

*Monday,
22nd March, 1915*

ABSTRACT OF THE PROCEEDINGS
OF THE
Council of the Governor General of India,

LAWS AND REGULATIONS

Vol. LIII

April 1914 - March 1915

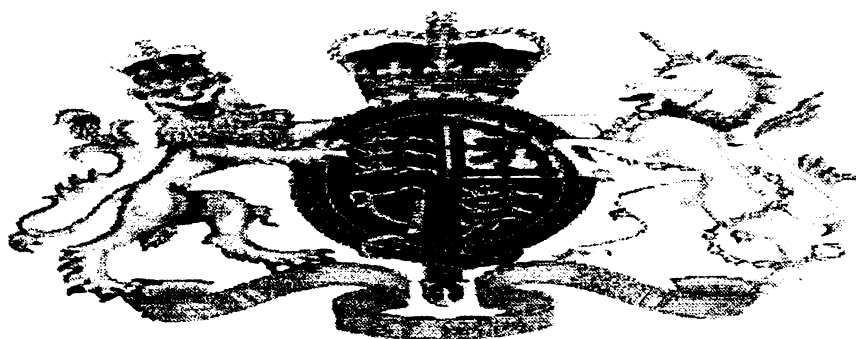
ABSTRACT OF THE PROCEEDINGS
OF
THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA

ASSEMBLED FOR THE PURPOSE OF MAKING

LAWS AND REGULATIONS

1915

VOLUME LIII



PUBLISHED BY AUTHORITY OF THE GOVERNOR GENERAL .

**Gazettes & Debates Section
Parliament Library Building
Room No. FB-025
Block 'G'**

PRINTED BY THE SUPERINTENDENT OF GOVERNMENT PRINTING INDIA

1915



GOVERNMENT OF INDIA.
LEGISLATIVE DEPARTMENT.

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

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on
Monday, the 22nd March, 1915.

PRESENT :

His Excellency BARON HARDINGE OF PENSHURST, P.C., G.C.B., G.O.M.G., G.O.V.O.,
G.M.S.I., G.M.I.E., I.S.O., Viceroy and Governor General, *presiding*,
and 58 Members, of whom 50 were Additional Members.

OATH OR AFFIRMATION OF OFFICE.

The following Additional Members made the prescribed oath or affirmation
of allegiance to the Crown :—

The Hon'ble Dr. Sundar Lal, Rai Bahadur, C.I.E.

„ „ Mr. Chimanlal Harilal Setalvad.

STATEMENT LAID ON THE TABLE.

The Hon'ble Sir Robert Carlyle :—“ As I promised in speaking
on the Hon'ble Pandit Madan Mohan Malaviya's Resolution of 9th March,
regarding an increased grant for irrigation, I lay on the Table a statement*
showing the provision for Irrigation Major Works in the Budget Estimate for
1915-16.

* *Vide* Appendix, page 555 *post*.

[Sir Robert Carlyle; Sir Ibrahim Rahimtoola; [22ND MARCH, 1915.]
Sir Ali Imam; Mr. Reid; Mr. Clark; Pandit
Bishan Narayan Dar.]

"I include in the table a statement showing the actual expenditure on Major Irrigation Works in India for the last 9 years, and the Revised Estimate figures for 1914-15. The average for 11 years is a little over Rs. 227 lakhs per annum as compared with the Irrigation Commission's programme of Rs. 44 crores spread over 20 years, or an average of Rs. 220 lakhs per annum".

QUESTIONS AND ANSWERS.

The Hon'ble Sir Ibrahim Rahimtoola asked :—

Practice in regard to legislative measures proposed to be introduced in Provincial Councils.

1. (a) "Will the Government be pleased to state what practice prevails at present in regard to legislative measures proposed to be introduced in Provincial Councils by (i) the Provincial Governments, and (ii) the non-official Additional Members ?

(b) Will Government be pleased to state whether it is a fact that the Government of India require every Provincial Government to submit for their previous approval and sanction every legislative measure intended to be introduced by them in Provincial Legislative Councils ?

(c) If the answer to question No. (b) is in the affirmative, will Government be pleased to state what legal authority there is empowering them to do so ? "

The Hon'ble Sir Ali Imam replied :—

"(a) The introduction of all Bills in Provincial Legislative Councils is regulated by rules made under the Indian Councils Act, 1861, for the conduct of business at meetings of the Legislative Councils concerned.

(b) Before a Bill is introduced in a Provincial Council by a Local Government it is, save in exceptional cases, submitted for approval to the Government of India.

(c) The legal authority for this practice is to be found in the various statutes which confer upon the Government of India powers of superintendence and control over Local Governments. It is assumed that the Hon'ble Member does not refer to cases in which under the law the specific sanction of the Governor General is necessary to the introduction of a Bill in a Local Council".

The Hon'ble Mr. Reid asked :—

Punjab Cement Concession.

2. "Will Government be pleased to state how matters stand with regard to what is commonly known as the ' Punjab Cement Concession ' and regarding which a question was asked and replied to in this Council on 17th March, 1914 ? "

The Hon'ble Mr. Clark replied :—

"Certain difficulties have been found in the scheme proposed for the transfer of the concession, which has accordingly not been sanctioned by the Secretary of State. It is understood that the original concessionaires have not yet commenced operation".

The Hon'ble Pandit Bishan Narayan Dar asked :—

Revision of the Regulations governing elections to Imperial and Provincial Legislative Councils.

3. "Will the Government be pleased to state if it is intended to revise the regulations governing elections to this Council and the Provincial Legislative Councils before the next general elections are held ? "

[22ND MARCH, 1915.]

[*Sir Reginald Craddock ; Pandit Bishan Narayan Dar ; Mr. Clark ; Mr. Barua ; Mr. Gillan ; Sir Robert Carlyle.*]

The Hon'ble Sir Reginald Craddock replied :—

"The Government of India, as at present advised, do not intend to undertake a general revision of the Regulations before the next election".

The Hon'ble Pandit Bishan Narayan Dar asked :—

4. "Will the Government be pleased to state if any negotiations have been proceeding between them or His Majesty's Secretary of State for India and the Governments of the Self-Governing Dominions of the Empire on the subject of Indian Emigration thereto? If so, will the Government be pleased to state the proposals made by them?"

Indian emigration to the self-governing dominions of the British Empire.

The Hon'ble Mr. Clark replied :—

"No proposals have yet been laid before His Majesty's Government for negotiations with the Self-Governing Dominions. The Hon'ble Member will recollect that His Excellency intimated in his speech in Council on the 8th September, 1914, that the Government of India, before approaching the Secretary of State, wished to ascertain whether the policy which he then outlined commended itself to the people of India".

The Hon'ble Pandit Bishan Narayan Dar asked :—

5. "Will the Government be pleased to consider the desirability of appointing to the office of Legal Remembrancer in provinces where it exists, members of the legal profession of a certain standing, instead of members of the Indian Civil Service?"

Recruitment of Legal Remembrancers from members of the legal profession.

The Hon'ble Sir Reginald Craddock replied :—

"There is no statutory bar to the appointment of barristers or other members of the legal profession to the office of Legal Remembrancer in provinces where such a post exists, and occasional appointments have been made with the Secretary of State's sanction from this source in cases where the Government of India have been satisfied that the nominee of the local Government is clearly the best candidate available. As, however, for the proper performance of his duties the holder should possess some administrative experience as well as legal knowledge, it is frequently the case that the selection can best be made from the ranks of the Indian Civil Service".

The Hon'ble Mr. Barua asked :—

6. "Has Government under consideration any programme for converting the metre gauge lines of the Eastern Bengal State Railway on the north side of the Hardinge Bridge to broad gauge lines? If not, do the Government propose to consider the advisability of examining this question?"

Conversion of metre gauge lines on the north side of Hardinge Bridge to broad gauge lines.

The Hon'ble Mr. Gillan replied :—

"The Government of India have under consideration the question of converting to broad gauge certain of the Eastern Bengal Railway metre gauge lines north of the Hardinge Bridge".

The Hon'ble Mr. Barua asked :—

7. "Will Government be pleased to lay on the table a statement showing the different rates charged for grazing cattle in State forests in the different provinces?"

Rates charged for grazing cattle in State Forests.

The Hon'ble Sir Robert Carlyle replied :—

"The Government of India are not in a position to give the rates now charged for grazing in State forests as these vary in the different provinces and are altered from time to time. A statement* which was compiled in 1913 is, however, laid on the table."

* Not published with these Proceedings.

[*Mr. Dadabhoy; Sir Harcourt Butler; Mr. Das; Sir Reginald Craddock.*] [22ND MARCH, 1915.]

The Hon'ble Mr. Dadabhoy asked :—

Indian Educational Bureau of London.

8. "Will Government be pleased to state :—

(a) What amount is spent annually for the maintenance of the Indian Educational Bureau of London and its branches in India with available details?

(b) In how many cases has the Bureau since its creation succeeded in securing for Indian students admission into the various educational institutions of the United Kingdom?

(c) How many Indian young men going abroad for education apply to the Indian branches of the Bureau every year for information, advice and guidance?"

The Hon'ble Sir Harcourt Butler replied :—

"(a) The details of the cost of the Secretary for Indian students, of the Educational Adviser in London, his assistants and the London Bureau, and of the local assistants will be found on page 17 of the Report on the work of the Indian Students' Department ending June, 1915*, which was recently published as a Parliamentary paper and placed in the Press Room in India. The Government of India have no precise knowledge of the cost of the provincial advisory committees. There are now eleven of these. Local Governments have been authorised to grant to the secretaries of these committees allowances not exceeding Rs. 200 a month.

(b) The Government of India have no precise information. But the Hon'ble Member is referred to pages 4 and 8 to 10 of the same report.

(c) Information is to be found on pages 6 to 7 of the same report".

The Hon'ble Mr. Dadabhoy asked :—

Admission of Indian students into the educational institutions of the United Kingdom.

9. "(a) Has any correspondence passed between this Government and the Secretary of State for India for the freer admission of Indian students into the educational institutions of the United Kingdom?

(b) If so, do the Government propose to lay such correspondence on the table?"

The Hon'ble Sir Harcourt Butler replied :—

"(a) and (b). The Hon'ble Member is referred to the reply given to a similar question asked by him on the 16th September, 1914. He is also referred to the Report on the work of the Indian Students' Department ending June, 1914*, which was recently published as a Parliamentary paper and placed in the Press Room in India. A few copies of the Report* are placed on the table for the convenience of Hon'ble Members".

The Hon'ble Mr. Das asked :—

Signification of expression "Local Government" in rules regarding the submission of petitions to Government of India.

10. "(a) Will the Government be pleased to state whether the expression 'Local Government' in paragraph 1, rule 1, of Home Department Notification No. 147, dated the 19th January, 1905 (regarding the submission of petitions to the Government of India by private persons or public bodies) has a wider signification than its statutory definition?

(b) If the expression is used in the above-mentioned notification in a wider sense, do the Government propose to give references which may help the public to know the exact connotation of the expression in the above-mentioned rule?"

The Hon'ble Sir Reginald Craddock replied :—

"Note 1 to the preamble given in the notification referred to explains the scope of the term 'Local Government' as employed in the rules, and this note appears to answer the Hon'ble Member's inquiry".

* Not published with these Proceedings.

The Hon'ble Mr. Das asked:—

11. "Has the attention of Government been drawn to an article headed 'The case of the Raja of Puri' which was published in 'The Bengalee' on 12th February, 1915?" Case of Raja of Puri.

The Hon'ble Sir Robert Carlyle replied:—

"The answer is in the affirmative."

BUDGET FOR 1915-16.

The Hon'ble Sir William Meyer:—"My Lord, I rise to present the Budget of the Government of India for 1915-16. The preliminary estimates which I laid before the Council on the 2nd March have been revised in the light of our latest information. The Financial Secretary's explanatory memorandum has also been checked and brought up to date.

"2. The final figures of the Revised estimate for 1914-15 and of the Budget estimate for 1915-16 are given in the statements which I have to-day laid before the Council. The broad results of the revenue account are brought out in the table below, the figures in brackets, now superseded, being those given in the corresponding tables appearing in paragraphs 24 and 39 of my speech introducing the Financial Statement:—

[In millions of £]

	BUDGET, 1914-15.			REVISED, 1914-15.			BUDGET, 1915-16.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
Revenue	54·237	30·842	85·079	49·929 (49·927)	30·228 (30·229)	80·157 (80·156)	49·850 (49·855)	30·750 (30·692)	80·400 (80·247)
Expenditure	52·981	34·048	87·029	52·715 (52·6)	32·483 (32·446)	85·198 (85·115)	52·607 (52·425)	31·638 (31·755)	84·435 (84·180)
Surplus (+) or deficit (-).	+1·256	-3·206	-1·950	-2·786 (-2·742)	-2·255 (-2·217)	-5·041 (-4·959)	-2·957 (-2·770)	-1·078 (-1·063)	-4·035 (-3·933)

"The alterations which have been made in the figures of the Financial Statement are not important and can be very briefly explained.

"3. The effect of our corrections in the Revised estimate for the current year is to increase the Imperial deficit previously announced by £44,000, and the Provincial deficit by £38,000. The Land Revenue is not coming in quite so rapidly as we anticipated in Burma and Madras. We have also had to allow under the new adjusting head for transfers between Imperial and Provincial, for the grant of £67,000 (10 lakhs) to the Calcutta University, for hostels, which was announced by Your Excellency a few days ago at Calcutta. On the other hand, the salt revenue has been increased by further advance payments of duty in February, and the latest figures indicate an increase of Customs receipts under silver and petroleum. The net effect of these changes is to leave the total revenue, whether Imperial or Provincial, almost unchanged, and the slight increase in the deficit of the year to which I have already referred is due to minor variations in the expenditure figures.

"4. As regards the Budget of next year, the effect of the changes made is to raise the Imperial deficit by £187,000 and the Provincial deficit by £15,000. Here again, there is very little change on the Revenue side. Under Land Revenue we allow for some increase of arrear collections (£42,000 more under Imperial and £58,000 more under Provincial) in view of the short collections at the end of the current year. But this is counterbalanced, in the case of Imperial Revenues, by a reduction of our anticipated Salt revenue in consequence of the higher figure taken for advance payments in the current year. An increase of £182,000 under Imperial expenditure is almost wholly explained by our having been obliged to raise the total net grant for Military

[Sir William Meyer.] [22ND MARCH, 1916.]

Services by £169,000 as the result of increased expenditure now advised by the Secretary of State in England owing mainly to a rise in the prices of military stores. On the Provincial side the total allotment for expenditure has been raised by £73,000. This represents in the main the provincial outlay involved in the transfer to the Calcutta University of the grant of £67,000 for hostels already referred to, which in the current year is treated as a provincial receipt.

"5. Turning now to Ways and Means, we expect the total cash balance, in England and India, at the end of the current year to be some £288,000 higher than the figure taken in the Financial Statement. This is due to recoveries from the War Office being effected more promptly than we had anticipated, and to larger outstandings of Council Bills. We must expect, however, to lose this temporary addition to our resources during 1915-16. In addition, we have to finance the slightly larger Imperial and Provincial deficits which I have just explained. On the whole, therefore, we expect the closing balance on the 31st March, 1916, to be about £235,000 less than we anticipated in the Financial Statement, but this relatively slight divergence does not require any modification of our previous arrangements.

"6. A larger share (to the extent of some £700,000 more) of the lump provision of £8 million for Railway capital outlay is now expected to be incurred in India; and the effect of this, with other minor variations, is that we now estimate that we can meet the Secretary of State's actual remittance requirements in 1915-16 by the sale of £7.1 million of Council Bills, i.e., some £600,000 less than the amount previously allowed for."

THE INDIAN PAPER CURRENCY (TEMPORARY AMENDMENT) BILL.

The Hon'ble Sir William Meyer:—"My Lord, I move for leave to introduce a Bill further to amend—temporarily—the Indian Paper Currency Act, 1910.

"On the 16th of January last Your Excellency passed an Ordinance, No. I of 1915, which, for the time being, amended the Paper Currency Act by substituting for the figure 140 million of rupees under section 22 of the Act the figure 200 million; that is, to put the matter in non-technical language, the portion of the Paper Currency Reserve which can be invested instead of being actually held in coin or bullion was thereby raised to six crores of rupees or £4 million. The object of this measure was explained in a *Communiqué* issued on the 5th January subsequent to the Cotton Conference. It was further referred to by Your Excellency in your speech opening the present legislative session, and was again dealt with in my recent speech introducing the Financial Statement. In brief, we desire to give temporary application to a recommendation of the Royal Commission on Indian Finance and Currency with the object of raising the fiduciary portion of the Paper Currency Reserve so as to allow us to give special assistance to trade through the Presidency Banks, or, if necessary, to supplement our own resources during the present abnormal period. As I said in another portion of my Budget speech we do not by this prejudice in any way the final decisions which will have to be come to with reference to the proposals in respect of our Currency policy and methods contained in the report of the Royal Commission.

"The Ordinance by itself, however, can only cover a period of six months, and obviously that is too short a time for the temporary measure that it authorises. We must provide, as in the case of other Ordinances, for it remaining in force during the period of the war, and for six months there after so as to allow things to settle again into a normal state. Had the Ordinance been issued a few days previously, this result would have been automatically achieved by its coming within the purview of the recently passed Emergency Legislation Continuance Act. As it is, it becomes necessary to obtain the same result by specific legislation.

[22ND MARCH, 1915.] [*Sir William Meyer; The President; Sir Harcourt Butler.*]

“The Bill which I now ask leave to introduce will achieve precisely the same effect that the Emergency Legislation continuance Act would have accomplished. It definitely amends the Paper Currency Act of 1910 in the way in which the Ordinance has hitherto done, but at the same time the force of this legislation is specifically limited to the continuance of the present war and for a period of six months thereafter.

“In the circumstances I have explained, and in the absence of any previous criticism in regard to the temporary policy we have adopted with reference to the Paper Currency Reserve, we consider this measure to be so non-contentious, as well as essential, that I propose to ask for a suspension of our ordinary rules of business so as to allow the Bill to be passed into law at once. But I must begin by moving for leave to introduce it, which I now do.”

The motion was put and agreed to.

The Hon'ble Sir William Meyer :—“ My Lord, I now beg to introduce the Bill, and I also beg, for the reasons which I have already stated, that Your Excellency may be kind enough to suspend the Rules of Business so as to allow of the Bill being taken into consideration at once.”

His Excellency the President :—“ I suspend the Rules of Business.”

The Hon'ble Sir William Meyer :—“ My Lord, I now beg to move that the Bill be taken into consideration. I need add nothing more to what I have already said on the subject. ”

The motion was put and agreed to.

The Hon'ble Sir William Meyer :—“ I now beg to move that the Bill be passed. ”

The motion was put and agreed to.

THE BENARES HINDU UNIVERSITY BILL.

The Hon'ble Sir Harcourt Butler :—“ My Lord, I move for leave to introduce the Benares Hindu University Bill. It is the earnest desire of the University Committee that this measure may be placed upon the Statute-book during the viceroyalty of Your Excellency with whose name the University will be for ever associated. It is the bare truth that without Your Excellency's constant interest, support and approval, this measure could not have been introduced to-day. By a series of compromises the Government and the Society have arrived at conclusions which, I hope, may take the measure out of the domain of controversy. It is intended to publish the Bill now for general information, and to take Select Committee stage and pass the Bill into law during the September session. Before I go further I must congratulate the Committee and especially the Maharaja Bahadur of Durbhanga, Mrs. Besant, Dr. Sundar Lal, Pandit Madan Mohan Malaviya, the late Rai Bahadur Ganga Prashad Varma, Sir Gooroo Das Bannerjee, Dr. Rash Bihari Ghose, and, outside the Committee, such active helpers as His Highness the Maharaja of Bikanir and His Highness the Maharaja of Benares, on the success which has already crowned their efforts. I need not review the history of the movements which resulted in the proposals for a Hindu University at Benares and a Moslem University at Aligarh. I will deal with the results that have emerged from long discussion. The facts are well known, but I will confidently say this that if anyone had predicted ten years ago that the idea of a university of this kind, then in the air, would take practical shape, he simply would not have been believed. The University Commission, an influential body, had recently

pronounced against such a university and there was widespread opposition and hostility to any scheme which threatened to cut into existing territorial and federal universities. It would have seemed incredible ten years ago that the Government of India should associate itself with a movement of this kind. That the difficulties have been overcome is in large measure due to the genuine spirit of co-operation which has inspired the University Committee.

X“ My Lord, this is no ordinary occasion. We are watching to-day the birth of a new and, many hope, a better type of university in India. The main features of this university which distinguish it from existing universities will be, first, that it will be a teaching and residential university, secondly, that while it will be open to all castes and creeds, it will insist upon religious instruction for Hindus, and, thirdly, that it will be conducted and managed by the Hindu community and almost entirely by non-officials. I say that this is a new type and, many hope, a better type of university. Let not this be taken as disparaging the work of existing universities. That would, indeed, be gross ingratitude and sheer injustice. India owes much to her universities in every department of intellectual life and energy. They were based on the latest model, the London University then recently founded and much admired and only lately condemned by Lord Haldane's great Commission on university education in London as fundamentally defective. The best minds in India are, I think, now in agreement that teaching and residential universities are the special need of India to-day.

“ At the same time, there is naturally very little knowledge in the country of what a teaching and residential university is. To this want of knowledge I attribute much criticism which has been levelled against the constitution of the Benares Hindu University. Conditions which are appropriate and necessary in a teaching and residential university have been viewed away through the glasses of minds habituated to the existing universities. This is only natural in the circumstances of India. I wish it were possible to say in a few words what a teaching and residential university really means. Probably, the best idea will be obtained from Cardinal Newman's *Idea of an University*. May I quote a passage from the report of Lord Haldane's Commission on university education in London, the most authoritative statement of modern times on university education? It runs as follows :—

‘ In the first place, it is essential that the regular students of the University should be able to work in intimate and constant association with their fellow students, not only of the same but of different Faculties, and also in close contact with their teachers’. The University should be organised on this basis, and should regard it as the ordinary and normal state of things. This is impossible, however, when any considerable proportion of the students are not fitted by the previous training to receive a university education, and therefore do not and cannot take their place in the common life of the university as a community of teachers and students, but, as far as their intellectual education is concerned, continue in a state of pupillage and receive instruction of much the same kind as at a school, though under conditions of greater individual freedom. It is good that the students should be brought together if only in this way, and Newman, writing in 1852, even went so far as to say :—

‘ I protest to you, Gentlemen, that if I had to choose between a so-called University, which dispensed with residence and tutorial superintendence, and gave its degrees to any person who passed an examination in a wide range of subjects, and a University which had no professors or examinations at all, but merely brought a number of young men together for three or four years, and then sent them away as the University of Oxford is said to have done some sixty years since, if I were asked which of these two methods was the better discipline of the intellect, . . . which of the two courses was the more successful in training, moulding, enlarging the mind, which sent out men the more fitted for their secular duties, which produced better public men, men of the world, men whose names would descend to posterity, I have no hesitation in giving the preference to that University which did nothing, over that which exacted of its members an acquaintance with every science under the sun’.

‘ Nevertheless, this is only one side of the question, and in any case Newman does not refer to the kind of student life that can be reproduced in London. But for this very reason it is the more essential that in such a University as London can have, the students and teachers should be brought together in living intercourse in the daily work of the University. From the time the under-graduate enters the University he should find himself a member of a community in which he has his part to play. The teaching and learning should be combined through the active and personal co-operation of teachers and student’.

[22ND MARCH, 1915.] [Sir Harcourt Butler.]

The active and personal co-operation of students and teachers, their association on more or less fraternal lines, that is the keynote. A teaching and residential university does not aim at mere intellectual attainment; it is a way of life, and a way of corporate life. Those of us who have been at Oxford and Cambridge can appreciate the force and meaning of Newman's vivid words. But Oxford and Cambridge are not the only models. There is much to be learned in India from other universities which are more definitely practical in aim. They are all, however, alike in this that they pursue an outlook on life, form an atmosphere, concentrate thought and by friction of mind get truer perspectives, no matter whether the dominant note be philosophical or technical. So much for the teaching and residential aspect of the University. There remains the question of religious instruction. You know the history of religious instruction in India, the fixed and unalterable neutrality of the British Government, and how, in every province at the present time, earnest men are seeking to find some means of infusing religious and moral ideas into the swiftly onrushing intellectualism of the day. It is a matter which we much leave to the Hindu community to work out on lines which best commend themselves to it. The theological faculty must be a purely Hindu faculty. On behalf of the Government of India I can only assure the Committee that they have our fullest sympathy in this new and, I believe, important venture.

"I turn now to the measure itself. This consists of the Bill and the original statutes. The regulations are in course of preparation. It was only by a *tour de force* on the part of Mr. Sharp, Dr. Sundar Lal and Mr. Muddiman that the Bill and the statutes have been prepared in the time. In the first place, as regards the form of the Bill, I must explain that its apparent brevity is due partly to the accepted practice conducive to the maximum of elasticity, whereby only essentials are included in a legislative measure, partly to the desirability of relegating much to statute and regulation. Schedule II is very full and can be still further extended by the addition hereafter of such statutes as are not required for permitting the University to get immediately to work, and the regulations have still to be framed.

"I will now try to give you a brief account of the organisation of the new University. You will see that it is a somewhat complicated organisation and it has been necessary to define and adjust functions with some care. The University is, an all-India University. It is incorporated for the teaching of all knowledge, but will commence with five faculties, Arts, Science, Law, Oriental studies and Theology. I know that many of the promoters desire to add a faculty of Technology. This desire has my full sympathy and I trust that adequate funds will soon be forthcoming. The University will be open to students from all parts of India on conditions which I shall specify hereafter. The Governor General is Lord Rector of and the Lieutenant-Governor of the United Provinces of Agra and Oudh is the Visitor of the University. Among those whom the University will delight to honour are Patrons, Vice-Patrons and Rectors. The governing body is a numerous and very representative Court, with an executive body in a Council of not more than 30 Members, of whom five will be members of the Senate. The academic body is the Senate consisting of not less than 50 members, with an executive body in the Syndicate. The Senate will have entire charge of the organisation of instruction in the University and constituent colleges, the curriculum, and the examination and discipline of students and the conferment of ordinary and honorary degrees. Except in matters reserved to it the Senate is under the control of the Court working through the Council. The Senate will be constituted as follows:—

"I. *Ex-officio*.—(a) The Chancellor, the Pro-Chancellor, the Vice-Chancellor and the Pro-Vice-Chancellor for the time being; (b) The University Professors; (c) The Principals or heads of constituent colleges of the University.

[Sir Harcourt Butler.] [22ND MARCH, 1915.]

“ *II. Elected.*—(a) Five members to be elected by the Court. (b) Five members to be elected by the registered graduates of the University from such date as the Court may fix. (c) Five representatives of Hindu religion and Sanskrit learning to be elected by the Senate. (d) Should the Vice-Chancellor declare that there is a deficiency in the number of members required in any faculty or faculties, then five or less persons elected by the Senate, eminent in the subject or subjects of that faculty or those faculties.

“ *III. Nominated.*—And five members to be nominated by the Visitor. The Syndicate will consist of the Vice-Chancellor, Pro-Vice-Chancellor and fifteen members of whom not less than ten shall be University professors or principals or professors of constituent colleges. The object aimed at is to secure that purely academic matters should be decided by a body mainly expert while the Government and supervision of the University rests with the Court and the Council. It is necessary to represent the Senate on the latter in order that the academic view may always be before it. The Court will elect its own Chancellor and Pro-Chancellor, Vice-Chancellor and Pro-Vice-Chancellor. In the first instance these officers will be scheduled. The Vice-Chancellor will be *ex-officio* Chairman of the Council, the Senate and the Syndicate. He will be the Chief Executive officer of the University. The University will through the Council and the Board of Appointments appoint its own professors and staff and have entire control over them. Stability is given to the constitution by requiring the sanction of external authority to changes in the statutes and the regulations. This is the outline of the constitution of the University. The Government binds itself to accept the degrees, etc., of this University as equivalent to the degrees, etc., of existing Universities. This in itself is no mean concession.

“ My Lord, I have seen this constitution described as ill-liberal and I have rubbed my eyes in amazement. It is far more liberal than the constitution of existing universities. No Government can allow universities to grow up without control. In most European countries the universities or at least the majority of them are entirely State universities. In the course of these discussions two policies emerged. One was a policy of trust. The other a policy of distrust. The Government might well have said to the Society—You are starting a new kind of University without any experience of it in India. We must leaven the lump with officials who have the requisite experience. We must guide you from within at any rate until you prove your worth and the value of your degrees. That would not have been an unreasonable attitude. But we preferred to trust the Society, to leave them large autonomy, and to reserve to Government only the necessary powers of intervention if things go wrong. I hope that things will not go wrong but you will not misunderstand me when I say that the taking of these powers is a necessary precaution. You will also realise that to some extent this is a leap in the dark and that the machinery which is being provided is very complicated, and might in conceivable circumstances produce friction. I hope that intervention will not be required. We desire and Sir James Meston desires that you should manage your own affairs ; we are anxious to maintain the dignity and independence of the University. But we must in the public interest, in the interests of the rising generation, in your own interest, have powers to interfere should things go wrong. We could not contemplate the existence of a university or recognise its degrees on any other terms. But with this one reservation, we wish to see you realise your own way of life, your own way of corporate life.

“ I ask Hon'ble Members to compare the constitution of this University with that of the oldest University in India. And yet who will deny that the University of Calcutta has had in practice a measure of independence that is not accorded to universities in most countries ? In Calcutta 80 of the 100 ordinary members of the Senate are nominated by the Chancellor who is *ex-officio* the Governor General, while the election of the remaining twenty is subject to the approval of the Chancellor. In the case of this University only 5 out of a minimum of 50 are nominated by the Visitor, who is *ex-officio*

[22ND MARCH, 1915.] [*Sir Harcourt Butler.*]

the Lieutenant-Governor of the United Provinces, and this provision was suggested by yourselves in order to secure expert official help and co-operation. In Calcutta the appointment of professors requires the sanction of the Government of India. In this University no such sanction is required. There will be, in this University under normal conditions, no interference whatever from outside with the University staff. In Calcutta the Vice-Chancellor is appointed by the Governor General in Council. In this University the Court elects the Vice-Chancellor subject only to approval by the Visitor. The Court has power to elect its own Chancellor and Pro-Chancellor. In the Court and the Council the Government has no voice or representation whatever. The ordinary powers of intervention are vested in the Visitor. The Visitor will be close at hand. You will need his help at every turn, in the acquisition of land and in many other ways. And you will not appeal to Sir James Meston in vain. The extraordinary powers are vested in the Governor General in Council. You need not be alarmed lest they be exercised unduly. The tendency will be the other way. It will not be in human nature that the Visitor should seek lightly the intervention of the Governor General in Council. I have not noticed such a tendency in Local Governments. In the Government of India the tendency is all the other way, to avoid interference in the details of administration. The terms are necessarily general, but it is made quite clear that they are extraordinary and emergent powers, and considering how much this movement already owes to the Government of India, I confidently ask you to believe in our *bond fides*. We have trusted the promoters so much that I think we ourselves may claim some trust at your hands.

“ So much for the constitution of the University. There remains the question of admission to the University and this raises the whole question of the recognition of schools and matriculation. This will be dealt with in the regulations but I will tell you exactly what is our policy in the matter and what principles underlie it.

“ Some of the promoters, I understand, desire to keep the recognition of schools in the hands of the University and to conduct their own matriculation examination. This wish is opposed to all the best modern view on the subject. This view, strongly emphasised by the Commission on University education in London, is this—that it is the central educational authority which is concerned to see that its grants are effectively used and that it is that authority also which must provide for the co-ordination of secondary schools and universities and must give the necessary assurance to the latter that the pupils seeking admission to their degree courses have reached the required standard of education. The Committee, I may mention, accept the recognition of schools by Local Governments and Durbars. As regards matriculation, I must remind the Council that this is not a federal territorial university but a teaching and residential university. In the case of Dacca, the Dacca University Committee decided that it could not conduct its own matriculation examination. It was recognised that most of the high school students would be reading for admission to colleges of the Calcutta University and that therefore the requirements of that University must regulate the course of studies in those schools. In the case of the Benares Hindu University, the pupils of high schools will similarly be reading for admission to existing universities and the new university could not with advantage set up a different standard or prescribe a new course. Again, it was recognised that a separate entrance examination for Dacca held at the head-quarters of Dacca would be cumbrous and difficult to carry out and would be likely to cause confusion. These reasons are applicable with even greater force to the Benares Hindu University. Probably before many years have passed the external matriculation examination, the octopus which digs its tentacles into all limbs and parts of our secondary English schools, will have been replaced by some system of school-leaving certificate. The most weighty authorities of modern times, the Consultative Committee on Examinations in secondary schools, and Lord Haldane's Commission on University education in London alike contemplate the abolition of the purely external matriculation examination.

[*Sir Harcourt Butler.*] [22ND MARCH, 1915.]

“ Meanwhile the position will be this:—The Benares Hindu University will accept for admission to its courses all candidates from schools at present recognised by an existing university or by a Local Government or by a Durbar, who have passed the matriculation examination of such university or obtained a recognised school-leaving certificate. The Benares Hindu University will also be able to impose any additional test on such candidates that it may think desirable. The Benares Hindu University will hold its own matriculation examination at Benares for all candidates for the faculties of Oriental Studies and Theology, and for private candidates (on usual conditions) in other faculties. Finally, in order to meet the strong desire of some of the promoters that certain schools should prepare exclusively for the Benares Hindu University it has been decided to allow such a course provided that such schools are recognised by the Local Government of the province or, by arrangements which will have to be decided hereafter, by the Durbar of the State in which they are situated and provided also that such schools are not allowed to send up candidates for matriculation at any other university. Only in this way can complication of school curricula and confusion in the examination system be prevented. The Secretary of State allows this large concession involving some breach of principle in deference to the sentiment of the promoters. It will come under reconsideration if at any time the school-leaving certificate generally ousts the matriculation examination of other universities.

“ I have now dealt fully and frankly with the two main points on which there have been differences of opinion. There remains yet another point on which there has been misunderstanding that is easily removable. It is said that this University has ceased to be an all-India University. This is not the case. It is open to students from every province and Native State in India. Schools preparing for admission to it may be situated in any province or Native State in India. Its governing body is recruited from the length and breadth of India. It will send forth its *alumni* to every quarter of India. It will number among its patrons Governors and Heads of Provinces, Ruling Chiefs and other eminent benefactors in all parts of India. I am informed that the following large subscriptions have already been paid. His Highness the Maharana of Udaipur 1½ lakhs, His Highness the Maharaja Holkar of Indore 5 lakhs, His Highness the Maharaja of Jodhpur 2 lakhs with a grant in perpetuity of Rs. 2,000 a month, His Highness the Maharaja of Bikanir one lakh with a grant in perpetuity of Rs. 1,000 a month, His Highness the Maharaja of Kashmir a grant in perpetuity of Rs. 1,000 a month, His Highness the Maharao of Kotah one lakh, the Maharaja Bahadur of Darbhanga 3 out of 5 lakhs, Dr. Rash Behari Ghose one lakh, Dr. Sunder Lal one lakh, Maharaja of Kasimbazar one lakh, Babu Bijindra Kishore Roy Chaudhri of Ghorepur one lakh and Babu Moti Chand one lakh. His Highness the Maharaja Scindia of Gwalior has promised 5 lakhs of rupees. Others have promised liberal donations of which in many cases part payment has been made. If there ever was an all-India University, it is this.

“ I think that on a review of all the facts Hon'ble Members will agree that the Government has dealt in a large and liberal spirit with the movement. The conduct of the negotiations has not been easy. It has been complicated by the fact that the movement started on lines of its own without reference to Government and without knowledge of the conditions which Government considered essential to its success. It was further complicated by criticisms from opposing points of view. If to some it has seemed that the Government was granting too little, to others it has seemed that the Government was granting too much. I do not conceal from Hon'ble Members that in some quarters it has been considered that the Government was taking grave risks, risks graver than any Government ought to face. I can understand this view but I do not myself share it. We know that we are taking a certain amount of risk. We know that there is danger lest this University or similar universities elsewhere develop undesirable tendencies or lower standards of education. We deliberately face that risk, believing in the loyalty and good sense of India and the growing desire to co-operate with Government on the part of the Hindu and other com-

[22ND MARCH, 1915.] [‘*Sir Harcourt Butler ; Dr. Sundar Lal.*’]

munities in India. For my part, I am hopeful of success. I earnestly trust that the introduction of this Bill and the removal of misunderstanding will lead to further enthusiasm and the provision of funds sufficient to build and equip the University on a worthy scale, a scale worthy of the great Hindu Community. I confess that the other day when I was standing opposite Ramnagar, on the site where your University buildings will, I hope, soon be rising in stately array, and looked down the river Ganges to the ghats at Kashi, which swept before me in the distance, I felt that if I was a Hindu I should be proud indeed of the achievement of my people, and at the same time I felt some little pride myself that I was a member of a Government which had joined in one more large endeavour to combine the ancient and honoured culture of India with the culture of the modern western world”.

The Hon’ble Dr. Sundar Lal:—“ My Lord, on behalf of the Hindu University Society I beg leave to offer our grateful thanks to Your Excellency’s Government, and more particularly to Your Excellency, and to the Hon’ble the Member for Education for all the encouragement and help that the Government have given to the proposal for the establishment of a Hindu University at Benares. The supporters of the University will rejoice to learn that a Bill for the establishment of the University has to-day been introduced in the Council.

“ My Lord, if I may be permitted to say so, the Bill before us marks a memorable epoch in the history of University education in India. It constitutes a very important step forward, in the extension of the system of establishing residential and teaching universities in India managed mainly by the people themselves. It emphasises the desirability of combining religious with secular education under their own control, and it will ever be remembered as one of the most beneficial acts of Your Excellency’s Government.

“ Sixty years ago, when the Court of Directors of the East India Company, impelled by the noble desire of bringing to ‘the natives of India those vast moral and material blessings which flow from the diffusion of knowledge’ decided to establish universities in India ‘which may encourage a regular and liberal course of education by conferring academical degrees as evidences of attainments in different branches of Arts and Sciences,’ they directed that the new universities should be modelled after the then recently established University of London. Like their prototype they were to be merely examining universities ‘not so much to be in themselves places of instruction as to test the value of education imparted elsewhere’. They could not by reason of the principle of strict neutrality in religion invariably followed by the Government in the examination for degrees ‘include any subjects connected with religious belief’.

“ Limited though their functions were the Indian universities have more than fulfilled the expectations that were formed of them. Evidence of the excellent work done by them greets the eye in all directions and in almost every part of the country. In the years that have rolled by the opinion of those best qualified to speak on that subject has been steadily growing in the western countries in favour of Universities which should not merely be institutions for holding tests of education but which should themselves be the homes of knowledge and learning, where their *alumni* should be trained and educated under the direct guidance of their teachers, and where their pupils may not only live in an atmosphere of learning, but inspired by the influence of their teachers, they should be imbued with and animated by the spirit of progress and research pervading therein. The view has naturally found many votaries in this country both among Hindus and Mahomedans. There has also been a wide-spread feeling that a system of education which makes no provision for religious teaching is essentially imperfect and incomplete. It is of course impossible to provide for it in the existing State universities. It is to these considerations, as also to the very keenly felt desire of resuscitating the study of the ancient learning of India of

enriching its vernaculars, and of imparting some knowledge of the practical applications of modern science to the industries, that the proposals for the establishment of denominational universities owe their genesis, and it is to Your Excellency's Government that we are so greatly indebted for the initiation of so important an experiment. It is a matter of much gratification to us that the proposals for the establishment of the Hindu University at Benares have met with the ready sympathy and support of Sir James Meston, to whom we are no less indebted.

"It is, of course, not permissible at this state for me, to dwell upon the provisions of the Bill, and with Your Excellency's leave I propose to reserve any observations I may have to make on them to a later and more suitable stage, but I would crave the indulgence of the Council to permit me to refer to some of the features of the Bill, to remove any possible room for misapprehension and to place side by side some of the more prominent aspects in the constitution of the new university, along with those of the existing universities in India, to enable the public to form a clear idea of what the Bill proposes to give to us.

"I have already pointed out the essentially non-official character of the governing bodies of the new universities. I will now explain more fully what I mean. The government of the University is entrusted to—

- (1) the Court on the administrative side ;
- (2) the Senate on the academic side.

"The Court is to consist of donors and their representatives, as also of representatives of learning and of bodies interested in the education of the Hindu Community. Every one of these persons must, in future, be Hindu. Not one of them need be a servant of the Government unless he comes in as a donor or is elected by one of the electoral bodies. It will be presided over by the Chancellor and Pro-Chancellor, who will be elected by it.

The Senate is so constituted that no less than three-fourths of its members must be Hindus. The Government will nominate only five of its members. The *ex-officio* members of the Senate besides the Vice-Chancellor and the Pro-Vice-Chancellor will be servants of the University or of its constituent colleges. The Vice-Chancellor and the Pro-Vice-Chancellor will be elected by the Senate, subject to the approval of the Visitor, who will be the Lieutenant-Governor of the United Provinces. The University will be competent to appoint its own professors and teachers. Their appointment will be solely in the hands of the university and will not, as in the case of some of the existing Indian universities be subject to the approval of the Government. It will also appoint its own Boards of Examiners.

"Let us now compare it with the constitution of the existing Indian universities. The donors in these Universities have no place in the constitution of these Universities, unless the Government appoints any one of them as an honorary member of the Senate, who, as such, can take no part in the affairs of the University. Four-fifths of the members of the Senates of them all must be nominees of the Government; only one-fifth being left to be appointed by election by the graduates, the senate and the faculties. A very large number of the Government nominees are, as a rule, officers of the Government. The Vice-Chancellor is appointed by the Government. It will be then evident that the constitution of the new University is conceived on a considerably more popular and liberal basis. It is, as I have said, essentially non-official in its character and I may, I venture to think, claim for it that it will be the university of the people in full contact with and responsive to their intellectual aspirations.

"I may now touch upon its relation with the Government. As in the case of the existing universities, its Statutes and Regulations and the amendments thereof will be subject to the approval of the Government. The admission of outside colleges to the privileges of the University will, as in the case of institutions affiliated to the existing universities, be subject to the approval of the Visitor, who will have also the right to inspect the university and its colleges at pleasure. If

[22ND MARCH, 1915.]

[*Dr. Sunder Lal; Sir Gangadhar Chitnavis; Maharaja Manindra Chandra Nandi; Mr. Dadabhoy.*]

any action of the University is contrary to the provisions of the Act, the Statutes and Regulations, and therefore *ultra vires*, the visitor will have power to annul them.

“The Governor General in Council will have certain emergency powers which have been reserved to him.

“It will thus be evident that the constitution of the University is as liberal as we can expect it to be.

“The Hon’ble Sir Harcourt Butler has been pleased to mention the names of some of the larger donors. I may be permitted to say that in addition to them, there is a large body of donors who have already paid substantial amounts, or who will pay them in the course of a short time, and I have no doubt that, now that the Bill has been introduced, it will not be difficult to collect a large sum of money.

“I have much pleasure therefore in supporting the motion for the introduction of the Bill.”

The Hon’ble Sir Gangadhar Chitnavis:—“My Lord, I need not say much after the speeches which have been delivered in this connection. It is a matter of genuine satisfaction to the great Hindu community that the labours of the promoters of the Hindu University movement have, thanks to Your Excellency’s sympathetic help and attitude, borne fruit, and that a stage has been reached when Government is pleased to extend to it legal recognition. It is only just to mention, and it is a matter of common knowledge that the Hon’ble Pandit Madan Mohan Malaviya, the Maharaja of Dharbhanga, Dr. Sunder Lal, and Mrs. Besant, have now for some time worked in the cause with admirable devotion and singleness of purpose, at times at great personal inconvenience and sacrifice. The people have some idea of their work, but few outside the organisers know the great services the Hon’ble Sir Harcourt Butler has rendered to the cause.

“The Bill now introduced marks an important step in the educational history of India which is full of possibilities, and let us all hope that the Hindu University will be as great a success as its supporters expect it will be. It is permissible also to indulge in the hope that this University, imparting as it proposes to do, sound religious instruction, will inculcate in the youthful mind a due sense of proportion, of duty and responsibility, and respect for authority which will make the graduates useful, virtuous, loyal and contented citizens. A thing well begun is half done and we hope that this coming University will soon rise to a position when it will be possible for the products of this University, modelled as it will be on the basis of the ancient religions of this great land, to come out of its portals what model University students should be equipped with the best that the East can teach and helpful both to Government and the large community to which they belong.”

The Hon’ble Maharaja Manindra Chandra Nandi:—“My Lord, as one interested in the Hindu University scheme, may I be permitted to express my gratification at the introduction of the Bill which crowns the efforts made for the establishment of this University? The realisation of our hopes is now in sight and we are deeply grateful to the Hon’ble the Member for Education and the Government of India for the kind help and sympathy accorded to this scheme and the legislative sanction which is being initiated to-day. My Lord, I hope there will be no jarring note and this Bill will receive the same unanimous support in the Council that the scheme has received in the country.”

The Hon’ble Mr. Dadabhoy:—“My Lord, as the only member of the Parsee community on your Legislative Council, I rise to join in the chorus of congratulations welcoming this Bill. My Lord, outside this Council there were many misgivings about this Bill, but after the luminous and very

[*Mr. Dadubhoy ; Mr. Rayaningar ; Mr. Ghuznavi.*] [22ND MARCH, 1915.]

instructive speeches of the Hon'ble the Education Member and Dr. Sundar Lal, most of these misgivings have been dispelled. I keep an open mind about the provisions relating to the Constitution, in respect to which this Council will have a suitable opportunity later on to express its opinion. But I must admit that this Bill concedes many important privileges. The constitution, the details of which have been indicated by the Hon'ble the Education Member, fully prove this and further that the new University will be in advance of the existing universities in many matters. I am glad that this will not only be a teaching, but also a residential university, that it will be free from official control, and also that religious instruction will be imparted in it.

" My Lord, I have no hesitation in stating, as the Hon'ble Sir Harcourt Butler has already stated, that when this University comes into existence a few years hence, it will be an imperishable monument to the educational policy pursued by Your Excellency.

" My Lord, before I sit down, I wish to say a word with reference to the Hon'ble Sir Harcourt Butler. He only stated that he had pleasure in being a member of the Government which had associated itself with this important measure. He might, with pardonable pride, have referred to the most important share that he has taken in the preparation of this Bill and for the matter of that, in working the whole scheme. It was his laborious and sympathetic work and it was his desire to make certain concessions to the educated Indians that has brought about the promise of the Hindu University, and has led to the University Bill being presented in its present form."

The Hon'ble Mr. Rayaningar :—" My Lord, the Hindu University Bill has been for some time past looked forward to with eagerness by the Hindu public, and although we have not before us the detailed provisions and have not had time to consider them, the eloquent speech of the Hon'ble Sir Harcourt Butler gives us an outline of the scope of the Bill. We shall have later an opportunity to discuss the provisions of the Bill in detail. For the present we are glad to note that Your Lordship's Government has been pleased to view the movement with favour, and proceeds to take practical steps to give us a national University, and, as has been remarked by the Hon'ble the Education Member, a residential and teaching university, a university to teach the essential points of Hinduism to all classes of Hindus.

" My Lord, Hindus in common with Muhammadans have always felt the need of secular education being supplemented by religious education. A Hindu knowing the real essence of his religion will be an acquisition to the country. Ever mindful of his duties to God and man, to all his fellow-beings, he will be a desirable citizen. My Lord, the circumstances attending the introduction of English education into India made it incumbent on the Government to favour secular education. This is a defect which must sooner or later be removed and beyond all doubt the defect can only be removed with the co-operation of the community concerned. The introduction of the Bill is significant. It is a great practical step towards National Education in India.

" My Lord, I support the motion before us. "

The Hon'ble Mr. Ghuznavi :—" My Lord, with Your Excellency's permission, I should like to draw Your Excellency's attention to the fact, that it is a matter of some inconvenience to non-official members, that when a Bill is about to be introduced into Council it is not previously circulated to Members. On the last occasion I made the remark that because the Defence of India Bill was circulated even 24 hours before it was introduced into this Council, it had the effect of allowing us to make ourselves acquainted with its contents, and, therefore in a measure resulted in our being able to give it our practically unanimous support, particularly when we discovered at the very outset that the Bill was only going to be enacted into law for a specified short period of time. On this occasion, when a Bill of such importance as the Hindu

[22ND MARCH, 1915.] [*Mr. Ghuznavi; Mr. Das.*]

University Bill is about to be introduced, we non-official members feel that as we have not had copies of this Bill beforehand we are not able to make any observations which we would consider to be absolutely pertinent to the subject. Such being the case, My Lord, I should only like to say at the present moment that there is some amount of feeling in the country that neither a Hindu University nor a Mussulman University will be of any real advantage to the people, because, I take it, that the desire of true Indian patriots is, above all else, to bring about the unification of the two great communities of this country, namely, the Hindus and Mussulmans; and a Hindu University and Mussulman University will, I am afraid, tend to produce ultra Hindus and ultra Mussulmans. But, if my Hindu friends in this Council, the promoters of this University and the Hindu public outside, are enamoured of their University, and if they are satisfied with the constitution which the Government has been pleased to grant them, I for one wish them all joy. Therefore, I desire to congratulate my Hindu friends as well as the Government, and particularly my Hon'ble friend Sir Harcourt Butler on introducing this Bill, and I desire to thank Your Excellency and the Government of India for having introduced this Bill out of deference to the wishes of our friends the Hindus."

The Hon'ble Mr. Das:—"My Lord, with regard to the objection that has been made by the Hon'ble Member who spoke just now (Mr. Ghuznavi) that we have not been furnished with a copy of the Bill beforehand, I should like to observe that this objection, which would apply in the case of some other Bills, does not apply in this case, because it appears from the Hon'ble Sir Harcourt Butler's speech that there has been consultation and discussion on the subject-matter between the Government on the one side, and those who are interested in the scheme on the other. Though I am one of those who did not see the Bill or did not know the contents or the details of the Bill, yet the Hon'ble Member in charge of the Bill has explained to us that it is not confined to Hindus only: the only peculiarity of the University will be that Hindus will be taught the Hindu religion, but the University will be open to persons of other religious persuasions.

"The Hon'ble Sir Harcourt Butler said in his speech that ten years ago nobody would have considered this Bill a possibility. That shows, My Lord, that under a sympathetic rule, under a sympathetic Government, when the policy of the Government is to trust the people and to take the people into their confidence, Government can actually wipe away, as it were, from the history of the nation ten years' time, and bring them nearer the goal of their aspirations. That means a statesmanship for which Your Excellency's rule will ever be remembered. Sir Harcourt Butler in the course of his speech has taken a very modest share of the praise that is due to him, but let me assure him and the Government of India generally that we shall all be thankful for the step that he has taken, for it establishes the principle that the people, when they realise the responsibility of any steps they are prepared to take, may count on the Government's willingness to give them a helping hand. So long as education stands on a religious basis, it stands on a safe foundation. So long as the heart which sends up blood to the brain pulsates with the fear of God, no matter whatever be the religious persuasion of the student,—Hindu, Muhammadan or Christian—when his heart pulsates with the fear of God, the nutrition which the brain receives, the education which the mind receives, must be good and useful. And even in an atmosphere where there are a large number of Hindu boys who are educated under a system which attaches an importance to religious principles and teaches us that man is a creature of God, I have no doubt that better results will follow.

"I have heard in certain quarters and it is borne out by the remarks which have been made by the Hon'ble Member who spoke last (Mr. Ghuznavi) that this University will have a tendency to develop bad feeling between Hindus and Muhammadans and produce ultra Hindus and other evils which are the results of institutions standing on a denominational basis. I feel, my Lord, that people—educated people especially—are learning to discriminate

[*Mr. Das ; Mr. Banerjee.*] [22ND MARCH, 1915.]

between the articles of a man's faith, of a man and the reflection of his faith on his life and character in daily life; and as education grows, as time advances, this power of discrimination will increase and Hindus, Muhammadans and Christians will more readily co-operate in public life and in works of utility than they do now. With these remarks, My Lord, I support the Bill."

The Hon'ble Mr. Banerjee:—"My Lord, I frankly confess that I do not in the smallest degree sympathise with the observations and criticisms which have been made by my friend to my left (Mr. Ghuznavi). His grievance is that we have not seen the Bill before. I venture to submit that that is no grievance at all. If this Bill were introduced, if the rules of business were suspended, if no Select Committee were to be appointed, if the Bill was not to be placed before the country, that would be a real and tangible grievance. But, My Lord, the Bill has now only been introduced, it will go before the country, it will be considered in Select Committee; and criticisms will pour in from all sides. Where, may I ask, is the grievance? In the House of Commons, so far as I have been able to understand the procedure and the rules of that House, when leave is given to introduce a Bill the text is not placed before Members of Parliament; it is only the Statement of Objects and Reasons that is laid before them. Therefore I do not sympathise with the observations of my Hon'ble friend to the left. When we have a grievance, by all means let us ventilate it in this Council; but when we have none I think it is our business not to bolster up one and indulge in criticisms.

"Then, My Lord, my friend blesses the Hindu University in a somewhat left-handed fashion. He says the effect of the establishment of this University would be to perpetuate differences between Hindus and Muhammadans. My Lord, if that was to be the likely result of the creation of this University I for one would oppose it whole-heartedly; but I do not believe that a result of that kind will at all follow. My Lord, Hindus and Muhammadans to-day are far more united than they were ten years ago. Ten years ago there was far greater friendliness and solidarity of feeling between them than twenty years ago. What is the secret of this daily growing feeling of friendliness between the two communities? Knowledge, learning, the spread of light and illumination. We are being taught; schools and colleges are growing up in all directions; we are beginning to realise what our common interests are, and I do believe that this University, this Benares College, instead of helping to create any alienation of feeling between Hindus and Muhammadans, will by the spread of knowledge bring them closer together in those bonds of friendship, good-will and amity upon which the best prospects of Indian advancement depend. Therefore, I find myself in complete disagreement with the observations which have fallen from my Hon'ble friend in regard to the two main points which he has placed before this Council.

"My Lord, I desire to congratulate the Government of India and the promoters of the University project upon the introduction of this Bill and upon the culmination of their labours so far. My Lord, I have heard many speeches in this Council Chamber, but I will say this in reference to that splendid oration which it was our pleasure to listen to to-day, that I have hardly ever heard a speech in this Council Chamber more deeply sympathetic, more attuned to the love of India and her people than that made by the Hon'ble Member in charge of the Bill. I feel, My Lord, that the special thanks of the Hindu community—and I am a Hindu of Hindus though perhaps my Hon'ble friend over there will not give me that character—as a member of the Hindu community I will say this that our special thanks are due to Your Excellency and to the Hon'ble Member in charge of the Department for the Bill which has been introduced. It will represent a crowning achievement of Your Excellency's Government and of the administration of the Department over which the Education Member has presided for a period of now over three years.

[22ND MARCH, 1915.]

[*Mr. Banerjee.*]

“ My Lord, when I say all this, I must not be imagined as passing a judgment upon the details of the Bill. The Bill has been just placed before us. We have heard the details. Those details will be placed before the country and the country will judge, and then the Select Committee will sit and deliberate over those details. Therefore, so far as those details are concerned, I do not express any opinion. But I do hope and trust that the constitution which will be given to the University will be a liberal one, that a large measure of independence will be accorded to the University authorities so as to enable them to do the fullest justice to the great work in which they will be engaged. For, My Lord, without real power there can be no sense of responsibility, and without responsibility there can be no efficiency. My Hon'ble friend, the Member in charge of the Education Department, has told us that 'trust' is the policy of the Bill. I welcome this. And he has asked us to believe in the good faith of the Government of India. Speaking from my place in this Council Chamber, weighed down by the sense of my responsibility as a member of the Council, I will say this, that we accept the assurance with alacrity and enthusiasm. We feel that if the Government of India did not interest itself in this matter, this project would not have reached the degree of success which it has attained.

“ My Lord, my Hon'ble friend referred to one or two objections with regard to the Hindu University. But there are certain objections which have been urged by responsible people—at least in my Province, and I think it is only right and proper that I should allude to them, not, indeed, that I share them, but I should like the Council to know what they are. It has been said in some of the Bengal newspapers that this University will be a 'Citadel of Reaction.' I have no fears, no misgivings on that score. Knowledge, be it from the West or be it from the East, elevates and liberalises the mind, breaks down all narrow barriers. The Temple of Learning is the temple of brotherhood and of catholicity. Here within the walls of this University, the East and the West will meet; two parallel streams of knowledge will commingle and roll on a mighty and fertilising river scattering broadcast its richest blessings.

“ Another objection which has been taken to this University is that it is going to be a sectarian University. Be it so. All education is useful. If you look at the history of educational institutions in the past you will find that they were sectarian to begin with—dominated by religious considerations and religious motives.

“ In the middle ages the Moslem universities of Seville and Cordova in Spain held aloft the torch of knowledge. Later on the monkish institutions kept alive the flame. I am perfectly certain there are many who give a wide berth to our educational institutions at the present moment who will come and join this University. I have in view especially the Marwaris and the extreme section of the orthodox community. My Lord, in this country we want more schools, more colleges, more light, kindly light amid the encircling gloom.

“ That was the gracious message of His Majesty to the people of India. The wish that was nearest to his heart was that there should be a network of schools and colleges spread over the land from which there might issue loyal, useful and manly citizens, able to hold their own in the varied vocations of life. Here is a definite substantial addition to the schools and colleges of this country. My Lord, this institution also will partly fulfil the recommendations of the Education Commission of 1882. They urged that there should be different types of educational institutions, and it was mainly upon this ground that they urged the encouragement of private enterprise in matters educational. This University, My Lord, will impart religious education which is necessarily absent from the Government institutions. For these among other reasons, subject to an examination of details, and in the hope that the constitution of the University will be liberal, I desire to accord my whole-hearted support to the Bill which has been introduced.”

[*Rai Bahadur Sita Nath Ray.*] [22ND MARCH, 1915.]

The Hon'ble Rai Bahadur Sita Nath Ray :—“My Lord, I am a Hindu and an orthodox Hindu, and as such take particular interest in the present Hindu University scheme; and in rising to give my humble support to the Bill just introduced, I may say that it will be hailed with intense satisfaction by my countrymen. It will open a new era in the history of the great educational movement in this country and so far as I can take a mental survey of the future, I see it has a bright prospect before it. I beg to take advantage of the present occasion to express our feelings of heart-felt gratitude to Your Excellency and the Hon'ble Member for Education for the kind permission accorded to the introduction of the Bill before us, for the establishment of a teaching and residential Hindu University at Benares. A better and more appropriate site than Benares could not have been chosen by the promoters for the location of the proposed University. The distinctive features of the proposed University will be that it will not only be a teaching and residential University, it will not only teach different kinds of literature, philosophy, science, technology, etc., it will not only promote research work in different branches of learning, but, what is more, it will also 'Promote the study of the Hindu *Shastras* and of Sanskrit literature generally as a means of preserving and popularising the best thoughts and culture of the Hindus and all that was good and great in the ancient civilisation in India, and it will also promote the building up of character in youth by making religion and ethics an integral part of education', which are so very necessary to build up a boy's character. My Lord, I say that nothing can be more deplorable, more subversive of discipline, more detrimental to the development of true manhood and character than to rear up tender boys in godless education, for I beg to assert that it is education dissociated from religion which is at the root of all anarchy and disregard for constituted authority. It may not be out of place to mention here that one of the cardinal principles of the Hindu religion is absolute obedience and respect to the Sovereign who is regarded as a part of Divinity. It is therefore well that the promoters of the scheme have made religion the bed-rock of education.

“My Lord, I cannot sufficiently admire the boldness and liberality of spirit which has permitted a sectarian University to spring up, but I have no hesitation in predicting that nothing but absolutely good results will be the rewards of such generosity and high-mindedness.

“Now, a word or two about the promoters and initiators of this Hindu University Scheme. We shall be wanting in gratitude if, on this happy occasion, when the disinterested labours of the promoters are about to fructify, we were not publicly to declare our deep obligations to them and express our sincere appreciation of their disinterested labours. The initiation of the scheme is wholly and solely due to the genius and bold conception of our distinguished and much respected countryman and colleague, the Hon'ble Pandit Madan Mohan Malaviya, a man whom to know is to love and respect. Now, as the Panditjee is more a saint, a *sadhu* in the true sense of the word, and does not care for any pecuniary reward from his countrymen, the only other reward that I can promise him in abundance is that besides securing the unstinted regard and love of his countrymen, he will have his name enthroned in the hearts of his ever grateful countrymen.

“Next to my Hon'ble friend, another distinguished countryman of ours, who deserves prominent mention in this connection, is the illustrious and much respected head of an illustrious and princely house, I mean the Hon'ble Maharaja Bahadur of Darchanga, for we owe the materialisation of the scheme primarily to the unceasing efforts and disinterested labours of the Hon'ble Maharaja Bahadur and the Hon'ble Pandit and our much respected friend the Hon'ble Dr. Pandit Surdar Lal; for it was they who did their utmost and it was their powerful advocacy and personal influence which succeeded in inducing the powers that be to give sanction to the scheme and it was they who at great personal sacrifice moved from place to place, from door to door, to raise subscriptions and I must say that it was the commanding personality of the noble Maharaja Bahadur and the influence of his high rank and position

[22ND MARCH, 1915.]

[*Rai Bahadur Sita Nath Ray; Sir Fazulbhoy Currimbhoy; Mr. Setalvad.*]

combined with the persuasive tongue of our friend here that induced our generous and noble-hearted feudatory Chiefs and others to unloosen their purse strings in the cause of this noble scheme. It must be admitted that both by his princely generosity and personal and unselfish labours the noble Maharaja Bahadur has done much to have his name gratefully remembered by the present generation and the generations yet unborn.

“My Lord, I have to mention another prominent name in this connection. I come to it last, not because it is the least, but because it is difficult for me to find words in which to express all the feelings which rise in my heart in mentioning the name of one who though not of our own blood, though not of our own land, is still regarded as one of us. Her love for us and our ancient ideals and culture, her unceasing efforts and ceaseless activities to bring the spirit of that ideal and culture again into this ancient land of ours, her steadfast devotion to that purpose have made the name of Mrs. Annie Besant a household word in every Hindu home. The Central Hindu College is the outward manifestation of that love and devotion and nothing can be more auspicious for the success of this movement than that it should be the nucleus round which a nation's hopes and aspirations will take concrete shape and form. Poor India cannot give her anything in return for those labours nor does she herself expect anything in return. Her labours are labours of love in the true spirit of *Nishkam Karmayoga* for which her Maker and Master will reward her. Our prayer is that she may live long to continue in this Noble Path and may Lord grant her the health and strength necessary for it.

“With these few words I beg to give my humble support to the scheme.”

The Hon'ble Sir Fazulbhoy Currimbhoy:—“My Lord, the Bill marks the success of my Hindu friends' philanthropic labours. I am glad the idea of a Hindu University had materialised, and it is now going to take a definite form and shape. The Hindu University will be the first experiment of its kind. For more than a century the controversy has been more or less vigorous over the ticklish question of secular *versus* religious instruction in our educational institutions. Government, from its position, had to encourage a purely secular education so long. They could not accede to the prayer of the Christian Missionaries in the early days of English education in India; but now that the people themselves have come forward with definite schemes of denominational Universities, it is only right and proper that Government should encourage them. Everybody has realised the evil effects of education devoid of all religious or moral training, but so long as the people did not undertake to organise Indian education on a religious basis, nothing could be done to counteract them. With the Hindu University a new chapter is opened in the history of Indian education. Unlike the existing Universities, the vitalising force of the Hindu University will be religion, which ought to mould the plastic mind of the graduates into a different and more agreeable shape

“The Bill now goes to the country. Opinions will be collected about the details. It is therefore not desirable that the provisions should be criticised now, Government, and especially the Hon'ble Education Member, have done their best to so modify the Bill as to make it acceptable to the Hindus, but with the fresh criticisms from the public I hope the Bill will be still further improved so as to tempt the sister community, the Moslems, to ask for the Charter, and so pave the way for the progress of the two communities on parallel lines.

“I cannot sit down without congratulating the Hon'ble Sir Harcourt Butler on the happy conclusion of his labours in this matter, and I am very pleased to be able to associate myself with the eulogy just bestowed on the Hon'ble Mover by the previous speakers. Although we can none of us grudge the higher appointment which awaits him, I am sure we shall regretfully part with the present Hon'ble Member for Education when the time arrives to do so.”

The Hon'ble Mr. Setalvad:—“My Lord, I confess that I share to a certain extent the apprehensions of my Hon'ble friend Mr. Ghuznavi as regards the danger of having sectarian universities. When the shortcomings

of the present Universities are animadverted on, I am afraid sufficient importance is not attached to the great unifying influences that these Universities have exercised all these years. I, for one, connected as I have been for many years with the University of Bombay, can testify to the great unifying influence that that University has exercised by throwing together young Hindus, Muhammadans and Parsees in the same colleges and in the same educational institutions. And what is true of the Bombay University, I feel, must be true of the Calcutta and Madras Universities and also of the Allahabad University. Holding these views and feeling that sectarian Universities might destroy that unifying influence which the present Universities are exercising, I, for one, would have welcomed a Bill which, instead of proposing to establish a Hindu University or a Muhammadan University, had proposed to establish an all-India University for Hindus, Muhammadans, Parsees and all other communities. When I say this, I am not unmindful of the fact that the Bill provides that students of all classes and creeds would be admitted into this University. But when you have a Hindu University established in this manner, and you have a Muhammadan University established side by side, the natural result is bound to be that Hindu students will flock to the Hindu University and Muhammadan students will flock to the Muhammadan University. That being so, I still entertain the apprehensions that I have of the danger of having sectarian Universities of this character and all the eloquent words which have fallen from the Hon'ble Mr. Banerjee have not dispelled these apprehensions in my mind. However, these are the views that I hold and there are other people who hold the same views, but if the Hindu and Muhammadan communities, as a whole, want sectarian Universities, no useful purpose would, I am afraid, I will be told, be served by at this stage running counter to their desire. But if that is to be, I hope and trust that those responsible for this University and this legislation will not carry sectarian divisions too far. For instance, the Bill provides that the Court in future shall consist only of Hindus; an exception is only made in the case of the present Court to effect the inclusion of Mrs. Besant therein. I do not see why that restriction should be laid down for the future. If those responsible for the University, if Hindus want to include in the Court in future Muhammadans, or Parsees, or Europeans to co-operate with them, there is no reason why liberty should not be given to them to do so, and why they should be deprived of their choice if they desire to make such a choice. Further, I, for one, do not view with any favour the introduction of compulsory Hindu religious education in the University; those who want it may certainly have that provided for them, but I do think that it will not be desirable to compel students to take religious education even if they do not desire it. Speaking of the present Universities, I was very pleased to hear the Hon'ble Mover say that they have served and are serving a very useful purpose, for we in Bombay, during the administration that preceded the present one, were always told in season and out of season that the University had been a failure and that it served no useful purpose, and that the sooner it was reformed root and branch the better. I was therefore very glad to hear the Hon'ble Sir Harcourt Butler say that so far the present Universities have exercised a good influence and they have done useful work. Your Excellency, I do hope that, when the Bill goes to the Select Committee, the various matters to which I have referred will be considered; whether it is desirable to make the Court exclusive, whether it should consist only of Hindus in future, and whether Hindu religious education should be made compulsory. Then there is the question of Government control. Under section 19 of the Bill, very wide powers are given to Government. It runs as follows:—

19 (1). If at any time the Governor General in Council is of opinion that special reasons exist which make the removal of any member of the teaching staff desirable in the interests of the University, or that as a special measure the appointment of certain examiner or examiners to report to him is desirable to maintain the standard of University examination, or that the scale of staff of the University is inadequate, or that in any other respect the affairs of the University are not managed in the furtherance of the objects and purposes of the University or in accordance with this Act and the Statutes and Regulations.'

[22ND MARCH, 1915.] [*Mr. Setalvad; Pandit Madan Mohan Malaviya.*]

he may take various steps. These are very wide powers of interference in numerous details as regards the working of the University. No doubt, I recognise what the Hon'ble Mover has said that initially the whole administration is left mostly to non-officials, but I am afraid the control which is embodied in section 19 is of a very far-reaching character. I do hope that when the Bill is considered in Select Committee, attention will be given to that section. Then the Hon'ble Mover referred to the question of the Matriculation examination. This is no doubt a question on which there exists a sharp difference of opinion. I trust that when the Bill goes to the Select Committee that matter also will have proper consideration. As I have said, I share the apprehensions which I spoke of about the institution of sectarian Universities, but, I am afraid, that if both the communities desire legislation of this character and Government have committed themselves to it, it may be said that it is fruitless to run counter at this stage to their wishes. Reserving to myself full liberty to take such action as I deem necessary in public interests, I can only conclude in the hope that these apprehensions will not be realised and that ultimately good will come out of the present project."

The Hon'ble Pandit Madan Mohan Malaviya :—"My Lord, I should be wanting in my duty if I allowed this occasion to pass without expressing the deep gratitude that we feel towards Your Excellency for the broad-minded sympathy and large-hearted statesmanship with which Your Excellency has encouraged and supported the movement which has taken its first material shape in the Bill which is before us to-day. I should also be wanting in my duty if I did not express our sincere gratitude to the Hon'ble Sir Harcourt Butler for the generous sympathy with which he has supported and helped us.

"My Lord, I look forward to the day when students and professors, and donors and others interested in the Benares Hindu University will meet on the banks of the Ganges to celebrate the Donors' Day; and I feel certain that the name that will stand at the head of the list on such a day will be the honoured name of Your Excellency, for there is no donor who has made a greater, a more generous gift to this new movement than Your Excellency has done. My Lord, generations of Hindu students yet to come will recall with grateful reverence the name of Your Excellency for having given the start to this University. Nor will they ever forget the debt of gratitude they owe to Sir Harcourt Butler for the help he has given to it.

"I should not take up the time of the Council to-day with a discussion of the provisions of the Bill. The time for it is not yet. But some remarks which have been made point to the existence of certain misapprehensions which might be removed.

"Two Hon'ble Members have taken exception to the proposed University on the ground that it will be a sectarian university. Both of my friends the Hon'ble Mr. Ghuznavi and the Hon'ble Mr. Setalvad have expressed an apprehension that being sectarian, in its character, it may foster or strengthen separatist tendencies. They have said that the existing Universities have been exercising a unifying influence, in removing sectarian differences between Hindus and Muhammadans. My Lord, the University will be a denominational institution, but not a sectarian one. It will not promote narrow sectarianism but a broad liberation of mind and a religious spirit which will promote brotherly feeling between man and man. Unfortunately we are all aware that the absence of sectarian religious Universities, the absence of any compulsory religious education in our State Universities, has not prevented the growth of sectarian feeling in the country. I believe, my Lord, instruction in the truths of religion, whether it would be Hindus or Mussulmans, whether it be imparted to the students of the Benares Hindu University or of the Aligarh Moslem University, will tend to produce men who, if they are true to their religion, will be true to their God, their King and their country. And I look forward to the time when the students who will pass out of

[*Pandit Madan Mohan Malaviya.*] [22ND MARCH, 1915.]

such Universities, will meet each other in a closer embrace as sons of the same Motherland than they do at present.

“Objection has also been taken to the provision for compulsory religious education in the proposed University. My Lord, to remove that provision would be like cutting the heart out of the scheme. Many people deplore the absence of a provision for religious education in our existing institutions, and it seems that there would not be much reason for the establishment of a new University if it were not that we wish to make up for an acknowledged deficiency in the existing system. It is to be regretted that some people are afraid of the influence of religion: I regret I cannot share their views. That influence is ever ennobling. I believe, my Lord, that where the true religious spirit is inculcated, there must be an elevating feeling of humility. And where there is love of God, there will be a greater love and less hatred of man, and therefore I venture to say that if religious instruction will be made compulsory, it will lead to nothing but good, not only for Hindu students but for other students as well, who will go to the new University.

“My Lord, it has also been said that if sectarian Universities must come into existence, we need not carry sectarianism to an extreme. The Hon'ble Mr. Setalvad has referred to the provision in the Bill that in the University Court, which will be the supreme governing body of the University, none but Hindus are to be members. The reason for it needs to be explained. The University has to teach the *Vedas*, the religious Scriptures, and to impart instruction even in rituals and other religious ceremonies which are practised by Hindus. The Bill provides that there shall be two bodies in the institution, the Court and the Senate. The Court will be the administrative body, will deal mainly with matters of finance and general administration, providing means for the establishment of Chairs, hostels and other institutions. The Senate will be the academic body, having charge of instruction, examination and discipline of students. Well, membership on the Court has been confined to Hindus in order that Hindus who may make benefactions in favour of the institution should feel satisfied that their charities will be administered by men who will be in religious sympathy with them and in a position to appreciate their motives and their desires. With that knowledge they will make larger endowments to support the University than they would make if the endowment was to be administered by men of different persuasions and faiths. There is nothing uncharitable in such an arrangement. Besides this, there is a second reason. When the Sanskrit College was first established in 1793, in the time of Lord Cornwallis, there was provision made for the teaching of the *Vedas* and other religious books in it. Later on, some missionary gentlemen took exception to the idea that a Christian Government should encourage the teaching of what they described as heathen religion; and for that reason the teaching of religion was stopped in that institution. In formulating proposals for the Benares Hindu University, it was felt that, so far as possible, no room should be left for any apprehension which might prevent religious-minded Hindu donors from making large contributions to the University, and that the best means of giving them an assurance that instruction in Hindu religion shall always be an integral part of the education which the University will provide, and that their religious endowments will be administered in conformity with their wishes, was that the membership of the University Court should be confined to Hindus. There is, however, no such restriction in regard to membership of the Senate. In the Senate, which will be the soul of the University, we shall invite co-operation, we shall seek it and welcome it. Fully one-fourth of the Senate may not be Hindus. There will be no disqualification on the ground of religion in the selection of professors. No restriction is placed upon students of any creed or any class coming to the University. It will thus appear that while we confine membership on the administrative body of the University, the Court, to members of the Hindu community, we keep open the Senate which, as I have said, is the soul of the University, to teachers of every creed and race. That is a real provision. And we intend to get the very best teachers irrespective of any consideration of race or creed, from whichever part of the world we can, in order that our students should sit at their feet and learn the knowledge that they can impart.

[22ND MARCH, 1915.] [Pandit Madan Mohan Malaviya; Sir Harcourt
Butler; Mr. Clark.]

“ I should like to say one word more with regard to the provision that religious instruction should be compulsory in the case of Hindu students. It has been said that we should not make it compulsory even for Hindu students, as it might keep some Hindu students who do not desire to receive religious instruction, from the benefit of education at the Hindu University. But, my Lord, in the first place, the general religious instruction which will be imparted will be such as will be acceptable to all sections of the Hindu Community. In the second place, a number of Hindu students at present attend missionary institutions where the study of religion is compulsory. So I hope that even those Hindu students who may not appreciate the teaching of religion, will not be kept away from the proposed University on the ground that religious instruction will be compulsory there.

“ I do not think, my Lord, that I need take up more time at present. I beg again to express the gratitude that I am sure millions of Hindus will feel towards Your Excellency's Government, and personally towards Your Excellency, and towards Sir Harcourt Butler, when they hear of the Bill which has been introduced here to-day.”

The Hon'ble Sir Harcourt Butler:—“ I think the Government and the University Committee have every reason to be glad of the reception that this Bill has received in Council. It will be considered in detail hereafter, so I will not detain the Council any further now.”

The motion for leave to introduce the Bill was put and agreed to.

The Hon'ble Sir Harcourt Butler:—“ My Lord, I introduce the Bill, and move that the Bill, together with the Statement of Objects and Reasons relating thereto, be published in the *Gazette of India* in English and in the local Official Gazettes in English and in such other languages as the Local Governments think fit.”

The motion was put and agreed to.

THE INDIAN PATENTS AND DESIGNS (TEMPORARY RULES) BILL.

The Hon'ble Mr. Clark:—“ My Lord, I move that the Bill to extend the powers of the Governor General during the continuance of the present war to make rules under the Indian Patents and Designs Act, 1911, be taken into consideration.”

The motion was put and agreed to.

The Hon'ble Mr. Clark:—“ My Lord, I beg to move as an amendment that in clause 4 of the Bill the following words be added, namely:—

‘ and the power to make rules conferred by section 3 (1) (e) of this Act in respect of anything to be done under the Indian Patents and Designs Act, 1911, shall be exercisable in respect of anything to be done under the Inventions and Designs Act, 1888.’

“ The reason for this amendment is a very simple one. Under the Inventions and Designs Act, 1888, ‘ patents ’ did not exist. An inventor was given what was called an ‘ exclusive privilege ’. When the Indian Patents Act, 1911, was passed, the holders of exclusive privileges were allowed the option of converting these into patents. Very many of them preferred not to exercise this option, with the result that a large number of exclusive privileges are still in force. Certain conditions attach, e.g., the payment of fees to the possession of an exclusive privilege, and it is no less necessary that the Controller should have power to condone delays or other defaults committed in respect of them

[*Mr. Clark; Sir Ali Imam: Pandit Madan Mohan Malaviya.*] [22ND MARCH, 1915.]

than in the case of patents held under the Act of 1911. This necessity was not foreseen till at too late a stage to provide for it in the Bill as introduced; therefore the amendment is necessary now."

The motion was put and agreed to.

The Hon'ble Mr. Clark:—"My Lord, I beg to move that the Bill, as amended, be passed into law."

The motion was put and agreed to.

THE DELHI LAWS BILL.

The Hon'ble Sir Ali Imam:—"My Lord, I move that the Bill to declare the law in force in certain territory added to the Province of Delhi be taken into consideration."

The motion was put and agreed to.

The Hon'ble Sir Ali Imam:—"My Lord, I move that the Bill be passed."

The motion was put and agreed to.

The Council here adjourned for lunch, and after lunch **The Hon'ble Sir Harcourt Butler, the Vice-President, took the Chair.**

RESOLUTION *RE* HIGH PRICE OF WHEAT.

The Hon'ble Pandit Madan Mohan Malaviya:—"Sir, before I proceed to discuss the resolution of which I have given notice, I beg leave to amend it by adding at the end of the first clause, the words 'or to take such other steps as he may be advised to bring the price of wheat down to a reasonable level and to maintain it at such level.' The resolution will then run as follows:—

'That this Council recommends that the Governor General in Council may be pleased to prohibit all export of wheat from India until the price of that commodity comes down to 9 seers per rupee, and whenever it rises above that rate, or to take such other steps as he may be advised to bring the price of wheat down to a reasonable level and to maintain it at such level.'

"The Council is aware that there has been an abnormal rise in the price of wheat and of other cereals. There has consequently been a great deal of suffering among the great bulk of the people. How great the rise has been is evident from the index numbers given at page 34 of Mr. Datta's valuable report on the elaborate and painstaking inquiry made by him into the rise of prices in India. We find that taking the average of the prices of wheat during the quinquennium 1890-94 as 100, in 1890 it stood at 94 and in 1912 at 134 i.e., that in the course of 22 years, the price of wheat had risen by nearly 42.5 per cent! During the last two years also the price of wheat has been abnormally high. But never did it rise so high as during the last few months. In the great famine of 1897, the price of wheat was indicated by the number 149: in that of 1900, by 134: so that the price was as high in 1912 as it was in the famine year 1900. Since the war broke out, the price of wheat, as I have said, has gone up much higher. Wheat has sold at the rate of 6 seers the rupee, a rate which was never known to the people of this country before.

[22ND MARCH, 1915.] [*Pandit Madan Mohan Malaviya.*]

“ Now, Sir, the consequent suffering to which the people have been exposed has been immense;—it has been deep and widespread. Its intensity is not fully and clearly realised because of the patience with which the people have borne it. We have no doubt had some riots in the Punjab which have been ascribed to this cause; but the fact that in the presence of such deep and wide-spread suffering throughout the country the people have borne this calamity with the patience with which they have, is a phenomenon, I venture to say, that will hardly be seen in any other country.

“ Wheat is the staple food of the people of Upper India. Mr. Shapoorji Broacha, writing in a letter to the “Times of India,” said that except in the Punjab in every other part of India wheaten bread is a luxury bread. But he is entirely mistaken there: bread is not a luxury with the people of Upper India: With the people of the Punjab and the United Provinces and with a great many people in the Central Provinces, wheaten bread is the staple food, and to deprive them of it or to make it unavailable to them, is practically to starve them. Mr. Broacha says no famine is to be feared, even if the whole wheat were to go. He talks so lightly of the export of wheat because it does not touch his province.

“ The total area under wheat cultivation in the whole of British India in 1911-12 was a little more than 25 million acres. Out of this 23 million acres were accounted for by the Punjab, the North-West Frontier Province, the Central Provinces, Bihar and Orissa and the United Provinces of Agra and Oudh, and the balance, less than two million acres, by Bombay, Madras, Bengal, Assam and Burma. In the Punjab and the North-West Frontier Province nearly 50 per cent of the area under food grains was under wheat; in Agra and Oudh about one-fifth; in the Central Provinces about one-fifth; and in Bihar and Orissa about one-twenty-fourth, so that Bihar and Orissa may fall back upon other cereals if there is a scarcity of wheat, as it has got an area under rice cultivation there nearly 15 times that of the area under wheat. But the rest of the wheat-producing provinces, where that commodity is the principal article of food, must be hard hit by a rise in the price of wheat. It is not a question with the people of those provinces, as Sir Shapoorji Broacha wrongly says, of making money out of wheat. It is a question with them, primarily of their very existence. Let us see what are the other food grains produced in the wheat-producing provinces. They are rice, barley, jowar, bajra, maize and gram and pulses. The Punjab and the North-West Frontier Province have very small areas under rice cultivation. The United Provinces and the Central Provinces combined have nearly as large an area under rice as under wheat. But the area under gram in the United Provinces, the Punjab and the North-West Frontier Province is equal to nearly 75 per cent of the area under wheat, and the price of gram has also risen very high. Other provinces which do not produce wheat can therefore afford to live on other cereals than wheat, and as a matter of fact they live on them in normal times. But in the case of the people of the wheat-producing provinces, particularly the Punjab, the United Provinces and the North-West Frontier Provinces, that commodity is absolutely indispensable and no greater hardship can be imposed upon them than if they cannot get their wheaten bread. It ought also to be remembered that the people who have supplied the most important—the hardest fighting—elements to the Army, are people who live upon bread. The Indian soldiers who serve His Majesty the King-Emperor are largely drawn from the Punjab, the United Provinces and other areas from the people with whom wheat is the staple food. This being so, the suffering caused by the dearness of wheat in Upper India is a matter of the gravest concern.

“ Now, Sir, in earlier times when there has been a rise in the prices of wheat, it has been due to the failure of the rains and to the famine caused thereby. The people have learnt to bear that calamity as a *vis major*. The relief operations which the Government organises at such times have taught the people to understand what the Government does to mitigate their distress. But the rise in the price of wheat that has been going on year after year owing to the operation of causes which can be controlled by Government

[*Pandit Madan Mohan Malaviya.*] [22ND MARCH, 1915.]

has been creating a different feeling. And apart from the special circumstances belated by the war, in view of the high rise in the price of wheat owing to those causes, it is necessary that the Government should consider what measures can be adopted to secure a permanent relief to the people in this to them a vital matter. The causes of the rise in the prices of food-stuffs have been many. They have been very ably summarised and discussed in Mr. Datta's report. I do not think I should detain the Council by going into all of them, but there are some to which attention should be drawn. One of the important causes to which Mr. Datta has invited attention is that the growth of the area under food crops has not kept pace with the growth of population and the requirements of the country. Mr. Datta says at page 61 of his report: 'Considering the growth of the population and the increase in the external demand, the supply has been short during the greater part of the period embraced in the inquiry'. In another place (page 138) he says:—

'In recent years the production of food-grains has not been keeping pace with the population. This would explain the almost continuous rise in the price of food grains.'

"Another factor which has been at work is the taking up of an increasingly large portion of the culturable area by commercial crops. The area under commercial crops has increased in a higher proportion than the area under food crops, that is that the total area which should have come under food crops has not come under them.

"The Government of India have in their resolution disagreed. They say:

'So far as trustworthy statistical evidence is available it would appear that the area under food crops has increased in almost exact correspondence with the growth of the population,' they say further that 'no reliable estimate of the outturn during the period under review can be framed.'

"But, Sir, there is a large body of opinion which think that this is one of the causes of the rise in the price of food-stuffs, and the matter requires further consideration.

"In addition to the two causes mentioned above, there has been another, and a very important one, which has been the export trade. As Mr. Datta says 'The development in the means of communication (in India) apart from its levelling effect already referred to, has brought all parts of this country into much closer touch with foreign markets and has thus immensely facilitated and enhanced the influence in the direction of a rise'. The demands of the export trade have been growing, as the facilities for transporting wheat from one part of the country to another have been increasing. Indian wheat is now carried to countries where the people have a much higher average income than the people of India have. They are able to pay a much higher price for wheat and other commodities than our people can and which they would not have to pay but for this international trade. This trade has been growing and consequently the rise of prices has been growing also. Mr. Datta rightly says:

'It is to this immensely enhanced demand for Indian commodities of export that the relatively larger rise in the Indian price level as compared with that of other countries is probably to be attributed.'

"In this state of affairs it has become the imperative duty of the Government to consider what measures should be adopted to bring down the prices of food-stuffs to a reasonable level and to maintain them at such level. The conditions are peculiar and they require special measures to be adopted, when you offer facilities to the people of countries where the average national income is say 15 or 20 times the average national income of the people of India to obtain food-stuffs from your country at a much higher price than would be obtained for it in the country. The price which can be obtained in foreign countries thus comes to regulate the price of wheat in this country. But the people here have got a much lower average income, and they consequently find it increasingly difficult to obtain the wheat that they want at the price which they can pay, and suffer a great deal of hardship. If the export trade did not come into play,

[22ND MARCH, 1915.] [*Pandit Madan Mohan Malaviya.*]

if it did not seriously affect the situation, I am certain that the prices of food-stuffs, and particularly of wheat, would not have been risen as greatly as they have. This would suggest, Sir, the desirability of considering the question whether an export duty should not be imposed upon wheat. But I am not taking up that question at the present moment; because even if an export duty were imposed upon wheat, it would not meet the situation with which we are faced at present. It would still permit people who want to speculate in wheat to purchase as much wheat as they can and to ship it to places where there is the greatest demand for it.

“ What is necessary for the immediate present is that the Government should adopt effective measures to prevent wheat going out of the country except when it can be spared without pinching the people. As an export duty will not serve that purpose, the only measure that struck me as feasible is that all exports should be prohibited until prices came down to 9 seers a rupee.

“ In the *communiqué* which they have issued, the Government have prohibited export by private parties. They have however allowed export through recognised channels. That *communiqué* has not given satisfaction to the public. The measure has not brought the prices down. There was a fall in prices for a little while; but prices have gone up again and have recently been going steadily higher. That decision of Government has failed to bring down prices; and an export duty, as I have said, does not seem likely to effect that object. The object of my resolution is to ask the Government to take some step which will be effective in keeping sufficient wheat in the country to enable the people to get it at the price which they can pay for it. I do not claim that the suggestion which I have put forward is the only one which should be taken into consideration. My object is that the need for more effectively regulating the export of wheat should be recognised by the Government. If the Government would recognise that in the special circumstances of the country it is essential that it should take effective steps to regulate the export trade in order that prices may come down to a reasonable level, I would be content. But such action is necessary, because unless Government intervene—and intervene effectively—to check the export of wheat, prices will continue high, and I fear the patience of the people, which has been sorely tried, will be exhausted, which may lead to unhappy results.

“ It may be said,—it has been said, that if the Government intervene to prohibit export or to regulate it in any such manner, as I have suggested, cultivators will suffer. Now, Sir, I am the last person to wish that the cultivators should suffer. The cultivators do deserve much sympathy; but sympathy should be shown to them in other ways than by allowing them to export wheat freely and to obtain inflated prices to the injury of the community. The sympathy which should be shown towards the cultivators should, in my opinion, be in the direction of a general reduction of rent all round. That is the way in which they can be benefited. But so far as the export of wheat is concerned, there are other parties also whose interests and requirements have to be considered. The cultivator may make a little larger profit if there is no restriction imposed upon the wheat trade; but the great bulk of the people suffer and there is no means of relieving them of the hardships to which they are exposed. The Government have recognised the principle that they should intervene to reduce the sufferings of the people due to high prices. The Government pay allowances to their low-paid servants. The Government have also paid allowances to some of their highly-paid servants, whenever in their opinion, there has been occasion for taking such a step, as witness the recent temporary increase to the salaries of certain civil servants. These examples show that when Government are convinced—they may be right or they may be wrong, and there may be differences of opinion about the justice of their decision; but my point is that whenever Government think that relief should be given to any of their servants—they do not hesitate to give it. Now, the giving of increased salary to Government servants means taking so much more away from the taxpayer's money. But the Government recognise that in certain circumstances and to certain classes of people, the Government should afford aid in this manner, and what I want the Government now to

[*Pandit Madan Mohan Malaviya ; Mr. Clark.*] [22ND MARCH, 1915.]

consider is whether in the present economic situation some measure cannot be adopted whereby the general bulk of the people may benefit. The aid which Government give to low-paid Government servants benefits only an infinitesimal section of the people. I don't know that the number of persons in Government service is quite 2 per cent of the whole population, and the persons who are in receipt of small salaries must be very much smaller. And I do not know that there are many private individuals who are giving famine allowances to those under their employ; and I submit that no such special measure, intended to afford temporary relief to a small class of persons, can be of any avail to the general bulk of the people in the presence of the wide-spread suffering to which they are exposed by reason of the prevailing high prices. The only way to secure any relief to the people is to bring down those prices. What is the best means of effecting that desirable end is a matter upon which opinions may differ; but I do hope that opinion will be united on the main question, namely, that the Government should intervene to secure their staple food to the general public at more reasonable rates than they have to pay at present. As regards the principle of interfering with the cultivator's profits, I may say that all taxation is an interference with the profits of individuals—all taxation means the cutting down of incomes more or less—and the Government does interfere to limit the profits of individuals, to regulate the prices of certain things whenever it thinks that such action is necessary in the interests of the public weal. For instance, in the Excise Department, they do not allow vendors in excisable articles to charge prices that they might charge if they were altogether free to do so. So also in many other things. Take the case of rent of land. The Government do not allow zamindars to fleece their tenants to the extent that some of them might wish to. They have by legislative enactments largely prohibited landlords from raising rents except in accordance with the provisions of the law. I need not multiply instances of this kind. If the Government are satisfied that there is a pressing need for bringing down the prices, and that until some effective step in that direction is taken by the Government, the people's suffering cannot be mitigated, then I am sure the Government will not on any principle hesitate to adopt the means that may, in their opinion, be likely to secure the end in view. No principle of political economy can be of such universal and rigid application as to stand in the way of Government doing so. In all public questions, as His Excellency the Viceroy was pleased to observe the other day, '*Salus populi suprema lex*'. If the Government find that in the particular set of circumstances in which we find ourselves, it is necessary to adopt some such special measures as I have recommended, then, I feel sure, every principle of political economy and political science will support the action of the Government. I do not think, Sir, that I need take up the time of the Council by dwelling further on this question. My object has been simply to invite attention to the pressing need for some effective action, and that I think I have done.

"As regards the second part of my resolution, I would, with your permission leave out of it the suggestion for the fixing of maximum prices."

The Hon'ble Mr. Clark:—"I understood the Hon'ble Member to have omitted the whole of the second paragraph."

The Hon'ble Pandit Madan Mohan Malaviya:—"Very well, I drop the second portion of the resolution, Sir. In some provinces in the Punjab the Government has taken action to open cheap grain shops. This has brought relief to the poor. I do not know that this has been done to any large extent in other provinces. In the United Provinces, cheap grain shops have, I am told, been opened at Agra. My object in putting in the second clause was that, when it may be necessary, Local Governments may be asked to make a much larger use than they seem to have done of the Articles of Commerce Ordinance, 1914, to adopt such measures of relief as the fixing of maximum prices, the opening of cheap grain shops and the grant of compensation for the dearness of food-grains to their lower-paid employes. I expect that

[22ND MARCH, 1915.] [*Pandit Madan Mohan Malaviya ; The Vice-President ; Mr. Clark.*]

if the first part of the resolution commends itself to Government, and some suitable action is taken to give effect to it, there will be a lowering down of prices, and in that case it will not, I hope, be necessary to draw the attention of the Local Governments to the second part of the resolution. I hope the Hon'ble Member for Commerce and Industry will see his way to accept the resolution and to devise some effective means whereby the much-needed relief may be secured to the people."

The Hon'ble the Vice-President:—"The second part of the resolution is by permission withdrawn."

The Hon'ble Mr. Clark:—"Sir, I understand it will be for the convenience of Council if I rise earlier than is usual in the debate, as Hon'ble Members would like to have before them a statement of the action which Government propose to take in this matter, before they proceed further with the discussion. But I think first of all there is one point which ought to be made clear. When I saw this resolution first on the paper, I certainly understood that it related to the special conditions arising out of the war, and was prepared to discuss it on that basis. But I gather from the speech which the Hon'ble Pandit has just delivered that he wishes to raise the much wider question of Government regulating trade and prohibiting export during periods of high prices, even under normal conditions. That has not been contemplated by Government, and certainly was not in our minds when we issued our recent communiqué. I submit that Council would be well advised as far as possible to restrict our discussion to what is the only live issue at the present moment, namely, what is to be done in the present conditions arising out of the war.

"The question of the high prices of wheat which forms the subject-matter of this resolution, is one of the most momentous economic problems with which Government have had to deal during the currency of the war. The situation which has recently existed in India is unparalleled probably in the economic history of the country. Since the early days of February, there has been every reason to anticipate, unless some unforeseen disaster should occur, one of the largest wheat crops on record. Yet up to the date of Government's recent announcement prices have not fallen but rather have continued to rise. It is not surprising in these circumstances that Indian consumers should feel the contrast between the high level of prices and the indications of a bounteous harvest about them, to be bewildering and even sinister; and that wild reports should have been circulated of the whole crop having been bought up, and other dangerous and baseless rumours of the kind. They do not understand, and they could hardly be expected to understand, that the same forces, the cheapness and efficiency of communications, which have added so largely to India's wealth by bringing her produce into the markets of the world, expose her also to heavy demands when the world's produce falls short of its requirements. They do not realise that prices are not fixed at Lyallpur or Montgomery or even by the foreign dealers at Karachi, but are the result of world-movements which are affected by acts of war, such as the closing of the Dardanelles; by a drought in Australia or a late harvest in the Argentine; or by the activities in the Chicago wheat-pit of operators, who regard wheat as a gambling counter rather than as a necessary foodstuff of mankind. There has been, therefore, not only very real economic distress, but great discontent and disturbance of men's minds owing to this continuance of the high price of wheat. On both aspects of the case, both for the sake of relieving the actual distress and in order to allay the alarm and unrest which has ensued, it was imperative that Government should take action. I am very glad that the Hon'ble Pandit by bringing forward this resolution has afforded Government an opportunity of which I will presently avail myself, of explaining to Council the course on which we have decided. Before doing so, however, I think it is desirable that I should set forth a little more fully the various and complex factors with which we have had to deal.

[Mr. Clark.]

[22ND MARCH, 1915.]

“ Prices of wheat did not rise immediately on the outbreak of war or, indeed, for some time later. In Lahore, which I will take as a typical market, retail prices stood at nearly 11 seers to the rupee at the end of July, and by the middle of October they were still 10 seers to the rupee. From then onwards there has been a steady increase in prices. By the end of October only a little over 9 seers could be bought for the rupee. By the middle of November the quantity had dropped by nearly a seer. The rise in price was then arrested till about the end of January, when, just at the time when a fall might have been expected, a further increase took place, and by the middle of February only 6½ seers could be bought for the rupee. After this, there was no further relief until after Government had announced near the end of February their intention of prohibiting all private export after the 1st April. There have in effect been two sets of circumstances affecting prices during the period of the war; firstly, the causes which led to the rise at the end of October and which were concerned mainly with the old crop; and secondly the causes leading to the further rise in price in February and counteracting the effect on prices which should otherwise have been produced by the promise of the new crop, then well in sight. The crop which was harvested in the spring of 1914 was an unusually poor one, especially in the United Provinces. The yield was 1½ million tons less than that of the preceding year and the acreage sown with wheat was nearly 2 million acres less. On the other hand, exports also were very much smaller than usual, partly owing to the disturbance of trade caused by the outbreak of war which practically stopped shipments in August, usually a large exporting month. Hence, when prices began to rise at the end of October, there was good ground for assuming that there were still considerable stocks in the country, and the first action taken by Government in the matter was to pass the Articles of Commerce Ordinance, which gave Local Governments power to inquire into the question of stocks, and if necessary, to take over such as might be unreasonably withheld. Shortly afterwards, in consultation with the wheat trade, Government decided to restrict the export of wheat and wheat flour from the beginning of December to the end of March to a definite quantity, namely, 100,000 tons. With the inclusion of flour this represents about the normal amount shipped in those four months, and it may therefore be argued that Government should have fixed the quantity lower; but it must be remembered that, owing to the war, as I have already pointed out, exports in the ordinary exporting months had been very much smaller than usual. It is impossible to estimate the exact figure of stocks available in the country last October, but we know this much, that an extra demand of over 200,000 tons was made on them for seed for the additional 6 million acres put under wheat, an amount more than twice as large as the total exports authorized between 1st December and 31st March. This was a serious deduction from the existing stocks which the enquiries made under the ordinance have shown to be would be dangerously low, probably the lowest, in proportion to the wheat-consuming population, for many years past. The prohibition consequently was not effective in bringing down prices, but it undoubtedly had a beneficial effect in steadying prices at the moment, and looking back on the situation in view of the fuller knowledge which we now possess, I doubt whether even a total prohibition at that time would have greatly relieved prices in India. It soon, therefore, became clear to Government that no substantial relief could be hoped for until the incoming crop began to produce its effect, and in order to alleviate distress, compensation for the dearness of food-grains was given under the ordinary rules, and grain shops were opened in Lahore and Delhi and other urban areas, at which grain was sold below market rates.

“ So far, the causes which produced the rise were for the most part not of an unusual kind, and the war, except for its generally disturbing effect, was not, I think, a very important factor in the increase. The rise began at a time when prices are generally on the up-grade owing to the depletion of the old crop; there had been no severe drain on India by export, and there were no indications of the holding up of stocks. There seemed good reason to hope that when the new crop came in sight, prices would decline. These hopes were

[22ND MARCH, 1915.]

[*Mr. Clark.*]

disappointed by a new set of conditions which had by then begun to operate. The prices of crops in India are usually governed more by the external demand than by the internal: but in any case by whichever of them happens at the time to produce the highest price. If there has been a preceding shortage, and holders in India are anxious to add to their stocks, a higher price than the world will pay will result in ordinary circumstances from the local demand, and there will be no wheat to be seen at the railway stations or on the quays, until the holders in India are satisfied. The current year is one in which such a state of things would normally have come about but for the extraordinary demand in Europe. So abnormal has been that demand that prices of wheat in England instead of ranging about 35 shillings a quarter, have reached 60 shillings a quarter and the price of flour has risen to a higher level than at any time in the last 30 years. It must be remembered that vast though is the world's production of wheat, the surplus available for export from each exporting country is comparatively small in proportion to its production. Consequently, a shortage may be brought about by circumstances which interfere with even a comparatively small part of the world's sources of supply. The consuming countries, too, have become so used to dependance on the exporting countries, that they look for a steady stream of supplies being kept up throughout the year, and the failure of some of the tributaries to this stream may for a time at least mean high prices. Europe, of course, with its huge urban populations is the great importing area. In July the winter wheat begins to arrive from North America; in August the local crops are coming in, and in September the balance for the countries which cannot feed themselves, is drawn from the American spring crop. In October the Russian wheat begins to move, and the Canadian wheat comes in a little later in the year. In February, March and April, the Argentine and Australian crops are due, and the Indian wheats, as we all know, begin to move in May and June. What has happened this year? The Dardanelles were closed just when the Russian crop was beginning to move, and probably 10 million quarters or roughly 2 million tons of wheat, are locked up awaiting shipment from Russian ports. Australia has suffered from a severe drought and is actually importing wheat instead of exporting. Bad weather has delayed the harvesting of the Argentine crop. The war has not only closed the Dardanelles, but has greatly affected production in the Balkan States. It has devastated Belgium, and France, which in good years is self-supporting, has become an importer. There is a shortage in the world's shipping owing to the great number of ships taken up by Government, which has still further delayed the shipment of the Argentine crop, and there has been increased consumption due to the maintenance of vast armies in the field. But the point on which I specially wish to lay stress is, that circumstances have combined to bring about a special shortage in these present months. The United States have the largest crop on record, and when that crop begins to arrive in Europe in July, there is very little doubt but that the shortage will be at an end. The serious aspect of the case from India's point of view is the intensity of the demand which, unless the Russian crop is released, must so far as we can foresee, exist up to the end of June. We have in sight now, humanly speaking, one of the largest crops that has ever been harvested in India. The latest forecast shows an area of 32 million acres or 6 million acres more than last year, and the condition and prospects of the crop are on the whole very favourable, but we have already seen how little effect this has produced on prices in view of the high level of the world's price, and there is the undoubted danger, if Government took no action, that the new crop, as it is harvested, would be swept out of the country. Some reduction in the world's price would thus no doubt be brought about, but only sufficient very slightly to modify prices in India. The Government of India have therefore, after the most careful deliberation, come to the conclusion that in these circumstances it is their clear duty to intervene. We could not contemplate with equanimity the prospect of the wheat consumers of India having to bear the burden of high prices throughout another 3 months. It has been argued that since the existing restriction on export failed to reduce prices, a further prohibition or restriction would equally fail; and no less an authority on commercial and financial questions than Sir Shapurji Broacha has

[*Mr. Clark.*]

[22ND MARCH, 1915.]

contended that Government by prohibiting export would be depriving India of a great accretion of wealth and that there is no case for so doing, since the wheat-eaters of Northern India would be fed on Burmese rice and other grains even if all the wheat in the country were to go. The first of these contentions overlooks the difference in the conditions between the beginning of the cold weather and the present time to which I have already called attention. As to Sir Shapurji Broacha's views, while they deserve all respect, I do not think the Hon'ble Members who represent wheat-consuming districts in India would agree that a transference from one food to another can be so easily achieved. I hope, too, that I shall be able to show, before I sit down, that it is not impossible to devise a scheme which, while safeguarding the interests of the consumer, will yet secure for India the profits due to her this year as a great wheat-producing country.

"I am afraid I am making a considerable draft on the time of Council, but I feel it is very important that Hon'ble Members should recognise the complexity of the questions which arise out of the situation, and indeed which are apt to arise in any circumstances in which policy points to interference with the ordinary courses of a highly organised trade. From what I have just said, it will be seen that the primary problem before Government has been how to nullify the effect in India of the world market price, or in other words how to remove India from the world market. Unless we do so, it is morally certain that high prices must continue until the world's available supplies are restored to something like their normal level. A simple means of achieving this end and of safeguarding Indian prices would be merely to prohibit all export, but there are other factors to be considered. The amount consumed in this country is at fairly constant quantity, and it is absolutely certain that this year there will be a large surplus available for export over and above what is required for consumption. It would be equally unnecessary and unjustifiable to lock up this surplus indefinitely—a course which would be unjust to the agriculturist, and would mean a very serious loss to the country. Our interest, especially at a time when a heavy strain is being placed on our finances, lies in the maintenance of our export trade, so far as we can legitimately do it, having due regard for the consumer. Not only is our interest involved, but all subjects of the Crown in India, British and Indians alike, wish in this great crisis to render what help they can to the Empire, and that wheat should be permitted to leave our ports, in whatever quantities can be spared, is in present circumstances no small matter to England. There is no question here of any clash of interests; certainly no question of the interests of India being sacrificed to those of the United Kingdom. I may remind Hon'ble Members of the words used by the Prime Minister in this matter in the House of Commons. 'I do not think', he said, 'that I ought to say more now than that steps are being taken which we hope will prove effective, to make Indian wheat available in as large quantities as is compatible with the interest, which we must always keep in view, of the Indian consumer at home'. Those words admit of no doubts or suspicions on that head, and I may add that in the communications on this subject which we have had with His Majesty's Government it has always been perfectly clear that the interests of the Indian consumer are to stand first. If, however, some export is to be permitted, the question arises how it is to be controlled so as to prevent prices being constantly forced up again by rapid and excessive shipments. And, further, if we are successful in creating in India a price below the level of the world outside, and if some wheat is allowed to be exported, it becomes clear that whoever is able to buy at Indian prices and to sell at world-prices will make very large profits, and the question arises who is to benefit by this wind-fall. We have had to weigh most carefully the problem of how all these conditions were to be met, before deciding upon our course of action.

"There has been more than one alternative proposal in the field, and these have been carefully examined. The Hon'ble Pandit's resolution recommends that the Governor General in Council should prohibit all export of wheat until the price comes down to 9 seers per rupee, and whenever it rises above

[22ND MARCH, 1915.]

[*Mr. Clark.*]

that rate. Another course which has been urged in quarters which command respect, is that of an export duty sliding on a scale corresponding to the fluctuation of prices. It is only right that I should say a few words in regard to these two expedients and our reasons for not accepting them. The primary objection to the proposal advocated in the Hon'ble Pandit's resolution is that it tends to fix not only a maximum but a minimum price; in other words, that while it might secure that prices would not rise above 9 seers to the rupee, it tends to prevent them falling to a lower level. An arrangement of the kind is also very disorganising to the trade. We are all agreed that the interests of the consumer must come first, but we are also all agreed, I think, that it is very desirable, primarily for the sake of the cultivator, that there should be no unnecessary impediment in the way of exportation of such surplus as may be available, when the needs of the consumer have been met. We require, in fact, a machinery which, while effecting the necessary control, will avoid as far as possible creating conditions which will be unnecessarily adverse to trade. On this aspect of the case, the fact that at any moment export might be stopped through causes quite outside the control of the individual trader, would be a serious deterrent to business, and therefore would be very prejudicial to agricultural interests. On the other hand, in such business as would be done, the exporter would secure for himself the wide margin of profit between the price which we hope to create in India and the price in the foreign market, and it is very open to question whether this should be accepted as a necessary consequence of prices being reduced in India through Government's action. The proposal for an export duty to some extent meets this latter difficulty, as the duty when export takes place secures part at least of the profit to the State. But the proposal is open to the same objection as that put forward in the Hon'ble Pandit's resolution, that it would inevitably create instability of the market. It also seems to me that it would be extremely difficult to adjust the duty, even with the device of a sliding scale according to fluctuations of prices, in such a way as to allow exports to take place up to a reasonable amount, while still effectively controlling price-levels in India.

“ I have now, Sir, discussed the difficulties of the situation and certain alternative solutions, which have been suggested, and I will not further withhold from Council the action which Government have in view. The course which Government propose to adopt is, if I may say so, bolder and more comprehensive than the remedies which I have discussed so far. We propose no less a matter than taking over the whole control of the export trade. Our communiqué foreshadowed this in that it stated that, after the 1st of April, no private export of wheat would be allowed. What we propose is that wheat for export shall only be bought on behalf of Government and only shipped on behalf of Government. We shall therefore prohibit the export of wheat except on behalf of the Crown from the 1st April to the 31st of March next year. (We have decided, I should explain, to extend by another three months the period of prohibition originally announced in our communiqué.) It is our desire, as far as possible, to avoid interference with the ordinary channels of trade, and we propose, therefore, to employ as our agents in this business firms who normally conduct the export trade of wheat in India. We propose to appoint a special officer, who will be known as the Wheat Commissioner, with a sufficient staff, to supervise operations in India and have selected for this purpose Mr. Gubbay, a very able official in the Customs service, who has had special experience of commercial questions. The firms employed will buy at prices fixed by us and up to quantities fixed by us. The wheat will be shipped in the main to London, and will be sold there through ordinary commercial agencies on behalf of Government. The firms acting as our agents will be remunerated in the ordinary manner by a commission, and the profits of the transactions will accrue to Government. As I have already indicated, these profits may be large, and it has seemed to us right that they should be secured by the State rather than that they should go to the enrichment of one particular class of the community, but we regard these profits as in a different category to our ordinary revenue, and we hope that it may be possible to make some arrangements

[*Mr. Clark.*]

[22ND MARCH, 1915.]

by which such profits as may accrue will be ear-marked for special purposes. The essence of the scheme is that Government will have the power of fixing the prices at which purchases are to take place in India for export, or rather above which they are not to take place. This, with the additional safeguard that Government will also prescribe the maximum quantities to be bought, should secure that there could be no possibility of purchase for export forcing up prices. Hon'ble Members will naturally feel that the question of the initial price at which the working of the scheme is to open, thus becomes a very important one. The actual figure cannot be announced yet, as it is still some days before the end of the month and further fluctuations of price may yet occur, and in the meantime we are in consultation with the Local Governments mainly concerned and with the trade on the point. The initial figure will be fixed with regard primarily to the interests of the consumer, for while we do not intend to debar the cultivator from any part of the profit he might have looked forward to had times been normal, we are not prepared to let the consumer suffer in a year of Indian plenty by reason of the abnormal circumstances arising out of the war. Subject to this, our intention is that the initial prices at which buying will commence for April shipment should be relatively high as compared with the subsequent prices which we shall fix. The price will be lowered for May shipments, and we shall reserve to ourselves the discretion to lower the initial price even earlier than the 30th of April, should it seem advisable to do so ; and still further reductions will be announced for June shipments. We hope in this way to bring prices steadily and surely down.

“ These are the main principles of the scheme. It will be seen that it possesses the advantages which the advocates of an export duty claim for it, but it is not, I think, open to the objections which I have already enumerated in discussing that proposal. It resembles an export duty in that the difference between the Indian and world price will be secured to Government. But it avoids the disturbance to trade which must result from the uncertain operation of export duties, and it avoids the doubt as to how far an export duty would really control exports and protect the interests of the consumer. Our system practically amounts to a regulation of prices through the export trade, not in its own interests, but in those of the Indian consumer, while the greater measure of stability, which our scheme will secure, will also benefit the cultivator, whose interests under a system of export duties would be detrimentally affected by the uncertainties of the market. The details are matters of machinery with which it would be burdensome for me to trouble Council and which are still, to a large extent, under consideration and discussion with the trade, who, and not least our colleague in this Council, the Hon'ble Mr. Marshall Reid, have afforded us willing and valuable assistance. I would point out that whatever difficulties there may be in the working of the scheme, at least in its conception it covers the various points which I have just now enumerated. It enables Government to see that purchase for export does not take place at a higher price than they think right. It enables Government also to control the quantities to be exported ; and it does not prevent the cultivator securing a legitimate profit. Lastly, the profits of sale for export will accrue to the State and will be used, we hope, for some suitable and special purposes for the benefit of the people.

“ The difficulties will lie in the working of a scheme, which involves Government taking action in an unfamiliar field. I can assure Council that we shall be very glad to consider any suggestions that may be made to us, and we will most carefully weigh any representations regarding hardships to other interests which have not yet been brought to our notice. We may, I am sure, count on the loyal co-operation of the trade, and, for the rest, while we have not taken up this responsibility without a due sense of its gravity, we can only do the best that in us lies to achieve success.

“ I shall be very glad indeed to be able to accept the resolution as amended, but I must call attention again to the point I raised at the beginning of my speech, that the Hon'ble Member appeared to wish to bring before Council the

[22ND MARCH, 1915.]

[*Mr. Clark; Pandit Madan Mohan Malaviya;*
[*Sir Ibrahim Rahimtoola.*]

larger question of Government taking regulative action in normal circumstances. That we cannot pledge ourselves to do, and I cannot accept the resolution unless it is made quite clear that it only relates to circumstances arising out of the war. What I would suggest to the Hon'ble Member is that he should put in, after the words 'That this Council recommends that,' the following words:—

'so long as the special economic conditions arising out of the present war last.'

"If he agrees to these words being put in, I shall be very glad to accept the resolution."

The Hon'ble Pandit Madan Mohan Malaviya:—"I think I made it clear that I do not suggest an export duty at this moment. I did refer to the larger question of an export duty on wheat which, I suggested, might be taken up in normal times; but my present proposal is meant for the present situation only, and what my friend the Hon'ble Member for Commerce and Industry wishes to state is, I think, already indicated in the resolution, by limiting the prohibition of the export of wheat to the time when its price goes above 9 seers a rupee. However, I have no objection to make it still more clear that this is all I desire at the present moment. I do not want this resolution to be used for any larger purpose. With this statement I am quite content to leave the resolution as it is."

The Hon'ble Mr. Clark:—"I think it is better to include the words".

The Hon'ble Pandit Madan Mohan Malaviya:—"Very well, I agree to do so."

The Hon'ble Pandit Madan Mohan Malaviya then moved the following revised resolution:—

'That this Council recommends that so long as the special economic conditions arising out of the present war last, the Governor-General in Council may be pleased to prohibit all export of wheat from India until the price of that commodity comes down to 9 seers per rupee, and whenever it rises above that rate, or to take such other steps as he may be advised to bring the price of wheat down to a reasonable level and to maintain it at such level.'

The Hon'ble Sir Ibrahim Rahimtoola:—"Sir, I have carefully listened to the scheme so lucidly outlined by the Hon'ble Member and the steps which Government propose to take in the matter of regulating wheat prices. The central feature of the original proposition is that special circumstances have arisen which necessitate the regulation of the price of wheat to such a figure as would be regarded as normal for Indian consumers. It is only the conditions prevailing at present which may justify such a violent departure from the fiscal policy which Government are enforcing in India in regard to imports and exports of merchandise. The actual effect of a measure of this kind will be to deprive the cultivators of the handsome profits they stand to make on the crop they have grown, and that diminution or cutting down of the profits of the cultivators can, in my opinion, only be justified on the ground that there is such a scarcity of food-stuffs in the country as necessitates the conservation of the available supplies by restricting exports. As I said, the peculiar circumstances of the case might offer justification for undertaking measures of this character, but the sympathy of the people cannot but be with those cultivators who will be deprived of the substantial profit which they would make by the rise of prices. It is to be brought to the notice of Government that when a certain set of cultivators have grown wheat and they stand to make an enormous profit, a profit which brings great wealth into this country, Government essay to take steps to prevent those profits being earned; while those cultivators who grew cotton, and through the same circumstances have been very hard hit, receive no compensation. The

[*Sir Ibrahim Rahimtoola.*]

[22ND MARCH, 1915.]

approximate total crop of cotton is above 50 lakhs of bales in India, and putting the fall of prices roughly at Rs40 per bale, it means that the cotton growers have lost, in consequence of the war, something like 20 crores of rupees. The large amount of money which can come into the country by free export of wheat is now barred, and, as I said, the justification for it can only be found in the circumstances applying to the supply of food-stuffs. If the country requires that this food shall remain here, then, I admit, that there is a justification for this measure: on that point I leave the responsibility to Government to decide whether such circumstances do prevail as would justify this drastic measure.

“ Now let us examine who is going to benefit as a result of this measure—into whose pockets the large amount of the actual difference between the world prices of wheat and the actual prices which will be laid down by Government will go. In the first place, a large portion of it will go into the pockets of the consumers, that is the people of India, who will thereby be enabled to buy wheat at lower than market rates. All the well-to-do people will share in the benefit of lower prices as a result of, what I may call, depriving the cultivators of the large profits they stand to make. But a portion of this profit will come into the hands of Government by measures proposed to be adopted by them in regulating exports, either by taking the export trade into their own hands or by imposing export duties. We have been assured that this amount, which will reach a high figure, will be set aside as a special fund, the application of which will be determined later on. I think it is essentially necessary that Government should declare at once that the amount which will come into their hands, and it will in any case form but a very small portion of the total sum which the cultivators will be deliberately deprived of by the State, shall go towards the benefit of the cultivating class in India. This will be but a meagre measure of relief to those other cultivators who, as I have pointed out, have been very hard hit in consequence of the war, and I think both equity and justice demand that Government should give a definite assurance that at least that part of the money taken away from the cultivators which reaches their hands shall be ear-marked for the benefit of these people and these people only.

“ Sir, I will now deal with the scheme as it has been put before us, and I must say that my preference is in favour of a sliding export duty. The advantages of that course appear to be obvious, but Government appear to have found that method to be impracticable and I do not propose to go into that question at present. In this connection, Sir, I may be permitted to draw attention to the fact that Government took into their confidence representatives of export firms only before they decided upon and formulated this scheme. Sir, there is a genuine feeling amongst the people in this country that, in the consideration of such important questions, they ought to invite the representatives of both European and Indian interests, before deciding upon any policy or line of action. Sir, this is a grievance which has been keenly felt. I know what the Hon'ble Member has said in this connection, namely, that it is after all a question of those merchants who are in the export trade but I must point out that the scheme does not merely deal with exports of wheat. That is only one of the means by which the prices in the country are going to be regulated. The question really at issue is whether the circumstances of the country necessitate some measure of this character; and if that is so, then what are the best means to be adopted to secure that a staple food like wheat will not sell in the country at exorbitant rates. And in the consideration of such a question, Sir, I think Government ought to have taken some of the Indian representatives into their confidence.

“ There is one thing, however, to which I should like to refer. I do not know whether Government have clearly realized the great responsibility which they are undertaking in starting what may fitly be called an export firm. I suppose they will have to employ agents for purchasing and for effecting shipments. They will have to make arrangements for freights or the chartering of steamers and of selling the cargoes at Home or, in other words, the business

[22ND MARCH, 1915.] [*Sir Ibrahim Rahimtoola; Sir Ganganhar Chitnavis.*]

which we merchants ordinarily do. I can claim to speak with some authority on this subject as for over 20 years I was in this export trade myself. I do not know the details of the scheme which Government propose to work, but it appears to me that it would be much simpler if Government utilized the Commissariat Departments for the purchase of their wheat, and I will tell you why I think so. All the large quantities of various kinds of goods that Government purchase at present in connection with the Expeditionary Forces are bought through the Commissariat Departments. I can quite realize that buying through the Commissariat Departments may be objected to on the ground that it would be more costly to Government. If tenders were to be called for given quantities of wheat, at such prices as the tenderers may choose to offer, then I will admit that my suggestion would be open to serious objection. But, as I have understood the scheme, it is merely this, that Government will notify from time to time that they will buy a certain quantity of wheat within a certain month at a given rate. If that is so, I do not see why every merchant, be he Indian or European, be he placed at the ports or in the interior, should not have an equal opportunity to make his own arrangements and tender for certain quantities of the required qualities. There is another point which has got to be borne in mind, when we talk of wheat. Wheat is not of one quality only—wheat has several qualities, and if Government advertise that they will buy so many tons of given qualities of wheat at declared prices during a given month, and invite tenders, I do not see why everybody should not be allowed to compete in supplying Government with their requirements. The rate of purchase being fixed by Government before tenders are invited, the objection to official agency disappears. This procedure will have the effect of regulating the prices, which is the main object of the scheme; reasonable competition will be provided and, further, it would enable every merchant all over India to participate in the trade by tendering if he is so inclined. I do trust, Sir, that when the actual purchases are determined upon, they will be carried out on this principle, instead of by employing special agents and paying large sums of money in the shape of commission to them. I will now explain why under my suggestion there will be no grievance on the part of export merchants. Export merchants at present buy in India, engage freights, ship the goods, and sell them in the consuming markets either on arrival, or to arrive during given months. Instead of selling in the Home markets, as they do in ordinary times, they will have to sell at fixed rates to Government. They will be free to tender at the rates Government lay down, while leaving it open to other merchants also to compete and to tender for the required quantities. No monopoly will be created by the scheme which I am advocating, and it ought to be acceptable to Government as, in addition to the saving of a substantial sum in the shape of commission, it places all merchants on a footing of equality and no difficulty can possibly arise in working the same. If you advertise that a given quantity of wheat to be delivered at a given port will be required during a given time, you will get your tenders for the same at such rates as may be fixed by yourselves. Under these circumstances, there appears no reason why full competition should not be permitted. As I have already said, there can be no grievance on the part of the export merchants, because they will be able to continue to trade as they have been doing in the past in competition with others; and instead of selling on the London and the Continental markets as they have been doing in the past, they will have to sell at fixed rates to Government. I do trust that the suggestion I have made will be acceptable to Government.

“If you will permit me, Sir, I will repeat, in conclusion, that the gravity of the situation can alone justify a measure of this character, and that care must be taken that the cultivators as a class are not wholly deprived of the handsome profits they stand to make under present conditions. The amount realized by Government in dealing with wheat exports must be ear-marked for their benefit, and their benefit alone.”

The Hon'ble Sir Ganganhar Chitnavis:—“Sir, I am glad that the Hon'ble Pandit Madan Mohan Malaviya has moved this resolution. In

[*Sir Gangadhar Chitnavis ; Mr. Dadabhoy.*] [22ND MARCH, 1915.]

doing so he represents the general wish of the population. It may look unsound, according to the orthodox theories of economic science, but the action it suggests is most essentially desirable on political grounds. Economic theories are of little value when grave political issues arise from economic factors. Political considerations naturally weigh more with Government, and, judged from a political and administrative standpoint, Government interference with a view to the mitigation of the evil of high prices is certainly justifiable. It may cause loss generally to the bulk of the agriculturists in the country, because, though this policy immediately affects wheat, there is a sympathetic rise and fall in the prices of other products. I am an agriculturist myself, and though I may suffer some loss and inconvenience with my brother agriculturists in consequence of this artificial attempt to keep down prices by Government taking over the control of the whole wheat export trade, as explained by the Hon'ble Mr. Clark, yet I am glad that the Government has been pleased to resolve to try the experiment, as I think that the hunger of the people should be allayed first and the peace of the country should not be disturbed. It is too early yet to dogmatise and say what effect this action of Government in regulating exports will have, but I am sure people will appreciate that the main object of Government in doing this is, at this war time, to bring down prices in the interests of the people. And though the experiment is a bold and unprecedented one, Government is trying it evidently in the people's interests and with the best of motives. If this brings on any untoward results, it will be for Government to undertake some other measures which they may think fit; but it is hoped that by that time the war will be over, things will right themselves and there will be no necessity for any such extraordinary measures. The Right Hon'ble Mr. Asquith has in his most lucid speech explained how things stand, and I am sure the world movements after the opening of the Dardanelles will have the effect of bringing down prices to their normal level; but until then something has to be done, and I am glad that this has been and will be done. We are all glad that the position in this country as regards this important question has been so clearly and ably explained by the Hon'ble Mr. Clark to-day. It is unfortunate, however, that in the recent Conference the large agricultural non-official interests which are so largely affected by this question were not represented.

"I agree with the Hon'ble Sir Ibrahim Rahimtoola in thinking that Government should make it clear that the profits arising out of this policy will be ear-marked for the benefit of agriculturists who are to be the largest sufferers by this policy. I am confident that this will be the policy of Government, though they may not be able to make any pronouncement at this present moment."

The Hon'ble Mr. Dadabhoy :—"Sir, I confess I heard with a sense of relief and satisfaction the most exhaustive statement made by the Hon'ble Mr. Clark a few minutes ago. I have no doubt the decision at which Government has arrived, i.e., to take over the entire control of the export trade from the 1st of April, is a decision which, though of a very bold and drastic character, I am convinced will meet the requirements of the case. We have to make some such provision, and I congratulate Government on their decision.

"At the same time the responsibility which attaches to a measure of this kind is very considerable. But, as the Hon'ble Mr. Clark pointed out, the situation is unparalleled in the economic history of the country. Sir, I myself do not desire that the normal conditions of trade should be unduly interfered with; but in an emergency emergent measures are absolutely necessary. Only the other day we passed a drastic measure for the preservation of peace and order and for the maintenance of law. If such measures are necessary, I think measures for the protection of the people from starvation are equally essential. I do not believe that doctrines of political economy or economic shibboleths must be religiously and scrupulously observed at all times. There are occasions when a departure from the accustomed lines, from the ordinary course of a highly organised trade, is indispensable. I think the step which the Government proposes to take

[22ND MARCH, 1915.] [*Mr. Dadabhoy ; Sir Fazulbhoy Currimbhoy.*]

will not be materially prejudicial to the cultivator, whatever my Hon'ble friend Sir Ibrahim Rahimtoola may think. The cultivators will doubtless suffer to some extent. They will not make those huge profits to which they are entitled in a period of bumper crops or a record harvest synchronous with an extraordinarily tight market. But it is not generally the cultivator, even in the case of a record harvest with high prices, who gets the whole profit. It is the man with a long purse, who buys up the stock from the people when the value of the commodity stands at a reasonable level, stores it up and then brings it out at an opportune moment, who makes a large profit out of it. I have the greatest sympathy with the cultivating classes; and if the measure which has now been suggested were to affect their interests unduly, I should be the first to withhold my support from it. But I feel convinced it will not unduly interfere with the interests of the cultivator.

"I quite agree with my Hon'ble friend Sir Ibrahim Rahimtoola that it was advisable, when the recent Wheat Conference was convened, to place on it some Indians of experience in these matters. I have no doubt that if that course had been adopted, any recommendation that the Conference made and was accepted by Government would have inspired confidence. At present we do not know what took place at that Conference; but we presume that the statement which the Hon'ble Mr. Clark has made just now has been made after full consideration of all the circumstances of the case and the exigencies of the situation. It is no use crying over spilt milk. The Conference has met and has deliberated, and I understand that what the Government now puts forward is the result of its deliberations. At the same time, I have no doubt there will be a certain measure of criticism against this bold pronouncement of the Government of India. The Government of India have assumed a very serious responsibility. I myself would have preferred the imposition of a heavy export duty upon wheat, but I do feel that the imposition of such duty would not have had the immediate effect of bringing down the rates in the months of April and May. I presume a certain quantity has to be shipped to the United Kingdom during the next two months, and the imposition of a duty would not have immediately brought down the rates. I am glad that the Hon'ble the Commerce Member has given an assurance to this Council that the profits—the large margin of profits—derived from the exports will be ear-marked for specific purposes. I was very pleased to hear this announcement, and I trust there will be no occasion for Government hereafter to absorb the profits in the general surpluses. The cultivator and the people should benefit by this amount.

"I therefore approve of the action which has been suggested by the Hon'ble Mr. Clark; and though it is a very serious and bold step, I trust it will have the desired effect of reducing the rates, and then the benevolent intentions of the Government will be fully appreciated."

The Hon'ble Sir Fazulbhoy Currimbhoy :—"Sir, I am glad we have this opportunity of discussing the vital question of exportation of wheat. I have followed with great interest the forcible speech of my friend, the Hon'ble Pandit Malaviya, and the weighty pronouncement just made by the Hon'ble Member for Commerce and Industry. Wheat forms one of the staple crops of the country, and is very largely consumed by the people. As the Hon'ble Mr. Clark pointed out in January last, at the meeting of the Bombay Indian Merchants' Chamber and Bureau, it is difficult to substitute other grains for wheat owing to the strong preference shown to it by large classes of the people. In the Punjab wheat is the principal food, and no amount of persuasion will avail against the habitual fondness for it in that locality. Any sudden inflation in the prices of such a commodity must necessarily entail great hardship upon the large consuming classes. Now the Hon'ble Mr. Clark told us in Bombay that Government wished to protect these classes from inflated prices. It is necessary that we should make it clear that that policy has our cordial support. Economic theories apart, the distress

[*Sir Fazulbhoj Currimbhoj ; Mr. Ghuznavi.*] [22ND MARCH, 1915.]

caused by the abnormal rise in the price of wheat has a deep political significance, and it behoves Government to make an earnest effort to keep down the market. The embargo laid upon exports of wheat was thus perfectly just and politically expedient. It would have been a disappointment to us if Government had allowed the trade to take its course. We have now the decision at which Government has arrived, in the light of the opinions of the European exporters of wheat, in consultation with the Secretary of State for India. Sir, the people have a grievance in the matter of the Conference. It is surprising that at such an important Conference Indian interests were wholly unrepresented, and that Government have consulted only European exporting firms which have the strongest motives to oppose any restriction of exports.

" I presume the explanation will be that it is only the European houses that have large interests at stake in this matter; but I submit the Indian wheat grower and the Indian wheat merchants who deal with these exporting houses have even a larger stake in the business. I have full faith Government always jealously watch the interests of the country, as is evident from their first embargo on an article of export. At the last Conference also Government did not overlook these interests, as is clear from the exhaustive statement of the Hon'ble Mr. Clark. Government have wisely restricted the quantity to be shipped and have arranged for the regulation of shipments. But, Sir, notwithstanding all this, the Indian commercial public smart under a sense of wrong, that in a matter essentially concerning their countrymen Indian commercial opinion should have been ignored. The Indian Merchants' Chamber and Bureau, over which I have the honour to preside at present, have submitted strong representations to Government on the subject. It is not that the Chamber wished to send their representative, but all that they did maintain was that Indian opinion should have been consulted by Government and the Conference. The Punjab especially, which is most affected by fluctuations in the price of wheat, should have been represented at the Conference.

" Sir, Indian public opinion is in complete accord with that of the Government, that India must not starve in consequence of heavy exports of wheat, stimulated as they are by the exigencies of the war. In times of famine, simultaneously with a failure of the crop or a great rise in the price of wheat in other countries, such countries, being rich, have always, notwithstanding the high prices, purchased wheat largely in India and have not felt the strain. But at such times wheat exporters certainly did not earn the benedictions of the people who were crying for wheat while it was shipped out of the country before them. I do not wish at this juncture to express any opinion whether my Hon'ble friend Sir Ibrahim Rahimtoola's scheme is better than the one which Government have selected; but I am sure that Government will adopt the scheme which will be best for the object they have in view, that is, a reduction in the price of wheat. This responsibility Government have taken upon themselves, and I trust Government action will result in a sensible decline in prices agreeably to expectations, and that the people of this country will not be in the unfortunate predicament just described by me.

" It is true that through restriction of exports the interests of the wheat cultivators will to some extent suffer through their inability to realise top prices; but for the good of the whole community such a sacrifice is unavoidable and necessary. Under the arrangement announced by the Hon'ble Mr. Clark, the whole profits of export will be reaped by Government, except the small commission which the exporters will be allowed to charge, and this money, I hope, will be utilised to promote the welfare of the cultivators, whose claims have been fully pressed by my friend, the Hon'ble Sir Ibrahim Rahimtoola. A fund may be established out of which financial assistance may be judiciously given to them. With these remarks I heartily support the Hon'ble Pandit's resolution as amended."

The Hon'ble Mr. Ghuznavi:—" Sir, the war is responsible for many evils. It has affected almost every part of the Empire and India has felt its pinch no less keenly than any other country under the British

[22ND MARCH, 1915.]

[*Mr. Ghuznavi.*]

flag. It is the situation arising out of the war with which, as the Honourable Mr. Clark has just pointed out, we are concerned at present. India is essentially an agricultural country and wheat, rice, and cotton and jute are the principal agricultural products. In Bengal the loss in jute has well nigh ruined many an Indian firm. In Bombay the cotton situation has been a matter of great anxiety, but the rise in price of wheat has been affecting the teeming millions of the United Provinces, the Punjab and the North-West Frontier Province. Similarly, in Bengal and Burma and other parts where rice is the staple food, the rise in its price is causing the greatest hardship. The suffering is particularly acute in Bengal, for ever since the Bengal ryot discovered the fact that jute was a very paying concern, the area under jute cultivation has gone on increasing in proportion and the area under paddy has been diminishing; and in the early part of August, which is the time when the Bengal agriculturists had gathered in their jute and were hoping to make their usual profits on it, the war broke out and the price of jute fell down from Rs. 15 to Rs. 3. From the profit on the jute the Bengal cultivator has been paying his rent and buying his rice and other necessaries of life; while therefore his income from jute dwindled down, the price of rice began to rise and is still rising. The same may be said of wheat as regards the North-West Provinces. India produces about 10 per cent. of the world's wheat. In 1913-14, roughly speaking, 27½ million acres of wheat and 17½ million acres of rice were under cultivation, giving an outturn from the former of some 8½ million tons and from the latter of some 28½ million tons. Some 12 to 15 per cent. of the total yield of wheat is exported out of India and from 8 to 10 per cent. of the total yield of rice is similarly exported. The trade in wheat depends largely on the character of the season and the fluctuations of the market, the margin between prices in India and Europe being also an important additional factor. The yield of wheat in 1913-14 was less by a million and half tons than that of 1912-13, and although the figures for 1914-15 are not yet out, still, as far as I can judge, it seems to me that the present year's outturn will again be less than that of last year. Now, although India's share of the world's production of rice is no less than 40 to 46 per cent., and although the export of rice in 1913-14 represented 59 per cent. of the total value of food grains exported from India, yet the outturn in 1913-14 fell short by a considerable amount from that of 1912-13, and likewise the present year's outturn is anticipated to be still less. We are all grateful to His Excellency for having gone into this question with his usual care and for the pronouncement which His Excellency was pleased to make in Council in January last, on the subject of the upward trend of the price of wheat which, with His Excellency's usual concern for the welfare of the people committed to his charge, has been giving him cause for anxiety. There was justifiable reason to believe that stocks were being held up in the expectation of a further rise in prices, either in the foreign or Indian market, and His Excellency was pleased to issue an Ordinance giving power to Government and to the Local Governments to investigate the existence and amount of stocks and to take necessary action. But, unfortunately, that action of Government has not been sufficient. The resolution which my Honourable friend, the Pandit, has moved is only a request to prohibit all export of wheat from India until the price of that commodity comes down to 9 seers a rupee, and as he has since amended it, it further runs 'or to take such other step as may seem advisable to Government to bring the price of wheat as near as possible to a normal level.' This is a measure, I consider, perfectly sound, and I hope the Council will agree in thinking that the exigencies of the time demand it should be adopted, particularly as the price of wheat at the present moment has gone down to something like 6 seers a rupee, whereas even in famine times wheat sells at 11 seers per rupee. I would, however, like to suggest an amended form of the resolution so as to include rice also. The amended form which I propose runs as follows :—

'That this Council recommends that the Governor-General in Council may be pleased to prohibit all export of wheat from India or to take such other steps as may be deemed advisable to bring down the price of wheat as well as of rice, as nearly as possible to their normal level and maintain it there.'

[*Mr. Ghuznavi ; Mr. Marshall Reid ; Sir Ibrahim Rahimtoola ; The Vice-President.*] [22ND MARCH, 1915.]

“ My friend, the Hon'ble Mr. Clark, has explained that Government intend to take over the whole of the export trade. This also comes within the purview of the proposal which has been added to the resolution. I trust my Hon'ble friend, the Mover, will see his way to accept the amended form of the resolution ; and from all I have said I hope I shall be able to convince this Council that a measure such as this is a necessary step and should be adopted. I have also listened carefully and with great interest to the lucid explanation which my Hon'ble friend Sir Ibrahim Rahimtoola has given us of the manner in which he thinks Government should tackle this question, and he has suggested in his speech why Government should not employ the medium of merchants but should employ the medium of the Commissariat to deal with this matter, and I am perfectly convinced from what I have heard from him that this would be a very wise manner of dealing with this question, for it will certainly mean that the middleman's profits will, in this case, be avoided.

The Hon'ble Mr. Marshall Reid :—“ Sir, I should like to say a few words to clear up what appears to be a misunderstanding. Several of my Hon'ble friends have been complaining that the non-officials invited to the Wheat Conference consisted entirely of European merchants interested in the export trade. When the Conference was opened (I think I may say this without disclosing any secret), I particularly asked the President whether it was our business to discuss the policy of the Government of India. The reply, I think, I got was ‘ we shall be very glad to hear what any of you have to say, but we are not sure that we shall be able to take very much notice of it.’ In fact, Sir, that Conference was called for the purpose of assisting the Government in deciding on the best machinery by which to carry out the policy they had already decided to adopt. I trust what I have said in that connection will clear up any possible misunderstanding on the part of my friends. I agree with my friend Sir Ibrahim that Government should endeavour, as far as possible, to keep themselves clear of actually interfering in, or mixing themselves up with, the trade of the country : trade is a very complicated thing and it takes, as Sir Ibrahim and many others of us know, a great number of years to learn the intricacies of it. I am afraid that if Government get themselves involved in it to any great extent they will find themselves in a very difficult position, and I therefore would suggest to them that they should use to the utmost possible extent the machinery at present existing for the purpose of carrying on the wheat export trade. I am afraid this is in contradiction of what my Hon'ble friend desires, but I do not think it is advisable that Government should try and create an enormous body of wheat merchants in India, who know nothing much about the trade.

The Hon'ble Sir Ibrahim Rahimtoola :—“ Sir, will you allow me to say a word in explanation with reference to what has fallen from my Hon'ble friend ? ”

The Vice-President :—“ Yes.”

The Hon'ble Sir Ibrahim Rahimtoola :—“ Sir, I never suggested the creation of a special body of merchants for the purpose of assisting Government in carrying out their scheme. What I said was, that in this country, there is a large number of Indian and European merchants engaged in the wheat trade, and that by the means which I advocated, and which I need not repeat, you will put them in competition, regulate your prices and obtain what supplies you want for export, without employing any special class of merchants and paying them a large amount as commission. Instead of restricting the trade to the special agency of a few export merchants, let equal opportunities be allowed to all merchants to supply Government with their requirements ; when prices are previously fixed, there can be no difficulty in giving effect to my suggestion. That is my point.”

[22ND MARCH, 1915.] [*Rai Bahadur Sita Nath Ray.*]

The Hon'ble Rai Bahadur Sita Nath Ray:—" Sir, the problem before us is such a complex one, there are so many standpoints from which to view it, and so many conflicting views about it, that it is difficult for one to come to a definite conclusion. The pronouncement made by the Hon'ble Member for Commerce and Industry relates to a vital matter which intimately affects all classes of people. But it is of such a novel character, and so sudden and unexpected, that we have had no time to deliberate upon it and, as such, it is difficult for us to express any satisfactory opinion about it. Government might have given us time to think about it if they had taken us into their confidence earlier by calling some of us into the Conference which was held so recently here to consider the wheat question.

" But this is altogether another matter which does not immediately concern the question before us. Now, the proposal is that it has become absolutely necessary that a certain quantity of wheat should be exported, and for carrying out the above purpose, what the Government propose is that instead of their themselves coming into the market which would have the effect of creating a panic and of unduly raising the prices of wheat, it would be much better that the purchase should be made for Government by respectable exporting firms, that is, European firms, and that the purchase should be made, not all at once, but by instalments and at regular intervals and at certain fixed prices, and it is further proposed that after the requirements of the Government have been met, that is, after the Government have purchased the requisite quantity of wheat, Government will then again lay an embargo on further exportation of wheat, the result of which would be that the prices of wheat would automatically go down, for there would be no further export, and, it is further said, that as the wheat crop this year is a record one, what would be left in the country would be more than enough to meet the requirements of the people in this country, and as further export would then be prohibited, prices of wheat would materially go down. But, Sir, I have my own misgivings about it. My belief is that as soon as the people come to know, and they are sure to know of it, that it is Government which is making large purchases through some of the exporting firms, the prices of wheat would go up, even now it is said that though an embargo has been laid on the export of wheat, it is Government which has been making large purchases of wheat through some of the exporting firms, and this has resulted of late in raising prices of food-stuffs. It was only 12 days ago before the rains that wheat was selling here at 9 seers a rupee, gram was selling here at 12 seers a rupee; but, to-day, the price of wheat is 7 seers a rupee and that of gram is 9 seers a rupee, and I hear it is all due to the belief that it is Government which has been making purchases.

" Considering all these circumstances, I cannot believe that Government, or for the matter of that the exporting firms, however cautiously they may carry on their operations, would be in a position to buy wheat at prices to be regulated by the Government. The general impression is that a wholesale embargo on the exportation of wheat is the panacea, the only means of bringing down prices, but I am not prepared to accept such a proposal.

" It is well known that during the Bihar Famine of 1873-74, when Lord Northbrook, the then Governor-General of India, was pressed on all sides to prohibit the export of rice from India, he set his face against it, for, he said, it was not desirable to interfere with the free course of trade, in that case it would take away all the incentive from the grain dealers to regulate the supply according to the demand. The question, indeed, is a very knotty one. I must frankly admit that it is not possible for me at such a short notice to express my definite opinion on the policy which the Government is going to pursue. However, considering all the circumstances of the case, I think Government is well justified in adopting the course they have fixed upon, that is, to prohibit the export of wheat after the requirements of the Government have been met. I think it is much better that instead of Government or their agents coming direct to the market, which would have a very disturbing influence on the market, the purchase of wheat should be made through

[*Rai Bahadur Sita Nath Ray ; Mr. Banerjee.*] [22ND MARCH, 1915.]

the agency of third parties which should, I hope, include Indian merchants also. But the operations should be carried on very cautiously.

“ I quite agree with the Hon'ble Sir Ibrahim Rahimtoola that by adopting the policy which the Government proposes to follow, we shall be thereby depriving the cultivators of a very large amount of profit which the Government is likely to make on sale in the European market. But it was said by the Hon'ble Member for Commerce and Industry that that profit would be ear-marked for certain purposes which were not indicated, but I do hope that a large portion of the anticipated profit would reach the cultivators. Then it was said by the Hon'ble Mr. Dadabhoj that if high prices were to prevail, the cultivators would not profit by them, for, he said, that if the prices were to go down considerably, the middlemen would step in and buy all the wheat at very low prices, stock them, and then make very large profit by selling them at higher prices. But my impression is quite the other way. If anybody were to profit by it, it would be the cultivators first, and then the middlemen, and that in support of this view, I may quote here the result of my recent experience of what took place in Bengal in the case of jute. What happened in Bengal was this: that when the prices of jute went down considerably, that is, when the apparent prices of jute were from a rupee and a half and upwards a maund, the cultivators absolutely refused to sell their jute and emphatically said that they would allow their jute to rot in the field and then cut and sell it at that low price, and the result was that it was the cultivators who profited considerably when higher prices prevailed in the market. Then it was said by the Hon'ble Mover himself that wheat is the only staple food of the people of the Punjab. To that I say that from the inquiries I made this very morning, I came to learn that it is not wheat but gram which is the staple food of the lower classes of the people of the Punjab. With these few words, I beg to give my support, which I do half-heartedly, to the scheme proposed by Government.”

The Hon'ble Mr. Banerjee:—“ Sir, The Hon'ble Mr. Marshall Reid has told us that it is a very serious matter to interfere with the ordinary operations of trade. I am sure that that will be the sense of every member of this Council and of every person who has given a thought to the subject. But the situation also is serious, and drastic measures are needed to cope with it. Sir, it seems to be practically the unanimous sense of this Council that something should be done, and the proposal which has been put forward by the Commerce Member seems to be quite acceptable to this Council and, I am sure, it will be endorsed by the country. Sir, my friend to my left (Mr. Ghuznavi), to whom I have to refer again in the course of to-day's discussion, wants to somewhat widen the scope of Government action in this matter. He says that rice should be included within the sphere of Government control. Well, I may say this, that rice at the present moment, coarse rice, is selling at seven seers per rupee. In West Bengal the pressure is not felt so much. But my friend who has extensive experience of East Bengal, and is a Zamindar in that part of the country, says that scarcity and pressure are being felt in East Bengal. Therefore these are the facts, and it is for the Hon'ble Member in charge of the Commerce Department to decide whether, in view of these facts, he would be prepared to extend the scope of Government control not only over wheat but also over rice. A situation may develop in Bengal when it will be necessary to exercise control over the export of rice, but whether at present we are confronted with such a situation may, perhaps, form the subject of inquiry by Government.

“ Sir, reference has been made to the profits which the Government is likely to make in connection with this matter and it has been urged that these profits should be ear-marked for the benefit of the cultivator. I am in entire agreement with that view. The cultivator is likely to suffer and it is only right and proper that if the Government makes any profit a portion of that profit should be ear-marked for his benefit. I hope and trust that after the expressions of opinion which we have had in this Council in the course of this

[22ND MARCH, 1915.] [*Mr. Banerjee; Mr. Rayaningar; Rai Bahadur Sita Nath Ray; The Vice-President; Mr. Monteath; Pandit Madan Mohan Malaviya.*]

discussion, in all future conferences relating to commercial matters Indian opinion will be represented, and adequately represented. I think Indian commercial opinion is a power in the land, and I am perfectly certain that the representatives of Indian Commerce will always be in a position to afford valuable advice to Government in regard to matters in which they are interested."

The Hon'ble Mr. Rayaningar:—"Sir, the question before the Council is a very intricate one. The adoption of the measure recommended by the Hon'ble Mover is sure to adversely affect the interests of a large and important section of agriculturists. It is certainly a drastic measure. But drastic measures are sometimes unavoidable and no one will deny that the present is an occasion when the adoption of a drastic measure is necessary. Sir, I have no doubt the drastic nature of the measure will to some extent be minimised, if the Government ear-mark a large portion of the profit that it is likely to make by the adoption of the measure to be utilized for the benefit of agriculturists. Sir, I oppose the amendment which my friend the Hon'ble Mr. Ghuznavi has moved, to bring rice within the scope of the resolution. No case has been made out for the control of the rice export."

The Hon'ble Rai Bahadur Sita Nath Ray:—"May I be permitted to say a word or two in opposition to the suggestion made by the Hon'ble Mr. Ghuznavi?"

The Hon'ble the Vice-President:—"The Hon'ble Member has spoken once. He has had his opportunity and I am sorry that I cannot give permission to him to speak again. Nobody, under the rules, except the Mover and the Member in charge, has an opportunity of speaking more than once. I call on the Hon'ble Mr. Monteath."

The Hon'ble Mr. Monteath:—"Sir, the wheat question does not interest my province as much as it does North-Western India, but from a general business standpoint I would like to extend my full support to the Hon'ble Mr. Marshall Reid's remarks. The less Government can interfere in the trade the better, and it does seem to me reasonable and best that existing channels of the export trade should carry on the agency of the future exports. These agencies are quite accustomed to finding the right market and the Commissariat Department can scarcely be expected to know the system of exports and details of the Home markets"

The Hon'ble Pandit Madan Mohan Malaviya:—"Sir, It is evident that there is a general concensus of opinion about the desirability of Government adopting the measures which they propose; there are some differences only about the details. Personally speaking, I must say that I feel that the Government have adopted a very bold measure, and I hope and pray—I go further, and say, I hope and trust—that the decision of the Government will prove to be correct. A suggestion has been made that a sliding export duty on wheat might have met the situation better. I have very great respect for the views of my friend the Hon'ble Sir Ibrahim Rahimtoola; but I venture to differ from him on this point. I fear in the peculiar circumstances in which we are placed, a sliding export duty will not solve our difficulties. The situation is this. The Government have to adopt some measures which will be effective in bringing down the price of wheat to a reasonable level, and to maintain it at such level: that is the first consideration. The second consideration, which, I suppose, is also present to the mind of the Government, and naturally and rightly so, I should say, would be that any surplus wheat which should be available in this country after providing for the requirements of the people, should be sent only where it is desirable in the interests of the Empire it should be sent.

[*Pandit Madan Mohan Malaviya; Mr. Clark.*] [22ND MARCH, 1915.]

Now if you let ordinary exporters export, you may, by levying duty on a sliding scale, secure the first object, but you will not equally secure the second one, namely, that the wheat shall go only where it should go. I take it that one great advantage of the proposal of Government is that our surplus wheat goes smartly to the place—whether it is England or any other part of the world—where in the interests of the Empire it is necessary that it should go. All that I should say in this connection is that I hope that the remarks of the Right Hon'ble Mr. Asquith, which the Hon'ble Member for Commerce and Industry has quoted, and the assurance of the Hon'ble Member himself will always be clearly borne in mind, and that only so much of wheat shall be exported as can be exported without inflicting any serious injury on the Indian consumer. I consider that the very fact that the Government have taken upon themselves the responsibility of such a bold measure, carries a guarantee with it that the object which we and they have in view will be secured. I am persuaded that it will be better secured in this manner than it was likely to be secured in any other manner. There can be no manner of doubt that the Government have taken a very great responsibility upon themselves. For if prices are not brought down to a reasonable level, a great deal of blame will fall upon the Government: and I feel that in that very circumstance there is a guarantee that the Government will so regulate the export that the price of wheat will come down. I am supported in this view by the remarks of the Hon'ble Mr. Clark: he has told us that not only will the quantity of wheat which is to be purchased for export will be fixed by Government, but also the period during which that quantity is to be purchased, and also the price at which it is to be purchased. He has also told us that that price will be fixed in the interests of the consumer, and that it will be higher than the market price—”.

The Hon'ble Mr. Clark:—“ We cannot prophesy as to how the market will go in the future.”

The Hon'ble Pandit Madan Mohan Malaviya:—“ I thought my Hon'ble friend said so. Anyhow, I take it that the Government will take care to so fix the price that it shall not prevent the needed quantity of wheat being available to the people.

“ There are differences of opinion also as regards the agency to be employed by Government for the purchase of wheat. And when two gentlemen of the commercial experience of the Hon'ble Mr. Marshall Reid and Sir Ibrahim Rahimtoola differ, it must be difficult for a layman to express an opinion. But there is one aspect of the question to which I might invite the attention of Government. There will be a feeling of satisfaction among the general merchants who deal in wheat all over the country, and who are, so to say, the sub-agents of the larger exporters, if the Government could see their way to adopt the suggestion of Sir Ibrahim Rahimtoola. The Government have been purchasing stores of very great value through the Commissariat Department. I presume no difficulty is felt in obtaining what they want in that way. Once the system is adopted, it will involve no general interference with trade; it may mean an interference to a certain extent with the profits of a few large houses which export wheat after purchasing it from smaller traders.

“ Then as regards the application of the profits which will come to the hands of Government from the proposals, the Hon'ble Member has said that the profits will be ear-marked for some useful and suitable purpose for the benefit of the people. There is much in that announcement to satisfy the public; but, if I may venture to make a suggestion, I will express a hope that Government will consider the desirability of earmarking the profits for something like an agricultural co-operative credit fund on the lines of the Famine Fund. It is well known that many cultivators are, owing to their poverty, unable to sell their crops at the price at which they should sell. They have to mortgage the crops, or sell them in advance to the agents of large exporters of wheat, and they have necessarily to content themselves with a

[22ND MARCH, 1915.] [*Pandit Madan Mohan Malaviya ; Mr. Clark.*]

smaller price than they would obtain if they could wait until the wheat could be taken to the market. Now, Sir, if the suggestion I have made commends itself to the Government, and if the profits realised from the proposed regulation of the export of wheat becomes the nucleus of a fund from which advances could be made to cultivators to save them from parting with the fruits of their exacting industry, on such terms as the agents of Messrs. Balli Bros. and other firms, or the village money-lender may offer, the condition of the ryots will be materially improved, and the proposed measure will prove to be one of great beneficence and far-reaching importance. In conclusion, I wish to say that I have agreed to the modification suggested by my Hon'ble Friend the Member for Commerce and Industry, namely, to the insertion after the word 'that' of the words 'so long as the economic conditions brought about by the war last,' because that was all that I principally intended by my present resolution. I thought my proposal, that the export of wheat should be prohibited until its price came down to 9 seers for the rupee, conveyed that idea. I did not contemplate that wheat should sell at 9 seers for the rupee in ordinary times ; but, of course, I reserve to myself the right of bringing up the larger question of a sliding export duty on wheat for the consideration of Government when we find ourselves in normal circumstances. I do think that, in the general interests of the people, such an export duty on wheat is desirable. But, as I have said, for the present I confine myself entirely to the present situation, and so confining myself I thankfully welcome the proposal of the Government."

•

The Hon'ble Mr. Clark:—"There are two or three points, Sir, on which I think I ought to say a few words before this debate closes. The first of these is the question of Indian Commerce being represented in our discussions and conferences before we arrived at our decision. As to that there has been a certain amount of misunderstanding, as the Hon'ble Mr. Marshall Reid explained. When Government came to the conclusion that intervention was necessary, they invited the representatives of the European firms up to Delhi to discuss the machinery. We did not invite them up to discuss whether or not we should prohibit export. That would be hardly a fair question to put to exporters. I may remind the Council that the European firms handle 9-10ths of the wheat exported from India. They are the only firms who handle the great body of our exports, the exports which go to Europe. There is a small amount of exports in Indian hands which goes to the Persian Gulf and to Arabia and so on, and for that we are making special arrangements which are not included in this scheme.

"If the Hon'ble Sir Ibrahim Rahimtoola will excuse my saying so, he seems to have been less consistent than usual in his arguments to-day. He began by impressing us with the gravity of the undertaking, and no one appreciates the gravity of the undertaking more than I do. But what does he next propose? He proposes that we should cast aside the one agency which has a thorough experience in the handling of this trade, namely, the European export firms. He proposes that we should go ourselves directly into the internal market and use for this purpose the Commissariat Department, overlooking, apparently, the fact that we are at war, and that the Commissariat Department is very much busier than usual providing our troops in the field with the necessary supplies. The proposal he puts forward seems to me utterly unworkable.

"The Hon'ble Sir Fazulbhoj Currimbhoj says we ought to have had a representative of the Punjab present at our conferences. The wheat consuming provinces were represented at our conferences through the representatives of the Local Governments. That is the constitutional way in which they should be represented, and the officers who came, or rather the Governments whom they represented, had been at special pains to acquaint themselves beforehand with the condition of affairs.

"The Hon'ble Pandit Malaviya asked why we should not deal direct with sub-agents. I would remind the Council that sub-agents will be in the same position as they are at present. At present they are dealt with by the European

[*Mr. Clark.*]

[22ND MARCH, 1915.]

exporting firms and that will go on exactly as it is at present. There seems to be a general impression in this Council that we are creating a monopoly for European firms. That is not so. We are merely using the one agency which is at present in existence, and I put it to the Council, that that is the only prudent course for Government to follow when they are launching into this new business, in which we feel deeply that we have but small experience.

“The only remaining point is in regard to the utilization of the profits, such as they may be. I may say at once that we regard with very great sympathy the proposal that these profits should be utilized for the benefit of the cultivator, but I am not able to make a definite announcement on the subject. Hon'ble Members know that on all these financial questions we have to refer to higher authority, and it is clearly too early to decide how we are going to utilize our profits until we have got them and know how great the profits are going to be; and I cannot now make any specific announcement on that point.

“It only remains to me to thank the Council for the very sympathetic way in which they have received these novel and, I feel, very difficult proposals.”

The revised resolution was put and agreed to.

The Council adjourned to Wednesday, the 24th March, 1915.

W. H. VINCENT,

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

DELHI :

The 27th March, 1915.

APPENDIX.

(Statement laid on the table, *vide* page 515, *ante*.)

Statement showing the expenditure incurred on Productive and Protective Irrigation Works since 1905-06, including the Revised Estimate for 1914-15 and Budget for 1915-16.

Years.		49, Productive.	35 and 42 A, Protective.	Total.
1		2	3	(2 + 3).
Finance and Revenue Accounts.	{ Actuals . . . 1905-06	83,42,910	44,48,589	1,27,91,499
	" . . . 1906-07	1,19,64,406	53,46,395	1,73,11,801
	" . . . 1907-08	1,26,85,822	62,58,602	1,89,44,424
	" . . . 1908-09	1,47,62,336	60,45,453	2,07,97,789
	" . . . 1909-10	1,57,85,241	64,93,341	2,22,78,582
	" . . . 1910-11	1,80,58,320	53,95,101	2,34,53,421
	" . . . 1911-12	2,30,47,958	57,51,961	2,87,99,919
	" . . . 1912-13	2,11,24,946	63,97,506	2,75,22,452
	" . . . 1913-14	1,92,33,925	86,26,702	2,78,60,627
	Please see pages 9 and 11 Statement B, Financial Statement.	{ Revised Estimate, 1914-15	1,74,96,000	85,24,500
{ Budget Estimate, 1915-16		1,65,00,000	75,00,000	2,40,00,000
Total		17,89,91,864	7,07,88,650	24,97,80,514
Average for 11 years		1,62,71,988	64,35,331	2,27,07,319