bengal, that the change was by far for the better. Although the change is written in the present Budget as it will be written in future Budgets in large figures of expenditure, it has converted our province into a Presidency with the British Statesman at its head of consummate ability, tact and genuine sympathy, courteous and affable with a keen regard for the true interests of those over whom he has been called upon to rule. It has given us a Government by an Executive Council composed of men like the Hon'ble Sir William Duke and Mr. Lyon and my friend and late colleague Syed Shamsul Huda, who have an intimate knowledge of the land and the people whose administration is under their charge. For these reasons, Sir, I for one, do not grudge any expenditure

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in the Budget which is the outcome of this policy which will ever be associated with the revered name of His Excellency Lord Hardinge.

“Sir, I have no desire to criticise at any length the Budget—the prosperity Budget, if I may so use an old expression which has found favour in the past with many of my colleagues—for it hardly calls for any comment; nor do I desire to repeat what surplus it shows, what income it indicates, or what expenditure it advocates, for all that is within the easy reach of any one who wishes to turn over the so-called dry and dusty pages of the Financial Statement of the Budget which I must confess this year have been made a little less dry and a little more interesting by the magic hand of my friend, the Hon'ble Sir Guy Fleetwood Wilson. I wish to take advantage, Sir, with your permission, of the general nature of to-day's debate and dilate on a few matters of general policy. But there is one point strictly financial that I should like to touch upon and it is this—It is the financial relation between the Imperial and the Provincial Government. In the middle of May, 1912, a resolution was issued by the Government of India defining the future financial relations between the Imperial and the Provincial Governments. The first point which strikes one with regard to this is the absence of what the various Local Governments consulted on the subject said about the points referred to them. In the resolution, there is very little to show what their opinions were, and yet the Provincial Governments are as much interested in the question as is the Imperial. What I ask is this, will the Hon'ble Finance Minister be pleased to tell us what the opinions of the Local Governments were, and whether in the present Budget the relations between the Imperial and Provincial Governments have been adjusted in the light of those opinions. Before the year 1871 Local Governments, though responsible for the internal administration of the country, had no power of control over the financial affairs of their respective provinces, and therefore had no financial responsibility. The revenues of the whole Empire thus went into a common fund which was completely at the disposal of the India Government. The Supreme Government came to find in course of time that the demands of the Local Governments for money were practically unlimited, because there was almost no limit to their legitimate wants. Thus the constantly increasing demands of the Local Governments obliged Lord Mayo in 1871 to inaugurate the celebrated Decentralisation Scheme by which it was resolved to make over to the Local Governments a certain income to meet their local expenditure and leave to them subject to certain general rules and conditions, the responsibility of managing their own local affairs. Thus the financial control of Jails, Police, Education, Registration, Medical Service, Printing, Roads and Civil Buildings was transferred to the Local Governments. But as the Secretary of State for India kept for himself the lion's share of the revenue and the Government of India in its turn followed suit, this arrangement proved unsatisfactory. Chiefly because it allotted to the Local Governments means which were at once insufficient and left them to carry on their administration as best they could within that amount. Thus thrown upon their own resources the Local Governments with the permission of the Government of India hit upon ingenious local taxes which gave birth for the first time to that wonderfully elastic taxation which is so dreaded by the unfortunate zemindars of Bengal, namely, the Road Cess and the Public Works cess. Other provinces such as Punjab, Madras, Bombay had similar taxes sprung upon them. Lord Lytton in 1877 further developed this decentralisation scheme, and Bengal and other Local Governments were entrusted with the management for their use on fixed terms of progressive payments, their Excise, Customs, Salt, Law and Justice, Marine, and miscellaneous, etc., and some heads of expenditure were also entrusted to the Local Governments. The Local Governments thus were authorised to develop the sources of the revenues placed at their disposal with the condition that the Government of India was also to get a share in the increase of this revenue every five years at certain fixed rates. Soon after Local Governments accordingly began to show increase under every head of revenue, the proceeds being rateably divided.

between themselves and the Supreme Government with the result that taxation reached almost its utmost limit in every province. Let us take an example. The revenue of Bengal, Bihar, Orissa and Chota Nagpur increased from 2 crores 69 lakhs odd to 3 crores 68 lakhs odd, and it went on increasing until we get in 1909-11 to 5 crores 77 lakhs odd for West Bengal and 2 crores 27 lakhs odd for East Bengal, subtracting 75 lakhs, that being the annual revenue of Assam. That is to say, within 30 years the revenue of Bengal was quadrupled. The question naturally rises as to how this huge increase of revenue was brought about. The answer is that it was mainly by forcing up the sources of the growing revenues such as Excise, Stamps, etc., year after year. Now the main features of the Resolution of the Government of India of May of last year are (1) the replacement of Government of India's cash assignments to Local Governments by making over sources of growing revenues to the latter, (2) making of the existing quasi-settlements permanent. Now there would be no objection to this arrangement if the sources of growing revenue placed at the disposal of Local Governments were to grow for ever. But this can never be. On the other hand, most of the sources of revenue have already been almost tapped dry. Hence we are justified in doubting whether the Local Governments will gain or lose by such commutation of the cash assignments to growing revenues which are bound to shrink in due course, and must ultimately reach the utmost limit of their goal. In the present budget the financial relations between the Central and Local Governments have been regulated in the light of the resolution referred to above. Hence I would respectfully urge upon the Government the desirability of reconsidering this complex question of financial relationship between the Central and the Local Governments in all its entirety.

"Sir, I now pass on to general questions. At the outset I must express my deep gratitude to Government for their large-hearted and munificent educational policy. India is by far one of the most backward countries in the matter of education. And to my mind England can only fulfil her noble mission here by spreading education broadcast in the land. Comparatively speaking we Mussalmans are very backward, and personally I plead that in this matter the Mussalmans are entitled to a preferential treatment which I am sure no enlightened and broadminded Hindu would begrudge us. For they must remember that our educational advancement is equally to their interest. I am sure, you will be astonished, Sir, when I tell you that taking a single district like Mymensing, there are not more than 23 High English Schools in an area which is nearly equal to that of Ireland, and of these only two are under Mussalman management. Apart from the question of giving freely grants-in-aid so that schools might multiply, Inspectors of Schools specially in the Dacca Division might be advised with advantage not to put unnecessary obstacles in the way of the few schools that are started by private enterprise from receiving affiliation from the University. In my budget speech of 1910, I had the pleasure of congratulating Government for having recommended to Local Governments the advisability, in the interest of higher education, of affording substantial help for the raising of 2nd grade colleges to first grade, and I referred particularly to the Chittagong College. This year I would refer similarly to the Ananda Mohan College in Mymensing, and while expressing gratitude to Government for having already promised a considerable amount of help with regard to it, a little more is needed to bring about the desired end. If the Government of India consider the question of commending to Local Governments the advisability of raising 2nd grade colleges to 1st grade whenever possible, the desired consummation with regard to the Ananda Mohan College will easily be brought about.

"I now turn to Moslem Female Education. It is a matter greatly to be deplored that there are hardly any Moslem Girls' Schools in any of the provincial capitals of India. Taking the case of Calcutta, we find that there is one small Girls' School called the Shakhawat Memorial Girls' School, and this too has been started only recently through the liberality and devotedness of a single

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lady. In my opinion there should be Government aided and Government controlled first class Moslem Girls' Schools in every important centre throughout India, and Local Governments should be commended accordingly.

"We are deeply grateful to the Government of India and the Hon'ble the Finance Minister for the money which he has provided for the Dacca University in the present budget. But I would respectfully and earnestly point out that a great deal more will be required before it can be made into a Cambridge or Oxford of East Bengal.

"I cannot conclude my remarks without expressing my personal obligations, and on behalf of the entire Mussalman community our deep gratitude to His Excellency the Viceroy and the Government of India for granting leave to Mussalman employes of the Government of India to say their Jum'a prayers as well as for commending to Local Governments the desirability of granting the same privilege. For this single act on the part of His Excellency the Viceroy and the Government of India, Mussalmans regard His Excellency Lord Hardinge as a great benefactor. We are also thankful to the Government of India for having accepted the resolution which was chiefly with regard to Mussalman holidays, and I would respectfully urge the Government to send their commendation embodying the principle of the Irreducible Minimum of Four Mussalman Religious days to the Local Governments concerned as early as possible so that due effect may be given to it without delay.

"In conclusion, I feel that I must give vent to what is uppermost in my mind. For four years out of five of the official career of the Hon'ble Finance Minister in this country, I have had the honour of being associated with him as a colleague in this Council, and I desire to give expression to the great admiration and the very high regard in which I have held him, in which, I am sure, we all hold him: Sir Guy Fleetwood Wilson came to us with his mind saturated with the best traditions of English public life, and his presence in this Council in its infant stage has been of incalculable benefit. His high-minded courtesy, his delightful suavity of manners, his warm sympathies, his sturdy independence of character, his deep devotion to the trust and the best interests of India have all earned for him an abiding place in our hearts.

"Sir, when the Hon'ble Sir Guy Fleetwood Wilson took up the portfolio of Finance, he found India in adversity and at the end of his five years' period he is leaving her in financial prosperity with the solemn assurance that should financial trouble come on India, she would be prepared to meet it,—'*L' India fara da se'*'. In pathetic terms he told us on that day that this was his last budget, and this day would practically be the last day of his career in India. Man proposes but God disposes, and we still hope that Providence may yet keep him amongst us and give us and India the benefit of his labours for a further term. But should that not come to pass and the best of friends have to part, we hope that when he is far away from these shores like so many friends who have gone before, with him Sir, it will not be the case of '*Lointan degli occhi lontan del cuore'*'."

The Hon'ble Maung Mye:—"Sir, to-day being the closing day of the year, I do not wish to pass it without some expression of my gratitude on behalf of my Province, to the Imperial Government for the grant of 30 lakhs for road communications.

"Although very far short of fulfilling actual requirements, it is still a welcome start for an undeveloped and backward Province like Burma.

"According to calculations made by experts, she requires a little more than ten times that amount to equip herself with the necessary road communications, but she is content and grateful with what she has received.

"Burma is not asking for more for she knows now, since the Government of India recognizes her urgent wants, she can wait and hope that, whenever the financial situation permits in the future years, the Government of India

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will not forget that Burma has a strong claim on the Imperial exchequer for further grants."

The Hon'ble Mr. Fenton:—"Sir, my friend and colleague, the Hon'ble and gallant Captain on my left has formulated so many suggestions, for the better government of India in general and the Punjab in particular, that it is perhaps unnecessary for me to occupy the time of the Council for many minutes.

"I do not propose to indulge in what the Hon'ble Finance Member calls patriotic pleadings. It is true that, three years ago, speaking on behalf of the finances of my Province, I had the temerity to ask for more. Well, Sir, we have got more. The financial position of the Punjab is now thoroughly well established. But I do not think the Hon'ble the Finance Minister does himself justice when he attributes to time alone the improvement which has taken place. He has, in fact, joggled the elbow of time. That is to say, the Government of India have very wisely decided to accept the claim of the Local Government to have a portion at least of our large fixed assignments converted into shares of growing revenue. Half the income under the land-revenue head and the net income from irrigation have been provincialised. Nor in attributing the amelioration that has taken place to time, and to time alone, has justice been done to the head of our Local Government who, both by his convincing presentation of the case for the reform which I have mentioned, and by his watchful supervision over our revenue and spending departments has very materially contributed to our present happy position? In view, therefore, of this present happy position, it is not necessary for me to plead, as I did three years ago, the cause of the provincial lamb. Our own particular provincial lamb has now grown up into a sheep,—a fine, fat, well-conditioned sheep. Judging from the distribution of the Imperial surplus which has taken place, it is not perhaps the most favoured sheep of the flock. Indeed I am not sure that Sir Guy Fleetwood Wilson and some of his colleagues do not still regard it as a black sheep. But if the Hon'ble Finance Member now approaches us and asks in the words of that well-known nursery rhyme 'Baa! baa! black sheep have you any wool?' the answer which will be given to him with complete assurance and satisfaction will be 'Yes Sir, Yes Sir, three bags full.' We have one bag for the Master, that is to say for the Finance Minister himself. The Government of India derive from the Punjab Province a contribution to the Imperial exchequer which is substantial and important, and will be still more substantial and important in future. We have also got a bag for Sir Louis Dane. The Punjab has at last come into some of its own. And, Sir, we have a third bag: a third bag for 'the little boy who lives up the lane.'

"And who is the little boy, and why does he live up the lane? We are all familiar with the *chhota saheb*, the Assistant Collector, the Assistant Commissioner; sometimes he is a hoary-headed 'Joint.' He is little in pay, little in prospects and little in position. But he is not little in years. He is running well on to 40 sometimes; and—he 'lives up the lane.' And why does he live up the lane? Because he cannot afford to live in any more respectable locality. Rents have gone up; prices have gone up, wages have gone up, steamer fares have gone up, the cost of living in every direction has gone up, and he really cannot afford to make both ends meet. Bitterly must many a *chhota saheb* regret,—many a one who once had an opportunity of choosing the Home Civil Service,—bitterly must he regret that he did not exercise his choice in that direction; for then perhaps—you never can tell—he might have aspired to be now occupying an honourable seat on one of the front benches opposite. But, it may be asked, what connection has all this with the budget? That brings me to the third bag of wool. We have got that bag, and it only requires the permission of Government to give it over to 'the little boy who lives up the lane'. Sir, the Government of India also have wool, lots of it, and I would here put in an earnest plea that they do not part with it too readily; that they keep it in reserve for the moment. Nothing that has taken place since the commencement of this

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Session has, I believe, given more satisfaction to the rank and file of the Indian Civil Service than the words which dropped from your lips, Sir, in the course of the debate on the Hon'ble Mr. Gokhale's motion, in which you adumbrated the need for making provision to carry into effect the possible recommendations of the Public Services Commission. It would of course be presumptuous to indulge in any definite forecast as to what those recommendations will be, but it is permissible to build up hopes on the justice of our case. It is permissible to urge upon those who will have the responsibility of giving effect to any measures, which the Public Services Commission may recommend to look ahead and to maintain an adequate reserve so that when the time does come to give effect to these measures, their adoption will not be frustrated by any lack of provision in the Finance Department.

"Those Members of this Council who so recently have been giving so much study and attention to the question of Company law, are no doubt familiar with that bright and humane side of Company finance which so often marks the presentation of a balance-sheet exhibiting exuberant prosperity. There is on such occasions rarely a dissentient voice heard when the Directors propose to grant a bonus to the Staff and recommend that a substantial addition be made to the employes' pension fund. Sir, has not the time come for the Directors of the Empire of India, Limited, to take some step towards imitating a commercial practice so just and admirable? Does not the prosperity of the country carry with it some obligation to those under whose administration and by whose efforts it has been largely achieved?"

The Hon'ble Nawab Saiyid Muhammad :—"It is once again my pleasant duty to congratulate the Finance Member on his excellent budget and his clear and businesslike statement of our Financial affairs. Since the expansion of the Council the annual Financial Statements have been watched with deep attention, and have elicited warmest approbation all over the country. Sir Guy Fleetwood Wilson has introduced several healthy changes in the method of the preparation of our Financial Statement and Budget, which, I hope, his successors will loyally follow. Sir, the career of our Finance Minister has been followed by our countrymen with great interest. He has not merely been a Member of the Executive Council, but a statesman and a friend of the land he has served so well. I shall merely be voicing the unanimous opinion of our educated countrymen if I tell the Council how anxious they are to approach His Excellency the Viceroy with memorials and by holding public meetings, to use his good offices and to retain Sir Guy in the country for a further term however short that may be. We are passing through exceptional times, and we want men of his stamp to guide us.

"Sir, many important aspects of the budget have been so fully discussed in the Committee stage that hardly anything more is left for me to say. A few words, however, about the new capital will not be altogether out of place. I notice that two crores have been provided for the capital expenditure on permanent Delhi, bringing the total to two crores and 17½ lakhs. I also notice that the total cost of the temporary works and the new Cantonment, amounting to about 64 lakhs, have been shown under Revenue Expenditure. Strictly speaking, these 64 lakhs should be charged to the capital cost of the new Imperial city. This is, however, a question for the Auditor General. I beg to draw the attention of the Government to this matter, as already articles have appeared in a section of the Anglo-Indian press suggesting that there has been cooking of Delhi accounts. Leaving aside the question of accounts, I am bound to say that the Council has not been kept fully informed about the affairs of the new Capital. In fact, we know little or nothing about it, although we know that a new capital is being built for us. The preliminary report of the experts which was placed in the Library of the House of Commons several weeks ago is not available for us even to-day. Since then, so far as I can see from the press, a second report has been submitted to the Government, and on the merits of this document the southern site has been finally fixed. My friend, Sir Gangadhar Rao, has tried his best to elicit some information on the subject of the new Capital, but without evident success. We are unaware of

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the financial effect of abandoning the northern site in favour of the southern. We do not know why the expenditure on sanitation of Delhi should not be charged to the capital account. We are also not aware of the reasons which have led to the cost of the Delhi Railway diversions not being charged to the capital outlay on permanent Delhi. It seems urgently necessary that general estimates should be prepared and discussed before the detailed scheme is fixed. It seems also essential that these estimates should include capital expenditure on old as well as on new Delhi in the matter of such paramount importance as the building of a new capital. I am inclined to think, Sir, that the non-official members of Council should have been taken into the fullest confidence and allowed all possible opportunities to co-operate with the Government. This, I regret to say, has not been done. I now hope, Sir, that it will be possible for the Government to place all available information at the disposal of the Council."

The Hon'ble Sri Rama Raya of Panagallu :—“ Sir, I join the other Hon'ble Members in their congratulations to the Hon'ble Sir Guy Fleetwood Wilson on the Budget under discussion. I only regret it should be his last, but I have every hope his advanced policy will continue to be followed in the department which he has administered with such conspicuous ability, and that larger grants will be annually made for agriculture, irrigation, education and sanitation. He leaves India with profound sorrow. Perhaps the assurance will be some consolation to him that we Indians are as deeply moved at his retirement, and that he carries with him a nation's goodwill and admiration.

“ Sir, the absence of His Excellency the Viceroy from the Budget meeting must be painful to all, but we earnestly hope that the All-Merciful God will give him strength to resume his duties shortly and to gladden us by his sympathetic rule during the full term of his high office.

“ Sir, the Budget does not call for much comment. The operations of the year about to end have given us a large surplus, and the next year's anticipations are normal. One might perhaps wonder why an unusually large allotment has been made in 1913-14 for railway construction when the Hon'ble Finance Minister himself is sceptic about the utility of railways as a commercial asset. The Memorandum, however, supplies the explanation. The whole of the money is required for the maintenance of open lines and the completion of lines under construction. But one thought would occur to all in these circumstances. If such a large amount as Rs. 15,18,69,000 be required in one year for the first of these purposes, railway expansion must have reached a stage when a halt would be not only desirable but necessary in the interests of the taxpayer. A pronouncement of Government policy on this subject from the Hon'ble Sir Guy Fleetwood Wilson will be welcome to the Indian public.

“ Sir, in my opinion, and I share that opinion with many others, greater concentration of our energy on the development of feeder lines, or what are known as light railways, at least for some years to come, will be a wiser policy. Of course they are the concern of Local Governments, but advice from the Government of India will accelerate their progress. These light railways do good to the country in a variety of ways, not the least of which is by providing a sound investment to the poorer classes for the remunerative employment of their capital. With adequate guarantee the whole of the capital can be, and should be, raised from the people. The guarantee of the Provincial Government will have a decidedly more encouraging effect than a District Board guarantee. It will inspire greater confidence among timid capitalists, as these poorer Indians are.

“ Sir, to a representative of Madras the statement in the Memorandum that in 1913-14 ‘ provision has been made for large grants to Local Boards for roads, bridges and protected wells in rural areas ’ has a profound interest. I am glad this need of the Madras Presidency has attracted the notice of this

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Government. It would be still more gratifying if the Local Government be advised to make the outlying places of pilgrimage easily accessible by the construction of roads and bridges, before applying the funds elsewhere. Huge crowds visit most of these places, and at many places, Kalahasti for instance, the pilgrims suffer a great deal from the absence of bridges. The Local Government will no doubt settle the detailed programme of works, but this Government may with advantage indicate it as a general policy that places of pilgrimage should have the first claim upon the consideration of Government in this matter.

“ Sir, a bolder and more liberal policy in regard to the improvement of agriculture is called for by the increasing pressure upon land and the necessity of rapid improvement in agricultural methods. The importance of agriculture cannot be exaggerated. Agriculture has hitherto been, and still is, by far the most important industry in the world, and I have no doubt it will continue to be so hereafter. Even if to-day we are in a position to synthesise our food from free elements, we cannot dispense with agriculture. For it is no less a means of disposing of the dead and effete matter than it is a process of producing life-promoting stuff. In India it is the main industry of the people and supports directly or indirectly about eighty per cent of the population. And yet the condition of Indian agriculture is not what it should be. There is ever increasing foreign competition. Crop after crop is being threatened. German artificial blue dye has almost put a stop to the cultivation of indigo in this country. Java sugar is a standing menace to the indigenous cane cultivation. If these things continue, the Indian peasant will ere long have to be out of employment. The problem of agriculture, therefore, demands the most careful attention of the State. I do not deny that Government is alive to the importance of agricultural improvements, and is trying to effect it in various ways. The third report on the ‘Introduction of Improvements into Indian Agriculture’ contains interesting information regarding official activity in this important direction. I would, however, suggest the nationalisation of agricultural education by giving elementary agricultural training a recognised place in our primary schools as in Japan and some of the agriculturally advanced countries of the west. I do not apprehend any serious difficulty in the inclusion of a rudimentary agricultural syllabus in the course of study at these primary schools. But with a view to popularise agricultural knowledge, to disarm opposition and to make a cautious advance, an agricultural section may for the present be added to the village primary school, admission to which should be optional. Without therefore launching upon a scheme of primary agricultural schools, the desired facilities for special training may in this way be provided in the general elementary schools at a small cost. In paragraph 36 of the Education Resolution of the Government of India, dated 21st February 1913, it is noted :—

‘In the ordinary elementary schools, formal agriculture is not taught; but in some provinces a markedly agricultural colour is given to the general scheme of education.’

“ I submit this is not enough. A more comprehensive scheme of agricultural education is clearly required; but, on the 17th of February last, in reply to my question on the subject, Sir, you said :—

‘The Government of India are not aware . . . of any likelihood of such schools (of agriculture of a strictly elementary character) being brought into existence in the near future.’

“ This being the position, to suit present conditions, the scope of ordinary primary education may be extended in either of the two ways suggested above. Meanwhile, the progress of the vernacular boarding school for sons of substantial cultivators, village *patils* and small landowners, experimentally established of late at Bombay, should be watched.

“ Sir, agricultural improvement is intimately associated with, and is to a large extent dependent upon, judicious settlements of land revenue. Left to themselves, the tenants can do little to introduce improved methods. They have not got capital, and the only capitalist in the village who has a substantial interest in such improvements is the landlord. Capital must

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for years to come at least, be supplied by him. Co-operative credit societies may in time free the agriculturist from his dependence upon the *soucar*, but the co-operative movement is new in India, and it will be enough if it helps the villager now to get money at a reasonable rate of interest for his pressing ordinary needs. For the application of the co-operative principle to production and agricultural improvement, we must wait long. State landlordism and forced cultivation which might ultimately result in improved agriculture, cannot succeed in a country like India. Even in Java where they have been tried, they were attended with signal failure. It is necessary that the landlord should have sufficient incentive to undertake large agricultural improvements. And the first effective condition, to my mind, is the introduction of long-term settlements. Unless he is secured in the enjoyment of the profits of his investment for a reasonably long period, no landlord would care to carry out improvements on his estate at his own cost. The period of settlements now varies in different parts of the country, and is generally much below the thirty years' limit fixed by the Secretary of State. A more uniform approximation to this maximum at least is an exigent necessity.

"Sir, the poor tiller of the soil has at least the comfort to know that he is the object of much philanthropic concern, but in India we have a still lower social stratum in which the members are denied the ordinary rights of humanity. The depressed classes are untouchables; they receive from the higher classes a treatment which is shocking to civilised notions; their very presence is abomination and their breath pollution. They are allowed to wallow in ignorance, barbarism and degradation. They are condemned to a low life of utter wretchedness. They are forced to lag behind in the race for advancement. The Indian nation with its progress limited to a particular section is like a tree with its branches expanding in one direction. Its equilibrium is unstable, and it is ever exposed to danger. Sir, the uplifting of these classes is not only a problem which ought to be grappled with spirit by social reformers, but also one which from its economic effects deserves the serious consideration of Government. The depressed classes form a large proportion of the total population. Government can and should do something for the amelioration of their hard lot, by appointing them, wherever convenient, at least as menial servants in public offices, by settling them as peasant proprietors on lands reclaimed by irrigation, by inducing them to apply themselves to cottage industries, by encouraging missionary societies to form special settlements for them and by unfolding before them an altogether new and nobler perspective of life and life's work. A beginning can be made by the reservation of a portion of reclaimed lands for them at the public auctions, and by either remitting the price of the lands so reserved or by recovering it from them by easy instalments. I expect important results from these measures. Their appointment, be it in the lowest rungs, in public offices will necessarily bring them into contact with the higher classes and a higher order of society and will revolutionise their ideas about living, exciting in them an earnest desire for betterment by education. Their position as peasant proprietor will give them a recognised status in village communities. But the Hon'ble Home Member's reply to my question on the subject was not as encouraging as it should be. In the name of humanity I appeal to Government to formulate a scheme for humanising the *pariah*, if necessary, after proper investigation by a small committee. In this noble work Government will have the hearty and loyal co-operation of all right-thinking men.

"Another matter, Sir, which I would like to draw the attention of Government to is the admission into the commissioned ranks of the Indian Army after preliminary training of the scions of ancient families who now in many cases live in dangerous idleness. It will be a wise act of statesmanship to reclaim and employ them in the King's army and convert them into loyal and devoted supporters of Government. Years ago, under the sympathetic inspiration of His Royal Highness the Duke of Connaught, a proposal was in the air that a military college should be established in India on the model

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of that at Sandhurst, for the training of respectable Indians with a view to their appointment to the commissioned ranks of the army; but somehow nothing practical resulted. The Indian Feudatory Chiefs have since then formed the Imperial Service Corps. But nothing has been done for the aristocracy of British India. The time has come when Government should take this question of military training and appointment of deserving Indians into their serious consideration.

“Sir, I cannot conclude without some reference to a reform, which is of paramount interest to us and which with years is becoming more and more pressing, but in regard to which this Government can only submit a proper representation to the authorities in England. With the reconstitution of the Legislative Councils on a popular basis, the people must make their voice heard in England through this Council. For more than a quarter of a century educated India has been agitating on the platform and the press for a thorough overhaul of the Council of the Secretary of State for India. We are grateful to Government for reforming it to some extent by the appointment to it of two Indian members for advising the Right Hon'ble the Secretary of State on all matters connected with the administration of India from the Indian standpoint. This is a great step forward. But it is desirable that something more should be done. I do not feel myself free on this occasion to undertake a detailed examination of the lines on which the Council should be reconstituted, but I beg leave to place before Government the growing desire of the people of this country for a more radical and comprehensive reform of the India Council, with the object that the Secretary of State may be formally informed of the existence of such a feeling among Indians.”

The Hon'ble Khan Bahadur Mir Asad Ali:—“Sir, regrettable as is the absence to-day of His Excellency the Viceroy, I rejoice that His Excellency has been restored to sound health.

“It is now my pleasant duty, Sir, to congratulate the Hon'ble Finance Minister and the Government on the satisfactory and successful Budget placed before the Council. During his régime as Finance Minister, Sir Guy Fleetwood Wilson has been able to present prosperity Budgets, and the Financial Statement for 1913-14 leaves little room for criticism. Not only does it record a large surplus of about three and a half million pounds, twice as much as was estimated at the last Budget, but shows signs of increasing expenditure on objects of public utility. When Sir Guy Fleetwood Wilson first assumed control of our finances, he had the misfortune to face a large deficit of about £3½ millions. But he leaves to his successor an estimated surplus of about £1½ millions. On the eve of his retirement Sir Guy carries with him the sincere goodwill of his colleagues, and their high appreciation for service rendered to the Government of India.

“The needs of India to-day, Sir, are mainly educational, and I am happy to find that the Government of India has sufficiently recognised them, and provided large sums of money, especially for mass education. It is a matter for deep rejoicing that Government have committed themselves to a policy of extending truly popular education. The recent liberal policy pursued by Government has placed Indians under a debt of gratitude to the Government of India. Large as have been the recent grants made to education, they are not, and cannot be for some years to come, adequate to the growing needs of the country. Government ought, therefore, to be able to provide enough funds in the near future for the successful development of an extensive scheme of free elementary education. With increasing functions of Government in modern times it becomes the duty of the State to break down the general illiteracy of the large Indian population, ameliorate the condition of the poor and uplift morally and socially the so-called ‘untouchables.’

“Sir, the present Budget proposes to spend on education a large sum of over six crores of rupees, a remarkable increase of nearly 2½ crores over the expenditure in the previous year.

[*Khan Bahadur Mir Asad Ali; Rai Sri Ram Bahadur.*] [24TH MARCH, 1913.]

It is to be earnestly hoped that Local Governments will make vigorous efforts to utilise the sums placed at their disposal by carrying out each a definite programme of educational reforms without needless delay. In this connection, Sir, I feel it is my duty to express for myself and on behalf of my community deep thankfulness to the Hon'ble Member in charge of Education and Government for the following words of hope:—

'The Government of India are about to address Local Governments on the question of encouraging Mahomedan education generally, but they do not desire to delay any existing schemes, and they have no doubt that Local Governments, in distributing grants, will make provision for special Mahomedan institutions.'

"Attention, Sir, has to be paid to the development of commercial schools for Mahomedans. Mahomedans have greater inclination as well as aptitude for trade and commerce than their Hindu brethren. In Madras we have only three industrial schools for Mahomedans—two for boys and one, an embroidery school, for girls. More such schools are needed in large Mohomedan centres, such as Malabar, North Arcot, Tinnevely and the Ceded Districts.

"Considering the importance of high liberal education, I urge on Government the desirability of increasing the number of Government scholarships awarded to brilliant Indian students for prosecuting their studies in foreign countries. At least half a dozen annual scholarships should be instituted in each of the major provinces. Government scholars on their return home have distinguished themselves in various walks of life. In this scheme of scholarships the claims of deserving and competent Mahomedan youths, few as they are, should be recognised, especially in Madras.

"In his Financial Statement the Hon'ble Finance Minister referred to 'a shadow in the financial sunshine.' In view, therefore, to the probable diminution of our opium revenue in the immediate future, means have to be devised for meeting the financial crisis. We need more and more revenue to meet our growing wants. Some of our customs duties on imported articles may have to be raised, or by some other means an additional revenue has to be raised. At the same time regard must be had to the fact that no new taxation should prove burdensome to the Indian taxpayer."

The Hon'ble Rai Sri Ram Bahadur:—"Mr. President, the Hon'ble the Finance Member, is to be heartily congratulated for presenting a Budget having many pleasant features. In India it seldom falls to the lot of a Finance Minister to present three successive Budgets of prosperity. The Hon'ble Sir Guy Fleetwood Wilson has, by his successful handling of the finances of the Empire, succeeded in performing this admirable task. Starting with a deficit of no less than three three-quarter millions sterling in 1908-1909, he closes the year 1912-1913 with a very large surplus. It is also gratifying to note that he has made the best use of this surplus. There could have been no more judicious distribution of it than done by him. The bulk of this money will be spent on measures which are sure to secure a steady progress in Education and in Sanitation. A sum of two and half crores has been allotted for non-recurring expenditure on the former head and one and half crores on the latter. This proper application of the bulk of the surplus to the two most deserving objects is sure to meet with universal approbation.

"The year which is about to close has very appropriately been characterized by the Hon'ble the Finance Member as one of prosperity and plenty. Opium and railways are the two principal heads of revenue which have contributed so largely to swell the Imperial revenues. Opium sales gave much larger sums than anticipated. Improvement in trade increased to a very considerable extent receipts from railways than were provided for in the Budget. These two sources combined have given no less than five millions over and above the estimated amount.

"The swelled receipts from opium cannot be looked upon otherwise than windfalls; nor can much reliance be placed on railways for giving increased incomes constantly. A question requiring the most thoughtful consideration

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arises regarding these two sources of revenue. The following statement will show the annual receipts from opium for the last ten years, from 1902-03 to 1911-12 :—

	Rs.
1902-03	6,74,76,576
1903-04	8,60,40,675
1904-05	9,03,22,491
1905-06	8,20,31,694
1906-07	8,49,07,922
1907-08	7,86,74,786
1908-09	8,82,71,824
1909-10	8,30,20,245
1910-11	11,28,29,433
1911-12	8,94,19,170

“The revised figures for the current year, *i.e.*, 1912-13 are Rs. 7,67,18,000. The estimated income for 1913-14 entered in the Budget is Rs. 2,16,75,000 only.

“The period fixed for the cessation of opium trade with China is drawing close. It will end within four years or so. The much lower figure of estimated income for the next year, as compared with that of the year which is now passing, as well as the figures for the preceding ten years given above, show what a substantial loss the Indian finances are going to suffer from the stoppage of opium trade with China.

“We have been told by the Hon'ble the Finance Member that the Chinese Government are enforcing anti-opium measures with steadiness. They are carrying out the campaign against poppy cultivation as well as against opium consumption with great vigour. The day, therefore, is not far off when opium revenue will become a thing of the past.

“The next item is Railways. No doubt Railways have contributed in recent years very large sums to the Indian Exchequer, but this rise in the Railway receipts has been since a short time only. As recently as 1908-09 Indian Railways were worked at a net loss to the Government. Looked from a financial point of view the return from the capital spent on Railways gives a narrow margin. The Hon'ble the Finance Member tells us that this return was only 4.48 per cent. in 1909-10, 4.66 per cent. in 1910-11, and 4.99 per cent. in 1911-12, and that there is very narrow margin between the rate of profit given by railway capital expenditure and the rate of interest amounting to about 4 per cent. which the Government of India has to pay on the sums borrowed in London markets.

“In these circumstances it is not safe to rely upon railways for surpluses. Income arising from them cannot be trusted as a stable asset. Experience of the past fully justifies this position. Recent experience also leads to the same conclusion. The Hon'ble the Finance Member had to reduce his estimate of railway earnings given in the Financial Statement made on the 1st instant by £100,000 in the final Budget presented on the 20th instant. He tells us that this is due to a distinct falling-off in recent weeks in railway earnings and chiefly on North-Western Railway. Does not this afford a very good illustration of the instability of railway revenue?

“The total cessation of the opium revenue is sure to exercise a very great disturbing influence on the Indian finances. The time, therefore, in my opinion, has come to consider what steps should be taken to meet this contingency. Direct taxation being already heavy, the imposing of any fresh taxes is sure to meet with general disapproval. I would, therefore, take the liberty of suggesting that the Government will be pleased to appoint a committee consisting of official and non-official members of this Council who should go into the question thoroughly and submit a report as to the means to be adopted to meet the financial difficulties which are sure to face us in the very near future.

“The cost of the construction of the new Imperial Capital at Delhi is another important factor which is certain to affect the Indian finances in the coming years. In his speech made at the time of presenting Financial Statement last year, the Hon'ble the Finance Member was pleased to say that out of

the three possible alternatives, described by him for financing the building of the new Capital, the most suitable one was to place these works on the same footing as railways and irrigation works, treating them as Capital expenditure and meeting them partly from loans and partly from the amount that may be spared out of the general revenues after meeting the ordinary administrative needs. He was further pleased to say that this course had been adopted with the full approval of the Secretary of State for India. But in my opinion the adoption of this course may result in one great disadvantage. It may lead to the contraction of the non-recurring grants required in future years for carry-out the educational policy of the Government to its full extent and for measures necessary for further improvement of sanitation. Such a state of things is most probable in years of straitened circumstances. These two are the most important heads on which large increase in expenditure is required in future years, and the bulk of the surpluses ought to be devoted on the furtherance of these two objects. The cost of the new Imperial City for these reasons ought to be met from loans alone. It is but just that not only the present generation but the future ones also ought to bear the burden of a portion of the cost of building the new Imperial Capital, in the shape of interest which will have to be paid on the loans raised for the purpose.

“As I have said before, the utilization of the bulk of the surplus for education and sanitation is the most gratifying feature of the Budget. The bulk of the opium surplus of the current year and also of the surplus of ordinary revenue has very judiciously been allotted as non-recurring grants for the promotion of education. A recurring grant also of 55 lakhs of rupees has been made for promoting education in its different branches. These allotments will no doubt remove a number of pressing wants and furnish means for securing steady progress in the future.

“When moving a Resolution for the increase of recurring expenditure on Education for the United Provinces, I pressed before this Council the immediate requirements of those provinces. That the provinces require a special treatment at the hands of the Central Government with respect to sums to be spent on Education will be made more clear from the following facts. At the census of 1901 there were 6,286,109 boys of between 5 and 15 years of age of whom only 180,306 were literate, the rate of literacy thus being 2.90 per cent. At the census of 1911 there were 6,319,908 boys of similar age, of whom 232,162 only were literate, giving a rate of 3.67 per cent. A much more regrettable condition is shown in the case of girls. In the census of 1901 the number of girls between the ages of 5 and 15 was 5,389,839 of whom only 11,404 were literate. At the census of 1911, their number was 5,305,089 of whom only 26,102 were literate. These figures show that the progress of education in the United Provinces has been very slow in the last decade in comparison with other provinces. No efficiency or real progress can be expected in the national life of a people whose educational condition is so backward. To remove illiteracy is one of the noble missions of the British Government. The people of the United Provinces are grateful to the Government for the great activity shown during the last few years in advancing education amongst them and in spending larger sums for the attainment of that object. The additional grant of 48½ lakhs for non-recurring expenditure and the assignment of 6.38 lakhs more for recurring expenditure entered in the Budget will no doubt help them a great deal in the advancement of education. But for securing a steady and marked progress a still higher sum, both in the shape of recurring and non-recurring grants, is required in the coming years.

“Sanitation is another head which has received a very large share of the surplus. The Government has of late fully realized the importance of sanitation. But it is since the establishment of the Department of Education that activities are being shown in every branch. In the Budget a sum of Rs. 150 lakhs is allotted for non-recurring expenditure and 36½ lakhs for recurring. The share of the United Provinces under both these classes of expenditure is 27½ lakhs and 6 lakhs, respectively. But the whole amount of 27½ lakhs is earmarked to be spent on urban sanitation. As regards rural sanitation it is

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left to the Local Government to devote a portion of the cesses which are to be set free—for the improvement of water-supply, for anti-malarial measures, for the protection of grain stores in plague affected areas and for general sanitation of villages and small towns. It is a matter of regret that the Central Government did not see their way to allot a definite sum out of the surplus to be spent on rural sanitation. Sir, United Provinces deserve special consideration for the improvement of their sanitation both in urban and rural areas. This proposition cannot have a more telling support than from the high rate of mortality shown by the Census figures of 1911. Of the major provinces, the United Provinces and the Punjab occupy the unenviable distinction of showing a decrease in their population instead of the usual increase which is generally found not only in India but in other countries also. The decrease in the United Provinces population is to the extent of 510,233. I give below a table giving the increases and decreases in the principal Indian provinces in the last Census as compared with the previous one :—

NAME OF PROVINCE.	Population according to the Census of 1911.	Population according to the Census of 1901.	Increase or decrease.
Burma	12,115,217	10,490,624	1,624,593 (Increase)
Eastern Bengal and Assam	34,018,527	30,510,344	3,508,183 „
Bengal	52,668,269	50,715,794	1,952,475 „
United Provinces and Oudh	47,182,044	47,692,277	510,233 (Decrease)
Punjab	19,074,956	20,330,337	355,381 „
Bombay	19,672,642	18,559,650	1,112,992 (Increase)
Central Provinces and Berar	13,916,308	11,971,452	1,944,856 „
Madras	41,405,404	38,229,654	3,175,750 „

“The people residing in towns and cities can have their voice heard and get sanitary improvements but the voiceless millions living in the rural areas have no such means. The mortality from plague, cholera, malaria and other diseases is very high in the rural areas. It is obvious that the amount to be spent on the improvement of rural sanitation ought to be much higher than required for cities and towns. I hope that in the next Budget a special allotment will be made both on the recurring and non-recurring side for improvement in rural sanitation.

“The appointment of a Committee under the Chairmanship of the Hon'ble Major Robertson, Sanitary Commissioner with the Government of India, consisting of official and non-official members who are to visit places of pilgrimage and submit a report for the improvement of sanitation of those places is a very important measure and shows the solicitude of the Government to take measures for the benefit of the health of the millions of pilgrims who resort to the sacred places. It is hoped that the report submitted to the Government will contain a complete scheme for the improvement of water-supply, lodging house and general sanitation and that the Government will lose no time and spare no costs in effecting improvements in this direction.

“It is needless to say that since the creation of the Department of Education a new life has been infused into the Educational policy of the country. The programme indicated in the resolution of the 24th February 1913 when fully carried out will place all branches of Education on a sure and sound footing and will confer on the people of India the full benefits of Education given on Western lines.

[*Rai Sri Ram Bahadur ; Maharaja Ranajit
Sinha of Nashipur.*]

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"Another topic of general interest on which I beg to offer a few remarks is railways. When the Railway Board was created in Lord Curzon's time the travelling public looked forward to get greater comfort and better convenience in their railway journeys. It must be owned that much has been done in this direction. But the insufficiency of the rolling stock, specially of coaching vehicles, is still a matter of general complaint. I know at least of one line that when there is a great rush third class passengers are still carried on in long journeys huddled together like inanimate objects in wagons constructed for the transit of goods. The number of wagons for goods traffic is also inadequate. The trading classes are not supplied with them in time for carrying their goods to sea-ports to be taken to foreign countries and much time is lost in this way. The figures given by the Hon'ble Sir T. R. Wynne, in reply to a question of mine, show that while the extension of the mileage in the three State Railways, namely, North Western, Oudh and Rohilkhand and Eastern Bengal Railway, has been 1,135, 426 and 489, respectively, in the decade which ended on the 31st December 1912, the number of passenger carriages added to the rolling stock, during the same period has been 428, 107 and 226 only, and the number of goods wagons newly built has been 11,887, 1,822 and 4,125, respectively, on the above-named three State-owned railways. These figures show that while the number of goods wagons has increased to a large extent the increase in the number of passenger vehicles, has not been in proportion to the additional miles newly opened for traffic. This is the condition of things on the lines owned and worked by the Government. As railways are now one of the most paying sources of revenue the comfort of the passengers, specially of the third class who contribute by far to the income, must be the first care. The exporters of goods also must get greater facilities for despatching their articles with the minimum possible loss of time. I hope that in the next year's Budget a more liberal provision will be made for building new vehicles of both kinds.

"Before I conclude there is one matter regarding which I ask your permission to make a few remarks. The Hon'ble Sir Guy Fleetwood Wilson has told us that the Budget now under discussion is the last which he has presented to this Council. The manner in which he has dealt with the finances of the Indian Empire, the objects on which he has devoted the large surpluses, and last though not the least, the sympathetic care which he has shown and the action which he has taken on measures beneficial to the public have earned for him the gratitude of the Indian people, and our earnest wish is that his prediction will remain unfulfilled, India will still get the benefit of his services for some time longer, and this will not be his last Budget."

The Hon'ble Maharaja Ranajit Sinha of Nashipur:—

"Sir, at the outset permit me to express our joy at the recovery of His Excellency the Viceroy, and we hope that, in a very short time, he will be as strong as before, and we shall have the privilege of seeing him presiding at our deliberations at the next Session.

"Sir, permit me also to offer my best congratulations to the Hon'ble Finance Minister for the satisfactory and prosperous Budget he has laid before the Council. Five years ago when he took charge of his portfolio the finances were in great disorder, and by his ability he has been able to bring them round to their present condition. Sir, I think he is right in not reducing any taxation by depending upon the prosperous Budget; but if in future years we find that our prosperity continues, I think the question of reducing taxation ought then to arise. After the Burma war during the time of Lord Dufferin, when the income-tax had to be imposed, it was considered to be a temporary tax; but, Sir, a long time has elapsed and nothing has been done except giving some relief to certain persons, that is, persons whose income is below ₹1,000 a year. In these hard days of living, Sir, I think from the highest to the lowest everyone feels this tax, and I hope a time will come when we shall either see this tax abolished, or if that cannot be done, some further relief will be given in this respect.

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[*Maharaja Ranajit Sinha of Nashipur.*]

"The Government has already reduced the tax on salt, and I hope that in the near future we shall see this tax abolished.

"We are grateful to the Government for the Educational Policy which was published in the *Gazette of India* recently. With reference to primary education, the Government is not satisfied with the increase of schools only, but has also given attention to the matter of efficiency which is the most important thing. I am afraid even on ₹12 a month trained teachers will not be available for primary schools. However, the beginning is a good one, and we should wait for the results. The Education Department, as a whole, is not very well paid. I think the teachers of the High Schools as also the Professors of the Colleges should be so well paid that they may be able to devote their whole time and energy to the good of the institutions in which they are engaged.

"We are grateful to the Government for the advancement of female education in this country. The time has come when our countrymen appreciate and think that there should be a spread of female education. But there is one difficulty in the way. According to the custom prevalent, in some parts of India, the girls after they have attained a marriageable age are not allowed to attend schools. So, Sir, I think if some trained lady teachers are appointed to go round to the houses in the interior of the districts to impart education to ladies in the *zonana*, in a few years there will be real advance in that direction. In some villages *Pardanasheen* ladies may assemble in the house of a respectable neighbour and the lady teachers might with advantage go there and impart lessons to them.

"We are also grateful to Government for giving over the public works cesses and other similar cesses to the district boards for the improvement of rural water-supply and sanitation. I should like to draw the attention of the Government to one thing. In the interior of the districts there are no dispensaries, and it is not possible for the people who are living there to go to the *suddar* for medical treatment. In former times the people were accustomed to take *Ayurvedic* and *Hakeem* medicines which were less costly; but these systems are fast disappearing. In some provinces, as in Bengal, the Government deputed sub-assistant surgeons to go to the interior of the districts for the distribution of quinine and for treating patients at the time of malarial outbreaks. But, Sir, there are very few districts where there are no diseases all the year round. I have personal experience of Bengal, and from reports I also find that in the United Provinces and the Punjab, malaria has also appeared, plague, cholera and small-pox break out at almost all seasons; so it is essential that district boards should open small outdoor dispensaries for the treatment of patients, one in each *Thana*. Residents of the villages can very seldom afford to call doctors, and there are places where there are no doctors at all; so, unless there is a dispensary in the neighbourhood of each village it is impossible for the people to have any medical aid and thousands of them are dying for want of medical relief. When the Government is going to make over these cesses to the District Boards, I think they may be enjoined to open dispensaries at least in suitable places in the interior of the districts. Then, Sir, as regards *Mufussil* municipalities, their position is no better than that of the district boards. The grant which the Government has given to the district boards will not go to the municipalities. There are many towns in which the income of the municipality is so limited that they cannot afford to devote much money even to conservancy, and so it is impossible for them to set apart from their income a portion for sanitation, water-supply or drainage. In reply to a question in the Bengal Legislative Council, the Hon'ble Sir William Duke said that there was no scheme before the Government and no one applied to take the money. Is it possible that the municipalities are so negligent of their own condition and that they will not take money when offered to them? The thing is that Government wants to contribute only one-third of the estimated cost of drainage and water-supply, and the municipalities have to meet two-thirds, and as a rule it is not possible for a *mufussal* municipality to afford to pay so much as two-thirds, and so they are reluctant to submit schemes to the Government

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lest they might be forced to contribute a sum beyond their means. In several municipalities large sums will not be needed and schemes may be prepared at a less cost according to their necessities of the place. The Government might then be able to judge how far the municipalities could contribute and then call upon them to pay their share, and the rest might be contributed by the Government as a grant to the municipalities.

"As regards the police, we find that there is a big increase under this head: but from my personal experience I could say that the sub-inspectors in charge of the respective thanas are so much handicapped in submitting reports and returns that they seldom get time for investigating crimes, and the result is that in many cases the crimes are left undetected. In my humble opinion a separate investigating officer should be posted at each thana who will devote his whole time to the investigation of cases. Sir, we often hear now-a-days of outrages on the lives and property of passengers travelling by rail, and as our income is to a great extent derived from railways, something should be done for the safety of the passengers. I think that a detective officer should travel with each train in order to watch the doings of persons who assemble on the platforms of stations.

"One thing also as regards court-fees: we derive a good income from our law-courts and so naturally the suitors may claim some relief. The amount of litigation is fast on the increase. In some cases the debtors, not in order to avoid payment, but on account of their poverty cannot pay off their dues to the creditors in time and the creditors also, in order to save limitation have to institute cases. But when the debtor finds that he shall have to pay the entire amount of the court-fees even if he give an *ex parte* decree or compromises the case, they naturally think that it is to their advantage to protract cases. I appeal to the Government that in cases where the court has no trouble, that is in the beginning if cases are decreed *ex parte* or if there be compromise, some portion of the court-fees might be remitted. I understand that in the Calcutta Small Cause Court, half the amount of court-fees is remitted in such cases.

"One word more and I am done. Sir, I beg to convey my grateful thanks to the Government for the accommodation provided for us—non-official members in Delhi. In Delhi, it would have been very difficult for us to get a single house, and so we are particularly grateful for the accommodation provided. We hope that in the near future we shall have better accommodation so that when coming here to perform our business, we may be able to bring our families with us."

The Hon'ble Sir G. M. Chitnavis:—"Sir, it is customary for His Excellency the Viceroy to preside at the last meeting of the Session, and his absence to-day is a matter of sorrow to all of us. We are, however, glad that he is convalescent, and I hope when we meet again at Simla we shall have His Excellency among us, full of vigour and his accustomed cheery spirits.

"Sir, the Budget under discussion testifies to the admirable way in which the Hon'ble Sir Guy Fleetwood Wilson has managed our finances. The allotments bear the impress of his sympathy and statesmanship. He has financed education and sanitation with a liberality which cannot but appeal to us. I sincerely hope, though far away from India,—a country he has loved so well—he will still be able to do her good, and I hope from a higher sphere of action. I associate myself with what has been said of him by the other members, and I assure him that when he leaves he will carry with him the esteem and regard of the whole country.

"Sir, if here I refer at all to the loss of our opium revenue, it is only to emphasise the fact that India still claims adequate compensation for it from the British Exchequer. I am sorry I cannot agree with my friend Mr. Fuzulbhoy on this point. I do not discuss the question in detail, as I shall

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shortly have an occasion to speak at length on it; but the people expect that this Government will be pleased to submit to the Home Government a proper representation on the whole subject.

"Sir, I see that Government has made mention of a University at Nagpur in their recent Educational Resolution, but no provision has been made in 1913-14 for the establishment of that University, and I appeal to Government for an early and favourable decision on this point.

"Sir, as a representative of the Central Provinces, I repeat the prayer that Government will also favourably consider the question of raising our Provincial Government to the status of a Lieutenant-Governorship before long.

"Sir, I am glad that much is being done to extend irrigation in my Province, but I take this opportunity to refer to two other measures which, in my opinion, are absolutely necessary for agricultural India. Agriculture is our principal industry, and long-term settlements of land revenue, for their important bearing and wholesome influence upon its improvement and the material condition of at least four-fifths of the people, should be introduced. The existing settlements are not for a sufficiently long period. The view that long-term settlements are injurious to the interests of the community and are profitable only to a particular class, is fallacious. As a matter of fact, both the landlord and the tenant derive equal benefit from such settlements. I am glad mention has been made of the subject by Hon'ble Sri Rama Raya in his speech to-day.

"Sir, as a check upon too great sub-division of land and the preservation of aristocracy the English law of primogeniture and entail should be extended to India with necessary modifications. Our Mahomedan fellow countrymen have now got, thanks to the benevolent policy of Government, a wakf law which can and will ensure them reasonable security against minute sub-division of property. The Hindus should also move for a change in their law of succession with a view to attain a similar end. Government obviously cannot undertake such legislation, and a private Member's bill is the only means of effecting the reform; but Government, it is hoped, will be considerate in their treatment of such bill, if prepared. Sir, these are the few words which I wish to contribute to the Budget discussions this day."

The Hon'ble Mr. Pandit:—"Sir, it is an advantage to many of us that the Hon'ble the Finance Member is not in the chair to-day, for as on a previous occasion he might have ruled out of order most of us who are so genuinely eager to give expression to the sentiments which are uppermost in our minds—sentiments which are correlated to those expressed by the Hon'ble Sir Guy Fleetwood Wilson himself on the 1st of March in the few and simple but touching words with which he concluded the account of his stewardship of the finances of the country during the last five years. Hon'ble Members who have sat in this Council for years have had greater opportunities of appreciating the work and the worth of the Hon'ble the Finance Member, in the advancement of the best interests of this country, and they have in no uncertain terms given expression to their appreciation; and although I—and many other Hon'ble Members like myself—have been in these seats for less than two months, I am happy to be able to associate myself fully with the observations which have been made by the Hon'ble Members as to the admiration which the Hon'ble the Finance Member has won from us and the high regard which we all entertain for him as well as the good wishes he carries in his retirement. With these observations of a personal nature I now turn to the subject upon which the Council is engaged.

"Sir, the Hon'ble the Finance Member has justly received the congratulations of this Council upon the success which has attended his efforts in steering the ship of Indian finance to a safe haven. The surplus from ordinary revenue which he was able to announce is an abundant one, exceeding over 6 millions sterling, while that from opium is about 1½ million pounds, and the manner in which the greater part of the former (over 3 millions) and a third of the latter (£160,000) have been

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applied to the objects of great utility, in respect of which both Government and the people are agreed, is sure to meet with general approval. In saying so, however, and in expressing our gratitude for the devotion of the surplus to such useful objects, I hope I shall be permitted to make a few observations expressing the desire that the surplus might have been more evenly distributed, over the country, and certain provinces which deserve more consideration at the hands of the Government of India had received their due share. Sir, the Hon'ble the Finance Member in presenting the Financial Statement, said that the Government of India desired to make the provinces partners in their fortune. Whether this partnership be looked upon as one based upon a contract, or whether the Imperial and Provincial Governments be treated as members of a joint and undivided Hindu family owning a business—from whatever point of view it be looked at—I may be permitted to say that partners have not all been treated with equal consideration.

“ I refer more particularly to the province which I have the honour to represent in this Council. Sir, the Government of India in their resolution, dated the 21st February last, declaring their Educational Policy have been good enough to announce that with a view to satisfy the aspirations of the people they contemplate the establishment of Universities at Rangoon, Patna and Nagpur. I am, however, surprised and sorry to find that, while Rangoon and Patna have received a grant of 8 lakhs of rupees each from the bountiful surplus at the disposal of the Government of India, Nagpur has been left altogether in the cold. I am free to admit that the progress with regard to the schemes in Patna and Rangoon might be greater or is perhaps greater than it is with regard to Nagpur University. Nevertheless, since the Government were aware of this scheme, and as a year like the present—as the Hon'ble the Finance Member has reminded us—is not likely to come again for some time and so large a margin as in the present year is not likely to be left for distribution of substantial sums of money among the provinces, and, further, as grants have been made in anticipation of future liabilities I should have been glad indeed if the Hon'ble the Education Member—with your permission, I would correct myself and say (*to the Chair*)—if you, Sir,—had not circumscribed your view of the needs of the immediate future, but had taken stock of the requirements of a few years beyond it and made a similar provision for a University at Nagpur.

“ Sir, while I am on this subject of the distribution of the non-recurring grant of two crores and a half, I should also like to draw the attention of the Council to the keen desire for the establishment of an Arts College in their midst evinced by the people of Berar. As far as I can see in the allotments made under the various heads, there is none for such an institution. I have no authority to speak in this Council on behalf of the people of Berar, but I know that they are eager to have such a college in their Division, and I fully sympathise with them in their aspiration. Berar, Sir, is a rich tract, and, as Rao Bahadur R. N. Mudholkar when he sat in this Council made a point of drawing the attention of the Government to the circumstance, it has been contributing substantially to the resources of the province with which its fortunes are at present allied. I should, therefore, have liked the Government of India to have made some provision for this object also.

“ Sir, the need for a larger expenditure, recurring and non-recurring, on education in the Central Provinces and Berar—on education, collegiate, secondary and primary—is great and peremptory. It will be remembered that at the September Session of the Council, Mr. Mudholkar put some questions with regard to the pay and prospects of professors in Government colleges who had been recommended long ago by the Administration of the Central Provinces for such enhancement as were justly entitled to; but owing to the appointment of the Royal Commission on Public Services the question was, I believe, shelved, and I have now only to express the hope that in the light of the answer given by you to one of the questions put a few days ago in this Council, the Local Administration will be in a position to grant such allowances of a permanent nature as have been already granted in other

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Provinces at least to those members of the Provincial Educational Service who are specially deserving of promotion.

“With regard to secondary education, again, there is a similar demand for the improvement of the position of teachers in high schools. Its satisfaction will stimulate the efforts of those already engaged in the responsible work of the training of youth as well as a better class of men to the calling. The policy of Government of establishing a Government or a model high school in every district has yet to be carried out in its entirety in the Central Provinces. There are a few districts, Sir, which are eager to have such high schools, and I hope that with the grants which have been made for the secondary education, it may be possible for the Local Administration to comply with the request of those districts in this connection.

“Closely allied to Secondary Education is the subject of the establishment of schools for training young men for professions such as Engineering and Medicine. In connection with the Victoria College of Science at Nagpur an Engineering Department is going to be opened. The Victoria Technical Institute cannot accommodate both, and if the work is to be satisfactory a new and suitable building must, with considerable outlay, be constructed to hold them together, and adequate funds provided for the maintenance of the institutions. Similarly although the special grant of a lakh and a half made under head ‘Medical’ for Hospitals, etc., may be drawn upon for the revival of a medical school the need whereof was demonstrated by the difficulty experienced for years in securing the services of Sub-Assistant Surgeons sufficient for provincial requirements, yet as the Hon’ble Home Member said on the 8th instant pecuniary aid might well be expected, Sir, for such institutions from the sums at your disposal. I earnestly hope that no false economy will be permitted to prevent the equipment of these institutions with an efficient staff of lecturers and adequate appliances.

“Lastly, there is the great question of Primary Education to which, after the debate of last month on the Hon’ble Mr. Gokhale’s Resolution, I shall only briefly advert later on in dealing with the position of local bodies, to whose care it is almost wholly committed.

“The financial difficulty is the one that has stood for long in the way of Educational progress in the Central Provinces, and there is a great lee-way to make up. The grants that have been made of recent years to the Province in common with other Provinces should, therefore, prove barely sufficient for works already in hand to be completed and small reforms to be started, and it would be hoping against hope to see any accumulation of funds for any new and important project, unless, of course, the Local Administration fails to utilise the grants on the objects for which they have been allotted.

“Education, Sir, is not the only object in respect of which there is the peremptory necessity for a liberal outlay in the Central Provinces. Local Government whether it is the administration of rural affairs by District and Local Boards, or of urban areas by Municipal Committees—requires for its due development a great deal of improvement in the finances of those institutions. I have intended, Sir, to move a Resolution in this Council asking for a grant of 5 lakhs with the object of strengthening the resources of these local bodies, but in view of the large discretionary grants made by Government I thought that the Local Administration might be able to help them. Now, with regard to larger municipalities, I think they have been carrying on their work with considerable success and with the aid of the large Sanitation Grant made to them have been able to discharge their duties, satisfactorily but with regard to the smaller municipalities, and these include several at district head-quarters, the need for strengthening their resources remains unabated. Among other objects provision of an adequate supply of potable water to the people of such towns is one of the utmost urgency.

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It involves costly schemes for water-works. This would naturally put a heavy strain on Provincial Resources, and the Local Administration, will therefore, have to make the best of the grants that have been made to it in trying to improve the present state of things by meeting to some extent the growing demands of municipal committees.

“With regard to district councils the case is still worse. Their income is limited practically to the collections of provincial land cesses, realization of cattle-trespass fines and rather the surplus of income from pounds and the doles made from Provincial Revenues from year to year. These provincial grants have been more or less of a fixed nature, and for several years past no addition worthy of mention has been made to them. Now, Sir, with regard to the Provinces, in which the Government shared the income derived from cesses on land with the local bodies, the Hon'ble the Finance Member the other day announced the Government of India's determination to allow the income from them to be made over to District Boards and thus to strengthen their resources and afford wider scope for their activities. The position of the District Councils in the Central Provinces which for several years past have been receiving the entire collections of the cesses is in no way improved.

“Their sphere of activity is very wide including, as it does, Education, Public Health and Communications. Without disregard of the just claims of other objects they have fostered Education to the best of their ability, but have only succeeded in improving schools already established and have not been able to increase appreciably their number. Funds have only just begun to be furnished them for an expansion of Primary Education. Some of the District Councils have all these years borne also the cost of a few Anglo-Vernacular Schools, and it is gratifying to see that they are at last about to be relieved of the burden. These local bodies bear the cost of Vaccination Establishment, contribute largely to the dispensaries both at head-quarters and in the district, maintain veterinary dispensaries, sink tanks and wells to supply drinking water in rural areas, with the aid of contributions, no doubt, from Government as well as the villagers, and they also bear no small a share of the cost of plague-preventive measures. They maintain several of the metalled roads and even construct new ones through their own Engineering staff and they are also bound to keep up village-roads. With such a wide range of duties their limited income is almost wholly absorbed by recurring changes and even—as there have been instances—some public spirited gentleman comes forward with a large donation for a useful object—say the starting of a dispensary the cost of construction whereof his donation is intended to meet—the District Council feel great hesitation in accepting the offer for fear of incurring the liability in respect of a portion of the maintenance charge in respect of the institution which they may find it difficult to discharge. And all this in spite of the desirability of opening dispensaries and affording medical aid to the people in the interior of the District! Sir, I should have expected these requirements of my Province to be met at least in the same liberal spirit as was displayed towards Assam. Too much importance cannot be attached to objects which are meant to promote the happiness and prosperity of the masses and it is in their interests that I have dwelt on this subject at some length. I have instanced a few of the principal requirements for the steady development of my Province but, no doubt, the Local Administration has to arrange for communications by means of feeder roads between Railway stations, where new lines have been opened and important towns or villages in the vicinity. I could multiply instances where the demand is great. All these objects must very seriously tax the resources of the Administration. I hope, Sir, that in the event of the grants made to the Central Provinces proving insufficient, and in the event of the Administration coming up to the Government of India with a request for supplementing these grants the Government of India will be well disposed towards the request and will meet such demands in a liberal spirit from some savings or the portions of the grants to Education and Sanitation which they have kept in reserve with themselves.

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"Sir, in conclusion, I have in the seconds left to me only to say that it is as much with a view to publicly drawing the attention of the Provincial Administration as to making to Government of India this appeal that I have referred to these matters because the Central Provinces do not at present have a Provincial Council of their own, and to express the hope that it will come soon and that in its wake will follow the raising of the status of the Administration to that of Local Government."

The President:—"I have given the Hon'ble Member a minute over his time, and I must therefore now ask him to resume his seat."

The Hon'ble Raja Jai Chand:—"I have no observation to offer on the Budget proposed for the coming financial year 1913-14, as it stands in its final form nor on the changes, in figure as compared with those entered in the Financial Statement, or on what the Government have in the way of better or worse, *gained or suffered*; however I shall not mean the loss of revenue caused by the fall of the sale of opium as it is my sincere wish that people will desist from the use of this pernicious drug. I am glad to say that the present condition of my province seems satisfactory to me and as such as does not leave any room for complaint. In conclusion I beg to thank the Government and the Hon'ble Financial Member for all what they have so kindly done to meet the requirements of both the public and country in each line of their demands."

The Hon'ble Sardar Daljit Singh:—"I beg leave to make a few brief observations on our annual prosperity Budget laid before us by our worthy Finance Member whose masterly handling of the subject in all its details leaves nothing unelucidated. The only discordant note is the loss of income from fall of sale of opium abroad. It is, however, my pious wish that the Chinaman will eschew this degenerating and pernicious narcotic. I would wish indeed my own countrymen also to desist from the use of the drug. I shall not, therefore, mourn the loss of revenue on this head. We hope to make up the deficit, ere long."

"Now, Sir, about the Delhi expenditure. The Budget speech has removed all possible misconceptions on the subject, placing the matter above all criticism. We shall soon witness the ancient capital rehabilitated with all the splendour and embellishment to which it is rightfully entitled, and in a few years hence point to a model capital combining in itself all that modern science of architecture can provide—'in capital,' to quote the words of Hon'ble the Finance Member, of a contented Empire, the abode of peace and prosperity, of wise and prudent counsels, and I may also add that the Imperial capital will be the envy of the world if not absolutely unique in itself. It will be the genius of that ideal administrator whose equilibrium of mind nothing can ruffle or disturb, which will achieve the accomplishment of the gigantic task."

"Coming now nearer home I should have expected a larger allotment from the Imperial exchequer for my province 'the spear head of the Empire,' whose needs are manifold. Were it not that our Local Government and the departments under it husbanded our resources and income so well that its financial position has been improved affording a protection for the future, I would have made a point of complaint on the score of placing us on par with similar administrations for the share of Provincial allotment."

"On the whole, we have to congratulate ourselves on the prosperous year that is just to close. While fully supporting the Budget, I cannot help regretting that we shall be deprived for succeeding years of the expert knowledge of our present Finance Member, whom we all wish to detain if we could and whom we can ill afford to spare."

The Hon'ble Sir Ibrahim Rahimtoola:—"Mr. President, nothing would be easier or pleasanter than to join in the chorus of appreciation and congratulation which has been showered in this Council on what is termed a prosperous Budget, and the prosperous condition of Indian finances. Now, Sir, if the figures, as indicated in the Budget, really represent a pros-

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perous India in the real sense of the term, no one would be more ready to join in those congratulations than myself. But I do not think it can seriously be contended that because there is a large surplus in the Budget estimates, that therefore India is necessarily more prosperous.

"I will deal with the two items to which reference has been made in the Financial Statement, namely, the progress which agriculture has made and which trade has made; and I will also deal with the question of the balance of trade in favour of India, after payment of the liabilities to the Secretary of State for home charges, interest on debt incurred and other items and if as the result of that, we find that the country is growing prosperous, then I am quite prepared to admit that it is a matter for great congratulation.

"Well Sir, to take the point of the surplus first, it appears to me that a large surplus indicates that the State has taken more money from the people than it was justified in doing. Sir, before I deal with the principles underlying taxation, I will refer to what the Hon'ble Mr. Penton said that if the Members of the Government of India consisted of a Board of Directors of the 'Indian Empire Trading Company,' then I am quite sure the result, as indicated by the Revised Estimates, would be pre-eminently satisfactory, and the claim which the Hon'ble Member put forward for a substantial portion of the profits to go to the officers of that Company as a bonus, and as a contribution to provident fund would be unanswerable. Sir, the Empire of India Trading Company would show that, after meeting all the liabilities during the current year, the profits of the Company were so large that there was a huge surplus for distribution amongst the shareholders; but unfortunately the analogy does not apply. The Government of India receive in the form of taxation money required for the purpose of carrying on the administration of India, and the principle underlying all levying of taxation is that a State or a public body authorised to impose taxation is not justified in taking from the people sums appreciably in excess of what their actual requirements are for the purpose of carrying on that administration. Sir, I do not wish to go into the causes of how this surplus was obtained, except as to one or two points to which I will refer later on. There is one feature at all events of the Budget which is very satisfactory, and that is that this surplus, whatever causes may have contributed to it, is proposed to be utilised in a manner which has received the unanimous approval of this Council and the public.

"Now, Sir, I will deal with one of the items which has led to this large surplus. I mean the profits made on the Railways in India, which I think calls for some remarks. The present Revised Estimates show that the net return on the expenditure on railways in India, will be 5.80 per cent., or in other words, after meeting all liabilities (if I remember the figures correctly) there is a profit of over 5½ crores. Now, Sir, I am one of those who believe that the sources of State taxation are quite apart from those sources of revenue which are obtained for services rendered. In all Legislative enactments constituting municipalities, district local boards and other public bodies, it is laid down that, in the case of water-supply, drainage and other items of services to be rendered, that these public bodies shall not levy a percentage of taxation in excess of the expenditure incurred in regard to those services. I find that the Government of India are also practically following that principle in the matter of Posts and Telegraphs, where the figures practically work out to approximately the same. In the matter of railways, there is a very large sum which is taken from the public as profit. Now Sir, it appears to me that railways are also an item of services rendered, and therefore the large profits derived from railways ought not to be regarded as legitimate sources of revenue for the purpose of administration in the same manner as collections from taxes such as Excise, Land Revenue, Salt, etc. These two classes ought not to be put on the same footing. Sir, the Government are practically a monopolist in the matter of railways. All the trunk lines belong to them, though they are worked by private companies. If Government are so inclined and if some such restriction was not accepted of not making large profits out of this monopoly then by the mere raising

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of rates any amount of revenue can be derived, and that would clearly be for all purposes additional taxation on the people of this country without calling it by that name.

"I should like to know—and I will probably put some interpellations at the next meeting of the Council in Simla to find out—in what proportions this extra revenue is derived from the two main sources, the first source which is a perfectly legitimate one, *viz.*, the larger movement of trade and commodities, as evidenced by the growth of both our import and export trade dealt with in the able memorandum which the Finance Minister has placed before the country, and secondly what portion of it—that is a point which I think is of considerable importance—what portion of it is due to the increase of rates on goods and passengers carried by these railways. I think it would be interesting to know when the financial results of working the railways at the present time are so eminently satisfactory, as is proved by the figures whether there has been any increase in rates. If so, it is obvious that there has been no justification for such increase. I do not wish to urge that the whole of this extra revenue from railways should be utilised in reducing rates, but I do maintain that, in addition to providing large sums of money, as is actually done in the present instance, for the extension of railways in the country, a portion at all events of this large amount ought to be earmarked for encouraging what I would call inter-territorial trade in India itself as one of the items of promoting indigenous industrial enterprise in the different parts of the country. Sir, in one of the debates in this Council a year or two ago, the question was prominently brought forward that the railway rates were fixed in view of the long distances which imported goods alone would cover before they reached their destination. There is a marked difference in the scale of rates charged for imported goods which necessarily are carried over long distances, as against goods manufactured in the interior of India and carried to other parts of India. I venture to submit, Sir, that if the railway administration is earning such substantial profits, a portion at all events of those profits ought to be earmarked for encouraging the indigenous industries in India by substantially reducing the rates for carrying goods manufactured in one part of India to another part of this country.

"The other item of revenue which, from a business point of view, gives a large return is irrigation. The productive works give the large return of 881 per cent. Now, Sir, the whole country wishes that as much money as can possibly be spared should be spent in the promotion of works of irrigation, and I think that the best policy would be that the profits made on irrigation works of a productive character should be utilised for the purpose of increasing protective works to give relief in districts which are habitually subject to famine conditions. I am very glad to observe, Sir, that that policy is really being pursued. The profits of productive works of irrigation ought to go, and as a matter of fact a large portion of them do go, to the construction of what are called 'protective irrigation works' for the purpose of relieving those areas where famine conditions prevail more frequently than in other parts of the country.

"Sir, it must be regarded as a gratifying feature of the Budget that, in spite of a substantial reduction in the opium revenue which has come down to a little over two crores of rupees, the Budget Estimates indicate a surplus of two crores. So that even if the whole of the opium revenue had been extinguished this year, there would have been an equilibrium between revenue and expenditure. It must have been, however, particularly gratifying to the Hon'ble the Finance Minister, that even in the face of this state of things member after member got up at the meeting of this Council only a few days ago, saying in effect that 'even if you do not want the money, take more money from the people in the shape of sugar duties, or in the shape of other import duties.' It was most amusing, Mr. President, that at a time when the Financial condition, according to the estimates placed before this Council, is in a very satisfactory condition, we non-official members should have been so anxious, so keen, to suggest that more money should be taken from the people. Of course if

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that prayer had been coupled with a demand to spend it in the advancement of irrigation, in the advancement of education, in the advancement of the 'multifarious objects of public utility,' then I would have understood it; but it was difficult to follow the anxiety exhibited as it was put purely on the ground of loss of opium revenue.

"Well Sir, I am very glad that the question of gold currency has been taken up by the Government of India in all earnestness. The question must be decided soon. The currency policy of the Government of India may have, at the time when it was adopted, led to a lot of adverse criticism, and opinions may still differ as regards the results to the people of India of raising artificially the value of the rupee. But Sir, that policy has been put into force for better or for worse and it has worked for many years. It must now be carried to its logical conclusion, by gradually turning the gold standard into gold currency. I am very glad that steps are being seriously considered for the purpose of giving effect to the only logical outcome of the policy that Government laid down in the matter of our currency, and I hope that, before long, the question of gold coinage in India will be definitely decided upon, and that action will actually be taken.

"With these few remarks, I will conclude my observations."

The Hon'ble Mr. Vijiaghavachariar.—"Sir, I wish most cordially to associate myself with the Hon'ble Members who have just given expression to their feelings of appreciation of the eminent services rendered to this country by the Hon'ble Sir Guy Fleetwood Wilson who, I am told, is on the eve of his retirement.

"Although I am new to this Council, I have not been altogether a careless reader of the proceedings of this Council. For sometime past I have looked through the proceedings relating to the Budget discussions with considerable care. Time was when it was considered that to make a successful Finance Minister it was necessary to be a clumsy speaker, to have a sort of stammering and to have a cold heart. This in spite of some rare exceptions was a sort of superstition, and I think the idol of this superstition was first broken by Mr Gladstone. It was exactly 60 years ago that Mr Gladstone brought his first Budget—I think in April 1853—when he subjected huge figures to his brilliant rhetoric, sweeping the whole horizon of the financial world, and stooping at the same time to pick up and scrutinize the minutest items, he kept the House spell-bound. Thenceforward it was an accepted belief that one could be an orator, a philosopher and a humanitarian and could bear warm feelings to the people, to the poor, to make life easier and cheaper and yet be equal to the greatest chartered accountant in examining figures. Something like that feeling came over me when I first read the speech of the Hon'ble Sir Guy Fleetwood Wilson some five years ago. Just as Mr Gladstone introduced a new era in the financial history of England, we hope that Sir Guy has introduced a new era of financial administration in the Government of India; but I am unwilling to render my full thanks to him at once. On the principle of a sinking fund, I reserve a portion of the debt: I would not discharge it at once, first, because the debt is too great to be discharged by us in one lump, and next, because it is now inexpedient to render him a full account and to take a full acquittance from him. We are often told that political morality and private morality are not exactly identical. So, while it is improper to base gratitude in private affairs on a sense of favours to come, it seems to be otherwise in public affairs. I mean to follow this principle and to reserve a big portion of the debt for payment at some future time.

"Now, Sir, there is one important aspect in the Budget which alone would entitle him to our gratitude. He has distributed surpluses very much like a dying man in justice and in charity: but he has also administered—and, this I consider the more important—with the unselfishness of a dying patriarch, warnings too, which are of the utmost importance to us. The most important warning he administered is the warning to the railway service and to the railway administration. I wish to associate myself with all that has just been

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said by the Hon'ble Sir Charles Armstrong except with that portion which relates to the railway policy of Government. I am very sorry I cannot agree at all with what he said about railway administration. The Indian Government is not a company of exploiters; it cannot go on administering its funds entirely on business principles. I believe that one brilliant satrap once upon a time, I think in a post-prandial speech, said that the Government of India are exploiters too. It is a most dangerous statement to make, and it ought to be authoritatively repudiated from time to time. I think the future of the Indian railway is for economic purposes, a system of District Board railways on a gauge of 2 ft. or 2 ft. 6 inches, and for strategic purposes, a well equipped system of State-managed railways. The administration of railways must be no longer left with private companies, but must be gradually brought into the hands of Government. But be that as it may,—I would be somewhat irrelevant to develop that idea now—I would venture to call upon his successor on whom his mantle will fall, to accept this testamentary gift, *viz.*, the warning about railways, to accept it on trust for the millions. There is another and a cognate subject to the financial administration, and I would call attention to the Resolution so ably moved by the Hon'ble Sir Gangadhar Ohitnavis, and to the sympathetic reply given by the Government. I thought it was a closed affair so far as this Council was concerned; but since then a question has been put by Sir John Rollaston in the House of Commons, and that is my only excuse for making an allusion to that subject. The question is disquieting. I can't understand why ex-Indians should be excluded and all such who have had anything to do with the financial administration of this country for the long period of 20 years. No doubt the reply of Government was somewhat satisfactory, but it does seem to me that the question has the ring of an attempt at a conspiracy to pack the coming Commission. I believe we have reached an acute stage in the financial history of India, and I am entitled to beg and pray that the Government should be watchful, and it cannot be accused of being too vigilant on this occasion. Whatever may be the final view as to the currency question, one thing is certain—and Sir Charles Armstrong has emphasised that point—that we have reached a point where it is impossible for us to stay. The idea of the rupee being at once a token coin, with an enormous difference in the purchasing power between bullion and coin, and at the same time being legal tender to an unlimited extent and yet depending for its somewhat steady value upon a highly complex state of things such as Council Bills, telegraphic drafts, what is called balance of trade in favour of India, all which confuses an ordinary man, and a host of circumstances which it is impossible for an ordinary layman, to analyse and grasp—all these must be examined not only from the standpoint of Lombard Street, but also, and more exclusively, from the standpoint of the people of India and the Indian Government. I deny that this can be done by experts and experts only from England, and we find that even England cannot boast of great financial experts unless there is some Jewish blood in their veins.

“I see that Lombard Street revives doctrines which in my school days I was taught were destroyed and buried by Adam Smith, never to be revived. The balance of trade in India means this, that India should ever be a greater international seller, and that of raw produce, than it is a buyer. The balance of trade always means that India should ever be creditor to the world, and yet we are told that no gold should come into India at the same time in payment of the dues to her by the world. I cannot understand the two things together, that we should ever be a creditor and yet we should not take gold in discharge of the debt due to us. All that I ask for is this: that at this time it is become absolutely necessary that Government should give full expression to the views of the people; that no opinions expressed by experts and no finality adopted by Lord Crewe on the faith of those opinions would be accepted by the people and Government of India unless and until the Government of India sends its own delegates—not witnesses merely—to sit on the Commission. No matter who those delegates are; it is premature to mention names. In these circumstances I cannot understand the full scope of the question put in Parliament. It seems to me exceedingly mischievous and has quite a sinister look about it.

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There are ex-Indian officers and ex-Indian officers, and it is for the Government of India to select its own delegates. Whether it is those who are in service, or those who have left service, officials or non-officials, Hindus, Muhammadans, or Englishmen, it is for the Government of India to decide. It is not for factions and experts in England to dictate to India. All that I do hope is that the Government of India at this crisis will not let go this opportunity, and will use its utmost influence to secure a representation of Indian interests on the Commission itself from the point of view of this country.

"I have only one or two more points to allude to, Sir, and they are these: We are often accused of offering only destructive criticism. I wish to confine myself to one or two suggestions in the nature of what I may call constructive criticism. The first is this. I would suggest a redistribution of the business of the Government of India. I believe this can be easily done. The redistribution, I consider, is necessary as well in the interests of the business of Government, as, I think, in the interests of the country itself. I believe it would afford relief at once to the Home Department, and would also be expedient in public interests. What I ask for and what I am aiming at is that there should be a separate full-time Minister for law and justice. You will remember that there were two new Departments created within a short time, the Department of Commerce and Industry, and above all, the Department for Education. It must be conceded that within the short period of the creation of the Education Department it has made very rapid progress, though not adequate, to the needs of the country, and the country is very grateful for this step taken by Government. On the one hand this is so, and on the other hand, I believe the business of the Home Department is increasing and will certainly continue to increase greatly now that we have this Conspiracy law passed. I say it in all seriousness. It has to provide safeguards, to examine reports, etc. Therefore it has an immense amount of work to do, and this work, the Hon'ble Home Member said, would not be judicially done; I do hope, however, that it will be judiciously done. He has to examine various reports submitted to him in each concrete case and upon these reports the question of sanction is to be determined in each particular case; I think he is entitled to relief. For the creation of a new Department for law and justice all that is necessary is the readjustment of the existing Departments, not by any alteration of the law nor by adding to the existing number of Members. This new department, I repeat, is absolutely necessary. I think that there would be a three-fold business for the Member who will be in charge of law and justice. The three-fold business will be, firstly the initiation or drafting of legislative measures of the Council, next, to deal with the supervision of the administration of justice, and lastly, to be able to deal with questions relating to mercy and applications for pardon and remission of sentences by prisoners, advising the Viceroy in the exercise of this noble, prerogative of the Crown. All this will take up the full time and more than the ordinary full time of the Law Member. I venture to state that this branch of the business entrusted to the Home Department has not been most satisfactory and has created considerable discontent.

"When I allude to discontent, I wish to allude to the discontent not only existing in public, but among the higher officers of the judicial service, as well both Indians and Englishmen." Rightly or wrongly a belief prevails—and I confess to a weakness that I share the belief—that those judges who are not quite loyal to the police view in the disposal of cases do not get promotions rapidly if at all. This is a belief shared by the members of the Indian Civil Service, and it is thus absolutely in public interests that such a belief should be removed. I know of some cases where persons who have been long judges are discontented. Curiously enough greater sympathy exists between these judges and the people of the country.

"I am very sorry to observe that there exists a belief that we can get full justice only from discontented Judges who no longer expect any promotion. It is not wise—it is not in the interests of Government—that such a belief should exist. One of the wittiest things I have ever been told was what a certain District Judge wrote in his diary. All is lost. Moral:—Marry a Councillor's daughter or a charming hostess.' Now this expedient of falling in love with

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a Councillor's daughter or a charming hostess is not available to all District Judges. So we must provide some other means of relieving this kind of feeling certainly existing among civilian officers too. This is an important matter, and I think the time has arrived for the appointment of a new Minister who will devote himself exclusively to the portfolio of law and justice. And in this connection I may as well point to a feeling which exists universally in India, that is, that the Law Membership of the Governor General's Council—this might require an alteration in the law—should not be confined to Barristers. For many a long year to come the Indian Membership in this Council and in the Local Councils will have to be recruited from the Bar. Now I do hope that the field of selection will be extended to the High Court vakils. No greater justification is necessary in proof of my demand than the fact there has been a galaxy of distinguished Judges who have sat upon all the High Courts and adorned the Bench.

“The next and last point I wish to call attention to is this : We all know that from 1833 to 1853, there was the Law Member—and the first Member was Lord Macaulay—who had nothing whatever to do with portfolios. For twenty years this system prevailed. When he was Law Member—such is my recollection : I have not got the old Acts—Lord Macaulay had nothing whatever to do with a portfolio, with the transaction of the Executive business of Government, and it was only by courtesy that he had access to the papers of Government. It is highly desirable that we should go back to that state of things. This requires an alteration in the law, and it requires money. But the money is worth spending, and the additions and alterations in the law can be easily made and are worth having. I consider that this Council should be presided over by a first-class parliamentarian who should relieve the Viceroy from doing this work. I am one of those who believe that the Viceroy ought not to preside over all the meetings of the Council. He may open a Session of the Council and he may close it ; but there should be a permanent Vice-President with experience of parliamentary life to preside over our deliberations, so as to make this Council really a model Council for all India, if not for all Asia. This is impossible under the existing state of things. I want a President who will be free from all bureaucratic influence, from the influence of red-tapism ; and therefore it is that I want him to have nothing whatever to do with portfolios. It won't cost us much. Let us have him for five years ; pay him highly, give him a residence here, and let him be in England for the summer months and come out every year for about five months in the cold weather with a fresh stock of English ideas. Tennyson says that old truth appears freshest in the garb of the day. Even though the ideas may not always be new and may be old, I believe they will be freshest in the latest English garb.

“I do hope that nobody suspects me of having any personal feeling against any Hon'ble Member. I shall be most glad to see Sir Guy Fleetwood Wilson occupy that position as the first Vice-President of the Council. And I have no objection to the Hon'ble the Home Member, divested of all his other functions, being made the Minister of law and justice. I do believe that if he did occupy it he won't say one day that it is impossible to consider principles and details apart from each other, and on another day that the principles and details of a measure are divorced from one another. I am sure of that, and therefore in making this suggestion I absolutely make no reference whatever to any Hon'ble Member. The suggestion I have ventured to make will, if adopted, pave the way for the realization of the universal Indian aspiration, a Royal Viceroy for the Indian Empire.”

The Hon'ble Raja Kushal Pal Singh.—“Mr. President, it affords me very great pleasure to tender my cordial congratulations to the Hon'ble the Finance Minister on the highly satisfactory prosperity Budget which he has presented to us. Unfortunately we have to couple with this felicitation an expression of our extreme regret at his impending departure from us. But we shall not easily lose our grateful sense of his consistently fair and magnanimous treatment of Indian questions, which has not only evoked, but will also ever keep alive, in us feelings of the deepest gratitude.

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He has displayed not only signal capacity, but also the utmost tact and sympathy, in handling these questions; and his relations with the non-official members of this Council have always been marked by unflinching cordiality. I can confidently assure him, Sir, that he will be bearing away with him the heartiest good wishes of the entire population of India.

"On behalf of the landed community which I have the honour to represent in this Council, I beg to submit our grateful and most respectful thanks to the Government of India for the assignments, which they have made to the Local Governments, enabling them to forego the sums that at present stand as appropriations for *Provincial* purposes out of the cess on land. Henceforth the proceeds of the land cess will be wholly available for financing *District* and *Rural* Boards.

"The allocation of surpluses by the Government of India has given immense satisfaction to the people of India.

"There is a general feeling in the United Provinces that these provinces should get a good half of the land-revenue receipts. I understand that our able, sympathetic and popular Lieutenant-Governor is studying the financial position and needs of these provinces.

"With a view to making some desirable retrenchments in military expenditure, I beg to propose that careers in the army be provided for sons of the landed aristocracy of British India. At present Indians are given no scope for displaying military talent. Sir Valentine Chirol remarks,—'Whilst, subject to the maintenance of effective executive control, we have extended and must continue steadily to extend the area of Civil employment for Indians in the service of the State, there would certainly seem to be room also for affording them increased opportunities of military employment. It is a strange anomaly that, at a time when we have no hesitation in introducing Indians into our Executive Councils, those who serve the King Emperor in the Indian Army can only rise to quite subordinate rank. A good deal has no doubt been done to improve the quality of the native officer from the point of view of military education, but, under present conditions, the Indian Army does not offer a career that can attract Indians of good position, though it is just among the landed aristocracy and gentry of India that military traditions are combined with the strongest traditions of loyalty. By the creation of an Imperial Cadet Corps Lord Curzon took a step in the right direction which was warmly welcomed at the time, but has received very little encouragement since his departure from India. Something more than that seems to be wanted to-day. Some of the best military opinion in India favours, I believe, an experimental scheme for the gradual promotion of native officers, carefully selected and trained to field rank in a certain number of regiments which would ultimately be entirely officered by Indians.'

"A large number of the sons of the landed gentry and of the territorial aristocracy should be allowed to join the Imperial Cadet Corps. The class of people who would value the trust thus reposed in them are not men whose interest in the Government is of a mercenary character. The sentiment of loyalty is innate in them. They are as a body the lineal descendants of the ancient rulers and the faithful nobility of this country, the records of whose deeds of prowess and steady devotion still inspire feelings of chivalrous loyalty.

"As a means of relieving the congestion of judicial business, I would strongly advocate the advantage of utilizing the services of land-owners in the offices of Honorary Magistrates, Honorary Munsiffs, and Honorary Assistant Collectors. In India the landed classes represent the governing forces. They should therefore be largely associated with the regular administration in the aforementioned capacities. The large increase in the number of special Magistrates in the United Provinces has already shown that the experiment of investing the landed gentry and the territorial aristocracy with magisterial powers has amply justified itself; and the above indicated honorary appointments will continue to be highly prized, to the great relief of the stipendiary Courts.

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"The scheme of demonstrating on the spot the value of improvements in the agricultural methods, by operations on some plot rented from an actual cultivator or land holder, has proved to be a great success in most of the provinces of India. Everything is done as a cultivator himself might do it; and the man who is placed in charge of the rented plot is himself a practical cultivator well trained for the particular demonstration in hand. These model plots also serve as centres of seed distributions. At present the number of demonstration centres is miserably small. With all the emphasis I can lay on it, I most earnestly implore the Government to provide money for a considerably larger number of these model plantations. If the requisite money were allotted, the Hon'ble Mr. Hailey would be able to do an immense deal for the improvement of agriculture by his prodigious industry and his matchless devotion to the well-being of our provinces.

"To stimulate the sugar industry, I consider it absolutely necessary that there should be a strong body of agricultural specialists devoted entirely to the promotion of this cause; and I would ask for at least three such officers to be allotted to the United Provinces, where practically half the total of Indian cane is raised. The Government scheme, it is true, provides for the setting-up of demonstration farms; but I would move for a considerable increase of their number. It also strikes me as a sound idea that, co-ordinated with the model farms, there might with infinite advantage be training classes opened for instruction in cultivation methods, and if possible also a small model factory attached to each farm for instruction in the technology of sugar manufacture. Such a system has very successfully been tried in the United States of America.

"May I crave permission to enter here a few remarks on Irrigation as the all-essential means of helping the development of the agricultural products of India? Cultivators undoubtedly evince a strong preference for canal irrigation; hence it is extremely desirable that the canal system be extended wherever possible. Canal-watered tracts not only are sure of their crops, but also they become exceptionally prosperous and productive. I humbly implore the Government to push on the work of the Sarda scheme, with all possible expedition. Out of the area watered by the Lower Ganges canal, fifty per cent. is left unirrigated through lack of water. If this shortage of water supply could be supplemented by the proposed Sarda scheme, the area that would then be irrigated would be more than doubled without any additional expense.

"Large and costly projects of irrigation require years to be fully carried out; whereas the system of well irrigation is far less costly, and yields immediate results. To be sure, the more serious obstacles in the way of well-sinking is want of capital; but if the rate of interest on takavi loans were reduced, as recommended by both the Finance and the Irrigation Commission, from 6½ to 5 per cent. the attractiveness of such loans would be considerably enhanced.

"The following extract from the report of the Indian Irrigation Commission goes to show the desirability of reducing the rate of interest:—

'It would appear, from calculations made by Mr. Wilson and Colonel Grey, that the Punjab Government, with interest at 6½ per cent., gains substantially by the present system. The Imperial Government which advances money for these loans to the Provincial Governments at 4 per cent., while itself able to borrow at little over 3½, also presumably gains appreciably. We think that these loans ought not to be made a source of profit to the State, and that the interest on them should be reduced to a point sufficient merely to cover the risks taken. At present the amounts found to be irrecoverable are inappreciable; and the charge for risk might, therefore, be correspondingly small while the security remains as good as at present. We have made recommendations which may slightly increase the risk, but, even if they are accepted, we would suggest that the rate of interest may with advantage be reduced to 5 per cent. in all Provinces. We think that such a reduction will be likely to strike the popular imagination as an act of great liberality and may increase the attractiveness of takavi loans in far greater proportions than might be anticipated from the small diminution which would result in the actual payments by each individual cultivator.'

"I would add to what is there said that expenses are practically *nil*. Enquiries are made by Local Revenue Officers who also keep accounts and collect instalments.

"I respectfully request that the Government of India will generously make good to Local Governments any loss that may arise from a reduction of the rate of interest on takavi advances.

[*Raja Kushal Pal Singh; Srijut Ghanasyam Barua.*] [24TH MARCH, 1913.]

"I would respectfully venture to propose the establishment, in every province, of schools, or even classes, for the agricultural training of zemindars' karindas or agents. A karinda fills an important place in rural polity; and there is a very large number of such functionaries in the United Provinces. It is generally felt that there is much room for improvement in the training given to these men. They need to be thoroughly well taught in general agriculture, in soil classification, and in the keeping of patwari's records.

"It is strongly recommended that the Government of India should provide money for the creation of reserves of wood, fuel, etc., for agricultural purposes. Even in well-wooded localities, many villages are becoming denuded of trees, the work of felling being freely carried on, while no attempt is made to plant new trees. The people seem to be losing that strong religious feeling they once had about the planting and preservation of trees. Would it be out of place for me to suggest that, at one or more suitable places in each district, the Government and the estates managed by the Court of Wards might with advantage establish 'fuel and fodder reserves'? These would serve as models for landholders to follow, for the example thus set them by the Government would surely prove a stimulus. Cow dung is the most valuable manure within the reach of cultivators, yet the practice is to burn dung-cakes as fuel in default of wood. If wood could be had for fuel, in lieu of dung, we should soon come to realise that more wood means more manure, and that more manure spells more and better crops.

"The following tabular statement shows that, in respect of Education, the United Provinces hold the lowest grade in comparison with the other major provinces of India.

	Madras.	Bombay.	Bengal.	Eastern Bengal.	United Provinces.
Number of Primary Schools for males in 1911-12 .	24,044	11,609	36,342	17,728	9,258
Number of male scholars in Primary Schools in 1911-12.	829,331	630,427	1,047,769	672,335	470,953
Number of Primary Schools for females in 1911-12.	1,162	1,154	3,124	4,957	957
Total Scholars (both male and female) in all institutions in 1911-12.	1,280,065	922,877	1,609,360	1,075,124	712,000

"There is little doubt that, had money been as freely devoted to the extension of education in the United Provinces, as it has been elsewhere, there would have been a large increase in the enrolment of scholars. My earnest appeal therefore to the Government of India is that they would pay special attention to the backwardness of these provinces in this vital matter of education."

The Hon'ble Srijut Ghanasyam Barua:—"Sir, on this important day of the Session I also wish to speak a few words. Being little of a financier or an orator I hope to be very brief and not take much of your time.

"I think the first thing that the Government would expect me to speak about would be what the people of the poor Province which I have the honour and privilege of representing here think of their new situation, how we are feeling under the new regime. And I am glad to say that I have numerous requests from various quarters to speak out that we greatly appreciate the change. There were indeed some misgivings in the beginning, when the Coronation boons were first published, that the reconstitution of Assam into a Chief Commissionership might mean a retrograde step, a reversion to the old 'one man rule' when the voice of the people was oftener than not a cry in the wilderness. But when it became patent that the intention of the Government was quite different, that it was not only granting us a local

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Council, but was going to give us extra help and attention to make up for its past neglect, the feeling settled down into one of uniform and unalloyed satisfaction.

"Assam is indeed still very backward and poor; but I venture to think that the backwardness is greatly due to the indifferent treatment she has received from the Government all along. Assam has vast resources to develop, enough of intelligence to stimulate and a past civilization to draw upon, her political significance in relation to the whole Indian Empire is also by no means mean. She has already its great Tea Industry—an industry to which the Government and the people alike owe a great deal for its valuable contribution to the development of the Province—she has her vast forests capable of immense development, her vast fields of culturable wastes, her coal and kerosine, lime and oranges, her cotton, silk, timber, agar, cane, rubber, lac and other forest produces and mines and minerals yet unexplored. If Assam has been backward, therefore, it is not because she has not her own potentialities, but because she has been grievously neglected in the past. One would wonder that a country can remain so backward after such a long period of British rule.

"We therefore offer our dutiful homage of gratitude to His Gracious Majesty and unbounded thanks to the Government of India for just the right step that has been taken to give her a push forward by forming her into a separate Province to enable the Government to give her a separate treatment and extra help she so eminently deserves.

"I shall not be doing justice if I omit to mention a small section belonging principally to Sylhet who are still prepared to raise a cry for going over to Bengal. But I am glad to say that from all inquiries I have been able to make, and from the words of a responsible leader of Sylhet to whose words I have reason to give very great weight, the agitation has its origin in a few high class gentlemen who have some profession or business in Calcutta and are anxious to rub shoulders with the great men of Bengal. I have been assured by the gentleman above referred to, that those agitators, with all the influence they command, will not be able to enlist the co-operation of even 1 per cent. of the whole population. And I hope they will soon begin to see that by being clogged to the most advanced presidency of India, whose needs and aspirations are more than she can meet for herself, we cannot get the extra aid we want and that the present one is the only best arrangement for us.

"We only hope and pray that Assam will now begin to be considered by the Government on her own account, and no longer treated as (in the apt words of the *Statesman and Friend of India*) a 'pawn in the political game.'

"On behalf of my Province I respectfully offer my most sincere thanks to the Government of India for the special grant of 20 lakhs that it has made this year and the smaller special grant of last year, and also for giving us a good and sympathetic ruler like Sir Archdale Earle whose vigorous and energetic efforts for the advancement of the Province in all directions has already evoked admiration and affection of its people. But I venture to think that the Hon'ble the Finance Minister was not at all in need of making an apology by saying that the grant has been made in the way of an investment by a senior partner. For, I may say for the information of my Hon'ble non-official colleagues, if my calculation is correct the senior partner has been already drawing profits and even after the special grant of 20 lakhs and its ordinary Provincial grant, the Government of India will still retain some 19 lakhs to itself out of the contribution made by the poor Province.

"In view of the undeveloped condition of Assam whose population is now only about 120 to the square mile, one would feel justified in thinking that the Province should get extra grants in addition to her own resources. I greatly hope that the Government of India will be pleased to seriously consider at the time of the proposed permanent settlement whether the Province should not be allowed at least to have the full benefit of its own resources. I again thank the Government of India for all it is

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doing and all that it means to do for my poor Province, and I repeat my prayer that it will continue always to give us good rulers like Sir Archdale and for a long time yet to help us with suitable special grants.

"I also thank the Government for the enthusiastic interest it is taking in Education in response to the desire of our beloved King Emperor. Education is a subject than which nothing seems to be more important for over true regeneration and deliverance, and in it I always feel the greatest interest. It is admittedly still defective; and as we are studiously excluding God from interference in the sacred field of Education—the field for elevating the mind and building up character—I am afraid the defects will yet continue notwithstanding all that is possible to be done; but nevertheless we are all anxious to have all that we can. I entertain a pious hope that my countrymen will soon begin to see that none of us are so godless and that the God of the Hindu, the Mahomedan and the Christian is not so essentially different that, leaving aside sectarian rites and forms to be observed at home, we cannot find some common ground to stand upon for invoking the aid of the eternal Source of all good for the elevation of the mind and character of our plastic youths in schools and colleges. Of this, however, this is not the proper time to speak. What I want to say in this connection is that along with education we must remember the main feature of His Majesty's wish and command, *viz.*, that education and all that come in its train are but means to an end—and that is 'the union and fusion' of the culture and aspiration of His Majesty's European and Indian subjects. A higher ideal for the perfection and consummate development of the Great Empire of strength and beneficence that it has pleased God to build up by the union of England and India cannot indeed be conceived. For the realization of this great object there is ample field for all of us to do outside the limits of education proper; and with that end in view it behoves all His Majesty's loyal subjects, Indian and European, to work with common heart and will. We, Indians, have to see that while conserving what is needed of our old civilization, we should come forward with an open heart to imbibe and assimilate all that is good and high of what has come from the West and has been laid at our door by the hand of God; that a patriotism which aims at reverting to the old—a tendency to which seems to have been developing since some time—will not help us in getting what we want. To claim all the benefits and privileges of Western civilization without willingly giving up all that brought woe unto us is a paradox which to many minds will not be intelligible.

"The Europeans should also see that they can aid this great cause by shaking off their conservatism and all that stand in the way of their embracing the Indians as brothers—in need of further tuition no doubt—and not as bastards or half-brothers. And the Government can greatly help this cause by strictly enjoining all European officers down to the chota sahibs of sub-divisions and the teachers and professors in schools and colleges always to work with one spirit—to infuse all that they can of their higher ideals into the Indian mind, to treat the Indians with sympathy and love and not despise them for their shortcomings, to draw the Indians closer to them and to be themselves drawn closer to the Indians, to act as the mediators between the European and the Indian and to bring both into closer contact and better mutual understanding and appreciation. I hope the Government of India will find a way to bring about such a happy state of things through the numerous officers who come in daily contact with the great mass of the Indian population. How much happier would India at once be if the spirit now ruling the various Secretariats were carried by the officers who have to deal directly with the people!

"In conclusion, I most sincerely echo all the praise and congratulation that have been justly offered to our able and popular Finance Minister. The admirably lucid and attractive manner in which he has drawn up the financial statement, the way he has managed the financial affairs of India, and the very judicious distribution he has made of the surplus, are all matters that can evoke only one feeling and that has been given vent to by all my Hon'ble friends who have spoken before me. If we have to bid him good-bye as we have been told, we shall certainly part with him with sorrow, but in bidding him good-bye we would assure him that he carries our love with him; but in view of the strong non-official opinion which has unequivocally found

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expression, let us hope we may still have him at the helm of our finances for some years more to come."

The Hon'ble Sir Guy Fleetwood Wilson:—"I do not propose to detain the Council long to offer many remarks; but I should like to preface my remarks by saying how deeply I regret the absence of one who has proved himself to be a true servant of India, and that is Mr. Gokhale. I am sure that my regret will meet an echo in the hearts of every man here, and I especially regret that he is absent owing to rather serious ill-health. It is difficult for those who served in previous Councils to express to those who are new to this Council what a great blank Mr. Gokhale's absence creates. It seems to be the play of Hamlet without Hamlet, and I think we all agree in wishing him a return to good health and a return to the Council next year.

"Many points of much interest have been advanced during to-day's debate. I hope the Members who have urged them with ability, with force and at the same time with moderation will not hold me guilty of any discourtesy if I do not on the last day of the Session deal with them. Any remarks which I might make would be almost futile as I am not in a position to pledge my successor either from the standpoint of acquiescence or of objection.

"None the less, I am sure, that Hon'ble Members will not deny me an opportunity of bearing testimony to the great assistance which I have received from my staff and of testifying to the extreme value of their services to me, to this Council and to India.

"Mr. Gillan is well known to Members who have been brought in contact with him in his own province or who knew him when he was holding the high office of Comptroller and Auditor General and Head Commissioner of Paper Currency in Calcutta; and I think that every one of this Council will agree with me that the mantle of Sir James Meston has fallen on worthy shoulders, and that Mr. Gillan has already proved his exceptional fitness for his present high office. I am deeply indebted to him for the devoted help which he has given me from the first moment that he joined my Department.

"Mr. Johnston, as Deputy Secretary, is entrusted with work of the most important character, but which does not come quite so much under public view as that of his immediate superior. I should like to say that the sole reason why he did not fill the office which was ably held by Mr. Howard during my absence in England was that he had only just joined the Department and had had no previous financial experience. He has now had that experience, and I am glad to bear public testimony to his fitness for any financial duties which might be entrusted to him in the future.

"In Mr. Cook the Finance Department possess one of the ablest young financial officers I have come across, and it is in no small measure due to his ability and self-sacrificing devotion to work that the Budget has come out so well.

"Only one of the superior officers remains in the Department who was in it when I joined it, and he is Mr. Bhupendra Nath Mitra. Mr. Mitra's name will, I feel sure, always be received with honour in this Council in connection with Budget work. He is a man of quite exceptional gifts, of unflinching courage, of great personal charm, and is without exception one of the ablest Budget officers I have come across during the whole of my career. To him my warmest thanks are due, and I feel confident that whatever position he may hold in the future he will hold it with advantage to the State and honour to himself.

"Mr. Blunt who has been kindly lent us by Sir James Meston has rendered excellent service.

"I hardly like to mention more names, because if I mention the names of all those who have rendered good service, to-day's debate would be unduly extended, but I cannot refrain from thanking the present Chief Commissioner of Delhi, -Mr. Hailey, for the valuable and loyal support which he rendered me when he was my colleague, and I must say that what is Delhi's gain is the Finance Department loss, because Mr. Hailey is undoubtedly one of the most able financiers that we have in India.

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"Lastly, I ask your permission to tender my thanks for, and my appreciation of, the valuable help and the invariable courtesy and kindness which have been accorded me by Sir William Vincent, to whom this Council is so deeply indebted

"I desire to refer to a matter which, I admit, is only remotely relevant to the Budget. I am invariably careful not to touch on topics outside my province; but since on this particular day discussion is permissible on any subject of general interest, and as this is the last occasion on which I shall address this Council, Hon'ble Members will bear with me, if I depart from my usual reserve.

"The matter in question is that 'racial question'—so called, which has been so prominent of late. Sir, for five years, I have served with and been served by Indian Civilians who are my countrymen, and I need say no more of my connection with that service than that I am immensely proud of it. What I wish to emphasize is this—that in my experience the best Civilians never give so much as a thought to this 'racial question,' unless circumstances force it upon them, and that they find the necessity to think of it, when thus forced upon them, utterly, repugnant. The motto of such Civilians might well be '*Homo sum ; nihil humani a me alienum puto.*'

"Except from one (and that a very limited) point of view, there is no 'racial question.' So much is true, that one race, by habit and training, may be better fitted for a particular kind of work than another. No man in his senses would think of sending a Bengali to hunt outlaws on the frontier, or of sending an Afridi to cast accounts in Calcutta. Similarly no man would try to turn a city bred cockney into a Scotch deerstalker; or a Scotch gillie into a London bank clerk. But apart from that it is never a question of race *versus* race, but of man *versus* man.

"There are good Indians, indifferent Indians, and bad Indians; just as there are good Englishmen, indifferent Englishmen and bad Englishmen. That is in my opinion the sum of this matter.

"And in this connection, Sir, I ask to pay a tribute to the Indians whom I know best—the Indian officials, high and low, of my Department. Through the five years of my connection with them, they have proved themselves to be unsparing of service, helpful with advice, and absolutely trustworthy. When need arose, they have done ungrudgingly a double or treble rate of work; when their advice was sought, they have given it me fully and frankly. As for their trustworthiness, let me give an instance.

"Three years ago, when it fell to my lot to impose new taxes, it was imperative that their nature should remain secret till they were officially announced. Everybody in the Department and some concerned with, but outside of it, had to be entrusted with this secret. Any one of these, from the high officials to the low-paid compositors of the Government Press, might have become relatively a millionaire by using that secret improperly. Yet so well was it kept that a ship laden with silver in Bombay harbour delayed, unnecessarily, its unloading for three days, and was consequently caught by the new tax.

"I have said, Sir, that there are good and indifferent and bad Indians. I wish to add that my Indian staff takes the highest place in the first of these three classes. To them, individually and collectively, I wish to publicly acknowledge my indebtedness and my gratitude.

"It but remains for me to express my profound thanks for the patience and consideration which have been lavished on me by every man in this Council, from His Lordship, under whose dignified and essentially distinguished presidency we have the privilege of meeting, to the last joined member who has assisted at our deliberations."

The Council adjourned *sine die*.

DELHI ;

The 31st March, 1913. }

W. H. VINCENT,

Secretary to the Government of India,

Legislative Department.