

*Thursday,
25th 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 PROCEEDINGS
OF
THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA

ASSEMBLED FOR THE PURPOSE OF MAKING

LAWS AND REGULATIONS,

From April 1914 to March 1915.

VOL. LIII.

Published by Authority of Governor General.



& Debates Section

Gazettes

Parliament Library Building

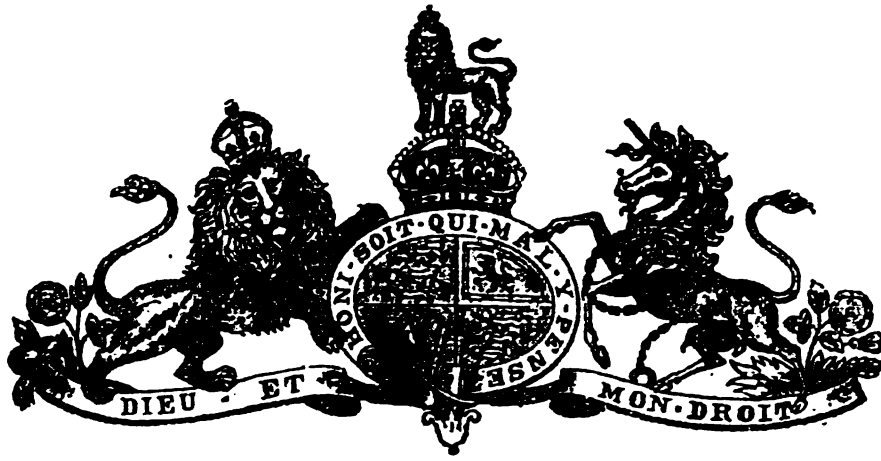
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DELHI

SUPERINTENDENT 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, AND 9 Edw. VII, c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on
Thursday, the 25th March, 1915.

PRESENT :

His Excellency BARON HARDINGE OF PENSHURST, P.C., G.C.B., G.C.M.G., G.O.V.O.,
G.M.S.I., G.M.I.E., I.S.O., Viceroy and Governor General, *presiding*,
and 59 Members, of whom 51 were Additional Members.

QUESTIONS AND ANSWERS.

The Hon'ble Raja Kushalpal Singh asked :—

1. " Will the Government be pleased to say whether they propose to place on the table a copy of the proceedings of the two Wheat Conferences and the Indigo Conference recently held at Delhi ? "

Publication
of the pro-
ceedings of
Wheat and
Indigo
Conferences.

The Hon'ble Mr. Clark replied :—

" The Hon'ble Member's attention is invited to the answer which I gave to his similar question at the Council meeting of the 15th January last. Government regret that they are unable to lay reports of the Wheat or Indigo Conferences on the table as the proceedings were of a confidential nature. In the case of the former, I may refer the Hon'ble Member to the statement which I made in Council on the 22nd instant, in which I explained the policy which the Government of India propose to adopt. As regards the Indigo Conference, a *Communiqué* will probably be issued shortly."

[*Raja Kushalpal Singh* ; *Mr. Gillan* ; *Mr. Clark* ; [25TH MARCH, 1915.]
Raja Jai Chand ; *Sir Reginald Craddock.*]

The Hon'ble Raja Kushalpal Singh asked :—

Railway
rates for
sugar.

2. " Will the Government be pleased to state whether it is a fact that some Railways charge relatively higher rates of freight for indigenous sugar than for imported sugar ? "

The Hon'ble Mr. Gillan replied :—

" It is the case that Railways are able to quote relatively lower rates of freight for sugar offering a large traffic from the ports, which is, as a rule, carried for long distances in full wagon loads, whereas traffic in sugar manufactured in the country is comparatively small and generally carried for short distances in consignments of less than wagon loads, all of which are factors tending greatly to increase the cost of carriage."

The Hon'ble Raja Kushalpal Singh asked :—

Subsidy for
sugar
industry in
Formosa.

3. " Will the Government be pleased to state whether the production of sugar is being promoted by various forms of State subsidies in Formosa ? "

The Hon'ble Mr. Clark replied :—

" The Hon'ble Member's attention is invited to an article entitled ' Formosa Sugar Industry ' in the ' Indian Trade Journal ' of the 18th December, 1913. It appears that the direct subsidy to the sugar industry in Formosa ceased in 1912, but that the Japanese Government gave considerable assistance to the industry in other ways during that year. A statement* showing the sums allotted during 1912 and 1913 is laid on the table. It will be observed that the total grants were reduced from £86,300 in the former year to £48,580 in the latter. Similar information for the year 1914 is not forthcoming."

The Hon'ble Raja Jai Chand asked :—

Civil assist-
ant and
military
assistant
surgeons.

4. " Will the Government be pleased to state—

(a) What is the total number of civil assistant and military assistant surgeons in India ?

(b) What is the salary on which such surgeons commence service, and the highest post they reach ?

(c) Are these appointments equally open to Indians and to persons of European or mixed European and Asiatic descent ? "

The Hon'ble Sir Reginald Craddock replied :—

" (a) There are 849 civil assistant surgeons (including 96 temporary officers) in British India. The sanctioned strength of the cadre of military assistant surgeons is 739 and 724 are at present in actual employ. The information regarding civil assistant surgeons is based on the latest information available, but it is believed to be approximately correct though as the cadres are provincial, local Governments can modify them within their financial powers.

(b) The minimum and maximum rates of pay drawn by civil assistant surgeons are not the same in all provinces. The lowest starting pay is Rs. 100 and they can rise to be civil surgeons on pay the maximum of which varies from Rs. 500 to 700 a month. The minimum pay of military assistant surgeons is Rs. 100 and they also can fill civil surgeoncies on pay rising to Rs. 700 a month.

(c) Indians and persons of European or mixed European and Asiatic descent are equally eligible for appointments as civil assistant surgeons, but the former are not eligible for appointment as military assistant surgeons, whose duties when not in civil employ are confined to services to British troops."

* *Vide Appendix, page 655, post.*

[25TH MARCH, 1915.] [*Pandit Bishan Narayan Dar; Sir Reginald Craddock; Sir Gangadhar Chitnavis.*]

The Hon'ble Pandit Bishan Narayan Dar asked :—

5. "Do the Government propose to consider the desirability of recommending to His Majesty's Government Parliamentary legislation which will enable them to appoint Vakils and not only Barristers to the offices of Law Member of the Executive Council of the Governor General and Chief Justice of an Indian High Court respectively?"

Parliamentary legislation enabling Government of India to appoint Vakils to the offices of Law Member and Chief Justice.

The Hon'ble Sir Reginald Craddock replied :—

"The Government of India are not convinced of the expediency of taking action on the lines suggested."

BUDGET, 1915-16.

The Hon'ble Sir G. Chitnavis :—“ My Lord, it is an exceptional Budget that we have to deal with to-day; the shadow of War is on every page of it. The Hon'ble Finance Minister has given us a full summary of the whole position. In the light of the circumstances detailed, one is forced to admire the ingenuity and resourcefulness he has displayed in a very trying situation, and the care and sympathy with which he has throughout sought to mitigate the resultant evils. On the whole, the financial arrangements, both of the current year and of the ensuing year, will command general approval. I have already, in the course of a separate debate, expressed my doubts as to the policy of setting funds aside in existing conditions to finance new railway lines, but that is a minor matter on which I need not dwell further. It is a reassuring fact that, notwithstanding a heavy deficit, there is to be no fresh taxation and that the financial position of Government is strong. It will be difficult to suggest more effective measures for filling the State coffers without pressing unduly upon the resources of the people. I will only suggest that in floating the proposed Rupee loan, care should be taken not to depress further the market for the existing three-and-a-half per cents and the three per cents. These form the bulk of the people's holdings, and a sudden slump in their saleable value will cause considerable anxiety to all holders, and actual loss to the weak and the needy among them. I have every hope that the matter will receive due consideration at the hands of so cautious and sympathetic a Finance Minister as the Hon'ble Sir William Meyer.

2. “ My Lord, I beg to associate myself with the Hon'ble Sir Reginald Craddock in the encouraging words he spoke of the work of the police when he introduced his Budget heads for discussion. The police in some of the provinces are working under great difficulties, some even at the risk of their lives, and they deserve encouragement and sympathy for their faithful discharge of duty from all loyal and right-minded people.

3. “ My Lord, as a result of our Resolution of September last, the War will entail a direct expenditure to India of £6½ millions, or a little over ten crores of rupees, and the whole amount is required for the cost of our troops sent to the Front. This is certainly far more than our first estimate, but we have no reason to grumble at the excess expenditure. The whole expenditure is nothing compared to what even neutral countries have had to incur in strengthening their armies and navies in view of contingencies. Had India been an independent Empire, and not formed a unit of the British Empire, our extraordinary expenditure would have been enormous at a grave crisis like this. It is a fortunate circumstance that our connection with the greatest Empire of the world ensures us safety from foreign aggression and internal peace at a minimum of cost. While, therefore, we have not just ground for complaint on the score of extra burden, our contribution to the cost of the War, inconsiderable though it may appear to be in comparison with that of the Dominions, will not be found to be a negligible quantity. India is, after all, a poor country, and the financial resources of Government are not

[*Sir Gangadhar Chitnavis.*] [25TH MARCH, 1915.]

what one would wish they were. It should also be remembered that, besides this public expenditure, the princes and the people have subscribed liberally to the various War Relief Funds. Individual citizens have also offered their personal services, and some are at the present moment actually fighting for the Empire. The gallant deeds of our Princes and our colleagues Malik Umar Hayat Khan and the Kumar of Tikari have already attracted notice at the highest quarters. It would be ungenerous not to acknowledge that we Indians in our own humble way are rendering to the Empire at this crisis as great and as loyal a service as is practicable with our limited means and limited opportunities.

4. " My Lord, the admirable conduct of the people during the whole of this anxious period should be given due prominence. But for the great restraint they have all observed, despite of a serious economic situation, the difficulties of administration would have increased enormously, and if there have been some troubles here and there, they are negligible when the large extent of the country is considered. It must not be forgotten that for one who means or desires evil, there are thousands who chafe under the restriction that prevents them from taking part in the War and dying for their King and the Empire. This is the first great occasion after the Mutiny when the loyalty of the people has been severely tried, and it should be a matter of genuine satisfaction, not only to this Government but also to the Imperial Government, that India of her own free will has cast her lot with the Empire. This is the proudest triumph of British Indian Rule. It likewise forms India's indefeasible title to a just estimate of her participation in the War. It would be difficult and invidious to apportion the credit between the two great sections of the community. Hindus and Moslems have both displayed admirable good-will; the Moslems under circumstances of peculiar importance and stress.

5. " My Lord, in thus referring to India's attitude, I do not for a moment lose sight of the fact, noticed at some length by the Hon'ble the Finance Minister, that the withdrawals from the Postal Savings Bank deposits have been inconveniently large. To all outer seeming this might discredit our professions of loyalty, but I am glad the Hon'ble Sir William Meyer has taken a juster view of the situation, and the circumstance, according to his explanation, is not inconsistent with our unflinching devotion to Government. The investors are mostly men of humble means; in the first few weeks of the War, authentic news of the incidents was scarce; the country was filled with wild rumours; the economic situation was critical. It is no wonder that under the circumstances some of these depositors got frightened, and wanted to have the cash with them. But now the Hon'ble the Finance Minister assures us, the first trouble of the alarm is over, and the people would seem to have come to realise the folly of withdrawing their savings from the Savings Bank. We Indians are an intelligent people, and we cannot be slow to recognise that it is far safer to keep our money in deposit with a powerful Government in these troublous times than to hoard it in our humble dwellings. The heavier the deposits at this crisis the better for all concerned. It is to our interest to strengthen the financial position of Government by deposits. The financial strength of Government is our national strength. The recent appointment of an Auditor-General for India, with plenary powers of scrutiny into the Government accounts and check, will have the effect of creating in the public mind greater confidence in the wise application of Government funds, and, consequently, in the financial stability of Government.

6. " My Lord, the question of oversea emigration has an important bearing both upon the economic and the political situation even in normal times; in a critical time like the present, it has a serious aspect. We are all sorry for the "Komagata Maru" affair, but in spite of that unhappy venture and the disgraceful conduct of the emigrants, something may have to be done by Government to secure a reasonable solution of the problem, and it is far better that an attempt at such a solution of the problem should be made by them as the representatives of the people. However much we may fret at our disabilities

[25TH MARCH, 1915.] [*Sir Gangadhar Chitnavis.*]

in the self-governing Colonies of the British Empire, we, unaided by Government, cannot succeed in getting them removed. It is an excellent idea of Your Excellency's, therefore, that we should support the Government to effect a compromise with the colonies on a basis of complete reciprocity, consonant with the common interests and self-respect of both sides. If we succeed in getting the most-favoured-nation treatment, we should be satisfied for the present. Personally, I have great faith in Imperial Preference as a lever which can be used to our advantage in the Colonies, but all discussions regarding this and kindred subjects of Imperial importance must necessarily be suspended until the war is over. When that happy consummation comes, an Imperial Conference of the Colonial and Indian representatives should be helpful in evolving a workable scheme of Preferential Tariffs which will bind us to the Colonies with bonds of brotherly love and mutual trust and mutual interest. I am glad to find that the most convinced of free-traders are beginning to reckon one great outstanding fact, that England's fiscal problem will have to be settled under pressure, not of argument, but of political and industrial forces. Here in India we have advanced sensibly in the development of our economic ideas, and Government is to be congratulated upon the marked change in its policy. Its action in the matter of the regulation of the exports of wheat, testifies to its earnest desire to suit its economic policy to the conditions of the times and the country.

7. " My Lord, we had a good deal of discussion this session as regards the promotion of India's industries during the war. In this connection I am glad to congratulate the Government on the appointment of a gentleman at the Board of Trade in England. He was appointed to find outlets of exports of Indian raw and manufactured articles hitherto sent to Germany and Austria-Hungary, and also to make good the heavy losses in her trade with France and Belgium and with neutral countries on the Continent. The complete suspension of the trade of India with the two chief enemy Powers cuts off at a stroke some £11,000,000 of the balance of trade in her favour. This appointment will be the means of providing a channel of enquiry and advice for business men in England desiring to utilise Indian products in manufactures hitherto more or less monopolised by Germany and Austria. It will also have the effect of recognising India's special claims and needs in this war against German trade.

8. " My Lord, we all look up eagerly to an early and successful termination of this great war, the continuance of which means not only so much waste of valuable life of the present generation, but the wiping out of many future generations. No one entertains the least doubt about the glorious victory of British arms, but the sooner it comes the better it is for all parties concerned, nay, for the civilisation and progress of the world. With militarism crushed and the British Empire strengthened by the comradeship in arms of the various units, a juster view of human rights and of the purpose of civilisation is bound to animate the future policy of the West, and India has everything to gain by the wholesome change. The stain of the Mutiny is wiped out by the valour, heroism, and devotion of the Indian troops, and India stands and will stand justly proud of the brilliant record. The honour, the future, of India are in the safe-keeping of these soldiers who have the privilege of fighting for their King and the Empire. Some of these have already won the high distinction of the Victoria Cross. It is flattering to us, it is flattering to our patriotism, that India will occupy a brilliant chapter in the history of this war. Our good name, earned in the field of battle, and our behaviour within the country, will be invaluable asset in the future adjustments of India's rights both within her bounds and in the world abroad. We, therefore, hope that our countrymen will create no trouble and conduct themselves at this crisis in a manner which will redound to the credit of the whole country.

9. " My Lord, in this connection I cannot but allude to the great toll of death during the year. It is a matter of deep sorrow that we have to record not only the loss of men rich in fame who have reached the allotted span of years, but also the deaths of many young and gallant servants of the Empire fallen either on the field of battle or died subsequently of wounds received in action.

[*Sir Gangadhar Ohitnavis ; Raja Jai Chand.*] [25TH MARCH, 1915.]

I hesitate to publicly express sympathy with their relations, because personal grief such as this seems to me a sacred thing, to be treated rather with mute reverence than with words. We cannot, however, but admire and praise the courage and fortitude with which these faithful and loyal servants of the Crown from the highest to the lowest who have been thus stricken are working. May the souls of those who are dead in the service of their King and Empire rest in everlasting peace and happiness !

10. " My Lord, we all regret Your Excellency's approaching departure. You have worked under circumstances of exceptional difficulty and with a sole view to India's interests. You have secured our esteem and confidence, and we all hope that you will be allowed to remain until the war is over, and, when you leave, you will carry with you our best wishes for your happiness and prosperity."

The Hon'ble Raja Jai Chand:—" My Lord, the Financial Statement for 1915-16, so luminously presented by the Hon'ble Sir William Meyer, reflects the tireless exertion of the whole Indian continent to surmount and steer clear of the economic and financial disturbances developed by this international conflict, which is second to none in the annals of the world.

" It is quite true, as my Hon'ble friend the Finance Member remarks, that India has not been directly affected by this gigantic struggle and so I think other British colonies too, like New Zealand, Canada and Australia and so forth, have not felt the direct impact of the war, though none of these, including India, and even the non-combatant and neutral countries like the United States and China, have been able to escape the bitter effects resulting therefrom. However, considering the gravity of the situation, which at present prevails all over India, I cannot but warmly congratulate the Finance Member on his splendid presentation of facts connected with the recent development of the history of trade and finance during the last few months, and on his masterly review of the measures adopted by Your Excellency's Government to husband the financial resources, to develop trade, to uphold exchange, and to help currency.

" Speaking on the last year's Budget I had drawn the attention of Your Excellency's Government to the backward state of the Punjab in sanitation and education, particularly female education, as being antithetical to steady progress and advancement in the same direction in other provinces of India

" I had also distinctly referred to the deplorable poverty of the martial tribes inhabiting the Punjab, and, as a remedial measure, had mentioned the paramount necessity of providing them with some land in addition to their own ancestral holdings, which are quite insufficient to meet their domestic wants throughout the year.

" The Indian martial tribes, whose glorious deeds of exemplary valour and chivalry, tenacity, and endurance in the battlefield have won the admiration of Field Marshal Sir John French and of Allied Armies, have acquitted themselves of the heavy responsibilities in a way worthy of their best traditions. Thus, when they have readily responded to the stern call of duty in a crisis like the present, with unswerving loyalty and devotion to the British Crown, it remains for the Government to strike a crushing blow at the root of the evil, which leads to their misery and domestic uneasiness.

" My Lord, it is a source of immense gratification to me to find that the Punjab Government, fully realising the need of the hour, have adopted the prudential and beneficial step in the shape of grant of more land than was previously sanctioned for distribution among soldiers whose gallant and distinguished conduct in the field brings them to the forefront.

" It is a boon for which the whole of the Punjab, province in general, and the military tribes in particular, owe to the wide-awake Lieutenant Governor a deep debt of gratitude.

" There is one point, however, which I wish to elucidate. Some officials, as an English newspaper remarks, may have taken an unwholesome view of

[25TH MARCH, 1915.] [*Raja Jai Chand ; Lieutenant-Colonel Blakeway.*]

the fact that some military grantees, not being actuated by a love of agriculture, sell their lands to other men, and as they have no aim other than money-making, it only serves to hinder and retrograde the steady progress of colonization. But, His Honour the Lieutenant-Governor of the Punjab makes the following observation in his review in Lyallpur :— ‘ There is no cause for regret in this ’, says His Honour, ‘ if, as appears to be the case, transfers were made generally by military grantees, whose hearts were not in the colony, and they have probably given way to men who will make better colonists. ’

“ Now, whether the military grantee keeps the land in possession or sells it to some other capitalist to his own advantage, makes little difference. The fundamental point at issue is that he should not be deprived of grant of land. The bare fact of his selling land is no justification of his deprivation from the boon.

“ My Lord, there are other points, too, which I would have liked to bring to the notice of Your Excellency’s Government, but being fully alive to the gravity of the modern situation, and to the serious complications and anxieties created by the war, which we all wish to see soon ending in the victory of British arms, I refrain from entering into discussion, and hope that I will have a better opportunity later on, when things assume their normal course, to voice the feelings of the Punjab landholder, whom I have the honour to represent in this Council.”

The Hon’ble Lieutenant-Colonel Blakeway :—“ My Lord, I must apologise for occupying the time of the Council to-day on the subject of sanitary progress in the North-West Frontier Province when probably a number of other subjects of interest will come under discussion, but the proposals of the Hon’ble elected members representing the Central Provinces and United Provinces, during the first stage of the discussion of the Financial Statement, for the curtailment of the Railway programme in favour of the development of Education and Sanitation have indicated the public interest which these two departments continue to focus, in spite of the numerous preoccupations of the present time. The somewhat dismal reference, also, by the Hon’ble Mr. Dadabhoy on the same occasion to the sanitary condition of his Provincial Head-quarters’ city might, perchance, create the illusion that equally worthy Provincial competitors for Government aid in the matter of sanitary improvement do not exist elsewhere. It has occurred to me, therefore, that a few words representing the claims of the North-West Frontier Province to obtain a share in the unallotted reserve of 7·7 lakhs for sanitation, to which reference is made in paragraph 106 of the Memorandum explaining the details of the Estimates, may promote the cause of my Province, since, if I may say so without levity, it is the early Provincial bird which frequently succeeds in the appropriation of the Imperial financial worm. Moreover, as the spoken word on occasion appeals to a wider audience than the written, or at all events the officially written word, the exhibition of their needs may help to assure the representatives of the urban communities in my Province, where city sanitation has of late been rapidly advancing, that their efforts meet with recognition and should encourage their progress in the direction of reform.

“ The North-West Frontier Province is regarded, I fear, in some uninstructed quarters as merely a land of incursions by tribesmen and excursions by troops; as a scene of raids and counter-raids, where the midnight forays of hillmen alternate with the reprisals of Government. There is, however, another and a very important side to the shield, a side connected with the well-being of the Border peoples who are our subjects, with their education and their introduction to all the benefits associated with civilization. Naturally, the first and most heavy responsibility of the Administration—or of any Government for the matter of that—must be the maintenance of law and order; but the policy of improving the material condition of the people has been steadily and of late, thanks to the liberality of Your Excellency and the Government of India, very actively pursued. It is curious to observe, however, by way of

[*Lieutenant-Colonel Blakeway ; Mr. Banerjee.*] [25TH MARCH, 1915.]

comment on the sense of proportion publicly displayed in certain matters, that the completion of so vast and beneficent a project as the Upper Swat River Canal, which will have a far-reaching political effect and bring prosperity to thousands of peasant homes, should apparently arouse less general interest than, for instance, an abortive attack by some transfrontier miscreants on a border post.

“ But, My Lord, I will not detain the Council by recounting even briefly what has been done recently on the North-West Frontier under the heads Education, Communications, Public Works and Medical Relief. However interesting the realization of local schemes may be to local patriots these schemes cannot be expected to invite and hold the interest of others. Neither will I refer in detail to the progress being made in town sanitation. I think, however, that the sanitary condition and Municipal administration of the historical and beautiful city of Peshawar, the first Indian city to be seen by those hosts of travellers from Central Asia, Persia and Afghanistan, who enter British territory by the various routes converging at this point, can fairly claim something more than local concern. Owing to its position in the forefront of Empire on the extremest border of British India, I hope that all of us conscious of an Imperial sense must hold the opinion that it should attract the admiration of the strangers who resort to it and pass through it in such numbers, and must desire that its Municipal arrangements and sanitary condition should bear worthy testimony to the solicitude of Government. This brings me, My Lord, to the main ground on which I voice the claims of my Province to share in the Imperial sanitation reserve of 7·7 lakhs. An extensive conservancy scheme, involving improvements also to the water supply, is now being worked out for our local capital, but cannot be carried into effect by the Municipality without help from provincial funds. This help means starving projects elsewhere and may check the awakening spirit of Municipal sanitary reform in the Province which it is so desirable to foster. I trust, therefore, that when our appeal to the charity of the Government of India for a special sanitary grant, in addition to the recurring grants which we are now enjoying, comes to be made, it will be successful in spite of the insistent competition of larger rivals to which expression has already been given in this Council.”

The Hon'ble Mr. Banerjee :—“ My Lord, I do not know whether the Hon'ble the Finance Minister reads the newspapers, but if he does he will have noticed the chorus of approval with which his Budget was greeted by the accredited representatives of public opinion. We, who are of the public, associating ourselves with this popular sentiment, desire to offer him our heartfelt congratulations. I think my Hon'ble friends will have no difficulty whatever in discovering the secret of this universal feeling. We all expected to be taxed, directly or indirectly. We have been saved from that situation, and we hasten to offer our grateful thanks to our deliverer. But, My Lord, gratitude implies a sense of favours to come. We have indeed got over our present difficulties, but what about the future? It is perhaps too early to make a pronouncement with regard to that, but judging from the conduct of the finances of this year, at a critical time, I think we have the assurance and the guarantee that no fresh taxes would be levied unless under the pressure of a paramount necessity. My Lord, the Budget has been framed on the assumption that the war will continue for one year. If, fortunately, the war terminates before that time, the situation will have been eased and our anxieties will have been partly dispelled. My Lord, the Budget is a War Budget, but the most interesting thing about the Budget is that although it is a War Budget, it does not add to the military expenditure : on the contrary, the military expenditure is slightly less than that which had been budgeted for. The cost of the Indian Expeditionary Force to Europe will come up, for the year 1914-15 and 1915-16, to about 7 millions, or, perhaps, a little less than 7 millions. My Lord, war is an unmitigated evil, but there is no cloud without its silver lining, and this war has afforded India an opportunity of demonstrating her loyal devotion to the Empire in a manner which has produced a profound impression upon

[25TH MARCH, 1915.]

[*Mr. Banerjee.*]

the public mind of England. The enemies of Indian aspirations have been convinced and converted. The angle of vision with regard to Indian affairs has been changed, and, in the words of Sir James Meston, a bright day is about to dawn in the land, when, as I hope, India will take her place as a component part of a great and federated Empire, in the full and free enjoyment of the rights belonging to that status. This hope inspires our people. May it be realized and may the Empire of His Majesty be broad based upon the gratitude, the contentment and the happiness of the people of India.

“ My Lord, no educated Indian can speak upon a Budget statement without reference to two matters which find a prominent place in his mind, namely, sanitation and education. They are the watchwords of the Government of India. They are also our watchwords, and to them we accord a prominent place in our public work. Unfortunately, there has been no Imperial grant in respect of either for this year with the exception of 10 lakhs, which Your Excellency was pleased to announce at the Convocation of the Calcutta University, for hostels. My Lord, the building of hostels is a matter of the utmost urgency, having regard to the interests of discipline among our students. I am sorry to have to say that the work is not progressing as rapidly as it ought to. I know something about these hostels. In connection with the hostel for the Ripon College, in which I am directly interested, and the Metropolitan Institution of which I know something, the land has been acquired, the plans are ready, but the buildings have not been yet taken in hand. I hope and trust that with the 10 lakhs of rupees which have been granted the work will be taken in hand at once.

“ As regards sanitation, we have to make the same complaint. The administrative machinery moves slowly. It does seem to me that it needs to be vitalised and recast upon more liberal lines. We are looking forward with some hope and expectancy to the resolution which you, Sir (the Hon'ble Sir Harcourt Butler), have promised on the question of local self-government. I can only hope and trust that as you have signalised your administration in the Education Department you will also leave an ineffaceable mark upon the system of local self-government by laying down the broad and liberal lines of progress which should distinguish that institution.

“ My Lord, my Hon'ble friend, the Finance Minister, said in regard to certain observations made by the Hon'ble Mr. Dadabhoy that there was no desire on the part of Government to go back upon its policy in respect of sanitation and education, but that the speed had been somewhat slackened. We can only hope and trust that with the return of normal conditions more money will be spent and greater energy exhibited in the matter of sanitation.

“ My Lord, with regard to the provincial contracts, the war has deferred the settlement of that contract with my province. May I plead for my province and urge that when the terms have been fixed, they may be so settled that Bengal may be a self-contained province able to pay its own way without the adventitious aid of those imperial doles which my Hon'ble friend, the Finance Minister, in his capacity as a Member of the Decentralisation Commission, condemned as demoralising? The provincial system must be worked up to the stage of fiscal autonomy, which is the basis of provincial autonomy. My Lord, that is the clear demand of Indian public opinion, and that demand has found a responsive echo in the great despatch of the 25th August, 1911, with which Your Excellency's honoured name will be imperishably associated in the history of India.

“ With regard to the question of the industries, My Lord, the discussions in this Council and the discussions which have taken place elsewhere have brought out the fact prominently, that Indian opinion demands that there should be a definite change in the policy of Government in this matter. Government cannot stand where it is; it must move on according to the requirements of the country and the demands of an advancing public opinion. What the educated community want is that Government should actively participate in the fostering of our industries by financing the more suitable ones and rendering them such help as they may need. That is the clear demand of educated

public opinion. The question will be brought up again and again in this Council and in the Provincial Legislative Councils, and I should like to put this question to the Hon'ble Member in charge of the Department of Commerce and Industry, 'How long does Government propose to resist the rising tide of public opinion becoming more and more insistent and importunate with every check and every refusal?'

"My Lord, there is one matter which at the present moment weighs heavily upon the minds of the educated community not only of the United Provinces but of all India, I mean the rejection of the proposal for the creation of an Executive Council in the United Provinces.

"My Lord, this proposal was made by the Government of the United Provinces and was supported by the Government of India and by His Lordship the Secretary of State for India. It was in entire conformity with the recommendations of the Decentralisation Commission and was backed by the unanimous vote of the non-official Indian Members of the Legislative Council of the United Provinces, who, I presume, are in closer touch with the better mind of their countrymen, and with the sense of the voiceless millions of the United Provinces, than Lord MacDonnell, who left the country about 20 years ago, than Lord Curzon, who left India 10 years ago, or than Lord Sydenham who was not even within a measurable distance of the United Provinces and knows little or nothing about them. My Lord, it is not only a question of administrative efficiency, which, in the words of Lord Morley, Indian rulers are sometimes apt to put a little too prominently in the forefront of their consideration. The issues involved are much deeper. His Honor Sir James Meston sounded the true note of the situation when he said that the object of this reform was to introduce Indians into the inner councils of the Government, into the Holy of Holies, if I may say so without irreverence. My Lord, it is most unfortunate that this proposition should have been rejected at a time when India is astir with a new and an awakened sense of devotion to the Empire. Already it is beginning to be asked—Is this the first-fruit of that change in the angle of vision which had been promised by a high authority? The only redeeming feature about the situation is the attitude of Lord Crewe, who is resolved to pursue the matter. We wish him all success, and we desire to assure His Lordship of the sympathy, the unstinted sympathy, of the millions of my countrymen in this matter. My Lord, does the question affect the United Provinces only? No: it affects the whole of India. We share with the United Provinces the deep disappointment which they feel. Not only that, the question has raised constitutional issues of grave moment. The House of Lords may block great reforms in India by raising difficulties as they have done in this case. My Lord, I hope and trust that Lord Crewe will revive the India Council Bill, which also was rejected by the House of Lords. We were not enamoured of the Bill; we thought it ought to have been cast upon broader and more progressive lines. But such as it was, it was a distinct improvement on the existing condition of things, for it recognised, although it might be in an attenuated form, the elective principle and the statutory right of the people of India to be represented in the highest Council of the Indian Empire.

"My Lord, there is another matter, somewhat of a controversial character, which I feel it my duty to mention in this Council, because what I am going to say represents the public opinion of my countrymen. It is somewhat unpleasant, but we have sometimes to say unpleasant things in this Council. My Lord, the Government of India have paid compensation, pay or allowance, to the members of the Indian Civil Service and of the superior Police Service above a certain grade; and this was done at a time when it was known as a matter of practical certainty that there would be a deficit in the current year's Budget, and when there was a forecast of a deficit in the Budget of the coming year. My Lord, that step, I cannot help thinking, was ill-advised. Why, when every subject of His Majesty—high or low, rich or poor, prince or peasant—was suffering from the pinch and the pressure of war, two well-paid services should have been singled out for this preferential treatment, passes my comprehension. Yesterday, in reply to a question which

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was asked here, it was said that the object was to compensate the members of these services for the block in promotion. My Lord, there are other branches of the Public Service which suffer from similar inconvenience, from a similar strain. Have they received any relief? My Lord, I have already observed that this is a somewhat controversial and unpleasant matter; but there is a very strong feeling outside this Council in the country at large, and I have felt it my duty to refer to it here in the hope that the question may yet be reconsidered. At one time some of us thought of giving notice of a resolution, but we wanted to avoid anything like a controversy.

“ My Lord, in conclusion I desire to associate myself with the observations which have fallen from my Hon'ble friend, Sir Gangadhar Chitnavis, in regard to Your Excellency. My Lord, we may not always see eye to eye with Your Excellency's Government in regard to measures of administration; but, My Lord, your administration has been one of the noblest and wisest in Indian history; and, My Lord, if I may be permitted to say so, Your Excellency will take your place among the most illustrious of Indian Viceroys—by the side of Bentinck, Canning and Ripon. Therefore, I unreservedly associate myself with the observations which have fallen from my friend: they represent the deliberate judgment of public opinion, and of the educated community, over this wide, wide continent.”

The Hon'ble Pandit Bishan Narayan Dar:—“ My Lord, I thoroughly associate myself with the Hon'ble Member in the well deserved compliments they have paid to the Hon'ble Finance Member on his excellent Budget. I cannot say that I am quite satisfied with the provision made for education in the coming year; but considering the present situation I make no complaint.

“ My Lord, Education is England's greatest gift to India, and it has not yet found a more sincere and more passionate advocate and supporter than Your Excellency. The whole country fully appreciates Your Excellency's noble efforts in this direction and is filled with feelings of deepest gratitude for what you have already done. The promoters of the Hindu University movement are particularly deeply indebted to Your Excellency for Your Excellency's gracious support in their great undertaking, and it is as an humble admirer of Your Excellency's liberal educational policy that I wish to submit a few observations on one or two features of that policy which seem to have failed to commend themselves to a section of the Indian Public. I know that the Government sincerely desire that education should spread as widely as possible and as rapidly as possible. But unfortunately the rate of progress which seems to satisfy them does not satisfy us. Their aims seem to be to subject the requirements of educational expansion to those of educational efficiency. Our position is, efficiency by all means but not at the cost of expansion, not at the sacrifice of a wider diffusion of knowledge. My Lord, India has been under British rule for nearly 150 years and yet what is the state of our education as shown by the latest figures on the subject? According to the last quinquennial report on Indian education 2·7 per cent of the population were at school in 1911. Now we have 3 as against 2·7 per cent. So then according to the latest figures 97 per cent of the population at this moment are condemned to pass their lives in utter ignorance. In this respect India does not compare favourably with any civilised country in the world. The demand for education is growing day by day; but from every Province come complaints, not by the hundred but by the thousand, that there are more boys desirous of learning than can be accommodated in our schools or colleges. Restrictive rules have been made in every Province because there are not enough schools to accommodate our boys. My Lord, in the existing state of India we do not want better school buildings but more schools. A good education imparted in finely built schools is a very desirable thing, but any education is better than none.

“ My Lord, there is another point upon which I want to say a few words. My Lord, we Indians find it very difficult to understand why the Imperial Educational Service has been almost monopolised by Europeans and why so

many Professorships and even Head-Masterships are given to Europeans in preference to Indians. In my Province, if I am not mistaken, there is not one Indian in the Imperial Educational Service.

“There are qualified Indians certainly, not inferior in mental and moral equipment to many of those English teachers and professors who are sent out here every year from England. A larger employment of indigenous talent would be good not only on economic grounds, but would in large measure satisfy one of our legitimate aspirations. But I place the claims of Indians to be appointed more largely in the higher ranks of the Educational Service on a higher ground than that. One great object of all education is the formation of character, and the Government has of late rightly laid stress upon the realisation of that object. Another aim which the Government has rightly set before itself is that the development of Indian mind and character should be on Indian national lines. My Lord, is it seriously believed that the character of the youth of India will be formed on its national lines under the influence of English teachers and professors, however able and high principled they may be? My Lord, this is a delicate question. But I do not speak in a controversial or party spirit when I say that the policy of increasing the number and extending the influence of European teachers and professors, possessing little knowledge of Indian life and conditions, and themselves living here under the influences of their own community and isolated from the daily life of the people among whom they have to work, I say that the policy of extending their influence over the formation of the intellect and character of the Indian youth, is causing disquietude to the intelligent section of the Indian people; and they are watching with anxiety and even apprehension the effect of that influence upon their boys, whose mind and character will thus be formed, not on their own national lines, but in accordance with the ideals of teachers drawn from a different race and inspired with the spirit of a different civilisation. It is not a whimsical apprehension, but a real one in my opinion, about which we may not hear much now but which is growing and will make itself heard before long.

“My Lord, we the people of the United Provinces are deeply grateful to Your Excellency's Government and to Sir James Meston for recommending to the Secretary of State the creation of an Executive Council in my Province, and to the Secretary of State for his gracious acceptance of Your Excellency's proposal; but that proposal has been rejected by the House of Lords, because some noble Lords with Indian experience considered it a revolutionary measure, as if the creation of an Executive Council meant the founding of a new republic in the United Provinces. Bombay and Madras are each under a Governor-in-Council. Bengal owes that boon to Your Excellency's liberal and generous statesmanship. The new province of Bihar and Orissa is equally indebted to Your Excellency for its Executive Council. In what respect would it be a revolutionary change to bestow the same gift upon an older, richer and more populous Province? The noble Lords seemed to find much satisfaction and security in an old order of things which is daily growing obsolete. They are welcome to the asylum they have sought for themselves for they have taken refuge in the traditions of the most powerful and most exclusive bureaucracy in the whole world. Nevertheless, they have, in my humble opinion, committed a grave mistake. They have disregarded the public opinion of India and disregarded it at a time when it should be conciliated. Here was a demand made, not by an infinitesimal section of the Indian community, as one noble Lord said, but by every class of the people of the United Provinces, for whose good opinion and good-will Government cares, a demand upon which Hindus and Moham-medans who are supposed to be always ready to fly at each other's throats were unanimous, upon which the aristocrats and the commoners were equally united, and which was supported by Sir James Meston, the popular and liberal-minded Lieutenant-Governor of the United Provinces, by Your Excellency's Government and by the Secretary of State, a demand which was extremely moderate and reasonable in its nature and which meant nothing more than that a long-deferred hope raised by the liberal policy of the Government should now be fulfilled, and that a concession which had been made three years ago to the new

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province of Bihar and Orissa should be made to an older and more important Province, and which had been withheld from it because its then Lieutenant-Governor, Sir John Hewett, who was brought up in different traditions did not like it; this demand has been rejected by the Lords on the flimsy, shadowy ground that the people did not want it, that their religious animosities forbade its concessions and that its concessions would revolutionise the administration. What would be the effect of this action of the Lords in the United Provinces, and indeed in the whole country? Your Excellency has rightly observed more than once in this Council that the present is not the time for political controversies and political agitations. The leaders of the various Indian communities have recognised this fact from the very commencement of the war, and have urged upon their countrymen the urgent and sacred duty of forgetting all domestic differences and rendering whole-hearted support to the King-Emperor and Country in this hour of fate in the life of civilized mankind. Their advice has been gladly, enthusiastically followed by the loyal Indian people, all political controversy is hushed, all domestic disputes are forgotten; and one recent and most striking proof of that is the Defence of India Act, the most drastic measure ever passed by the Government of India, a measure open to grave objections, but which was unanimsously supported by the Indian Members of this Council; because with the fullest confidence in the justice and benevolent spirit of Your Excellency's remarkable administration, we, the representatives of the people, considered it against our loyal duty to Government to stir up controversy and thereby cause public alarm. This is how the Indians have acted in the present political situation; and the Government on their part have, we all most gratefully acknowledge, put off the consideration of all controversial measures in accordance with the wide-spread desire of the Indian people. But the Lords have chosen this of all moments for practically rejecting our demand, in spite of the just and wise warning of the Secretary of State. And the immediate effect of that sad blunder is that it has already caused deep disappointment to the people of my Province and may before long re-ignite political agitation there, which to my mind will be nothing short of a calamity. If this is the attitude of our ex-Viceroy and ex-Governors towards us during the war, what will it be after the war? They have been paying us high and extremely flattering compliments upon our loyalty and devotion to the British Crown; and yet in the same breath they tell us that we are in such a backward and primitive condition that even an Executive Council would be too good for us. My Lord, you can imagine the effect of these contrasted and contradictory statements upon our minds. The motto of short-sighted statesmanship has always been: Refuse a demand when you can grant it with grace; grant it when you cannot refuse it without peril. My Lord, my Province is one of the more advanced provinces of India, a Governor-in-Council was promised to it long ago, and henceforward, if I at all understand its temper and desire, it cannot rest contented with anything less than that. The concession of our demand for a Governor-in-Council will be one forward step towards the realisation of the ideal set forth in your Excellency's memorable Durbar despatch, namely, 'a larger measure of self-government under which India would consist of a number of administrations, autonomous in all Provincial affairs, with the Government of India above them all, and possessing power to interfere in cases of misgovernment, but ordinarily restricting their functions to matters of Imperial concern'. My Lord, it is this policy of generous trust, ordered freedom, and friendly co-operation between the rulers and the ruled that has endeared Your Lordship's name to the heart of every Indian. Our claim for a closer association with the administration of the country, for a more effective co-operation with our rulers in all the departments of Government is in accordance with the spirit of that policy.

" My Lord, the war has demonstrated India's unswerving loyalty to British rule, which was never doubted by Your Excellency. We have noticed with sincere gratification the impression made upon British public opinion by India's services to the King-Emperor and the Empire in these critical and fateful times. English statesmen have held out high hopes to us. The Under Secretary of State for India said the other day that India was not a

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dependent but a partner of the Empire. Even the hearts of colonial statesmen have softened towards us. All this has brought the fulfilment of our demands, such as a larger employment of Indians in the Civil and Military services of the country and a satisfactory solution of the question of the status of Indians in British colonies, much nearer to us than before. So long as the war lasts we shall not press any of our demands; but after the war, when the triumph of British arms is complete and peace is restored to the civilised world, we shall ask for a substantial concession of our demands not as a reward of our loyalty—for loyalty according to a high authority must be unconditional and must seek no reward—but as a right which we shall be justified in claiming as citizens of a free Empire.

“Of course, progress must be gradual, concessions must be made on cautious lines. We must not take the second step before taking the first. We must remember that in practical politics it is not logical argument but the logic of facts that tells, and we must fully trust in the high aims of British rule in India which, with all its defects and shortcomings, is yet, as J. S. Mill said, the best and purest in intention ever seen among mankind. On the other hand, My Lord, I appeal to Government and through the Government to the whole governing class in this country to win our true regard and affection by trusting us and trusting us as equal subjects of the King-Emperor; for the noble words of Jeremy Bentham are as true now as when they were first written: ‘In order to gain mankind one must appear to love them and the best way of appearing to love them is to love them in reality’ ”.

The Hon'ble Raja Sir Muhammad Ali Muhammad Khan :—“My Lord, with your permission, I beg sincerely to congratulate the Hon'ble Finance Minister for the able manner in which he has prepared the Budget. The year to which the Budget relates is exceptional inasmuch as we have for the first time in the history of this country to share the expenditure on the noble cause of the defence of the Empire, of which India should be proud. My only fears are that our finances did not permit of an allotment of a larger sum of money towards the war than has been budgeted for by our able Finance Minister.

“In normal times I would have pressed the need of the United Provinces for a handsome allotment towards Education and Sanitation and under other important heads, but this, My Lord, I do not think, is the proper time for it. However, a change, or rather a reduction, in the Budget for the United Provinces may be necessary owing to the deplorable action of the House of Lords in throwing out the proposal for an Executive Council for the United Provinces. Any saving that may thus accrue during the year should be employed on the crucial needs of the Provinces.

“My Lord, this decision of the House of Lords has come to us as a great shock and has created a great disappointment and uneasiness throughout the Provinces. I do not know the source of information of Lord MacDonnell who, in moving the Resolution in the House of Lords against the creation of an Executive Council, said that it was only a small number of people of my Provinces who wanted it and the majority were not in favour of it. I cannot but emphatically rebut this statement.

“My Lord, in all matters of administration it is the aspirations of the educated and thinking masses which play the important part in determining the public opinion. The Legislative Council of every Province is the recognised and effective medium of ascertaining the voice of the people through their representatives.

“My Lord, the majority of non-official Members in the Council of the United Provinces who voted in favour of the Executive Council did not warrant the statement made by Lord MacDonnell. But it appears that he, like others who have left this country long ago, is quite out of touch with what is going on here.

“These noblemen of the House of Lords, My Lord, would be well advised to support the Government of this country and to accept the advice of the

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Ruler on the spot. The decision of the House of Lords is really a severe punishment inflicted upon a very great section of deserving, worthy, and loyal subjects of His Majesty, and the reason of it, My Lord, is that we were *ultra* moderate in asking only for an Executive Council for our Provinces. The importance of our Provinces, My Lord, demands the creation of an Executive Council with a Governor, and I feel absolutely confident that the just Government of Your Lordship will be pleased to consider the feasibility of creating a Governorship for the United Provinces.

“ My Lord, without any idea of jealousy or slight to the sister Provinces placed under Governors in Council, I beg leave to submit that the claims of the United Provinces in this respect are next to none in India.

“ In conclusion, I beg to add that in my humble opinion it appears absolutely necessary that the enactment by which the Proclamation creating an Executive Council has to be tabled in both Houses of Parliament should be repealed. It is not the first occasion on which the House of Lords has been uncharitable in unduly interfering with matters connected with the administration of India.

“ My Lord, this is really not the proper time to enter into any lengthy discussion on matters controversial, and every faithful subject of His Majesty would avoid, so far as possible, every kind of agitation at the present juncture; but, My Lord, the situation has been forced upon us by the House of Lords. ”

The Hon'ble Mr. Sharp:—“ My Lord, in that portion of his speech which dealt with Education, I understood the Hon'ble Pandit Bishan Narayan Dar to make two statements which should not go unnoticed. He said that only 3 per cent of the population are at school and drew from this the deduction that 97 per cent of the people are condemned to ignorance; and I think he added that this state of things was probably worse than in any country in the world. I need hardly say that this deduction is not correct. I also understood him to say that there are no Indians in the Imperial Service of the Education Department—”

The Hon'ble Mr. Pandit Bishan Narayan Dar:—“ In the United Provinces.”

The Hon'ble Mr. Sharp:—“ I beg the Hon'ble Member's pardon. I thought his remark was general.”

The Hon'ble Mr. Das:—“ My Lord, the Hon'ble Finance Member has received quite a chorus of congratulations and felicitations—those offered to him in the columns of the newspapers and those he has received here. But as the Member in charge of Finance is accustomed to deal with the smallest copper, a pie, I desire to offer my pie of congratulations which may, I hope, be acceptable to him.

“ I associate myself with most of the remarks which fell from the Hon'ble Sir Gangadhar Ohitnavis, and I wish to refer to the last paragraph of his speech in which he referred to Your Excellency's coming departure. He referred to it with a sense of regret: no doubt, if it does come to pass, it will be a cause of regret. My Lord, misfortunes have often overtaken India, and the most recent misfortune was one to which reference was made by the last few speakers; I mean the attitude of the House of Lords with regard to the recommendations for an Executive Council for the United Provinces. Misfortunes have befallen India, but the worst misfortune would be that which would remove the commander of the vessel at a time when a storm was blowing, when the waves were dashing against the ship of administration, when there were small clouds on the horizon, the future magnitude of which could not at present be gauged. To remove the commander of the vessel at a time like this would be perhaps the worst calamity that has befallen India. It is not the qualifications of the captain, or the commander, the man at the helm that count. He may have any amount of knowledge

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of steering his vessel, but the most important thing in troublous times is the confidence of the people in his efficient commandership. If the people have not confidence in him, the people themselves will contribute to the destruction of the vessel, whereas if the people have confidence in him, their conduct, their behaviour, their steadiness, will save the vessel in perilous times. I do hope that such a calamity to India will be saved by the King, as I am sure India will be saved from such a calamity by God.

“ My Lord, about this time last year, I asked one or two questions in this Council in order to ascertain the number of Indian Christians in India, and as to whether there were any special provisions with regard to their education. The answer given to me was that the number of Indian Christians is a little over 3½ millions, and in answer to the question whether there was any special provision made for the education of this class, Government said, ‘ It is understood that special provision is made in certain places for the education of Indian Christian boys and girls, but the Government of India have no precise information on the point ’. There is no provision for this purpose even in the present Budget. This answer shows that the Government of India have left 3½ millions of people in the cold. There is actually an apathy, there is a want of concern in the education of these people ; and it is no wonder that abroad, thousands of miles away from this place, queries have been put as to whether the Indian Christians have not rendered themselves useful to Government in public services, and useful generally in the private walks of life. If that community had a representative here, he would certainly have been in a position, from his seat of authority, to answer those questions, to show how unjustifiable, how underserving,—if the Government of India means to show apathy to this class,—is such apathy. But there is no representative of the class here, and consequently, as a member of that community, I beg to draw the attention of Government to the fact that in several departments, almost in all departments of the public service, members of the Indian Christian community have rendered distinguished service. If we go to the Medical College in Calcutta, we shall find that there have been professors who have rendered very useful service and added to the popularity of the institution. If we go to the Senate House in Calcutta, we will find there things to remind us that the Indian Christian community has not been behind other communities in fostering and helping onward the progress of education. It will not be possible for me to refer to the lives of these men, for if I were to do so, I suppose the time limit would terminate my articulate life here long before I could describe their lives.

“ My Lord, as regards the loyalty of the Indian Christians, that was put to a very severe test in the last century, and yet I find that, notwithstanding the answer given a year ago, there is no provision in the present Budget for the education of the boys and girls of the Indian Christian community ; and yet there cannot be the least doubt that they have need of special education ; and the reason for this neglect seems to be that they have no representative in this Council.

“ My Lord, it is a strange and curious fact that the Indian Christian community is the only Indian community whose laws of succession, marriage, testamentary dispositions, and divorce were forged on the anvil of this Legislative Council. Laws of succession, laws of marriage, form as it were the foundations of any society or community. Hindus and Muhammadans have their laws which are drawn from the *Shastras*, etc., and those laws of succession, marriage, and divorce, which apply to Indian Christians at the present day, were not made to suit the requirements of that society, but though they had been originally framed to suit the requirements of another society, they were extended to this society. So it was really like putting new wine into old bottles. The result has not been very favourable, but simply because there is no representative of this community on this Council, the inconvenience which it suffers has not been brought to the notice of the Government. The last census shows that between 1901 and 1911 the community has grown by 32·6 per cent. It has been more than doubled since 1881 and it has been trebled since 1872.

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“ In referring to this matter, I should like it to be distinctly understood that it is not my intention, far from my intention, to disturb any of the existing representatives in this Council. The Indian Christian community have been treated with kindness and confidence by the Hindus, Muhammadans and non-official Europeans. Electorate bodies consisting of these men have elected Indian Christians as their representatives in the Legislative Councils. I would be earning for myself and for the community ingratitude if I were to say that there should be a seat for the Indian Christian community at the expense of any other community. But what I do believe, Sir, is that there is ample room if the latch of the door is a little slackened, there is ample accommodation for one more seat. I will conclude this part of my appeal with the Latin expression *at spes non fracta*.

“ Reference has been made, My Lord, very often in this Council to the industrial problem before us and the question was raised in very eloquent terms by the Hon'ble Mr. Banerjee when he was addressing the Council a few minutes ago. The insistence with which this question has been brought forward, the earnestness with which it has been pressed forward, shows that there is a very strong feeling in the country about it. At least I should like to draw the attention of Government to the existence of such a feeling. The feeling in the country is that Government ought to feel its obligation to help the development of industries in this country. Every Government, of course, is under the obligation to develop the industries of the country in order to bring about and increase the prosperity of the country ; but in this particular case an additional moral obligation has been superadded. There has been an industrial awakening in the country during the last few years, and this industrial awakening has led to a study of the industries of India in the past. As a study of history of the past has led the people to believe that the decadence, decline and the present wretched condition of industries in India are due to a great extent to the insalutary influence of British rule. That is the feeling of the country and hence arises a moral obligation on the part of Government. That is the feeling of the weaver who has taken to the plough, leaving his loom ; that is the feeling of the artizan whose hand stands paralysed to-day ; that is the feeling of the artizan's son who took to English education with a view to get employment as a clerk, but failed to secure such employment ; and that is the feeling of an old man who has associated intimately with artizans during the last quarter of a century and has noticed their struggle for existence. We Indians, My Lord, always look upon people in authority with feelings due to a father and naturally expect sympathy from them. I know feeling is mere sentiment, and a sentiment has no value at the Royal Exchange in London ; but a sentiment is an invaluable asset to the credit of a foreign Government. I do not wish to go into the details as to how and under what circumstances British influence exercised an insalutary influence over Indian industrie. That may land me on dangerous ground. That may lead me to exhume the bones of people in authority who exercised their influence and the influence of their position and authority to bring about injury to the interests of India and such dead bones turn living human beings into dogs. At a time like this, when we were driven the other day to the necessity of passing an emergency measure for the safety of the Empire, I do not propose to enumerate or analyse or examine the reasons. I have very often noticed that the Hon'ble Member in charge of Commerce and Industry in his replies used the expression ‘ Government cannot do this, Government cannot do that.’ While listening to his replies sometimes, My Lord, I felt as if I was listening to the voice and the sentiments of the London Chamber of Commerce, and I admired his speech as a successful feat of ventriloquism. My Lord, such replies in a debate in this Council do not produce the balm of Gilead to disappointed feelings ; they simply tend to intensify the feelings.

“ My Lord, I feel that, at no time in the history of England were the principles of international justice, the principles of international morality, and those noble principles which regulate the reparation for wrongs done by a stronger nation to a weaker, at no time were these principles so prominently before the British nation as they are now ; in consequence of the wrong done by

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Germany to Belgium. The whole nation's sympathy has been aroused. The whole nation has been roused with righteous indignation and millions have formed themselves,—the whole nation in fact, young and old, rich and poor, have formed themselves into one body, one soul,—the whole nation is (as if it were one man) inspired with a martyr's fiery zeal. On the other hand, we have a Viceroy whose keynote of administration has been sympathy for the people and confidence in the people, and who has abided by that policy in times of suffering, bereavement and trial. I should at this time beg, entreat and beseech the Hon'ble Member in charge of the Department of Commerce and Industry (unfortunately he has gone away at this time) to take note of this : not only to concentrate his attention on the economic principles which govern commerce in England, but to take note of past events in the past connection of England with India ; to take note of the moral obligation which arises out of that past connection, and to address himself to the problem before him ; to take the people into his confidence and then to sit down and see if anything cannot be done to help the people in this industrial awakening—"

His Excellency the President :—" I must ask the Hon'ble Member to conclude."

The Hon'ble Mr. Das :—" I beg to conclude."

The Hon'ble Mr. Dadabhoy :—" My Lord, the Finance Minister who can do without additional taxation in spite of an estimated deficit of 9½ million pounds sterling in the two years covered by the Financial Statement, certainly deserves the best thanks of the country. I do not know which to admire most in the Hon'ble Sir William Meyer,—his sympathy, his level-headedness or his resourcefulness in a situation the inherent difficulty of which has been increased tenfold by its extreme uncertainty. The maintenance of exchange for one thing, was enough to strain to the utmost the energy and the capacity of a lesser genius. The financial trouble of 1907 and 1908 was as nothing compared to the present crisis, and yet sterling exchange is as firm to-day as ever, and Council Bills for fairly heavy amounts have begun to be placed on the market at 1s. 4d. for Telegraphic Transfers and ½d. and penny less for D. A. Bills. The tone of the market from all reports is very firm. This is a complete answer to Mr. Enever Todd's alarming description of the situation in the *Investor's Review*. If trade had continued as dull as in autumn last, a further and dangerous depletion of the Gold Standard Reserve would perhaps have become inevitable ; but indulgence in hypothetical complications is needless. The position is decidedly brighter now than it ever has been during the last eight months, and it is but just that the Minister who has steered us safe through the crisis should have our warmest felicitations.

" My Lord, the financial strength of Government, so skilfully maintained by the Hon'ble Sir William Meyer, ought to inspire general confidence. Of the net estimated deficit of 9½ million pounds sterling referred to above our special war expenditure accounts for 6·7 million pounds sterling. The balance is less than the amount of normal annual borrowing for capital outlay on railways. Ample provision has also been made for railway expenditure in 1915-16. Indeed, practically the whole of our estimated borrowings next year will be necessary for financing our railways and irrigation works, the capital outlay on both being taken at £9·1 million pounds sterling. And this despite of a heavy falling-off in revenue synchronous with extra heavy unremunerative expenditure. The total of our ordinary debt, as the Hon'ble Finance Minister has pointed out to us, is negligible. It has gone on diminishing heavily, until we have reached the extremely low level of 12·8 million pounds sterling against a productive debt of 261·4 million pounds sterling. The Rupee Paper too continues firm. The total unfunded debt of 20½ million pounds sterling is not onerous. The Government Reserves are ample, and the estimated closing provincial balances at the end of 1915-16 are sufficiently strong. The whole position is thus satisfactory. There is absolutely no cause for alarm. On the contrary, business is looking up, and the prospects of normal revenue are distinctly encouraging.

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[*Mr. Dadabhoy.*]

“ My Lord, the announcement in the Budget relating to the proposed Rupee Loan demands a few observations. The Hon’ble Sir William Meyer has made a significant reference to the terms and the character of the loan. Evidently, this issue will be of a special nature. There is absolutely nothing to be said against the reservation by Government of complete liberty of action. All announcements of loan are subject to this necessary condition. What is peculiar in the present statement is the allusion to a possible variation in the usual terms. We do not know what schemes the Hon’ble Finance Minister has in view, and it would be premature to attempt to make any helpful suggestions ; but my submission is that Government will be pleased to very carefully consider the probable effects of a change in the level of interest upon the existing heavy loans. I do not suggest that a change is unnecessary ; on the contrary, I am of opinion that if in the exceptional condition of the market the three-and-a-half per cents do not gain in popularity within a short time, the proposed loan must carry a higher rate of interest to make it attractive to the Indian investing public. But the possible results of such a change must receive due consideration at the hands of Government before it is made. Should the present market for three-and-a-half per cents be further depressed, it will have the effect of a heavy imposition which is likely to cause not only loss to the holders, but discontent. There is also the necessity for caution lest an increased rate of interest forces Government Paper into an undesirable competition with the Port Trust and Municipal Debentures. The position requires delicate handling, and it is eminently desirable that the conditions of the new loan should be settled by Government in consultation with financial experts and dealers. The Hon’ble Finance Minister will have a precedent for the suggested course in the procedure adopted by the Chancellor of the British Exchequer not very long ago with conspicuous success. A secret conference of a few trusted representatives should be able to give Government sound advice in this matter of the new loan. The question of issuing metallic 4 per cent Bearer Bonds for small amounts, redeemable at short notice through the Post Office, may also be considered by Government before determining finally the particulars of the proposed loan. These will possibly attract into the field a new and humbler class of investors.

“ My Lord, the war has focussed public attention in India on the Post Office Savings Banks. The institution is popular, and discharges very important functions. The deposits had gone on increasing heavily until the war created somewhat like a panic among the common people which led to sudden withdrawals. This of necessity caused a great strain upon the financial resources of Government, at a time when they were adversely affected in various other ways to an enormous extent. It has likewise caused a large loss of interest to the misguided depositors. It is welcome news that ‘ the drain has materially slackened ’. Before long we expect a healthy reaction. But I would request Government to consider the advisability of increasing the rate of interest upon these deposits by, say, half a rupee per cent. We have here to deal with a poor class of investors to whom any favours shown in this direction will be most welcome. Sometime ago the rate was higher. I do not know why it was reduced ; in my humble opinion, a slight increase will popularise these banks still further, and Government will have always ready to hand an increasingly large amount of cash for remunerative employment. The Hon’ble Sir William Meyer has done a great deal to make the deposits attractive. I hope he will increase their attractiveness in the way suggested even though it involves a small addition to our annual expenditure in interest charge. Rupee Loans are floated generally at a discount ; the interest is paid on the face value. It would be far more economical to pay the same rate of interest upon a debt which is raised at par.

“ My Lord, the Hon’ble Finance Minister has very thoughtfully added to the Financial Statement a detailed account of the provincial balances. It is helpful to a degree. The value of the annual Budget would be still further enhanced by the addition of a detailed statement of the expenditure for Education and Sanitation, both Imperial and Provincial, recurring and non-recur-

ring. In the Financial Secretary's Memorandum details of the Capital Expenditure for Railways and Irrigation are shown separately. It helps the public to have a clear grasp of the situation. An account, on similar lines as far as possible, regarding our Expenditure for the promotion of education and sanitation would dispel misconceptions, though it is not capital outlay, and would give us a knowledge of the details which is the first enabling condition for helpful criticism. At present we cannot ascertain from the memorandum what and how many schemes are proposed to be financed and what and how many are held back. This absence of fuller information may, and sometimes does, give rise to misapprehension.

" My Lord, the serious situation created by the unexpected depression in cotton has been handled by Government with commendable promptitude and boldness, and it is just to mention that the action has had upon the people a great moral effect. Prices have stiffened somewhat ; a still better tone should prevail in the trade before the next *kharif* is sown. The important question, however, that confronts us is, whether the cultivation should actually be restricted. I would not, upon the materials before me, hazard an opinion one way or the other. I only submit, for the consideration of Government, that careful inquiries should immediately be made, with a view to ascertain the quantity of unsold cotton in the market. If in the result it appears that there is still a large stock of it, the proposed restriction upon cultivation should be enforced ; if, on the other hand, the inquiries show that the stock is small, all restrictive action on the part of Government should be abandoned. Cultivation cannot be changed all at once without some inconvenience and loss to both the cultivator and Government, as in the event of a change a revision of the revenue assessment on a lower scale must become necessary. Any further interference with the normal course of cultivation should accordingly be undertaken after a close examination of the needs of the trade.

" My Lord, the Hon'ble Sir William Meyer has referred to the injurious effects upon the internal trade of the stampede among the Marwaris at large business centres. It was an imprudent move, inconsistent with the shrewd business habits of these people. It is, however, a reassuring fact which Government ought to know that individual Marwaris here and there did stick to their business, and prominent among them was the Hon'ble Diwan Bahadur Sir Kasturchand Daga in the Central Provinces. This premier banker in India was throughout the crisis always ready to finance trade, and did finance a large volume of it even at some personal sacrifice.

" My Lord, in dealing with the Financial Statement on 9th March current, the Hon'ble Home Member drew public attention to the paramount necessity of increasing our expenditure for the Police, and, truly, a more important department of civil administration it is difficult to find. The Police force, connected as it is with the every-day administration, renders perhaps a greater service than even the military. I have as high a conception of the arduous duties of the police as the Hon'ble Sir Reginald Craddock, but I go further even than he in my recommendations for larger expenditure for the department. In my humble opinion, there is ample scope for the profitable employment of all the funds that the Government can spare for this purpose for years to come. The Indian Police Commission found that 'the police force is far from efficient ; . . . it is generally regarded as corrupt and oppressive ; and it has utterly failed to secure the confidence and cordial co-operation of the people'. Efforts at improvement have been made all these years at some considerable expenditure, but they have so far touched only the fringe of the problem. The public verdict to-day is hardly more favourable. The great defect is the Police is as disassociated from the people as ever, and does not enjoy their confidence. This cannot be all the fault of the people. The Police must inspire public confidence and attract public co-operation. It has admittedly not done this ; it has thus failed to discharge one of its most important functions. This absence of confidence and co-operation between the Police and the people is not endemic in India. It was noticed even in England by the

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[*Mr. Dadabhoy ; Maharaja Manindra Chandra Nandi.*]

English Police Commission of 1839 ; but whereas there the Police has by its subsequent excellent conduct become the trusted friend of the people, the Indian Police, by following an opposite line of policy, is becoming isolated more and more every day, shunned and distrusted by all. The Indian Police Commission made certain recommendations for improvement on the analogy of the Indian Judicial and Revenue Departments, but these did not go far enough. In my humble opinion, the Provincial Police Service should be placed on the same level as the Provincial Judicial and the Provincial Executive service, with the same scale of emoluments and the same position, and the qualifications for appointment to it should be as high. It is only by the large admission of men with the highest educational qualifications into the service that it can be effectively improved. Patchwork reform will not do, but a root-and-branch reform is needed. A sprinkling of graduates among a large mass of indifferent material cannot effect much. It is a matter worthy of notice that the experiments so far made in some provinces of appointing a few lawyers to the Police Service as Court Inspectors appear to have failed. Most of them, especially in Bengal, have left the service after several years. There must be some reason for their action. It is not every lawyer who earns a handsome income at the bar ; yet why is it that these lawyers have preferred to face starvation there to continuing in office under Government with pay prospects ? This is a case for inquiry, and the sooner it is undertaken the better for all concerned. Investigation of cases also is as unscientific as possible. An expert from London should be able to suggest a remedy for the existing evils. The cost incurred in securing the services of such an expert will be money well spent. I am confident this matter of Police reform will engage the earnest attention of Government.

“ My Lord, we are to-day afflicted by the thought that before we meet again at Delhi, Your Excellency will have completed your term of office. Your Excellency has by your remarkably able and sympathetic guidance, inspired in the people such great confidence that the prospect of your retirement before the war comes to a successful termination is not only distressing to them, but is viewed by them with deep and unfeigned concern. Amidst physical suffering and bereavements, amidst administrative worries and dangers, Your Excellency has been as a rock unmoved in your firm faith in the nobility of your mission and the high purpose of your enlightened statesmanship. India can ill spare such a Ruler now. As a representative Member of this Council, I humbly pray that His Majesty will be graciously pleased to extend Your Excellency's term of office at least till the war is over”.

The Hon'ble Maharaja Manindra Chandra Nandi:—“ My Lord, I congratulate the Hon'ble the Finance Member on the highly satisfactory able and clear Financial Statement that he has presented to the Council. During the financial year that is about to close the Government have had to deal with an emergency as unprecedented as it was unexpected. This time last year no one in this Council had any premonition of the war which is now raging and the Budget for 1914-15 was prepared on a peace basis. Nevertheless, since August last and onward war conditions with all the consequent dislocation of trade, financial panic and falling off of revenue have prevailed and yet, as the Hon'ble the Finance Member has proved to conviction, the financial position of the Government of India was never stronger than it is to-day. True, the estimated surplus of £1½ million for 1914-15 has been converted into a deficit of £4 million, while under Unfunded Debt there has been a drain of nearly £7 million. But this does not by any means disclose an alarming position of affairs in view of the heavy strain caused by the war.

“ The revised estimates for 1914-15 show decline of revenue under many heads, the largest being under State Railways. An unfounded sense of insecurity led to large withdrawals from Post Office Savings Banks. The trade with enemy countries entirely ceased, while trade in other directions languished. The position became as grave as can be conceived and we are still in the full tide of the crisis. But the credit of the Government remains unshaken and the financial position is as sound as ever. To other difficulties that the Government have had to face has been added the alarming rise in prices which has

[*Maharaja Manindra Chandra Nandi; Mr. Marshall Reid.*] [25TH MARCH, 1915.]

led to the restriction of the export of wheat. It is gratifying to note that prices are now easier and the prospects of the next crops most cheering. In the budget estimates for 1915-16 no additional taxation has been announced and this is a fact upon which the Government must be congratulated.

“The Hon’ble the Finance Member proposes to raise a loan of 4½ crores later on in India, or to increase the borrowing from the Gold Standard Reserve. He has rightly proceeded on the assumption that the war may continue throughout the next year. The reduction of the Railway programme from £12 to £8 million is a wise step and the curtailment of expenditure in other directions is inevitable. It is particularly gratifying to me that, as announced by Your Excellency a few days ago at Calcutta, 10 lakhs of rupees have been given to the Calcutta University for hostels. The sanitary condition of Bengal is very bad, some additional allotment under this head would have been a great boon in Bengal.

“My Lord, the terrible drain in men and money demanded by the war shows as yet no signs of abatement, but we are convinced that the worst is over and the tide will soon take a decisive turn. When at length peace is restored, the British Empire, of which India is so important a part, will enter upon a fresh period of financial and material prosperity”.

The Hon’ble Mr. Marshall Reid:—“My Lord, on a previous occasion I referred to this Budget as being essentially a business-like one, and it certainly cannot be described in the language of high financial authorities as ‘over-cautious.’ It forms a pleasing contrast to a budget of not very many years ago when, to meet a not unusual temporary strain, taxation, some of it of a rather parochial and petty character, was resorted to: unfortunately this temporary taxation, like its great predecessor the income-tax, has still continued with us. To meet the unusual situation unusual borrowings have been necessary, and we have again in this connection to recognise the acumen of the Hon’ble the Finance Minister: low discount rates in London evidenced the large sums of money which were awaiting investment and the Government have very properly resorted to that market. Where can English money find more secure investment than in a prosperous and loyal India with enormous securities in its railways, and—in spite of what some of my colleagues have been saying—very profitable railways indeed? Railway construction, for which some of us have pressed, incidentally provides gilt-edged securities which on occasions like this stand us in very good stead. We have cheerfully accepted eight millions as our railway allotment for the coming year, but we hope that the deficit will in future be made up to us, and that a higher standard, something like 15 or 16 millions, will be adopted for the future.

“I desire to offer one little criticism on the budget: the possibility of a 4½ crore rupee loan has not been well received in the market, and a good market is of paramount importance to Government: I assume that the operation is not seriously contemplated, and no doubt the Finance Minister has other alternatives up his sleeve: I would suggest that he should put those other alternatives in the forefront and put the 4½ crore loan in the background.

“I regret, My Lord, it has been necessary to retard the progress of New Delhi. Some Hon’ble Members and their constituents may have reasonably considered that the scheme has its defects as every scheme in this world has: but it is a settled fact, sealed by the command of the King-Emperor and supported by the very strong argument of decentralisation. I hope that the Delhi to be—call it ceremonial or what you will—will not take long to quicken into a living city.

“The development of indigenous industries has taken a very prominent place in the budget debate. I regret that no practical conclusion has been arrived at, but it is no wonder, for it is indeed a very complex problem. Hon’ble Members have generally been agreed that the disease of backwardness

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exists, and they have almost all suggested the same remedy, Government financial aid, but I have not heard any serious attempt to diagnose the disease. My own personal experience in industrial matters is somewhat limited, but I would offer my suggestions for what they are worth: the first essential in industrial success is industry and energy: are the people of India industrious and enterprising in the Western sense of the word? I fear the answer must be, 'No'. I have not myself during my experience seen any great industrial enthusiasm: I know of classes of workers whose hours and whose days of work are regulated by the price of food-grains, and whose ambition is limited by the immediate needs of the mouths they have to feed. Then there is the rather better educated class whose western counterpart combines brains and hands in harmony to raise the standard of industrial development: that better educated class which we have in India and which we should expect to do this work, have not yet fully appreciated the dignity of manual labour: under such conditions progress and efficiency in industry must remain imperfect. There was a striking illustration at the outbreak of the war as to the extent to which Indian industry has progressed: merchants sought to replace German wares in the Far East and other markets by Indian manufactures. My own experience and that of many others was that we were met with the reply that Indian manufactures were unreliable, irregular and could not be guaranteed. The remedy must be slow, and it is difficult to know where to begin; but much will be gained if the disease and the trouble can be truly diagnosed. The perspective of the question has been somewhat upset by the assumption that German industry and enterprise were to be destroyed, and were to be replaced by indigenous industries which would grow up in a night. But Hon'ble Members should be under no delusion in this matter. It has taken years of patient toil to develop the spirit of industrialism in Germany and it cannot be destroyed, for it is the very life-blood of the country.

"Those who know the facts will confirm what I have said and will not desire for the good of the world to see German industries and enterprise destroyed. India, in her own interests, certainly cannot wish to see German industries destroyed, for when the end of the war comes we shall look to regain one of the largest and most important markets for the produce of this country. The fate of the British dye scheme shows that England fully recognises the essential features in the position: the original scheme provided for £1½ millions of Government money and £3 millions were to be subscribed by those who were interested in the manufacture. A fortnight ago we learned by telegram that the scheme had been altered to £1½ millions Government money and £½ millions public money: we learned yesterday that the scheme had been dropped entirely because hard-headed Englishmen and hard-headed Scotchmen had made up their minds that to compete in the market against a foreign article for which they are not well placed is mere waste of money. Now, what can Government usefully do in the way of developing industries in India? Hitherto, from my own experience I can say that they have done much useful work in demonstration; the practice has been for Government, when they are satisfied that an industry is likely to succeed, to buy experimental machinery and lease it to those, whether Europeans or Indians, who are willing to take it up, work it, develop it and report to them the results. Your Excellency, I regret to say that there is only one Presidency in India which is completely equipped in this respect. If I were to make a recommendation to Your Excellency's Government it would be to lay aside a considerable sum,—even take a little from our railway allotment of 15 millions—in order to equip and develop departments of industry in this country. I finish as I began by congratulating the Hon'ble Member on his most business-like budget and trust that the courage which he has shown in framing it may be duly rewarded."

The Hon'ble Raja Abu Jafar:—"My Lord, I have no desire to criticise the Budget or to discuss the various aspects thereof. But I cannot refrain from expressing my entire satisfaction at the fact that the Finance Member has been able to produce such a satisfactory Budget at such an abnormal time without imposing fresh burdens on the country, which in her

present economic condition she is quite unable to bear. It is a triumph for which the Hon'ble the Finance Member deserves our heartiest congratulations.

“As a representative of the United Provinces I cannot help expressing the deep feeling of disappointment with which the people of my Province have heard of the attitude adopted by the House of Lords in the matter of the creation of an Executive Council. My Lord, it was a wise and necessary measure of reform which Your Excellency's Government recommended Parliament for acceptance. Our Province has been fully ripe for such a reform for many years. It is obvious that the Governors of the provinces are overburdened with the heavy and daily growing work and responsibilities and under such circumstances an Executive Council was most essential in the interest of greater efficiency in the administration. In the course of the debate in the House of Lords it was pointed out that only a small body of opinion in our Province was in favour of this proposal. With due deference to their exalted knowledge, I may be permitted to say that this statement is quite contrary to actual facts. I know that an overwhelming consensus of opinion in the United Provinces is keenly in favour of such a reform, and I earnestly trust that the Government of India will again press the attention of the Home authorities to the urgency of the reform and secure the necessary sanction at an early date.”

The Hon'ble Mr. Barua:—“My Lord, I take this opportunity of joining hands with my colleagues in congratulating the Hon'ble Finance Minister for so successfully wading through a year of great strain and stress. We cannot but admire the great tact and foresight with which he manipulated the extraordinary financial situations created during the year from time to time. The prompt steps he took to avert a threatened break in exchange, the timely strengthening of the Presidency Banks and the credit of the Post Office Savings Banks, the facilities for easier encashment of Currency Notes, all speak of the great resourcefulness and ability of the Hon'ble Finance Member, which not only saved a threatened financial crisis and dislocation of trade and commerce, but had also important political consequences in restoring confidence of those who were upset by misguided theories about the war. The adjustment of the finances to different heads of expenditure, allowing progress on all heads with only such restrictions as are unavoidable, similarly point to the great skill and practical wisdom of the Finance Minister, which we cannot but admire. The changes in some forms of accounts which he has introduced both this year and the last are also of much practical utility and I feel sure have been greatly appreciated by many of my friends as by me. We are grateful to Sir William Meyer for all the pains he has taken, and we are happy that at such a critical time we have the services of so able, cautious and sympathetic a Finance Minister. We are equally grateful to Your Excellency that your broad-hearted sympathy and feeling for the people of India have saved them from any fresh taxation as a consequence of the war.

“If we review the spirit of this Session of our Council we feel, from the interpellations made and resolutions moved, that the things that have greatly exercised the minds of the Indian Members are the high prices of food grains and the development of industries. These two questions are really predominant everywhere to all thinking minds in India.

“The Hon'ble Commerce Member has given sympathetic consideration to both so far as they have been brought forward. The bold and comprehensive step—as he calls it—which is going to be taken about the export of wheat is perhaps the best under the circumstances stated and reasons given by him, and I greatly hope that the desired relief will come out of it and it will prove to be the best and most reliable method. I am sorry to find, however, that the project appears to be confined to wheat alone. It is not the fact, however, that the rise of prices is confined to wheat alone; it extends to many other food grains and stuffs in a greater or lesser degree. It will of course be absurd to ask the Government to take the same steps with regard to all. But one other item there is which, I think, deserves equal treatment—I mean rice. As wheat is

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the staple food in some parts of India, so is rice in many other parts; and the rise of price has been as significant in the case of rice as in that of wheat. I understand there is an export duty on rice exported from Burma. Much of that rice comes to and is consumed in Bengal and Assam too. So the effects of that taxation does not so much come to the relief of India. The rise of price in Bengal and Assam has of late years been phenomenal, and this year the price in some districts of Assam has been singularly exceptional. I think rice therefore is also a commodity in regard to which the same precautions should be taken as in regard to wheat: and I greatly hope that the Hon'ble Commerce Member will see his way to include both rice and wheat in his scheme of Government control of export.

“ With regard to industries we are grateful for all the steps that the Hon'ble Mr. Clark has shown us have been taken. I venture to think, however, that those steps are not enough to meet the present situation and aspirations of India. The question is a vast one and cannot be discussed or decided off hand. India cannot be judged on the lines of England in respect of her industrial undertakings or propensities. And the policy that works well in England cannot be expected to apply to India. She looks to the Government to shape her in the industrial field by special measures suitable to herself. The question of developing Indian industries has been exercising the minds not only of the Indians alone but also of many European officials who are anxious to push India on to prosperity; as one of them I may point to our good Commissioner to my right. But under the present policy of Government they have to make a halt when they come to the question of ways and means. I respectfully submit, My Lord, that a more extensive and liberal policy is necessary to be shaped for India on its own lines. Nothing short of a policy like the Railway policy will meet the demands of the country, and I feel convinced the country will be prepared to bear the burden. Bounties, subsidies, and even partnership by Government as well as guidance and supervision are in the present stage of India necessary to induce private capital, which is so shy, to come out to the field of enterprise; when the people will under such guidance and support be widely and extensively trained in western methods of business and will begin to have a confidence in their own undertakings, there will be no longer any need of such extra privileges; but till then the Government should I think be prepared to conceive and shape a comprehensive policy to help the people. It is not the time to-day to dilate on this vast subject. All I beg to submit is that it will be no labour lost to Government to consider seriously the subject and formulate a policy of its own to make possible the rapid development of this vast Empire into an industrially and commercially prosperous country.

“ Not the least important of the works of this Council is the introduction of the Hindu University Bill, which has been hailed with satisfaction by many of my hon'ble colleagues and introduced with such a charming and sympathetic speech by the Hon'ble Member in charge of the Bill. This Bill will mark an epoch-making change in the policy of Government hitherto followed in the matter of education. I must admit that I have not as yet been able to disabuse myself of the misgivings shared by some of my friends about the ultimate effects of the new university and the altered policy of the Government. Let us hope that the outcome of this University will not be a revival of all the mischief that Hindu orthodoxy had brought upon India in the past, that it will not re-enact the domination of caste over caste and the creation of faction over faction, making the regeneration of India on modern lines impossible or remote, that it will not counteract the unifying influence of English education or make Hindus, Muhammadans and other sections of the Indian population vie with each other in moving on parallel lines which can never meet

“ To speak a few words about my own Province. In my speech on this occasion last year I alluded among other things to the great and trying need of the Province for improved communications. This year I intend to return briefly to the same subject and to mention in particular the matter of railway

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extensions. The opening of the superb Hardinge Bridge should see the dawn of a very bright era in the matter of increased railway facilities for Assam. With the Eastern Bengal Railway line made broad gauge (a project which all interested devoutly hope will be accelerated) as far as Amingaon and Tangla will give no breach of gauge between Lower and Central Assam and Calcutta. The extension of the Eastern Bengal Railway system from Tangla up the north bank of the Brahmaputra into the important tea districts of Darrang and Lakhimpur is a matter which should continue to receive due consideration ; such extension would benefit not only the exporters of tea but the people of the north bank of the Brahmaputra generally and would also give Government another important strategic line to the north-east frontier. Then there is the question of linking up Assam and Burma by railway, a subject alluded to in Your Excellency's speech on the occasion of the opening of the Hardinge Bridge. Burma, I venture to think, will be as interested in such a scheme as Assam, especially those who have cause to remember the recent exploits of the *Emden* in the Bay of Bengal. We shall be interested to hear the results of the several reconnaissance surveys of routes for such a railway, and we hope that this very important matter will continue to receive the very careful attention it deserves.

“ Another point that I would take the liberty of briefly alluding to on this occasion is that the Province is keenly feeling its complete want of representation in the bench of the Calcutta High Court, within whose jurisdiction the Province has all along been put. Up to date there has not been a single Assamese Judge in that honourable Court. The want of qualified men might have been a cause of this in the past. But now, I venture to think, that cause no longer exists and there are men fit to hold the post of a High Court Judge, and I hope such men will not be wanting in the future. I greatly hope and sincerely pray that in the interests of and in justice to the Province Your Excellency will be graciously pleased to give the matter your due consideration.

“ In conclusion, My Lord, may I be allowed to submit that Your Excellency's approaching retirement is really becoming a matter of grave concern in all parts of India. We feel that the saddest moments of Your Excellency's life have been spent in India, and it may be cruel to ask Your Excellency to spend more of your time in the service of this country ; but if we can do so without hurting Your Excellency's feelings we would solicit that if His Gracious Majesty, in response to Indian feeling, be prepared to extend Your Excellency's period of Viceroyalty in this Empire at least till the end of the war and perhaps for six months afterwards, Your Excellency may be pleased to consent to vouchsafe to us the privilege of being governed by you till then.”

At this point the Council adjourned till half-past two. On re-assembling—

The Hon'ble Sir Fazulbhoj Currimbhoj said :—“ My Lord, the exceptional circumstances of the year enjoin upon us caution in dealing with the Financial Statement and the excellence of the Budget for the ensuing year limits to an inconvenient degree the scope of useful comment. The Hon'ble Sir William Meyer has taken the country by surprise by squaring the accounts without fresh taxation. It is a bold attempt in which he has the good wishes of the whole community. I beg on behalf of my constituents to congratulate him on his Budget. The chief point of interest is that he has made the country almost forget the serious economic and financial effects of the war.

“ My Lord, the Hon'ble Finance Minister is right in providing for a fresh Rupee Loan. I have always held, and I emphasised the point last year, that the Indian money market is not fully exploited by Government for their annual borrowings. In the current financial year the Hon'ble Sir William Meyer for the first time raised the amount of Rupee issue to five crores. He may have had his doubts, but I never had any doubt about the success of his policy. In fact, I pointed out that more than five crores could easily be

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raised and the facts of the last loan have amply testified to the soundness of my contention. The total amount of tender was nearly 12 crores (₹11,76,57,900) and the average rate of accepted tenders was ₹95-9-7. It may be that one Province took up the loan more largely than another, but that does not affect the position of India as a whole. The point is, more money can be raised in this country. Ordinarily, therefore, we should look to the Indian market more than the London market for funds for our capital outlay. It is more to our interest to borrow largely in India. Since the War has introduced new conditions into the market, I share the doubts of Government that unless it is over shortly, the whole of the 4½ crores wanted this time may not be raised on the usual terms. The Hon'ble Finance Minister has reserved to himself the right to vary the terms according to the needs of the situation. I only hope he will bear carefully in mind that, although the higher rate of interest may ensure the success of the new loan, it will as sure as anything damage the popularity permanently of the pre-war stock. This will be prejudicial to large interests, and perhaps to the success of our subsequent loans. There is thus need for extreme caution in floating the loan. It is indeed possible to counteract the effects of an increased rate of interest by regulating the conditions, and we await with anxious interest the Hon'ble Sir William Meyer's further pronouncements on the subject. If the proposed loan affects the pre-war stock to a large extent, the existing balances here and in England should be drawn upon more largely by Government.

" My Lord, the Hon'ble Finance Minister has also referred in his introductory speech to the character of the proposed loan. It is difficult to form an exact idea of what he means, and this is a matter in which a fuller statement would have been unwise. The only point I would now press upon his attention is that, along with the conditions of the new loan, he will be pleased to consider the advisability of issuing in future special 4 per cent railway loans. These are bound to be very popular.

" My Lord, I cannot condemn the curtailment of expenditure to which pointed reference has been made by the Hon'ble Sir William Meyer, but I beg to submit that it has caused difficulty in the provinces. In the Bombay Presidency many a necessary expenditure has had to be put off indefinitely. From the official speeches on our Provincial Budget it appears that Government had to reduce considerable amounts which Government had hoped to spend mostly on the Borstal Jail at Dharwar, and to reduce the expenditure on jails to its very minimum. The provision for the reorganisation of the police had to be cut down, so much so that 'those responsible for the administration could not acquiesce in any further curtailments'. 'Several important matters had to be deferred altogether'. The educational interests of the province have also suffered in consequence of the reduced expenditure, Government 'had to postpone some of their important schemes', and to omit 'a sum of one lakh for opening more schools and another lakh which was given for teachers for those schools'. Sanitation, too, has perforce to be neglected, for the time being, at least. 'Several applications for sanitary projects' had to be refused. But I frankly recognise this is to some extent unavoidable. We expect, however, that when the finances improve, the Hon'ble Finance Minister will treat the Province with extra liberality proportionate to the large sacrifice it has made this time.

" My Lord, our provincial expenditure leads me to examine the position of our provincial finance, and I think it is susceptible of improvement. My friend, the Hon'ble Sir Ibrahim Rahimtoola, raised last year the question of provincial settlements. As a matter of principle, the Provinces ought to have the whole income from the taxes that are either provincial or the proceeds of which are at present shared by the Government of India with the Provincial Government, and the Government of India should be satisfied with a lump contribution from the Provincial Government to be assessed in each case with due regard to local conditions. This contribution must of course be subject to periodical revision. The alteration is one of method relating to the collection of the Imperial revenue; a fixed payment is to be substituted for the

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present fixed ratio. This would, of course, have the effect of rendering the Imperial revenue inelastic; and to neutralise the evils incidental to such a system, provision may be made for the recovery from the Provinces of exceptional and extraordinary contributions according to the needs of the Supreme Government, assessed on the same principle of provincial ability. Such a revision of the system of provincial payment would strengthen the financial resources of the Provinces, would equalise the conditions of adjustment, and would make the apportionment of provincial liability more equitable. The Provinces would thus have greater fiscal autonomy, and would be free to attain to a development suited to local conditions. If in addition, the provincial funds are made over to the Provincial Government for safe custody and application, subject to the maintenance of an irreducible minimum of balance, the inconvenience of restricted utilisation of large balances, such as is enforced by the Government of India on the present occasion, will be minimised. It is earnestly to be hoped that the Hon'ble Sir William Meyer will take the matter into his serious and favourable consideration. Provincial feeling is, I may point out, strong on this subject.

" My Lord, with a view to help the undisturbed progress of the provinces, an earnest effort should also be made to requisition the services of conciliation boards for the satisfactory settlement of all disputes between different sections of the population. These boards to our knowledge have been started at different provincial centres, and are believed to have rendered inestimable service. We hear less of *Bakr-Id* riots now. It is regrettable this Government has not got reports from the local Governments about their working. In the absence of official reports it is difficult to generalise, but I believe a great future awaits conciliation boards. With more settled conditions Government will find it to its advantage to take the whole question seriously in hand.

" But far more important to the whole country, My Lord, is the other question, namely, the question of emigration to the colonies, which await a statesmanlike and sympathetic settlement immediately after the war. The matter has not been discussed in Council this Session, not because of the absence of a strong local feeling, but because of the limitations under which discussion has had to be carried on, on account of the war. As a matter of fact, whole India is of one mind both as regards the necessity of emigration and the status of the emigrant in the colonies. The time has come when the question of some outlet for our surplus population should be settled in a manner agreeable to our ideas of self-respect and dignity as citizens of the British Empire. And we look up to Government here as also to the Imperial Government for a satisfactory settlement of this question with fervent and confident hope.

" My Lord, I have heard with deep interest the observations of my Hon'ble friend, Mr. Marshall Reid, about the indifference of the people of this country to industrial enterprise. I would like to say much on the subject, but I beg to point out that if Government be pleased to encourage large concerns floated by Indians, something may be done to divert popular energy into the fruitful department of industry. The success of the Tata Iron and Steel Works has been in a large measure due to the support received from Government.

" My Lord, I beg to invite Your Excellency's attention to another matter of some importance, to inconvenience of the existing procedure regarding the introduction of legislative measures in this Council. Bills are now introduced without the Members knowing anything about them previously. The result is that no profitable discussion can take place on the first day about their principle. No doubt subsequently, on the motion for reference to a Select Committee, Hon'ble Members have an opportunity of commenting upon the principle, but it is far more desirable that this debate should precede that motion. My friend, the Hon'ble Mr. Ghuznavi, drew attention to this only the other day, and I believe I voice the general desire of the Additional Members in my plea for circulation of Bills at least a fortnight previous to their formal introduction in Council. Government will not lose anything by the change

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in the procedure. The interests of urgent bills are amply safeguarded by the rule under which Your Excellency can suspend the rules of business to enable the Council to consider the Bills at once. Bills of the Provincial Governments are circulated previously without inconvenience.

“ My Lord, the whole Financial Statement is overshadowed by war. It is difficult to form even an approximate idea when it will end, but of this much we are sure, that it will end in a brilliant victory for the Allies and the imperishable glory of the British Empire. All India prays to the Almighty for its speedy termination. It has upset the business of the world. But even in these dark days of national trouble, we find matter enough for self-congratulation. The unwavering loyalty of the people of this country to the Throne has been demonstrated on this occasion in the most remarkable manner, and we owe it to this war that the various units of the great British Empire have been knit together to one solid whole, moved by one common sentiment and one common purpose. Never before has India presented such a united front for the defence of the Empire. The different Provinces are imbued with a spirit of healthy emulation. In the Bombay Presidency, though that province from its industrial and commercial position has been the most sorely affected by the war, we have raised forty lakhs of rupees for the War Funds through the admirable organisation initiated by His Excellency Lord Willingdon, and the Women’s Branch is doing solid work under the inspiring guidance of Lady Willingdon. The Hospitals started by us for the sick and the wounded in Bombay and at Alexandria are the finest and such as any nation may feel proud of having equipped and organised. The history of all this zealous activity of the people is one, My Lord, of which Government may well be proud.

“ My Lord, it is the universal wish of the people of the country that Your Excellency should continue to be at the head of the Indian Administration until we are entirely free from the danger of this war. We have abundant faith in your benevolence and high statesmanship, and we earnestly hope that His Imperial Majesty will be graciously pleased to grant us this our humble prayer”.

The Hon’ble Mr. Ghuznavi :—“ My Lord, the Hon’ble the Finance Member is entitled to the fullest sympathy of this Council and of the country at large in the difficult task with which he finds himself confronted this year owing to the exigencies of the times. After a succession of surpluses during recent years we have come suddenly almost without a warning to a year, when our expected surplus has been turned into a deficit, and this abrupt change, which is accompanied by an uncertainty about the future, all the more aggravates the anxieties of the situation. My Lord, the imprint of war is writ large on almost every page of the Financial Statement that has been presented this year. It has seriously affected the two sources of revenue, namely, Railways and Customs, by the depression and dislocation of trade, with the result that whereas in the first four months of the year prior to the outbreak of war the Railway revenue was some £260,000 in advance of that of the corresponding period of the preceding year, in the six months following the outbreak of the war there has been a decline by £1,490,000. The revenue under Customs has also suffered a similar decline by nearly a million pounds less than the Budget anticipation. But happily such is the elasticity of Indian Finance that it has stood this rude shock uncommonly well. Speaking from his place in Council in 1909, the late Mr. Gokhale said, that never during the last 50 years previous to that period, was there such a deficit as that of 3½ millions. Yet fortunately such is the recuperative power of Indian Finance that even under this heavy blow this year’s deficit is less by a million than that of 1909. My friend, the Hon’ble Sir W. Meyer, is therefore all the more entitled to our warm congratulations that in the midst of this raging hurricane he has been able to steer his treasure-ship of State clear of all shoals and he has been able to do so so far without any additional taxation. I therefore desire to offer him my sincere

congratulations on the caution, foresight, clearness and withal firmness with which he has been able to frame this year's budget.

"My friend, however, struck a note of warning in the course of his speech when he presented us with the Financial Statement. He stated that he would not hesitate to propose additional taxation to make good the deficits should it hereafter be found necessary. We all sincerely hope that such a contingency might not arise. But if it were to arise at any time I trust my friend will allow me to make a suggestion beforehand as to the direction such additional taxation might take. I have heard it expressed in many quarters that if Government were in need of any additional taxation owing to the exigencies of the times, the only additional taxation that might be imposed without affecting very much the teeming millions of the country would be an additional income tax, as this would not be so much of a burden to the poor as it would be to the rich.

" Sanitation—malaria.

"I would, now My Lord, with your permission, like to say a few words on the situation of the country generally. The first question that deserves our serious attention is the question of sanitation. For it will certainly be agreed that we must first of all live before we can think of anything else. The Government has done a good deal in this direction in recent years but a very great deal yet remains to be done. In many parts of India, malaria is becoming a scourge and in Bengal particularly, it seems to be increasing in virulence. In reply to a question of mine on this subject in September last, as to what steps were being taken by Government to combat the ravages of malaria in different parts of India, particularly Bengal, my friend the Hon'ble Sir Harcourt Butler was pleased to refer me to the annual reports of the several Provincial Sanitary Commissioners. A perusal of those reports, however, is not very assuring. I therefore again respectfully urge on the Government to give their serious thoughts to this question and to appoint a commission composed of officials and non-officials in each of the affected provinces to inquire into the cause of the spread of malaria and to devise further means of arresting the mortality from fever, which is now so much on the increase.

" Pasteur Institute.

"My Lord, there is a steadily growing demand for the establishment of Pasteur Institutes in each province. Thanks to the courtesy of my friend the Hon'ble Sir Harcourt Butler, I was enabled two years ago to inspect the Pasteur Institute at Kasauli. When I was there, the authorities convinced me of the fact that after the recent discovery it was no longer necessary to locate Pasteur institutes in out of the way hill stations, but rather they should be attached gradually to the leading hospitals at the head-quarters of each of the presidencies and provinces. There is a persistent demand for it from all the leading associations in Bengal. My friend the Hon'ble Sir Reginald Craddock stated in this Council a few months ago that the Government of India have received no proposals from the Government of Bengal with reference to the location of a Pasteur institute in a wing of the School of Tropical Medicines in Calcutta. Since then many public bodies, notably the Rungpur Zamindar's Association, have memorialised the Local Government on the subject. What I would therefore suggest is that the Government of India should invite the opinions of all local Governments on the subject.

" Education—Religious.

"My Lord, I would next draw the attention of this Council to the educational needs of the country and particularly to that of the Mussulmans. We are all deeply grateful to Government for the educational policy which has been set out in the resolution on this subject issued two years ago. We are looking forward to the day when the policy enunciated in that resolution will be fully carried out. The backwardness of my community in matters of education is particularly appalling and I would again repeat in this connection what I

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said two years ago that in this matter Mussulmans are entitled to a preferential treatment, which I am sure no enlightened and broad-minded Hindu would grudge us, for they must remember that our educational advancement is equally to their interest. My Lord, it is indeed sad to contemplate how backward the Mussulmans are. To take the case of only Bengal. We find that according to the last census out of every thousand Mussulmans there are only 41 who can read and write. The cause of this backwardness chiefly lies in the fact that ever since the establishment of the British *Raj* in this country, religious instruction suitable to Mussulman boys had been divorced from all educational institutions patronised by Government, and therefore Mussulmans did not avail themselves of these institutions to any great extent. I had the honour of drawing the attention of the Educational Member two years ago to this question and I am particularly grateful to him for the circular which was issued by Government in April of that year to all Provincial Governments : and which in the case of Bengal has resulted in the formation of a Mussulman Educational Advisory Committee by the Local Government. This Committee is at present engaged in overhauling the entire question of Mussulman education. But unless Government are going to find the money for education in normal as well as abnormal times, it will not be possible to effect any real progress. If the existing revenue of the country was insufficient for the purpose, the Mussulman community would, I am sure, willingly submit to an additional Educational Tax.

“ Money accrued as interest on deposit in savings banks by Mussulmans to be used on Moslem Education.

“ Now, My Lord, when I am on this subject, I would like to draw the attention of Government to the sum of money however small to which Moslem community are justly entitled. In September last I inquired to know what was the total amount of money which had accrued as interest up-to-date from the time of the creation of the savings banks, on the money deposited in the said banks by Mussulman depositors who have not drawn any interest on their deposits owing to their religious scruples, and in reply I was informed that that sum had amounted to R2,84,283. This was up to 1912, and it would now probably amount to over 3 lakhs. It is clear that this sum of money has gone to increase the surplus revenue when there has been a surplus, and it has gone to lessen the deficit when there has been a deficit, such as this year. I would therefore respectfully urge that the Government would be pleased to take the first opportunity in ear-marking this amount so that as soon as the present hard times are over it could be spent on some object of Moslem education, such as towards the cost of building a hostel in any part of India.

“ Cause of Temperance.

“ My Lord, I would now draw the attention of this Council to the alarming spread of the drink and drug habits in India. During the last few years this evil has been growing apace and has now reached an enormous magnitude, and yet it is extending every day. I do not desire on this occasion to dwell at any length on the dangers, social and economic, that lie before this Empire should a rapid expansion in the consumption of alcohol and drug fix the habit of drink and drug-taking upon the people. I would only say that India has always been a temperance country in times gone by. What the Prophet of Islam forbade more than 1,300 years ago, temperance societies, associations and movements are now trying to do to-day. As far as I am aware, the Hindu religion does not also encourage taking of intoxicating liquors or drugs. Hence this evil of intemperance has come to the East along with the other good things from the West. During recent times the excise revenue has gone up by leaps and bounds. In 1890-91 it was, roughly speaking, 5½ crores, and in 1912-13 it has gone up to nearly 12½ crores. We all know how poor this country is, and with what difficulty the labourer and the poor classes are able to earn a single meal a day, and yet the contribution to the excise revenue from drinks and drugs is increasing in volume day by day. If, in the interests of China our

Government could afford to forego an enormous amount of revenue from opium, are we not entitled to expect the same Government to forego proportionately a fairly less amount in the moral and material interests of the people committed to its charge? At the present moment absinthe has been forbidden in France and vodka in Russia. I need not recall Lord Kitchener's admonition to the soldiers on this subject soon after the commencement of the war. In France, where the champions of alcohol have a great following in the Chamber of Deputies from time immemorial, even there the *privilege de Bouilleurs de cru* has disappeared. It is high time therefore, I submit, that the Government of India should take some decided steps in the true interests of the people of this country. In this connection, I would ask the Government to consider the desirability of adopting some of the following means in checking these evils.

" In the first place the licensing function should be transferred from the Revenue authorities, the number of licences should be restricted, the maximum quantity to be sold in a day should be fixed, regulations with regard to the opening and closing of drug shops should be made more strict, the sale of alcohol and drugs to women and minors should be absolutely prohibited, and lastly, the principle of local option should be given largely to the people.

" Preferential treatment in matter of gun licences.

" My Lord, there is another matter to which, with Your Excellency's permission, I should just like to make a passing reference. It is the preferential treatment in the matter of gun licences and other arms and ammunition, extended to people other than the members of the British race, in this country. With the exception of the smallest minority, the majority of the people of India are loyal to the core. If anything has brought this out in bold relief, it has been this war which we all so deplore, though looked at from other points of view in some ways has been a blessing in disguise. The war has welded together as it were the different heterogeneous parts into a homogeneous whole in loyalty and devotion to the mother country. Almost the whole of India of to-day is throbbing with an impulse to serve His Majesty with a devotion broad-based and deep-rooted in loyalty to the Throne. Such being the case it is but natural, particularly to these Indians, who are passionately attached with an intelligent loyalty to the British Throne and the Empire, to feel some sort of resentment when they find that the homeless Armenian, the wandering Jew, the South African, the German or the Greek and such other people receive preferential treatment here in India. Having regard to the unfortunate circumstances which are still present to tarnish the fair fame of Hind, I am certainly of opinion that the Arms Act must yet remain and must be administered with care. But if an Indian of the description I have referred to is obliged to take out a gun licence and renew it every year, why should other people be exempted from the same operation? In the case of an Englishman, if he is true to his race, his instinct will always keep him loyal and therefore when an exception is made in his case, there can be no feeling of resentment. But no such reason exists for making an exception in the case of others, although there are many amongst my English friends who are themselves of opinion that in the interest of British fairness and British justice it is preferable to make the Arms Act applicable alike to all. But that is not my point. What I would respectfully urge is that in the near future when our minds are more at ease and when under Providence victory crowns our arms and our enemies are crushed Government would be pleased to consider the question of so revising the Arms Act that there may be no cause for grievance on the part of loyal Indians who may be also qualified on account of their social or professional rank or position.

" Inquiry into the rise of price of rice.

" One word more and I have done. We were all gratified the other day when the Government saw their way to accept in an amended form the reso-

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lution which my friend the Hon'ble Pandit Madan Mohan Malaviya moved with regard to the prohibition of all export of wheat from India or the taking of such other steps as may seem advisable to Government to bring down the price of wheat. In the course of that debate I also mentioned that there was a scope for inquiry in the same direction with regard to rice, having regard to the fact of the high price at which rice is selling in the major portion of Bengal, particularly in the north and east. I do not wish to repeat all the arguments which I set forth on that day, but as I did not perhaps make my meaning clear, I wish only to say that what I urged was not to prohibit entirely the export of rice but to leave it to Government to take such steps as Government may think fit to bring down the price of rice, as rice is equally the staple food of millions of my countrymen in my part of the country and as the rise in its price, owing to the peculiar exigencies of the times, is causing the greatest hardship. I would respectfully urge upon Government to make an inquiry with a view to ascertain what step, if any, be it in the shape of increased facility for the importation of rice into Bengal from other provinces or otherwise, may be needed to keep down its price, and I hope Government will be able to see their way to take this matter into their consideration.

"I have to refer on this occasion also, to my friend on the right and to say that in this matter he too, with a degree of kindness which I did not venture to expect, saw his way to give me his support.

"My Lord, I desire to associate myself with my friends from the United Provinces in all that they said with regard to the unhappy and unwise rejection of the proposal for an executive Council for that province.

"In conclusion, I desire to endorse every word that fell this morning from my friend, the Hon'ble Sir Gangadhar Chitnavis, with regard to Your Excellency. In a word, I may say Your Excellency has succeeded in winning the love, esteem and regard, both of Mussalmans and Hindus."

The Hon'ble Mr. Setalvad:—"My Lord, I have now been ^{the budget} accustomed for many years in the Bombay Legislative Council on ^{Congratulating} the budget discussion to find member after member getting up and ^{the} congratulating the Finance Member on his skill, his acumen, his sympathy and every ^{the} virtue under the sun which they discover in him. Coming here I find the same thing in this Council; and I suppose I am expected to join in the chorus. But let me assure the Hon'ble Finance Minister that I do so on this occasion in no conventional manner. The task the Finance Member had to perform on this occasion was really a very difficult one and, as my Hon'ble friend, Mr. Surendranath Banerjee has told us, everybody in the country expected that the new budget would bring in fresh taxation. We were all very agreeably surprised with the budget that was introduced when we found that the Finance Minister was able to make his proposals for the expenditure of the year without any fresh taxation at all, and I do hope that circumstances will not so supervene as to force him to have additional taxation in the future.

"Coming to the heads of the budget, particularly referring to that of education in which I take special interest, the budget shows that in spite of the stress and strain of the present circumstances, the budget estimate for 1915-16 exceeds the revised estimate of 1914-15 by 15 lakhs. But the report which the Hon'ble Mr. Sharp supplied us with yesterday is on the whole sad reading. We find there that although the total number of children attending schools in this country has advanced by 737,426 during the period from March 1912 to March 1914, still the percentage of those at school upon those of school-going age is only 19·6, the average for the whole country; and the situation is still more unsatisfactory when you come to examine the figures with regard to the boys and girls. With regard to the boys the percentage is 32·8 per cent; with regard to the girls the percentage as shown in the report is only 5·9. Considering the real value and necessity of education, I do hope and trust that means will be found, if not in this year, in subsequent years, to promote very largely primary

education specially and also to push on the interests of all other education. The same report shows, Your Excellency, that although the Government of India were in a position to make available to the Local Governments large amounts to spend on education, as much as 300 lakhs represent the unspent balances. I am quite cognisant that the report makes it clear that this figure does not really represent the actual unspent balance. But the report says that in any event such unspent balance would be at least 100 lakhs. This is certainly very disappointing, and the reason given is that the Local Governments have not been ready with the machinery to utilise the funds placed at their disposal and to give effect to the extension of education that was contemplated; and I find from the report that Bengal and Bombay have been the greatest defaulters in this respect. I do hope therefore that the Imperial Government will in future ask the Local Governments to quicken their pace as regards education, and also to lay down beforehand ready schemes for utilising the funds that may from time to time be placed at their disposal. In Bombay, for instance, on one occasion the Government had chalked out a scheme for three years for opening new primary schools and utilising grants that may be made available for the purpose. Unfortunately that practice was since abandoned and the result has been in Bombay that though funds were made available the Government were not ready with the machinery to give effect to the proposed extensions. I hope this would be impressed upon the Local Governments in future and that they will always be ready with the necessary scheme and machinery for the purpose of utilising the funds that may be placed at their disposal.

“ I want, Your Excellency, to associate myself completely with what has fallen from my Hon'ble friend Pandit Bishan Narayan Dar with regard to the attitude of the Indians during the present crisis. They have combined and they have made up their minds to render whole-hearted support to the British Government and to show to the world how loyal and united India is in support of the Empire, and the result is that prophets of evil have been falsified and our enemies have been completely disillusioned; and further the bravery, not only the bravery but the initiative, skill and resource shown by the Indian troops on the field must have been a source of great gratification not only to Indians but to Europeans connected with this country. Your Excellency, as my Hon'ble friend Pandit Bishan Narayan Dar said, all Indians have agreed that the voice of controversy shall be hushed while this war is pending and that nothing shall be done while the war lasts to embarrass Government in any manner or to do anything that might have even the remotest semblance of making terms for their loyalty or for exacting terms for their loyalty; nothing of that sort, all Indians are agreed, shall be done while the war lasts. I may however say that the loyalty of all Indians, particularly of educated Indians, is what has been rightly termed in certain quarters a reasoned loyalty. They are loyal, they have been loyal, and they will continue to be always loyal, because they are fully convinced that it is only under the British Government and under the fostering influence of British administration that they can ever hope to attain in fullness of time that self-government within the British Empire which they look forward to and are entitled to look forward to. Therefore, Your Excellency, if Indians expect that on the termination of the war, which they hope will soon be brought to a successful issue, a definite step forward would be taken in that direction, they are legitimately entitled to expect and hope so; and, as I have said, they expect that to be done, not as any price of that loyalty, not as a reward for their loyalty, but as a thing that justice requires to be done, that is ripe to be done and the time for which is opportune from their point of view. Taking this view, I join again in the observations that fell from my Hon'ble friend Pandit Bishan Narayan Dar and also the Hon'ble Raja of Mahmudabad with regard to the unfortunate step that has been taken by the House of Lords with regard to the Executive Council for the United Provinces. Pained as one is at the action of the House of Lords, one is still more pained at the attitude taken by retired pro-consuls from this country, specially the remarks of Lord MacDonnell, who is reported to have said that Indians have got all that they should be given for

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the present and for a long time to come. I do hope and trust that that does not represent the real responsible opinion of those who are at present responsible for the administration of this country. In that firm belief, Indians do not despair that when the war has terminated, a definite step forward will be taken in the right direction.

“ And so long as England is able to produce and send out to this country statesmen of the calibre and sympathies of a Ripon, a Minto and a Hardinge, there need be no reason for despair in the matter. Here, Your Excellency, I may be permitted to join my humble voice in expressing the hope that has been expressed by many members before me, that it may be possible for this country to have Your Excellency for a renewed period and certainly till the expiration of the war.”

The Hon'ble Mr. Rayaningar :—“ My Lord, the Financial Statement has relieved us from great anxiety. The whole country expected there would be some sort of fresh taxation for additional revenue to fill the void created by the war. It is a great relief to us that no scheme of taxation is in hand, and that the resources of Government, supplemented by the proposed loans, are quite sufficient to carry us through the next financial year too, without a serious check to our normal progress. It is true we cannot provide as liberally for the various progressive departments of Civil administration as we would, but there is no set-back to our development. This is a great point in favour of the present budget, and it is fully appreciated by the people. The Hon'ble Sir William Meyer deserves our best thanks for the admirable manner in which he has managed the finances of Government in these critical times.

“ My Lord, cognisant as we are of the extreme difficulty of the situation, we cannot reasonably make any suggestions for additional expenditure next year, however desirable on its own merits such expenditure may be. But it is as well that we should press upon the attention of Government our wants now, so that the Hon'ble Finance Minister may provide for the most urgent among them when happily the finances improve. It is with this idea that I submit for the favourable consideration of Government that the Land Improvements Loans Act, under which loans are granted to agriculturists, should be amended, with a view to widening its scope and the range of the objects for which money may be advanced, and to reduce the rate of interest chargeable for such loans. My friend, the Hon'ble Raja Kushalpal Singh, pointed out to this Council only the other day how the Madras Government strained the law to make advances for the support of rural industries. As a matter of fact, it appears to have been felt by some of the Provincial Governments that the law should be more elastic. It is somewhat curious that provision should have been made for advances for the support of agriculture, but not for the subsidiary industries without which a reasonable degree of agricultural progress cannot be counted on. India is the only country in the civilised world where subsidiary industries do not receive as much attention as they should, and this accounts for the prostration of many a good industry. For instance, sugarcane cultivation is not so profitable in India, whereas it is one of the most paying concerns in other countries, and for the best of reasons. It is not only the quality of the cane grown here which is at fault; it is not even the method of cultivation and the crude process of extraction which make the industry unremunerative. These do, of course, contribute to the net result; but the main reason why the margin of profit is so narrow in the whole sugar industry is that valuable material which could be easily turned into useful commodities is allowed to be wasted. In some of the competing countries the *bagasse*, molasses and the scum are each one of them turned to good account. The scum is converted into one of the most valuable fertilisers; molasses in combination with bran, chaff, etc., serves as an excellent food for cattle, and in combination with chopped *bagasse*, cocoanut, etc., becomes fit for human consumption. Molassuit is one of the growing industries in the West. Distillation of alcohol

is another important industry. And yet all these subsidiary industries are scarcely known in India, and no wonder the principal industry is not paying. The same remark applies to many of the agricultural industries. Thanks to Your Excellency's Government, when a few days back I asked Government if they would consider the desirability of granting agricultural loans for industries subsidiary to agriculture, the answer was in the affirmative. I submit that by an amendment of the Loans Act it should be made possible for the Provincial Governments to introduce these subsidiary industries into promising areas by advances from the State funds. If the object of the Act be to support and improve agriculture, the range of its operation must be expanded, so as to cover the subsidiary industries. Such an expansion would involve increased expenditure, but in the interests of the country it has to be incurred. And I would also suggest that the rate of interest should be 5 per cent instead of 6½ per cent. The object of Government cannot be to make a profit out of the business, and the debt being secured, the necessity for an extra rate to cover the possible loss of the principal in some cases disappears. The general rate of interest in the country has gone down appreciably during the last few years. Even if the sanctioned rate under the Act was found necessary at the time it was fixed, the same reasons do not exist now. The rate, therefore, should be revised. The concession will be greatly appreciated by the whole rural population, and can be made at a small cost to Government.

“My Lord, I beg to refer to another urgent need of the agricultural population. Government has made provision for collegiate instruction in agriculture, but so far it has admittedly not effected any material improvement in the situation. In my humble opinion, the utility of collegiate education could be vastly increased by initiating a system of primary and secondary education in agriculture alone. Agricultural schools are everywhere wanted, and they cannot be established too soon. And in these schools instruction in the technique of the industry must of necessity be imparted through the medium of the vernacular. In the progressive countries of the West there are special schools for the different industries, and the staff renders a substantial service to the community. The sugar schools of Germany and Louisiana have done a good deal for the improvement of the sugar industry of these countries. It is time therefore Government should prepare a scheme of elementary and secondary agricultural education, even if the initial outlay be somewhat large. India is essentially an agricultural country, and money should be spent liberally for the improvement of its principal industry.

“My Lord, the Hon'ble Sir William Meyer made a pronouncement in Council last year relating to waterways in Bengal. I beg to submit that the question of the improvement of waterways is an Imperial, and not a Provincial, one. They are equally important in every part of the country. It is of great importance to the agriculturists that facilities for the cheap transport of agricultural produce should be provided, and waterways have certain undoubted advantages over railways in this respect. They likewise serve the very useful purpose of irrigation canals. It would therefore be well to have a scheme of waterways for the whole of India, and when it is ready, it can be carried out gradually in the same way as our irrigation works. I believe the waterways will in the majority of cases be found productive. Speaking of the irrigation works I reiterate my prayer for safeguarding the interests of the Tanjore District against the proposed Kannambade project.

“My Lord, if these suggestions affect the finances of Government, I have got one submission to make with regard to railways, which has no bearing whatever upon them. The railways are at present directly to some extent under the control of the Government of India, and the Provincial Governments have no power to deal with even the most trivial matters connected with their management or improvement. This arrangement is at times very inconvenient. A good deal of correspondence and time may be saved if the Provincial Governments have powers delegated to them to deal with railway matters of local importance without reference to the Government of India. If anything, such delegation of powers will result in some direct pecuniary saving.

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“ My Lord, I fully sympathise with my friends from the United Provinces in their disappointment at the rejection by the House of Lords of the proposal for the creation of a Legislative Council for their Provinces.

“ My Lord, I cannot conclude without drawing the attention of the Council to the serious position in the Punjab. When the Defence of India Bill was discussed on the 18th instant, I had not an exact idea of the gravity of the situation in that Province to which the Hon'ble Sir Reginald Craddock referred. Recently I had been to Jullundur, Amritsar and Lahore. I met several leading men of the province. They all feel the necessity of a legislative measure of this kind. Peaceful inhabitants, especially the Hindus, are subjected to acts of violence, and the outrageous offences against life and property have been committed in many cases by apparently respectable people. It is well that the new Act has been put into force in some parts of the Punjab. Had there been any delay in the matter, the consequences would have been very serious. I hope the measure, judiciously administered, will have the desired effect and bring to the oppressed the relief which they are so much in need of.

“ My Lord, I take this opportunity to express our sense of gratitude to Your Excellency for what Your Excellency, Christ-like in forbearance, have done to promote the interests of Indians in this critical time of the world's history, and I pray that God will prolong your Viceroyalty in this country.”

The Hon'ble Mr. Abbott :—“ My Lord, I rise to congratulate the Hon'ble the Finance Minister on the prosperous Budget he has presented to the Council and for the lucid and exhaustive exposition he has given.

“ At a time like this when the greatest war the world has ever known is devastating and ravaging three-quarters of the world it must be a source of deep gratitude and pride to you, My Lord, and to this Council, to know that we in India are living in comparative safety and prosperity, and that in our bounden duty and all pervading loyalty we have been in a position to give, and have given, both men and money, for King and Country.

“ Handsome as our offerings may have been, My Lord, they have not, I regret to say, been on the same princely footing and basis as that of our fellow Colonials. However, I am confident that the demand has only to be made and loyal India will rise as one man and offer to pay the expenses of our Expeditionary Forces in the same way as Canada and Australia are doing. I would go still further, My Lord, and I think I may safely assert that to meet this extra expenditure India would not cavil at a small rise in the salt and income taxes and also on import duties.

“ Regarding the embargo on the export of wheat, I hope that the cultivators of Bundelkhand will not be forgotten when ear-marking the profits. Bundelkhand has suffered from failure of crops, famine and drought on an average of every 3½ years for the past 45 years to my personal knowledge. Now, just as they are expecting a bumper crop with a golden harvest it looks as if they are to be disappointed.

“ I also, My Lord, beg to draw attention to the great cry for more irrigation in the United Provinces.

“ I beg to associate myself with the claim of the Hon'ble Mr. Das for an Indian Christian on Your Excellency's Council.

“ My Lord, it has become a time-honoured practice with non-official Members of this Council to take this annual opportunity of prefacing in general the needs and wants of the peoples and communities they have the honour to represent.

“ As such, and on behalf of the Anglo-Indian Domiciled Community, I beg, My Lord, to tender you and your Ministers our heartfelt and grateful thanks for all that has and is being done for the advancement and betterment of our community. In particular I beg to thank Sir Henry Burt for the oft repeated and timely occasions on which he has come to the help and assistance of the Railway man. Now that he is about to leave India their heartfelt

regrets go with him, together with their respectful congratulations on the great and elevated position he has been called to ;”

“ To the Hon’ble Mr. Maxwell, Director General of Posts and Telegraphs, whose reorganisation scheme has helped to give promotion from the subordinate to the superior amalgamated Services ;

To the Director General, Indian Medical Service, who has improved the status, pay and prospects of the Indian Subordinate Medical Department ;

“ To the Hon’ble Sir Harcourt Butler, whose generous educational grants, and grant-in-aid policy, has brought education within the reach of the most depressed classes ;

“ Last, but by no means least, to His Excellency the Commander-in-Chief in India, for opening the long barred gate of recruitment into the British Army to the descendants of European parentage.

“ My Lord, whilst expressing the deep sense of gratitude and appreciation of the Domiciled Anglo-Indian Community for all that has, and is being, done for them, I beg to remind Your Lordship in Council that there are several important and imperative disabilities that the community still labour under, principal among these being :—

“ *Railways.*—The continued annual importation of what is known as the ‘covenanted men’ and who are principally appointed as Foremen in Railway Shops, Locomotive Drivers, Permanent Way Staff and Auditors. Time was, My Lord, when these importations may have been a necessity, but those times have long gone by. We have in India to-day fully equipped and up-to-date workshops, equal to any in Europe or America. That our community have benefited by these and have advanced with the times there cannot be the shadow of a doubt ; but as proof positive I would assert that I have three personal friends on both State and Company owned lines, whose entire apprenticeship was spent in Railway Workshops in India and who rose to the highest rung of the ladder—Manager of Works. Similarly, with the Locomotive Driver. He is every whit as good and as capable as his “covenanted” confrere. This is no sinecure and can be proved from the fact that the Domiciled and Anglo-Indian Driver drove and piloted His Majesty three-quarters of the thousands of miles travelled by His Majesty during his last visit to India. You, too, Your Excellency, have had the same experience throughout your Viceroyalty.

“ With reference to Permanent Way Inspectors, our Engineering Colleges in India give ample scope for education and as vast an experience, as apprentices, can be gained on Indian railroads as at Home. In addition to this the Domiciled and Anglo-Indian has to his credit a thorough knowledge of the country, the language and the people and above all is acclimatised and physically fit to rough the climatic conditions of India.

“ The same remarks apply to the Audit Branch : our schools and colleges can furnish ample material with the necessary educational qualifications, and the training ground in India better fits and adapts them to conditions in India than the imported or covenanted man.

“ *Representation.*—My Lord, I take the liberty of again begging to remind you that the Domiciled Anglo-Indian Community still remain unrepresented in most of the Presidency and Provincial Councils of the Indian Empire. My Lord, all we ask is the extension of this great privilege to our community, the same as is given to our Indian friends of all castes and creeds.

“ *Administrative and Ministerial Appointments.*—My Lord, the rapid progress of higher education is daily fitting us more and more for a bigger percentage of these responsible and coveted appointments. India being our home, we naturally aspire and claim to be allowed a fair share of the bulwarks of this vast Empire.

“ *Education.*—Grateful as we are for all that has been done in this direction, I would respectfully urge that the grant of a few more State scholarships for both girls and boys, tenable in England, would be a great boon to the community.

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“ Also greater facilities for admission and training in agricultural and technical schools and institutions.

“ My Lord, in conclusion, I beg to again thank you, your Ministers and the non-official Members of this Council for the attention, assistance, and courtesy I have invariably received at your and their hands.”

The Hon'ble Pandit Madan Mohan Malaviya :—“ My Lord, as I have listened to the debate which has taken place to-day, my thoughts have gone back again and again to one who adorned this Council for twelve years, and whose loss has been mourned in this country and beyond it, as the loss of no other Indian of modern times had been mourned before. My Lord, my faith in the future of my country makes me hope that in the generations that are passing through our schools and colleges many a young man will be found who will equal, and, I hope, even excel Mr. Gopal Krishna Gokhale in intellectual power and ability ; but, My Lord, none shall excel him in the pure loftiness of his patriotism, in selfless, ceaseless devotion to the country's cause, in the sincerity and depth of earnestness with which he desired the good of his countrymen and the unflagging zeal with which he laboured to promote it. My Lord, to Mr. Gokhale will ever belong the glory of having been the first Servant of India of the noble band of the Servants of India, which he himself organized, who, discarding all personal ambition, take the vow of poverty and self-sacrifice, and dedicate themselves heart and soul to the service of their motherland. My Lord, there is a movement afoot to create an All-India memorial to our departed friend and brother. I have no doubt everyone who respected or appreciated him will contribute towards the completion of that memorial, but I have one favour to ask of all who appreciated Mr. Gokhale, and that is that they should adopt a kindlier, a more sympathetic attitude towards questions in which he took a keen personal interest, towards causes which he pleaded from the depth of his heart, even if they cannot accept in their entirety the views which he expressed upon them.

“ And in that view, My Lord, I wish to mention two particular questions. One is the question of securing the benefit of that elementary education to the people of India which lies at the root of all economic progress ; and the other is the question of fairer recognition of the claims of Indians to a share in the administration of their country. My Lord, the Government of India have recently done much towards promoting primary education, but what has been done is as nothing compared to what remains to be done ; and I hope and trust that the impetus which Your Excellency's Government have given to the cause of primary education will grow, and that much larger funds and energy will be devoted to it until education shall become the possession of the general bulk of the people.

“ And, My Lord, so far as the question of a larger share for Indians in the administration of India is concerned, I hope that Mr. Gokhale's colleagues on the Royal Commission on the Public Services will, in deciding upon their final recommendations, bear in mind the views which he entertained and expressed, and see if they cannot give effect to them in whole or in part.

“ My Lord, the best of reasons make me put forward these suggestions, for there is nothing more calculated to promote friendly feeling between Indians and Englishmen than a generous concession on the part of the latter of the claims of the former to a fair share in the administration of this own country. My Lord, the recommendations of the Public Services Commission will be awaited with great interest and anxiety, and I hope they will be such as to give general satisfaction to Indians.

“ My Lord, the Budget before us is a War Budget, in the sense that it is affected by the War. Congratulations have rightly been offered to the Hon'ble the Finance Member for having avoided taxation. I have myself offered my congratulations on a previous occasion, and I do not wish to take up the

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time of the Council by repeating them. But there is one circumstance to which I wish to invite attention. It seems to be forgotten that the taxation which the people of India have been paying for the last many years has been very heavy, and that it is that heavy taxation which has produced the financial position which India occupies to-day. Some time ago Mr. Gokhale pointed out that the total additional revenue raised by fresh taxation in the space of twelve years—between 1886-87 and 1898-99—was no less than 12·30 crores a year. Only a small portion of that additional taxation has been remitted since 1903-04, while taxes were imposed in 1910-11 on silver, tobacco and certain other articles. It was thought at the time the last addition was made to the public burden that that was done to meet the deficit which had taken place in the previous year; but that was not so. Questioned on the subject in his evidence before the Royal Commission on Indian Currency, Sir James Meston made this quite clear. Said Sir James :—

‘It is quite arguable now, and I think it was quite arguable even then, that for immediate needs that taxation was probably unnecessary, and that we could have got over the crisis of 1908-09 by temporary borrowing. But there appeared at the same time on the horizon a consideration which is not probably before the public. That was the fact that the Government of India knew that very large claims were going to be made upon it under Lord Morley’s instructions for the development of a programme of social reform. We knew that a very big scheme of education was in the air and we had estimates prepared in the Secretariat, which have never been published, which indicated the enormous call upon us in the near future. It was the same with sanitation and medical improvement.’

“And he concluded by saying :—

‘We also stood by the taxes that had been imposed ostensibly for the troubles of 1908-09, and which are now necessary for the real needs of the country in the near future.’

“My Lord, while we offer our felicitations to the Hon’ble the Finance Member, we might also remember that it is the taxes which have been paid for the last three years and more that have enabled our friend to save us from fresh taxation.

“My Lord, this is not the time to discuss the Budget at any length but there are two or three things which strike me as worthy of the consideration of the Hon’ble Finance Member. The crisis through which we have been passing has shown the great weakness of the position of the Indian cultivator, and indeed of the mass of the Indian people. It has shown that while there is an abundance of food produced in the country, the bulk of the people are often able to purchase it at the price at which it is sold. My Lord, my friend Sir Fazulbhoj Currimbhoj pathetically described the distress of the people who are crying for bread, when they see enormous quantities of wheat being shipped to other countries before their eyes. My Lord, I venture to say that that state of things is the result of a wrong economic policy and an unsound system of taxation which has prevailed here for some time. The whole system of our revenue and taxation requires to be reconsidered. I submit that it is high time that our policy with regard to both the export and the import trade should be reconsidered, and the bases of taxation be readjusted. It is time we reconsidered whether it is not imperatively necessary to so regulate exports of food-stuffs by duties as to prevent the people from being deprived of the food which is grown in the country; in other words, to secure that they should be able to purchase food which is grown in the country at a price which they can pay for it. Unless exports of food-stuffs are so regulated, it must happen, My Lord, that when a poor agricultural country like India enters the world market, it must happen that people with larger incomes will, as they can afford to pay a higher price for food-stuffs which they import than the people of this country can afford to pay. This is the main cause of the great rise in the prices of wheat and other food-stuffs, which has inflicted indescribable hardships on the great bulk of the people. We are thankful to the Government that it has taken the export of wheat into its own hands, for the period of the war. But I hope the Hon’ble the Finance Member will consider whether the time has not come when a regular duty on food-stuffs which are exported, particularly on wheat,

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might be imposed, without any real injustice to the cultivator, and with real advantage to the people and the State. Then My Lord, it should also be considered whether the duty on imports might not well be increased. Some members have suggested, the Hon'ble Mr. Abbott among them, that that might well be done. We can make a large additional revenue by increasing the Customs duties. Manufactured articles are not such a great necessity for the people. They can afford to do less with them than with the food that feeds their bodies. The object of my suggestion is that food supplies should be made more easily available to the people, even though in the matter of imports they may have to pay a little higher price.

" My Lord, a great trouble at present is that the tax on land has been growing. The land is groaning under the burden which it has to bear. Year by year, even in this year of great scarcity, even in years of famine, the land revenue shows an increasing figure. My Lord, the cultivators are not able to get enough food to feed themselves and their families; yet the land revenue has been growing steadily year by year during the last 40 years. When, My Lord, will it cease to grow so far as the Government revenue is concerned? It is desirable that there should be more and more produce of food supplies; it is desirable that the cultivators' outturn should increase, but is it desirable that out of that increase, the Government should go on taking as much as it has been taking during the last decades? That is a matter to which I would invite the attention of the Hon'ble the Finance Member."

" My Lord, another question which has cropped up in the discussion is that of our contributions to the war. We have contributed, as one of the speakers has pointed out, roughly about 10 crores in supplying the Expeditionary Forces. Well, it is not mere gross silver that we have contributed, but we have contributed men, men trained and disciplined, devoted to win and die in the service of the King and the Country. And, my Lord, what we have done recently is a matter of satisfaction and a matter for congratulation to Your Excellency's Government, because, in addition to supplying such men as we could send, such men as are demanded of us, we have now helped, I hope, by the arrangement made about regulating the export of wheat, to supply food wherever it may be needed in the British Empire.

" My Lord, the question has arisen in connection with the war, and upon which remarks have been made by several members, namely, what is going to happen after the war? To me it seems it is premature to think of it. But, My Lord, certain events have happened which have pivotted the attention of the public on this question. The pronouncements made by Mr. Asquith, by Lord Kitchener and by Mr. Herbert Roberts, that India had entered into the Federation of the Empire, that the angle of vision for looking on Indian questions will change, and that India should entertain great hopes of great developments in future, have fostered a general and wide-spread hope that Indian questions will be considered from a liberal point of view. This feeling, My Lord, whatever the actual results in the remote future may be, this feeling is a great asset in the feeling of the country. The general body of the people hoped that these pronouncements were an earnest of the changes that were going to take place. But the action of the House of Lords, in rejecting the proposal for the Executive Council for the United Provinces, has, My Lord, undone to a great extent, if not entirely, these hopes that were entertained. I feel certain, My Lord, that your Lordship's recommendations will be given effect to. I do not feel any doubt in my mind that the English Parliament will see that the United Provinces do have the Executive Council which was promised to them so far back as 1835 by an Act of Parliament. I feel certain that the day is not distant when the Lieutenant-Governor will be relieved partly of the burdens which he has to bear alone. But, My Lord, the mischief which has been done by the action of Lord MacDonnell and Lord Curzon is far-reaching and will, I think, produce a bad effect.

" My Lord, Lord MacDonnell is reported to have said, in this connection, that no section of the population of the United Provinces except an infinitesimally small body favoured the proposals. My friends the Hon'ble the Raja of Mahmudabad and Pandit Bishan Narayan Dar have shown how little truth

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there is in that assertion of Lord MacDonnell. But, My Lord, I am sorry to say that that is of a piece with another assertion which Lord MacDonnell made when there was a debate going on in the House of Lords on the question of Indian reforms, when he said that there was not an Indian to be found in the whole country amounting to 300 millions who could be appointed as a member of the Executive Council of the Governor-General. My Lord, the distinction with which Sir S. P. Sinha held the office of the first Indian member of the Executive Council of the Governor General, the ability and distinction with which my friend the Hon'ble Sir Syed Ali Imam has held that office, has shown what little basis there was in the assertion of Lord MacDonnell. My Lord, the country knows, the country at any rate is convinced, that this reform, by which the Indians have been taken, so to say, into the confidence of the Government and into the innermost circle of the Government of India, is of real and far-reaching importance. There was no measure of reform among the many reforms introduced during the time of Lord Morley and Lord Minto which had a more far-reaching effect in that direction than the appointment of Indians on the Executive Council of the Governor General of India. But, My Lord, if Lord MacDonnell and Lord Curzon had had their way, this reform would not have taken place and the Indians would not have had the satisfaction of seeing a brother of their own occupying a seat in the highest Executive Council of the Empire, and Your Lordship's Government would not have had the advantage of the experience and ability of such a member.

“ My Lord, in sanctioning a particular proposal of reform like that of the Executive Council, what is really needed is a determination, a resolution on the part of all who are interested in England and India, to readjust our relations somewhat, and to begin to regard each other—I am speaking of those who do not take that view—as really equal fellow subjects of one common King and of one common Empire. My Lord, the basis of our brotherly relations, if I may be pardoned for saying so, is to be found in the great Proclamation of Her late Majesty Queen Victoria. It is strange how people sometimes give their adhesion to principles and how in practice they do not like to adhere to them, and even violate them. Lord Curzon, speaking of that Proclamation, said that the famous Proclamation of 1858, the Magna Charta of India, was the ultimate goal of our demands and aspirations. And yet we find Lord Curzon getting up in the House of Lords and opposing the appointment of an Indian member to the Executive Council of the Viceroy and opposing the constitution of an Executive Council for the United Provinces, when he knows that the entire wisdom of the Government of India, for a hundred years and more, pronounced in favour of a system of Council Government for every Presidency prepared for it, when he knows that Madras and Bombay have flourished for a hundred years and more under a system of Council Government, and when he knows that, with the experience derived of the present circumstances of India, Your Excellency's Government recommended a Council Government for Bengal and also for Bihar and Orissa. My Lord, there is a rule that persons who have not lived within ten years in India ought not to be appointed members of the India Office. It seems to me, My Lord, there is much reason in the rule that gentlemen who have been out of India for more than ten years, and who have not kept in touch with the people of India by correspondence or by visits, had better refrain from making pronouncements on the needs of India of to-day. Your Excellency, who is in this country, who has fostered reform movements in different provinces of the country, and who is in touch with the people and with the Lieutenant-Governor of the United Provinces, who is the man working on the spot, feeling the apparent wisdom of his advice, made a recommendation that Council Government should be instituted in the United Provinces. Lord MacDonnell who has been out of India for about fourteen years and Lord Curzon who has not been in touch with India for nearly ten years, take it upon themselves to say that India does not need such a reform. I only refer to this because Lord MacDonnell went on to make an assertion which is calculated to create, and which I fear from the remarks which have appeared in the papers, has already created, a very bad impression. I have referred to the

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pronouncements of Mr. Asquith, of Lord Kitchener, and of Mr. Herbert Roberts. As if to counteract, as if to put forward something against, those statements, Lord MacDonnell is reported to have said that all reasonable demands of educated Indians have been adequately provided for the present and for a long time, and when the time came for a change, it would be better to proceed by dividing the provinces and thus relieving over-burdened Lieutenant-Governors than to give them Councils. Lord Curzon endorsed that view by saying that it would be better to convert Lieutenant-Governorships into Chief Commissionerships. He might have gone a step further and advocated converting them into Commissionerships, because, My Lord, Commissioners' divisions are large enough to occupy the attention of one man. I regret to say that Lord MacDonnell and Lord Curzon do not realize what disservice they have done to the cause of progress and reform, and to the cause of the contentment of the people in this country, by making such assertions at a time when the newspapers have been full of discussions as to the possibility of reform movements in the future. As I have said over and over again, My Lord, I do not wish to talk of the reforms that will come. I have faith enough to believe that they will come in their proper time. When the Proclamation of Her late Majesty Queen Victoria was published, Lord Canning was at the helm of affairs in this country, and, My Lord, there is one passage that he published in a Proclamation of his own to which I wish to invite the attention both of the people of my country and of all the officers who serve the Government. In that Proclamation Lord Canning called upon the servants of the Queen, one and all, each in his degree and according to his opportunity, to act with his whole heart and strength in fulfilling the gracious will of their Queen as set forth in the Royal Proclamation, and at the same time, My Lord, he rightly called upon all Her Majesty's Indian subjects to yield loyal obedience to the Queen. My Lord, the words of Lord Canning are the golden key of our conduct.

"My Lord, there is one other matter to which I should like, with Your Excellency's permission, to refer before I finish. I should have personally avoided, My Lord, a reference in to-day's debate to Your Excellency's impending retirement. But as a reference has been made to it by more than one speaker, I hope Your Excellency will pardon me for saying a few words about it. My Lord, I venture to think that of all the British statesmen who have made themselves illustrious as Viceroys and Governors General of India, there is none, in my opinion, who has touched a truer chord of sympathy, none who has enjoyed the esteem and affection of the people of India in a higher degree than Your Excellency. Your Excellency's generous sympathy with the people of India, your love of justice, the trust that you have reposed in them, your earnest desire and endeavour to promote their well-being, their happiness and contentment, and last, though not least, My Lord, the sufferings that Your Excellency has undergone in the service of this country, have endeared Your Excellency to the people of India; and though it would seem to be almost cruel to desire that the period of Your Excellency's office—a period of heavy responsibility which rests upon you as the Head of this extensive Empire at a time of great stress—should be prolonged, yet, My Lord, the faith that the people have learnt rightly to repose in Your Excellency is a factor of inestimable value to the Empire and, therefore, both for the good of India and of England, the prayer which has been addressed to His Majesty the King-Emperor by the Indian National Congress, speaking on behalf of the people of India, will, I hope, coincide with the sense of His Majesty's Ministers of what is demanded by the situation in India and commend itself to His Majesty. And, My Lord, I have hope that, with the lofty sense of duty which Your Excellency has shown in your high position, Your Excellency will be pleased to agree to stay another year or two with a people who hold you in grateful affection, and love and trust you as they have seldom loved and trusted any of your predecessors."

The Hon'ble Rai Bahadur Sita Nath Ray:—"My Lord, the singular ability which the Hon'ble Finance Minister has displayed in tackling

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a peculiar and grave situation and the skilful manner in which he has been able to meet the deficit, without adding, however slightly, to the burden of our taxation, are sure to call forth the unstinted admiration from all alike, and for all this, I beg to offer him my sincere congratulations. In this year of extraordinary stress and emergency, in this year of dislocated trade and finance when a vague but unwarranted sense of insecurity was prevailing in the country and when apprehensions of something grave and unforeseen happening were agitating the public mind, it is well that the Hon'ble Finance Member should have abstained from having recourse to any extraordinary expedient, temporary or otherwise, from meeting the situation and thereby relieved the public mind of a heavy load of anxiety and at the same time, I must confess, that the several bold steps which the Hon'ble Finance Member has taken in this connection have eased the situation and have had the desired effect in reassuring the public mind and restoring public confidence.

“ My Lord, I cannot, in passing, abstain altogether from alluding to the very acute situation which arose in Bengal at the outbreak of war when the shock of it was most severely felt, for it was then just the beginning of the jute season and the war nearly paralysed that industry in all its branches bringing suffering to large classes of people in Bengal. The result was that there was a rush of depositors for withdrawal of their moneys from savings banks, and though the efforts of the authorities combined with individual efforts succeeded in partially allaying the public anxiety, the rush continued for some time ; and in that state of public feeling, I must say, the Government acted very wisely in allowing every facility to the depositors for withdrawal of their moneys from the savings banks, and it was indeed a very wise, bold, and statesmanlike step to provide facilities, even in district treasuries, for encashment of currency notes, which the Government was not bound to do. However, the indulgence shown and the extreme latitude given had their own rewards, and what was the result ? The result was returning full confidence in the stability and permanence of the British Government, and what does the present position of the Government securities and other stocks, such as Municipal and Port Trust debentures, indicate ? If it indicates anything, it indicates the growing conviction of the people in the ultimate success of the invincible arms of the Allies over German militarism and barbarism and the triumph of righteousness over unrighteousness. It further indicates returning prosperity and revival of trade and commerce so unduly disturbed in the beginning of the war.

“ In this connection I may further mention that the Government of India acted very wisely in prohibiting the issue of gold to the public as it would have given rise to a panic and every one would have scrambled for gold for holding, hoarding, or burying it underground, and the result would have been wide-spread alarm, for Government would have ultimately been obliged to withdraw the concession. How serious and acute the situation was can be realized from the following quotation from the Hon'ble Finance Member's speech :—

‘ The price of raw jute necessarily showed a great drop from the record figure (₹90 per bale of raw jute) obtained in the preceding year, falling as low at one time as ₹31 a bale. But the initial paralysis of the internal trade is clearly indicated by the fact that whereas between August and October 1913, the issue of rupees from the Calcutta Currency Office in connection with the financing of the jute crop amounted to some thirteen crores of rupees, the issue in the corresponding period of 1914 was about fifty-six lakhs only. And this at a time when the crop was a record one. This state of things brought hardships to all engaged in that trade, but specially to the poor ryots. The position has since then generally improved, but not to the extent as anticipated as the winter rice crop has not been up to the average mark ’

“ In this connection I cannot refrain from mentioning the several wise precautionary measures that were taken from time to time in Bengal and specially in Calcutta by our popular and much respected Governor and his Government in allaying public anxieties and in ensuring public safety.

“ My Lord, as regards the main features of the Budget, I wish to make a few remarks only. There is a deficit in the current year as shown in the

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revised estimate instead of a surplus on the Imperial side, and Imperial and Provincial figures taken together show a somewhat larger deficit in the revised estimate than what was anticipated in the Budget estimate. In the forecast of the coming year there is also to be a deficit. 'All this,' to quote the Hon'ble Finance Member's words, 'is, speaking generally, entirely attributable to the war, and more especially to the decrease in the two large sources of revenue which have been so severely affected by the consequent dislocation and depression of trade.' Not only on Railways and Customs but on almost all the earning departments of the Imperial and Provincial Governments the war has left its marks. The Budget for 1915-16 has been forecasted in consideration of the same conditions prevailing in the next year. We have not only to meet the deficit but there is also the other important head of capital outlay which has also to be met. The Hon'ble Finance Member has shown us how he has met these demands in the present year and how he intends to meet all the demand upon his purse in the forthcoming year. I should like to say a few words on the general line of policy which the Hon'ble Member has adopted in his Budget statement to meet his demands in the next year. There is, I see, a considerable curtailment of expenditure in some of the heads. The effects of this policy of retrenchment are largely visible in the following heads: expenditure for special grants, education, medical, etc., railway expenditure and Delhi expenditure. As regards the former the Hon'ble Finance Member says: 'The large balance still in hand is in considerable measure due to the fact that we have found it necessary in existing circumstances to debar local Governments from drawing on their balances with us during the coming year beyond an aggregate amount of about one million.' There has been also considerable curtailment of railway expenditure and Delhi expenditure.

"My Lord, while on this railway head, I am glad to mention here that the Sara Bridge, now associated with Your Excellency's name, is an accomplished fact, which will go further to promote the development of the great jute and tea industries of North and East Bengal and of Assam. This subject of railway communication naturally reminds me of another subject which is closely allied to it, and is so regarded by the Governments of all other civilised countries. But the subject has never been treated in that light by our own Government. The splendid natural waterways of this country, especially of Bengal, to which I alluded in my last budget speech, are a valuable asset. I again invite the attention of the Government to look upon these splendid natural waterways as necessary adjuncts to railways. Not only trade and commerce but sanitation would also derive considerable advantages from their improvement. The improvement of the numerous waterways which intersect the country is beyond the scope and resources of the local Governments, and so I earnestly entreat Your Excellency's Government to take up this subject as a matter of Imperial policy and concern. In this connection I cannot refrain altogether from prominently drawing the attention of Your Excellency's Government to the very useful project generally known as the Grand Trunk Canal Scheme in Bengal formulated by Mr. Lees. I believe the scheme has been referred to the Imperial Government for sanction, and I hope that the carrying out of this well thought out scheme, while improving the waterways and thereby facilitating the development of the internal trade of Bengal, will be associated with Your Excellency's name by giving early sanction to its execution.

"My Lord, now coming again to the policy of retrenchment which I have stated already, I may say that there is a limit to this policy. We have come to a stage when this policy cannot be pushed much further, as I see that every day there is an increasing interest and demand for further development and progress and consequently further expenditure for material and social improvement. The question then comes to this, how we are to increase our income to meet our ever-growing demands? The answer is that we must have recourse to either borrowing or taxation. The Hon'ble Finance Member has taken the former course, and gives his reasons in the following words: 'We do not propose on this occasion to raise any money by increased taxation. We should not hesitate to do so to meet the deficiency in revenue which promised to be of a

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more or less abiding character. But the present circumstances are altogether peculiar. We know that ordinarily we can count upon surpluses. India, too, has a very small unproductive debt, and with trade conditions depressed and the present rise in food prices in a large part of the country, we have come to the conclusion that we ought not to add to existing taxation unless it is absolutely necessary. We hold that this necessity has not yet arisen.' My Lord, the circumstances are no doubt peculiar, and no one knows when normal conditions will return. Even if they arrive sooner, we cannot, in my humble opinion, rely on this loan policy nor can we count upon our ordinary surpluses, for they may not appear for some years to come. As the Hon'ble Finance Member says: 'We must also remember that when the war is ended some of its effects may endure for some time to come, and in particular we shall then have to face the question of dealing with the temporary debt which we are now accumulating.' Then again, there is an ominous warning in the words of the Hon'ble Finance Minister when he says: 'We have not proposed additional taxation to make good deficits which we hope will prove temporary only; but as I have already said we should not hesitate to do so if it appeared that our permanent revenue position was seriously threatened.' I also wish that our deficit may prove temporary only. But, My Lord, I have very grave doubts on this point, when I consider that our agricultural prosperity on which depends everything else, is susceptible to external influences in the extreme; that we cannot have any more windfalls from the opium revenue; that the effects of the war, as the Hon'ble Finance Member says, may endure for some time to come even after the cessation of it, which will greatly influence our financial position; that there is an ever increasing demand for social and material improvement. The whole course of events and the gist of the Hon'ble Finance Member's speech point to the direction from which we can expect help. The Hon'ble Finance Minister says that we should not hesitate to do so (to have recourse to taxation) if it appeared later that our present revenue position was seriously threatened. My Lord, no one knows when this critical situation will come. In these abnormal times and exceptional circumstances, it may come sooner, after all. We ought to be ready beforehand to meet this eventuality. Then, My Lord, I shall try to prove why this loan policy cannot, on its own merits, be a successful one in the present abnormal situation. I admit that 'the public debt of India represents productive outlay normally yielding a return far in excess of the interest which she has to pay on the amount borrowed; sufficient indeed to cover also the interest on the small margin of debt which can be described as unproductive and still to leave an ample margin.' I admit that 'we raised 5 crores in the current year and with great success' but that was before the war, when the circumstances were entirely different. The Hon'ble Finance Member also holds this view. We have to remember this peculiar situation in connection with the floatation of our loan in the forthcoming year in India. Then as regards our borrowing in England, the Hon'ble Finance Member said last year: 'An increase in rupee borrowing is justified not merely by the general conditions which prompt every country to keep as much of its public debt as possible in the hands of its own people but by the fact that of late it has become more economical to borrow in India than in London.' If such was the case in normal times, I do not understand what hope is there that our future loans would be successful and economical in the exceptional circumstances now prevailing in England and which are sure to continue for some time to come. In another place the Hon'ble Finance Member says: 'I recognise, too, that the circumstances prevalent in July, when we usually float our loans, may prove so unpropitious that we may find it desirable to have recourse to other methods for raising either a part or the whole of this amount.' In connection with the raising of this loan I beg to suggest that the time has come when it would be extremely desirable and politic in the interest of the people of this country that future loans should be raised at the rate of 4 per cent. I may give an instance of the bad effects which followed the policy which led Sir J. Westland to reduce the rate of interest from 4 to 3 per cent and the result was that the Government securities which are quoted at the rate of 3 per cent became an unsaleable commodity in the market, and it is now no longer a marketable commodity. I therefore quite agree with

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the Hon'ble Mr. Dadabhoy that future loans should be raised at 4 per cent, which will go to induce the people of this country not only largely to invest in Government securities, but at the same time go to inspire confidence.

"In conclusion, I beg to associate myself with the words which have fallen from the Hon'ble Sir Gangadhar and the Hon'ble Mr. Banerjee about the undoubted claims which Your Excellency has established upon the gratitude of my countrymen; for Your Excellency's kind and sympathetic administration, for Your Excellency's kind sympathies with the hopes and aspirations of the people entrusted to your charge, and for the various ways in which Your Excellency has tried to foster education, sanitation and, may I add, self-government; and, lastly, for the unflinching faith and confidence Your Excellency has under all circumstances shown in the loyalty and good sense of India, and the way in which they have been utilised; and as such I must say that we sincerely share the regret which has been expressed on all sides at the approaching departure of Your Excellency, but we sincerely trust and pray that His Imperial Majesty will be graciously pleased to give due effect to the united prayer of a whole nation, by extending the term of your exalted office until such time at least as the War lasts."

The Hon'ble Raja Kushalpal Singh:—"My Lord, it is but the barest justice to the Hon'ble Sir William Meyer to mention that the Budget under discussion is an agreeable surprise to us. Within a short time after declaration of War between Britain and Germany, it became evident that we would have to face a heavy deficit both in the current and in the coming year, and that our finances would stand in urgent need of replenishment. In view of the exceptional conditions, the popular belief was that additional taxation, of a temporary nature at least, would be unavoidable; but through wise management, which does credit not only to his head but to his heart as well, the Hon'ble Sir William Meyer has spared the country a pecuniary sacrifice for which it was prepared. And yet the absolute needs of good government have not been overlooked. It is doubtless possible to suggest alterations in the budget allotments according to our views of the relative importance of the different heads of expenditure, but they would involve controversial questions of policy which cannot be profitably discussed now.

"On the whole, the Budget inspires confidence as much in the financial strength of Government as in the ability of the Hon'ble Finance Minister to carry us through these difficult times with the minimum of inconvenience to us.

"My Lord, the Hon'ble Finance Minister will not think I am wanting in my appreciation of the provision he has made even at this time of difficulty for the extension of irrigation, both productive and protective, in my province as also for minor works, if I press the claims of the United Provinces for further allotments. The local public are grateful to Government for the contribution for tank restoration work in Bundelkhand and for the allotment of one lakh of rupees for the improvement of the pilgrim route to Badrinath and Kedarnath. The only suggestion I have to make on these heads is that larger grants in the Budget of 1916-17 will be not only welcome but necessary. The tanks in Bundelkhand are very useful, and their complete restoration will be a work of lasting benefit to the whole province. The sooner, again, the pilgrim route to Badrinath and Kedarnath is put in good order the better it is for all Hindus. The volume of pilgrim traffic in these parts is increasing. The estimated cost of the road is six lakhs, out of which one lakh is provided in the present Budget. A larger grant in the following Budget will expedite the work, and expedition in a matter of this kind is desirable.

"But these are minor matters. The great need of the province is liberal Imperial grants for education. The Hon'ble Finance Minister, in justification of the reduced programme of expenditure for Education, has referred among other things to the inability of the provinces to spend in full the non-recurring Imperial grants. But his conclusion must be based upon the experience of provinces other than the United Provinces. There so many schemes are ready that

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no difficulty can justly be apprehended on the score of the inability of the department to utilise a heavier allotment. The Director of Public Instruction, speaking in the Provincial Legislative Council on 14th March 1914, observed :—

‘It was stated in the Imperial Council last year that a sum of Rs. 55,000 out of the grants had not been spent..... I think this statement must have been based upon some incomplete account, for I found on looking into the account that the whole of the grant which we had received from the Government of India was either spent or had been allocated for expenditure. I am always asking for money, indeed in my position it will always be necessary for me to do so, for although large sums are placed at my disposal, they are never sufficiently large to meet all that I should like to do. The requirements of Education grow so rapidly, and the money which we get for them is all so urgently needed, that when I come to deal with the grants which come to me, I never find that I have anything like enough to spend upon the projects which are before me.’

“It is true that, on 6th April following, the Hon’ble Mr. de la Fosse somewhat modified this statement and observed that the whole money required could only be usefully spent in the course of a series of years; but the broad fact is there that the grants for Education have never outgrown the demand. The public have no idea of the total amount wanted; but this statement of the Director does not negative the suggestion that the annual Imperial allotment could be profitably increased by several lakhs, especially in view of the fact that the Provincial expenditure during the current year shows ‘a large excess of about 3 lakhs..... owing to larger payment of educational contributions to district boards.’ As it is, however, the total budgetted grant is by about three lakhs less than even the Revised Estimate, and by about eleven lakhs less than the Budget Estimate, of expenditure in 1914-15. The present exceptional circumstances prevent my making a grievance of this reduced allotment, but I submit that, with the restoration of normal conditions, the Hon’ble Finance Minister will kindly see his way to make up for the deficiencies of the two years under review by a proportionately heavier allotment to the province.

“My Lord, I claim another favour. Government must by this time be in possession of all the facts connected with the public complaint about the levy of heavy tolls upon pilgrims using the viaduct on the Bombay, Baroda and Central India Railway near Muttra. The bulk of the capital cost of this bridge has already been realised from these tolls, leaving only a small unrealised balance. Apart from the questionable principle of recovering from the general public by special tolls the whole cost of construction of a railway bridge which forms part of the permanent-way, it has to be considered that the Company is owner of the line only to the extent of one-fifth, four-fifths belonging to Government, and is entitled under the contract to only a small fractional share in the surplus profits. It has not, therefore, a large interest in the unrecovered balance of the capital outlay. The abolition of the tolls, recommended by the Pilgrim Committee appointed by the Government of India, can accordingly be sanctioned forthwith without any serious trouble over adjustments between the Company and Government. And this the people earnestly hope Government will do. The favour will be appreciated by the ever-increasing numbers of pilgrims to Brij from all parts of India. No toll is levied at any other railway bridge, in the United Provinces at least, and there is no reason why the one at Muttra should be an exception to the general rule. It has already caused a loss in the annual income of the District Board of Rs. 15,242, derived from the former pontoon bridge for passengers, and the railway company has not had to pay any compensation for that. It is too much that the cost of construction should also be charged to the public. It is time the tolls were abolished. The sum of Rs. 1,19,000 meant for the Executive Council may easily be utilised for effecting this much-needed abolition.

“My Lord, it is regrettable that the landed interests of the United Provinces were unrepresented at the recent Cotton Conference and the Wheat Conference, as they have been very seriously affected by the abnormal conditions now prevailing in both the cotton trade and the wheat trade. Taking cotton first, Government will be pleased to consider that the slump in the prices has caused serious loss both to the cultivator and the landlord in my province, the extent of which will appear from the fact that over 9,00,000 acres are under cotton, nearly 8½ lakhs of acres in the Agra Province and a little over a lakh

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acres in Oudh. The whole of this land, bating the small quantity lying in the permanently-settled area, was assessed heavily at the last assessment of land revenue and the rents were fixed at a high level, on account of the valuable nature of the crop grown on it. These rents the cultivators are unable to pay by selling cotton at present prices. The result has been that landlords have not been able to recover in the current year more than 60 per cent. of the rents, and in many cases have had to incur debts for the payment of revenue. Naturally, both they and the cultivators have suffered. The position has not improved yet, notwithstanding the banking facilities arranged for by Government and the official advice for the future restriction of cultivation. There is the further risk of the cotton deteriorating in value and quality unless properly ginned, baled and warehoused. The idleness of the ginning factories and presses too causes widespread distress among the large labouring population. Some more effective means of rehabilitation of the market should accordingly be devised by Government without loss of time, in consultation with the parties affected. And, with a view to relieve agricultural distress in the interim, the assessments should be temporarily revised on an easier scale. This is all the more necessary if other crops have to be grown on cotton lands.

“My Lord, wheat is even more important to my province than cotton. The area under wheat is more than 7½ million acres, a little over 5½ million acres in the Agra Province and a trifle less than 2 million acres in Oudh. The people of these parts have suffered greatly at last year's severe famine. Now, the Hon'ble Sir William Meyer has paid a tribute to the self-reliance shown by the people of the famine-stricken area. Their self-reliance should entitle them, I submit, to some consideration, if not to exceptionally indulgent treatment. But the action of Government in placing an embargo on exports of wheat has crippled further the resources of the United Provinces agriculturist. High prices mean to the bulk of the local people a net gain, as they live upon bajra and barley and not wheat. An artificial reduction in prices not only curtails the profits of the cultivators on which they counted, but makes the recovery of the suspended rent and revenue difficult. The Government promise to earmark the profits from the restricted exports for some special purpose will not bring the wheat growers the necessary relief. From a purely local point of view, any restriction of exports is injurious: but treating India as a whole, it is perhaps absolutely necessary. The principle too of embargo on exports I do not question. What in these circumstances I do submit is that the recovery of the suspended rent and revenue in the area visited by the famine should be postponed for sometime longer, and orders to that effect should be passed by this Government forthwith. April is the month for such recovery, and any concession made by Government, to be effective, should be made immediately.

“My Lord, one more observation on a subject of local interest. The adverse decision of the House of Lords as regards an Executive Council for the United Provinces has been received with keen disappointment by the local public. Nobody ever thought the subject was anyway controversial or that there was any doubt about the policy of Government. We have all along hoped, and our hopes have been encouraged and confirmed by the sympathetic pronouncements of Government, that the province would get the Council form of Government in a short time. We do not blame this Government for the result. Indeed, the Government of India have been so earnest about the reform that a sum of Rs 1,19,000 is allotted in the present Budget for an Executive Council for the United Provinces. But what we do complain is that the House of Lords should have intervened at the last moment to thwart an administrative reform to which the people justly attach great importance and about the utility and expediency of which this Government, with all the facts in its possession, is fully convinced. We sincerely trust the sound views of the Government of India will yet prevail, and this reform will be further pressed upon the Secretary of State as one which should be adopted at once in the interests of good government.

“My Lord, one matter of vital importance to the whole of India demands close scrutiny at the hands of Government. For the last few years the people have realised more and more the absolute necessity of a rapid extension of feeder railway lines, known as Light Railways, not only for the economic

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development of rural areas, but also for the safe and profitable investment of their savings. The encouragement so far given by Government to them has been productive of excellent results, and with the success of some of these lines the prospects of this class of private enterprise have brightened. The popularity of the railways is distinctly on the increase. But these factors appear to have excited the jealousy of the foreign companies working the trunk lines, and a movement seems to have been started by them for securing a monopoly of the feeder lines also. The most influential among them—the East Indian Railway Company and the Bengal Nagpur Railway Company—according to the latest information, are seriously contemplating forming auxiliary companies for the flotation of schemes of feeder lines to those two trunk systems. This is most unfortunate, and the people look up to Government for arrangements, reserving for them this class of investment and enterprise. When we are anxious to participate in railway enterprise, there is no reason why we should not have as of right at least one class of railways in which we may have scope for our activity. There is nothing in principle to justify the existing arrangement under which the fate of a scheme started by a private company in India should be dependent upon the good-will and sanction of a powerful competitor like the big companies managing the trunk lines. The subordination of our interests to those of foreign companies is neither economically nor politically sound. I submit, My Lord, an early and sympathetic decision by Government of this subject is needed to satisfy public expectations.

“My Lord, I beg to invite Your Excellency’s favourable attention to another point of general interest, namely, the employment of the junior members of noble and ancient families in the service of the country. It has more than once been observed by responsible authorities both here and in England that there is splendid material in abundance in the country for the recruitment of the superior ranks of the Indian Army which, for want of employment, is now running to seed. The War has revealed to the world many a good point in our character, and it is but legitimate to hope that the prejudice that now exists against us will disappear completely before it is over. It will be an offset against the temporary dislocation of business caused by the War if in the end it induces the Military authorities to throw open the commissioned ranks to Indians of good birth and character. The Political department should likewise be able to attract some of these aristocratic Indians to whom diplomatic service, from instinct, heredity and tradition, must be congenial. An Indian section of the Political Service will at once increase the popularity of the Administration, and prove helpful in times of stress and storm.

“My Lord, the appointment of our colleague Sardar Daljit Singh to the India Council must be agreeable to landholders as a class all over the country. It has also the merit of giving effect to the principle embodied in the Parliamentary Bill for the reconstitution of that Council. For the first time has an elected member of the Imperial Legislative Council been selected to serve on the highest Executive Council. Apart from the question of the personal merits of the nominee, the selection should on this ground alone be acceptable to the public.

“My Lord, one more submission, and I have done. Your Excellency has come to be trusted and loved by the people; we have firm faith in your untiring industry for our good; we are safe under your protection. Self-interest accordingly prompts us to hope that, even though an extension of service may be personally disagreeable and inconvenient to you, Your Excellency will not leave the country you have loved so well until the clouds of War have completely passed away. We have fervent hope that His Imperial Majesty will be graciously pleased to consult the wishes of his Indian subjects and to allow India the substantial benefit of Your Excellency’s sympathetic guidance till the War is over.”

The Hon’ble Sir William Meyer:—“My Lord, I said in my speech in introducing the Financial Statement that the Budget for the coming year was framed by us under circumstances of peculiar difficulty and uncertainty. It is, therefore, a matter of sincere gratification to me, both on behalf of Your Excellency’s Government and for myself in particular as Finance

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Member, to find that the way in which we met the difficulties that confronted us, the manner in which we faced the situation without recourse to drastic cutting down of expenditure on the one side or the imposition of taxation on the other, has met with general approval throughout the country and that this has been so eloquently and unanimously voiced by our non-official Colleagues in Council. I think, too, that I may claim the same meed of approval for the special action taken from time to time by the Finance Department from the beginning of the war crisis. I thank my Hon'ble non-official Colleagues who have spoken for the very kind way in which they have referred to me personally; and it adds to my gratitude that I have not much to say in the way of a reply to criticisms, for I do not propose to travel outside matters that are cognate to the budget. This, My Lord, is a sort of recognised oratorical saturnalia; every member speaks of the things that are near to his heart; but as the Finance Member is also under a time limit he cannot be expected to follow all these devious paths and must keep to what actually belongs to his budget.

“ Nor can I consider what the Hon'ble Mr. Banerjee and others have invited me to do; I cannot deal with what is going to happen when peace and plenty come back again—as I trust they will ere long—when that time comes we shall have to consider what we can do with, I hope, our abundant cash. In the meantime I am not going to be seduced by eloquence from Bengal or elsewhere into making any premature promises. I would only add a word of caution—that the end of the war is of course not necessarily the beginning of a new financial era; there will be a great deal of ground to make up and there will be also a good deal of temporary debt to defray.

“ I will, however, make one exception to the rule I have laid down for myself. The Hon'ble Mr. Das pleaded for a member in this Council to represent the Indian Christian community. Well, although the Hon'ble Member specifically represents another constituency, he also represents the interests of his co-religionists so well that I wondered why this request was made, but, after a little cogitation, I think I have got the right reason. I have noticed on several occasions that the rigour of the time rule has brought down the guillotine on the Hon'ble Member when he was in the full flow of his eloquence. It is probable that if he could get a Colleague after his own heart, a brother of his soul, who might sit by him, he would, when the guillotine descended, pass on his manuscript and notes, and so the speech could be delivered in an entire form!

“ The same Hon'ble Member complains of the want of special budget provision for the education of Indian Christians. Well, it is not usual to make special provision in budgets for education according to sects, but I must say I was a little surprised at this complaint of the neglect of his class, because I have always understood that the Indian Christian was exceedingly well-off for educational institutions, thanks to the activity of Missionary bodies for example, whose schools and colleges are largely subsidised by Government. And if my friend will look at actual results, he will find that the Indian Christians stand very high indeed in the educational scale.

“ The Hon'ble Sir Gangadhar Chitnavis, Mr. Dadabhoy, Mr. Marshall Reid and Sir Fazulbhoy Currimbhoy dwelt on what I have said in regard to the possibility of borrowing in India next year. Well, I can only repeat here what I said in my speech on the Financial Statement that we hope to get 3 million pounds in India some way or other. We recognise that the circumstances are peculiar, and we must reserve to ourselves the consideration of the particular way in which we shall endeavour to do this. It would be quite premature to consider that matter now. The circumstances of the market, the circumstances of the political world, may have entirely changed before the time at which we usually bring out our loans. But I can say one thing in regard to what these Hon'ble Members have said, that of course the Government, in making any arrangements for next year, will have in mind, as far as possible, the safeguarding of the interests of the people who are in possession of existing Government securities. It would be very bad business on our part to do anything wantonly to depreciate our own paper, and we shall therefore take that

fact fully into consideration. I shall also keep fully in touch with commercial opinion through the Controller of Currency, Mr. Howard; and I am myself going down to Bombay presently. I think it is quite likely, though I cannot pledge myself yet, that when the time is more advanced, if things still seem difficult and uncertain, I may follow the example that has been urged upon me, that of Mr. Lloyd George, and, with Your Excellency's permission, have an informal conference with some representatives of the banking and commercial community. As I say, however, I cannot make any definite statement on that point yet. But I do hope that, if we have such a conference, the Bombay representatives will show themselves a little more courageous than my friend Mr. Marshall Reid. Mr. Reid commenced his speech by saying that although he accepted an eight million railway programme in the special circumstances of next year, as soon as things got normal again he was going to press not for a 12, but for a 15, million pound programme. That means, of course, extra borrowing, and I thought that Mr. Reid would go on to say that Bombay would help to find the money. Not so; he says 'provide more money for railways by all means, but for heaven's sake do not ask us to lend it to you; get the coin from somebody else.' Well, to those who ask Government to raise more money for capital enterprise I say that there must be two sides to every bargain, and if they want the Government to move they must do something to meet the Government.

"The Hon'ble Mr. Dadabhoy made some very interesting remarks about Post Office deposits and said that we should increase our present rate of interest. Well, our present rate of interest is 3 per cent, which is more liberal than what the Home Government gives and I think it is quite liberal enough as compared with our present borrowing rate. As we borrow in the open market at 3½ per cent, Mr. Dadabhoy would like us to pay 3½ per cent for our Post Office deposits also. But obviously there is all the difference in the world between the interest you pay for a loan which you do not have to repay except when you want to, and the interest which you pay on money which you have to pay out on demand, and which, as the circumstances of this year have shown, you may suddenly have to pay out to a large and inconvenient extent.

"The same Hon'ble Member was eager for more statistical information as regards education and sanitation, and especially in regard to the expenditure of grants and so forth. Well, I endeavoured to give this in my last year's Budget speech as far as I could do so in a general way, and if my Hon'ble friend will refer to paragraphs 43 to 48 in my speech of last year he will find that I brought certain figures together. But when Mr. Dadabhoy asks for the same sort of information as is furnished by the Secretary's memorandum in respect of capital railway outlay, he must remember that in respect of capital railway outlay we are dealing with large projects of limited number which are entirely under our own control. Now as regards the outlay on education and sanitation, grants go from the Government of India to the Provinces, and the Provinces also make their own allotments from provincial funds. As these grants flow to the people through a vast variety of different channels, it would be quite impossible to have a statement showing expenditure on education and sanitation in the same way as expenditure on railways.

"The Hon'ble Mr. Malaviya made some interesting remarks on export duties and import duties and Mr. Ghuznavi professed an ardent desire to pay more income tax. Well, these suggestions may prove useful if the time ever comes when we have to increase taxation, but I need not discuss them at present as we have decided not to do this now.

"The Hon'ble Mr. Malaviya referred to the taxation that was imposed in 1910, and said that it was that taxation that enabled the present Government to meet the existing crisis without putting on fresh taxes, implying that that taxation was imposed before its time. Well, that question was thoroughly debated at the time, but it will interest the Council, perhaps, to learn that the proceeds of that extra taxation come to about £1 million, and if Hon'ble Members will refer later on to that portion of my last year's speech to which I referred just now and look at paragraph 46 about grants to local Governments,

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primarily for Education and Sanitation, they will find that besides large non-recurring grants we gave exactly a million pounds of permanent contributions to local Governments between 1911-12 and 1914-15 so that that may be taken against the extra taxation imposed in 1910. And of course there is another thing to be remembered on the other side, that we have lost about 3 million pounds recurring revenue under opium. So, although I should be the last person to belittle anything my predecessors have done—in fact, I think I tried to acknowledge their merits in the matter of finance very specially in my speech introducing the Financial Statement—still I do not think it can be fairly implied that we are entitled to no particular credit for not having imposed taxation this year because of the taxes imposed in 1910.

“The Hon’ble Pandit also referred to the land revenue and asked, why is the land revenue not coming down; and why is it going up? Well, that is a matter of course for my Hon’ble Colleague Sir Robert Carlyle rather than for myself, but I may say that land revenue naturally expands with the increase of cultivation. As regards the actual rates of land revenue, there was a very interesting enquiry, which the Hon’ble Pandit no doubt remembers, instituted by Lord Curzon about the year 1902, I think, and there are further discussions on the subject in the Chapter on Land Revenue in Volume IV of the Imperial Gazetteer.

“I think the Hon’ble Member will find there that, relatively, so far as the proportion which the Government takes, in comparison with the actual takings of the cultivator is concerned, the land revenue has not increased; it has decreased.

“The Hon’ble Raja Kushalpal Singh is very anxious about Feeder-line Companies. The Feeder-line Companies, I think, have shown their capacity to look after themselves. To my mind they are one of the most welcome features of the economic development of this country in recent years. You have got companies financed by indigenous capital opening out the country and earning a good rate of interest. And even during the present difficult circumstances, money is going on being subscribed. But the Hon’ble Member seemed to think that there was great rivalry between the feeder lines and the main lines. We had some correspondence with the Secretary of State on that subject not so many months ago, and the decision come to was that there was room for both. We came to the conclusion, and the Secretary of State entirely agreed, that there was room enough for various sorts of legitimate railway enterprise, and that the feeder companies were not suffering at all.

“The Hon’ble Mr. Surendra Nath Banerjee criticised the grant of time-scale allowances to Indian Civil Service and Police officers, and in so doing he also voiced an amount of criticism that I have seen in the press, for I can assure my Hon’ble friend that I do read the newspapers, including his own paper, the ‘Bengalee.’ I read his leading articles for political instruction; and I derive amusement from the letters of his London correspondent. I should like to explain more clearly what has happened in that matter. As Hon’ble Members will realise, there are two ways of paying the rank and file in any service, apart from the selection appointments at the top. You can have what is called a ‘time-scale,’ that is, a man gets so much on joining, and then his pay increases year by year—or it may perhaps be every two years or so; but it increases regularly by certain increments, provided, of course, he continues to do his work satisfactorily. As opposed to that, you may have what I may call a ‘promotion scale.’ Here there is no time-scale, but there are a certain number of grades and a certain number of posts in each grade. These carry specific rates of pay, and an officer’s attaining to a particular grade or class does not depend directly on the length of his service, but has a certain amount of luck about it. It depends on the extent to which his seniors retire, or die or take leave, for leave gives him temporary promotion. Originally most of our big services were dealt with in this way, but of late years we have in a number of cases found the time-scale a more convenient method of payment, that is to say, for the rank and file; and many of the great services, Public Works, Education, Forests and so on, have been put on to a time-scale.

On the other hand, the Indian Civil Service and the Police remain on what I have called the promotion-scale. Well then, what is the result in a time like this? It must be remembered that, even though you have a promotion-scale, you must have some sort of normal expectation of how things will go, not in any particular year, but throughout a period of say two or three years taken together. For instance in the Indian Civil Service, we carefully work out every year or so, with reference to recruitment, what the normal state of promotion ought to be. It has been recognised again that, an Indian civilian ought to be able to attain to what is called a superior appointment in a given period of time, and so on. When you have got an abnormal time; when promotion is unduly blocked; when, as the juniors would put it, people who ought to go, won't go; or, as the state would put it, deserving officers remain on instead of retiring and on the top of this, leave is restricted or stopped, you get an abnormal block in a promotion-service. On the other hand, it does not affect a time-service at all, except to the minor extent that the top places which have special rates of pay may be filled more slowly. But apart from that, you may recall every man on leave and the juniors would still get their old rate of pay. When you get a promotion-scale and things are materially disturbed, that is to say the state of promotion is much slower than the normal rate which has obtained in past experience and tradition, it is not merely the existing members of the Service who suffer, but, unless something is done to remedy it, recruitment suffers; the calibre of your service is diminished for the future. We have had cases of that sort in the Indian Civil Service from time to time. I remember when I first came out in the early eighties, there was a block in promotion in Madras, and also in the United Provinces, which had led to the application of a minimum time-scale there. (I shall explain directly what this minimum time-scale exactly is.) Well in 1913, just before I joined the Government of India, it had been decided that there was again such an abnormal block in promotion, owing to people not being obliging enough to retire or die according to actuarial calculations, and also, to a certain extent, to over-recruitment during a series of years, that the Civilians in the United Provinces, the Punjab and the Central Provinces were getting far lower salaries than they had a right to expect, having regard, to the normal conditions of promotion for many years past. The Government of India, therefore, with the consent of the Secretary of State, gave what is called a minimum time-scale; that is to say, they said that every man who had done a certain period of service should draw not less than a certain amount. But this minimum was not at all what the man would have drawn normally; it was materially less than his normal expectation; it was a certain *solatium* because it was thought unjust to the men themselves to undergo this sudden dislocation of their prospects without any palliative, and also, as I have said, because acute discontent in the service, which was thought to have some justice at the back of it, would re-act at home and prejudice future recruitment. Then, later on, the Government of Bombay asked for a similar application of the system to their Presidency and I would ask my Hon'ble friend to remember that the Government of Bombay contains as one of its members an Indian gentleman who had no previous connection with our Government services. Then came the circumstances of the present war, and it was thought desirable to recall officers from leave. They answered to the call most loyally, a great many of them, at very considerable personal loss. Many of them willingly surrendered leave they urgently required for the purposes of health and recuperation. The result of this was that all the normal expectations of acting promotion were disturbed, and after consideration, the Government of India, last autumn, thought it desirable that here again we should apply a minimum time-scale, which would be, as I say, a partial compensation, but would in no way be the equivalent of what the beneficiary would ordinarily be drawing in normal circumstances; and that was necessarily applied to the whole of India. Then, after we had got the consent of the Secretary of State to that action in regard to the Indian Civil Service, we got his consent to similar action in regard to the Police. Of course it is open to any Hon'ble Member who does not agree, to argue that we might have done it for less and so on. But I do want the Council

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to understand that our action was taken deliberately and with reference to what we thought the best interests of the country, having regard not merely to present members of the Services, but to the effect on future recruitment.

“ I was sorry to hear the Hon'ble Mr. Abbott say that he thought India had not done enough in connection with this war, and compare our action with that of the Dominions, somewhat to the discredit of India.

“ The contribution of India has not been limited to the amount of money we have given, substantial though that is compared to our resources, for I may bring to notice that without this contribution there would have been no deficit in 1914-15 and 1915-16 taken together. As my Hon'ble friend Pandit Madan Mohan Malaviya so aptly observed, we have contributed what is far more precious than silver and gold ; we have contributed men. As Your Excellency observed some time ago in this Council, India has placed at the service of the Home Government in various parts of the world some 200,000 men, trained soldiers, whereas the forces of the Dominions, splendid fellows as they are, were, at the beginning of the war, largely untrained. India has not only done that ; she has supplied munitions of war to a large extent to His Majesty's Government from her factories and from her arsenals ; she has helped in supplying horses and mules ; she has given to the full of what she possessed. And how was this possible ? Because for many years India had been paying heavily for a splendid Army which was entertained, and necessarily entertained, for the defence of India. Well, India had been maintaining this Army long before the Dominions thought of doing anything, to speak of, in the way of military expenditure ; and at the present period of stress, India placed a very great part of her Army which was, as I have said, primarily raised for other purposes, at the disposal of His Majesty's Government. I cannot claim, of course, in any way to speak as a military expert, but I think I may say that the value of the Indian contingents who have done so splendidly in this war, the value of the Indian supplies of munitions of war, and so on, will prove to have been of most material assistance in determining the present campaigns. Besides that, there were the splendid offers from the Indian Chiefs to whom I referred in my speech on the Financial Statement, and I would like to add now the name of His Highness the Maharaja of Jaipur, who has since given 5 lakhs. My Lord, I do not want to be thought to belittle the Colonies in any way ; but I love the people of India (Hear ! hear !) I have served here for a generation and I cannot bear anybody to belittle India (Hear ! hear ! and applause), and to speak as though the part played by India in the war and her contribution to it, were in any way inferior to that of other parts of the Empire.

“ I have nothing more to say, my Lord, except to express the hope that no unforeseen and untoward circumstances will cause any material reconsideration of the estimates we have made.”

His Excellency the Viceroy :—“ We are now approaching the close of another session of this Legislative Council, and before we disperse I would like to say a few words upon the budget and other matters of general interest.

“ As regards the memorable budget which has been under discussion this session, it is a matter of much satisfaction to me that all its important decisions—those for example relating to taxation, capital outlay and borrowing—have commanded practically unanimous acceptance both inside this Council and beyond it. The imposition of additional taxation at the present time would not in our judgment have been justified, either by financial requirements or by the present economic condition of the country, and our attitude in this matter has, I think, been thoroughly understood and appreciated. As regards capital outlay, we have had to strike a mean. At a time like this, material development must inevitably be retarded. But our capital programme is an integral part of India's financial system, and must be maintained on a scale bearing some reasonable relation to past standards, if excessive hardship and

dislocation are to be avoided. Our borrowing arrangements naturally follow from the conclusions on these two points. We are fortunate in being able to see our way to carrying them through without straining our credit, or drawing to the full on reserves which may afterwards be required to meet the many contingencies of another year of war.

“ Sir William Meyer’s most interesting recital of the financial events of the war period brings out convincingly the inherent soundness and strength of India’s financial position, and this has been recognised in every quarter. It is quite true that our revenue has suffered and that our resources have been depleted in other ways. This must be expected in a country whose fiscal system is so directly responsive, under almost every head of revenue, to fluctuating economic conditions, and whose Government performs so many financial functions besides that of looking after its own balances. We undoubtedly undertake in this country some heavy financial responsibilities, some indeed from which other Governments, the Home Government for example, are exempt. But we are in a position to say to-day, after eight months of war, that these responsibilities have been fully discharged, and that the strain which was thrown on us at the outset has now sensibly relaxed. At the same time we realise fully that another year of war must bring with it many unknown possibilities; and if further burdens are thus thrown upon our finances we are not unprepared to meet them.

“ I turn now to the economic questions which have recently engaged my attention and that of my Government. The principal question under this head has been the high prices of wheat. When I addressed you at the beginning of this session, we had already restricted the exports from December to the end of March to a fixed quantity, in order to secure that only a limited proportion of the surplus remaining over from the old crop should be exported, and we had also taken powers to inquire into the existence of stocks, and, if necessary, to take over such as might be unreasonably withheld. The inquiries conducted by local Governments showed, however, that such stocks were not in existence, and further action in this direction could have had no good effect. It was, therefore, apparent that the only possible policy was to do what we could to relieve distress by cheap grain shops and the like, and to await the effect on prices of the new crop which usually begins to operate some time in February. World prices, however, continued to rise, and it became necessary in the interests of the Indian consumer to take steps which would ensure the effect of the new crop making itself felt as soon as possible. No ordinary measures would have sufficed, and the urgency of the situation called for decisive action. We accordingly issued the announcement that all private export of wheat would be prohibited on and after the 1st April. Our object was to ensure that as supplies of the new crop, which, I am glad to say, promises to be one of the finest on record, began to be marketed, they should be used to relieve the undoubted shortage in India instead of being attracted to other countries by the high prices prevalent in the markets of the world. The results of this announcement were immediately beneficial and prices promptly declined to a more reasonable level. At the same time we have not neglected our responsibilities to the cultivator and to Indian trade. There is every sign that there will be an unusually large surplus this year available for export, and while we intend to keep export under our own control in order that prices may not be driven up again by sudden and excessive exportation, we are equally desirous of allowing our export trade to be carried on, so far as is compatible with the interests of the Indian consumer. I trust that this double object will be achieved by the scheme which has already been laid before Council in a recent debate. Under this scheme we shall keep the control of purchases for export in our own hands, and we hope thus to be able to ensure a moderate level of prices, to safeguard the consumer, and yet not to disappoint the cultivator of his legitimate profits. The fact that we shall have created an artificially low level of prices in India, as compared with prices in the other markets of the world, implies that export may be conducted on a considerable margin of profit. We hope to make arrangements by which such profits as may accrue to the State under this

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scheme will not be utilized, as is our revenue from normal sources, to meet the ordinary expenses of administration, but will be devoted to some special purpose for the advantage of the people. It is not possible for me now to say what this will be, but I have noted with sympathy the feeling expressed during the debate in my Council in favour of such profits as may accrue being expended for the benefit of the agricultural classes.

“ In addition to the control of wheat, my administration has had to bear its part in the policy which is being so vigorously and successfully prosecuted by the Imperial Government for preventing supplies of food-stuffs and raw materials reaching the countries with which we are at war. The strictest watch has been kept upon our trade with neutrals. Prohibitions and restrictions have been imposed where necessary, and I have pleasure in testifying to the readiness with which the commercial community has submitted to these necessary interferences with the ordinary course of trade. Trading in India by firms or companies containing a hostile element has been put an end to, and the process of closing down such businesses is being carried into effect with due caution in order to avoid possible injury to Indian and British interests. At the same time, my Government have been giving such assistance as they can to Indian industries in its endeavours to take advantage of the opportunity for expansion afforded by the cessation of imports from Germany and Austria and other continental countries affected by the war. I should like to add that the whole question of promotion of industrial development in India is one which has been and is receiving the most careful consideration of myself and my Government, and I am glad to find from the prominent place which it has taken in the debates of my Council this session, that it is also occupying the minds of public men in India. The present time, when commerce and finance are naturally disturbed by a great war, when men's minds can hardly be expected to look on economic problems from their normal angle, is not in my judgment a suitable moment for taking special action or for initiating special inquiries as to how best this end may be achieved. But it is a question, the importance of which is very present in my thoughts, and it is one which I shall hope to see taken up vigorously and effectively as soon as normal conditions have supervened.

“ Since I last addressed you on the subject of the war in Europe, the position of the Allies in Flanders has been maintained and improved, while in Eastern Prussia and Poland the tide of war has ebbed and flowed. The recent success, at Neuve Chapelle, in which the Indian Army Corps took so prominent a part has been a source of satisfaction to us all. In the meantime, the British fleet has maintained its absolute supremacy and having swept German commerce from off the seas, recently administered a severe punishment to a German squadron that wished to make a further bombardment of unprotected towns on the British coast. The economic pressure created by our supremacy at sea is gradually having its effect in Germany and the piratical policy now being pursued by German submarines is proof of the extent to which that pressure is being felt. Happily the efforts of the German submarines have met with very little success, and their number is diminishing under the losses that they have experienced. In any case such a policy can have no possible effect on the eventual result of the war, and there can be no doubt that the day of triumph of the Allies who are making huge sacrifices for the right of all free nations to live their own lives and follow their own destinies is slowly but surely dawning, when the monstrous theory that one military nation can impose by brute force her will and barbarous code of civilization upon all others will be finally shattered and hurled into utter oblivion and darkness.

“ In the Near East, Turkey is beginning to experience the folly of the policy into which she has been forced by the reckless disregard by a small military clique under German tutelage of her best and highest interest.

“ On every side where the Turkish forces have been engaged in fighting against the Allies they have met with reverses, and the moment is rapidly

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approaching when, if the Turkish Government are sufficiently wise, they will throw themselves on the mercy of the Allies and thus free themselves from the German yoke.

“ As an indication of how little the so-called Turkish Government is in touch with the real sentiments of the Turkish people, I may mention that a few weeks ago I saw a letter written by a resident in Constantinople in which, after describing the oppression and exaction of the military authorities, the confident opinion of the middle and lower classes of the Turks was expressed in the saying that ‘ it will be all right when the British fleet comes up ’.

“ As you are aware, I paid a short visit to the Persian Gulf and to Basrah a few weeks ago. It was a great pleasure and advantage to me to have an opportunity of inquiring into the whole economic, commercial, and political situation of the province of Basrah, and also to visit our troops in their advanced posts within six or seven miles of the Turkish Camp, which was plainly visible and to congratulate them on their prowess and splendid bearing. One could not but feel very proud of them all. I had also time to visit the hospitals in Basrah and was glad to be able to verify the fact that all the sick and wounded British and Indian troops are being well and carefully tended.

“ As regards the province of Basrah it struck me as one of immense potentialities. Under Turkish misrule it has greatly suffered and the population of the surrounding country is consequently very sparse. At small expense the city of Basrah might become a splendid port, and the port of exit of all the trade of Mesopotamia and Northern Persia. Merely the fringes of the Shat-el-Arab have so far been cultivated, but the soil is extremely fertile and only the most elementary schemes of irrigation are required to extend indefinitely the area under cultivation. The climate is splendid and resembles that of the Northern Punjab. I cannot conceive of a country more suitable for Indian immigration in the future when a more stable form of Government has been established. That country may then really become a garden of Eden and blossom like a rose.

“ You are aware of the declaration made by the British, French, and Russian Governments of the inviolability of the holy places and of the freedom of Jeddah from attack so long as there was no interference with the Indian pilgrims. Solicitude for the welfare of pilgrims generally prompted His Majesty's Government, on hearing that there was a shortage of food-stuffs at Jeddah and Mecca, to arrange for supplies to be sent there for distribution by the Italian Consul at Jeddah. I regret to state that the Turkish authorities, in spite of the protests of the Italian Consul, have seized for military purposes a cargo of 30,000 sacks of barley destined for the pilgrims. Until, therefore, we are able to receive some definite assurance that any further supplies that may be sent will reach their proper destination, it will be impossible for His Majesty's Government to make any further similar arrangements.

“ On the North-Western frontier the situation remains normal ; and although there have been attacks on our advanced posts by trans-frontier tribesmen, they have been gallantly and successfully repelled by our troops, militia, and tribal levies.

“ It has been with a sense of profound regret that I have learnt that an address to His Majesty the King-Emperor against the draft Proclamation creating an Executive Council for the United Provinces has been carried by the House of Lords. It appears that out of a total of nearly 650 Peers of the Realm and in a House of only 78 Peers, the motion against the draft Proclamation was carried by 47 votes to 26. No information has been received of any similar motion in the House of Commons, and we may therefore conclude that the Proclamation has not been rejected by Parliament as a whole. As you are aware, the Proclamation was approved by the Governor General in Council, by the Secretary of State in Council, and by His Majesty's Government, and, in accordance with the law, was laid upon the table in both Houses of Parliament. It may seem to you, as it does to me, a matter of

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serious concern that it should be within the power of a small body of Peers, who perhaps hardly realise the rate of progress made in this country during the past few years to throw out a proposition put by the Government of India and His Majesty's Government before Parliament with the full approbation of Indian public opinion. It seems clear to me, under the circumstances, that a modification of the law by which such procedure is possible is absolutely essential, and I trust that this will be recognised by His Majesty's Government.

"Nobody can reasonably contend that, with the advance of civilisation entailing the discussion and solution of new questions of ever-increasing complexity arising every day, one-man Government is better than Council Government. The principle of Executive Councils for local Governments by which the local administration is less dependent upon the personal equation and which ensures a greater continuity of policy has already taken root in India and cannot now be eradicated. Moreover the inclusion of an Indian gentleman in the Council of a province is to my mind a source of great strength to the Governor or Lieutenant-Governor. I speak from my own experience, and have no hesitation in saying, without any idea of flattery, that the presence of my friend Sir Ali Imam on my Council and his knowledge and experience are and have been of the greatest possible advantage to me and my Government. I can well understand that all educated people of this country will be disappointed at the result of the action of a small party in the House of Lords, but I would ask them not to be depressed, for I regard the proceedings of the 16th March in the House of Lords as only a temporary set-back, and I feel as confident that the United Provinces will have its Executive Council within a very short period as that the dawn will follow the night.

"The activities of the Council during the current session have necessarily been circumscribed by the decision to avoid as far as possible all controversial business. Nevertheless some measures of importance have come under your consideration. I need only refer to the measure recently passed in this Council to secure the defence of India and the public safety, in order to express the thanks of Government for your loyal co-operation in enacting that measure. Another Bill of importance has also been passed in this Council, namely, the Assam Labour and Emigration Act, which I hope will mark a stage in our efforts to remove abuses attendant on the present system of emigration and in securing that the welfare of labourers recruited to Assam is adequately safeguarded. The only other measure of importance to which I need allude is the Benares Hindu University Bill which was introduced into this Council on the 22nd. It will be a source of gratification to me if this measure becomes law during my tenure of office as Governor General. It is too early to speak of the possible effects of this Bill, but I have every hope that it will do much to promote the cause of education and to encourage learning and research amongst all classes.

"In the discussion of resolutions, though the range of subjects has also been limited by the exclusion of controversial matters, much valuable experience has been gained. I may refer to the discussion on the export of wheat as particularly instructive. It enabled the Government to ascertain the views of the Council on the subject and to make an important and effective pronouncement of its policy. The discussion on the management of State Railways was of equal importance and interest. In these circumstances, although our session this year has not been a full one, I think we may congratulate ourselves that we have done a considerable amount of useful work in spite of the difficulties which have confronted us.

"I wish also to say one word of a personal nature. I thank you for the kind words that so many of you have been so good as to speak of myself and my administration. I am very grateful and shall always treasure those words, but I have only done my duty; and although I love India and wish always to do my duty towards her, the question of the duration of my stay in India is not one that is in my hands.

[*His Excellency the Viceroy.*] [25TH MARCH, 1915.]

“With these few words I will now conclude, and in adjourning this Council *sine die*; I wish you all a very happy return to your homes.”

The Council adjourned *sine die*.

W. H. VINCENT,

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

DELHI;

The 30th March, 1915.

APPENDIX.*(Referred to in the Answer to Question 3, page, 598 ante.)*

Grants for the improvement of sugar cultivation in Formosa :—

| 1912 | £ |
|---|--------|
| Fertilisers | 53,800 |
| Cane shoots | 28,000 |
| Fighting cane disease | 4,500 |
| | <hr/> |
| Total | 86,300 |
| | <hr/> |
| 1913 | |
| Fertilisers | 30,160 |
| Seeds and planting | 16,190 |
| Fighting cane pests and disease | 2,230 |
| | <hr/> |
| Total | 48,580 |
| | <hr/> |