



EAST INDIA (CENSUS 1921):

**Tables giving the main Statistics of the
Census of the Indian Empire of 1921,
with a brief explanatory note.**

*Presented to Parliament by
Command of His Majesty*

LONDON:

PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE

To be purchased through any Bookseller or directly from
H.M. STATIONERY OFFICE at the following addresses:
IMPERIAL HOUSE, KINGSWAY, LONDON, W.C.2, and 28, ABINGDON STREET, LONDON, S.W.1;
YORK STREET, MANCHESTER; 1, ST. ANDREW'S CRESCENT, CARDIFF;
or 120, GEORGE STREET, EDINBURGH.

1923.

Price 3d. Net.

Cmd. 2004.

NOTE.

The general Report on the Census of India, 1921, will be Published in the Government of India Series of Official Publications and will be obtainable from the High Commissioner for India, 42, Grosvenor Gardens, S.W. 1.

CONTENTS.

	<i>Page.</i>
EXPLANATORY NOTE	1
TABLE I.—General Statement of population and area	3
„ II.—The Population at six Censuses	3
„ III.—The Population distributed by Provinces, States and Agencies	4
„ IV.—The Chief Cities and their Population	5
„ V.—Religion	5
„ VI.—Civil Condition	5
„ VII.—Literacy	6
„ VIII.—Occupation or means of Livelihood	6

EXPLANATORY NOTE.

The Census of the Indian Empire was carried out on the night of the 15th of March, 1921. The results are embodied in a series of volumes the particulars of which are given below:—

Province.	Serial No.	Province.	Serial No.
India	Vol. I.	North-West Frontier Province.	Vol. XIV.
Andamans and Nicobars	Vol. II.	Punjab and Delhi	Vol. XV.
Assam	Vol. III.	United Provinces of Agra and Oudh.	Vol. XVI.
Baluchistan	Vol. IV.	Baroda State	Vol. XVII.
Bengal	Vol. V.	Central India Agency	Vol. XVIII.
City of Calcutta	Vol. VI.	Cochin State	Vol. XIX.
Bihar and Orissa	Vol. VII.		
Bombay and Aden	Vol. VIII.	Gwalior State	Vol. XX.
City of Bombay	Vol. IX.	Hyderabad State	Vol. XXI.
Burma	Vol. X.	Kashmir State	Vol. XXII.
Central Provinces and Berar	Vol. XI.	Mysore State	Vol. XXIII.
Cantonment	Vol. XII.	Rajputana and Ajmer-Merwara	Vol. XXIV.
Madras	Vol. XIII.	Travancore State	Vol. XXV.

These volumes, which are issued from the offices of the Government of India and of the Provinces to which they belong, are available at most public libraries and institutions and are kept for sale in the Government of India Book Depot and with authorized official agents. Some of the main statistics of the population of India, the Provinces and States are given in the statements appended.

2. The area of the Indian Empire is according to the latest estimate 1,895,332 square miles. The population returned at the Census is 318,912,180 showing a rise of 1.2 per cent. since 1911. The number of males is now 163,395,551 and females 154,916,926, giving a proportion of 915 females per 1,000 males. The variations in the population in the last five censuses are—

Tables I, I and III.

	Increase (actual and percentage).				
	1911-21.	1901-11.	1891-1901.	1881-1891.	1881-1921.
Total	3,786,984 <i>1.2</i>	29,795,310 <i>7.4</i>	7,016,385 <i>2.5</i>	33,418,341 <i>15.2</i>	65,016,150 <i>25.6</i>
Males	2,656,619 <i>1.6</i>	11,387,111 <i>7.6</i>	3,482,195 <i>2.2</i>	16,820,339 <i>12.9</i>	34,046,264 <i>26.2</i>
Females	1,129,465 <i>.7</i>	9,408,229 <i>6.5</i>	3,864,190 <i>2.7</i>	16,598,002 <i>13.4</i>	30,969,886 <i>25.0</i>

The density per square mile in the whole of India is 177, varying in the main provinces from a maximum of 578 in Bengal to a minimum of 6 in Baluchistan. The main cause of the small increase in the population in the last decade is the direct and indirect loss from the influenza epidemic of 1918-1919. The mortality from the disease is calculated at between twelve and thirteen millions; the incidence was severe on the adult population between fifteen and forty years of age, and specially serious in the case of females. The infant mortality was heavy and the indirect loss owing to the decline in the birth rate has depleted the early age-categories.

3. The urban population is now 10 per cent. of the total, an addition of 1 per cent. in the population since 1911. The variations per cent. since 1911 of the population in the six largest cities are as follows:—

Table IV.

Calcutta (including Howrah and suburbs)	+ 4.3
Bombay	+ 20.1
Madras	+ 1.6
Hyderabad	- 19.4
Rangoon	+ 16.6
Delhi	+ 30.7

4. The proportion in the population returned under the main religions and the variations since 1911 are as follows:—

Table V.

	Proportion per 1,000 of population.	Percentage of increase or decrease in actual numbers since 1911.
Hindu	686	- 4
Muhammadan	217	+ 3.1
Buddhist	37	+ 7.9
Christian	15	+ 22.6
Tribal Religions	31	- 5.1

The category Hindu includes a large number of the lower strata of the rural classes whose actual religion is mainly animistic. The number of Europeans is 176,031 (males 125,229, females 50,802) and of Anglo-Indians 113,090 (males 56,668, females 56,422).

Table VI.

5. In the population classified by Civil condition half the males and a little above one-third of the females are unmarried; 44 per cent. of the males and 47 per cent. of the females are married, while 6 and 17 per cent. respectively are widowed.

Table VII.

6. The number per mille of the population of India aged five and over who can read and write any language is males 139, females 21, the corresponding proportions in 1911 being males 122 and females 12. The proportion literate in English is males 16 and females 2 per mille.

Table VIII.

7. The proportion of the population dependent on agriculture is 72.5 per cent. Those engaged in trade number 5.7 per cent., in industries 10.5 per cent., and in transport 1.4 per cent. There are 2,681,125 persons employed in mines, plantations and organized industrial establishments having 10 or more employés.

TABLE I.—General Statement of population and area.

	India.	British Provinces.	Indian States.
1	2	3	4
Area in square miles	1,805,332	1,004,300	711,032
Population	318,942,480	247,003,293	71,939,187
(a) urban	32,475,276	25,044,368	7,430,908
(b) rural	286,467,204	221,958,925	64,508,279
Number of towns	2,316	1,561	755
Number of occupied houses	65,198,389	50,441,636	14,756,753

TABLE II.—The Population at six Censuses.

		India.	British Provinces.	Indian States.
1		2	3	4
Total Population	1921	318,942,480	247,003,293	71,939,187
	1911	315,156,396	243,933,178	71,223,218
	1901	294,361,056	231,259,098	63,101,958
	1891	287,314,071	220,879,388	66,435,283
	1881	253,896,330	198,545,380	55,350,950
	1872	206,162,360	184,858,172	21,304,188
Males	1921	163,995,554	126,872,116	37,123,438
	1911	161,338,935	124,707,915	36,631,020
	1901	149,951,824	117,482,836	32,468,988
	1891	146,769,629	112,394,551	34,375,078
	1881	129,949,290	101,165,117	28,784,173
	1872	106,055,545	95,136,615	10,918,930
Females	1921	154,946,926	120,131,177	34,815,749
	1911	153,817,461	119,225,263	34,592,198
	1901	144,409,232	113,776,262	30,632,970
	1891	140,545,042	108,484,837	32,060,205
	1881	123,947,040	97,380,263	26,566,777
	1872	100,106,815	89,721,557	10,385,258

The above figures are inclusive of the population of areas newly enumerated at successive censuses.

TABLE III.—The Population distributed by Provinces, States and Agencies.

Province, State or Agency.	Area in square miles.	Population.			
		1921.			1911. (Both Sexes.)
		Persons.	Males.	Females.	
1	2	3	4	5	6
INDIA	1,905,332	318,942,480	163,995,554	154,946,926	315,156,396
Provinces	1,381,977	270,950,433	139,243,123	131,707,310	266,467,188
1. Ajmer-Merwara	2,711	495,271	269,566	225,705	501,495
2. Andamans & Nicobars	3,143	27,086	20,793	6,293	20,459
3. Assam	61,471	7,990,240	4,140,228	3,841,018	7,000,521
4. Baluchistan	134,938	799,625	401,900	398,625	834,793
5. Bengal	82,277	47,592,462	24,628,305	22,964,097	46,366,170
6. Bihar & Orissa	111,809	37,061,868	18,710,052	19,251,806	38,434,753
7. Bombay	187,074	26,757,648	13,946,691	12,810,717	27,084,317
Aden	80	56,500	35,391	18,106	46,165
8. Burma	233,707	13,212,192	6,766,969	6,455,223	12,115,217
9. C.P. & Berar	131,052	15,979,660	7,980,797	7,998,863	16,033,310
10. Coorg	1,682	163,838	89,561	74,337	174,076
11. Delhi	693	488,188	281,633	206,555	413,447
12. Madras	143,852	42,704,155	21,199,158	21,603,997	41,879,169
13. N-W.F. Province	38,919	5,079,476	2,747,197	2,329,369	3,819,027
14. Punjab	136,965	25,191,960	13,732,048	11,369,912	23,791,267
15. United Provinces	112,244	46,610,668	24,368,975	22,141,693	47,997,364
States & Agencies	423,355	47,992,047	24,752,434	23,239,616	48,694,210
16. Baroda State	8,127	2,126,622	1,199,564	1,025,958	2,032,798
17. Central India (Agency)	61,631	5,097,923	3,068,962	2,028,961	6,129,919
18. Cochin State	1,479	979,080	482,950	496,121	918,110
19. Gwalior State	26,357	3,166,075	1,691,790	1,494,375	3,227,961
20. Hyderabad State	82,698	12,471,770	6,345,071	6,126,699	13,374,676
21. Kashmir State	84,258	3,320,518	1,767,122	1,563,396	3,158,126
22. Mysore State	29,475	5,078,892	3,047,117	2,031,775	5,899,193
23. Rajputana (Agency)	128,987	9,844,384	5,184,891	4,659,493	10,539,432
24. Sikkim State	2,818	81,721	41,492	40,229	87,920
25. Travancore State	7,625	4,906,062	2,632,553	1,973,509	3,428,975

NOTE.—The figures for the Provinces include those of the States attached to them except in the case of Madras where they exclude Cochin and Travancore.

TABLE IV.—The Chief Cities and their Population.

Town.	Population.	Town.	Population.
1	2	1	2
Calcutta*	1,327,547	Allahabad	157,220
Bombay	1,175,914	Mandalay	148,917
Madras	526,911	Nagpur	145,193
Hyderabad	404,187	Scinagar	141,735
Rangoon	341,962	Madura	138,894
Daha	304,420	Barrilly	129,459
Lahore	281,781	Meerut	122,609
Ahmedabad	274,007	Trichinopoly	120,422
Lucknow	240,566	Jaipur	120,207
Banarore	237,496	Patna	119,956
Karachi	216,883	Sholapur	119,581
Cawnpore	216,436	Dacca	119,450
Poonn	214,796	Surat	117,434
Bennore	198,447	Ajmer	113,512
Agra	185,532	Jubbulpore	108,793
Amritsar	160,218	Peshawar	104,462
		Rawalpindi	101,142

* With Suburbs and Howrah.

TABLE V.—Religion.

Religion.	India.	British Provinces.	Indian States.
1	2	3	4
Hindu	216,734,586	163,144,700	53,589,886
<i>Brahmanic</i>	216,269,620	162,712,188	53,548,432
<i>Arva</i>	467,578	426,682	40,896
<i>Brahmo</i>	6,388	5,830	558
Sikh	3,238,803	2,367,021	871,782
Jain	1,178,596	455,855	722,741
Buddhist	11,571,268	11,490,815	80,453
Zoroastrian (Parsi)	101,778	88,464	13,314
Musalman	68,735,233	59,444,331	9,290,902
Christian	4,754,064	3,027,881	1,726,183
Jew	21,778	19,221	2,557
Tribal Religions	9,774,611	6,904,167	2,870,444
Minor Religions and Religion not returned	18,004	17,745	259
Not enumerated by Religion	2,813,759	43,093	2,770,666

TABLE VI.—Civil Condition.

Sex.	Unmarried.	Married.	Widowed.	Total.
1	2	3	4	5
Males	80,685,132	71,057,754	10,338,392	162,081,278
Females	54,841,195	71,593,131	26,834,838	153,269,164

Total Population classified by civil condition ... 315,350,442.

TABLE VII.—*Literacy.*

	India.			British Provinces.		Indian States.	
	Persons.	Males.	Females.	Males.	Females.	Males.	Females.
1	2	3	4	5	6	7	8
India* ..	316,055,331	167,465,129	153,590,102	126,850,163	120,109,085	35,614,966	33,491,017
Illiterate	203,131,680	112,623,601	109,807,880	110,341,463	117,903,181	32,282,228	32,341,708
Literate.	22,623,651	19,841,438	2,782,213	16,508,700	2,115,904	3,332,738	626,309
Literate in English†	2,527,350	2,280,188	236,162	1,908,103	292,051	200,005	35,211

* Literacy was not recorded for 2,887,219 persons (males 1,530,425, females 1,356,824).

† Persons knowing English are included in the figures for "Literate."

TABLE VIII.—*Occupation or means of Livelihood.*

Occupation.	Number of persons supported.	Occupation.	Number of persons supported.
1	2	1	2
INDIA	316,055,331	Trade	18,114,922
Pasture and agriculture	229,045,019	<i>Tea, etc., coffee, etc., and other</i>	2,988,983
Fishing and hunting	1,607,331	<i>trades in food-stuffs.</i>	
Mines, quarries, salt, etc.	542,053	<i>Trade in textiles</i>	1,286,277
Industry	33,167,018	<i>Banks, exchange, insurance, etc.</i>	993,192
<i>Textiles</i>	7,847,829	<i>Other trades</i>	5,845,870
<i>Dress and toilet</i>	7,425,213	Army and Navy	757,954
<i>Wood</i>	3,613,583	Air force	4,933
<i>Food Industries</i>	3,109,361	Police	1,422,610
<i>Ceramics</i>	2,215,641	Public Administration	2,617,892
<i>Building industries</i>	1,753,720	Professions and liberal arts	6,020,571
<i>Metals</i>	1,802,208	<i>Religion</i>	2,157,614
<i>Chemicals, etc.</i>	1,194,263	<i>Instruction</i>	895,228
<i>Hides, skins, etc.</i>	731,124	<i>Medicine</i>	669,533
<i>Other industries</i>	3,153,676	<i>Others</i>	1,098,149
Transport (including postal, telegraph and telephone services).	4,331,054	Domestic Service	4,570,151
		All others	14,831,933

NOTE.—Occupation was not recorded for 2,887,219 persons.

EAST INDIA (NON-CO-OPERATION).

Telegraphic Correspondence
regarding the Situation in India

Presented to Parliament by Command of His Majesty.



LONDON :

PRINTED AND PUBLISHED BY
HIS MAJESTY'S STATIONERY OFFICE.

To be purchased through any Bookseller or directly from
H.M. STATIONERY OFFICE at the following addresses :

IMPERIAL HOUSE, KINGSWAY, LONDON, W.C. 2, and
28, ABINGDON STREET, LONDON, S.W. 1;

37, PETER STREET, MANCHESTER;

1, ST. ANDREW'S CRESCENT, CARDIFF;

23, FORTH STREET, EDINBURGH;

OR FROM

EASON & SON. LTD., 40 & 41, LOWER SACKVILLE STREET, DUBLIN.

1922.

Price 6d. Net.

[Cmd. 1586.]

CONTENTS.

No.	Date.	Subject.	Page.
1	From Viceroy, Home Department, 9th February 1922.	General appreciation of the situation regarding non-co-operation.	3
2	From Viceroy, Home Department, 9th February 1922.	Riot at Chauri Chaura -	14
3	From Viceroy, Home Department, 14th February 1922.	Resolution passed by Congress Working Committee for suspension of mass civil disobedience.	15
4	From Viceroy, Home Department, 28th February 1922.	Postponement of proceedings against leaders.	15
5	From Viceroy, Home Department, 1st March 1922.	All-India Congress Committee confirms, with modification, resolution referred to in No. 3.	16
6	From Viceroy, Home Department, 1st March 1922.	Decision to arrest and prosecute Gandhi.	17
7	From Viceroy, Home Department, 5th March 1922.	" " "	18
8	From Viceroy, Home Department, 11th March 1922.	Arrest of Gandhi - -	18

EAST INDIA (NON-CO-OPERATION)

Telegraphic Correspondence regarding the Situation in India.

No. 1.

*From Viceroy, Home Department, to Secretary of State for
India, dated 9th February 1922.*

(Received, 10th February 1922.)

(Telegraphic.)

The following is a general appreciation of the situation as regards non-co-operation. In order to explain the situation as it exists, it is necessary to trace the origins of the non-co-operation movement and its developments. It is impossible to give within the scope of a telegram an adequate appreciation of whole situation, and Government of India would have preferred, had time permitted, to send a considered despatch. As, however, the matter is one of great urgency we have done our best to give a connected account in message that follows.

The first manifestation of non-co-operation with Government as a political force took place about the beginning of 1920. The spirit of nationalism in this country as elsewhere had been greatly stimulated and intensified by the war and the pronouncements made as to the principles for which the Allies stood. It was intended by the Reforms Act of 1919 to meet the legitimate aspirations of the Indian people, and moderate and reasonable opinion was to a certain extent satisfied thereby. An extreme section of Indian politicians rejected it as inadequate, but opposition to it might not have assumed formidable proportions had it not been for the operation of special causes—in particular, racial feeling, which had been engendered by the Punjab disturbances in 1919, the economic distress which resulted from the general rise in prices, the bitter resentment on the part of Muhammadans over the delay in announcing the terms of peace with Turkey and their apprehensions lest these terms should prove unfavourable to Turkey. It was as a result of these causes that the doctrine of non-co-operation, which was a revival of Gandhi's *Satyagraha* movement of 1919, began to make rapid progress in 1920.

In March 1920 Gandhi established close relations with Mohamed Ali, Shaukat Ali, and other leaders of the Khilafat movement, and he announced publicly that that movement had his sympathy and that he would lead the non-co-operation movement, directed against the Government, if the terms of peace with Turkey did not meet the sentiments of his Moslem fellow-subjects. He declared in this manifesto that the only remedy left open to him was non-co-operation based on non-violence. There was no very clear announcement at that time

of the precise form which the movement would take, but Gandhi defined his programme later in the year after the Turkish peace terms had been published. There was to be a beginning of non-co-operation by—

- (1) the resignation of titles and honorary posts ;
- (2) the resignation of posts in the Civil Service of Government, the Police being excluded ;
- (3) the resignation of service in the Police and the Army ; and
- (4) the refusal to pay taxes.

By resolutions passed at a special meeting of Congress held at Calcutta in September 1920 the following items were added to the programme :—

- (1) withdrawal of children from educational institutions aided or controlled by Government and establishment in their places of National Schools and Colleges ;
- (2) boycott by lawyers and litigants of British Courts and establishment of private Arbitration Courts ;
- (3) refusal by military, clerical and labouring classes to volunteer for service in Mesopotamia ;
- (4) withdrawal of candidates for election on new Councils and abstention on the part of voters ;
- (5) gradual boycott of foreign goods.

All the foregoing steps were to be initiated before resignation of service in police and army and refusal to pay taxes, both of which were to be started only at the final stages of the campaign.

Little enthusiasm was roused at first by the movement ; all sections of moderate opinion were opposed to it, and even by Tilak and his followers it was regarded with some doubt and suspicion, while Hindu opinion naturally was averse from a close alliance with the more violent and fanatical aspects of the Khilafat movement. But the personality of the leader of the non-co-operation movement who was believed to be a selfless ascetic, a character which has a peculiar attraction for Indians, the propaganda which he and his lieutenants assiduously carried on, the intense irritation which had been caused among Mahommedans by announcement of the Turkish peace terms, and in particular the increasing economic pressure on large sections of the population, drew a growing number of adherents gradually to the movement.

2. Certain disquieting symptoms commenced to show themselves in the movement towards the end of the year 1920. A tendency to imitate military methods was developed in some of the Volunteer Associations, which had been originally started, at any rate nominally, for philanthropic and social service, and the leaders of the agitation against Government were not slow to utilise for political purposes these organisations as a potent instrument of social boycott.

This volunteer movement has presented peculiar difficulties, partly owing to the fact that some of the associations were in the past founded in good faith, in pursuance of some form of social service, and have, in fact, on occasions rendered valuable assistance in assisting strangers and facilitating the maintenance of order at great religious fairs and pilgrimages, and partly owing to our disinclination to interfere with Associations whose activities were ostensibly directed to political objects which did not come within the criminal law. Violence is opposed to the professed objects for which members are drawn into these bodies; yet gradually the establishment of these Associations has put into the hands of the leaders powerful organisations, which can be, and have been, used for sinister purposes. Attempts to usurp functions of police, intimidation and use of violence to enforce *hartals* and social and commercial boycott, or under guise of *swadeshi* or temperance movements in order to impair authority of Government and terrorise political opponents, have been prominent features of their recent activities. In some places only have military drill and evolutions been practised. The avoidance of violence has throughout been a part of their ostensible creed, and it was a matter of no small difficulty to decide at what point their suppression was essential in the interest of law and order, and would not be condemned by public opinion as undue interference with freedom of political association. The non-co-operation movement presented other sinister features in the growing violence of the speeches made by the principal Khilafat leaders and in endeavours to enlist the sympathy of students and immature schoolboys, while cause for anxiety was given by the possible effects on the Indian Army and Police of a campaign of seditious propaganda. As early as April 1920 instructions were issued by Lord Chelmsford's Government that there should be prompt prosecution of all persons tampering with the loyalty of the Troops or the Police, and a scheme for instituting counter propaganda was formulated in July of the same year. In September instructions were issued to Local Governments to take action vigorously to prosecute for all incitements to violence, and their attention was drawn in October to the dangerous potentialities which lay in the volunteer movement. Lastly, in November 1920 a Resolution was issued by Lord Chelmsford's Government defining their general attitude towards the non-co-operation campaign. It was explained that, although the entire movement was unconstitutional, they had refrained from instituting criminal proceedings against such of its promoters as had advocated simultaneously with non-co-operation abstention from violence, and they had given instructions to Local Governments that action should be taken against those persons only who, in order to further the movement, had advanced beyond the limits which its organisers had originally set up, and had openly incited the public to violence

by speech or writing or endeavoured to tamper with the loyalty of the Army or the Police. The following considerations had influenced Government in adopting this policy :—

- (1) Reluctance to interfere with the freedom of the Press and liberty of speech at a time when India was on the threshold of a great advance towards self-government.
- (2) The knowledge that those against whom prosecution might be directed would be likely to find in it the opportunity of posing as martyrs, and that they might swell the number of adherents to their cause by evoking false sympathy.
- (3) The belief that non-co-operation would be rejected by the country as a whole as a visionary and chimerical scheme, the result of which could only be widespread disorder, political chaos and the ruin of all such as possessed a real stake in the country itself, the appeal being made to the ignorant and prejudiced, and its creed being devoid of any constructive genius.

3. At the Congress Meeting which was held in December 1920 at Nagpur a new stage was reached. Little up to that time in the way of solid achievement could be pointed to by the leaders of the movement. Although the movement had undoubtedly engendered in certain parts of the country a general spirit of disloyalty and lawlessness, little success had been attained in giving effect to the specific items of the non-co-operation programme; there had been very few surrenders of titles, a handful only of lawyers had suspended their practice, and, though in the elections to the Reformed Councils the voting had been somewhat interfered with, the constitution of these Councils had not been seriously affected by it. Strong opposition had been provoked by the attack on educational institutions, and the attack had no lasting effect. But Gandhi at Nagpur was successful in capturing the entire Congress organisation for his party. Indication of the growing strength in that body of the Extremist element was given by the change in the first article of the constitution of the Congress which was effected by an overwhelming majority, the object of Congress being defined now as the attainment of Swaraj by all legitimate and peaceful means. There was omission of the reference to British connection. It became, moreover, clear by this time that the intention of the leaders of the movement was to spare no efforts by which the more ignorant masses might be permeated with their doctrine. An increasing activity with this object in view marked the early spring of 1921. There was great astuteness shown in promoting labour unrest and exploiting economic grievances, and promises of the wildest character were freely made (as now) to ignorant peasants,—for example, rent-free lands, cheap clothes, cheap food and free railway passes. The first evidence of this policy was the widespread agitation among the tenantry of Oudh, from which, in January 1921, serious

disturbances resulted, and there was exploitation with some success about the same time by the non-co-operation leaders of the Akali movement among the Sikhs—a movement which in its inception seems to have been inspired by a genuine desire for religious reform—and success was attained to some extent by such leaders in giving to the movement a character which was definitely anti-Government. At the end of January the Local Governments received from Lord Chelmsford's Government fresh instructions in view of these developments. That Government, while they adhered to the general policy which had been enunciated in November 1920, impressed on the Local Governments the necessity for instituting prosecutions with greater freedom in all cases of incitements to violence and endeavours to seduce police or Indian troops. Remedial legislation was urged where redress was demanded by genuine grievances. There were, too, to be steps taken for starting counter-propaganda whereby Government's policy would be justified, and in general for enforcing respect for the law. Government at the same time took every opportunity during the first session of the reformed Legislature of convincing Indian opinion that the reforms were real and great, and that they had conferred on the representatives of the people wide powers, and that there was a readiness to inquire into the cause of discontent, or any specific grievances. It was, for example, agreed to refer to non-official Committees of the Legislature certain Acts which conferred extraordinary powers on the Executive, as well as the Acts regulating the conduct of the Press; the greatest consideration was shown in framing the Budget to the opinion of the Legislature.

4. As the result of the agitation which was carried on by the non-co-operation leaders, there took place in the early summer of 1921 a stampede from the Tea Gardens of Assam of coolies to the number of many thousands, and there was simultaneously a strike on the Assam-Bengal Railway. Another development was a strong campaign against the use of foreign cloth and the drink traffic; this was mostly by means of a system of picketing, an operation in which a prominent part was played by intimidation. In spite of numerous prosecutions and restrictive orders, a general weakening of the respect for law and order resulted from all these activities; frequent outbreaks of mob violence followed from this in various parts of the country, and racial feeling directed against Europeans increased, whether they were engaged in commerce or in the service of Government. The leaders of the Khilafat party simultaneously employed language which steadily increased in violence, and many sections of the Mohammedan community which had hitherto been untouched by it were permeated by the agitation which aimed at the restoration of the Sultan of Turkey to his temporal power and pre-war religious ascendancy. A series of speeches was made by the Ali brothers in the

winter and the spring at various towns, in the United Provinces of Agra and Oudh, and in these speeches Great Britain was openly described as the arch enemy of Islam, and they did all in their power to incite against the British the animosity of their co-religionists. They declared that a time would arrive when it would be incumbent on all Mussalmans as a religious duty to draw the sword in defence of their religion, nor did they hesitate to put forward the view that if a Mohammedan Power were to invade India with the object of avenging the cause of Islam they would support it. While their prosecution for these speeches was under consideration, their friends induced them to sign a public apology and to undertake that in future they would refrain from speeches and writings which incited to violence or tended to the creation of an atmosphere of preparedness for violence. In a letter addressed in June 1921 to all Local Governments the situation was reviewed. The Government of India were still convinced, in spite of the disquieting symptoms to which reference has been made above, of the soundness of the general policy which had been pursued hitherto. They indicated at the same time that the attitude of Government should in no way be relaxed towards any advocacy of violence, including not only direct incitements but speeches calculated to give rise to feelings of disaffection, enmity or hatred such as were likely to lead to violence not as a remote or ultimate consequence but as a probable result in the near future.

5. A little time after this a more open form was assumed by the attempts to create disaffection in the ranks of the Police and the Army. There was widely published about midsummer on the alleged authority of 500 Ulema (learned men) a Fatwa, that is religious pronouncement, which purported to interpret the precepts of the Koran. All service under Government was declared in this to be forbidden by the Mussulman religion, and service in the Police and the Army was stigmatised as a specially heinous sin. A resolution was passed at Karachi in July at the meeting of the All-India Khilafat Committee, Mohamed Ali presiding, to the effect that it was incumbent on all Mahommedans as a religious duty not to join the Indian Army or to continue to serve in it or to give assistance in recruiting for the Army, and that the duty of all Mahommedans was to bring to the notice of the Moslem soldiers this religious injunction. Mohamed Ali, with Shaukat Ali, his brother, and four other Khilafat leaders, were afterwards prosecuted for this resolution and convicted, the conviction being under the ordinary law. In the month of July riots or minor disturbances took place, with serious loss of life in some instances, at the following places:—Dharwar, Madras, Aligarh, Calcutta, Chittagong, Matiari, Karachi. A fuller account of these events will be found in the Repressive Laws Committee Report of the Indian Legislature together

with its Appendices. In the month of August took place the outbreak of the Moplahs. This was an organised rebellion of a whole countryside which was populated by Moslem tribes of a peculiarly backward and ignorant character, whose fanaticism the Khilafat leaders had by their speeches and writings deliberately excited. Without doubt a considerable body of Hindu opinion was alienated from the Khilafat movement by this rebellion, in which many thousands of Hindus were plundered and many hundreds murdered, as it has become widely known that many Hindus were forcibly converted to Islam and Hindu temples desecrated. Attempts have been made to exploit to the discredit of the Government, the lamentable railway train episode in which Moplah prisoners lost their life, but these have had little effect on Hindu opinion. Events in Malabar, however, brought about no modification in attitude of Gandhi. At Delhi on November 4th every Province was authorised by the Congress Committee to start civil disobedience. This authorisation stipulated however that conditions, such as proficiency in the spinning-wheel, should be fulfilled the nature of which was so impracticable as to indicate that the immediate inception of this policy was not desired by the Congress. On the day of the landing in India of the Prince of Wales, viz., 17th November, a general Hartal (cessation of business) took place in Northern India in most of the principal towns. An enthusiastic welcome was received by the Prince in Bombay itself, but an attack by non-co-operators on people returning from viewing His Royal Highness's arrival developed into serious riots which lasted three days; in these several Europeans were murdered, and in all there was a casualty list of 53 killed and approximately 400 wounded. Widespread intimidation on the part of the volunteers marked the Hartal in Calcutta; on a smaller scale the same thing occurred in other large towns.

6. A new and dangerous situation confronted Government after the events of the 17th November. An increasing disregard for lawful authority and the growth of a dangerous spirit of lawlessness had been engendered by the outbreaks of the last few months, and it had become evident that a systematic campaign of violence, intimidation and obstruction had been embarked on by many of the Volunteer Associations, to combat which it had proved ineffective to proceed under the ordinary criminal law. In many places these associations were at first recruited from educated classes, but as the campaign became more violent, they began to draw adherents from unemployed labourers, mill hands and city rabble, many of whom were paid for their service. Government decided in these circumstances that measures of a more comprehensive and drastic character should be resorted to, and information was sent to the Local Governments that sanction would be given to the application of the Seditious Meetings Act in any district where it was considered necessary

to adopt that course. Instructions were also given to them that vigorous use should be made of the provisions of the Criminal Law Amendment Act, Part II., for combating the Volunteer Associations' illegal activities, and that troops should be employed more freely, both in order to reinforce the police and to hearten and encourage all law-abiding citizens, and the measures to be taken in the event of civil disobedience being inaugurated were laid down. Provincial Governments were assured of the full support of the Government of India in checking disorder, while the formation of armed police battalions and the extensive enrolment of special constables was suggested. In particular, they were informed that they should not hesitate to prosecute any offenders against the ordinary law, however prominent their position, whose arrest and prosecution was in their opinion required for the maintenance of authority. Emphasis was laid on the importance of countering decisively the first active measures taken to give effect to civil disobedience. It was made clear that full strength of Government's resources was to be employed if necessary for this purpose, and that most prominent participators in the movement, not excluding Gandhi, should be arrested immediately and prosecuted. Action was promptly taken by practically all Local Governments in Northern India, in accordance with these instructions. The Seditious Meetings Act was introduced in most of the seriously affected districts in the Punjab, Bihar, Bengal, Assam and Burma. In some Provinces the various Associations had been proclaimed as unlawful, under the Criminal Law Amendment Act, a few days before the receipt of our instructions, and certain other Provinces have now issued similar proclamations. A large number of persons have also been arrested and convicted under that Act and other enactments for preservation of law and order. At the same time prosecutions were more freely instituted against newspapers, leaders and speakers who had incited to violence. Throughout the year proceedings had been taken against a number of persons who had directly or indirectly advocated violence. Although serious alarm had been caused among a substantial section of Moderate opinion by the turn events had taken in the middle of November and it had demanded that sterner measures should be adopted by the Government, a disappointing revulsion of Moderate opinion in political and journalistic circles followed on the enforcement of the two Acts to which reference has been made above and the prosecution and conviction under them of a large number of persons.

An inclination was shown to represent the new policy as an interference with the freedom of association for political purposes and with the rights of free speech, and there was a disposition on this ground to make common cause with the Extremists. It was urged by many of the leaders of Moderate

opinion that a Round Table Conference should be held at which Government should be represented and all shades of political opinion, in order that some solution might be found of the situation through the means of some act of constructive statesmanship; there was advanced however no definite constructive suggestion. A deputation to His Excellency the Viceroy on the 21st December in Calcutta advanced the demand for a Conference. The speech of His Excellency explained to the deputation fully the reasons by which Government were induced to enforce special Acts. It emphasised the determination of Government to protect its law-abiding subjects, and a grave warning was in it conveyed as to the effect which affronts offered to the Throne were likely to produce on the public and on Parliament in the United Kingdom. Insistence was also made by His Excellency on the imperative necessity of the discontinuance of the unlawful activities of the non-co-operation party as a fundamental condition which should precede the discussion of any question of a Conference. A steadying effect was brought about in Moderate opinion by this speech. During Christmas week the Congress held its annual meeting at Ahmedabad. Gandhi had been deeply impressed by the rioting at Bombay, as statements made by him at the time had indicated, and the rioting had brought home to him the dangers of mass civil disobedience; and the resolutions of the Congress gave evidence of this, since they not only rejected the proposals which the extreme wing of the Khilafat party had advanced for abandoning the policy of non-violence, but, whilst the organisation of civil disobedience when fulfilment of the Delhi conditions had taken place was urged in them, omitted any reference to the non-payment of taxes, and were worded in such a way as to suggest that for the present civil disobedience would be restricted to defiance of the Seditious Meetings Act and the Criminal Law Amendment Act directed against unlawful associations. Gandhi was appointed to be the sole executive authority of the Congress Committee. An overwhelming majority in the Subjects Committee of the Congress rejected the resolution as to a Round Table Conference, and it was made clear by Gandhi that any such Conference must be a Conference which would meet to register his decrees. In January there was held at Bombay a conference of politicians outside the Congress fold in order to formulate terms upon which it would be possible to have a Conference. The resolutions which purported to have been passed by this body were passed in reality by 20 only out of 200 persons, according to our information, and the attitude of Gandhi, who attended it and announced that he reserved the right to continue during a conference preparations for civil disobedience and the enrolment of volunteers, in return for the impossible conditions which Government were asked to

accept, had the result that Sir Sankaran Nair, the President, withdrew and that Moderate opinion was alienated and disgusted. Communication of the resolutions was subsequently made to His Excellency the Viceroy, who in reply stated that the basis for any profitable discussion as to a Conference was not contained in them. The presentation of what was practically an ultimatum to the Viceroy by Mr. Gandhi followed on the 4th February. He declared in this document that the non-co-operation party had had a campaign of civil disobedience forced upon them, in order that they might secure the elementary rights of free speech, free association and free press, which he maintained that Government had sought by its recent measures to repress, and he charged the Viceroy with having rejected summarily the proposal for a Conference, although the terms which had been accepted by the Working Committee of Congress accorded with the requirements of His Excellency as his Calcutta speech had indicated them. An announcement was at the same time made by him that, if Government agreed to release all prisoners convicted and under trial for non-violent activities and gave an undertaking absolutely to refrain from interfering with all non-violent activities on the part of the non-co-operation party, he would be prepared to postpone civil disobedience of an aggressive character, till the offenders now in prison had an opportunity of reviewing the whole situation, while continuing the illegal and seditious propaganda of the non-co-operation party. It was in reply to this manifesto that the Government of India issued the communiqué already published.

7. The following may be said to be the situation at the moment :—The lower classes in the towns have been seriously affected by the non-co-operation movement, although in the various items of its programme which have hitherto been attempted it has failed or secured but a partial success; and although the influence of the movement has been much smaller in the rural tracts generally, in certain areas the peasantry have been affected, particularly in parts of the Assam Valley, United Provinces, Bihar and Orissa and Bengal. As regards the Punjab, the Akali agitation which the Extremists had fostered for their own ends has penetrated to the rural Sikhs. A large proportion of the Mohammedan population throughout the country are embittered and sullen as a result of the Khilafat agitation, the need for countering which through a modification of the Sèvres Treaty has been incessantly, and emphatically urged by the Government of India. We desire to take this opportunity of reiterating our convictions as to the imperative necessity of conciliating Mohammedan opinion by the modification of Turkish peace terms. We believe that the appeasement of 70 million Mohammedans of India, and consequent relief to a situation of real danger to

tranquillity of India, is of the utmost importance. Moderate opinion on the other hand has been alarmed and alienated by the recent declarations and attitude of Gandhi, and his failure so far to achieve any definite results has compelled him to resort to civil disobedience, which he proposes to start in Bardoli Taluka, where he has a strong local following, and to join issue on ground that will secure to the Government the maximum support for the measures it will take. While this entails grave possibilities, the Government of India are satisfied that the Army and the great majority of the Police are staunch, there is no disaffection on the part of the majority of the population, and there are now more promising economic conditions with a bumper harvest in prospect. Religious and racial feeling at the same time is so bitter that the Government of India are prepared for disorder of a more formidable nature than has in the past occurred, and do not seek to minimise in any way the fact that great anxiety is caused by the situation.

8. The Government of India desire in conclusion to make clear the principle which throughout has underlain their policy in regard to the non-co-operation movement. Of the risks inherent in this, they have been fully conscious, and if the more drastic measures which have been demanded by some of their critics have not previously been adopted in dealing with it, this has not been owing to any distrust in their power to suppress any possible outbreaks nor because instructions from higher authority have tied their hands, but because their belief is that a statesman-like policy must have in view the ultimate more far-reaching and more enduring consequences of any action taken rather than the immediate effects. It is with the co-operation of the people of India that British rule in India hitherto has been carried on, and it is essential for its continued success that there should be such co-operation. It has therefore been regarded by the Government of India as of the utmost consequence that they should carry with them so far as practicable in any measures that they took against the non-co-operation movement, the approval and acquiescence of Indian opinion. Evidence is given by the recent debates in the Indian Legislature that in this they have been largely successful. Nevertheless, though the impracticable nature of the demands of non-co-operation is realised by sober and sensible Indians, it has not been possible to ignore the fact that the non-co-operation movement has to a large extent been engendered and sustained by nationalist aspirations, and, so far as Mahomedans are concerned, by religious feelings which have a strong appeal to those also who have not adopted its programme; and the Government of India have thought, bearing this in mind, that the path of wisdom lay in exercising in regard to men swayed by such motives as much forbearance as in their judgment was consistent with their responsibilities. It is their belief that this policy will be justified by its fruits in the long run.

No 2.

From Viceroy, Home Department, to Secretary of State for India, dated 9th February 1922.

Received 12th February 1922.

(Telegraphic.)

Following telegrams received from Government of the United Provinces :—

I.—Following press communiqué being issued :—

“Commissioner of Gorakhpur wires as follows regarding Chauri Chaura affair, already reported :—‘Trouble arose as follows. On previous Wednesday an attempt to picket Muderwa Bazaar, and prevent sales of fish, drugs and liquor, had been frustrated by police; also an Ahir Government pensioner, who was a previous convict and had become a volunteer, was called up and threatened with loss of his pension. The volunteers determined on Saturday, that is next bazaar day, to forcibly picket bazaar and overawe all opposition by numbers. Owner of bazaar is loyal zamindar. They proceeded to bazaar through police station grounds. They attacked police station with kunkar and bricks. Eventually police fired in the air. The attack was renewed in greater force; the mob rushed the police and they fled, some into fields and some into buildings. A few police must have fired on the mob in earnest, but whether it was before the rush or not I cannot say. The buildings were set on fire, and all the force there, except one constable and one chaukidar who escaped, were brutally beaten to death and then burnt. Also a little boy servant of the sub-inspector was murdered. Resistance to mob was, I fear, badly organised. Then the mob tore up two rails on the line, cut the telegraph wire and scattered. In all 21 police and chaukidars killed and two rioters at least. The attack was deliberately organised by volunteers, but there was a big crowd with them. Number of crowd 1,500 to 2,000. I have just returned from Chauri Chaura. Impossible to give more details at present. Military have arrived and police force of district has been strengthened. There is nervousness in other thanas, and requests for reinforcements have been received. No renewal of disorder yet. Investigation proceeding.’ ”

II.—Commissioner wires from Bareilly :—“Casualties yesterday’s riots, one man killed on spot; two since died in hospital; five wounded now in hospital, including one woman; possibly five more wounded; number difficult to ascertain.—Commissioner.”

We have drawn attention of all local Governments by telegram to standing orders regarding firing in air, and directed them to impress these on district and subordinate officers.

No. 3.

From Viceroy, Home Department, to Secretary of State for India, dated 14th February 1922.

(Received 10 a.m., 14th February 1922.)

(Telegraphic.)

Working Committee Congress passed following resolutions, amongst others, at Bardoli, on 11th and 12th :—In view of fact that imminence of civil disobedience has always resulted in violent outbreaks of disorder, Working Committee resolves that mass civil disobedience, including non-payment of taxes and rent at Bardoli and elsewhere, be suspended till non-repetition of outbreaks is assured by atmosphere of non-violence. Working Committee advises cessation of activities designed to court arrest, and stoppage of all picketing, save for peaceful purposes, in connection with liquor shops; further advises stoppage of all volunteer processions and public meetings in defiance of law. In view of complaints of laxity of selection of members of volunteer corps, Congress organisations are warned to revise lists, and remove persons not conforming to standards already prescribed. Resolutions to have effect pending meeting All-India Congress Committee. In meantime, Working Committee advises enlistment of crore of members of Congress to whom creed is to be carefully explained; efforts to be directed to promote use khaddar - spinning wheels; organisation of national schools; amelioration of depressed classes; organisation of temperance campaign and Panchayats' Social Service Department to be emphasised; and collections Tilak Swaraj Fund to be encouraged. Special committee to be appointed to find employment for those giving up Government service.

No. 4.

From Viceroy, Home Department, to Secretary of State for India, dated 28th February 1922.

(Received 28th February 1922.)

(Telegraphic.)

In continuation of our telegram of 9th February. The massacre on the 4th February of 21 police by a mob of volunteers at Chauri Chaura, in Gorakhpur, and in a lesser degree the serious rioting that took place on the following day at Barcilly shocked every shade of Moderate opinion throughout the country and led to a revulsion of feeling against the leaders of the non-co-operation movement and the movement itself. The Working Committee of the Congress met at Bardoli on the 11th and 12th February, Gandhi presiding, and passed the resolutions which have already been communicated in my telegram to you of the 14th instant. As a consequence of this changed attitude on the part of the leaders, of which we

No 2.

From Viceroy, Home Department, to Secretary of State for India, dated 9th February 1922.

Received 12th February 1922.

(Telegraphic.)

Following telegrams received from Government of the United Provinces :—

I.—Following press communiqué being issued :—

“Commissioner of Gorakhpur wires as follows regarding Chauri Chaura affair, already reported :—‘ Trouble arose as follows. On previous Wednesday an attempt to picket Muderwa Bazaar, and prevent sales of fish, drugs and liquor, had been frustrated by police; also an Ahir Government pensioner, who was a previous convict and had become a volunteer, was called up and threatened with loss of his pension. The volunteers determined on Saturday, that is next bazaar day, to forcibly picket bazaar and overawe all opposition by numbers. Owner of bazaar is loyal zamindar. They proceeded to bazaar through police station grounds. They attacked police station with kunkar and bricks. Eventually police fired in the air. The attack was renewed in greater force; the mob rushed the police and they fled, some into fields and some into buildings. A few police must have fired on the mob in earnest, but whether it was before the rush or not I cannot say. The buildings were set on fire, and all the force there, except one constable and one chaukidar who escaped, were brutally beaten to death and then burnt. Also a little boy servant of the sub-inspector was murdered. Resistance to mob was, I fear, badly organised. Then the mob tore up two rails on the line, cut the telegraph wire and scattered. In all 21 police and chaukidars killed and two rioters at least. The attack was deliberately organised by volunteers, but there was a big crowd with them. Number of crowd 1,500 to 2,000. I have just returned from Chauri Chaura. Impossible to give more details at present. Military have arrived and police force of district has been strengthened. There is nervousness in other thanas, and requests for reinforcements have been received. No renewal of disorder yet. Investigation proceeding.’ ”

II.—Commissioner wires from Bareilly :— “Casualties yesterday’s riots, one man killed on spot; two since died in hospital; five wounded now in hospital, including one woman; possibly five more wounded; number difficult to ascertain.—Commissioner.”

We have drawn attention of all local Governments by telegram to standing orders regarding firing in air, and directed them to impress these on district and subordinate officers.

No. 3.

From Viceroy, Home Department, to Secretary of State for India, dated 14th February 1922.

(Received 10 a.m., 14th February 1922.)

(Telegraphic.)

Working Committee Congress passed following resolutions, amongst others, at Bardoli, on 11th and 12th :--In view of fact that imminence of civil disobedience has always resulted in violent outbreaks of disorder, Working Committee resolves that mass civil disobedience, including non-payment of taxes and rent at Bardoli and elsewhere, be suspended till non-repetition of outbreaks is assured by atmosphere of non-violence. Working Committee advises cessation of activities designed to court arrest, and stoppage of all picketing, save for peaceful purposes, in connection with liquor shops; further advises stoppage of all volunteer processions and public meetings in defiance of law. In view of complaints of laxity of selection of members of volunteer corps, Congress organisations are warned to revise lists, and remove persons not conforming to standards already prescribed. Resolutions to have effect pending meeting All-India Congress Committee. In meantime, Working Committee advises enlistment of crore of members of Congress to whom creed is to be carefully explained; efforts to be directed to promote use khuddar - spinning wheels; organisation of national schools; amelioration of depressed classes; organisation of temperance campaign and Panchayats' Social Service Department to be emphasised; and collections Tilak Swaraj Fund to be encouraged. Special committee to be appointed to find employment for those giving up Government service.

No. 4.

From Viceroy, Home Department, to Secretary of State for India, dated 28th February 1922.

(Received 28th February 1922.)

(Telegraphic.)

In continuation of our telegram of 9th February. The massacre on the 4th February of 21 police by a mob of volunteers at Chauri Chaura, in Gorakhpur, and in a lesser degree the serious rioting that took place on the following day at Barcilly shocked every shade of Moderate opinion throughout the country and led to a revulsion of feeling against the leaders of the non-co-operation movement and the movement itself. The Working Committee of the Congress met at Bardoli on the 11th and 12th February, Gandhi presiding, and passed the resolutions which have already been communicated in my telegram to you of the 14th instant. As a consequence of this changed attitude on the part of the leaders, of which we

received on the 13th February incomplete telegraphic information only, we decided that there should be a postponement for a short time of the institution of proceedings which had been proposed by the Government of Bombay against them and which had been approved by us, in order that we might ascertain whether it was really their intention to discontinue all illegal activities and whether their action would be endorsed by the Congress Committee. We reached this decision without consultation with the Government of Bombay in view of the urgency of the case; that Government were just about to make the arrest with our concurrence, and they had been urging for several weeks the prosecution of Gandhii. A public announcement has since been made by us in the Assembly that, so long as there was a continuance of any illegal activities on the part of the leaders, our policy towards the movement as a whole will undergo no change. The All-India Congress Committee is at the moment sitting at Delhi. The information we have received is to the effect that, while confirming the resolutions passed at Bardoli, it has sanctioned individual civil disobedience and the picketing of liquor shops and foreign cloth subject to certain conditions; but any abandonment of aggressive measures may be opposed by the Khilafat Committee. So far as local developments are concerned the Mohammedan citizen population is quiet for the moment in the United Provinces, but very hostile, and disorderly elements are very imperfectly, if at all, controlled by the non-co-operators' leaders. In the Punjab the strength of the Akali movement is increasing, and it is more and more tending towards the defiance of the Government. There has been a development of this movement on lines of its own and independently of the main movement of non-co-operation. Some anxiety is caused by a fairly general strike of the Indian staff of the East Indian Railway, a strike which without doubt has been engineered for political purposes, but the latest information we have is to the effect that the situation is improving, that traffic conditions are becoming easier and that men are beginning to return to work.

No. 5.

From Viceroy, Home Department, to Secretary of State for India, dated 1st March 1922.

(Received 1st March 1922.)

(Telegraphic.)

Following is text of resolutions as finally passed by All-India Congress Committee, night of 25th:—

“All-India Congress Committee, having carefully considered resolution passed by Working Committee at its meeting held at Bardoli on 11th and 12th instant, confirms the said resolution, with modifications noted therein; and further resolves that individual civil disobedience, whether of defensive

or aggressive character, may be commenced, in respect of particular places or particular laws, at the instance of, and upon permission being granted therefor by, the respective Provincial Committees; provided that such civil disobedience shall not be permitted unless all the conditions laid down by Congress, or All-India Congress Committee, or Working Committee, are strictly fulfilled.

"Reports having been received from various quarters that picketing regarding foreign cloth is as necessary as liquor picketing, All-India Congress Committee authorises such picketing of a *bona fide* character on same terms as liquor picketing mentioned in Bardoli resolutions.

"All-India Congress Committee wishes it to be understood that resolutions of the Working Committee do not mean any abandonment of original Congress programme of non-co-operation, or permanent abandonment of mass civil disobedience, but considers that an atmosphere of necessary mass non-violence can be established by workers concentrating upon constructive programme framed by Working Committee at Bardoli.

"All-India Congress Committee holds civil disobedience to be right and duty of people, to be exercised and performed whenever State opposes the declared will of the people. Individual civil disobedience is disobedience of order or laws by single individual, or an ascertained number or group of individuals; therefore a prohibited public meeting, where admission is regulated by tickets, and to which no unauthorised admission is allowed, is an instance of individual civil disobedience; whereas a prohibited meeting to which general public is admitted without any restrictions is an instance of mass civil disobedience. Such civil disobedience is defensive when prohibited public meeting is held for conducting normal activity, although it may result in arrests. It would be aggressive if it is held, not for any normal activity, but merely for the purpose of courting arrests and imprisonment."

No. 6.

From Viceroy, Home Department, to Secretary of State for India, dated 1st March 1922.

(Received 1st March 1922.)

Telegraphic.)

In view of the resolutions passed by the All-India Congress Committee, by which it is made clear that no fundamental change is to take place in the policy of the non-co-operation party, it has been decided by us that the Government of Bombay be informed that steps should now proceed for the arrest and prosecution of Gandhi, which in view of the facts stated in our telegram of the 14th February were postponed by us, and that action should be taken accordingly by the Government of Bombay.

No. 7.

*From Viceroy, Home Department, to Secretary of State for India,
dated 5th March 1922.*

(Received 6th March 1922.)

(Telegraphic.)

Reference is requested to my telegram dated the 1st March. The Government of Bombay have telegraphed as follows:—

“It has been decided unanimously by the Governor of Bombay in Council that the prosecution of Gandhi should be proceeded with under the Indian Penal Code, section 124A, in respect of four articles published in *Young India*, as follows:—

- (1) 15th June 1921—“Disaffection a Virtue”;
- (2) 29th September 1921—“Tampering with Loyalty”;
- (3) 15th December 1921—“A Puzzle and Its Solution”;
- and
- (4) 23rd February 1922—“Shaking Manes.”

A decision was also arrived at to proceed at the same time on the same charge against S. G. Banker, the printer of *Young India*.

Arrests will take place probably on the evening of the 9th March, Thursday, at Bardoli.”

No. 8.

*From Viceroy, Home Department, to Secretary of State for India,
dated 11th March 1922.*

(Received 11th March 1922.)

(Telegraphic.)

Bombay Government intimate that Gandhi was arrested

EAST INDIA (CRIME).



The Bengal Criminal Law Amendment Ordinance, 1924.

*Presented to Parliament
by command of His Majesty.*

LONDON :

PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.

To be purchased directly from H.M. STATIONERY OFFICE at the following addresses:
Astral House, Kingway, London, W.C.2; 28, Abingdon Street, London, S.W.1;
York Street, Manchester; 1, St. Andrew's Crescent, Cardiff;
or 120, George Street, Edinburgh;
or through any Bookseller.

1924.

Price 6d. Net.

Cmd. 2288.

CONTENTS.

1. Statement by H.E. The Governor General of the reasons for the Ordinance. (<i>Published 25th October, 1924.</i>)	3
2. The Ordinance	5
3. Resolution by the Government of Bengal. (<i>Published 25th October, 1924</i>)	13

No. 1.

**Government of India (Home Department) Notification,
*dated Simla, the 25th October, 1924.***

The following statement is published for general information :—

A statement by His Excellency the Governor General of the reasons which have moved him, in exercise of the powers conferred upon him by section 72 of the Government of India Act, to make and promulgate an Ordinance to supplement the ordinary criminal law in Bengal, under the title of the Bengal Criminal Law Amendment Ordinance, 1924.

J. CRERAR,

Secy. to the Govt. of India.

STATEMENT.

1. It is a matter of common knowledge that a revolutionary conspiracy existed during the years 1912-1917, which has left the most poignant memories of the misery and terror it created throughout Bengal. All other methods of dealing with this conspiracy having been tried without avail, it was not suppressed until its leaders were confined under the provisions of Regulation III of 1818, and many of its subordinate members dealt with under the Defence of India Act. After the Royal proclamation of 1919, most of these persons were released. Many forsook their connection with revolutionary crime and have not since returned to it. To the remainder, who have since showed themselves to be irreconcilable, the amnesty was, after the institution of the reformed system of Government, gradually extended, in the hope that under a new political era, they would recognise the duties and the advantages of good citizenship. This hope has not been realised. The majority of these still retained their faith in the efficacy of violence and assassination as political weapons. They speedily returned to their old methods and reorganised their old associations, taking care only to avoid the mistakes to which they attributed their previous failure. During the years 1920 to 1922 they carried on their activities under the cloak of the political movements then in progress, recruiting their followers and perfecting their organisation with a view to future action when opportunity offered.

2. Towards the end of 1922 the leaders of these conspiracies, believing that their objects would not be attained by the methods of the non-co-operation movement, decided to revert to methods of violence. The two main terrorist organisations had now been resuscitated; new members in large numbers were recruited; arms

and ammunition, partly of a kind which cannot be obtained in India, and must therefore have been smuggled from abroad, were collected; a new and highly dangerous type of bomb was manufactured; and projects of assassination against certain police officers and other persons were devised. The movements of these officers and their residences were watched and those who watched, being themselves placed under observation, were traced to places known to be haunts of the conspirators.

3. During the year 1923, a series of outrages was perpetrated, including a dacoity with double murder at Kona near Howrah and the looting of the Ultadingi Post Office in May, a robbery with murder in July, the Sankaritolla murder and others which I need not specify. In January of the present year Mr. Day was murdered in Calcutta, and an attempt was made to murder Mr. Bruce in April, in both cases as it appears, in mistake for a prominent and distinguished police official. In March a bomb factory was discovered, and other activities directed to the manufacture of bombs and the illicit collection of arms were detected. It is known that other crimes were planned, and that projects of assassination continued and still continue to be devised. I say nothing of other deplorable events which are now under judicial investigation. Evidence has been placed before me which shows to my satisfaction that the movement is deepseated and dangerous. It is impossible for obvious reasons to divulge much of the information available to Government but it confirms in every respect the view I have been forced to accept.

4. Though the situation during 1923 was grave, I was reluctant to invoke the powers conferred upon me by the Government of India Act, until I was fully persuaded that all other means for dealing with the emergency had been exhausted. My Government accordingly authorised the confinement of certain leaders of the criminal associations under the provisions of Regulation III of 1818. The movement was temporarily checked, but new leaders were found and operations were resumed, as is apparent from the dark record of crime in the present year. I have therefore come to the conclusion, after the fullest consultation with the local Government, that it is necessary to arm the Government of Bengal with special powers to deal with preparations for crime, with the object of protecting not only the officers of Government, whose lives are threatened, but equally private citizens, who have frequently been the innocent sufferers from such outrages, and the misguided youths who are its tools and often themselves its victims. I am convinced that preparations and plans for criminal outrages are now so dangerously developed that it is necessary to provide immediate safeguards by an Ordinance. Permanent measures to remedy the situation will in due course be presented by the Local Government.

5. The Ordinance is directed solely to these ends and will in no way touch or affect the interests or liberties of any citizens, whether engaged in private or public affairs, so long as they do not connect themselves with violent criminal methods. The fundamental duty of Government is to preserve public security on which political advance and all the functions of a civilized social organism depend.

And, as it is manifest that sound and permanent political progress cannot be accelerated by violence or threat of violence, so also I deem it my duty and the duty of my Government to see that no violence or threat of violence shall operate to retard it. I and my Government will therefore proceed as we are doing along the line of political development laid down in the declared policy of Parliament reaffirmed by His Majesty's Government. Acting with these objects and these intentions, I believe myself and my Government to be entitled to the support and co-operation of all those who have truly at heart the peace, the prosperity and the political future of India.

READING,

Viceroy and Governor General.

No. 2.

Simla, the 25th October, 1924.

Ordinance No. 1 of 1924.

An Ordinance to supplement the ordinary criminal law in Bengal.

WHEREAS an emergency has arisen which makes it necessary to supplement the ordinary criminal law in Bengal;

NOW THEREFORE, in exercise of the power conferred by section 72 of the Government of India Act, the Governor General is pleased to make and promulgate the following Ordinance:—

Short title and extent.

1. (1) This Ordinance may be called the Bengal Criminal Law Amendment Ordinance, 1924.

(2) It extends to the whole of Bengal.

Definition.

2. In this Ordinance, unless there is anything repugnant in the subject or context, "the Code" means the Code of Criminal V of 1898 Procedure, 1898.

Power of Local Government to direct trial by Commissioners in certain cases.

3. (1) The Local Government may, by order in writing, direct that any person accused of any offence specified in the First Schedule shall be tried by Commissioners appointed under this Ordinance.

(2) Orders under sub-section (1) may be made in respect of persons accused of any offence specified in the First Schedule or in respect of any class of person so accused, or in respect of persons or classes of persons accused of any such offence or of any class of such offences.

(3) No order under sub-section (1) shall be made in respect of, or be deemed to include, any person who has been committed under the Code for trial before a High Court, but, save as aforesaid, an

order under that sub-section may be made in respect of, or may include, any person accused of any offence specified in the First Schedule whether such offence was committed before or after the commencement of this Ordinance.

Appointment and qualification of Commissioners.

4. (1) Commissioners for the trial of persons under this Ordinance shall be appointed by the Local Government.

(2) Such Commissioners may be appointed for the whole of Bengal or for any part thereof, or for the trial of any particular accused person or class of accused persons.

(3) All trials under this Ordinance shall be held by three Commissioners, of whom at least two shall be persons who are serving, and have for a period of not less than three years served, as Sessions Judges or Additional Sessions Judges, or are persons qualified under sub-section (3) of section 101 of the Government of India Act for appointment as Judges of a High Court.

Procedure of Commissioners.

5. (1) Commissioners appointed under this Ordinance may take cognizance of offences without the accused being committed to them for trial, and in trying accused persons shall record evidence in the manner prescribed in section 356 of the Code and shall, in other respects also, subject to this Ordinance and to any rules made thereunder, follow the procedure prescribed by the Code for the trial of warrant cases by Magistrates :

Provided that such Commissioners shall not be bound to adjourn any trial for any purpose unless such adjournment is in their opinion necessary in the interests of justice.

(2) In the event of any difference of opinion among the Commissioners, the opinion of the majority shall prevail.

Powers of Commissioners.

6. (1) The Commissioners may pass upon any person convicted by them any sentence authorised by law for the punishment of the offence of which such person is convicted.

(2) If in any trial under this Ordinance it is found that the accused person has committed any offence, whether such offence is or is not an offence specified in the First Schedule, the Commissioners may convict such person of such offence and pass any sentence authorised by law for the punishment thereof.

Application of Code of Criminal Procedure, 1898, to proceedings of Commissioners.

7. The provisions of the Code, so far only as they are not inconsistent with the provisions of, or the special procedure prescribed by or under, this Ordinance shall apply to the proceedings of Commissioners appointed under this Ordinance, and such Commissioners shall have all the powers conferred by the Code on a Court of Session exercising original jurisdiction.

Tender of pardon.

8. (1) Commissioners trying an offence under this Ordinance may, with a view to obtaining the evidence of any person supposed to have been directly concerned in, or privy to, the offence, tender a pardon to such person on condition of his making a full and true disclosure of the whole circumstances within his knowledge relative to the offence and to every other person concerned whether as principal or abettor in the commission thereof.

(2) Where, in the case of any offence for the trial of which by Commissioners an order has been made under sub-section (2) of section 3, a pardon has, before the passing of such order, been tendered to and accepted by any person under section 337 of the Code, the provisions of sub-sections (2) and (3) of that section of the Code shall apply as if the accused person had been committed for trial to the Commissioners.

(3) For the purposes of sections 339 and 339A of the Code, pardons tendered under sub-section (1) and sub-section (2) shall be deemed respectively to have been tendered under sections 338 and 337 of the Code.

Appeals and confirmation.

9. (1) Any person convicted on a trial held by Commissioners under this Ordinance may appeal to the High Court, and such appeal shall be disposed of by the High Court in the manner provided in Chapter XXXI of the Code.

(2) When the Commissioners pass sentence of death the proceedings shall be submitted to the High Court, and the sentence shall not be executed unless it is confirmed by the High Court.

Special rule of evidence.

10. Notwithstanding anything contained in the Indian Evidence Act, 1872, when the statement of any person has been recorded by any Magistrate, such statement may be admitted in evidence in any trial before Commissioners appointed under this Ordinance if such person is dead or cannot be found, or is incapable of giving evidence, and the Commissioners are of opinion that such death, disappearance, or incapacity has been caused in the interests of the accused.

Rule-making powers of Local Government.

11. The Local Government may, by notification in the local official Gazette, make rules consistent with this Ordinance to provide for all or any of the following matters, namely :—

- (i) the times and places at which Commissioners appointed under this Ordinance may sit;
- (ii) the procedure of such Commissioners, including the appointment and powers of their President, and the procedure to be adopted in the event of any Commissioner being prevented from attending throughout the trial of any accused person;
- (iii) the manner in which prosecutions before such Commissioners shall be conducted and the appointment and powers of persons conducting such prosecutions;

order under that sub-section may be made in respect of, or may include, any person accused of any offence specified in the First Schedule whether such offence was committed before or after the commencement of this Ordinance.

Appointment and qualification of Commissioners.

4. (1) Commissioners for the trial of persons under this Ordinance shall be appointed by the Local Government.

(2) Such Commissioners may be appointed for the whole of Bengal or for any part thereof, or for the trial of any particular accused person or class of accused persons.

(3) All trials under this Ordinance shall be held by three Commissioners, of whom at least two shall be persons who are serving, and have for a period of not less than three years served, as Sessions Judges or Additional Sessions Judges, or are persons qualified under sub-section (3) of section 101 of the Government of India Act for appointment as Judges of a High Court.

Procedure of Commissioners.

5. (1) Commissioners appointed under this Ordinance may take cognizance of offences without the accused being committed to them for trial, and in trying accused persons shall record evidence in the manner prescribed in section 356 of the Code and shall, in other respects also, subject to this Ordinance and to any rules made thereunder, follow the procedure prescribed by the Code for the trial of warrant cases by Magistrates :

Provided that such Commissioners shall not be bound to adjourn any trial for any purpose unless such adjournment is in their opinion necessary in the interests of justice.

(2) In the event of any difference of opinion among the Commissioners, the opinion of the majority shall prevail.

Powers of Commissioners.

6. (1) The Commissioners may pass upon any person convicted by them any sentence authorised by law for the punishment of the offence of which such person is convicted.

(2) If in any trial under this Ordinance it is found that the accused person has committed any offence, whether such offence is or is not an offence specified in the First Schedule, the Commissioners may convict such person of such offence and pass any sentence authorised by law for the punishment thereof.

Application of Code of Criminal Procedure, 1898, to proceedings of Commissioners.

7. The provisions of the Code, so far only as they are not inconsistent with the provisions of, or the special procedure prescribed by or under, this Ordinance shall apply to the proceedings of Commissioners appointed under this Ordinance, and such Commissioners shall have all the powers conferred by the Code on a Court of Session exercising original jurisdiction.

Tender of pardon.

8. (1) Commissioners trying an offence under this Ordinance may, with a view to obtaining the evidence of any person supposed to have been directly concerned in, or privy to, the offence, tender a pardon to such person on condition of his making a full and true disclosure of the whole circumstances within his knowledge relative to the offence and to every other person concerned whether as principal or abettor in the commission thereof.

(2) Where, in the case of any offence for the trial of which by Commissioners an order has been made under sub-section (1) of section 3, a pardon has, before the passing of such order, been tendered to and accepted by any person under section 337 of the Code, the provisions of sub-sections (2) and (8) of that section of the Code shall apply as if the accused person had been committed for trial to the Commissioners.

(3) For the purposes of sections 339 and 339A of the Code, pardons tendered under sub-section (1) and sub-section (2) shall be deemed respectively to have been tendered under sections 338 and 337 of the Code.

Appeals and confirmation.

9. (1) Any person convicted on a trial held by Commissioners under this Ordinance may appeal to the High Court, and such appeal shall be disposed of by the High Court in the manner provided in Chapter XXXI of the Code.

(2) When the Commissioners pass sentence of death the proceedings shall be submitted to the High Court, and the sentence shall not be executed unless it is confirmed by the High Court.

Special rule of evidence.

10. Notwithstanding anything contained in the Indian Evidence Act, 1872, when the statement of any person has been recorded by any Magistrate, such statement may be admitted in evidence in any trial before Commissioners appointed under this Ordinance if such person is dead or cannot be found, or is incapable of giving evidence, and the Commissioners are of opinion that such death, disappearance, or incapacity has been caused in the interests of the accused.

Rule-making powers of Local Government.

11. The Local Government may, by notification in the local official Gazette, make rules consistent with this Ordinance to provide for all or any of the following matters, namely :—

- (i) the times and places at which Commissioners appointed under this Ordinance may sit;
- (ii) the procedure of such Commissioners, including the appointment and powers of their President, and the procedure to be adopted in the event of any Commissioner being prevented from attending throughout the trial of any accused person;
- (iii) the manner in which prosecutions before such Commissioners shall be conducted and the appointment and powers of persons conducting such prosecutions;

- (iv) the execution of sentences passed by such Commissioners,
- (v) the temporary custody or release on bail of persons referred to or included in any order made under sub-section (1) of section 3, and the transmission of records to the Commissioners; and
- (vi) any matter which appears to the Local Government to be necessary for carrying into effect the provisions of this Ordinance relating or ancillary to trials before Commissioners.

Power of Local Government to deal with certain suspects.

12. (1) Where, in the opinion of the Local Government, there are reasonable grounds for believing that any person—

- XI of 1878. (i) has acted, is acting or is about to act in contravention of the provisions of the Indian Arms Act, 1878, or of the VI of 1908. Explosive Substances Act, 1908; or
- (ii) has committed, is committing or is about to commit any offence specified in the Second Schedule; or
- (iii) has acted, is acting or is about to act with a view to interfere by violence or by threat of violence with the administration of justice;

the Local Government, if it is satisfied that such person is a member, or is being controlled or instigated by a member, of any association of which the objects or methods include the doing of any of such acts or the commission of any of such offences, may, by order in writing, give all or any of the following directions, namely, that such person—

- (a) shall notify his residence and any change of residence to such authority as may be specified in the order;
- (b) shall report himself to the police in such manner and at such periods as may be so specified;
- (c) shall conduct himself in such manner or abstain from such acts as may be so specified;
- (d) shall reside or remain in any area in British India so specified;
- (e) shall not enter, reside in, or remain in any area specified in such order;
- (f) shall be committed to custody in any jail;

Provided that the Local Government shall not in an order under clause (d) or clause (f) specify an area or a jail outside Bengal without the previous sanction of the Governor General in Council.

(2) The Local Government in its order under sub-section (1) may direct—

- (a) the arrest without warrant of the person in respect of whom the order is made at any place where he may be found by any police officer, or other officer of Government, to whom the order may be directed or endorsed by or under the general or special authority of the Local Government;

- (b) the search of any place specified in the order which in the opinion of the Local Government has been, is being, or is about to be used by such person for the purpose of doing any act, or committing any offence, of the nature described in sub-section (1).

Service of orders under section 12.

13. An order made under sub-section (1) of section 12 shall be served on the person in respect of whom it is made in the manner provided in the Code for service of a summons, and upon such service such person shall be deemed to have had due notice thereof.

Power to arrest without warrant.

14. (1) Any officer of Government, authorised in this behalf by general or special order of the Local Government, may arrest without warrant any person against whom a reasonable suspicion exists that he is a person in respect of whom an order might lawfully be made under sub-section (1) of section 12.

(2) Any officer exercising the power conferred by sub-section (1) may, at the time of making the arrest, search any place and seize any property which is, or is reasonably suspected of being, used by such person for the purpose of doing any act, or committing any offence, of the nature described in sub-section (1) of section 12.

(3) Any officer making an arrest under sub-section (1) shall forthwith report the fact to the Local Government, and pending receipt of the orders of the Local Government may, by order in writing, commit any person so arrested to such custody as the Local Government may, by general or special order, specify in this behalf :

Provided that no person shall be detained in custody under this section for a period exceeding fifteen days save under a special order of the Local Government, and no person shall in any case be detained in custody under this section for a period exceeding one month.

Enforcement of orders.

15. The Local Government and every officer of Government to whom any copy of any order made under section 12 has been directed or endorsed by or under the general or special authority of the Local Government, and every officer exercising the powers conferred by section 14, may use any and every means necessary to enforce the same.

Penalty for breach of order under section 12.

16. Whoever, being a person in respect of whom an order has been made under sub-section (1) of section 12, knowingly disobeys any direction in such order, shall be punishable with imprisonment for a term which may extend to three years, and shall also be liable to fine.

Power of photographing, etc., persons in respect of whom order has been made under section 12.

17. (1) Every person in respect of whom an order has been made under sub-section (1) of section 12 shall, if so directed by any officer authorised in this behalf by general or special order of the Local Government—

- (a) permit himself to be photographed;
- (b) allow his finger impressions to be taken;
- (c) furnish such officer with specimens of his hand-writing and signature;
- (d) attend at such times and places as such officer may direct for all or any of the foregoing purposes.

(2) If any person fails to comply with or attempts to avoid any direction given in accordance with the provisions of sub-section (1), he shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

Powers of search.

18. The power to issue search warrants conferred by section 98 of the Code shall be deemed to include a power to issue warrants authorising the search of any place in which any Magistrate mentioned in that section has reason to believe that any offence specified in the First Schedule has been, is being, or is about to be committed, and the seizure of anything found therein or thereon which the officer executing the warrant has reason to believe is being used or intended to be used for the commission of any such offence; and the provisions of the Code, so far as they can be made applicable, shall apply to searches made under the authority of any warrant issued under this section, and to the disposal of any property seized in any such search; and an order for search issued by the Local Government under sub-section (2) of section 12 shall be deemed to be a search warrant issued by the District Magistrate having jurisdiction in the place specified therein, and may be executed by the person to whom the order is addressed in the manner provided in this section.

Scrutiny of case by two Judges.

19. (1) Within one month from the date of the issue of an order by the Local Government under sub-section (1) of section 12, the Local Government shall place before two persons, who shall be either Sessions Judges or Additional Sessions Judges having, in either case, exercised for at least five years the powers of a Sessions Judge or Additional Sessions Judge, the material facts and circumstances in its possession on which the order has been based or which are relevant to the inquiry, together with any materials relating to the case which may have subsequently come into its possession, and a statement of the allegations against the person in respect of whom the order has been made and his answers to them, if furnished by him, and the said Judges shall consider the said material facts

and circumstances and the allegations and answers, and shall report to the Local Government whether or not in their opinion there is lawful and sufficient cause for the order.

(2) On receipt of the said report, the Local Government shall consider the same and shall pass such order thereon as appears to the Local Government to be just or proper.

(3) Nothing in this section shall entitle any person against whom an order has been made under sub-section (1) of section 12 to appear or to act by pleader in any matter connected with the reference to the said Judges, and the proceedings and report of the said Judges shall be confidential.

Visiting Committees.

20. (1) The Local Government shall, by order in writing, appoint such persons as it thinks fit to constitute Visiting Committees for the purposes of this Ordinance, and shall by rules prescribe the functions which these Committees shall exercise.

(2) Such rules shall provide for periodical visits to persons under restraint by reason of an order made under sub-section (1) of section 12.

(3) No person in respect of whom any such order has been made requiring him to notify his residence or change of residence or to report himself to the police or to abstain from any specified act, shall be deemed to be under restraint for the purpose of sub-section (2).

Allowances to persons under restraint and their dependants.

21. The Local Government shall make to every person who is placed under restraint by reason of an order made under sub-section (1) of section 12 a monthly allowance for his support of such amount as is, in the opinion of the Local Government, adequate for the supply of his wants, and shall also make to his family, if any, and to such of his near relatives, if any, as are in the opinion of the Local Government dependent on him for support, an allowance for the supply of their wants according to their rank in life.

Explanation.—In this section the expression “under restraint” has the same meaning as in section 20.

Rule-making power of Local Government.

22. The Local Government may make rules providing for the procedure to be followed regarding the notification of residence and report to the police by persons in respect of whom orders have been made under section 12, and for the intermediate custody of persons arrested under this Ordinance.

Publication of rules.

23. All rules made under this Ordinance shall be published in the local official Gazette, and on such publication shall have effect as if enacted in this Ordinance.

Bar of suits, prosecutions and other legal proceedings.

24. (1) No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Ordinance.

(2) Nothing in section 491 of the Code shall apply to any person in respect of whom an order has been made under section 3 or section 12 or who has been arrested under section 14.

THE FIRST SCHEDULE.

(See section 3, etc.)

Any of the following offences, if in the opinion of the Local Government there are reasonable grounds for believing that such offence has been committed by a member, or a person controlled or instigated by a member, of any association of which the objects or methods include the commission of any of such offences, namely:—

- (a) any offence under any of the following sections of the Indian Penal Code, namely, sections 148, 302, 304, 326, 327, 329, 332, 333, 385, 386, 387, 392, 394, 395, 396, 397, 398, 399, 400, 401, 402, 431, 435, 436, 437, 438, 440, 454, 455, 457, 458, 459, 460 and 506;
- (b) any offence under the Explosive Substances Act, 1908;
- (c) any offence under the Indian Arms Act, 1878;
- (d) any attempt or conspiracy to commit, or any abetment of, any of the above offences.

THE SECOND SCHEDULE.

(See section 12.)

(1) Any offence under any of the following sections of the Indian Penal Code, namely, sections 148, 302, 304, 326, 327, 329, 332, 333, 392, 394, 395, 396, 397, 398, 399, 400, 401, 402, 431, 435, 436, 437, 438, 440, 457 and 506.

(2) Any attempt or conspiracy to commit, or any abetment of, any of the above offences.

READING,

Viceroy and Governor General.

H. MONCRIEFF SMITH,

Secretary to the Government.

No. 3.

Resolution published by the Government of Bengal
in a Gazette Extraordinary,
dated Calcutta, the 25th October, 1924.

The Governor in Council desires to take the earliest opportunity of explaining, as far as is possible at the present stage, the reasons which have led him to ask the Governor General to promulgate an Ordinance to supplement the ordinary criminal law in Bengal.

It is a matter of common knowledge that a revolutionary conspiracy existed during the years 1908 to 1917. The revolutionaries themselves no longer attempt to conceal the fact and have described the movement in books and in articles in the public Press. The object of that conspiracy was to overturn by violent means the Government established by law in India. The leaders sought to achieve this object by the spread of revolutionary ideas and the collection of arms, with a view to rising in rebellion when the time was ripe. The means adopted were the preaching of race hatred and of revolution as a religious duty and the organisation of undisciplined secret societies. Funds for this purpose were obtained by robberies with violence, and immunity for the criminals was sought by intimidation.

Everyone who hampered the movement or contributed to the punishment of the criminals was threatened with assassination, many Government officials were actually murdered and a reign of terror was gradually established in Bengal. All ordinary methods of dealing with crime failed to check the movement: the leaders have freely boasted, in the books they have since written, of the powerlessness of Government to deal with their conspiracy by means of the ordinary law, and Bengal was only rescued in the end from the tyranny of this band of murderers by the use of Regulation III of 1818, and the powers which the Government obtained under the Defence of India Act. The conspiracy was effectively crushed by these means and, if the powers had been retained by Government, it could never have been revived.

After the Royal Proclamation of 1919, all persons who were still interned were released. Many of those who were dealt with under the Defence of India Act subsequently abandoned the idea of violent revolution. The amnesty was gradually extended to the comparatively small group of irreconcilables, the leaders of the movement, who had been detained in jail. It was hoped that the opportunities for political advance offered by the Reforms would change their attitude towards Government, but these hopes have not been realised. These men still believe that none but violent means can accomplish their object, and they are convinced that the fact that

any concession was made at all was solely due to fear caused by their terrorist movement. As soon as they were released they began to reorganise their societies and to work secretly on the old lines, though they took advantage of the experience which they had gained to avoid the mistakes to which they attributed their previous failure.

Two facts may be noticed at this point. The first is that the revival of the terrorist conspiracy was encouraged by the belief that Government could no longer deal with it effectively. The second is that though from the very nature of the conspiracy with which they are confronted, the Government are unable to take the public as fully into their confidence as they would wish regarding its existence and its intentions since secret organisations which employ the weapons of assassination and terrorism have necessarily to be dealt with by secret methods, yet they have throughout had information, which has been tested and proved reliable, of the movements and activities of the leaders of the terrorist party and are now satisfied that it would be highly dangerous to allow the movement to remain unchecked any longer.

The terrorist leaders who have constantly preached violence as the only road to independence naturally had no faith in non-violent non-co-operation. They realised, however, that the policy of non-violence had been generally accepted, and during the years 1920 and 1921 they were content to stand by and watch events, whilst using any form of organisation in order to extend their influence with a view to future action. Lately endeavours were made to organise *asrams* on lines similar to those which played so important a part in former movements.

Leading members of the two main organisations have been very active in propaganda work, and in recruiting new members, particularly from the student class. Every cause of unrest was exploited and every centre of agitation utilised for the dissemination of terrorism and the capture of new recruits. Recent events at Tarakeswar, which attracted from all parts of Bengal impressionable youths in a high state of excitement, afford the latest example of now an agitation wholly unconnected with the terrorist movement was utilised by the leaders of that movement to swell their numbers.

The conspirators are also known to have manufactured a new and highly dangerous type of bomb and to have secured considerable quantities of arms and ammunition. These weapons have been used in some of the outrages which have occurred during the past two years, and it is significant that the ammunition used on several occasions was of a foreign make which cannot be obtained lawfully in India.

The events of the last two years may be dealt with in greater detail. In May, 1923, one section of the terrorist party, which had recently been conspiring to assassinate police officers, especially Mr. Tegart, who had recently returned to India as Commissioner of Police, embarked upon a campaign of dacoity and murder, partly in order to secure funds but partly also in order to accustom their men to violent action and to terrorise any who might be inclined

to oppose them. They first committed a dacoity with double murder at Kona, near Howrah; in the same month the Ultadingi post office was looted. The same gang committed the robbery with murder at Garpar Road on the 30th July, in which firearms were again used. The murder of the Sankaritola postmaster followed. The investigations into this case resulted in full corroboration of the information already in the possession of Government, and proved conclusively that these outrages were all the work of a particular group of the party.

Seven members of this group were put on trial in the Alipore conspiracy case, but many of the facts in the possession of Government could not be placed before the Court, and they were eventually acquitted. Some of the accused who had not previously admitted their guilt stated subsequently that they had taken part in these outrages and that the immediate object of the conspiracy was the assassination of police officers—a conspiracy which was continued even whilst they were in jail as under-trial prisoners.

The situation after these outrages had been committed was serious. The lives of the officers of Government were in imminent danger, and it was clear that, unless immediate action was taken, terrorism and crime would spread and Bengal would be again exposed to the dangers and horrors of the previous outbreak of violent revolutionary crime. Several of the chief leaders were accordingly incarcerated under Regulation III of 1818. This action came as a surprise, and checked the movement for the time being, but not for long. New leaders were found and operations were resumed. In December a robbery of Rs.17,000, the property of the Assam-Bengal Railway, was committed at Chittagong by four bhadrakok youths armed with revolvers. Subsequently police investigations showed that certain bhadrakok youths were hiding in suspicious circumstances in a house in a village at some distance from Chittagong. The search of this house ten days after the robbery led to the discovery of a number of weapons and ammunition, which included cartridges of the foreign type mentioned above. The attempt to arrest the occupants of the house led to a running fight between them and a body of police and villagers, and to the arrest of two youths with firearms in their possession. An attempt was made to decoy from his house one of the chief witnesses in the robbery case with the obvious intention of murdering him; and on the next evening a Sub-Inspector who had arrested one of the accused in this case and knew the other members of the gang by sight was shot at Chittagong.

It has been mentioned above that the assassination of certain police officers had long been contemplated by the terrorist party, and that some of the persons who were acquitted in the Alipore conspiracy case stated that this was the immediate object of the conspiracy. In the early part of 1923, persons were found to be watching the movements of these officers and their residences. These watchers were themselves placed under observation and traced to places which were known to be haunts of the conspirators.

In January, 1924, Mr. Day was murdered in Calcutta by Gopi Mohan Saha in mistake for Mr. Tegart, and in April Mr. Bruce

was fired at in Harrison Road in circumstances which suggest that this was a similar case of mistaken identity. The ammunition used in the murder of Mr. Day, and in the Chittagong murder, was also of the foreign type already referred to.

In March a bomb factory was discovered in Calcutta fully equipped with explosives and implements for loading and fitting bomb-shells, of which a number, both loaded and unloaded, were found. This discovery showed not only the existence of an efficient organisation, but also a high degree of scientific knowledge, since the bombs used marked a distinct advance on anything which had previously come to light, being modelled on the Mills bomb, and loaded with ammonium picrate. Police investigations into this case led to the discovery of one of the Mauser pistols stolen from Messrs. Rodda and Co. in 1914, and also a revolver and ammunition. About the same time a young bhadralok was severely injured whilst handling explosives at Faridpur. In May three youths were seen to reconnoitre a building occupied by police officers in circumstances which pointed strongly to an intention to throw a bomb. In July a well-known member of the party was arrested in the streets of Calcutta with a fully loaded revolver in his possession, for which offence he was convicted by the Chief Presidency Magistrate.

At the end of July the public were startled by the appearance of the "Red Bengal" leaflets, the first issue of which announced the initiation of a campaign of assassination of police officers, and warned the public that any one interfering would meet the same fate. The second issue, which appeared shortly afterwards, impressed on the political leaders of Bengal the necessity for the existence of an active violence party, and indicated that this party had come to stay. Government are now in a position definitely to state that these leaflets were printed in Calcutta, and were issued by a certain section of this party of violence. Terrorist literature of this type, so familiar in the campaign of 1914-18, exercises a most baneful effect on the minds of the student community, while the publication and wide distribution to carefully selected persons simultaneously throughout the province is indicative by itself of the existence of a widespread organisation behind it. Among a large number of persons to whom the leaflets were sent were a Magistrate who held the identification parade in the Alipore conspiracy case, a witness in the case against Gopi Mohan Saha, and the Judge who tried and the Standing Counsel who prosecuted in the bomb case.

On the night of the 22nd of August a bomb of the same type as those referred to above was hurled into a khaddar shop at 25, Mirzapur Street, Calcutta. The bomb exploded and killed on the spot the man in the shop and severely wounded another. The third occupant of the shop, Sisir Kumar Ghosh, who was dealt with under Regulation III of 1818 in connection with the revolutionary campaign of 1914-18, jumped out of the shop in pursuit of an individual who he stated, actually threw the bomb. This man, Basanta Kumar Dhenki, was captured. Another arrest was also made on the spot at the time of a youth named Santi Lal Chakrabarti. They were both placed on their trial at the last High Court Sessions. Santi Lal was unanimously acquitted by the verdict of the jury, and was

discharged. Basanta Kumar Dhenki, who was found not guilty by a divided verdict of 7 to 2 and 8 to 1 on two different charges, was remanded in custody for re-trial by the presiding Judge, who disagreed with the verdict of the jury. Santi Lal was released from the Sessions Court on the 29th of September. His dead body was found shockingly mutilated between Dum Dum and Belgharia on the early morning of the 3rd October.

The above is a very brief outline of the outward manifestation of the existence of a violent conspiracy as disclosed by overt acts which are already public property, but apart from these specific cases, Government are in possession of information, which has come from various sources and from different parts of the province, which shows that during the course of the current year the conspirators have, in addition, attempted to assassinate police officers, high Government officials, and members of their own organisations whom they suspect of giving information to the authorities. No less than five such attempts are known to have been made during and subsequent to July last.

The fact that the intended victims escaped death at the hands of miscreants, who set forth armed with bombs and pistols to murder them, can only be attributed to Providence. In some cases the assassins suspected police vigilance, in others they were thwarted by the unexpected movements of their intended victims. It is impossible in view of the confidential nature of this information, to make public precise details of these particular plots, but the information regarding them is being continually confirmed by subsequent events, and from other sources.

A brief reference may here be made to the campaign in the Press and on public platforms, which has proved so effectively an agency in assisting the party to perfect their organisation and increase their numbers. This campaign started in 1922, and has grown in intensity. The eulogy of old revolutionaries, the idealising of youths who committed murders and other crimes, and the publication of their biographies, have all been resorted to with the obvious intention of inciting the youth of Bengal to follow their example. Articles still appear daily in the Indian Press fomenting racial hatred and verging as near to incitements to violence as the law admits.

As the foregoing facts show, the situation has become increasingly serious during the past two years. In June last the terrorist campaign was given a great impetus by the resolution of the Bengal Provincial Conference, which expressed admiration for the spirit of self-sacrifice exhibited by Gopi Mohan Saha. The effects of the resolution were electrical; it is by far the most potent recruiting instrument which has ever been placed in the hands of the organisers of violent crime, and has been a continual incitement to the youth of Bengal to take to violent ways.

At present then there is in Bengal a large criminal association secretly organised and equipped for a campaign the immediate object of which is to paralyse Government by the assassination of their officers. The existence of this association is now admitted

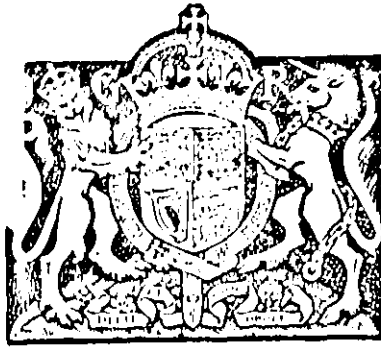
in all quarters, and its magnitude was strikingly emphasised by Mr. C. R. Das in a recent interview with the Press. It is daily increasing in strength, and as in the years before 1915 ordinary measures have failed to check it. The situation has become so serious that the Governor in Council is forced to ask that he may be armed with the extraordinary powers which will alone enable him to deal with it effectively. He has, therefore, decided to summon the Legislative Council without delay to consider measures of legislation which will be placed before it to that end. This legislation will follow the lines of the Defence of India Act and Rules which proved effective in crushing the conspiracy of 1914-18 which had the same aims, the same methods, and largely the same leaders as the conspiracy of to-day.

It was the unanimous opinion of all who examined the question, that it is impossible to deal with terrorist crime under the ordinary law or through the ordinary Courts, and that the powers given by the Defence of India Act and Rules proved an effective weapon, whilst no other powers have ever been suggested as really effective. Regulation III of 1818 is not well adapted to deal with the situation; it can be used to deal with irreconcilable leaders, but is unnecessarily harsh for dealing with the rank and file of the conspiracy, among whom are men who may become leaders, potential assassins and recruits who must be dealt with if the movement is to be checked, but can be dealt with by the milder method of internment.

Had Government possessed those powers earlier, they would have used them against the murderers of the Sankaritola postmaster and Mr. Day, both of whom were known before the murders were committed as recent recruits of the conspiracy, and would thus not only have averted the outrages, but prevented these youths from becoming active criminals. The legislation will further provide for a special procedure for trying persons accused of violent crime. Terrorism of witnesses and juries, failure of juries through fear to return verdicts in accordance with the evidence, the murder of witnesses and persons who have confessed or turned King's evidence, the fear of witnesses to disclose facts within their knowledge—all combine to render justice unobtainable under the existing law. These have already operated in more than one recent case.

The legislation will not give Government any extraordinary powers to deal with sedition, with industrial movements or with communal disturbances, even though they may menace the maintenance of order; cases of this kind will be left to the ordinary Courts. It is aimed solely at the secret criminal conspiracy, which has terrorism as its object or method. The Governor in Council is convinced that the large majority of the members view terrorist conspiracy with the same abhorrence as he himself. The necessity for dealing with this terrorist movement swiftly and effectively, so as to ensure the arrest of the most dangerous conspirators without giving them warning which would enable them to carry on and direct the conspiracy whilst in hiding, has compelled the Governor in Council to ask the Governor General to promulgate an Ordinance on the lines which the Bill will follow.

The Governor in Council regrets that he has been forced by circumstances to have recourse to these extraordinary measures, which are repugnant to him, but in the situation with which he was confronted he had no alternative. All political parties in India have condemned violence as a means of political advance and Government look to every true well-wisher of his country to support them in every measure necessary to suppress anarchy and terrorism. The evils attendant on the former conspiracy, the misery that was caused uselessly, the contamination of youth that resulted, are fresh in their memory, and Government feel assured that the people of Bengal can regard with nothing but horror the possibility of a recurrence of similar calamities.



EAST INDIA (CONSPIRACY)

COPY OF THE
Judgment of the High Court
of Judicature at Allahabad
in the
Revolutionary
Conspiracy Case

*Presented to Parliament by
Command of His Majesty.*

LONDON:
PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.

To be purchased directly from H.M. STATIONERY OFFICE at the following addresses:
Adastral House, Kingsway, London, W.C. 2; 28, Abingdon Street, London, S.W. 1;
York Street, Manchester; 1, St. Andrews' Crescent, Cardiff;
or 120, George Street, Edinburgh;
or through any bookseller.

1924

Price 6d. Net.

Cmd. 2309

In the High Court of Judicature at Allahabad

Criminal Side.

Appellate Jurisdiction.

Dated Allahabad, 10th November, 1924.

Present :

THE HONOURABLE SIR GRIMWOOD MEARS, KT. ... Chief Justice.

and

THE HONOURABLE SIR THEODORE CARO PIGGOTT, KT. ... Judge.

Criminal Appeal No. 588 of 1924.

KING EMPEROR

versus

NALINI BHUSHAN DAS GUPTA and others—

Division.
Cawnpore.

BY THE COURT.

There are in this case four appellants, Nalini Bhushan Das Gupta, Muhammad Shauqat Usmani, Muzaffar Ahmad and Shripat Amrit Dange.

They have been convicted by the Sessions Judge of Cawnpore on a charge framed under Section 121 A of the Indian Penal Code, the case against them being that they were members of a conspiracy, the object of which was to deprive His Majesty the King-Emperor of the sovereignty of British India. In the petition of appeal addressed to this Court two grounds are taken—

- (a) that no offence is proved by the evidence on the record, and
- (b) that the trial Court has relied on inadmissible evidence.

Except for one point of law, involved in the second of the pleas above stated, the case is not really a difficult one. The evidence on which the learned Sessions Judge has held that a conspiracy of the nature set forth in the charge is proved and has found, in respect of each of the appellants individually, that he had joined in that conspiracy, is set forth at great length in the judgment under appeal: it will not be necessary for us to recapitulate it.

The essential facts may be stated as follows :—Lieut. Col. Cecil Kaye, Director of the Intelligence Bureau of the Government of India, proves that, about the end of the year 1921, information was

laid before him of the alleged existence of a conspiracy to overthrow by force the existing government in India, or, in the words of the section "to deprive His Majesty the King-Emperor of the Sovereignty of British India." In consequence, he took steps to have the movements of certain persons watched and their correspondence intercepted in the post-office. It was in this manner that a great deal of the documentary evidence on this record came into the hands of the prosecution. Of course it is no evidence against any one of the appellants that Col. Kaye should have found it advisable to keep a watch on their movements, or to intercept their correspondence. The question which we have first to determine is whether any and which of the documents laid before the Court are evidence against any or some or all of the accused and if any such documents are decided to be admissible in evidence to what extent do they help to prove that which is alleged against the accused. The important date in the case is the 9th of May, 1923, on which date Inspector Ahmad Husain (P.W.18) arrested the appellant Usmani at Cawnpore. (We may as well note at once that we propose to speak of the four appellants by the names ordinarily applied to them in the course of the evidence. Thus the appellant No. 1 will hereafter be spoken of as Nalini Gupta, No. 2 as Usmani, No. 3 as Muzaffar and No. 4 as Dange.) The evidence of Inspector Ahmad Husain is corroborated in various points by that of Sub-Inspector Nadir Ali Khan (P.W.19), Khan Bahadur Abdul Jalil, Deputy Superintendent of Police (P.W.20) and Khan Bahadur Hafiz Muhammad Halim, a merchant of Cawnpore (P.W.21). Their evidence proves the following facts. The police had been making enquiries as to the whereabouts of Usmani since about the beginning of January, 1923, and found some difficulty in tracing him. It was eventually discovered that he was living in Cawnpore, ostensibly as the second master of the National Muslim School there, and that he was passing under the name of Habib Ahmad. He gave another false name to the police at the time of his arrest. He had an accommodation address in Cawnpore, to which correspondence from Europe might be sent without his name appearing on the cover. This address was, Messrs. S. M. Rafiq and Sons, Misri Bazar, Cawnpore. If any letter sent to this address contained an inner cover marked with the words "For Laiq," that inner cover was understood to be for the appellant Usmani and would be delivered to him. There was a real person called "Laiq"—a youth who was the son of the man Rafiq, the head of the firm whose name appeared on the outer cover. This Laiq is now dead, but his connection with Usmani's correspondence and the action eventually taken by him which resulted in certain documents falling into the hands of the police are proved by the evidence of Khan Bahadur Hafiz Muhammad Halim. At the time of Usmani's arrest a number of documents were found on his person which are important exhibits in this case. We take note of the fact that this appellant, when examined by the committing magistrate, denied having been found in possession of any one of these documents; but the fact is fully established against him by the prosecution evidence, and his denial only means that he was not prepared to offer any explanation regarding his possession of these papers.

We think it worth while to set forth in some detail the nature of these exhibits. There were two printed pamphlets and one issue of a newspaper. This last is a periodical called "THE VANGUARD," described as being the "CENTRAL ORGAN COMMUNIST PARTY OF INDIA," beneath which description appear in brackets the words "SEC. COMMUNIST INTERNATIONAL." The issue in question is that of March 1st, 1923, and it purports to be the second issue of the second volume of the periodical. There are a number of articles, undoubtedly of a seditious nature, whose publication might have been made ground for a prosecution under section 124A of the Indian Penal Code. We are concerned to note, more particularly, that there is a review of a book entitled "INDIA IN TRANSITION," by "M. N. Roy," obviously intended to promote the sale of that work. There is a paragraph headed "THOUGHTS ON THE GAYA CONGRESS (From our Special Correspondent)," which is in substance an attack on the Congress leaders for not promoting a policy of violence. There is a notable article headed "AN APPEAL to the Labour Unions of India," described at the foot of the same as being written, or published, "FOR the Communist Party of India," by "M. N. Roy." It refers to the condemnation of the men found guilty of murder in what was known as the Chauri Chaura case, and it is an incitement addressed to the working men of India to declare a general strike as the only possible means of saving the lives of these persons, who are described as "soldiers of freedom." The two pamphlets above referred to purport each of them to have been written by one Manabendra Nath Roy. They are entitled, respectively, "WHAT DO WE WANT?" and "INDIA'S PROBLEM AND ITS SOLUTION." The seditious character of each of these publications is patent. From the former we think it worth while to quote one paragraph *in extenso*, though only as a specimen.

"Mass action thus begun, will develop into organised agrarian strikes, into food riots, the plunder of corn-stocks and assaults upon large estates with the idea of confiscation. The down-trodden peasantry must be made conscious of their right to live like human beings and our propaganda should be aimed at making them understand that they should conquer this right by militant action. Such action, properly organised on a large scale, will arouse them from their age-long mental and spiritual slavery, and make them conscious of their own might. Reactionary pacifism must be repudiated. What burst out spontaneously at Gorakhpur, Rai Bareilli, Chauri Chaura, Malabar, Central India and what is going on in the Punjab, must be developed by every possible means. Peasant revolts should spread like wildfire from one end of the country to the other. We must formulate our programme to correspond to the economic interests of the masses, then go forward boldly with that programme till we reach our goal."

The character of the second pamphlet can best be studied in its concluding paragraph, entitled "MASS ACTION." This begins with the words—

"The first step towards the real freedom of the Indian people is the overthrow of foreign domination."

It is not necessary to extend the quotation further. Two other documents consisted of letters proved to have been written by the appellant Usmani himself and intended for the post, though not yet posted. One of these is exhibit 44, dated the 22nd of April, 1923. It begins with the words "My dear Com. Roy," and there can be no doubt, from the evidence as a whole, that it was intended for the individual described as Manabendra Nath Roy, or M. N. Roy, in the printed exhibits to which we have already referred. As regards its contents, it is sufficient to say that it is the kind of letter you would expect to find written by an agent in India of a conspiracy to overthrow by force the existing government, to a person who he believed to be organising the conspiracy from some place in Europe. A reference to Moscow justifies the inference that the person addressed was believed by the writer to be in touch with some communist organisation in Russia. Remarkable phrases in the letter are, "Armed intervention is the 'last doctor which can save the Indian proletariat from the grave,'" and "Arouse and assault: you win. Arouse and rest: you lose."

It will be convenient to pause here in order to discuss an argument on behalf of the appellants which has been used in connection with other parts of the case also. Usmani himself has repudiated this letter, asserting that it was not found on him and that he knows nothing about it. The prosecution was undoubtedly in possession of papers written by this appellant Usmani himself. An expert in handwriting has deposed that the handwriting of this exhibit 44 is the same as that of the documents admittedly written by Usmani. We were told in argument that it is a dangerous thing to base a conviction solely on the opinion of a handwriting expert, and reference was made to one or two cases of this Court, and more particularly to that of *Sri Kant v. King-Emperor* (2 A.L.J.R.444). In this instance, as in others, we are considering the opinion of the handwriting expert in connection with other established facts. We hold it proved that this exhibit 44 was found on Usmani, notwithstanding that he has elected to deny this fact. Moreover, the document itself provides a cross-reference of a kind which we have found in many places on this record, and we may as well go into detail in this particular instance, in order to explain clearly the sort of evidence which has ended in satisfying us of the genuineness of the prosecution exhibits as a whole. In a postscript to exhibit 44 Usmani writes the following words:—

"Comrade M.A. is bitten by a rabid dog and has gone somewhere for treatment. He writes that the things you sent have not reached him. He expresses apprehension of their being swindles by the middle-man."

Now another of the papers found on Usmani's person at the time of his arrest is a letter (ex.39), dated Calcutta, May 2, 1923, beginning—

"My dear friend"

and signed "DEEN." The writer urges Usmani to send him some money under a registered cover to the following address:—

"The Sabitri Agency, 14, Mirzapur Street, Calcutta."

He says that a gentleman to whom money had been remitted "has

flatly denied any receipt of the same. So such a big amount is gone." There is, in our opinion, overwhelming evidence on the record that the Sabitri Agency at 14, Mirzapur Street, was an accommodation address of the appellant Muzaffar, and that this appellant used the signature "Deen" in some of his correspondence. The reference therefore to "Comrade M.A." in the post-script to Usmani's letter to "Comrade Roy" is unquestionably a reference to this exhibit No. 39. Without going into unnecessary detail, we may add that we note from other correspondence on the record that money was being remitted to India by the individual known to the appellants as M. N. Roy, for the use of the appellants, or some of them, and that one remittance of £100 and two remittances of £50 each ought to have reached Usmani or others of the appellants about this time through an accommodation address. Apparently the person or persons whose services were to be used to pass on the money to the recipients for whom it was intended had realised the perfect safety with which they could misappropriate that money and had done so. In exhibit 39 Muzaffar informs Usmani that money which he had expected to receive in this way has disappeared, and we have Usmani writing a letter in which he passes on this information to "Dear Comrade Roy." An undesigned coincidence of this sort, taken into consideration along with the circumstances under which exhibits 39 and 44 came into the hands of the police, fully warrant us in accepting and acting upon the opinion of the handwriting expert with regard to the documents proved against Usmani.

The point becomes even clearer when we pass on to the second of the two intercepted letters in Usmani's own hand found upon him at the time of his arrest. This letter, curiously enough, is dated May 10th, 1923; that is to say, the writer presumably intended to post it on the day following, and this intention was frustrated by his arrest. He writes, "Dear friend," and begins with the statement that he had come down to Cawnpore in order to see whether any money had been received there. He complains that no money had come as yet in spite of the fact that a mutual friend, obviously well known to the writer and to the person addressed, had been exhorting him to use for his own purpose a portion of a sum of money (£150) which had been sent to the person addressed "for the delegates."

He adds, "But you say you have received nothing"—an obvious reference to exhibit 39, which helps us to identify the person, for whom the letter was intended, as the appellant Muzaffar. We may add at once, as another instance of the manner in which different items in the prosecution evidence dovetail into one another, that we are satisfied from other exhibits that the person known to the appellants as M. N. Roy had been writing to Muzaffar promising the remittance of £100 and of £50 respectively, to which we have already referred. In this exhibit 40, moreover, Usmani complains bitterly of the straits to which he has been reduced for want of money, and expresses his disappointment at having found no correspondence awaiting him at Cawnpore except two letters and what he describes as "a copy of a secret circular by the 'Comintern against Abani

Mukerjee.' " This is exhibit 45A itself an enclosure to exhibit 45, both found on Usmani at the time of his arrest. The reference to " Abani Mukerjee " and the " Comintern " we may reserve for discussion in connection with another part of the case. For the present it will be more convenient to deal with the three remaining documents found upon Usmani's person. Two of these are letters, exhibits Nos. 45 and 46. The first of these is written on paper with a certain heading, that of the newspaper called " THE VANGUARD," to one number of which we have already referred. It is dated " Berlin, February 26," and from internal evidence we are fully warranted in supplying the year 1923. The commencement of the letter refers to the publication in the " Vanguard " newspaper of a contribution sent by Usmani, and thus enables us to identify Usmani as the " Special Correspondent " who contributed " Thoughts on the Gaya Congress." The letter contains references to propaganda of a revolutionary character, for which " convinced workers are needed." It conveys certain further information about Mukerjee, regarding which we are content to note at present that it includes the statement that " he " (i.e., Mukerjee) has been expelled from the party by the decision of the Comintern. Enclosed is a copy of the " document." This is obviously the exhibit 45A to which we have already referred, and we are entitled now to take note of the fact that this document purports to be issued by an official of the Communist International in Russia, and to be signed with a Russian name, " Kussinen." This letter, exhibit 45, is signed simply " R." It concludes with the words " with greetings from Evelyn and myself."

We shall have to discuss presently the general question of the use made by the prosecution of letters purporting to have been addressed by the individual known as M. N. Roy to the various appellants. Reserving this point for the present, we are content to note that this exhibit 45 is undoubtedly one of the letters purporting to emanate from this individual. The internal evidence puts this beyond doubt, apart from the fact that other evidence on the record proves that a woman believed to be of American nationality, and calling herself Evelyn Roy, is living with this M. N. Roy, is understood to be his wife, and is closely associated with him in his propaganda. Exhibit 46 is a letter dated " March 19 " and signed simply " Roy." At the very outset it offers us another of these coincidences bearing on the genuineness of the prosecution exhibits as a whole. This is to be found in the statement, " I am again writing to M. A. what is to be done at present." Now we have on the record in exhibit No. 47 a photographic copy of a letter of the 19th of March, 1923, purporting to be written by M. N. Roy to the appellant Muzaffar, which was intercepted by the police, photographed and sent on to its destination. In this letter, as in others purporting to emanate from him, M. N. Roy expresses himself as very anxious to obtain the presence of delegates from India at a convention to be held in Berlin. He gives a number of reasons for this anxiety and is clearly of opinion that the work to be done in India cannot be satisfactorily carried on without a meeting of workers, at which the situation can be discussed and instructions given by word of mouth. In this letter he again refers to the " Comintern," a word which beyond question is used in the various exhibits before us as the abbreviated title of

the body known as the "Third Communist International," which can be ascertained from ordinary books, books of reference, to be in existence at Moscow. Another point about exhibit 46 is its definite statement that a remittance of £25 is being sent for Usmani's travelling expenses to a Cawnpore address, the said address being indicated by the word "Laiq." We have already referred to certain evidence as to this address, and it is sufficient for us to add that it is proved beyond question that a draft for £25 from a Dutch bank did arrive in Cawnpore, addressed to Messrs. S. M. Rafiq and Sons, with an inner cover endorsed with the words "For Laiq"; it was made over to the police, retained by them and produced before us. Here, again, we have a notable piece of evidence bearing upon the genuineness of exhibit 46.

We have gone into detail respecting this portion of the prosecution evidence in order to place in a clear light the general nature of the case for the prosecution as against all the appellants: we do not think it will be necessary for us to go into equal detail regarding other evidence on the record. It seems to us that, if we were to pause here, we should be justified, apart from any question as to the identity, or even the existence, of an individual named M. N. Roy, in drawing the following inferences:—The appellant Usmani was in correspondence with some individual outside the limits of British India, an individual believed by him to reside in Berlin and to be in touch with the 3rd Communist International at Moscow. Sums of money were being remitted by that individual for his use. There was certain work to be done in India, in the accomplishment of which the appellant Usmani had agreed to associate himself with the person known to him as M. N. Roy, and to prosecute it in accordance with directions to be received by him as emanating from this person. He believed this person to be an agent of the 3rd Communist International at Moscow and was in hopes that, if all other methods for the liberation of India from foreign domination should fail, this might yet be accomplished by armed intervention from abroad. In saying this we take account of the discussion there has been before us as to the precise meaning of the phrase "Armed intervention is the last doctor which can save the Indian proletariat from the grave." Making every allowance for the ingenious argument submitted for our consideration on this point, which is dealt with also by the learned Sessions Judge in his judgment, we are satisfied that, if this expression be read (as it must be read) in connection with its context, it does mean that the writer hoped for armed intervention from abroad as the ultimate resource for the accomplishment, if all other means should fail, of the object which he had in view. That object was beyond question the entire separation of India from the British Empire, the freeing, as Usmani himself would have put it, of the country from foreign domination; in the words of our section, it was "to deprive His Majesty the King-Emperor by force of the sovereignty of British India." The evidence hitherto examined by us is fully sufficient to prove both the existence of this conspiracy and the complicity of this appellant.

We have, as a matter of fact, by no means exhausted the evidence against this man. Amongst the letters intercepted by the

police is exhibit No. 43, dated Calcutta the 15th of February, 1923, written by Usmani at the same time as another letter, exhibit 30 on this record, was being written by the appellant Muzaffar. It is addressed to "Dear Comrade Roy," and there are various cross-references which help us to appreciate its genuineness, apart from the opinion of the handwriting expert. For instance, the writer says that the Criminal Investigation Department have apparently ascertained the pseudonym under which he had hitherto been known, "therefore it should be *Samdani* in future." It helps us to appreciate the genuineness of the letters purporting to come from M. N. Roy that the writer subsequently uses this pseudonym for the appellant Usmani. The whole tone of this letter is that of a subordinate conspirator addressing his chief, and that the object of the conspiracy is by violent means to deprive the King-Emperor of the sovereignty of British India is apparent from the terms of the letter as a whole. In exhibit 52 we have a letter dated Calcutta, February 9, 1923, undoubtedly written by the appellant Usmani, which is addressed to "My dear Comrade Singaravelu." This is a gentleman referred to in several other places in the correspondence, whom it was originally intended to place in the dock along with the present appellants, but in respect of whom the prosecution was dropped for reasons with which we are not concerned. The chief interest of this letter lies in the fact that it purports to be written by direction of Comrade Roy and that it passes on the information about Abani Mukerjee to which we have already referred.

We have reserved from consideration hitherto one important document, from amongst those found upon Usmani's person at the time of his arrest. This is exhibit 10, a letter, dated "Berlin, the 9th of March," purporting to be sent by "Roy," and bearing a postscript in another hand signed by the initials "E.R.," that is to say, the initials of Mrs. Evelyn Roy. As internal evidence bearing upon the genuineness of this paper, we note that it acknowledges the receipt of exhibit 43, which we have just been considering, and refers to the publication of an article contributed by Usmani which, in our opinion, is obviously a reference to the publication of the Notes on the Gaya Congress in the "Vanguard" newspaper. There is a reference to one "M. A.," who is undoubtedly the appellant Muzaffar, as also to the despatch of money intended to meet the travelling expenses of the delegates whom the writer hopes to receive at the conference which he is arranging to hold at Berlin. There is also a reference to the man Mukerjee previously mentioned by us. The important paragraph, however, is worth quoting in detail:—

"We have five centres to link up. Dange group in Bombay, (2) Inqilab group in Lahore, (3) Your people in the United Provinces, (4) M.A. and Co. in Calcutta, and (5) Singaravelu group in Madras. So you see we have a good framework to build upon. I do not say that all these people are all that is desired; but we will have to work with available material. As soon as you finish Cal. it will be necessary to visit all the centres. Dange is very good, but he has to work under great difficulty. Singaravelu is fine, though his

" ideas are somewhat confused. But he is a fine old man, and
 " can be of great use for legal work. In every province a
 " centre for distributing literature must be organised. Some
 " safe addresses are to be found where large bundles of our
 " paper can be sent from England. The distribution must be
 " done in India."

" Enclosed is a letter for Dange. Send to some address
 " in Bombay to be delivered personally." " His letters cannot
 " be entrusted to the ' mail.'"

Inasmuch as this letter necessarily forms an important part of the prosecution case against the appellant Dange, we may as well deal at this point with the general argument of the appellants in respect of the entire correspondence purporting to emanate from M. N. Roy. As already noted, the prosecution found this exhibit 10 on Usmani at the time of his arrest. They obtained the rest of what we may call " the Roy correspondence " in various manners, which it is not necessary for us to discuss in detail. They submitted all these exhibits to the handwriting expert, Mr. F. Brewster, and obtained his opinion that all of them were in the handwriting of a single individual. One of these letters is exhibit No. 23, a photographic copy of a letter, dated May 7, 1923, beginning " Dear Comrade," and signed " Fraternally yours, M. N. Roy." We have looked at this exhibit and noted the extreme clearness with which the signature has come out in the photograph. The original of this letter the appellant Dange, in his statement to the committing magistrate, admitted having received. The handwriting expert had therefore before him, amongst other documents, an exceptionally clear photographic reproduction of the signature, " M. N. Roy," and we have his opinion that all the exhibits in question were by one and the same hand. Now the argument on behalf of the appellants is as follows: In section 47 of the Indian Evidence Act it is laid down that, " when the court has to form an opinion as to the person by whom any document was written or signed, the opinion of any person acquainted with the handwriting of the person by whom it is supposed to be written or signed, that it was or was not written or signed by that person, is a relevant fact." In section 73 of the same Act it is laid down that, " in order to ascertain whether a signature, writing, or seal is that of the person by whom it purports to have been written or made, any signature, writing, or seal admitted or proved to the satisfaction of the Court to have been written or made by that person, may be compared with the one which is to be proved." Finally, in section 67 of the Indian Evidence Act it is provided that, " if a document is alleged to be signed or to have been written, wholly or in part, by any person, the signature or the handwriting, of so much of the document as is alleged to be in that person's handwriting must be proved to be in his handwriting." The argument based by the defence upon these sections may fairly be stated thus. The prosecutions have tendered all these exhibits which purport to be letters emanating from M. N. Roy as documents signed or written by a particular individual passing under that name. They are not entitled to make use of any of these in evidence until they have proved that there is an individual called

M. N. Roy, and until so much of the exhibits in question as are alleged to be in his handwriting have been proved to be in the handwriting of that individual. It is contended that there is no original document on the record admitted to have been written or signed by M. N. Roy and consequently the provisions of section 73 aforesaid cannot be used to place on record the opinion of the handwriting expert. Hence it is contended further that all these documents are inadmissible in evidence, that the decision of the trial court is vitiated by the reliance placed upon the same and that this Court is bound, either to acquit all the appellants by reason of this defect in procedure on the part of the trial Court, or, at least, to re-examine the case against each one of them after excluding from consideration all documents purporting to emanate from M. N. Roy. As to the identity of the individual passing under that name, it so happens that we have on the record what amounts to a statement by one of the appellants. The Appellant Dange published in a newspaper, for the production of which he was responsible, what purports to be an account of the history of "M. N. Roy." According to this account, the man's name is really Bhattacharji, and Col. Kaye in his evidence gave that as his belief also. He was tried in Calcutta on a charge of sedition in the year 1910, but acquitted, and has since then been residing abroad, engaged in various activities carried on by him as an agent of the 3rd Communist International. We are bound to note that in his newspaper Dange merely reproduced these allegations of fact, without any comment, from an article in another newspaper. We do not say that he stands committed to an assertion of the truth of any one of these facts. Nor was the prosecution, in our opinion, under any obligation to prove these facts, or any of them, before these disputed exhibits could be admitted in evidence. We are entitled to take it from the appellant Dange himself that he had been in correspondence with an individual known to him as "M. N. Roy." He wrote letters to this individual to a certain address in Berlin, and he received what purported to be answers to his letters from the individual whom he had addressed. The appellant Dange is therefore a person acquainted with the handwriting of another person, known to him by the name of M. N. Roy, within the meaning of the explanation to section 47 of the Indian Evidence Act. Dange's opinion as to the handwriting of exhibit 23 is therefore a relevant fact in the case, even though the prosecution were only able to show him a photographic reproduction of the signature. We are not concerned in this case with the alleged identity of the ostensible writer of these exhibits with a man of the name of Bhattacharji, who was tried and acquitted in Calcutta in the year 1910, nor is the prosecution under any obligation to establish that identity. What has been proved against the appellant is that there is in existence a person passing under the name of M. N. Roy, generally residing in Berlin, but believed by the appellants to have visited Moscow in the year 1922, and to be an agent of the 3rd Communist International in that place. The case for the prosecution is that an individual passing under this name of M. N. Roy, and carrying on a correspondence from an address in Berlin, has been engaged in organising and fomenting in India a conspiracy punishable under section 121A

of the Indian Penal Code. We think it is also established by evidence that this individual professed himself to be an agent of the 3rd Communist International, and to be acting on behalf of that body in organising and fomenting this conspiracy. The case against each of the appellants is that they entered into this conspiracy and agreed to act under the directions of this individual, known to them as M. N. Roy, for the purpose of depriving His Majesty the King Emperor of the sovereignty of British India. In order to make out this case the prosecution was entitled to prove that all the documents which have been put forward as emanating from M. N. Roy are, at any rate, in one and the same handwriting. The opinion of the handwriting expert is one item of evidence directed towards this conclusion. We are satisfied that the prosecution has made out this part of the case, not by any means entirely by reason of the opinion of the handwriting expert, but because, upon subjecting the exhibits themselves to a careful examination and comparing their contents with those of the letters written by the appellants themselves, and taking into account certain established facts, such as the finding of documents on the person of the appellant Usmani, and the arrival in Cawnpore, to an address which had been communicated to M. N. Roy in Berlin, of a draft for £25 at the very time when, according to the correspondence, the arrival of such a draft was to be expected, it is clear to us that some living person in Berlin, who elected to be known in India by the name of M. N. Roy, was writing these exhibits, was receiving communications from the appellant and was, in short, conspiring with them to commit an offence punishable under section 124A of the Indian Penal Code. Quite apart from any question of proof of handwriting by Dange we are of opinion that whoever the writer in Berlin and Moscow may have been, an interchange of correspondence with this one personality has been clearly proved, and that these letters which demonstrate the existence of the conspiracy as charged, are receivable in evidence.

We are now in a position to deal more briefly with the rest of the case. As regards the appellant Usmani, we have shown that the evidence against him is overwhelming. The case is scarcely otherwise with the appellant Muzaffar. We do not propose to recapitulate the whole of that case as set forth in the judgment under appeal. It was not seriously contended before us in argument that, if the letters purporting to emanate from M. N. Roy are admissible in evidence against this man, and if the existence of the conspiracy is established, the evidence fails to prove Muzaffar's complicity in the same. He was in close touch with the appellant Usmani, and exhibits on the record prove correspondence between them for purposes of the conspiracy. M. N. Roy was particularly anxious to get this man to Berlin for consultation, and remits money for that purpose. His own letters, exhibit 30 of the 15th of February, 1923, and exhibit 35 of the 21st of March, 1923, are sufficient, when read in connection with the rest of the evidence, to prove that he was conspiring with the person whom he is addressing to stir up a violent revolution in India.

In passing on the case of the appellant Dange, we have to take note of this man's peculiar position. He was carrying on certain

work in the light of day. He had a printing press and was publishing, under the title of "The Socialist," a newspaper or periodical, the ostensible object of which was to work, within the limits of the law, for the spread of socialist ideas amongst the masses of the Indian population. His own defence set forth in his statement to the committing magistrate is that he never went further than this, that he was never anything more than a worker for the economic betterment of the masses of the Indian population. He asserts that he had been working for this object "even before Mr. M. N. Roy was heard in India to be working on behalf of the Communist International." He suggests that his own publications in furtherance of socialist doctrines had perhaps attracted the attention of M. N. Roy, and that, in consequence of this, at or about the time of the meeting of the Communist International in the year 1922, an individual purporting to be their agent came to Bombay and endeavoured to enter into relations with him. He gives this person's name as Mr. Ashleigh and admits that he also passed under the alias of Nanda Lal. Dange's defence is that, when he ascertained from this Mr. Ashleigh that M. N. Roy was working for the entire separation of India from the British Empire, he told that gentleman that he (Dange) was not prepared to work for any such purpose and would not join in any congress or convention held in prosecution of such an object. It is obvious that Mr. Ashleigh gave M. N. Roy a very different account of his reception by Mr. Dange, because M. N. Roy throughout regards Dange as heart and soul in the enterprise, and in his letter dated December 19th, 1922, sent from Berlin to Dange, refers to their expectation of hearing from him about the results of the attempts he promised Nanda Lal to make with regard to the Berlin conference. Dange admitted also that it was after this that he entered into correspondence with the person known to him as Mr. M. N. Roy; but said that he did so merely in order to keep himself in touch with the socialist movement in Europe and to follow its developments. He spoke of the information received in India regarding Roy's programme, which he himself published in his paper at the same time as the alleged history of Roy, to which we have already referred, but says that he expressed disapproval of that programme in his newspaper. The question in respect of this appellant is how far he was covering a real participation in the conspiracy and a desire to organise the masses of the Indian people for a violent revolt against the sovereign power under the screen of his activities as a preacher of abstract socialist doctrines. Obviously when information, whether true or false, was openly sent out to India to the effect that the person known as M. N. Roy was organising a campaign for the entire separation of India from the British Empire and suggesting certain methods for the accomplishment of that object, a journalist in Dange's position must either dissociate himself ostensibly from that programme, or cease his journalistic activities altogether. We think the learned Session Judge has stated very fairly the case against this man. An important point against him is the letter exhibit 20. It is curious to observe that, while Dange has been apparently frank in his admissions as to various documents shown to him, he has denied receiving the original of exhibit 20. Now the court might be fairly entitled to presume that this docu-

ment, posted to him after the police had intercepted the letter and secured a copy, must have reached him in the ordinary course of business; but one piece of internal evidence puts the point really beyond doubt. In a postscript to the letter M. N. Roy gives a certain address in Berlin, and from this date Dange admittedly corresponded with M. N. Roy at this address. The tone of this letter is certainly that of one conspirator to another. It refers to the despatch of an agent, obviously Mr. Ashleigh, who is understood to have had communications with Dange. The letter contains the critical phrase, "We have to work both in legal and illegal ways." The workers are to be organised into a party, but in consideration of the objects in view this party cannot but be illegal. The learned Sessions Judge has rightly laid stress on the tone in which Muzaffar and other members of the conspiracy correspond with Dange. We agree with the learned Sessions Judge that the charge against this appellant is established.

Turning to the case against Nalini Gupta, there are two points which we must consider separately. The first question is whether this man was ever known as "Kumar," amongst the conspirators. The evidence of Kiron Bihari Roy (P.W.6) satisfies us that "Kumar" or "Kumer" was at least an *alias* for Nalini Gupta, which could be used by persons desiring letters to reach him without peril of being interfered with in the post by the police. We think this witness was friendly to Nalini Gupta and anxious to say as little against him as he reasonably could, but for this very reason we must accept his frank statement that his own belief was that the man's real name was Nalini Kumar Gupta. We think that the learned Sessions Judge has commented correctly on the evidence as to the connection between this appellant and the appellant Dange. In spite of Dange's denial, we do think that this appellant is the man who had visited Dange, and who was known to him by the initials "N. G." A significant point against this man, in view of our finding regarding the name "Kumar," is to be found in the reference in certain letters of M. N. Roy's to one, "J. N. Mitra" as a useless and incompetent person who had been foisted on the party in Berlin by an error of judgment on the part of the aforesaid Kumar. The prosecution has also relied, as against this appellant, on a document exhibit 18A, and this document necessarily introduces the question of the man Abani Mukerjee, to whom reference has already been made. We consider it fully established by documents on the record, which we have held to be proved, that is to say, by writings of M. N. Roy's and of Muzaffar's, that a man of the name of Abani Mukerjee was at one time not merely a friend of Roy's, but a co-operator along with him for the entire separation of India from the British Empire. It is also proved that there was a violent rupture between these two men, and that subsequently each of them was abusing the other and, what is more significant, each of them was endeavouring to discredit the other with the body described in the evidence as "Comintern," that is to say, with the Communist International. It is a significant point in the case that the members of the conspiracy in India, having obtained a document signed "Kussinen" [exhibit 34 (b)], and copy 15 (a) purporting to emanate from the Communist International

at Moscow, referred to this letter as decisive against Abani Mukerjee, and were clearly of opinion that they had only to circulate it amongst their own friends and fellow workers to put them all on their guard against the said Mukerjee's activities. A second letter of the same character (ex. 16), also issued from Moscow, under the signature of Kolarow. Now exhibit 18A shows that Mukerjee was also exerting himself to discredit Roy in the opinion of the 3rd Communist International. It fell into the hands of the police through their intercepting exhibit 18, a letter written by Muzaffar to M. N. Roy. We gather from the evidence that Abani Mukerjee, apparently with some idea of adding weight to his communication, had endeavoured to get it typed on the official stationery of the Bengal Provincial Khilafat Committee. The result of this was that his letter had fallen into the hands of Muzaffar, who forwards it to M. N. Roy, so that the latter may know what is going on, and, presumably, may be prepared to counteract Mukerjee's activities. Now Mukerjee's letter is addressed to "Comrade Zinovief," whom he describes as "chairman" of the Executive Committee of the 3rd International." In this letter he says that M. N. Roy whom "you have appointed to organise India," is in with a gang of spies and swindlers who will ruin the entire movement if precautions are not taken. One of the persons against whom the Executive Committee is thus warned is Nalini Gupta, and another is T. N. Roy, of whom we know that his address in Calcutta was used as one by means of which secret communication could be had with Nalini Gupta. There is also a reference to the man J. N. Mitra, described as a relative and compatriot of Gupta, with whom we know that Roy himself was so disappointed. There are, in fact, cross-references all about the record which leave no doubt as to the genuineness of this letter. There was, therefore, undoubtedly a member of this conspiracy who at least passed under the name of Abani Mukerjee, who, without purporting to have abandoned the conspiracy, but, on the contrary, while still professing zeal for what he describes as "our cause," desires to warn the persons for whom he conceives himself to be acting against certain associates of Mr. M. N. Roy's, and no doubt also to discredit M. N. Roy himself with the persons whom he is addressing. Under the circumstances we think this letter is admissible in evidence under section 10 of the Indian Evidence Act, and that it is proved to the extent which we have indicated above. It would, of course, be absurd to say that Nalini Gupta's participation in this conspiracy is proved because we find another of the conspirators denouncing him as a mere swindler, who has come into the business only to see what money he can make by it; but we do think that this letter corroborates the other evidence which proves Nalini Gupta's close association with M. N. Roy, and warrants the finding of the trial Court that he had joined the conspiracy.

Although there is no plea against the severity of the sentence in the memorandum of appeal, something was said in argument before us as to the general futility of their proceedings, the apparent absence of anything like tangible results endangering the public security, and the suggestion was at least thrown out that their proceedings were more deserving of contempt than of prosecution and punishment. This plea does not impress us. It happened that

the close personal attention given to their activities by Col. Kaye and the remarkable efficiency of his department frustrated and hampered them at every turn. Their proceedings were known from day to day, and when the evidence against them was complete, their arrests followed. Absurd and unbelievable as their aspirations were, the fact remains that each of these men entered into and carried on this conspiracy with each other and with Roy in the most serious spirit. Whilst the conspiracy had for its principal object the overthrow of British rule in this country, the conspirators looked even beyond this. Exhibit 9, 9a, 11, 12, the pamphlet "What do we want," and many other documents set out clearly what they aimed at achieving and how they hoped to achieve it. British rule, government by upper and middle class Indian alike, were to be swept away, the confiscation of property was to be wholesale. A "People's Party" was to be the initial step, having a public programme designed for their betterment which in no way offended against the law. Within that apparently harmless body "illegal" activities were to be prosecuted by an inner party consisting of "all the revolutionary nationalists." Violence and destruction of property were to be encouraged and conflicts to be precipitated. At the propitious moment, resources and armed help were to come from "the Universal revolutionary party," i.e., the Communist International. Throughout the whole of this fantastic scheme no calculation is made of, no thought apparently given to, the forces which British and Indians alike would array against an enemy bent on their common destruction. In the event of the overthrow by force of arms of the British Government, the revolutionaries proposed to sweep away all Indian political groups and labour organisations which did not come into line. The power of upper and middle class Indians was to be destroyed by taking from them all that they possessed.

In sentencing each of the four accused to 4 years' rigorous imprisonment, the Sessions Judge has, we think, taken a lenient view of the case. The offence is one punishable with transportation for life. The offence was a difficult one to detect and a still more difficult one to prove with the certainty that has been done in this case. We have already spoken in complimentary terms of the work of Col. Kaye and his department, and that officer and his subordinates have done the community a public service in the detection of this crime and in its careful presentation to this and the lower Court. We could have set out a large number of extracts from documents and the evidence, supporting step by step the allegations of the prosecution. We desired, however, to say no more than was necessary to make our judgment understandable, because there is on the record the most careful and able judgment of Mr. Holme, with whose summary of material facts and inferences from those facts we are entirely in agreement. His judgment has proved of great assistance to this Court.

We dismiss the appeals of all the appellants.

TRUE COPY.

SD/—G.M.

SD/—T.C.P.

SD/—Illegible.

Assistant Registrar.

EAST INDIA (HYDERABAD).

CORRESPONDENCE

regarding the claim of the Nizam
of Hyderabad to the restoration
of the Province of Berar.

*Presented to both Houses of Parliament by Command
of His Majesty.*

LONDON:
PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.

To be purchased directly from H.M. STATIONERY OFFICE at the following addresses:
Adastral House, Kingsway, London, W.C.2; 28, Abingdon Street, London, S.W.1;
York Street, Manchester; 1, St. Andrew's Crescent, Cardiff;
or 120, George Street, Edinburgh;
or through any Bookseller.

1925.

Price 1s. 6d. net.

Cmd. 2489.

TABLE OF CONTENTS.

	PAGE
1. Letter from His Exalted Highness the Nizam of Hyderabad to His Excellency the Viceroy and Governor-General of India, dated 26th October, 1923	1
ANNEXURE TO NO. 1. Memorandum	16
APPENDICES TO NO. 1.	
A. Agreement of 18th December, 1902	58
B. Extract from Treaty of 1766	58
C. " " " 1768	59
D. " " Letter of Lord Cornwallis, 1789	59
E. " " Treaty of 1790	59
F. Treaty of 1798	59
G. " 1800	62
H. Extract from Lord Mornington's Instructions of 2nd November, 1798.. .. .	66
J. " " Lord Mornington's Despatch, of 15th June, 1800	66
K. " " Lord Dalhousie's Minute, of 30th March, 1853	67
L. Treaty of 1853	68
M. Extract from Sir C. Metcalfe's Minute, of 14th August, 1826	70
N. " " " " of 13th May, 1820	71
O. Supplemental Treaty of 1860	73
P. Letter from Sir Salar Jung and Co-Regent of Hyderabad to the British Resident, of 19th September, 1872	75
Q. Despatch of Secretary of State for India to the Government of India, of 28th March, 1878	80
R. Letter from Government of India (Foreign Department), to Secretary of State for India, of 13th November, 1902	83
Maps (not reproduced)	
2. Letter from the Viceroy and Governor-General of India to His Exalted Highness the Nizam of Hyderabad, dated 11th March, 1925	86

Letter from His Exalted Highness the Nizam of Hyderabad to His Excellency the Viceroy and Governor - General of India, dated King Kothi, Hyderabad, Deccan, the 25th October, 1923.

MY DEAR LORD READING,

You are aware that the Province of Berar, an integral part of my Dominions, came to be leased in perpetuity to the British Government by an Agreement dated the 18th of December, 1902 ⁽¹⁾, on certain terms and conditions. This was the outcome of an interview that took place at Hyderabad between Lord Curzon, the then Viceroy of India, and my late lamented father, Mir Mahboob Ali Khan, on the 30th of March of that year.

2. After my accession to the Throne of my forefathers, in 1911, I had the circumstances under which this Agreement came to be executed carefully examined. Were it not that the Great European War broke out in 1914, I should long ago have asked for the reconsideration of the Agreement. But as an Ally of the British Government, I felt it my duty to throw the energies of my State into the struggle, and to refrain from raising this political question at a time when the Empire found itself in the throes of a life and death conflict with a formidable enemy. I intended, however, to take action on the conclusion of the War, but the political ferment and unrest in British India became so acute, that, from 1919 to almost the closing months of 1922, I had again to wait, in order to save possible embarrassment to the Government of India. Happily, the victorious British Empire is now fast recovering from the effects of the War; and Your Excellency's rule has succeeded in restoring a calm political atmosphere in British India. In the circumstances, I feel no hesitation now in addressing this letter to you, in full confidence that the claims of the Faithful Ally of the British Government will receive at the hands of the Viceroy of India and His Majesty's Government the sympathetic consideration called for by the justice of the case and the relations of the parties.

3. How the possession of the Berars passed from my ancestors to the British Government is shown in the written Claim, which I annex hereto in the form of a Memorandum, containing a full historical survey of the relevant facts, Treaties, and other documents. Your Excellency will see that, even as early as the year 1766 ⁽²⁾, the Districts on the East of my Dominions, known as the Northern Circars, were ceded in perpetuity to the British Government by one of my ancestors, in exchange for the right to aid from British troops for the preservation of internal tranquillity. The engagement

⁽¹⁾ App. A. ⁽²⁾ App. B.

to furnish substantial military aid was further guaranteed by Lord Cornwallis, in 1789 ⁽¹⁾, the East India Company undertaking that the military force was to be granted "whenever your Highness will apply for it," without any restriction except that it was "not to be employed against any Power in alliance with the Company."

4. In 1798 ⁽²⁾, the military aid was increased to a Subsidiary Force of 6,000 Sepoys, with a proportionate number of field pieces, stationed in the Hyderabad Dominions for service of the Nizam, in whose pay they were declared to be from the day of their crossing his frontiers. As regards the preservation of internal tranquillity, the Fifth Article of the Treaty provided :—

"The said Subsidiary Force will be at all times ready to execute services of importance, such as the protection of the person of His Highness, his heirs and successors, from race to race, and overawing and chastising all rebels or excitors of disturbances in the Dominions of this State; but it is not to be employed on trifling occasions, nor, like Sebundy, to be stationed in the country to collect the revenues thereof."

The then Nizam engaged to pay an annual subsidy of Rs. 24,17,100/- for the maintenance of this Subsidiary Force.

5. Then came the Treaty of 1800 ⁽³⁾, whereby the Districts of Bellary and Cuddapah, valued at Rs. 63,00,000/- yearly, were ceded by the Nizam to the British Government, in commutation for ever of the annual subsidy of Rs. 24,17,100/- The Subsidiary Force became thenceforward answerable for the defence of the Hyderabad State against assaults on its tranquillity of whatever description—external and internal—and was to do all that was required to coerce any "subjects or dependants of the Nizam" who should either "excite rebellion or disturbance" or "withhold payment of the Circar's just claims upon them" without any reference to the magnitude or otherwise of the occasion.

6. As a result of the Treaties of 1798 ⁽²⁾ and 1800 ⁽³⁾, both framed by the Earl of Mornington (afterwards Marquis of Wellesley), the Nizam had, on the one hand, to cede in perpetuity Bellary and Cuddapah and disband his Corps under Raymond and other French officers, and the British Government, on the other, gave the pledge, by Article Seventeen of the Treaty of 1800, that :—

"If in future the Shorapore or Gudwall zemindars, or any other subjects or dependants of His Highness's Government should withhold the payment of the Circar's just claim upon them, or excite rebellion or disturbance, the Subsidiary Force, or such proportion thereof as may be requisite, after the reality of the offence had been duly ascertained, shall be ready, in concert with His Highness's own troops, to reduce all such offenders to obedience."

7. Your Excellency will observe that these arrangements left no manner of doubt as to the obligations created by these two Treaties being interdependent, and that the right of the Nizam to military aid against internal disturbance and external aggression

(¹) App. D. (²) App. F. (³) App. G.

was placed beyond dispute. But only eleven months later, when the zemindar of Shorapore failed to pay the tribute due to the Nizam, and otherwise conducted himself with great contumacy, the requisition for the services of a part of the Subsidiary Force was not complied with till after a delay of six months, and only after other conditions not provided for by the Treaties had been superadded, greatly impairing the force of the Nizam's authority over his Tributaries.

8. This denial of the full services of the Subsidiary Force secured by Treaty was followed, in 1804, by insistence on the part of the Governor-General for a provision from the Nizam's own revenues of a separate body of Selladar Horse actually to do the same service, which the Subsidiary Force, under Treaty obligations, was to render, and in consideration for which the Districts of Bellary and Cuddapah had been ceded only shortly before. At first the Nizam resisted the proposal, but plain denial of his Treaty rights and the refusal of the services of the Subsidiary Force to which he was entitled, combined with his helplessness due to other reasons, led to the inauguration of a new Force, called the Hyderabad Contingent, at the Nizam's cost. Contemporaneous records will show that, at its inception, the Contingent was "to save the Subsidiary Force the labour" and was created for the purpose of "reducing to obedience the refractory zemindars"—a duty which is mentioned by name, in the Seventeenth Article of the Treaty of 1800⁽¹⁾, as incumbent on the Subsidiary Force. The Nizam was thus paying heavily twice over for the services to which he was entitled under the Treaty of 1800. Further, it has to be noted with regret, that though the Contingent had been created with the object of affording to the Nizam military support for internal purposes and the cost of its maintenance was a serious burden upon his treasury, its services were repeatedly refused when the Nizam's interests demanded their employment.

9. The Contingent took its birth at a time when the Nizam was permitted no voice in the administration of his country, with the result that this new Force was placed and maintained under British control, and Rupees forty lakhs per annum out of the Nizam's revenues were appropriated for its support. This period in the annals of the Nizams forms a gloomy chapter in the history of India. One disloyal and traitorous Prime Minister succeeded another, and a perusal of the documents relating to the subject will, I am sure, convince Your Excellency that the inauguration of the Contingent was without the free consent of the Nizam, expressed or implied. There is ample British evidence that Chundoo Loll, the most traitorous of Ministers, acceded to the creation of the Contingent for his own personal ends, and that it was he who granted assignments on the revenue of certain districts for the pay of a portion of this new Force. Lord Metcalfe, in a Minute dated the 16th of March, 1832, described the Contingent Force as "in reality a joint concern between Raja Chundoo Loll and us." Sir F. Currie, a Member of Lord Dalhousie's Government, in his Minute of the 2nd of April, 1853, also very truly wrote: "The Contingent seems to have been the device of Mr. Russell, the Resident, and Chundoo Loll, the Minister of the

(¹) App. G.

day." And he added that no consent appears to have been officially given to the Contingent " by either the Government of India or that of the Nizam."

10. The whole career of Chundoo Loll as Minister is a record of unconscionable sacrifice of his master's interests, reckless ruination of the finances of the State, and lavish expenditure of its resources on the maintenance of his own personal power. The expenditure on the Contingent was notoriously extravagant, and the entire arrangement was in utter disregard of the heavy drain on the resources of the Nizam. As a Minister, Chundoo Loll was completely subservient to the Resident and the East India Company.

11. The above circumstances led to the Treaty of 1853 (1), whereby the Districts of Berar came to be assigned, subject to specific terms and conditions, to the East India Company as a territorial guarantee for the maintenance of the Contingent. The Force had now existed for fifty years, and forty-three lakhs of Company's rupees were claimed to be due from the Nizam to the Company. But it is important to note that no set-off was allowed, either in respect of the Excise claim in connection with the duties levied on the Nizam's subjects in the City of Secunderabad, or of the savings effected by the British Government in keeping the Subsidiary Force at reduced strength for many years. Indeed, for a period of 41 years, the Excise revenue of about a lakh a year was unwarrantably credited to the then Government of India. This sequestration, had it been admitted and restored, would have given the Nizam a credit of 41 lakhs, even without interest charges, thus almost wiping out the arrears claimed on account of the maintenance of the Contingent on a notoriously extravagant basis. So also, over a period of thirty years at least, the strength of the Subsidiary Force was below 75 per cent. of the number stipulated by Treaty and for which payment had been made in advance by the assignment of Bellary and Cuddapah in perpetuity.

12. It follows that there was, at that time, nothing owing from the Nizam to the Government of India on account of the maintenance of the Contingent, and the claim of 43 lakhs of rupees had no substantial basis. Yet it was this claim which forced upon the Nizam the Treaty of 1853 (1). Your Excellency will appreciate the point by reference to the testimony, in 1860, of the Resident, Colonel Davidson, who was an eye-witness of the transaction of 1853. Writing on the 12th October, 1860, he says that the debt " was acknowledged by the Nizam by the Treaty of 1853 under pressure, and which he never considered he justly owed," and, moreover, he added that in his own opinion " had the pecuniary demands been impartially dealt with, we had no just claim on the Nizam for the present debt."

13. The pressure alluded to by Colonel Davidson was a threat of immediate military occupation. The first proposal was permanent cession of territory. The Nizam refused. The second was a permanent assignment, while the Sovereignty of the territory should nominally remain with the Nizam. He refused this also. For fifty

(1) App. L.

days he was pressed, but would not yield. Then came the third proposal, that the territory should be assigned to the British Government "merely for a time to maintain the Contingent as long as the Nizam should require that Force." There were "objurgations and threats," but for another fifteen days the Nizam remained unshaken. Then came a letter from Major (afterwards Colonel) Davidson, the Assistant Resident, to the Nizam's Minister, the coercive character of which the following quotation will reveal:—

"I believe the Resident requires your attendance this evening, to inform you his negotiations with the Nizam are at an end, and he applies to the Governor-General to move troops by to-day's post . . . Indeed I have a letter from my nephew at Poona, mentioning that the 17th Highlanders and 86th Regiment H.M.'s troops, have received orders to be in readiness to march on Hyderabad. Don't suppose military operations will be confined to the districts; and if you are a friend of His Highness, beg of him to save himself and his dignity by complying at once with what the Governor-General will most assuredly compel him to accede to."

The day after the receipt of this letter, the Minister wrote to the Resident that Nizam had at last consented to the Treaty. Comment is needless. It is for Your Excellency to judge whether the consent of the Nizam was voluntary or given under compulsion.

14. The accompanying Memorandum deals exhaustively with the ultimate basis on which the negotiation for the Treaty of 1853 ⁽¹⁾ was accomplished. Colonel (afterwards General Sir John) Low, the then Resident, authoritatively announced to the Nizam that "if His Highness wished it, the Districts might be made over merely for a time to maintain the Contingent as long as he might require it." A cursory study of the records and papers on the subject will, I feel sure, convince Your Excellency that the Nizam intensely disliked even the suggestion of an arrangement in perpetuity, and that he signed the Treaty of 1853 ⁽¹⁾ on the clearest understanding that the "transfer of possession was a mere assignment in trust for a particular purpose to last only so long as that purpose might require to be maintained."

15. The pre-existing and inherent right, however, of the Nizam to disband the Contingent, which was not the subject of any Article in a Treaty, at his will and pleasure, remained unaffected by the Treaty of 1853 ⁽¹⁾. There are no less than six different occasions on record, between 1853 and 1860, showing that the Nizam consistently held himself entitled to the restoration of the whole of the assigned districts of the Berars. Then came the Treaty of 1860 ⁽²⁾, which was supplemental, and did not in any way prejudice or narrow down the claims of the Hyderabad State to subsequent and complete restoration, which my grandfather, the Nizam Afzal-ud-Dawlah, and my great-grandfather had so strongly cherished. On the contrary, Article 6 of this Treaty expressly refers to the territory, assigned under the Treaty of 1853, as "held by the British Government in

⁽¹⁾ App. L. ⁽²⁾ App. O.

'trust for the payment of the troops of the Hyderabad Contingent' and other minor charges. This was but the sequel to the action of the Government of India, on the 5th of September, 1860, in officially authorising the Resident to communicate to the Nizam that "the alienation of this part of his Dominions is temporary only and for a special purpose conducive chiefly to the safety of the Hyderabad State and to the preservation of tranquillity within its limits," and that "whenever the districts in question are restored to the Nizam, His Highness will derive all the future benefit that may possibly arise from the improvement while under the management of British officers."

16. From this historical survey, it is clear that, from the circumstances under which the Treaties of 1853 ⁽¹⁾ and 1860 ⁽²⁾ came to be concluded, no just inference can be drawn to support the theory that either the Nizam or the Government of India contemplated or agreed to the extinguishment of his right to disband the Contingent at any future time. Your Excellency, as a jurist and a lawyer of great eminence, will, I feel sure, agree with me in the view that my forefathers, up to the reign of Nizam Afzal-ud-Dawlah, did not consent to any arrangement which might throw the slightest doubt upon their right to exercise their discretion as to the redemption and the restoration of the Berars to their House, whenever all the dues were satisfied and the need for the maintenance of the Contingent, in their judgment, ceased to exist.

17. My grandfather, the Nizam Afzal-ud-Dawlah, died in 1869, and was succeeded by my father, the Nizam Mir Mahboob Ali Khan, who, at the time of his accession, was an infant only three years of age. On account of the Ruler's infancy, Sir Salar Jung became the Regent with the Amir-i-Kabir as co-Regent. In the year 1872, the Regent Ministers proposed to the Government of India that a capital sum, sufficient to secure the payment for the maintenance of the Contingent Force on the footing of the purposes declared in the Treaty of 1853 ⁽¹⁾, be accepted from the Hyderabad State, and the assigned districts be restored to the administration and government of the Nizam. The proposal was declined, among other grounds, on that of "inconvenience of discussing questions of this kind, while the Nizam, in whose behalf they are professedly raised, is himself a minor."

18. Full powers of Government came into the hands of my father in the year 1884, when he attained the age of 18 years. In 1902, Lord Curzon, the then Viceroy, raised the question of the Berars on his own initiative. The more I examine the transactions which followed, the more convinced I am of their invalidity. My father abhorred the suggestion of an assignment in perpetuity no less intensely than his forefathers. The overtures of the Government of India, in the form of proposals, were made to my father by Colonel (afterwards Sir David) Barr, the then Resident at the Court of Hyderabad, about the end of January, 1902. Within eight weeks came the historic visit of Lord Curzon to Hyderabad, culminating in the lease in perpetuity of the Berar districts to the British Government.

(¹) App. I. (²) App. D.

19. The accompanying Memorandum will show how much my father disliked the suggestion of perpetuity of lease; how steadily he resisted the overtures of the Resident; and how emphatically the Council of his principal Noblemen, especially convened for the purpose of considering the matter, opposed the proposition. Indeed, the Council drafted a letter to be addressed by the Nizam to the Viceroy, and advised His Highness to present it personally to Lord Curzon at the private interview that was to take place at the Residency on His Excellency's arrival in Hyderabad. To me that letter is pathetic, not only from its contents, but because the interview took so unexpected a turn as to disable my father from delivering it into the hands of the Viceroy. The letter, dated the 30th of March, 1902, ran as follows:—

“ Your Excellency,

“ I do not wish to enter in to the old controversy as to
 “ my right to the restoration of Berar, or as to the meaning or
 “ object of the Treaties and other formal engagements concern-
 “ ing it. I confidently leave these matters for Your Excellency's
 “ kind and favourable consideration. I would only appeal to
 “ His Majesty, the King-Emperor, through you to restore Berar
 “ as a special mark of gracious favour and I ask to be allowed
 “ to make your Lordship my advocate in the cause. I feel
 “ perfectly sure, and I most devoutly trust, my appeal will not
 “ be in vain on the auspicious occasion of His Majesty's Coro-
 “ nation.”

“ I remain,

“ Your Excellency's sincere friend.”

20. From the full account of the interview in the accompanying Memorandum, it is abundantly clear that the Viceroy gave the Nizam no encouragement to hope that His Excellency would advocate His Highness's cause before the King-Emperor. Although the Resident, Colonel Barr, accompanied the Viceroy, my father unfortunately had not the advantage of the presence of his Chief Minister or any other high official of the State to assist him in discussing this most important question. The notes of the Viceroy and the Nizam, separately recording what passed at this interview, are given in juxtaposition in the Memorandum to show the frame of mind of both.

21. Lord Curzon's note shows that before His Excellency entered upon the question of the Berars, he raised two extraneous issues in the presentation of which he disclosed the assertive side of his authority as Viceroy. One was the question of the confirmation of Maharajah Kishen Pershad, the new Minister, in his office. It was my father's wish to confirm the Minister, but His Highness was reminded that this was subject to His Excellency's sanction. The other question related to the designation and powers of a lent officer of the Government of India as Financial Adviser to the Hyderabad Government. In presenting his views in this connection, His Excellency went to the length of saying that if his suggestions were not given effect to, he would recall that officer, and the Viceroy further marked his insistence by declaring the confirmation of the new Minister to be dependent upon the acceptance of His Excellency's proposals regarding the lent officer.

22. I cannot but regard it as an unfortunate circumstance that my father, who was known to be of a shy and nervous disposition, was unaccompanied into the Audience Room. The preliminaries that were discussed before the question of the Berars was reached were disconcerting.

23. The view of Treaty obligations pressed on my father is evident from the following quotations from the Viceroy's own note:—

“ I pointed out (to the Nizam) that the British Government had no reason to be dissatisfied with the position and rights at present assured to them by Treaty; there was no flaw in their title to the assigned districts; there was no limit fixed either to the period of assignment or to the administrative powers which were thereby conferred.”

“ The Hyderabad Contingent as at present constituted and placed under the Treaties was a wasteful and unsatisfactory arrangement. The troops stationed in Hyderabad territory seemed to be in excess of modern requirements and their retention of the title appeared to be both invidious to His Highness and out-of-date.”

“ And that *the present assignment in perpetuity* of Berar should be replaced by a lease in perpetuity.”

“ I had felt greatly disappointed when I heard that terms so apparently favourable had not met with His Highness's approval. If they were refused, the Government of India must revert to the present position which contained no time limit, and under which we had enjoyed the substance of what was desired at a much less financial cost for 50 years.”

“ There was, however, an additional reason for which I should regret the failure of the present proposals. If they were rejected, it was in the highest degree unlikely that any succeeding Viceroy would open the question again or that any British Government would court a fresh rebuff.”

“ His Highness should realise, therefore, that the opportunity of a settlement now offered could not be expected to recur, and that the present arrangements would tend to become stereotyped into a perpetual form.”

“ But he (the Nizam) desired to know whether, under the new arrangement, he would be at liberty to ask at any future time for the restoration to him of Berar. I replied that if the Province of Berar were leased to the British Government in perpetuity, it would not be open to His Highness to make any such request, since the destiny of the Province would already have been determined by the lease.”

“ His Highness then asked whether, under present conditions, there was any chance of Berar being restored to him. I said *there was nothing in the Treaties that contemplated or gave Hyderabad any claim to restoration*. I referred His Highness in reply to the answer that had been returned to Sir Salar Jung when the matter was last raised 25 years ago, and to the statement of the British Government made by Lord Salisbury in 1878. The events of the past 50 years

" had further created a presumption in favour of the present
 " situation, which it was impossible to ignore. In these matters
 " there was continuity of policy between successive administra-
 " tions, whether they were Conservative or Liberal, and I could
 " hold out no hope to His Highness that any Government in
 " the future would be prepared to offer him terms in which no
 " previous Government had ever acquiesced, particularly if the
 " present attempt to settle the matter on independent lines had
 " broken down. The British Government would have no
 " alternative but to adhere to the *perpetual assignment already*
 " *provided for by the Treaties.*"

" His Highness then said that, as he understood there was
 " no chance of Berar being restored to him, if the present
 " arrangements were refused, he had no hesitation in accepting
 " the proposed lease in perpetuity, as being in every way
 " greatly to the interest of the State. He had only so far
 " refused it because he had not realised that there was no
 " probability of Berar being restored to him in the future."

24. In order to enable Your Excellency to judge of the impression
 the unequal debate left on my father's mind, I desire to quote here a
 short passage from the Nizam's note relating to this momentous
 interview :—

" The Viceroy told me twice and thrice (repeatedly) that
 " Berar could never be restored. His Excellency said :—' I
 " do not wish to keep Your Highness in any false hope. I
 " say it very plainly that this alone will be the policy of not
 " only myself but of every Viceroy who will come after me ;
 " and the policy of the Government in England will be the
 " same, viz., that Berar should not be restored at any time.'
 " From the Viceroy's talk it appears that, as there was no
 " application for the return of Berar during (the last) 25 years,
 " it was impossible (for us) to get it back, and that we should
 " not entertain any hope whatever of its restoration. His
 " Excellency explained that no benefit would accrue to me if
 " the present state of affairs continued. It was unwise to
 " maintain the present conditions when it was impossible to
 " regain Berar. It would be better to lease out and take money
 " (rent) year after year."

" However, I tried as much as I could to insist (on the
 " restoration), but the tenour of the Viceroy's answers con-
 " vinced me that they would never give us Berar. It was in
 " consequence of the mistakes made in the past that we had now
 " to wash our hands of the Province. I was then obliged to
 " say :—' If such is the case, take it on lease.' "

" The way in which the Viceroy conversed with me yesterday
 " fully convinced me that, if I refused to lease, saying that the
 " present conditions might continue, His Excellency would not
 " listen to me or would give but evasive answers even if he
 " listened, and that if I pressed him to give a definite reply to
 " my request he would say plainly, as he has already said before,
 " that my application (for restoration) could not be entertained."

25. I cannot help considering the reference to Lord Salisbury's reply ⁽¹⁾ to the representation made by Sir Salar Jung, in 1878, as singularly unfortunate. It unquestionably influenced my father, as, no doubt, it was intended to do, by creating the impression that the matter was already prejudged. His inference was erroneous, but that this was the result is quite evident from the above extract. Lord Salisbury, in his reply adverted to above, had only pointed out that there was no time limit specified in the Treaty of 1853 ⁽²⁾ for the determination of the assignment of the Berars; and that, should the Nizam, on attaining majority, desire to have a general revision of the Treaty arrangements relating to the Province, his wishes would receive consideration at the hands of the British Government. In the above conclusion, there seems to be hardly any warrant for the claim that the Berars were assigned in perpetuity, or that the decision was invested with the character of finality.

26. The outstanding feature of the interview between Lord Curzon and my father is that, on the high authority of the Viceroy of India, a comparatively powerless Ally was definitely and emphatically given to understand, contrary to past solemn assurances and Treaty obligations, that by no manner of means and under no circumstances would the British Government then, or at any future time, restore the Province of Berar to its legitimate owner. His objections to the permanent alienation of the Berars were overruled on grounds wholly inconsistent with pledges given by the British Government in 1853 and repeated in 1860, and with the declaration of the Government of India, officially authorising the Resident, in 1860, to communicate to the then ruler of Hyderabad that "whenever the districts in question are restored to the Nizam, His Highness will derive all the future benefit that may possibly arise from the improvement while under the management of British officials." His Lordship also overlooked the fact that the assignment of the Berars was "in trust for a particular purpose to last only so long as that purpose might require to be maintained," and entirely ignored the clear and unambiguous language of Article 6 of the Treaty of 1860 ⁽³⁾, which re-affirmed the "trust."

27. I cannot refrain from expressing my surprise at the following passage, in a letter ⁽⁴⁾ from the Government of India in the Foreign Department, dated the 13th of November, 1902, to the Secretary of State for India :—

" Upon the side of His Highness the Nizam, the desirability
 " of a change arose in the main from the precarious and fluctuat-
 " ing character of the surpluses which also, under the stipula-
 " tions of the Treaties, were payable to him, and the irregular
 " nature of which introduced a regrettable element of uncertainty
 " into the finances of the State. It was realised on both sides
 " that the events of the past half century, during which the
 " Assigned Districts of Berar have remained continuously under
 " British administration, constituted a prescription, from which
 " it was neither possible nor desirable to depart; and the efforts
 " of both parties in the recent negotiations were accordingly

(1) App. Q. (2) App. L. (3) App. O. (4) App. R.

" directed to the discovery of a solution that should possess the
 " combined merits of removing the administrative anomalies of
 " which we have spoken, of securing to His Highness the Nizam
 " an assured income from this portion of his territories, and of
 " guaranteeing to the population of Berar, which now amounts
 " to over 2½ million persons, a continuance of the conditions and
 " standards under which they have attained to a high measure
 " of prosperity."

28. In the concluding paragraph of the letter (1) to the Secretary of State, it was stated that " the settlement of this important matter which we have here recorded has been as heartily and spontaneously accepted by the Nizam, as it was frankly and sincerely put forward by ourselves." That certainly is an over-statement. Whatever impression might have been left on Lord Curzon's mind after the interview, I am constrained to say, with great regret, that the terms presented to my father with such emphasis and persistency by the Viceroy of India and a statesman of commanding personality, were, as his note contemporaneously recorded abundantly shows, neither " spontaneously " nor " heartily " accepted. The course that was adopted in obtaining his assent to a settlement, which had been regarded with such abhorrence by successive Nizams, and had been repeatedly rejected before, divests it of all claim to spontaneity, and deprives the discussion of the character of a free debate. In view of the momentous issue involved, it would have been better, in fairness, to have allowed a little time for deliberation and some opportunity for consultation with his advisers; but none such was given.

29. Even if my father had willingly agreed to the settlement of 1902 (2), I claim to be entitled to question its validity as beyond his constitutional powers, for he had no authority, in the circumstances, to alienate any part of the territories he held in trust for his people and his successors. This proposition has high juristic support. The assignments made by our forefathers for the protection of the Hyderabad State or for the benefit of the dynasty stand on quite another plane.

30. From Lord Curzon's own Note, it is quite evident that my father never for a moment admitted any " prescription," nor was he a party to any effort " directed to the discovery of a solution." In an issue which involves the good faith of the British Government, the doctrine of prescription is an irrelevancy. Besides, the repeated recognition of the title of the Hyderabad State to the restoration of the Berars, when the necessity for their retention ceased, lifts the question out of the region of technicalities. When the British Government, in 1881, transferred the Mysore State to Indian rule, it proved that " prescription " has no weight in the scales against justice and equity. Mysore had been in British control for half a century. How entirely that part of India had come to be associated with British administration is obvious from the Parliamentary papers relating to the transfer (C.3026, 1881). The restoration of Mysore, effected by the Marquis of Hartington (afterwards eighth Duke of Devonshire) and the Marquis of Ripon, has gone down in history as one of the wisest acts of statesmanship under British rule in India.

(1) App. R. (2) App. A.

31. The recent political and administrative changes in British India have materially affected the status of the Province since the lease of 1902 (¹). One thing is obvious; the transaction in question does not warrant the absorption of the leased territories, which still form an integral part of the Hyderabad State, into the political and administrative system of India, and especially to the prejudice of their inhabitants. Not only have the financial resources of the Berars thus been made available to non-Beraris, but, by reason of the new reforms, my subjects, in many matters, have been placed under the domination of outsiders. To give an instance: owing to their disparity in numbers, they actually occupy, as I am informed, a position of inferiority in the Central Provinces Legislative Council. The situation, therefore, has so completely altered since 1902, that I feel I am within my rights in asking, on every consideration of equity and justice, for a revision of the settlement then concluded.

32. I am anxious that the people of the Berars should receive into their own hands the shaping of their destinies, and for this reason I am willing to concede to them, on the restoration of the Province, a larger co-operation in the administration than at present enjoyed anywhere in British India. With this end in view, I declare that, should I succeed in the redemption of my Province, I will insert, in the Instrument of Restoration or any other State Paper that may be drawn up, definite clauses for the conferment on the Beraris of a Constitution for a responsible Government with absolute popular control, under a constitutional Governor appointed by me as my Representative, of their internal affairs and complete autonomy in administration, except in matters relating to the British Government and my Army Department.

33. The financial arguments, which loomed so large in the negotiations of 1902, need not stand in the way of restoration. The whole question that weighs with me is not one of monetary advantage, but one of right and justice. Regarding a final balance-sheet, I ask for no more than an equitable settlement.

34. The contributions of my forefathers and my own towards the stability of the British Empire are matters of history; I have not referred to them, as my letter to Your Excellency is not intended to seek any reward for acts of devotion on the part of a Faithful Ally, but to assert my claim and to invoke justice at the hands of His Majesty's Government.

(¹) App. A.

MEMORANDUM.

The HYDERABAD STATE claims restoration of the Berar Districts, which, by an Agreement ⁽¹⁾ dated the 18th of December, 1802, made between THE BRITISH GOVERNMENT on the one part and the HYDERABAD STATE on the other, came to be leased in perpetuity to the British Government on terms and conditions mentioned in that Agreement. To estimate correctly the grounds of the claim, an examination of the early relations between the two Government, subsisting under Treaties, official negotiations and correspondence, is necessary.

2. As early as the year 1766, by the Treaty ⁽²⁾ of that year, the Government of the Nizam acquired the right to a certain very substantial amount of aid from British troops for the preservation of the internal tranquillity of the State, in return for the cession, in perpetuity, by the Nizam to the British Government of the districts, on the East of his Dominions, known as the Northern Circars. That Treaty, however, on breach of some of its provisions, was followed by another, the Treaty of 1768 ⁽³⁾, whereby the Honourable East India Company pledged themselves "to send two battalions of Sepoys and six pieces of Artillery manned by Europeans whenever the Soubah (Nizam) shall require them, and the situation of their affairs allow of such a body of troops to march into the Deccan." This engagement to furnish a Subsidiary Force was, 21 years later, further guaranteed by Lord Cornwallis, who, by his letter ⁽⁴⁾ of 1789 (generally called a Treaty), annulled the clause which had rendered the furnishing of the Subsidiary Force conditional on the Company's being able to spare them, and settled that the Force was to be granted "whenever Your Highness shall apply for it," and further that there was to be only one limitation as to the nature of the service that it was to perform on the requisition of the Nizam, viz., that it was "not to be employed against any power in alliance with the Company." This letter was certified in the first Article of the immediately subsequent Treaty ⁽⁵⁾ of 1790 as "equivalent to a fourth Treaty" with the Nizam; and the House of Commons resolved on the 15th of March, 1792, "that the said Letter was meant to have and has had the full force of a Treaty executed in due form."

3. So by the Treaties of 1766 and 1768, and the letter of Lord Cornwallis of 1789, the obligation of furnishing to the Nizam substantial military aid and for maintaining internal tranquillity came to be undertaken by the British Government, and the Nizam acquired the right to call for such aid whenever he required it, ceding to the British Government in return "no fewer than five broad and fertile districts," namely, Ellore, Siccacole, Rajahmundry, Mustephanagur, and Murtizanagur. Such was the origin of the Hyderabad Subsidiary Force.

⁽¹⁾ App. A. ⁽²⁾ App. B. ⁽³⁾ App. C. ⁽⁴⁾ App. D. ⁽⁵⁾ App. E.

4. In 1798, another Treaty ⁽¹⁾ was executed between the Nizam and the British Government, whereby the military aid, provided for by the earlier Treaties, was materially increased to a Subsidiary Force of six thousand Sepoys, with a proportionate number of Field pieces, stationed in the Hyderabad Dominions for the service of the Nizam, in whose pay they were declared to be from the day of their crossing his frontiers. The duties of the Subsidiary Force, as regards the preservation of internal tranquillity, were thus plainly defined in the fifth Article :—

“ The said Subsidiary Force will be at all times ready to
 “ execute services of importance, such as the protection of the
 “ person of His Highness, his heirs and successors, from race
 “ to race, and over-awing and chastising all rebels or excitors
 “ of disturbance in the Dominions of the State; but it is not to
 “ be employed on trifling occasions, nor, like Sebundy, to be
 “ stationed in the country to collect the revenues thereof.”

5. In return for the military aid, the Nizam engaged to pay an annual subsidy of Rs. 24,17,100/- for the maintenance of the Subsidiary Force, whereby he acquired the right, without further cost, to all the military aid necessary for the tranquillity of his Dominions, with the single exception that the Subsidiary Force was “ not to be employed on trifling occasions, nor, like Sebundy, to be stationed in the country to collect the revenue thereof.” Even this single exception was removed by the Treaty ⁽²⁾ of 1800, whereby the districts of Bellary and Cuddapah were ceded by the Nizam to the British Government in commutation for ever of the annual subsidy of Rs. 24,17,100/-, and the obligations of the Subsidiary Force were again enlarged and complete military protection and support by the British Government pledged to the Nizam. The Subsidiary Force became thenceforward answerable for the defence of the Hyderabad State against all enemies or disturbances of whatsoever description, external and internal, up to the full measure of its ability, and it became bound, in particular, and in special contradistinction to the terms of the Treaty of 1798 ⁽¹⁾ to do all that was required to coerce “ any subjects or dependants of the Nizam ” who should either “ excite rebellion or disturbance ” or “ withhold payment of the Circar’s just claims upon them,” without any reference to the magnitude or otherwise of the occasion,—a duty so diametrically opposed to the restriction or exception mentioned in the foregoing paragraph as clearly to involve its cancelment. In short, by the Treaty ⁽²⁾ of 1800, the British Government, in return for the cession of the districts of Bellary and Cuddapah, pledged to the Nizam nothing less than a general guarantee of the military defence and internal tranquillity of his Dominions to be supplied at their own cost. To have charged the Nizam with any further cost for a Force kept up under their control for guaranteeing internal tranquillity was asking him to pay for a second Force to perform the work of one for which he had already paid.

6. When the Treaty ⁽²⁾ of 1798 was framed, there had been in the service of the Nizam troops under French Officers which constituted the only *serviceable troops which he possessed for internal pur-*

(1) App. F. (2) App. G. (3) App. G.

poses, and the Earl of Mornington (afterwards Marquis of Wellesley), who framed both the Treaties of 1798 ⁽¹⁾ and 1800 ⁽²⁾ desired that the Nizam should be induced to disband his corps under Raymond and other French Officers. The Resident, replying to Lord Mornington on the disbandment of the troops under the French Officers, wrote that if the Nizam's Government were to comply with the British Government's demand to disband Raymond's and other French corps, "it would be left without any sufficient means not only of defending itself against foreign attack and domestic insurrection, but of collecting its revenues," and he advocated that the Subsidiary Force might adequately "replace Raymond's corps" and "compensate the Nizam for its loss." Lord Mornington, in his letter to the Board of Control, dated the 23rd of February, 1798, declared that the Subsidiary Force, as about to be settled under the Treaty of 1798 ⁽¹⁾, should be "such a force as should be a just equivalent to Raymond's corps," and on the 8th of July, 1798, Lord Mornington wrote to the Resident thus:—"The French party at Hyderabad will then be no longer in existence and so powerful a body of our troops as will then be in the service of His Highness will be sufficient to preclude either foreign or domestic opposition." The Treaty ⁽¹⁾ was signed on the 1st of September, 1798, and the immediate disbandment of the French corps followed in accordance with the Sixth Article of the Treaty. On the 2nd of November of the same year, Lord Mornington issued his instructions ⁽²⁾ as regards the Subsidiary Force, which leave no doubt that he who framed that Treaty understood it to mean that the duty of rendering general internal service rested on that Force.

7. The sole limitation or exception that existed under the Treaty of 1798 ⁽¹⁾, in the obligation of the Subsidiary Force to guarantee the internal tranquillity of the Hyderabad State, was that relating to its employment on the occasion of mere "trifling" disturbances and on *Sehundy* duties, such as would have involved its being stationed in the country to collect revenue. Even this limitation was removed by the Treaty ⁽²⁾ of 1800, whereby, in Article 17, it was provided that "if in future the Shorapore or Gudwall Zemindars, or any other subjects or dependants of His Highness's Government should withhold the payment of the Circar's just claims upon them, or excite rebellion or disturbance, the Subsidiary Force, or such proportion thereof as may be requisite, after the reality of the offence had been duly ascertained, shall be ready, in concert with His Highness's own troops, to reduce all such offenders to obedience." It will thus be seen that, by the above provision in the Treaty ⁽²⁾ of 1800, the British Government placed its duties and obligations to the Hyderabad State through the Subsidiary Force on a wholly distinct and still broader footing than that which it had occupied under the Treaty ⁽¹⁾ of 1798, and it is for this reason that Lord Mornington, in referring to the Treaty ⁽²⁾ of 1800, described it as affording to the Nizam "a general guarantee" ⁽⁴⁾ for the protection and security of his Dominions.

8. The first service of importance which the Subsidiary Force was required by the Nizam to perform was about eleven months after the Treaty of 1800 ⁽²⁾ had been signed, and the territory had been ceded for the payment of the Subsidiary Force, viz., against the Zemindar

(¹) App. F. (²) App. G. (³) App. H. (⁴) App. I.

of Shorapore, who totally failed to pay the tribute due by him to the Nizam and otherwise conducted himself with great contumacy. The service was one to which the Nizam was very specially entitled, the said Zemindar being mentioned by name, in the Seventeenth Article of the Treaty (1), as to be reduced to obedience by the Subsidiary Force if he should "withhold payment of the Circar's just claims or excite rebellion or disturbance." The Nizam's requisition for the services of a part of the Subsidiary Force was eventually complied with, but only after a delay of six months, although the Nizam had duly furnished proofs of the "reality of the offence" as provided for by the Treaty (1), and only after other conditions, not provided for by the Treaty, had been super-added, such as the giving to the Zemindar the opportunity of explaining his delinquency, etc., conditions of a nature to cause delay and lessen the certainty of punishment, and therefore calculated greatly to impair the force of the Nizam's authority over his tributaries. It was to do similar duties to the above that the Nizam was shortly after (in 1804) urged to consent to the provision from his own revenues of a separate body of Silladar Horse, but he declined to do so. The request for a separate military force was again urged on the Nizam in the following year, and was again supported by the denial to him of the full services of the Subsidiary Force. The Governor-General, Lord Cornwallis, without considering the fact of the Nizam having surrendered the districts of Bellary and Cuddapah (valued at Rs. 63,00,000/- yearly) as consideration for the services of 9,500 British troops, which constituted the Subsidiary Force, wrote to him on the 21st of August, 1805, as follows:—

"Your Highness must be aware that the obligations of the
 "defence alliance cannot be supposed to make the British
 "Government responsible for the security of your Dominions
 "against the evils of internal confusion and disorder arising
 "from defects in those arrangements which it is the duty of
 "every Sovereign of an independent State to make and main-
 "tain."

And Lord Cornwallis urged on the Nizam the maintenance of a separate efficient force at his own cost.

9. About the same time as the receipt of Lord Cornwallis's letter, the Resident also had been urging the provision by the Nizam of a separate Force. In his interviews with Rajah Govind Bakhsh, then Deputy Minister, the Resident plainly stated that the Subsidiary Force was stationed with the Nizam "in order to contribute by its presence to his influence," and that he "could not expect that it would be employed in enforcing domestic arrangements or in putting down predatory bands; that therefore it would behove him to make his own troops efficient and adequate for the purpose both of external and internal defences."

10. The Hyderabad Contingent Force was thus inaugurated at the cost of the Nizam by the denial to him of the services of the Subsidiary Force to which he was entitled. In order to justify the creation of the Contingent, it was stated that it was to do the duties

(1) App. G.

of the Nizam's own troops for internal purposes within the Dominions, which the Subsidiary Force, it was sometimes alleged, was exempted from under the Treaty of 1800 ⁽¹⁾. That that Treaty allowed no such exemption to the Subsidiary Force will be apparent from a reading of the Treaty itself. That the whole scheme of the Contingent, from its inception, had a British object, was practically admitted as early as the year 1810, when the Resident, in his report to the Governor-General, Lord Minto, on the 22nd of June, spoke of the arrangements for completing the equipment of this Force as "measures which are still required to accomplish the original intentions of the British Government," and the Resident stated one of the chief objects of the efficient equipment of the Contingent at the Nizam's cost to be "to save the Subsidiary Force the labour" of preserving the internal tranquillity of the Nizam's country. Lord Hastings, in his Minute of the 10th of November, 1819, plainly declared that the Contingent had been created by the British Government for the purpose of "reducing to obedience the refractory Zemindars"—a duty which is mentioned by name, in the 17th Article of the Treaty of 1800 ⁽¹⁾, as incumbent on the Subsidiary Force. Thus, though the Contingent was originally created for preserving internal tranquillity, that Force was still restricted from doing revenue duties as thoroughly as the Subsidiary Force. The Contingent was placed on the same footing as the Subsidiary Force, as regards abstraction from *Sebundy* or revenue duties, and the restriction that the Subsidiary Force should only act "after the reality of the offence had been ascertained" ⁽¹⁾ was in like manner attached to the employment of the Contingent. The Contingent, therefore, in no sense did the duties of the Nizam's own troops, but only those which admittedly belonged to the Subsidiary Force, of which it merely became a substitute as regards military operations. Major Moore, a Member of the Court of Directors, who, as Military Secretary to the Contingent, had been personally cognisant of the duties which the Contingent performed, pointed out in his Minute of the 7th of November, 1853, that the Nizam was in fact "maintaining troops to perform duties which the British Government had contracted to perform themselves, and been paid for." And Colonel Sykes, in his Minute of the 19th of November, 1851, noted: "Here again, one of the objects of the reform of the Nizam's Infantry was to save the British Subsidiary Force from military operations which it was bound to afford by the 17th Article of the Treaty ⁽¹⁾ (of 1800)." Even though the Contingent had been created with the object of affording to the Nizam military operations for internal purposes, the services of the Contingent were repeatedly refused when the Nizam's interests demanded their employment. Colonel Sykes, in his Minute of the 19th of November, 1851, mentions five separate occasions, within a short time prior to 1851, when its services were so refused at the very crisis when the enormous monthly demands for its pay were draining the Nizam's Treasury.

11. It has been alleged sometimes that the Contingent had some treat justification from the 12th Article of the Treaty of 1800 ⁽¹⁾, whereby the Nizam was bound to furnish military aid to the British

⁽¹⁾ App. G.

troops in the field in time of war. The principal section of the Contingent, termed the Russell Brigade, in compliment to the then Resident, was created on the occasion of one of the Nizam's Regiments mutinying for arrears of pay, in 1812, when no external war either existed or was threatened. Similarly, Cavalry to the number of 6,000 was added to this Force, in 1816, not because of any existing or impending war, but for the internal duty of checking the depredations of the Pindarees, who were mere plunderers and not belligerents. The idea that the Nizam was bound by the 12th Article of the Treaty of 1800 ⁽¹⁾ to maintain this Force was undoubtedly entertained in various quarters, and Lord Dalhousie, during the earlier part of his tenure of office (see his Minute dated the 25th of September, 1848, himself interpreted the Article in this sense, and in consequence of this view, which he subsequently found to be erroneous, Lord Dalhousie wrote to the Nizam on the 6th of June, 1851, that "the efficient maintenance of this force (the Contingent) is a duty imposed on the Government of Hyderabad by the stipulations of the existing Treaties." Lord Dalhousie, however, corrected his view of the Treaty when the Court of Directors refused to give their assent to his interpretation. He then recorded his leading Minute of the 30th of March, 1853, and (para. 12) said ⁽²⁾ :—"But I feel myself bound to declare my opinion, that if the Nizam had originally rejected any such interpretation of the 12th Article of the Treaty as has been contended for; if he had asserted that he was not bound to uphold a Contingent of the nature of that which has long been established; or if His Highness had at any intermediate time refused, *or should now refuse*, any longer to sustain the present Contingent, the Government of India could not make good any right by Treaty to enforce the continuance of the Contingent on the part of the Nizam." Lord Dalhousie summed us as follows :—"These are the reasons by which I have found myself forced to the conclusion that *the Government of India has no right whatever, either by the spirit or by the letter of the Treaty* ⁽¹⁾ *of 1800, to require the Nizam to maintain the Contingent in its present form.*" And in the same Minute (para. 44) he further recorded : "*I for my part can never consent, as an honest man, to instruct the Resident that the Contingent has been maintained by the Nizam from the end of the war, in 1817, until now, because the 12th Article of the Treaty* ⁽¹⁾ *of 1800 obliged His Highness to maintain it.*" The reference to "the war, in 1817" in the above passage is in respect of the war in that year that was waged against the Mahratta State, and in which the Contingent rendered material service.

12. It may be observed here that, while Lord Dalhousie, in 1851, officially communicated to the Nizam that the efficient maintenance of the Contingent was a duty imposed on the Government of Hyderabad by the stipulations of existing Treaties, *the corrected view of the Treaty* ⁽¹⁾ *of 1800, as expressed by Lord Dalhousie in no uncertain terms, in his Minute* ⁽²⁾ *of the 30th of March, 1853, was never brought to the knowledge of the Nizam, who, at the time of the Treaty* ⁽³⁾ *of 1853, was left to rest in the belief that the first view expressed by Lord Dalhousie constituted the interpretation of the*

(1) App. G. (2) App. K. (3) App. L.

Treaty by the British Government. Though, in recognition of the position of the Nizam as an independent Sovereign, the Treaty ⁽¹⁾ of 1800, by its 15th Article, stipulated that "the Honourable Company's Government on their part hereby declare that they have no manner of concern with any of His Highness's children, relations, subjects or servants with respect to whom His Highness is absolute," the extent of interference in the Nizam's internal affairs, that nevertheless took place, is well known. From the very date of the Treaty ⁽¹⁾ of 1800, it would appear that the provision of that Treaty, which expressly guaranteed the Nizam from all interference with his internal affairs, was disregarded, as will be clearly seen from a Minute ⁽²⁾ by Sir C. Metcalfe of the 14th August, 1826, in which the then Nizam is described as "merely a State pensioner in his own dominions." In his Minute ⁽²⁾ of the 13th of May, 1829, Sir C. Metcalfe further says :—"From the time of the completion of the Subsidiary alliance (Treaty ⁽¹⁾ of 1800) it seems to have been considered as essential that the Minister should be in our interests and that we should support him with our influence." In the same Minute ⁽²⁾ he records the extent to which the interference was carried from the very date of the accession of the Nizam, Sikunder Jah, in 1803. He says :—"The Nizam died before the Minister, to whom our support was continued, and then became efficacious. *It does not seem to have been considered that the Nizam who succeeded could be allowed any option as to the continuance or removal of the Minister.* Our Resident gave His Highness a clear understanding of what was intended, by observing to him on his accession that with such an Ally as the British Government and such a Minister as Arastoo Jah His Highness's affairs could not fail to prosper . . . Arastoo Jah accordingly remained Minister until death (9th May, 1804), keeping his Master, the present Nizam, in thralldom and in insignificance, totally devoid of power." Colonel Wellesley, afterwards Duke of Wellington, in his letter to Colonel Close, the Commander of the Subsidiary Force, written on the 5th of August, 1803, two days before Sikunder Jah's accession, chronicles that at that date the Minister was already receiving salary from the British Government, "in order to produce a result favourable to our views," and he adds that the Nizam, who had heard about the salary, had been told that it was the sum which the Minister would have received from the Bellary and Cuddapah districts "if they had not been ceded to the Company." On the death of Arastoo Jah, in 1804, the Nizam, Sikunder Jah, had to appoint as his Minister Mir Allum, who was selected by the British Government, and who remained sole Ruler of his master's dominions. Sir C. Metcalfe records ⁽³⁾ that "the Nizam (Sikunder Jah) made some effort to obtain a share of power in his own Government; but this was unpalatable to the Minister; the Resident gave decided support to the latter. The Nizam retired from the contest in disgust, and has never since taken any part in the public affairs, but has led a life of gloomy retirement and sullen discontent."

13. Sir C. Metcalfe next proceeds to describe the appointment of Mir Allum's successor as follows ⁽³⁾ : "After the death of Mir Allum,

(¹) App. G. (²) App. M. (³) App. N.

the Nizam again fruitlessly expressed an intention of placing himself at the head of affairs. He was pressed to nominate a Minister, and the following extraordinary arrangement took place. Munir-ul-Mulk, nominated by the Nizam, was made Prime Minister, but it was stipulated that he should exercise no power in the State. All the power was given to the Deputy Minister, Chundoo Loll, who was patronised by us. So that from that time in addition to a Sovereign Prince excluded from all concern in the management of his affairs in consequence of our interference, the State of Hyderabad has had a Prime Minister in the same predicament, as another effect of the same cause. *The subserviency of the real Minister to our will has since been more complete than before; the suppleness of his personal character and the lowness of his birth aiding the natural effect of the dependence of the situation.*" These extracts clearly show the real position of the Nazim and his Ministers in regard to the Contingent and to the affairs of the Hyderabad State generally, both before and during Chundoo Loll's tenure of office, and demonstrate that, although the Treaty (1) of 1800 and other Treaties guaranteed to the Nizam absolute independence, the elevation to power and support of Chundoo Loll (as in a less degree of his predecessors also), and the entrusting to him of all the powers of Sovereignty, to the exclusion of both the Nizam himself and his chosen representative, Munir-ul-Mulk, were acts and stipulations of the British Government, by whose interposition "every attempt which the Nizam had made to assert his Sovereign rights had been crushed" (2) and himself at that period reduced to be "merely a State pensioner in his own Dominions," while Chundoo Loll was "established . . . at Hyderabad as a despotic ruler, without the consent of his master (3)," and while his master had consequently become "a Prince so held in subjection by a servant, supported by an irresistible foreign power (2)."

14. The Contingent, having been created at a time when the Nizam was permitted no voice in the administration of his country, was placed and maintained under British control, and Rupees forty lakhs per annum out of the Nizam's revenues appropriated for its support. The Nizam's consent, either express or implied, was neither obtained nor considered necessary for the creation or maintenance of the Contingent. Sir C. Metcalfe emphatically says (4): "This arrangement could only have been effected through the entire subserviency of the Minister; for it must have been quite revolting to the feelings of the Court and of the Chiefs of the National Army." And he adds that the force was "a sort of play-thing for the Resident." On a review of the facts, it is apparent that the Nizam was not in a position to give any consent to the maintenance of the Contingent, but it was by virtue of such supposed consent alone that the Nizam's Government was held by Lord Dalhousie responsible, in 1853, for the arrears of the Contingent's pay, and it was again upon such supposed consent that the claim for the assignment of the Berars was based and realised.

15. The sole practical result of this exclusion of the Nizam from his own Government, and the support of Chundoo Loll, appears to have been, not the securing to the British Government of its interests

(1) App. G. (2) App. M. (3) App. N.

under the Alliance of 1800 ⁽¹⁾, but the getting of the Nizam's State to maintain from its revenues this separate Contingent Force for which the Treaty did not provide.

16. With the same object of sustaining, against the Nizam's will, the Contingent, which had been thus inaugurated without his consent, the Governor-General (the Marquis of Hastings) is found laying down the following special instructions for the guidance of the Resident, Mr. Russell, in his letter of the 26th of October, 1819 :—
 " This invariable attention to the interests of Chundoo Loll (to which we are in honour bound) and the maintenance of the reformed troops are the essentials for us. *The reformed troops, which we owe to Chundoo Loll, will have taken such root in the establishment of the country that there can be little hazard, and shortly there will be none, of any endeavours to reduce them.*" And again, in his Minute of the 10th of November of the same year, after expressing his determination with reference to the maintenance of the Contingent, Lord Hastings asks : " Now, would it be consonant to wisdom, or to the trust reposed in us by the Honourable Company, *that we should sacrifice such a security to a casuistical point of equity?*" And further on, in the same Minute, he says that it would be " *impolitic to let an over-refinement cause our open abrogation of such an in-expensive addition to our strength.*"

17. To say that the British Government continued to maintain the Contingent with the consent of the Nizam is to allege what would not be a fact. Mr. Stuart, a Member of the Governor-General's Council, in his Minute of the 1st of January, 1820, in discussing certain arrangements that had been made at Hyderabad for providing funds, through Chundoo Loll's granting assignments on the revenues of certain districts for the pay of a portion of the Contingent, noted thus :—
 " The slightest attention to the Resident's reports will convince that *the arrangements concluded with the Nizam's Government for securing the pay of these troops have been throughout the fruit of British influence; that the plan originated with Captain Sydenham, the British Agent at Aurangabad; was first proposed to the Minister by the Resident himself; and was evidently pressed in a manner not to be resisted.*" And further on, he added that " *the Resident had with all the weight of the British influence pressed this arrangement upon the Native State.*"

18. The real reason why Chundoo Loll acceded to the Contingent was his " *personal distrust of the military establishment of the Nizam*" (H. T. Prinsep's " *History of the Political and Military Transactions of the Government of India,*" Vol. 1, p. 12) and his consequent desire to possess a Force on which he could depend to operate against it if need were, or, as Lord Metcalfe expressed it, in his Minute ⁽²⁾ of the 13th of May, 1829, to make him " *more than ever independent of the Court and people.*" Lord Metcalfe, in a Minute dated the 6th of March, 1832, referring to the Contingent Force, described it as " *in reality a joint concern between Raja Chundoo Loll and us.*" Even Lord Dalhousie, in his Minute ⁽³⁾ of the 30th of March, 1853, said that " *the system commenced during*

(¹) App. G. (²) App. N. (³) App. K.

the time of Raja Chundoo Loll who always strongly urged his master, the Nizam, to maintain it." Sir F. Currie, a Member of Lord Dalhousie's Government, in his Minute of the 2nd of April, 1853, wrote:—" *The Contingent seems to have been the device of Mr. Russell, the Resident, and Chundoo Loll, the Minister of the day.*" And he added that no consent appeared to have been officially given to the Contingent "by either the Government of India or that of the Nizam." Lord Dalhousie, in fixing, in 1853, on the Nizam the liability for the maintenance of the Contingent, on the ground that he "did actually consent to maintain permanently a military Force of the nature of a Contingent," disregarded all antecedent facts of the transactions, the full responsibility of which rested on and had been accepted by the British Government, at the time when the transactions were in progress.

19. Before discussing the justice of the Treaty ⁽¹⁾ of 1853, whereby the Berars came to be assigned to the British Government as a territorial guarantee for the payment of the cost of the Contingent, it will be useful to examine the difficulties and embarrassments of the State and to trace them to their source.

20. The diversion of the Nizam's revenues to the maintenance of the Contingent, in contravention of the obligations of the Treaty and of the instructions of the Court of Directors, was not the sole injury which was suffered by the Hyderabad State, by reason of the support given by the British Government to Chundoo Loll as ruler of the country. While, on the one hand, that Minister attended most fully to the wishes of the British Government, he most seriously neglected and injured, on the other hand, those of the Hyderabad State. The Resident, Mr. Russell, who was known to be a warm supporter of Chundoo Loll, wrote to the Government of India, on the 9th of October, 1819, that as early as the 21st of May, 1811, he had pointed out to them "the progressive injury which the Nizam's affairs were suffering from the rapacious and improvident system under which they were administered." And Mr. Russell's successor, writing on the 20th of June, 1822, regarding the country under Chundoo Loll's administration, said:—"At present there is the strongest reason to believe that *he (Chundoo Loll) lavishes the revenue of the State for the support of his own power, while he leaves the Army unpaid and is burdening the Government with a load of debt, which will hereafter crush the State itself or ruin its creditors.*" And in reviewing the period antecedent to his own arrival in Hyderabad, the Resident wrote to his Government on the 31st of August of the same year:—" *The power remained in his (Chundoo Loll's) own hands without check, and he had continued to abuse it without remorse.* The revenues had greatly fallen from excess of exaction; the population in considerable numbers had emigrated; no confidence existing. The very sources of extortion were nearly exhausted; but the Minister still persisted in his ruinous course." The Government of India, in addressing the Resident, on the 22nd of July, 1823, speak of the power, which Chundoo Loll had then been exercising for fourteen years, as " *the absolute power*

(1) App. L.

which he has so long exercised in the State, and to preserve which he has so shamefully sacrificed the best interest of his Sovereign." Similarly, writing to the Honourable Court of Directors, on the 25th of July, 1823, the Government of India characterise the Hyderabad Government as "*the Government which that Minister's criminal profusion and lavish expenditure of his own despotic power have reduced to the brink of ruin.*"

21. The Resident, addressing the Government of India, on the 11th of September, 1823, thus truly described the character of Chundoo Loll's rule:—"The merits of Chundoo Loll consist in his ready attention to the wishes of the British Government . . . *The demerits of Chundoo Loll consist in the gross abuse of the unlimited and irresistible power obtained by our support, in the most vicious mal-administration: in a system of extortion which has ruined the country, and destroyed all confidence in the possession of property of any kind.*"

22. The few quotations that have been given above, from British sources, out of the many that are available, will suffice to convince any one that the responsibility for the financial condition during the administration of Chundoo Loll did not rest with the Nizam but with those who made Chundoo Loll's power "*unlimited and irresistible.*"

23. The extravagant expenditure at which the Contingent was kept up will now be considered. The Resident, Colonel Stewart, represented to the Government of India, about January, 1834, that the strength at which the Contingent was being kept up was "*disproportionately great.*" The extravagant expenditure on the Contingent was so notorious that, in 1849, Colonel Malcolm, formerly Assistant Resident at Hyderabad, in a paper which he had contributed to the *Calcutta Review*, related a proverb among members of the British services "*The Nizam pays for all.*" Even Lord Dalhousie, in his Minute of the 30th of March, 1853, commenting on the extravagant expenditure on this Force, observed:—"I feel strongly the justice of the objections that may be made to the very heavy cost at which it has been maintained." In the same Minute, that Governor-General remarked that "*its cost is far greater than is necessary for securing to the Nizam every advantage that he derives from the Contingent in its actual form.*" And in stating the strength of the staff of the Contingent, he observed:—"This Force has no less than five Brigadiers with the Brigade-Majors. The Gwalior Contingent, which contains about 1,000 men less than His Highness's Contingent, has only one Brigadier and all other establishments proportionately small."

24. The undue cost at which the Contingent was maintained and the consequent embarrassments having become known to the Court of Directors, in 1849, they promptly expressed to the Government of India, in their letter of the 18th of December, their sense of the injustice of continuing the drain on the Nizam's revenues in the following words:—"We are of opinion that these measures (of relief by reducing the demands of the Contingent) ought not to be made dependent on the conduct of the Nizam. *If the Contingent imposes upon the finances of the Nizam a greater burden than is required by the maintenance of efficiency, the Nizam ought at once to be released*

from such unnecessary pressure." But no such reduction took place, and the fact was particularly noticed in Sir H. Willcox's Minute, dated the 19th of November, 1851, in which he remarked that, although the pressure of the Contingent had been still more severely felt by the Nizam since 1849, "no step had been taken to carry out the instructions of the Court," and that "vacancies have occurred in the staff of the Contingent and they have been filled up by the Governor-General." Almost every reduction that was made in the Contingent after 1853 was equally practicable under its constitution prior to that date. The bulk of the savings effected after 1853 was, first, by the abolition of separate military and ordnance establishments, and secondly, by a reduction in the number of the

European Staff and Regimental Officers. Colonel Davidson, who was Resident at Hyderabad after the assignment of the Berars, thus describes and reviews the former cost of the Contingent in his letter to the Government of India, No. 91 dated the 12th of October, 1860:—"I also discover by a reference to a Memorandum of the late Sir William MacNaughten of the 11th of January, 1834, from your office that in some years eleven lakhs, twelve lakhs and thirteen lakhs were charged annually to the Nizam as the pay alone of European Officers of a Contingent that now, when nearly as strong numerically, we find we can efficiently maintain at a cost of twenty-six lakhs per annum. *The wonder clearly is that instead of owing only forty-three lakhs of Company's rupees at the end of fifty years of such a system our claim did not render the Nizam hopelessly insolvent.*" Had the saving been made, as it could have been made, without any sacrifice of efficiency, at an early period, by the British Government, who possessed as complete a control over the Force then as after 1853, it is clear that, instead of a sum of fifty lakhs of rupees standing against the Nizam in 1853, for which "the cream of his territory" was taken away, the aggregate payments actually made by him during so many years would have resulted in a balance of not less than some millions sterling standing at his credit.

25. It has been sometimes asserted that the British interference in the affairs of Hyderabad was withdrawn on the death of the Nizam Sikunder Jah and the accession of his son Nasir-ud-Dowlah, in 1829, and that the Nizam had full liberty of action after that year and exercised entire control over Chundoo Loll as Minister; but the statement is not borne out by the facts of the case. Nasir-ud-Dowlah, on his accession, made a specific request for the removal of the English Revenue Officers that the British Government had placed in charge of many of his districts during the closing years of his father's life, to which request Lord W. Bentinck replied by a letter to the Nizam, dated the 21st of August, 1829, but the letter did not contain any such statement as would have given the latter the clear option to remove the existing Minister. It said that the European Officers would be removed as requested, and added that the "appointment of Diwans and Peshkars" (that is, presumably on a vacancy occurring) "and their removal" (i.e., the removal of those whom the Nizam had himself appointed) "would be in future in the power of the Nizam." Chundoo Loll having "reigned" through the direct

support of the British Government for twenty years, such an intimation as the above was of a widely different nature from a distinct assurance that the Minister then in office might be removed at the Nizam's pleasure. As a matter of fact, no real withdrawal of interference took place in 1829 or thereafter. Indeed, in practice, things remained much the same after 1829 as before that date. On the 9th of September, 1830, the Honourable East India Company, replying through their Secretary to the India Board, pointing out that no substantial change had taken place in the interference with the Hyderabad Government, wrote as follows:—"And the Court are finally convinced that the supposed wishes of the British Government would have to the full as much effect on the Government of the Nizam at the present as it is acknowledged they would have had at the former time." And in the year 1838, the Court of Directors indicated their clear cognisance of the fact that the Nizam had never been allowed to take up his proper place and power in his own State. They wrote:—"All that is required is the permanent assurance of such an abstinence from interference in public affairs on the part of the Nizam himself as he already for the most part practises, an assurance which would cause the Minister to look for support exclusively to the Resident."

26. When General Fraser, the Resident, by his letter of the 26th of July, 1842, warned the Government of India that if the Nizam were allowed to feel really independent, "it is not improbable that besides other evils that may arise we shall experience one of great magnitude in a proposition on the part of His Highness for the disbandment of the Contingent to which he is known to be averse," the Governor-General, Lord Ellenborough, addressed to the Nizam himself a Persian letter dated the 1st of October, 1842, in which he said: "I am sorry to learn that the Minister of Hyderabad does not act according to the counsels of the Resident as he has done hitherto. Therefore, I desire that you will make this matter right. . . . Finally, it is expedient that you direct the Minister to attend to the wishes of the Resident. It is a great pity if anything contrary to the former friendship and the concord between the two Governments should occur." That the Nizam was, at least up to 1849, not allowed to choose his own Minister is borne out by what Lord Dalhousie wrote in his letter, dated the 6th of June, 1851, to the Nizam. Lord Dalhousie wrote:—"Nearly three years have passed since Your Highness was informed that the British Government desired to exercise no interference in the selection Your Highness might wish to make of the person whom you might consider qualified to hold the office of Diwan."

27. Even if the fact be passed over, that the Contingent from first to last was kept up at the Nizam's cost to do those identical duties which the British Government had by Treaty engaged to perform by the hands of the Subsidiary Force (for which they had already been paid by the assignment to them of the districts of Bellary and Cuddapah of the annual value of sixty-three lakhs), and even if the responsibility of the Hyderabad State for the support of the Contingent be admitted and the figures of the pecuniary transactions of the two Governments up to 1853 accepted as they stand,

the alleged balance of rupees forty-three lakhs against the Nizam, which formed the sole ground for the assignment of the Berars in 1853, only appeared by excluding from the account certain sets-off, viz., first, the Abkari or Excise claims, and secondly, the saving effected by the British Government in reducing the strength of the Subsidiary Force.

28. The first set-off claimed by the Nizam was principally for the surplus of Excise duties levied on his own subjects in the large native city of Secunderabad, which, because of its nearness to the camp of the Subsidiary Force, was, in 1803, placed under the jurisdiction of the British Resident, who ever since holds therein delegated authority from the Nizam. The native city of Secunderabad, in the days prior to 1853, contained a population of about 60,000 of the Nizam's subjects, who were not exempt from duty on articles for consumption, and the Excise Revenue in question, amounting to about one lakh of rupees yearly, came to be consequently all along levied in the Nizam's name by the British authorities, and formed as much a part of his revenues as similar taxes collected elsewhere within his Dominions. The Government of India, however, for forty-one years credited this Excise revenue to themselves. In support of this counter-claim may be quoted the authority of the Resident, Colonel Davidson, who, in his letter to the Government of India, dated the 12th of October, 1860, averred that the Nizam was in this matter "shown to be in debt to the British Government by not having his counter-claims admitted," and who further stated:—"We carried the surplus of the Abkari revenues of Secunderabad and Jalna which at present amount to one lakh annually to our own credit from 1812 to 1853, say for forty-one years. *The above would have given the Nizam a credit of forty-one lakhs, without interest, against the debt we claimed.*"

29. The second set-off is a far greater counter-claim arising out of the saving effected by the British Government by *keeping the Subsidiary Force for many years at less strength than that which, under the Treaty (1) of 1800, they had engaged and received consideration to furnish, viz., about 9,500 men.* By the third Article of the Treaty, the British Government engaged to keep up "stationed in perpetuity in His Highness's territories," a Subsidiary Force to "consist of eight battalions of Sepoys (or 8,000 Firelocks) and two regiments of cavalry (or 1,000 horse) with their requisite complements of guns, European Artillerymen, Lascars and Pioneers fully equipped with warlike stores and ammunition." And the fifth Article of the Treaty described the Force to be kept up as "the said augmented Subsidiary Force consisting of 8,000 infantry, 1,000 cavalry and the usual proportion of artillery. In 1810, the infantry regiments of the Subsidiary Force were each reduced from 1,000 to 750 men, thus reducing the force by a number equal to about 2,000 infantry. And Major Moore, a Member of the Court of Directors, commenting on this in his Minute of the 7th of November, 1853, said:—"The number of troops (the Subsidiary Force) kept up by us within the Hyderabad territory for the last thirty years has been more than one-fourth less than the number for which we had contracted and received

(1) App. G.

payment in advance. By what right have we received payment for troops we did not furnish? If these facts are true, are we or are we not bound to account to the Nizam for what we have received from him for an equivalent we have not fulfilled?" He then proceeds to put the question: "Is it becoming on our part to endeavour by specious arguments to show that eight regiments of one thousand firelocks as specified in the original Treaty meant in spirit eight regiments of seven hundred and fifty?" This substantial reduction of the numerical strength of the Subsidiary Force would not have been indulged in had the Contingent not been created to do the duties which had been imposed by the Treaty ⁽¹⁾ of 1800 on the Subsidiary Force, and the saving thus effected to the British Government was at the cost of the Nizam.

30. For the reasons given above, it would thus appear that the pecuniary claim of forty-three lakhs (or thirty-three lakhs without interest), on which alone the Treaty ⁽²⁾ of 1853 was based and which formed the sole ground on which the assignment of the Berars was demanded and taken, had no sound foundation. The pecuniary claim is no doubt mentioned as a debt in that Treaty, but upon an examination of its incidents, it will be found that the Nizam had practically no alternative but to sign it. The Resident, Colonel Davidson, who was an eye-witness of the transactions of 1853, in his letter to the Government of India, dated the 12th of October, 1860, gave his testimony that this debt "was acknowledged by the Nizam by the Treaty ⁽²⁾ of 1853 under pressure and which he never considered he justly owed." Colonel Davidson, moreover, added that, in his own opinion, "had the pecuniary demands been impartially dealt with we had no just claim on the Nizam for the present debt."

31. Before proceeding to show that the Nizam did not voluntarily sign the Treaty ⁽²⁾ of 1853, by which the Province of Berar was alienated for the support of the Contingent, but did so only under compulsion of the severest kind, it will be useful to recall a case in 1821, similar to that of 1853, but on which a very different judgment was passed. In the year 1821, under the Governor-Generalship of Lord Hastings, the pay of the Contingent having fallen into arrears and debts having been contracted on account of it, a proposal was made by the Resident of the day that the Government of India should guarantee advances of eighty lakhs or a hundred lakhs of rupees in order to meet the embarrassment thus caused, withholding as security for their repayment the *Peshcush*, an annual sum of seven lakhs of rupees, then payable to the Nizam by the British Government. The *Peshcush* being, however, not a sufficient security for such a large advance, the idea of an assignment of territory occurred to Lord Hastings, but only to be at once dismissed from his mind. In his Minute of the 3rd of May, 1821, is recorded the following passage:—

"But we well know the administration of any of his provinces
 "would never be made over to us by the Nizam unless through
 "absolute compulsion—an act of oppression the contemplation
 "of which would not for a moment be tolerated by any mem-
 "ber of the Board."

(¹) App. G. (²) App. L.

32. The Treaty (1) of 1853 was signed under the threat of an immediate military occupation. The whole history of the negotiations, from the 12th of March to the 15th of May, 1853, as recorded in the Hyderabad Blue Book of 1854, shows conclusively that, up to the last, the Nizam absolutely refused voluntarily to cede or assign territory in order to provide for the Contingent on any terms whatsoever. First, permanent cession was urged, which the Nizam refused; then a second proposal was made that a permanent assignment should be effected while the sovereignty of the territory should remain nominally with the Nizam. This also the Nizam refused. For fifty days he was urged to comply, the offers before him being, respectively, permanent cession or permanent assignment of territory, but he would not yield. It was then that, on the 30th of April, the Resident, Colonel Low, found it necessary to make his third proposal, which was that the territory in question should be assigned to the British Government "*merely for a time to maintain the Contingent as long as the Nizam should require that Force.*" Even to this modified proposal, under which the Nizam retained the clear right of disbanding the Contingent in future and recovering his territory, he could not be induced voluntarily to accede, though the Resident's language consisted of "objurgations and threats." For fifteen days his determination not to accept even this modified offer remained unshaken. Then Major (afterwards Colonel) Davidson, the Assistant Resident, wrote to the Nizam's Minister on the 14th of May, 1853, and an extract from his letter, which is given hereunder, will disclose the coercive measures taken against the Nizam:—
 "I believe the Resident requires your attendance this evening, to inform you his negotiations with the Nizam are at an end, and he applies to the Governor-General to move troops by to-day's post . . . *Indeed I have a letter from my nephew at Poona, mentioning that the 78th Highlanders and 86th Regiment, H.M.'s Troops, have received orders to be in readiness to march on Hyderabad. Don't suppose military operations will be confined to the districts; and if you are a friend of His Highness, beg of him to save himself and his dignity by complying at once with what the Governor-General will most assuredly compel him to accede to.*" The obvious object of this letter was to inform the Nizam of the disaster that would follow his refusal of the demand; and on the 15th of May, the day after Colonel Davidson's letter, the Minister wrote to the Resident that the Nizam had at last consented to the Treaty.

33. It has been alleged that the Nizam was given the option to disband the Contingent if he pleased, but, in fact, he was allowed no such option. The alternatives offered him in 1853 were (1) to disband the Contingent and to assign lands, or (2) to retain that Force and to assign lands. Lord Dalhousie, in his Minute of the 30th of March, 1853, says:—"I am not without hope that, after every other effort may have failed, the prospect of the loss of the Contingent Force and the necessity of still making over districts temporarily into our hands may induce His Highness to consent to the engagement into which we have proposed to him to enter." The Resident, on the 12th of March and the 7th of May, 1853, had

(1) App. L.

drawn the Nizam's attention most earnestly to the probable consequences to his Sovereign authority if the Contingent were disbanded, and had plainly told him that " *the Subsidiary Force will not perform*" all the duties necessary to preserve His Highness's Sovereign authority throughout his Dominions " which without the Contingent Force His Highness is little likely to sustain." By the denial to him of the protection which had been devised by the Treaty (1) of 1800, the maintenance of the Contingent Force became a necessity, while the British Subsidiary Force, for whose services he had already paid, were to rest in their Cantonments and were to refuse to put down scenes of lawlessness.

34. Considerable stress has been laid on some statements of the Nizam, with the object of supporting the view that he had not only refused the offer of disbandment of the Contingent in 1853, but that he had, in some sense, even sanctioned or condoned the existence of the Contingent during the long years of peace till that date. The statement of the Nizam on which reliance has been placed is given by the Resident, Colonel Low, as follows :—" The Nizam spoke in the most clear and distinct manner as follows :—" I beg you to write to the Governor-General that I do not want the Contingent to be reduced from its present strength. I am able to pay these troops and willing to pay them regularly every month. I undertake this myself independently altogether of the Minister's promises; and if I fail in my undertaking in four months from the present time you may take possession of the districts.' " As spoken by the Nizam, and, indeed, as recorded by Colonel Low himself, the speech was solely with the object of endeavouring to persuade the Governor-General to forgo his demand for the assignment of territory for the pay of the Contingent and to accept instead the Nizam's offer of monthly payment in cash. In short, the Nizam's declaration merely amounted to this, that if the Contingent was the only Force to which he could look for military aid against internal disorder, he was willing to keep it up only by the expenditure of money from his Treasury, but not at the cost of an alienation of territory.

35. Thus the idea of an assignment of territory to provide for the arrears of the Contingent, repudiated in 1821 by Lord Hastings, was at last consummated in 1853, for the pay and arrears of this self-same Force, and with all the elements of compulsion so strongly deprecated on the former occasion.

36. In 1860, another Treaty (2), called the Supplemental Treaty of 1860, was entered into between the two Governments. Between 1853 and 1860, the Nizam had consistently and persistently held himself entitled to the restoration of the whole of the Assigned Districts of the Berars, no less than six different occasions being on record of this claim having been urged between these years. The Treaty of 1860 was, as its title denotes, supplemental, and had not within its scope the prejudicing in the least of those claims to subsequent and complete restoration which, it was well-known, both the Nizams, Afzal-ud-Dowlah and his father, had so strongly cherished. The position taken up by the Government of India, in proposing the Treaty of 1860, was to refuse to restore certain surplus

(1) App. G. (2) App. O.

tracts of the Nizam's country, of which they held possession in trust for him, unless he would admit certain modifications in the arrangement with regard to the remainder. And it was during the progress of the negotiations relating to this Treaty that the strongest assurances were given by the Governor-General himself, who directed the Resident to "explain to the Nizam that it is for the advantage of his Highness that the Governor-General in Council seeks to alter any of the arrangements under the Treaty of 1853." With the same object, the Government of India especially prepared and sent to the Resident the draft of a letter, with orders that it should be sent to the Nizam's Minister, in which it was plainly stated that the Governor-General had at once ceased to press for a certain alteration in the tenure under which the districts retained were to be held, "as the ground of His Highness's objection seems to be an apprehension that the true and complete reservation of His Highness's Sovereignty over the retained districts by his acceptance of that part of the proposal becomes questionable." And, during the negotiations of that Treaty, the Government of India, by their letter No. 3889 of the 5th of September, 1860, officially authorised the Resident to communicate to the Nizam that "*the alienation of this portion of his Dominions is temporary only and for a special purpose conducive chiefly to the safety of the Hyderabad State, and to the preservation of tranquillity within its limits,*" and that "*whenever the districts in question are restored to the Nizam, His Highness will derive all the future benefit that may possibly arise from the improvement while under the management of British Officers.*"

37. The ultimate basis on which the negotiations for the Treaty ⁽¹⁾ of 1853 were accomplished is recorded by the Resident, Colonel Low, in his letter to the Government of India, No. 71 of the 4th of May, 1853, in words as follows:—"Finding that the Nizam's dislike to the words 'in perpetuity' was extreme, and fearing that the whole negotiation might fail if I insisted on that word, I announced that that was a part of the scheme which my Government had allowed me the liberty to alter if necessary, and I announced formally that, if His Highness wished it, the districts might be made over, merely for a time, to maintain the Contingent as long as he might require it." This formal offer was made to the Nizam after the other two proposals had been made and rejected, and, therefore, unless withdrawn, necessarily formed the understapding on which the Treaty was executed by him. It is, moreover, the only proposal in the whole negotiations, from first to last, which Colonel Low himself states to have been "formally" made, for he feared that otherwise "the whole negotiation might fail." Historical evidence is not wanting that the "formal announcement" remained extant, and was repeatedly and continually referred to by Colonel Low as the basis of negotiation from the day of its utterance. The "formal announcement," that the assignment of territory should be made "merely for a time to maintain the Contingent as long as the Nizam might require it," was made on the 30th of April, 1853. After the announcement was made, the Resident pressed it on the Nizam for his acceptance. At the time when Colonel Low parted with the Nizam, after making the formal announcement, what happened is

(1) App. L.

stated by the former, in his letter of the 4th of May, 1853, in the following words:—"The Nizam expressed a wish to retire. I consented; but I again earnestly recommended to His Highness to reflect more fully on the matter, adding that I was sure the most sincere and respectable of his own friends and subjects would advise him to accept *the offer that had been made to him.*" Colonel Low then narrates that the Nizam, in reply to the intimation that the offer would be left open to him for his subsequent acceptance, "so far altered his tone, that he requested me to abstain from reporting' to my Government till I should hear . . . what a deputation from His Highness would explain to me . . . I accordingly agreed not to report to Government until I should receive the promised visit from the deputation in question." On the 2nd of May, 1853, the promised deputation, consisting of the Minister and his nephew, Salar Jung, visited the Resident, but, as they brought news from the Nizam which did not satisfy Colonel Low, the latter sent through them a Persian Memorandum, signed by him, to the Nizam, and therein he made a pointed reference to his formal announcement in the following words:—"If the Nizam be willing to form a new Treaty on the basis of the draft which I have laid before him, I am entitled, *as I explained the day before yesterday fully, to make certain alterations in parts of the present draft.*" The Persian Memorandum, having been duly presented to the Nizam, the Minister wrote to the Resident that the Nizam wished to see him on Saturday, the 7th of May, 1853, "to converse further about the proposed Treaty." The interview, which took place between the Nizam and the Resident on that date, is thus described by the latter in his letter to his Government, No. 74 of the 10th of May, 1853:—"Your Highness dislikes to *cède districts in perpetuity.* Very well. I am authorised to modify that part of the plan, by having districts *only made over to our management, your Sovereignty over them remaining undisputed, and being proved to the world by our rendering you annual accounts of their revenues, and after paying the cost of the Contingent, etc., paying any balance of cash that may exist into Your Highness's hands with perfect regularity and good faith.*" Colonel (then Major) Davidson, who was the Chief Assistant of Colonel Low and afterwards succeeded to the post of Resident, in his letter to his Government, No. 138 of the 6th of July, 1859, in describing the negotiations at the interview of the 7th of May, 1853, at which he was present, recorded as follows:—"General Low on one occasion remarked to the Nizam in the presence of the Minister . . . *we should be in the place of his Talookdars: only be more honest in rendering correct accounts, . . . and I distinctly remember this being made use of, as an argument to induce compliance in signing the Treaty, by General Low.*" In commenting on these remarks of General Low, Sir George Yule, a subsequent Resident, in his letter to the Government of India, No. 18 of the 14th of November, 1866, gave his opinion of its meaning, that the districts "were assigned, in trust, for certain purposes, as villages are assigned to individuals for payment of troops, temples, etc.," and the Government of India themselves corroborated this view in their reply, dated the 13th of February, 1867, in the following words: "You imagine that if General Low did express himself to the effect stated, his meaning could not have been that the British Government's system of administration would be of (an) inexpensive character, leaving a large surplus for the benefit of the Nizam, but

that the nature of the contemplated transfer was a mere assignment in trust, for a particular purpose, to last only so long as the purpose might require to be maintained. There is reason, I am to observe, in your conjecture."

38. The whole spirit of the interview of the 7th of May, 1853, as recorded by Colonel Low, is entirely in accord with the understanding established by the "formal announcement," and totally at variance with the conception that, under the terms offered, the Nizam should be held to lose the right of disbanding the Contingent in future. In his letter of the 10th May, 1853, Colonel Low explained that the point which his Government did insist on was, not that they should have any voice, either as to the numbers or as to the duration of the Force, in future, but simply "that districts must be made over to British management, to provide for the monthly pay of the Contingent, whatever the strength of that Force may be." It stands to reason that, when the idea of the cession of the territory was abandoned, and merely its management made over to the British Government, the right to disband the Force at a time suitable to the Nizam was reserved by him, and obviously this was the natural view for the Nizam or any proprietor to take in the circumstances, and it was the one consistently represented to him by Colonel Low throughout the negotiations. In the same letter, Colonel Low gives his own version of his terms to the Nizam, at one stage of the interview of the 7th of May, thus:—"As by your own admission you require the services of the Contingent Force, we must have districts under our management for the payment of the Force . . . What do you say, yes or no? Do you consent to form a Treaty on the basis above explained? After the above question had been put to him, the Nizam took two days more to consider the matter, i.e., up to the 10th of May, 1853. For reasons given by Colonel Low, he "again consented to an extra delay of two days," and the proposal lay open before the Nizam up to the 12th of May. In his letter to the Government of India, No. 78 of the 13th of May, Colonel Low narrates that, on that date, he had received a visit from Shums-ool-Oomrah, the uncle-in-law of the Nizam, and had learnt from him that the Nizam's repugnance to the acceptance of even the most favourable of the terms which had been offered him remained unabated, and that the Nizam "adhered obstinately" to using such language as this:—"If you are determined to take districts, you can take them without making a new Treaty, or giving any answer at all." Colonel Low narrates, in that letter, that, in consequence of this attitude of the Nizam, he found it necessary to make a further and most substantial concession, at the interview on the 12th of May, with Shums-ool-Oomrah. He describes this concession in the following words:—"I adopted, at least to a certain extent, a suggestion that was made by Shums-ool-Oomrah . . . that it was possible His Highness would execute the Treaty, *if the districts were nominally made over to the Resident and to Shums-ool-Oomrah jointly.*" Colonel Low then mentions that he agreed tentatively to entertain the said project, "as I consider that the Governor-General in Council might perhaps rather have a Treaty modified as now suggested by Shums-ool-Oomrah in the sixth Article, than that we should have no Treaty at all."

39. The narration of the events in the course of the negotiations, culminating in the Treaty (1) of 1853, leaves no doubt that the "formal announcement" made by Colonel Low on the 30th of April, 1853, to the effect that "*the districts might be made over merely for a time to maintain the Contingent as long as he (the Nizam) might require it,*" was the only proposal which was steadily before the Nizam, from the date of its promulgation to the conclusion of the negotiations, and was the actual basis on which the Treaty was executed by both the parties.

40. As, under the "formal announcement," the Nizam merely retained his pre-existing and already inherent right of disbanding the Contingent, and did not lose it, there was no need that the right so retained should have appeared, in so many words, in the text of the Treaty. In the Treaty, while the British Government engaged to maintain for the Nizam, his heirs and successors, the Contingent from the Revenues of the districts, no obligation was thrown on the Nizam to engage that the Contingent should be maintained for any specific time. The Treaty contains no provision whatsoever requiring British consent for the abolition of the Contingent or for its duration.

41. It has been said sometimes that, by Article Seven of the Treaty (1) of 1853, the Contingent is to be maintained at all times, whether in peace or war, and that that provision precludes the Nizam from asking for its disbandment. The expression "at all times (whether in peace or war)" was not intended to convey any meaning of fixedness, in the sense of futurity, even in reference to the obligation of the British Government to maintain the Contingent, much less to affect in any way the Nizam's rights as otherwise defined in the negotiations. The whole phrase "at all times (whether in peace or war)" is a direct antithesis of the sense of "in time of war" only. Under the 12th Article of the Treaty (2) of 1800, the British Government were entitled to be furnished in time of war with 9,000 cavalry and 6,000 infantry by the Nizam, and the seventh Article of the Treaty (1) of 1853 is merely inserted to annul the obligation of the 12th Article of the Treaty of 1800, so long as the Subsidiary Force and the Contingent Force were available to the British Government. Colonel Low admittedly prepared the Article in question entirely at the Nizam's request, and in order simply to give expression to a particular assurance which the latter desired from the British Government as to their not calling on him for additional troops in time of war, during the existence of the Contingent. This being so, it will be readily granted that it would have been altogether indefensible for Colonel Low to have introduced into an Article, which he was deputed to frame for this special purpose, any clause affecting the rights of the Nizam in any way whatever, much less imposing on the latter a grave obligation of a nature totally at variance, not only with the instructions which he had given, but with the principle of temporariness which he had inflexibly insisted on throughout as the *sine qua non* of the whole Treaty negotiations, and which had been fully conceded to him as such. That so such indefensible

(1) App. L. (2) App. G.

course was entered on, and no such meaning intended by Colonel Low, is amply shown from the terms in which he himself, as well as Lord Dalhousie and the Court of Directors, described the whole scope and meaning of the Article in question. Colonel Low distinctly intimated to his Government, by his letter, No. 81 of the 19th of May, 1853, that the whole Article "is really a superfluous one," because it contained "exactly the same assurance as the concluding sentence of the fifth Article"; and he explained that it was inserted "in order to satisfy the scruples of the Nizam, and to convey a full assurance to his mind that he shall no longer be liable, even in time of war, to be called upon to furnish the Cavalry and Infantry to accompany British troops in the field which are specified in the 12th Article of the Treaty ⁽¹⁾ of 1800." The same view was taken by Lord Dalhousie of the Seventh Article of the Treaty, in his Minute of the 30th of May, 1853, and the whole scope and meaning of that Article is summed up by the Honourable the Court of Directors, in their letter to the Government of India, No. 45 dated the 2nd of November, 1853, thus:—"And at the Nizam's express desire, the 12th Article of the Treaty of 1800 is abrogated, and His Highness released from all obligation to furnish troops in the event of war."

42. By the Treaty ⁽²⁾ of 1853, it is apparent that the Nizam assigned the revenues of the Province of Berar to the British Government, for the support of a certain Force belonging to himself; and the British Government, as the recipient of those revenues in trust for the specific object of maintaining the said Force, engaged that they, on their part, would maintain it "for His Highness." This is amply borne out from a passage contained in a letter of the Government of India, No. 3889 of the 5th of September, 1860, which runs as follows:—" . . . the Government of India desires to hold this territory, as it has hitherto held the whole of the assigned districts, not in Sovereignty but in trust for His Highness, so long as the Contingent is kept up and no longer." And in the same letter, the Government of India said that "it (Berar) shall be restored to him entire whenever it shall seem fit to the two Governments to terminate the engagement under which the Contingent is kept up." It has to be noticed that, though the Government of India indicate, in the last quoted passage, that the termination of the engagement for the maintenance of the Contingent depends upon the mutual consent of the two Governments, a proposition which is not borne out by the text of the Treaty of 1853, interpreted in the light of the official negotiations and formal assurances upon which it was based, it nevertheless acknowledges the temporariness of the assignment and the obligation of the British Government that "it (Berar) shall be restored to him (the Nizam) entire."

43. The above conclusions receive the fullest corroboration from the language of Article Six of the Treaty ⁽³⁾ of 1860, which runs thus:—

"The districts in Berar already assigned to the British Government under the Treaty of 1853, together with all the Surf-i-Khas talooks comprised therein, and such additional

(1) App. G. (2) App. L. (3) App. O.

" districts adjoining thereto as will suffice to make a present annual gross revenue of thirty-two (32) lakhs of Rupees currency of the British Government, shall be held by the British Government in trust for the payment of the troops of the Hyderabad contingent, Appa Dessaye's choute, the allowance to Mohiput Ram's family, and certain pensions mentioned in Article 6 of the said Treaty."

It follows, therefore, that the very words of this Treaty do not give any warrant for the assertion that the assignment was "in perpetuity," any more than the repeated official assurances and "formal announcements" offer the slightest room for questioning the right of the Nizam to dispense with the Contingent whenever he should think fit to do so.

44. The Nizam Afzal-ud-Dawlah died in 1869, when the Nizam Mir Mahboob Ali Khan, the father of the present Nizam, succeeded to the *Musnud* of Hyderabad at the age of three years. On the accession of Mir Mahboob Ali Khan, Sir Salar Jung became the Regent, with the Ameer-i-Kubeer, as co-Regent. In the year 1872, Sir Salar Jung and the Ameer-i-Kubeer, as Regent Ministers, proposed ⁽¹⁾ to the Government of India that a capital sum sufficient to secure the payment for the maintenance of the Contingent Force on the footing of the purposes declared in the Treaty ⁽²⁾ of 1853, be accepted from the Hyderabad State, and the Assigned Districts be restored to the administration and Government of the Nizam. The Government of India, however, declined to entertain the proposal. This communication was followed by further correspondence and representations, but it suffices to mention that the Rt. Hon. the Secretary of State for India, the Marquess of Salisbury, in his letter ⁽³⁾, Secret No. 19 dated the 28th March, 1878, addressed to the Governor-General, made certain observations that call for notice. His Lordship's dictum, on the question of responsibility of Government with reference to mere "expressions of opinion, or the interpretation of documents, or the estimate of rights" by high officials as not amounting to pledges, was qualified by the important reservation of those instances where the assurances were addressed by them, on behalf of their Government, to a third party. His Lordship's words were: "The documents may in due course be published; but it would be a great error to assume that Her Majesty's Government are in the slightest degree pledged to the expressions of opinion, or the interpretation of documents, or the estimate of rights, which the report so published may be found to contain. No obligations can be created on their part towards any other person *except by assurances addressed by them, or on their behalf, to him, for that purpose.*" It is abundantly clear, therefore, that, in the view His Lordship took of Government obligation, the official assurances given and formal announcements made by the British Representatives at the Court of the Nizam had all the binding characteristics of pledges, the responsibility for which could not be evaded. To ignore such assurances and announcements in the interpretation and construction of the Treaties of 1853 ⁽²⁾ and 1860 ⁽³⁾ would be to violate the very

(1) App. P. (2) App. L. (3) App. Q.

principle of State obligation laid down by Lord Salisbury. His Lordship went on to say: "The pledges of Her Majesty in respect to Berar are to be found only in the formal engagements which have been contracted on her behalf." Assuming the correctness of this view, it would be impossible to rule out of consideration the official assurances given and formal announcements made by Colonel Low and Colonel Davidson, in their representative capacity as Residents at Hyderabad. It is much to be deplored that Lord Salisbury remained under the impression that the formal engagements, directly material to the controversy, were to be found *only* in the Treaties of 1853 and 1860. This, as has already been pointed out, is not in agreement with the facts. Had his Lordship's attention been directed to the assurances and announcements of 1853 and 1860, leading up to the Treaties of those two years, he would not have allowed the following passage to be embodied in his Despatch; "The only formal engagements which are directly material to this controversy are to be found in the Treaties of 1853 and 1860." It is permissible, therefore, to say that the Secretary of State remained under an impression which is not supported by evidence and the actual happenings. In the circumstances, the Nizam is entitled to reopen the entire question and ask for its examination in the light of the facts that constitute, on Lord Salisbury's own dictum, valid ground for holding that the assignment of 1853, followed by the Supplementary Treaty of 1860, was of a temporary character, to remain in force only for so long as the purpose for which it was created lasted.

For the reasons given above, the absence, in the Treaties of 1853 ⁽¹⁾ and 1860 ⁽²⁾, of words limiting the period of assignment to a particular point of time does not justify reading into the Treaties the meaning of perpetuity; nor can the Nizam's right to dispense with the Contingent at any time be questioned, if the official assurances and formal announcements have any binding force, as no doubt they have on the authority of Lord Salisbury himself. It is much to be regretted, therefore, that the Despatch ⁽³⁾ was conceived in disregard of the formal and official preliminaries that form the very basis of the mutual obligations of the contracting parties. This omission, indeed, is responsible for the following passage in the Despatch:—

"There is no word in it (Treaty of 1853) indicating any term, after the expiration of which the assignment is to cease, or vesting in one of the signatories the power of terminating it at will. If any intention had been entertained of fixing a limit to the duration of the British Administration, or of making its continuance to depend on the will of the Nizam, words to that effect would have been inserted. The entire absence of any such words is, in the judgment of Her Majesty's Government, decisive of this controversy."

Lord Salisbury assumed that there was nothing to go upon except the words of the Treaty of 1853. This was an erroneous assumption. He also appears to have lost sight of the formal announcements immediately preceding the Treaty of 1860, as he had done with reference to those of 1853. *However ill-conceived the decision of*

(¹) App. L. (²) App. O. (³) App. Q.

Lord Salisbury as contained in the Despatch may have been, it does not deny the trust or affirm any claim to an assignment in perpetuity. His Lordship seems to have recognised that, even within the restricted method of interpretation adopted by him, the words of the Treaties did not preclude the Nizam from bringing "the whole of the Treaty arrangements between the two Governments under general revision." In the last paragraph of his Despatch he said: "Your Excellency, in replying to this appeal on the part of the Ministers to the favour of the Crown, has noticed the inconvenience of discussing questions of this kind while the Nizam, in whose behalf they are professionally raised, is himself a minor. In this opinion I entirely concur. You go on to say, that if, on His Highness's undertaking the Government, he should desire to bring the whole of the Treaty arrangements between the two Governments under general revision, the British Government will take His Highness's request into consideration. I confirm this intimation on your part, on the understanding that, in making it, you do not in the slightest degree pre-judge, by any present engagement, the discretion of the Government of the day to deal, as it shall think it expedient, with any question submitted by the Nizam."

The finality attaching to an assignment in perpetuity was certainly not present to Lord Salisbury's mind when this Despatch was addressed by him to the Government of India.

45. The Nizam, Mir Mahbub Ali Khan, was invested with full powers of Government in the year 1884, when he attained the age of eighteen years, and nothing of consequence concerning the Berars occurred between that year and the year 1902, when the Agreement⁽¹⁾ came to be made whereby a permanent lease of the Berar districts was acquired by the British Government. Though the Nizam, Mir Mahbub Ali Khan, had not asked the Government of India to bring the Treaty arrangements between the two Governments under general revision, Lord Curzon, unasked and uninvited, did it of his own accord, and carried out, in another form, the policy of Lord Dalhousie, who had failed in his attempt to obtain possession of the Berar districts in perpetuity. In March, 1902, Lord Curzon visited Hyderabad, but previously to his visit, it was intimated to the Nizam that, amongst matters which the Viceroy would discuss with him, the subject of the Berars would be one. On the 27th of January, 1902, Colonel Barr, the then Resident at the Court of Hyderabad, had an interview with the Nizam and presented to him a Note containing certain proposals for the lease of the Berars. The Note ran thus:—

" PROPOSALS OF THE HONOURABLE THE RESIDENT REGARDING BERAR AND THE CONTINGENT (NOTE WHICH COLONEL BARR READ TO H.H. AT HIS INTERVIEW AT THE CHOW MAHALA PALACE ON 27TH JANUARY, 1902).

" 1. The whole of Berar, while remaining under the sovereignty of H.H. the Nizam, to be leased in perpetuity, to be administered in such manner as Government may deem desirable for a fixed rent of 25 lakhs per annum.

(1) App. A. •

" 2. The repayment of the recent loan of 2 crores and of the Government of India's famine loan to Bera amounting to 141 lakhs to be first charge upon the rent.

" 3. The Hyderabad Contingent to be abolished as a separate auxiliary Force and to be amalgamated with the Indian Army.

" 4. The Government of India to maintain in future a fixed number of troops, say 4,500 to 5,000, at a reduced number of stations in Hyderabad territory in place of 6,800, the present strength of the Hyderabad Contingent.

" 5. In return for this reduction of Indian troops in Hyderabad territory His Highness to make a corresponding reduction in his Irregular troops (Nazmi-Jamiat), at present 19,500 costing Rs. 50,00,000/-, to 12,000 or even 10,000 men.

" 6. The advantage to His Highness will be the British Government, instead of being in occupation of a portion of his territories, will become his lessees, that is His Highness's prestige will gain rather than lose by the change.

" 7. Instead of receiving a fluctuating revenue for Berar and very frequently none at all His Highness will ultimately, after the discharge of the existing debts, enjoy an assured annual income of 25 lakhs a year.

" For the past forty years the average surplus paid to His Highness has been a little less than 9 lakhs a year.

" 8. The two crore loan will be paid off and the State will be freed from encumbrance at much earlier period than would otherwise be possible.

" 9. The Hyderabad Contingent will disappear and a number of Indian Troops stationed in Hyderabad territory and the number of places occupied by them will be reduced.

" 10. The reduction of the Irregular Force will result in future economies of the State."

On considering the above proposals, the Nizam, Mir Mahhub Ali Khan, made certain observations thereon, and put certain questions, in the form of a Note, for further information and elucidation of the said proposals. The Nizam's Note, which was handed to the Resident, runs thus :—

" H.H. THE NIZAM'S OBSERVATIONS AND QUESTIONS FOR FURTHER INFORMATION AND ELUCIDATION OF THE HONOURABLE THE RESIDENT'S PROPOSALS WITH REFERENCE TO BERAR AND THE CONTINGENT (SUBSEQUENTLY PRESENTED TO THE RESIDENT)."

" My grand-father and after him my father persistently and steadily maintained that *Berar should not in any way be assigned in perpetuity*. The main question therefore is whether the acceptance of the present proposals would involve a departure on my part from the policy and the dearest wish of my ancestors.

" 1. The word 'perpetuity' occurs which my ancestors totally disliked.

(a) What is the practical difference between 'a *perpetual lease* for a fixed annual rent' and 'a *sale* for a fixed annuity'?

(b) What is the practical meaning of 'sovereignty' in the event of the lease being *perpetual* and the landlord or sovereign having no voice in the management nor even a right to share in future improvements much less a right to reversion?

" 2. The annual rent of 25 lakhs will be paid until a debt of 341 lakhs and interest is discharged. Does this mean that no actual payment will be made until after some 16 years?

" 3. Berar was assigned in trust to be managed for me for the sake of the Contingent only. If the Contingent is intended to be abolished, is it at the same time considered necessary to retain Berar?

" 4. I have no objection to the reduction or abolition of the Contingent itself.

" 5. I myself intend to reduce my Irregular troops gradually and to do away with unnecessary expenditure regarding them as much as possible, but I have not exactly understood what is the precise mutual relation between the Irregular Force and the Contingent so that the reduction of the one may be considered necessary for the reduction of the other.

" 6. (a) What will be the practical difference between the present occupation by the British Government (or rather by their Resident at my Court) as my Trustees under the Treaties and the proposed occupation of the British Government as my lessees under the proposed arrangements?

(b) The occupation is exclusive under the Treaties and will remain so under the proposed arrangement also. What is it, then, that causes the gain or loss of my prestige in this respect?

" 7. Is it, after all, a fixed rent of 25 lakhs a year an adequate exchange for the *perpetual* lease of Berar?

" 8. I shall have to repay the loan of 2 crores under all the circumstances and I hope to repay it as soon as possible.

" 9. Besides a rent of 25 lakhs a year in return for a *perpetual* lease, what other material advantage will accrue to me if the Contingent disappears in the way proposed?

" As this is only a very friendly and confidential exchange of opinions, may I be allowed, in conclusion, to ask a further question? Fully relying on the Government of India, as I have always relied and will ever rely for everything, I ask this question in no other spirit than as a matter of business between two sincere friends. Whether it would not simplify matters if the Contingent is abolished and Berar is restored. A part of the Contingent may be amalgamated with the British Army and a part with my Imperial Service Troops of which I flatter myself as being originator."

46. The Resident answered the above observations and questions of the Nizam by a second Note, which he handed to the Minister, who submitted it, in due course, to His Highness. This second Note runs as follows :—

“ To grant a lease on favourable and businesslike terms, is entirely different from assigning land in perpetuity. The lease could only be accepted by the Government of India if it were made in perpetuity and the agreement would necessitate the alteration of the present Treaty (1). If no agreement is arrived at the Treaty must remain in force.

“ There is a marked difference between occupation under Treaty rights of assigned territory and the lease of that territory under a fresh agreement.

“ There can be no such thing as a *sale* under fixed annuity ; if that were contemplated the fair sale price would be about 10 years revenue, whereas the contemplated lease brings in an assured yearly income of 25 lakhs, a sum more than equal to the net revenue of Berar in 1853 or 1860.

“ The meaning of sovereignty in any case is unchanged. The suggestion of a lease is made to replace an assigned occupation but the sovereign rights of His Highness the Nizam are not involved but remain, at at present, acknowledged.

“ As explained to His Highness, if he wishes it H.E. the Viceroy is prepared to divide the 25 lakhs rental due to the State so as to allow an annual cash payment of 6½ lakhs a year and to apply the remaining 18½ lakhs to the repayment of (a) the 2 crore loan, (b) the debt of 141 lakhs due from Berar over a course of years.

“ The proposal to abolish the Contingent as a *separate auxiliary force* was made as it was thought it would be acceptable to H.H., but the Government of India do not propose to abolish altogether their right to maintain troops up to the number of 4,500 or 5,000. It must be remembered that the Hyderabad Contingent replaced a far larger force, which under treaty, H.H. is bound to maintain. If the Government of India now offer to reduce numbers from 6,800 to 4,500 or 5,000, they still must look for the means to maintain that strength of troops.

“ The mutual relation between the Irregular Force and the Contingent is that in the event of disturbances caused in H.H.'s dominions by the Irregular troops, whose conduct and discipline is not altogether beyond reproach, the Contingent being disciplined troops could be used to preserve order. If the Irregular Force is diminished the British Regular Force can also be decreased as proposed.

“ The gain of prestige is the difference in the relative position of the Government of India and H.H. the Nizam. It is surely more to the gain of prestige to lease districts on a fixed revenue nearly three times as large as the average surplus of the past 50 years than to occupy it under Treaty rights paying over the actual surplus of revenue.

“ The financial condition of the State is unfortunately by no means flourishing ; by the means now proposed the debt of 2 crores

(1) App. L.

will be discharged without giving H.H.'s Government a moment's anxiety, and free of debt Berar will give H.H. a fixed rental equal to the net revenue of any other district and where could H.H.'s Government raise 2 crores to pay the debt on such easy terms as those proposed?

"No other material benefit is proposed, but H.H. should compare the present with the proposed arrangement. At present the surplus paid to H.H. averages less than 9 lakhs a year. In future and in perpetuity a certain rental of 25 lakhs is assured. The Government of India take all risks; if there is another famine under present treaty conditions, the cost of administering the famine falls on the Berar revenues, thereby reducing the surplus to *nil* as in 1900-01. If the lease is granted, the cost of famine or other scourge falls on the Government of India while H.H.'s Government will whatever happens receive 25 lakhs a year.

"There is no mention of *abolishing* the Contingent; on the contrary, if the lease is not approved, the Contingent must remain under Treaty obligations at its present strength."

47. This interchange of Notes between the Nizam and the Resident led to His Highness convening a Council of his principal noblemen, and, as neither the Nizam nor his nobles found the proposal of a perpetual lease of the Berars an acceptable proposition, the Council drafted a letter, to be addressed by the Nizam to the Viceroy, which it was decided that the Nizam should personally present to Lord Curzon at the private interview that was to take place at the Residency on the Viceroy's arrival in Hyderabad. This letter was drafted in such a form as to avoid all controversy, by making an appeal to His Majesty the King-Emperor for the restoration of the Berars as a special mark of gracious favour. The letter runs thus:—

NOTE.—His Highness wrote and had this letter with him when he had a private interview with H.E. the Viceroy at the Residency, but H.H. did not deliver this letter to the Viceroy as the conversation took an unexpected turn.

Hyderabad, Deccan.

"To

30th March, 1902.

"HIS EXCELLENCY THE RIGHT HONOURABLE LORD CURZON OF KEDLESTON, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor-General of India.

"YOUR EXCELLENCY,

"I do not wish to enter into the old controversy as to my right to the restoration of Berar, or as to the meaning or object of the treaties and other formal engagements concerning it. I confidently leave these matters for Your Excellency's kind and favourable consideration. I would only appeal to His Majesty the King-Emperor through you to restore Berar as a special mark of gracious favour, and I ask to be allowed to make your Lordship my advocate in the case. I feel perfectly sure, and I most devoutly trust my appeal will not be in vain on the auspicious occasion of His Majesty's Coronation.

"I remain,

Your Excellency's sincere Friend,

(Sd.) MIR MAHBOOB ALI KHAN."

48. This letter, though the Nizam took it with him, was never delivered to the Viceroy at the interview which took place on the 30th of March, 1902, at the Residency, for reasons which are manifest from the Nizam's Note of the conversation that took place between him and the Viceroy at that interview. The Resident, Colonel Barr, was present with the Viceroy, but the Nizam was without the presence or assistance of his Chief Minister or any other high official of his State, to assist him in discussing this most important question. The Viceroy and the Nizam's Notes, separately recording what passed at this interview, are given hereunder in juxtaposition, in order that the frame of mind of the Viceroy and the Nizam may be ascertained at a glance, and to show that the submission of His Highness to Lord Curzon's persuasions was obtained under circumstances when the former was unable to exercise his free will and consent.

Note of an interview with His Highness the Nizam at the Residency, Hyderabad, on March 30th, 1902 (prepared by the Viceroy).

Translation of a summary of conversation which took place between the late Nizam (His Highness Mir Mahboob Ali Khan Bahadur) and H. E. the Viceroy (Lord Curzon) on 20th Zihaj 1319 Hijri, as communicated by the former to Maharaja Sir Kishen Pershad Bahadur.

" At 4.30 p.m. on the 30th March His Highness the Nizam came to see me in the Residency in order to talk over several confidential matters affecting the State, and notably the question of Berar. Colonel Barr was the only other person present, and assisted to translate.

" (1) I commenced by recapitulating to His Highness the circumstances of the past two years, since his visit to Calcutta, illustrating the desire that I had shown to meet His Highness's wishes in respect of changes in the Hyderabad administration, and culminating in the probationary appointment of the present Minister, Maharaja Kishen Pershad, seven months ago. This appointment had been made for six months; and I now wished to ask His Highness whether his new Minister had given him satisfaction, and whether he proposed to submit for my sanction his confirmation in the office. The Nizam replied to both questions in the affirmative.

" (2) I then remarked that if the Minister was to be confirmed, a clear understanding was desirable as to the position relative to the Minister that was to be occupied by the Financial Adviser, Mr. Casson Walker. Acting upon a hint that had been thrown out by the Nizam, I had, when originally approving of the selection of the present Minister, offered the loan of the services of a British officer to act as his adviser in respect of the finances of the State, which were in an embarrassed condition and needed careful re-organisation. I quoted the pledge that had been made to me by His Highness upon that occasion, viz., that 'the officer so lent will be given full and adequate authority to introduce reforms and reduce expenditure,' and I

" Sardar Villa.

" Maharaja Madar-ul-Muham Peshkar Sahib,

Yesterday, my private interview with His Excellency the Viceroy lasted for about 1½ hours. The following is a summary of the conversation at that interview:—

" (1) Viceroy: 'Does your Minister work according to your wishes?'

I: 'Yes, he does it well.'

Viceroy: 'Is he well up in every subject, and does he understand it properly?'

I: 'Yes, he understands. He will acquire more experience in future.'

Viceroy: 'Do you propose to confirm him (as Minister)?'

I: 'Yes, I will presently.'

" (2) All (the greater part of) conversation of the Viceroy was to the following effect:—

'I have seen Mr. Casson Walker and also find on enquiry that although you were advised that Mr. Casson Walker's designation should be "Financial Adviser," yet he is designated only "Financial Secretary." It is now apparent that he is nothing more than a Secretary and that he is obstructed even in trifling and unimportant matters. It should not be so. His powers should be extended. I selected and sent you a good

pointed out that, relying upon this promise, I had selected Mr. Walker, an officer of high standing in the Punjab, whom the incoming Lieutenant-Governor of that Province was anxious to keep as his Chief Secretary, but whom I had deliberately taken away for what I thought to be the far more important task of reforming the finances of Hyderabad. I now found to my surprise and disappointment that Mr. Walker occupied no such position as had been promised to him, that he was nothing more than a Secretary to the Minister, that he had to submit to the latter in the Vernacular the most trivial and unimportant cases, that he had no initiative or authority whatsoever, and that, mainly in consequence of these facts, none of the anticipated reforms had so far been undertaken. Mr. Walker had himself made no complaint, and had indeed told me that whenever he had gone to His Highness for orders he had invariably received the latter's support. The position, however, was one which it was impossible that an officer of Mr. Walker's standing should continue to occupy; and I could not regard it as otherwise than disrespectful to the Government of India that their nominee should be treated in a manner so different from that which had been promised. Unless Mr. Walker were given the full and adequate authority which had been promised him by the Nizam, I should have no other alternative but to recall him from the State—a proceeding that could not fail to arouse public criticism and to bring discredit upon His Highness's Government. His Highness replied that he entirely agreed with what I had said, and that he meant to carry out to the full his original undertaking. I thereupon proposed that, in order to make his position clear, the title of Mr. Walker's post should be changed, and that he should be made Assistant Minister (Moin-ul-Moham) for Finance. I suggested that the Minister and he should meet and should draw up a scheme defining Mr. Walker's authority and powers, and should submit it first for the approval of His Highness, and secondly for my sanction. There need be no difficulty about constructing such a scheme. The essential was that in a number of cases Mr. Walker should have independent initiative and authority. He should report his action to the Minister. If the latter disagreed, they might meet to discuss the matter; and in the event of the difference still remaining, the matter might be referred to His Highness for orders. The Nizam expressed himself as being in complete agreement with these proposals, and undertook that they should be carried out without delay. I told His Highness that I should also speak to the Minister on the point, and that I should make it a condition of agreeing to his confirmation as Minister that he loyally accepted the new proposals. (I subsequently saw the Minister on the morning of April 1st; and he expressed his earnest desire to fall in with the new arrangement, about which he saw no difficulty.)

"(3) I then passed to the Berar question, which was the chief matter that His

'man. If this state of affairs continue I will never allow my officer to be treated in this fashion nor will I keep him any longer.'

I: 'Very well, (his powers) will be enlarged.'

Viceroy: 'I will speak to your Minister also about it.'

(This shows that His Excellency will see you again.)

"(3) As regards the Berar affair, there was a very long conversation. *The Viceroy told me twice and thrice (repeatedly) that Berar could never be restored.*

His Excellency said: 'I do not wish to keep Your Highness in any false hope. I say it very plainly that this alone will be the policy of not only myself, but also of every Viceroy who will come after me; and the policy of the Government in England will be the same, viz., that Berar should not be restored at any time.'

From the Viceroy's talk it appeared that, as there was no application for the return of Berar during (the last) 25 years, it was now impossible (for us) to get it back, and that we should not entertain any hope whatever of its restoration. His Excellency explained that no benefit would accrue to me if the present state of affairs continued. It was unwise to maintain the present conditions when it was impossible to regain Berar. It would be better to lease it out and take money (rent) year after year.

However, I tried as much as I could to insist (on the restoration), but the tenour of the Viceroy's answers convinced me that they would never give us Berar. It was in consequence of the mistakes made in the past that we had now to wash our hands of the Province. I was then obliged to say: 'If such is the case, take it on lease.'

The way in which the Viceroy conversed with me yesterday fully convinced me that if I refused to lease, saying that the present conditions might continue, and if I thereafter asked for restoration, His Excellency would not listen to me or would give but evasive answers even if he listened, and that if I pressed him to give a definite reply to my request he would say plainly, as he has already said before, that my application (for restoration) could not be entertained.

Highness had come to the Residency to discuss. I recapitulated the circumstances in which I had been led to make to the Nizam the suggestion of a lease in perpetuity in January last. I pointed out that the British Government had no reason to be dissatisfied with the position and rights at present assured to them by Treaty; there was no flaw in their title to the Assigned Districts; there was no limit fixed either to the period of assignment, or to the administrative powers which were thereby conferred. For 25 years no question had arisen with reference to the tenure of Berar, and for their own part, the British Government were quite content to continue the status quo.

"Why then had I raised the matter and made fresh proposals? The answer was four-fold. Firstly, the administration, which under the Treaties, had to be conducted through the Resident at Hyderabad, was not nearly as economical as it might be, if Berar were joined administratively to the neighbouring British territory, while the surplus revenue payable to the Nizam was proportionately reduced. Secondly, the Hyderabad Contingent, as at present constituted and placed, under the Treaties, was a wasteful and unsatisfactory arrangement. The troops stationed in Hyderabad territory seemed to be in excess of modern requirements; and their retention of the title appeared to be both invidious to His Highness and out of date. Thirdly, the present system, under which a fluctuating surplus, sometimes large, sometimes small, sometimes nothing at all, was paid to the Nizam, was not in the best interest of the Hyderabad finances, which would greatly benefit if placed in a more assured position. Fourthly, it was most desirable that the Berar question, which, even if in recent years it had not been heard of, had in times past been the source of trouble and correspondence between the Government of India and the Hyderabad State, should be settled by an agreement, acceptable to both parties and permanent in its duration.

"It was for these reasons that I had submitted the recent proposals to His Highness. They had been conceived in a spirit of extreme generosity to His Highness and his State. Examined from the financial point of view it would be seen that, while paying off the loans, amounting to 341 lakhs, for which the Berar surplus had already been made the security, they nevertheless would place in the possession of His Highness a sum of 6½ lakhs per annum during the next twenty years, i.e., 130 lakhs, and 16½ lakhs a year during the ensuing ten years, i.e., 165 lakhs, or a total of 295 lakhs during the next 30 years, after which date the payment of 25 lakhs a year in perpetuity would commence. Now under the existing arrangements it was most unlikely that any payment at all could be made to His Highness during the next 15 or even 20 years, owing to the fact that the surpluses were hypothecated for the repayment (capital and interest) of the two recent loans. Supposing, however, that these two

Though His Excellency did not refer to the articles published in newspapers by some men whom we could not restrain, yet the whole manner of conversation with me showed me clearly that those articles did not do us any good, but wrought a contrary effect, as it was believed that we ourselves had secretly inspired them. In fact we did nothing of the sort. Indeed I never thought of doing any such thing.

"(4) It is desirable to send word to the Bara Sahib (the Resident) through Fardouji that His Highness is ready to go for Shikar. But as the Viceroy does not like it, His Highness defers to His Excellency's wishes, i.e., will not go to the Shikar (Camp).

(Signed)

MIR MAHBOOB ALI KHAN.
Monday, 20th Zilhaj 1299 H."

debts were paid off in that time, and that in the remaining 10 years of the first 30 years, the Nizam continued to receive a surplus of the same average dimension as during the past 40 years, viz., 9 lakhs a year, he would at the end of 30 years period have only received 90 lakhs as contrasted with the 205 lakhs which I offered him under the new arrangement. After that date the contrast would be even greater. For it would be a contrast between a fluctuating surplus of dimensions analogous to the present scale and an assured annual income of 25 lakhs for ever. In return for these terms I had asked that the administrative changes which I had described should be rendered possible, and that the present assignment in perpetuity of Berar should be replaced by a lease in perpetuity. I had thought by these means that the sovereignty of His Highness, which I was most anxious to respect, would be asserted rather than impaired, and I had felt greatly disappointed when I heard that terms so apparently favourable had not met with His Highness's approval. If they were refused, the Government of India must revert to the present position, which contained no time limit, and under which we had enjoyed the substance of what was desired at a much less financial cost for 50 years. Indeed the Secretary of State, to whom my proposals had been referred, and who had sanctioned their being put forward, had said that in the event of their proving unacceptable the British Government would rest quite content with the conditions under which Berar is now held, and which, though susceptible of improvement, are nevertheless adequate for all the purposes for which they were originally framed. There was however an additional reason for which I should regret the failure of the present proposals. If they were rejected, it was in the highest degree unlikely that any succeeding Viceroy would open the question again, or that any British Government would court a fresh rebuff. If terms so generous as these were not thought good enough, it was not likely that any others would be forthcoming.

"The present position, which had already lasted for one half century, could as easily last for another, and with every year that passed the chances of the case being reopened became not greater but less. The force of prescription would grow with the passage of time, and the disturbance of conditions which were fortified by an ever lengthening chain of usage, as well as treaty, must become more impossible and more remote. His Highness should realise, therefore, that the opportunity of a settlement now offered, could not be expected to recur, and that the present arrangements would tend to become stereotyped into a perpetual form.

"At this stage His Highness intimated his desire to ask certain questions. He did not deny the generous motive and character of the proposed arrangement, or the desirability of coming to a settlement that would meet the wishes of both parties. But he desired to know whether, under the new arrangement, he would be at liberty to ask at any future time for the restoration to him

of Berar. I replied that if the province of Berar were leased to the British Government in perpetuity, it would not be open to His Highness to make any such request, since the destiny of the province would already have been determined by the lease.

"His Highness then asked whether under present conditions there was any chance of Berar being restored to him. I referred His Highness in reply to the answer that had been returned to Sir Salar Jung when the matter was last raised 25 years ago, and to the statement of the position of the British Government made by Lord Salisbury in 1878. I said that there was nothing in the Treaties that contemplated, or gave Hyderabad any claim to restoration. The events of the past 50 years had further created a presumption in favour of the present situation which it was impossible to ignore. In these matters there was continuity of policy between successive administrations, whether they were Conservative or Liberal, and I could hold out no hope to His Highness that any Government in the future would be prepared to offer him terms in which no previous Government had ever acquiesced, particularly if the present attempt to settle the matter on independent lines had broken down. The British Government would have no alternative but to adhere to the perpetual assignment already provided for by the Treaties.

"His Highness then said that, as he understood there was no chance of Berar being restored to him, if the present arrangement were refused, he had no hesitation in accepting the proposed lease in perpetuity, AS BEING IN EVERY WAY GREATLY TO THE INTEREST OF THE STATE. He had only so far refused it because he had not realised that there was no probability of Berar being restored to him in the future.

"While thanking His Highness for his decision I did not show any desire to take advantage of his acceptance. On the contrary I more than once asked His Highness to be sure that he was not yielding under any pressure that he might afterwards regret, but that the proposal was deliberately accepted by him, after full forethought and consideration. I said that I would sooner, even now, abandon the scheme altogether than that it should be thought or said that His Highness had entered into it either to please me or the Government of India, or from any sense of constraint arising out of what had been said. If this were the case, it was still not too late for His Highness to withdraw. His Highness more than once assured me in reply that I need entertain no such doubts. He had fully considered every aspect of the case and the decision at which he had arrived was based on his own free will, and on the best interests of his State; and since he had arrived at it, I might rely upon him not to depart from his pledged undertaking. I thanked His Highness for his emphatic assurance, from which I could not fail to derive much satisfaction.

"With reference to an objection which I understood His Highness to have taken in an earlier interview with Colonel Barr to the

idea or phrase of a lease in perpetuity, I next asked His Highness whether he would prefer an alternative form of words, which I had drawn up, and which without mentioning a lease in perpetuity proposed to bind His Highness, his heirs, and successors, to an acceptance of the proposed agreement as a permanent settlement of the Berar question. His Highness replied that he had no hesitation in preferring a lease in perpetuity, since in such an agreement his sovereignty would be clearly admitted and declared.

"I asked His Highness whether he would object to any mention being made of the agreement in my speech at the State dinner on the next evening. His Highness replied that any such objection on his part would imply a withdrawal from the agreement itself: whereas having pledged his word, he wished to repeat that he would never go back upon his undertaking. He thought, however, that any such allusion should be in general rather than in specific terms. (I subsequently decided, with the agreement of His Highness, to make no mention of the matter at all, owing to the danger of the false reports and conjectures with which the newspapers would be certain to be filled until the actual conditions transpired, which could not be for some little time.)

"I concluded by thanking His Highness for the consideration which he had given to the matter, and by congratulating him upon the wise decision at which, in my opinion, he had arrived. I assured His Highness that I reposed implicit faith in his declaration, and was confident that the agreement would be fulfilled with the integrity and honour for which His Highness was conspicuous, and of which, in my contact with him, I had had more than one illustration. It was agreed that His Highness should forthwith be addressed officially on the subject, in order that the proposals which had hitherto only existed in a confidential shape, might be recorded and accepted in proper form.

(Sd.) CURZON.

April 1st, 1902.

' True Copy.'

(Sd.) D. W. K. BARR."

49. The said interview took place at the Residency on the afternoon of the 30th of March, 1902, and immediately on his return to his palace, the Nizam sent for His Chief Secretary, Moulvi Ahmed Hussain (now Nawab Sir Ahmed Hussain Amin Jung Bahadur, K.C.I.E., C.S.I.), and told him that the conversation between himself and the Viceroy had taken such an unexpected turn, that it had become futile to deliver to the Viceroy the letter which had been drafted at the meeting of the Council of Nobles, and which he had taken with him for handing over to the Viceroy. The original letter is in the office of the Chief Secretary to this day.

50. The Viceroy's Note of the conversation was forwarded by the Resident to the Nizam on 2nd of April, 1902, with an accompanying letter, wherein the Resident said that "the Viceroy would be glad to receive an assurance that Your Highness accepts this Note

as containing a full and accurate account of the interview." The Nizam, then, after consulting his Chief Minister and other advisers, sent through the Minister the following letter:—

NOTE.—The Minister took this letter to the Resident, but returned it, saying that the Resident wanted two letters—one according to the first para., and the other according to the rest.

“ Sardar Villa,
Hyderabad-Deccan.
5th of April, 1902.
4th

“ MY DEAR COLONEL BARR,

“ I have the pleasure to acknowledge the receipt of your letter dated the 2nd of April, 1902, together with a copy of the Note, dated the 1st of April, which His Excellency the Viceroy has recorded of his conversation with me at the private interview I had at the Residency on Sunday, the 30th of March, in your presence. I have carefully perused the Note, and find that it fully and accurately represents the purport of our conversation. I have only to thank His Excellency for his kindness in sending it to me.

“ As regards Berar, I am very sorry that, at the interview, I was thinking of so many things at the same time, that I entirely forgot to ask a further question which I had intended to ask, and which, subsequently, at my direction, my Minister, in a way, indicated to you on the 1st of April, when he went to the Residency to see the Viceroy. I trust that His Excellency will kindly allow me to ask it in this letter. At the same time I would beg you and His Lordship to be so good as to clearly understand, and rest assured, that I have not the least desire to back out of my agreement in any manner whatever. It has never been my habit to depart from my pledged word. That will stand, come what may.

“ I should not have ventured on the subject of Berar again, *were it not for a qualm of conscience which I have when I contemplate the cherished wish of my father and grandfather, and which qualm, I believe, will be entirely removed by His Excellency's reply to my question.*

“ I am very thankful to the Viceroy for the great kindness and courtesy with which His Excellency discussed the whole question with me, and I feel sure that he will extend the same indulgence to this letter.

“ I agreed, of my own free will, to lease Berar in perpetuity, when, in reply to my questions, *His Excellency assured me decidedly that there is no chance of restoration of Berar under the existing treaties and that the lapse of time has made and will make the matter worse and worse still.* The agreement between His Excellency and me was a matter of *business* between the two Governments. But what I unfortunately forgot to ask was a matter of *favour* of the British Crown, which I knew my father had intended as a last resort, and which Sir Salar Jung had

actually mooted after his own fashion. *It was merely to prefer a personal appeal to His Majesty through the Viceroy for a mark of gracious favour for His Majesty's Faithful Ally.*

" My idea at the present juncture was this: that, on the auspicious occasion of His Majesty's Coronation, I should make a full and free gift of Berar and the Hyderabad Contingent for His Majesty's gracious acceptance, and then ask for a grant, solely as a mark of favour, of a portion of territory, whether in Berar or anywhere else, adjoining my State. I believed that such portion of territory as His Majesty may be pleased to bestow on me would bring me such net annual income as would be equal to the annual rent proposed to be given in case of lease. I also thought that should such an idea find favour in His Majesty's mind, I should be glad to undertake (1) that the payment of my debt to the Government of India should be a first charge on the revenues of the granted territory, and (2) that the laws and the present administrative arrangements of that territory should be maintained intact.

" Now the question that I had intended to ask, and that I unfortunately forgot to ask, was simply that, if, on the occasion of His Majesty's Coronation, I make some such appeal as I have roughly sketched above, *whether His Excellency would kindly support it and intercede on my behalf.* If his Excellency says 'yes,' I shall be glad to send you a draft letter to His Majesty for the Viceroy's approval and suggestions before transmission to England, and the present business agreement may be kept in abeyance pending His Majesty's pleasure. But of, on the other hand, His Excellency holds out to me no hope of the success of my appeal to His Majesty, or says 'No' to the above question, I shall be equally glad to have a clear conscience, for I shall then have discharged what I consider to be my duty to my ancestors, in deference with whose wishes I have risked this letter. I need hardly add that, if His Excellency's answer to my present question is in the negative, the agreement we concluded at the interview will be carried out without delay. I feel sure that you and His Excellency will, at all events, fully understand and appreciate the motive of this letter.

" Yours sincerely,

(Sd.) MIR MAHBOOB ALI KHAN."

51. When the Minister handed this letter to the Resident, the latter returned it to him, with the remark, that only the first paragraph of the Nizam's letter was a reply to Lord Curzon's Note, and the other paragraphs had nothing to do with it, as they dealt with an entirely different question; and that if the Nizam would write him two separate letters, one containing only the first paragraph and the other containing the other paragraphs, he, the Resident, would place both the letters before the Viceroy. *The Nizam's letter was thus returned to him, and he realised the obvious meaning of the Resident's action.* He lost all heart, and, without making any further struggle against a situation which was forced upon him, sent a reply to the Resident, which contained only the first paragraph of the above letter.

52. On the 25th of April, 1902, the Secretary to the Government of India in the Foreign Department, by his letter No. 53-C of that date, addressed to Colonel Barr, set out a statement concerning the settlement of the Berar question during the Viceroy's visit to Hyderabad, and, in the course of the statement, said: "Understanding that the latter (the Nizam) was willing once again to bring the matter under discussion, His Excellency suggested to His Highness the proposals which have since been accepted. It was not thought on either side to revive the controversies of the past." A copy of this letter, together with copies of other letters forming the correspondence of the Government of India on the subject, was sent to the Secretary of State, with a letter ⁽¹⁾ from the Government of India in the Foreign Department, No. 1-C dated the 13th of November, 1902, wherein it was stated: "Upon the side of His Highness the Nizam, the desirability of a change arose in the main from the precarious and fluctuating character of the surpluses which also, under the stipulations of the Treaties, were payable to him, and the irregular nature of which introduced a regrettable element of uncertainty into the finances of the State. It was realised on both sides that the events of the past half century, during which the Assigned Districts of Berar have remained continuously under British administration, constituted a prescription, from which it was neither possible nor desirable to depart; and the efforts of both parties in the recent negotiations were accordingly directed to the discovery of a solution that should possess the combined merits of removing the administrative anomalies of which we have spoken, of securing to His Highness the Nizam an assured income from this portion of his territories, and of guaranteeing to the population of Berar, which now amounts to over 2½ million persons, a continuance of the conditions and standards under which they have attained to a high measure of prosperity."

53. Lord Curzon's own Note of the interview contradicts the statement that the Nizam "was willing once again to bring the matter under discussion," and clearly shows that the proposals emanated entirely from the Government of India, without the least desire on the part of the Nizam to discuss the subject then. In that Note, the Viceroy has recorded thus: "I (the Viceroy) pointed out (to the Nizam) that the British Government had no reason to be dissatisfied with the position and rights at present assured to them by Treaty; *there was no flaw in their title to the assigned districts; there was no limit fixed either to the period of assignment or to the administrative powers which were thereby conferred.* For twenty-five years, no question had arisen with reference to the tenure of Berar, and for their own part the British Government were quite content to continue the *status quo.* *Why then had I raised the matter and made fresh proposals*?" From these remarks of Lord Curzon, one is constrained to observe that His Excellency ignored the fact that the tenure of Berar was a trust for the benefit of the Nizam, and that the "assignment in perpetuity" claimed by the Viceroy had no basis in any Treaty, and was, in fact, inconsistent with the plain words of Article Six of the Treaty ⁽²⁾ of 1860. But apart from that, it is clear that it was Lord Curzon, and not the Nizam, who had

(1) App. R. (2) App. O.

raised the matter and made fresh proposals. The four-fold answer that His Lordship has given to his own question clearly demonstrates this fact. Again, the suggestion that "upon the side of His Highness the Nizam the desirability of a change arose" is contrary to the fact, as is evident from Lord Curzon's own Note. Further, the statement in the letter to the Secretary of State that "it was realised on both sides that the events of the past half century, during which the Assigned Districts of Berar have remained continuously under British administration, constituted a prescription, from which it was neither possible nor desirable to depart," is not fair to the Nizam. These sentiments of Lord Curzon were certainly not shared by the Nizam. His Highness, in reply to the Resident's communication of the 27th of January, 1902, had described the British Government as "my Trustees under the Treaties." This and the whole account of the interview, given in the Notes of Lord Curzon and the Nizam, repudiate the suggestion that the latter accepted any such "prescription" at any time. Moreover, the doctrine of prescription is inadmissible and irrelevant, not only on the facts and circumstances, but in view of its inapplicability to an issue which involves the good faith of the British Government as trustees of the Nizam. It was also not open to His Excellency to enter into the region of technicalities, having regard to the repeated recognition of the title of the Hyderabad State to the restoration of the Province, when the necessity for its retention came to an end. Mysore had been in British control for half a century, before its restoration to Indian rule, and it is a tribute to the high statesmanship of the British Government that the plea of prescription was not permitted a place in a just and equitable decision. The observation that "the efforts of both parties in the recent negotiations were accordingly directed to the discovery of a solution" suggests that the Nizam joined the Viceroy in finding a solution. A reference need only be made here to the accounts of the interview in the two Notes to show that the Nizam, so far as he was concerned, had no hand in "solving" a question that had been raised by Lord Curzon on his own initiative. In the concluding paragraph (1) of the letter of the Government of India to the Secretary of State, it has been stated that "the settlement of this important matter which we have here recorded has been as heartily and spontaneously accepted by the Nizam." That may have been Lord Curzon's view, but the facts and events culminating in the Agreement (2) whereby the Assigned Districts of Berar are declared to be leased to the British Government, do not justify a conclusion that the late Nizam, Mir Mahboob Ali Khan, willingly granted the lease. The Viceroy pressed the settlement upon the Nizam, and obtained the consent much against his free will.

54. In his Note of the interview, Lord Curzon recorded: ". . . and I had felt greatly disappointed when I heard that terms so apparently favourable had not met with His Highness's approval. If they were refused, the Government of India must revert to their present position which contained no time limit, and under which we had enjoyed the substance of what was desired at a much less financial cost for fifty years . . . There was, however, an addi-

(1) App. R. (2) App. A.

tional reason for which I should regret the failure of the present proposals. If they were rejected, it was in the highest degree unlikely that any succeeding Viceroy would open the question again, or that any British Government would court a fresh rebuff. If terms so generous as these were not thought good enough, it was not likely that any others would be forthcoming.

"The present position which had already lasted for one half century could as easily last for another, and with every year that passed, the chances of the case being reopened became not greater but less. The force of prescription would grow with the passage of time, and the disturbance of conditions which were fortified by an ever lengthening chain of usage, as well as Treaty, must become more impossible and more remote. His Highness should realise, therefore, that the opportunity of a settlement now offered could not be expected to recur, and that the present arrangements would tend to become stereotyped into a perpetual form.

"At this stage His Highness intimated his desire to ask certain questions . . . but he desired to know whether under the new arrangement he would be at liberty to ask at any future time for the restoration to him of Berar. I replied that if the Province of Berar were leased to the British Government in perpetuity, it would not be open to His Highness to make any such request since the destiny of the Province would already have been determined by the lease.

"His Highness then asked whether, under present conditions, there was any chance of Berar being restored to him. I referred His Highness, in reply, to the answer that had been returned to Sir Salar Jung, when the matter was last raised, and to the statement of the position of the British Government made by Lord Salisbury, in 1878. I said that there was nothing in the Treaties that contemplated or gave Hyderabad any claim to restoration. The events of the past fifty years had further created a presumption which it was impossible to ignore . . . The British Government would have no alternative but to adhere to the *perpetual assignment already provided for by the Treaties*.

"His Highness then said that, as he understood there was no chance of Berar being restored to him, if the present arrangement were refused, he had no hesitation in accepting the proposed lease as being in every way greatly to the interest of the State. He had only so far refused it, because he had not realised that there was no probability of Berar being restored to him in the future."

55. From the passages quoted above, it is manifest that the attitude taken by Lord Curzon was that the Berars had been assigned to the British Government "in perpetuity," and not "in trust for a particular purpose to last only so long as that purpose might require to be maintained" or "held by the British Government in trust for the payment of the troops of the Hyderabad Contingent . . ."—a view wholly contrary to the solemn professions and engagements made and entered into at the time of the Treaties of 1853⁽¹⁾ and 1860⁽²⁾; disregarding the declaration of the Government of India, contained in their letter, No. 3889 of the 5th of September, 1860,

(1) App. L. (2) App. O.

officially authorising the Resident to communicate to the Nizam that "whenever the districts in question are restored to the Nizam, His Highness will derive all the future benefit that may possibly arise from the improvement while under the management of British officials"; and in flagrant conflict with Article Six of the Treaty (1) of 1860. The position taken by Lord Curzon, at the interview of 1902, was far in excess of and wholly unsupported by the attitude of Lord Salisbury, in 1878 (2). The latter never lost sight of the legal view that *the assignment was a "trust,"* however much he misdirected himself on the point of the limit of time, by restricting himself to the Treaties of 1853 (3) and 1860 (3), in disregard of the obligations created by the previous official assurances and "formal announcements." The repeated assertions of the Viceroy, that the assignment had been made *in perpetuity*, were without any authority even in Lord Salisbury's Despatch, to which he had so emphatically referred. The combined effect of His Excellency's assertions and persuasions was to establish in the mind of the Nizam the belief that the British Government had already prejudged the case, by a decision which refused to recognise the assignment as a "trust," terminable at some point of time, however unascertainable to Lord Salisbury's mind. The Nizam's repeated inquiry as to whether he would ever recover the Berars, met by the authoritative negative given by so eminent a representative of the Crown as Lord Curzon, shows, on the one hand, His Highness's fidelity to his dynastic tradition that the assignment was in trust, and, on the other, a determination, on the part of the Viceroy, to remove from the mind of the Nazim all hopes of restoration. Indeed, His Lordship went to the length of declaring that no British Government, at any future time, would give to the Nizam any other answer than the Viceroy then gave, although Lord Salisbury, in his Despatch, had unequivocally stated that "if, on His Highness undertaking the government, he should desire to bring the whole of the treaty arrangements between the two Governments under general revision, the British Government would take His Highness's request into consideration." In the circumstances, it is not surprising that the Nizam's power of resistance was completely overcome by representations so insistently pressed upon him.

56. Lord Curzon, in more places than one, emphasised his view, and impressed it on the mind of the Nizam, Mir Mahboob Ali Khan, who, constrained by the position of dependence in which he was placed, had to accept the judgment of the Viceroy, and thereby gave a submissive and unwilling consent to the perpetual lease of the Province which was dear to himself and his dynasty. It is manifest that, on the statement of Lord Curzon himself, as contained in the Note of the interview, the consent of the Nizam was induced by a representation of the Treaties (3), which is not borne out either by their words or spirit or by the past assurances. The Nizam's Note of the interview clearly expresses what His Highness's mind was and how he surrendered to the wishes of the Viceroy, whose persuasions were couched in what was virtually peremptory language. Circumstances such as these import no binding force into the Agreement of

(1) App. O. (2) App. Q. (3) App. L. and O.

1902, so far as the Nizam is concerned. Even if His late Highness had willingly agreed to the settlement ⁽¹⁾ of 1902, the present Nizam is entitled to question its validity as beyond the constitutional powers of his father, who had no authority to alienate any part of the territories held by him in trust for his people and his successors. The assignments made by earlier Nizams for the protection of the Hyderabad State or for the benefit of the dynasty stand on quite another plane.

57. Apart from this, the mutual obligations resulting from the Agreement ⁽¹⁾ of 1902, even if the latter be considered to be valid, do not give warrant to the Government of India to absorb the Berars, an integral part of the Nizam's Dominions into a system of administration which, on account of the new Reforms, is acquiring all the characteristics of administration by the people rather than by the Government with whom the late Nizam entered into the Agreement. In the Nizam's view, this is all the more objectionable, as he finds that the system of dyarchy, introduced in British India, places his Province and subjects of Berar at a disadvantage, as the resources of that Province are thus made available to non-Beraris, whilst the Beraris have come under the control of outsiders, who, by reason of their majority in votes, now occupy a position of domination over them. The Nizam would welcome the shaping of the destiny of the Berars by the Beraris themselves, and he strongly feels that it is contrary to and in breach of the Agreement of 1902 to leave the future of the Berars to be shaped by the British Indian majority votes of the Central Provinces or of British India generally. As the Sovereign of the Berars, the Nizam claims that, the nature of the tenancy having undergone a change, the lease itself has come to an end. In any event, the present Nizam is entitled to urge upon His Majesty's Government his claim to the restoration of the Province on a true, just and equitable consideration of the circumstances in which (1) the Contingent came into existence, (2) the Treaties of 1853 ⁽²⁾ and 1860 ⁽²⁾ were imposed, and (3) the Agreement ⁽¹⁾ of 1902 was obtained. Along with the examination of these points, His Exalted Highness is further entitled to press the constitutional issue of his father's powers to alienate a portion of his dominions in perpetuity, in the absence of imperative State or dynastic necessity, and the absorption of the Berars into a political and administrative system that was never contemplated by either of the parties to the Agreement of 1902.

58. In dealing with the subject of the restoration of the Berars to the Nizam, Lord Curzon expressed his solicitude for the welfare of the inhabitants of that Province and "for a continuance of the conditions and standards under which they have attained to a high measure of prosperity." The prosperity and the happiness of the subject are as much the concern of one Sovereign as of another. Simultaneously with the restoration of the Berars to the Nizam, His Exalted Highness has resolved to grant to his subjects of that part of his Dominions a constitution for a responsible government, conferring upon them full control of their internal affairs and complete

⁽¹⁾ App. A. ⁽²⁾ App. L. ⁽³⁾ App. O.

autonomy in administration, except in matters relating to the British Government and his Army Department, under a constitutional Governor appointed by the Nizam as his Representative. Thus, the Reforms introduced in the administration of British India will not only be fully adopted in the administration of the Province, but, under the rule of the Nizam, will be enlarged by the grant of autonomy, only Military affairs, foreign relations, and the appointment of the Governor of the Province and his establishment being reserved to His Exalted Highness.

59. His Exalted Highness the Nizam, Mir Osman Ali Khan, now claims :—

(1) That he is entitled to the complete restoration of the Berars and to the disbandment and removal of the whole Contingent Force from his Dominions.

(2) That the Subsidiary Force, which the British Government undertook, by the Treaty ⁽¹⁾ of 1800, to maintain, and for whose cost the Hyderabad State ceded in perpetuity the Bellary and Cuddapah districts, should now be restored to its full numerical strength, provided by the Treaty ⁽¹⁾ of 1800, and that such Force should always be available to him for the performance of the duties specifically assigned to it by the provisions of that Treaty.

(3) That an account be made of the pecuniary dealings between the two Governments since the Treaty ⁽¹⁾ of 1800, and that an equitable settlement be arrived at on a fair adjustment of their mutual financial obligations.

(4) That without prejudice to the foregoing claims, should the British Government, for any reason or policy of State, decide to maintain the Contingent Force and hold the Hyderabad State liable for its maintenance, and be unwilling to accept the guarantee of that State to make regular payment therefor out of its revenues, then the Hyderabad State may be allowed to substitute for the Province of Berar money security, in any reasonable amount.

(1) App. G.

1902, so far as the Nizam is concerned. Even if His late Highness had willingly agreed to the settlement ⁽¹⁾ of 1902, the present Nizam is entitled to question its validity as beyond the constitutional powers of his father, who had no authority to alienate any part of the territories held by him in trust for his people and his successors. The assignments made by earlier Nizams for the protection of the Hyderabad State or for the benefit of the dynasty stand on quite another plane.

57. Apart from this, the mutual obligations resulting from the Agreement ⁽¹⁾ of 1902, even if the latter be considered to be valid, do not give warrant to the Government of India to absorb the Berars, an integral part of the Nizam's Dominions into a system of administration which, on account of the new Reforms, is acquiring all the characteristics of administration by the people rather than by the Government with whom the late Nizam entered into the Agreement. In the Nizam's view, this is all the more objectionable, as he finds that the system of dyarchy, introduced in British India, places his Province and subjects of Berar at a disadvantage, as the resources of that Province are thus made available to non-Beraris, whilst the Beraris have come under the control of outsiders, who, by reason of their majority in votes, now occupy a position of domination over them. The Nizam would welcome the shaping of the destiny of the Berars by the Beraris themselves, and he strongly feels that it is contrary to and in breach of the Agreement of 1902 to leave the future of the Berars to be shaped by the British Indian majority votes of the Central Provinces or of British India generally. As the Sovereign of the Berars, the Nizam claims that, the nature of the tenancy having undergone a change, the lease itself has come to an end. In any event, the present Nizam is entitled to urge upon His Majesty's Government his claim to the restoration of the Province on a true, just and equitable consideration of the circumstances in which (1) the Contingent came into existence, (2) the Treaties of 1853 ⁽²⁾ and 1860 ⁽²⁾ were imposed, and (3) the Agreement ⁽¹⁾ of 1902 was obtained. Along with the examination of these points, His Exalted Highness is further entitled to press the constitutional issue of his father's powers to alienate a portion of his dominions in perpetuity, in the absence of imperative State or dynastic necessity, and the absorption of the Berars into a political and administrative system that was never contemplated by either of the parties to the Agreement of 1902.

58. In dealing with the subject of the restoration of the Berars to the Nizam, Lord Curzon expressed his solicitude for the welfare of the inhabitants of that Province and "for a continuance of the conditions and standards under which they have attained to a high measure of prosperity." The prosperity and the happiness of the subject are as much the concern of one Sovereign as of another. Simultaneously with the restoration of the Berars to the Nizam, His Exalted Highness has resolved to grant to his subjects of that part of his Dominions a constitution for a responsible government, conferring upon them full control of their internal affairs and complete

⁽¹⁾ App. A. ⁽²⁾ App. L. ⁽³⁾ App. O.

autonomy in administration, except in matters relating to the British Government and his Army Department, under a constitutional Governor appointed by the Nizam as his Representative. Thus, the Reforms introduced in the administration of British India will not only be fully adopted in the administration of the Province, but, under the rule of the Nizam, will be enlarged by the grant of autonomy, only Military affairs, foreign relations, and the appointment of the Governor of the Province and his establishment being reserved to His Exalted Highness.

59. His Exalted Highness the Nizam, Mir Osman Ali Khan, now claims :—

(1) That he is entitled to the complete restoration of the Berars and to the disbandment and removal of the whole Contingent Force from his Dominions.

(2) That the Subsidiary Force, which the British Government undertook, by the Treaty (1) of 1800, to maintain, and for whose cost the Hyderabad State ceded in perpetuity the Bellary and Cuddapah districts, should now be restored to its full numerical strength, provided by the Treaty (1) of 1800, and that such Force should always be available to him for the performance of the duties specifically assigned to it by the provisions of that Treaty.

(3) That an account be made of the pecuniary dealings between the two Governments since the Treaty (1) of 1800, and that an equitable settlement be arrived at on a fair adjustment of their mutual financial obligations.

(4) That without prejudice to the foregoing claims, should the British Government, for any reason or policy of State, decide to maintain the Contingent Force and hold the Hyderabad State liable for its maintenance, and be unwilling to accept the guarantee of that State to make regular payment therefor out of its revenues, then the Hyderabad State may be allowed to substitute for the Province of Berar money security, in any reasonable amount.

(1) App. G.

APPENDIX A.

AGREEMENT OF 1902.

Notification.

Fort William, the 18th December, 1902.

MEMORANDUM OF AGREEMENT between the British Government on the one part and the Hyderabad State on the other part, concluded by Lieutenant-Colonel Sir David William Keith Barr, K.C.S.I., duly authorised by the Viceroy and Governor-General of India in Council for that purpose, and by the Maharaja Peshkar Kishen Pershad Bahadur, Minister to His Highness the Nizam, on behalf of the Hyderabad State.

Whereas by the Treaties concluded between the British Government and the Hyderabad State on the 21st May, 1853, and the 26th December, 1860, the Berar districts were assigned to the British Government for the maintenance of the Hyderabad Contingent, the surplus, if any, from the Assigned Districts being paid to His Highness the Nizam.

And whereas the British Government and His Highness the Nizam desire to improve this arrangement.

And whereas it is inexpedient in the interests of economy that the Assigned Districts should continue to be managed as a separate administration or the Hyderabad Contingent as a separate force.

And whereas it is also desirable that His Highness the Nizam should receive a fixed instead of a fluctuating and uncertain income from the Assigned Districts.

The following terms are hereby agreed upon between the Viceroy and Governor-General of India in Council and the Nawab Mir Sir Mahbub Ali Khan Bahadur Fateh Jung, Nizam of Hyderabad:—

(I.) His Highness the Nizam, whose sovereignty over the Assigned Districts is reaffirmed, leases them to the British Government in perpetuity in consideration of the payment to him by the British Government of a fixed and perpetual rent of 25 lakhs of rupees per annum;

(II.) The British Government, while retaining the full and exclusive jurisdiction and authority in the Assigned Districts which they enjoy under the Treaties of 1853 and 1860, shall be at liberty, notwithstanding anything to the contrary in those Treaties, to administer the Assigned Districts in such manner as they may deem desirable, and also to redistribute, reduce, reorganise and control the forces now composing the Hyderabad Contingent, as they may think fit, due provision being made as stipulated in Article 3 of the Treaty of 1853 for the protection of His Highness's Dominions.

(Sd.) D. W. K. BARR.

(Sd.) KISHEN PERSHAD.

Hyderabad Residency, the fifth day of November in the year of Our Lord one thousand nine hundred and two, corresponding to the third day of Shaban in the year of the Hijra one thousand three hundred and twenty.

Approved and confirmed by the Government of India.

By order,

(Sd.) LOUIS W. DANE.

Officiating Secretary to the Government of India in the Foreign Department.
Fort William;

The 16th December, 1902.

APPENDIX B.

EXTRACT FROM TREATY OF 1766.

Article 2. The Honourable English East India Company, in return for the gracious favours received from His Highness (the Nizam), consisting of Sunnuods for the five Circars of Ellour, Siccacole, Rajahmundry, Moostafurnugger and Moortizanugger, expressing the free gift thereof on them and their heirs, for ever and ever, do hereby promise and engage to have a body of their troops ready to settle the affairs of His Highness' government in everything that is right and proper, whenever required; provided that they be at liberty to withdraw the whole, or such part thereof as they shall judge proper, whenever either the safety of their own settlements and possessions, or the peace and tranquillity of the Carnatic, be the least endangered: in case of falling out of which circumstances (which God forbid) they do promise and engage to give the most timely notice thereof to His Highness in their power.

APPENDIX C.

EXTRACT FROM TREATY OF 1768.

Article 6. The Company and the Nawab Wolau 'Jah (the Nawab of the Carnatic), willing, however, to show their voluntary attachment to the Soubah (the Nizam) will always be ready to send two battalions of sepoys and six pieces of artillery, manned by Europeans, whenever the Soubah shall require them, and the situation of their affairs will allow of such a body of troops to march into the Deccan, providing the Soubah pays the expense during the time that the said troops are employed in his service.

APPENDIX D.

EXTRACT FROM LETTER FROM EARL CORNWALLIS TO THE NIZAM
DEEMED EQUAL TO A TREATY, OF 7th JULY, 1789.

In proof of the sincerity of my intentions that the Treaty should be carried into full effect I agree that, in the sixth article of the Treaty, the words "whenever the situation of affairs will allow such a body of troops to march into the Deccan," shall be understood to mean, that the Force engaged for by this Article, *viz.*, two battalions of sepoys and six pieces of cannon, manned by Europeans, shall be granted whenever your Highness shall apply for it, making only one exception, that it is not to be employed against any power in alliance with the Company.

APPENDIX E.

TREATY WITH THE NIZAM, 1760.

Treaty of Offensive and Defensive Alliance between the HONOURABLE UNITED ENGLISH EAST INDIA COMPANY, the NAWAB ASUPH JAH BAHADOOR, Soubadar of the Deccan, and the Peshwa, SEWOY MADHO RAO NARAIN PUNDIT PRUDHAN BAHADOOR against FUTLI ALI KHAN, known by the denomination of Tippoo Sultan, settled by CAPTAIN JOHN KENNAWAY on the part of the said Honourable Company, with the said NAWAB ASUPH JAH, by virtue of the powers delegated to him by the RIGHT HONOURABLE CHARLES EARL CORNWALLIS, K.G., Governor-General-in-Council, appointed by the Honourable the Court of Directors of the said Honourable Company to direct and control all their affairs in the East Indies.

ARTICLE I.

The friendship subsisting between the three States agreeable to former Treaties shall be increased by this, and between the Honourable Company and His Highness the Nizam, the three former Treaties concluded with the late Salabut Jung, through Colonel Ford, in the year 1750, with the Nizam through General Calliard in the year 1760, and the Treaty of 1768 with the Madras Government, together with Lord Cornwallis's letter of the 7th July, 1789; which is equivalent to a fourth Treaty, remain in full force, except such Articles of them as may by the present Treaty be otherwise agreed to, and perpetual friendship shall subsist between both parties and their heirs and successors agreeably thereto.

APPENDIX F.

TREATY OF 1768.

An enlarged perpetual Subsidiary Treaty between the HONOURABLE UNITED ENGLISH EAST INDIA COMPANY and HIS HIGHNESS THE NAWAB NIZAM-OOI-MOOK AUSUPH JAH BAHADOOR, Soubadar of the Deccan, his children, heirs, and successors, settled by CAPTAIN JAMES ACHILLES KIRKPATRICK, by virtue of the powers delegated to him by the RIGHT HONOURABLE RICHARD, EARL OF MORNINGTON, Knight of the Most Honourable Order of St. Patrick, one of His Britannic Majesty's Most Honourable Privy Council, Governor-General in Council, appointed by the Honourable Court of Directors of the said Honourable East India Company to direct and control all their affairs in the East Indies.

Whereas His Highness Nizam-ool-Moolk Ausuph Jah Bahadoor has, from the greatness of existing friendship, expressed a desire for an increase of the detachment of the Honourable Company's troops at present serving His Highness, the Right Honourable Earl of Mornington, Governor-General, has taken the proposals

to that effect into his most serious consideration; and the present juncture of affairs, and the recent hostile conduct and evil designs of Tippoo Sultan, as fully evinced by his sending ambassadors to the Isle of France, by his proposing to enter into a Treaty, offensive and defensive, with the French Republic against the English nation, and by actually receiving a body of French troops into his dominions and immediate pay, rendering it indispensably necessary that effectual measures for the mutual defence of their respective possessions should be immediately taken by the three allied powers, united in a defensive league against the aforesaid Tippoo Sultan, the aforesaid Governor-General in consequence empowered Captain James Achilles Kirkpatrick, Acting Resident at the Court of His Highness the Nizam, to enter, in behalf of the Honourable United English East India Company, into certain engagements with His Highness Nizam-ool-Moolk Ausuph Jah Bahadoor, for a permanent increase of the Honourable Company's troops in His Highness' pay, in the proportion and on the condition specified in the following Articles, which must be understood to be of full validity when this Treaty shall be returned signed and sealed by the Governor-General.

ARTICLE 1.

Such parts of the letter from Earl Cornwallis to His Highness the Nizam, dated the 7th July, 1789, and which has always been considered in the light of a Treaty, as relate to the stationing of troops with His Highness, are to be considered, as in full force; that is, the services of the new permanent subsidiary force are to be regulated precisely by the same restrictive clauses that operate on the present detachment unless the Peishwa shall hereafter consent to any alteration in those conditions, and His Highness likewise approve of the same.

ARTICLE 2.

Agreeably to the practice in the Company's service, the new subsidiary force shall be subject to relief, either partial or entire, as often and in such manner as the Company's government may require; provided, withal, that no diminution takes place by such means in the stipulated number to be stationed with His Highness.

ARTICLE 3.

The proposed reinforcement of subsidiary troops shall be in the pay of this State from the day of their crossing the boundaries. Satisfactory and effectual provision shall be made for the regular payment of this force, which, including the present detachment, is to amount to six thousand sepoy with firelocks, with a due proportion of field pieces, manned by Europeans, and at the monthly rate of Rupees 2,01,425. The yearly amount of subsidiary for the aforesaid force of six thousand men, with guns, artillerymen, and other necessary appurtenances, is Rupees 24,17,100. The said sum shall be completely discharged in the course of the year, by four equal instalments; that is, at the expiration of every three English months, the sum of Rupees 6,04,275 in silver, of full currency shall be issued, without hesitation, from His Highness' treasury: and should the aforesaid instalments happen to fall at any time the least in arrears, such arrears shall be deducted, notwithstanding objections thereto, from the current kist of peshcush payable to His Highness on account of the Northern Circars. Should it at any time so happen, moreover, that delay were to occur in the issue of the instalments aforesaid, in the stated periods, in such case assignments shall be granted on the collections of certain districts in the State, the real and actual revenue of which shall be adequate to the discharge of the yearly subsidy of the aforesaid force.

ARTICLE 4.

The duties on grain and all articles of consumption, as well as on all necessaries whatever, for the use of the new subsidiary force, shall be commuted, agreeably to the practice that obtained with the former detachment. A place likewise shall be fixed on as the headquarters of the said force, where it shall always remain, except when services of importance are required to be performed; and whenever either the whole or part of the said force is to be employed in the business of the State, a person of respectability, and who is a servant of this Circar, shall be appointed to attend it. The commanding officer and officers of the said Subsidiary Force shall be treated in all respects in a manner suitable to the greatness and dignity of both States.

ARTICLE 5.

The said Subsidiary Force will at all times be ready to execute services of importance, such as the protection of the person of His Highness, his heirs and successors, from race to race, and overawing and chastising all rebels or excitors of disturbance in the dominions of this State; but it is not to be employed on trifling occasions, nor, like Sebundy, to be stationed in the country to collect the revenues thereof.

ARTICLE 6.

Immediately upon the arrival of the Subsidiary Force at Hyderabad the whole of the officers and servants of the French party are to be dismissed, and the troops composing it dispersed and disorganized, that no trace of the former establishment shall remain. And His Highness hereby engages for himself, his heirs and successors, that no Frenchman whatever shall ever hereafter be entertained in his own service, or in that of any of his Chiefs or dependants, nor be suffered to remain in any part of His Highness' dominions; nor shall any Europeans whatever be admitted into the service of this State, nor be permitted to remain within its territories without the knowledge and consent of the Company's government.

ARTICLE 7.

The whole of the French and sepoy deserters from the Company's service that may be in the French or any other party of troops belonging to this State are to be seized and delivered up to the British Resident; and no persons of the above description are to be allowed refuge in future in His Highness' territories, but are, on the contrary, to be seized without delay and delivered up to the British Resident: neither shall any refuge be allowed in the Company's territories, but sepoy deserters from the service of His Highness shall, in like manner, be seized and delivered up without delay.

ARTICLE 8.

Whereas His Highness the Nizam from considerations of prudence and foresight, and with a view of avoiding manifold evils, has determined on dismissing the French from his service, and on dispersing and disorganising the troops commanded by them, as specified in the sixth Article, and on entertaining a perpetual standing force of the Honourable Company's in their room, subject to the limitations and restrictions prescribed by Earl Cornwallis's letter to His Highness the Nizam, mentioned in the first Article; it is therefore agreed, with a view to the mutual benefit of His Highness and the Peishwa, and the happiness of their respective subjects, that the Company's government will use their best endeavours to have inserted, with the consent and approbation of both, in the new Treaty in contemplation between the three allied powers, such a clause as shall set each at ease with regard to the other. Should the Peishwa, however, not accede to a proposal so highly advantageous and profitable to both governments, and differences hereafter arise between the two States, namely, that of the Nawab Ausuph Jah Bahadoor and of Rao Pundit Prudhan, in such case the English Government hereby engage that, interposing their mediation in a way suitable to rectitude, friendship, and union, they will apply themselves to the adjustment thereof, conformable to propriety, truth, and justice; the Nawab Ausuph Jah Bahadoor accordingly hereby engages never to commit on his part any excess or aggression against the Circar of Rao Pundit Prudhan; and in the event of such difference arising, whatever adjustment of them the English Government, weighing things in the scale of truth and justice, may determine upon, shall, without hesitation or objection, meet with full approbation and acquiescence.

ARTICLE 9.

All former Treaties between the English and the Government of the Nawab Ausuph Jah and the Peishwa remain in full force. Should hereafter the Rao Pundit Prudhan express a desire to enter into subsidiary engagements, similar to the present, with the Company, the Nawab Ausuph Jah will most readily give his concurrence.

ARTICLE 10.

This enlarged subsidiary Treaty, consisting of ten Articles, being this day settled by Captain Kirkpatrick with the Nawab Ausuph Jah Bahadoor, Captain Kirkpatrick has delivered one copy hereof in English and Persian signed and sealed by himself to the Nawab, who, on his part, has also delivered to Captain Kirkpatrick one copy of the same, duly executed by himself; and Captain Kirkpatrick hereby engages to procure and deliver to His Highness, in the space of fifty days, a ratified copy from the Governor-General, in every respect the counterpart of the one executed by himself; and on the delivery of such copy, which will then have become a full and complete instrument, the Treaty executed by Captain Kirkpatrick shall be returned. In the meanwhile no time shall be lost in writing for the advance of the proposed reinforcement.

Signed, sealed, and executed at Hyderabad the 1st September Anno Domini 1798, or 10th Ruddy-ul-Awwul, Anno Hegiræ, 1213.

(Signed) J. A. KIRKPATRICK,
Acting Resident.

to that effect into his most serious consideration; and the present juncture of affairs, and the recent hostile conduct and evil designs of Tippoo Sultan, as fully evinced by his sending ambassadors to the Isle of France, by his proposing to enter into a Treaty, offensive and defensive, with the French Republic against the English nation, and by actually receiving a body of French troops into his dominions and immediate pay, rendering it indispensably necessary that effectual measures for the mutual defence of their respective possessions should be immediately taken by the three allied powers, united in a defensive league against the aforesaid Tippoo Sultan, the aforesaid Governor-General in consequence empowered Captain James Achilles Kirkpatrick, Acting Resident at the Court of His Highness the Nizam, to enter, in behalf of the Honourable United English East India Company, into certain engagements with His Highness Nizam-ool-Moolk Ausuph Jah Bahadoor, for a permanent increase of the Honourable Company's troops in His Highness' pay, in the proportion and on the condition specified in the following Articles, which must be understood to be of full validity when this Treaty shall be returned signed and sealed by the Governor-General.

ARTICLE I.

Such parts of the letter from Earl Cornwallis to His Highness the Nizam, dated the 7th July, 1789, and which has always been considered in the light of a Treaty, as relate to the stationing of troops with His Highness, are to be considered, as in full force; that is, the services of the new permanent subsidiary force are to be regulated precisely by the same restrictive clauses that operate on the present detachment unless the Peishwa shall hereafter consent to any alteration in those conditions, and His Highness likewise approve of the same.

ARTICLE 2.

Agreeably to the practice in the Company's service, the new subsidiary force shall be subject to relief, either partial or entire, as often and in such manner as the Company's government may require; provided, withal, that no diminution takes place by such means in the stipulated number to be stationed with His Highness.

ARTICLE 3.

The proposed reinforcement of subsidiary troops shall be in the pay of this State from the day of their crossing the boundaries. Satisfactory and effectual provision shall be made for the regular payment of this force, which, including the present detachment, is to amount to six thousand sepoy with firelocks, with a due proportion of field pieces, manned by Europeans, and at the monthly rate of Rupees 2,01,425. The yearly amount of subsidiary for the aforesaid force of six thousand men, with guns, artillerymen, and other necessary appurtenances, is Rupees 24,17,100. The said sum shall be completely discharged in the course of the year, by four equal instalments; that is, at the expiration of every three English months, the sum of Rupees 6,04,275 in silver, of full currency shall be issued, without hesitation, from His Highness' treasury: and should the aforesaid instalments happen to fall at any time the least in arrears, such arrears shall be deducted, notwithstanding objections thereto, from the current kist of peschush payable to His Highness on account of the Northern Circars. Should it at any time so happen, moreover, that delay were to occur in the issue of the instalments aforesaid, in the stated periods, in such case assignments shall be granted on the collections of certain districts in the State, the real and actual revenue of which shall be adequate to the discharge of the yearly subsidy of the aforesaid force.

ARTICLE 4.

The duties on grain and all articles of consumption, as well as on all necessaries whatever, for the use of the new subsidiary force, shall be commuted, agreeably to the practice that obtained with the former detachment. A place likewise shall be fixed on as the headquarters of the said force, where it shall always remain, except when services of importance are required to be performed; and whenever either the whole or part of the said force is to be employed in the business of the State, a person of respectability, and who is a servant of this Circar, shall be appointed to attend it. The commanding officer and officers of the said Subsidiary Force shall be treated in all respects in a manner suitable to the greatness and dignity of both States.

ARTICLE 5.

The said Subsidiary Force will at all times be ready to execute services of importance, such as the protection of the person of His Highness, his heirs and successors, from race to race, and overawing and chastising all rebels or excitors of disturbance in the dominions of this State; but it is not to be employed on trifling occasions, nor, like Sebundy, to be stationed in the country to collect the revenues thereof.

ARTICLE 6.

Immediately upon the arrival of the Subsidiary Force at Hyderabad the whole of the officers and servants of the French party are to be dismissed, and the troops composing it dispersed and disorganized, that no trace of the former establishment shall remain. And His Highness hereby engages for himself, his heirs and successors, that no Frenchman whatever shall ever hereafter be entertained in his own service, or in that of any of his Chiefs or dependants, nor be suffered to remain in any part of His Highness' dominions; nor shall any Europeans whatever be admitted into the service of this State, nor be permitted to remain within its territories without the knowledge and consent of the Company's government.

ARTICLE 7.

The whole of the French and sepoy deserters from the Company's service that may be in the French or any other party of troops belonging to this State are to be seized and delivered up to the British Resident; and no persons of the above description are to be allowed refuge in future in His Highness' territories, but are, on the contrary, to be seized without delay and delivered up to the British Resident: neither shall any refuge be allowed in the Company's territories, but sepoy deserters from the service of His Highness shall, in like manner, be seized and delivered up without delay.

ARTICLE 8.

Whereas His Highness the Nizam from considerations of prudence and foresight, and with a view of avoiding manifold evils, has determined on dismissing the French from his service, and on dispersing and disorganising the troops commanded by them, as specified in the sixth Article, and on entertaining a perpetual standing force of the Honourable Company's in their room, subject to the limitations and restrictions prescribed by Earl Cornwallis's letter to His Highness the Nizam, mentioned in the first Article; it is therefore agreed, with a view to the mutual benefit of His Highness and the Peishwa, and the happiness of their respective subjects, that the Company's government will use their best endeavours to have inserted, with the consent and approbation of both, in the new Treaty in contemplation between the three allied powers, such a clause as shall set each at ease with regard to the other. Should the Peishwa, however, not accede to a proposal so highly advantageous and profitable to both governments, and differences hereafter arise between the two States, namely, that of the Nawab Ausuph Jah Bahadoor and of Rao Pundit Prudhan, in such case the English Government hereby engage that, interposing their mediation in a way suitable to rectitude, friendship, and union, they will apply themselves to the adjustment thereof, conformable to propriety, truth, and justice; the Nawab Ausuph Jah Bahadoor accordingly hereby engages never to commit on his part any excess or aggression against the Circar of Rao Pundit Prudhan; and in the event of such difference arising, whatever adjustment of them the English Government, weighing things in the scale of truth and justice, may determine upon, shall, without hesitation or objection, meet with full approbation and acquiescence.

ARTICLE 9.

All former Treaties between the English and the Government of the Nawab Ausuph Jah and the Peishwa remain in full force. Should hereafter the Rao Pundit Prudhan express a desire to enter into subsidiary engagements, similar to the present, with the Company, the Nawab Ausuph Jah will most readily give his concurrence.

ARTICLE 10.

This enlarged subsidiary Treaty, consisting of ten Articles, being this day settled by Captain Kirkpatrick with the Nawab Ausuph Jah Bahadoor, Captain Kirkpatrick has delivered one copy hereof in English and Persian signed and sealed by himself to the Nawab, who, on his part, has also delivered to Captain Kirkpatrick one copy of the same, duly executed by himself; and Captain Kirkpatrick hereby engages to procure and deliver to His Highness, in the space of fifty days, a ratified copy from the Governor-General, in every respect the counterpart of the one executed by himself; and on the delivery of such copy, which will then have become a full and complete instrument, the Treaty executed by Captain Kirkpatrick shall be returned. In the meanwhile no time shall be lost in writing for the advance of the proposed reinforcement.

Signed, sealed, and executed at Hyderabad the 1st September Anno Domini 1798, or 10th Rubby-ul-Awul, Anno Hegiræ, 1213.

(Signed) J. A. KIRKPATRICK,
Acting Resident.

APPENDIX G.

TREATY OF 1800.

TREATY of perpetual and general defensive alliance between the HONOURABLE THE ENGLISH EAST INDIA COMPANY and HIS HIGHNESS THE NAWAB NIZAM-OOOL-MOOLK AUSUPH JAH BAHADOUR, Soubadar of the Deccan, his children, heirs, and successors; settled by Captain James Achilles Kirkpatrick, Resident at the Court of His Highness, by virtue of the powers delegated to him by the MOST NOBLE RICHARD, MARQUIS WELLESLEY, Knight of the Most Illustrious Order of St. Patrick, one of His Britannic Majesty's Most Honourable Privy Council, Governor-General in Council, appointed by the Honourable the Court of Directors of the said Honourable Company to direct and control all their affairs in the East Indies, and Governor-General in Council of all the British possessions in the East Indies.

Whereas, by the blessing of God, an intimate friendship and union have firmly subsisted for a length of time between the Honourable English East India Company and His Highness the Nawab Nizam-ool-Moolk Ausuph Jah Bahadour, and have been cemented and strengthened by several Treaties of Alliance, to the mutual and manifest advantage of both Powers, who, with uninterrupted harmony and concord having equally shared the fatigues and dangers of war, and the blessings of peace, are, in fact, become one and the same in interest, policy, friendship and honour. The Powers aforesaid, adverting to the complexion of the times, have determined on principles of precaution and foresight, and with a view to the effectual preservation of constant peace and tranquillity, to enter into a general defensive alliance, for the complete and reciprocal protection of their respective territories, together with those of the several allies and dependants, against the unprovoked aggressions or unjust encroachments of all or of any enemies whatever.

ARTICLE 1.

The peace, union, and friendship so long subsisting between the two States shall be perpetual; the friends and enemies of either shall be the friends and enemies of both; and the contracting parties agree that all the former Treaties and agreements between the two States now in force and not contrary to the tenor of this engagement shall be confirmed by it.

ARTICLE 2.

If any Power or State whatever shall commit any act of unprovoked hostility or aggression against either of the contracting parties, or against their respective dependants or allies, and after due representation, shall refuse to enter into amicable explanation, or shall deny the just satisfaction or indemnity which the contracting parties shall have required then the contracting parties will proceed to concert and prosecute such further measures as the case shall appear to demand.

For the more distinct explanation of the true intent and effect of this agreement, the Governor-General in Council, on behalf of the Honourable Company, hereby declares that the British Government will never permit any Power or State whatever to commit with impunity any act of unprovoked hostility or aggression against the rights or territories of His Highness the Nizam, but will at all times maintain and defend the same, in the same manner as the rights and territories of the Honourable Company are now maintained and defended.

ARTICLE 3.

With a view to fulfil this Treaty of general defence and protection His Highness the Nawab Ausuph Jah agrees that two battalions of sepoy's and one regiment of cavalry, with a due proportion of guns and artillerymen, shall be added in perpetuity to the present permanent subsidiary force of six battalions of sepoy's, of one thousand firelocks each, and one regiment of cavalry, five hundred strong (with their proportion of guns and artillerymen), so that the whole Subsidiary Force furnished by the Honourable East India Company to His Highness shall henceforward consist of eight battalions of sepoy's (or eight thousand firelocks) and two regiments of cavalry (or one thousand horse), with their requisite complement of guns, European artillerymen, lascars, and pioneers, fully equipped with warlike stores and ammunition, which Force is to be stationed in perpetuity in His Highness' territories.

ARTICLE 4.

The pay of the above-mentioned additional Force shall be calculated at the rate of the pay of the existing Subsidiary Force, and shall commence from the day of the entrance of the said additional force into His Highness' territories.

ARTICLE 5.

For the regular payment of the whole expense of the said augmented Subsidiary Force (consisting of eight thousand infantry, one thousand cavalry, and their usual proportion of artillery) His Highness the Nawab Ausuph Jah hereby assigns and cedes to the Honourable East India Company in perpetuity all the territories acquired by His Highness, under the Treaty of Seringapatam on the 18th March, 1792, and also all the territories acquired by His Highness under the Treaty of Mysore on the 22nd June, 1799, according to the Schedule annexed to this Treaty.

ARTICLE 6.

Certain of the territories ceded by the foregoing Article to the Honourable Company being inconvenient, from their situation to the northward of the river Tungu Bhadra, His Highness the Nawab Ausuph Jah, for the purpose of rendering the boundary line of the Honourable Company's possessions a good and well-defined one, agrees to retain the districts in question, namely Copul, Gujjinderghur, and others (as marked in the annexed Schedule) in his own possession; and, in lieu thereof assigns and cedes in full and in perpetuity to the Honourable Company the district of Adoni, together with whatever other territory His Highness may be possessed of, or is dependent on His Highness' government, to the south of the Toombuddrah or to the south of the Kistnah, below the junction of those two rivers.

ARTICLE 7.

The territories to be assigned and ceded to the Honourable Company by the Fifth Article or, in consequence of the exchange stipulated in the Sixth Article, shall be subject to the exclusive management and authority of the said Company and of their officers.

ARTICLE 8.

Whereas the actual produce of a considerable portion of the districts ceded to the Honourable Company by the Fifth Article is ascertained and acknowledged to be greatly inferior to their nominal value, as specified in the Schedule annexed to this Treaty, and the said districts cannot be expected for a long course of years to reach to their said nominal value; and whereas differences might hereafter arise between the contracting parties with respect to the real value of the same, and the friendship and harmony happily subsisting between the contracting parties be disturbed by discussion relating to the adjustment of accounts of the produce and value of the said districts; in order to preclude all causes of any such future difference or discussion between the two States, the said East India Company agrees to accept the said districts (with the reservation stated in the Sixth Article) as a full and complete satisfaction for all demands on account of the pay and charges of the said Subsidiary Force; and therefore to whatever extent or for whatever length of time the actual produce of the said districts shall prove inadequate to the amount of subsidy payable by His Highness on account of the said Subsidiary Force, no demands shall ever be made by the Honourable Company upon the treasury of His Highness on account of any such deficiency or on account of any failure in the revenues of the said districts arising from unfavourable seasons, from the calamity of war, or any other cause. His Highness the Nizam on his part, with the same friendly views, hereby renounces all claim to any arrears or balances which may be due to him from the said districts at the period of their cession to the Honourable Company, and also to any eventual excess in the produce of the said districts, beyond the amount of the subsidy payable by His Highness on account of the said Subsidiary Force, the true intention and meaning of this Article being that the cession of the said districts and the exchanges stipulated in the Sixth Article shall be considered as a final close and termination of accounts between the contracting parties with respect to the charges of the said Subsidiary Force.

ARTICLE 9.

After the conclusion of this Treaty, and as soon as the British Resident shall signify to His Highness Ausuph Jah that the Honourable Company's officers are prepared to take charge of the districts ceded by the Fifth Article, His Highness will immediately issue the necessary perwannahs or orders to his officers to deliver over charge of the same to the officers of the Company; and it is hereby stipulated and agreed that all collections made by His Highness' officers subsequent to the date of the said perwannahs or orders, and before the officers of the Company shall have taken charge of the said districts, shall be carried to the account of the Honourable Company.

ARTICLE 10.

All forts situated within the districts to be ceded as aforesaid shall be delivered to the officers of the Honourable Company with the said districts; and His Highness the Nawab Ausuph Jah engages that the said forts shall be delivered to the Honourable Company as nearly as possible in the same state as that in which His Highness received them.

ARTICLE 11.

His Highness the Nawab Ausuph Jah will continue to pay the subsidy of the former Subsidiary Force and also that of the additional troops from his treasury in the same manner as hitherto observed, until the Honourable East India Company's officers shall have obtained complete possession from His Highness' officers of the country ceded to the said Company by the Fifth Article. The Company will not claim any payments of subsidy from His Highness' treasury after their officers shall have obtained possession of the said districts from the officers of His Highness.

ARTICLE 12.

The contracting parties will employ all practicable means of conciliation to prevent the calamity of war; and for that purpose will at all times be ready to enter into amicable explanations with other States and to cultivate and improve the general relations of peace and amity with all the Powers of India, according to the true spirit and tenor of this defensive Treaty. But if a war should unfortunately break out between the contracting parties and any other Power whatever, then His Highness the Nawab Ausuph Jah engages that, with the reserve of two battalions of sepoy, which are to remain near His Highness' person, the residue of the British Subsidiary Force (consisting of six battalions of sepoy and two regiments of cavalry with artillery), joined by six thousand infantry and nine thousand horse of His Highness' own troops, and making together an army of twelve thousand infantry and ten thousand cavalry, with their requisite train of artillery, and warlike stores of every kind, shall be immediately put in motion for the purpose of opposing the enemy; and His Highness likewise engages to employ every further effort in his power for the purpose of bringing into the field as speedily as possible the whole force which he may be able to supply from his dominions; with a view to the effectual prosecution and speedy termination of the said war, the Honourable Company in the same manner engage on their part, in this case, to employ in active operations against the enemy the largest force which they may be able to furnish over and above the said Subsidiary Force.

ARTICLE 13.

Whenever war shall appear probable His Highness the Nawab Ausuph Jah engages to collect as many benjarahs as possible, and to store as much grain as may be practicable in his frontier garrisons.

ARTICLE 14.

Grain and all other articles of consumption and provision and all sorts of materials for wearing apparel, together with the necessary quantity of cattle, horses, and camels required for the use of the Subsidiary Force shall, in proportion to its present augmentation, be, as heretofore, entirely exempted from duties.

ARTICLE 15.

As by the present Treaty the union and friendship of the two States are so firmly cemented as that they may be considered as one and the same, His Highness the Nizam engages neither to commence nor to pursue in future any negotiations with any other Power whatever without giving previous notice and entering into mutual consultation with the Honourable East India Company's government; and the Honourable Company's government on their part hereby declare that they have no manner of concern with any of His Highness' children, relations, subjects, or servants, with respect to whom His Highness is absolute.

ARTICLE 16.

As by the present Treaty of general defensive alliance, mutual defence and protection against all enemies are established, His Highness the Nawab Ausuph Jah consequently engages never to commit any act of hostility or aggression against any Power whatever; and in the event of any differences arising, whatever adjustment of them the Company's government, weighing matters in the scale of truth and justice, may determine, shall meet with full approbation and acquiescence.

ARTICLE 17.

By the present Treaty of general defensive alliance, the ties of union, by the blessing of God, are drawn so close that the friends of one party will be henceforward considered as the friends of the other, and the enemies of the one party as the enemies of the other; it is therefore hereby agreed that if in future the *Shorapore* or *Gudwall zemindars*, or any other subjects or dependants of His Highness' government should withhold the payment of the *Circar's* just claims upon them, or excite rebellion or disturbance, the *Subsidiary Force*, or such proportion thereof as may be requisite, after the reality of the offence shall be duly ascertained, shall be ready in concert with His Highness' own troops to reduce all such offenders to obedience. And the interest of the two States being now in every respect identified, it is, further mutually agreed that if disturbances shall at any time break out in the districts ceded to the Honourable Company by this Treaty, His Highness the Nawab Ausuph Jah shall permit such a proportion of the *Subsidiary troops* as may be requisite to be employed in quelling the same within the said districts. If disturbances shall at any time break out in any part of His Highness' dominions, contiguous to the Company's frontier, to which it might be inconvenient to detach any proportion of the *Subsidiary troops*, the British Government in like manner, if required by His Highness the Nawab Ausuph Jah, shall direct such proportion of the troops of the Company as may be most conveniently stationed for the purpose to assist in quelling the said disturbances within His Highness' dominions.

ARTICLE 18.

Whereas, by the favour of Providence, a perfect union, harmony, and concord have long and firmly subsisted between the Honourable East India Company, His Highness the Nawab Ausuph Jah, His Highness the Peishwa Rao Pundit Pradhan, and Rajah Raghoojee Bhooslah, therefore should His Highness Rao Pundit Pradhan and Rajah Raghoojee Bhooslah, or either of them express a desire to participate in the benefits of the present defensive alliance, which is calculated to strengthen and perpetuate the foundations of general tranquillity, the contracting parties will readily admit both or either of the said Powers to be members of the present alliance, on such terms and conditions as shall appear just and expedient to the contracting parties.

ARTICLE 19.

The contracting parties being actuated by a sincere desire to promote and maintain general tranquillity, will admit Dowlut Rao Sindia to be a party to the present Treaty whenever he shall satisfy the contracting parties of his disposition to cultivate the relations of peace and amity with both States, and shall give such securities for the maintenance of tranquillity as shall appear to the contracting parties to be sufficient.

ARTICLE 20.

This Treaty, consisting of twenty Articles, being this day settled by Captain James Achilles Kirkpatrick with the Nawab Ausuph Jah Bahadour, Captain Kirkpatrick has delivered one copy thereof in English and Persian, signed and sealed by himself, to the said Nawab, who, on his part, has also delivered one copy of the same, duly executed by himself; and Captain Kirkpatrick, by virtue of especial authority given to him on that behalf by the Most Noble the Governor-General in Council, hereby declares the said Treaty to be in full force from the date hereof, and engages to procure and deliver to His Highness in the space of thirty days a copy of the same from the Governor-General in Council, in every respect the counterpart of that executed by himself; and on the delivery of such copy the Treaty executed by Captain Kirkpatrick shall be returned; but the additional *Subsidiary Force* specified in the third Article shall be immediately required by His Highness the Nizam and furnished by the Honourable Company and all the other Articles shall be in full force from this time.

Signed, sealed, and exchanged at Hyderabad on the 12th October, Anno Domini 1800, or 22nd Jemmadce-ul-Atwul, Anno Hegira, 1215.

(Signed) J. A. KIRKPATRICK,

Resident.

[Here follows Schedule of districts ceded by Article 5th, &c.]

APPENDIX H.

EXTRACT FROM LORD MORNINGTON'S INSTRUCTIONS, OF
2ND NOVEMBER, 1798.

It is extremely desirable that the conduct of our troops in their intercourse with the natives of the country, and particularly with the officers of His Highness' Government, should be of the most conciliatory nature and should be so regulated as to form the strongest contrast with the arrogant and contumacious spirit of the French Corps. My Wish is, that the Company's Army, in His Highness' service, should conduct itself with the utmost degree of mildness towards his subjects, and of respect towards himself and his Ministers, and that it should manifest *the most prompt obedience to his orders*, according to the terms of the late Subsidiary Treaty. •

APPENDIX J.

EXTRACT FROM LORD MORNINGTON'S DESPATCH, OF
15TH JUNE, 1800.

Article 1st. The engagement comprehended in this article relative to the Zemindars of Shorapore and Gudwal and to the Nabob of Kurnool is rendered extremely delicate by the tributary relation of these chieftains to the Mahrattas' Government as well as to the Nizam; on this account we have hitherto uniformly refused to permit the Company's troops to assist the Nizam in coercing these chieftains. The proposed defensive alliance with the Nizam does not require our unconditional departure from this principle. At the period of negotiating the Treaty of Hyderabad (1798) Azim-ool-Oomra laboured with equal assiduity to accomplish an object so important to the interest of his Sovereign. *At that time I refused the concession, not because I saw any considerable objection to its principle, but because it was of too much importance to be granted gratuitously to His Highness and because I wished to reserve so great a favour for an occasion when I might be able to derive from it a proper return of advantage to the Company.* This occasion is now arrived; and it is reasonable to require a return correspondent with the magnitude of the object. . . .

Article 17th. In the 36th paragraph of this despatch I have stated my sentiments with regard to *the importance of the concession* required by the Nizam in the first of your separate articles (*viz.*, coercion of his refractory subjects or tributaries). It is reasonable that some return should be made by His Highness. The stipulations of this Article (allowing the Subsidiary Force to be used to maintain peace in the Bellary and Cuddapah districts to be ceded) ought to be deemed unobjectionable by the Court of Hyderabad. The maintenance of good order and tranquillity in the ceded districts can never be an object of indifference to the Nizam's Government; and *the present article binds the Company to afford His Highness similar assistance whenever he may require it.*

The augmented revenue (of the districts to be ceded) might justly be claimed by the Company on various grounds. . . .

Because an acknowledgment is due to the Company *for the incalculable advantages of protection and security acquired by the Nizam under the general guarantee.*

Because *this Treaty grants to the Nizam without any specified equivalent, the new and extraordinary benefit of the Company's aid in repressing the refractory spirit of such tributaries and dependants as owe a mixed allegiance to him and to the Mahrattas. In this view it may justly be expected that the resources of the territories retained in His Highness' hands may be improved to an amount proportioned to any excess in the produce of the countries to be ceded to the Company.*

If the Nizam, upon the ratification of the Treaty, should declare his resolution to discharge the subsidy in money, and should refuse to cede the countries to be assigned, in the complete and absolute manner indispensably necessary to their proper arrangement, *the Company would stand pledged to the general guarantee (of defending him from all danger, external and internal), without having acquired any equivalent benefit or compensation.*

But whatever view may be taken of this subject by the Court of Hyderabad, it is my determination not to grant the Nizam *the complete protection and support* which he solicits on any conditions less advantageous to the Company than those comprehended in the new Treaty. . . .

It is absolutely necessary to convince Azim-ool-Oomra and His Highness that I will not wantonly sacrifice the equivalent due to the Company in return for *the new and important concession of the general guarantee.*

Whatever may be the difference of value between those districts (Adoni and the districts offered in exchange for it), it would not be a greater concession than the Company can justly claim in return for the *effectual protection afforded by the general guarantee of the Nizam's dominions*, as well as for other advantages already enumerated in this despatch. *You will urge this argument with the utmost avidity.*

The British Government is entitled to require such an equivalent as shall not only preclude any pecuniary loss on account of subsidy, but in some degree defray the extraordinary charges of defending His Highness' country against all enemies.

APPENDIX K.

EXTRACT FROM LORD DALHOUSIE'S MINUTE, OF 30TH MARCH, 1853, CONTAINING HIS DEMONSTRATION THAT THERE EXISTED NO TREATY OBLIGATION TO MAINTAIN THE CONTINGENT.

11. It has frequently been and still is very commonly contended, that the support of this Contingent is an obligation distinctly imposed upon the Nizam by the Treaty of 1800. In so far as His Highness may have tacitly accepted such an interpretation of the Treaty, and in that he did actually consent to maintain permanently a Military Force of the nature of a Contingent, I hold that His Highness was unquestionably bound to provide adequately, in all respects, for the pay, clothing, equipment, command, and every other charge necessary for the efficiency of the Force he had voluntarily engaged to keep up.

12. But I feel myself bound to declare my opinion that if the Nizam had originally rejected any such interpretation of the 12th Article of the Treaty as has been contended for; if he had asserted that he was not bound to uphold a Contingent of the nature of that which has long been established; or if His Highness had at any intermediate time *refused, or should now refuse*, any longer to sustain the present Contingent, the Government of India could not make good any right by Treaty to enforce the continuance of the Contingent on the part of the Nizam.

13. The 12th Article of the Treaty of 1800 contains these provisions: "The contracting parties will employ all practicable means of conciliation to prevent the calamity of war; and for that purpose will at all times be ready to enter into amicable explanations with other States, and to cultivate and improve the general relations of peace and amity with all the powers of India, according to the true spirit and tenor of this defensive Treaty. But if a war should unfortunately break out between the contracting parties and any other power whatever, then His Highness the Nawab Asoph Jah engages that, with the reserve of two Battalions of Sepoys which are to remain near His Highness' person, the residue of the British Subsidiary Force (consisting of six Battalions of Sepoys and two regiments of Cavalry, with Artillery) joined by 6,000 Infantry and 9,000 Cavalry of His Highness' own troops . . . shall be immediately put in motion for the purpose of opposing the enemy.

This provision, viz., that the British Forces in Hyderabad should be "joined by 6,000 Infantry and 9,000 Horse of His Highness' own Troops," in time of war, has been made to justify our requiring of the Nizam that he should uphold a force of about 5,000 Infantry, 2,000 Horse, and four Field Batteries, offered by British Officers, controlled by the British Resident, trained on the British system, not in war only, but permanently, at a very costly rate, and so as to be available for the use of the Nizam only when the Representative of the British Government has given his consent.

14. I submit, that neither the words nor the intention of the Treaty can be held to warrant such a construction of its obligations.

The plain intention of the Treaty was, that, whenever war arose, the Nizam should reinforce the British Army by a body of 15,000 of his own Troops. It never contemplated that the Nizam should be made to raise and pay a large body of Troops distinct from his own, to be placed at all times, in peace and war alike, under the sole control of the Government of India.

15. If it be said, as I have heard it said, that His Highness' own Troops were 15,000, and that to ensure our being aided by good Troops when war came, we had a right to require the maintenance, under our own control and training, of a smaller body during peace, I reply that the article confers no such positive right. It gives a claim to 15,000 of His Highness' own Troops during war; we had a right to that number of his best Troops; we have a positive right to it still. But we have no right to set up any arbitrary

standard of our own by which the quality of those Troops is to be measured, and to demand that a small Army should be permanently embodied and made over to us by the Nizam, in order that we may ensure its being kept up to our peculiar standard.

Our right is to require 6,000 Infantry and 9,000 Cavalry in time of war only. Our practice is to insist on 5,000 Infantry, 2,500 Cavalry, and 24 Guns at all times, whether in peace or war. Our right is to an occasional use of His Highness' Troops; our practice is to convert them permanently into Troops of our own. For 35 years the Nizam's Troops could never have been asked for in accordance with the spirit of the Treaty; for within that period the Nizam and the Government of India have never taken the field together, yet during all that time the Contingent has been maintained at various strengths.

According to the present political aspect of India, it is difficult to conceive the possibility of the two Governments ever again taking the field together. Yet no diminution of the Contingent has been proposed.

16. These are the reasons by which I have found myself forced to the conclusion, that the Government of India has no right whatever, either by the spirit or by the letter of the Treaty of 1800, to require the Nizam to maintain the Contingent in its present form.

APPENDIX L.

TREATY OF 1853.

TREATY between the HONOURABLE THE ENGLISH EAST INDIA COMPANY and His Highness the NAWAB NIZAM-OOO-MOOLK AUSUPH JAH BAHADOOR, settled by COLONEL JOHN LOW, C.B., Resident at the Court of His Highness, by virtue of full powers to that effect vested in him by the MOST NOBLE JAMES ANDREW, MARQUIS OF DALHOUSIE, Knight of the Most Ancient and Most Noble Order of the Thistle, one of Her Majesty's Most Honourable Privy Council, and Governor-General appointed by the Honourable Company to direct and control all their affairs in the East Indies.

Whereas friendship and union have subsisted for a length of time between the Honourable East India Company and His Highness the Nawab Nizam-ool-Moolk Ausuph Jah Bahadoor and have been cemented and strengthened by Treaties of general defence and protection; and whereas in the lapse of time many changes in the condition of Princes and neighbouring States have taken place, by reason of which it has now become expedient to revise the military arrangements that were formerly agreed upon for the fulfilment of the said Treaties; and whereas differences and discussions have for some time existed between the contracting parties regarding the adjustment of charges connected with portions of the military arrangements subsisting between the States; and whereas it is fit and proper, and for the mutual advantage of both Powers, that such differences should now be finally settled, and that the recurrence of such discussions, which tend to disturb the friendship and harmony of the contracting parties should effectually be prevented: wherefore the Honourable East India Company and His Highness the Nawab Nizam-ool-Moolk Ausuph Jah Bahadoor have agreed upon the following Articles of a Treaty between the States:—

ARTICLE 1.

The peace, union, and friendship so long subsisting between the Honourable East India Company and His Highness the Nawab Nizam-ool-Moolk Ausuph Jah Bahadoor shall be perpetual; the friends and enemies of either shall be the friends and enemies of both; and the contracting parties agree that all former Treaties and agreements between the two States now in force, and not contrary to the tenor of this engagement, shall be confirmed by it.

ARTICLE 2.

The Subsidiary Force, which for general defence and protection has been furnished by the Honourable East India Company to His Highness the Nizam, shall be continued, and shall consist, as heretofore, of not less than eight battalions of sepoy and two regiments of cavalry, with their requisite complement of guns and European artillerymen, fully equipped with warlike stores and ammunition.

Unless with the express consent of His Highness, there shall never be less than five regiments of infantry and one of cavalry (with a due proportion of artillery) of the said Subsidiary Force stationed within the territories of His

From this condition of thralldom he might now, perhaps, emancipate himself, without opposition on our part, but it has been too long established to be easily cast off. His mind, although not naturally, perhaps, incapable of fulfilling the duties of his station, must have been affected by long depression and seclusion. Nevertheless, he is "more sinned against than sinning," and I can hardly imagine a situation more entitled to pity, or more calculated to draw censure, than that of a prince so held in subjection by a servant, supported by an irresistible foreign power.

APPENDIX N.

EXTRACT FROM LORD METCALFE'S MINUTE, OF 13TH MAY, 1820.

The Minister during whose administration our alliance with the Court of Hyderabad was formed and perfected, was the celebrated Azim-ool-Oomra, Aristoo Jah. He, however, was the Minister of the Nizam's choice; and whatever power he exercised was granted to him by his master, of his own free will. Entire confidence and mutual attachment existed between them, and it was not during the life of that prince that our influence was handsomely exercised in the selection or support of a Minister.

From the time, however, of the completion of the subsidiary alliance, it seems to have been considered as essential that the Minister should be in our interests, and that we should support him with our influence.

The Nizam died before the Minister, to whom our support was continued, and then became officious. It does not seem to have been considered that the Nizam who succeeded could be allowed any option as to the continuance or removal of the Minister. Our Resident gave His Highness a clear understanding of what was intended, by observing to him, on his accession, that with such an ally as the British Government, and such a Minister as Aristoo Jah, His Highness' affairs could not fail to prosper.

Aristoo Jah accordingly remained Minister until his death, keeping his master, the present Nizam, during the whole time in thralldom and insignificance, totally devoid of power.

On the death of that Minister, the Nizam announced his intention of taking on himself personally the management of the affairs of his Government. He naturally wished to avoid being again placed under a Minister independent of his authority.

The arrangement, however, which he contemplated for his purpose was objected to by our Government. We insisted on the nomination of a Minister with full powers. We asserted the right of having a Minister attached to our interests, and, consequently, of selecting one of our own choice, and, if requisite, of enforcing his nomination. This extremity, however, was not necessary. Meer Alum, whom we selected, was appointed by the Nizam, and was sole ruler for life of his master's dominions.

The Nizam made some effort to obtain a share of power in his own Government; but this was unpalatable to the Minister; the Resident gave decided support to the latter. The Nizam retired from the contest in disgust, and has never since taken any part in public affairs, but has led a life of gloomy retirement and sullen discontent.

Our influence, therefore, established the Minister at Hyderabad as a despotic ruler, without the consent of his master. In all British interests he was subservient to the British Resident, and also in all private interests which the latter chose to advocate. In the management of the country the Minister was absolute, and had the support of the British Government against any opposition that he could not subdue with the means at his own disposal. Opposition to him was treated as hostility to us and disaffection to the English alliance; and his interests were, by our system, identified with our own, and our utmost influence exerted in his support, it was scarcely possible that his enemies should not become ours, although the same might have been as willing as he to court our friendship, had we not made ourselves obnoxious to them by supporting a single individual against all competitors for power in the State.

After the death of Meer Alum, the Nizam again fruitlessly expressed an intention of placing himself at the head of affairs. He was pressed to nominate a Minister, and the following extraordinary arrangement took place. Mooneer-ool-Moolk, nominated by the Nizam, was made Prime Minister, but it was stipulated that he should exercise no power in the State. All the power was given to the Deputy Minister, Chundero Lall, who was patronised by us. So that from that time, in addition to its sovereign prince, excluded from all concern in the management of his affairs, in consequence of our interference, the State of Hyderabad has had a Prime Minister in the same parliament, as another

effect of the same cause. The subserviency of the real Minister to our will has since been more complete than before: the suppleness of his personal character, and the lowness of his birth, aiding the natural effect of the dependence of his situation.

The next great step in the advancement of our influence and interference in the Nizam's affairs was the substitution, in lieu of portions of his own army, of troops of all arms—cavalry, artillery, and infantry—raised, disciplined, and commanded by British officers.

Our interference in the Nizam's army arose from an article of treaty, by which he is bound to furnish a certain amount of auxiliary force in the event of war with other powers. The force furnished in former wars was not sufficiently efficient in our estimation. We began by a general superintendance of it, with a view to improvement; but the result has been, that above forty lakhs per annum out of the Nizam's revenues are appropriated to the maintenance of a force commanded entirely by British officers, and under the exclusive orders and control of the British Resident.

This arrangement could only have been effected through the entire subserviency of the Minister, for it must have been quite revolting to the feelings of the Court and of the chiefs of the national army.

But it increased the personal power of the Minister, made him more than ever independent of the Court and people, enabled him more and more to triumph over his adversaries, and rendered his extortions of revenue irresistible.

The existence of a force paid by a native State, but commanded by our officers, and entirely under our control, is undoubtedly a great political advantage. It is an accession to our military strength at the expense of another power, and without cost to us; an accession of military strength in a conquered empire, where military strength is everything. The advantage is immense. But I cannot say that I think the arrangement a just one towards the Native State. The same circumstances which make it so advantageous to us, make it unjust to the State at whose expense it is upheld.

The subserviency of the Minister at Hyderabad has rendered this kind of force in the Nizam's territories a sort of plaything for the Resident, and an extensive source of patronage at the Nizam's expense. The temptation is difficult to resist, and it is more to be regretted than wondered at that the expense is increasing. It appears, from returns prepared in the Secretary's office, that the military and civil allowances paid by the Nizam's Government to British Officers amounted, according to the earliest report received from Hyderabad, under date 1st January, 1824, to 11,11,098 Hyderabad Rs., the number of officers being 101; on the 28th January, 1825, to 9,16,260 Rs. for 83 officers; on the 1st March, 1826, to 9,99,420 Rs. for 101 officers; on the 31st December, 1826, to 11,34,828 Rs. for 116 persons; on the 31st December, 1827, to 12,48,696 Rs. for 119 persons; and on the 1st December, 1828, to 13,49,880 Rs. for 123 persons. The necessity for this increase in the last two years is by no means obvious. The intermediate decrease in 1824 and 1825 was no doubt owing principally, if not wholly, to the absence of officers during the Burman war, who must, however, have returned by the end of 1826.

The subsequent history of the Nizam's country, and of our further interference therein, turns entirely on the character of this Minister, Chundoo Loll.

His reign, for so it may be termed—his sovereign and his principal in office being mere pensioners—commenced in 1809, and continued absolute, and without any interference on our part in his management, until 1820.

At that period, so bad had been his misrule, and so deteriorated had the state of the country become under his absolute government, that the Resident, Mr. Russell, although far from disposed to find fault with Chundoo Loll, was compelled to urge the Governor-General in Council to grant him authority to introduce a reform. The authority was granted.

The causes which led to the admitted necessity for our interference in the Minister's management of the country are easily explained, and are such as would infallibly recur if the same absolute power, without check, were again left in the same hands.

Chundoo Loll's main object, from the establishment of his power, was to retain it. The instrument most serviceable in his view for this purpose was money. He had money for any one whom he thought capable of aiding him. Besides his subserviency to the British Resident in all public measures, there was money in the shape of pension, salary, or donation, for any one whom the Resident recommended. Any gentlemen supposed to have influence, directly or indirectly, with the British Government, could command a share of the revenues of the Nizam's country. This was the origin of his lavish waste of public money

on Sir William Rumbold and Mr. W. Palmer and their connexions. Any native who was supposed to have influence with English gentlemen was also a fit object for bounty.

Chundoo Loll's views were not, however, confined to English influence. Whoever who could aid him at Hyderabad, whoever could injure him, all found access to the Treasury. To make friends or to buy off enemies was managed by the same process. All were in pay. And many who might have been active disturbers of his administration, seeing little or no hope of effecting his removal, were kept quiet by a share of the public money. Superadded to these sources of excessive expenditure was the indiscriminate distribution of immense sums to mobs of beggars, for the sake of popularity.

The revenues were insufficient to meet such excesses, and the expenses of a year of war, added to the increasing cost of the force commanded by British officers, augmented embarrassment. Extortion and borrowing were had recourse to unsparingly, and to the utmost practicable extent. The former was augmented by the effects of the latter. Extortion and oppression went hand in hand; desolation followed.

It is remarkable that our interference was then for the first time exercised with a benevolent view to the protection and happiness of the Nizam's subjects. Every former act of interference, however subversive of the independence of the Hyderabad State, was dictated solely by a regard for our own interests, without any care or thought for the welfare of the people whom we had delivered up to a ruler of our own selection.

There is no other reason whatever for our interference than the total faithlessness of the Minister's character, and his incorrigible propensity to unbounded extortion.

I nevertheless am satisfied that our intervention does prevent the universal and unlimited extortion that would otherwise prevail, and therefore I should extremely regret the discontinuance of our check during the rule of the present Minister; for whose acts, as his power was established and maintained by us, we are undoubtedly responsible.

APPENDIX O.

SUPPLEMENTAL TREATY OF 1860.

SUPPLEMENTAL TREATY between HER MAJESTY THE QUEEN of Great Britain on the one part, and HIS HIGHNESS THE NAWAB UZUL-ODD-DOWLAH NIZAM-OD-DOWLAH NIZAM-OD-MOOLK AUSUPH JAH BAHADUR, on the other part, settled by LIEUTENANT-COLONEL CUTHBERT DAVIDSON, C.B., Resident at the Court of His Highness, by virtue of full powers to that effect vested in him by HIS EXCELLENCY THE RIGHT HONOURABLE CHARLES JOHN EARL CANNING, C.C.B., Viceroy and Governor-General of India and one of Her Majesty's Most Honourable Privy Council.

Whereas it will be for the convenience of both the contracting parties to the Treaty of 1853 and will simplify the relations of the two governments, if certain modifications of that Treaty are made, and whereas certain matters not dealt with in that Treaty call for adjustment between the two contracting parties, and whereas it is the desire of the Governor-General in Council to give all possible solemnity to certain acts marking the high esteem in which His Highness the Nizam is held by Her Majesty the Queen, therefore the following Articles have been agreed upon and determined between the Viceroy and Governor-General on behalf of Her Majesty, and the Nawab Uzul-ood-Dowlah Nizam-ool-Moolk Ausuph Jah Bahadur.

ARTICLE 1.

All Treaties and engagements between the two States and not contrary to the tenor of this engagement are hereby confirmed by it.

ARTICLE 2.

The Viceroy and Governor-General in Council cedes to His Highness the Nizam in full sovereignty the territory of Shorapore.

ARTICLE 3.

The debt of about fifty (50) lakhs of Hyderabad Rupees due by the Nizam to the British Government is hereby cancelled.

ARTICLE 4.

His Highness the Nizam agrees to forego all demands for an account of the receipts and expenditure of the Assigned Districts for the past, present, or future. But the British Government will pay to His Highness any surplus that may hereafter accrue after defraying all charges under Article six and all future expenses of administration, the amount of such expenses being entirely at the discretion of the British Government.

ARTICLE 5.

The Viceroy and Governor-General in Council restores to His Highness the Nizam all the Assigned Districts in the Raichore Doab and on the western frontier of the dominions of His Highness adjoining the Collectorate of Ahmednuggur and Sholapore.

ARTICLE 6.

The districts in Berar already assigned to the British Government under the Treaty of 1853, together with all the Surf-i-Khas talooks comprised therein, and such additional districts adjoining thereto as will suffice to make up a present annual gross revenue of thirty-two (32) lakhs of Rupees currency of the British Government, shall be held by the British Government in trust for the payment of the troops of the Hyderabad contingent, Appa Dessaye's chout, the allowance to Mohiput Ram's family, and certain pensions mentioned in Article six of the said Treaty.

ARTICLE 7.

The Surf-i-Khas talooks and additional districts mentioned in the foregoing Article are to be transferred to the Resident as soon as this Treaty is ratified.

ARTICLE 8.

His Highness the Nizam cedes to the British Government in full sovereignty all the possessions of His Highness on the left bank of the river Godavari and of the river Penganga above the confluence of the two rivers, viz., the talooks of Rakapilly, Buddrachellum, Cherla, Albaka, Noogoor, and Sironcha.

ARTICLE 9.

The navigation of the river Godavari and its tributaries, so far as they form the boundary between the two States, shall be free, and no customs duties or other cesses shall be levied by either of the two contracting parties, or by the subjects of either, on goods passing up or down the aforesaid rivers.

ARTICLE 10.

This Treaty, consisting of ten Articles, being this day concluded and settled by Lieutenant-Colonel Cuthbert Davidson, C.B., on behalf of the Viceroy and Governor-General of India, with the Nawab Ufzul-ood-Dowlah Nizam-ool-Moolk Ausuph Jah Bahadoor, Lieutenant-Colonel Cuthbert Davidson has delivered one version thereof in English and Persian, signed and sealed by himself, to the Nawab, who on his part has also delivered one copy of the same to Lieutenant-Colonel Davidson duly executed by His Highness; and Lieutenant-Colonel Davidson hereby engage to deliver a copy of the same to His Highness the Nizam duly ratified by the Viceroy and Governor-General within thirty days from this date, when this copy herewith signed and sealed by the British Resident will be returned.

Signed, sealed, and exchanged at Hyderabad on the twenty-sixth day of December A.D. 1860, 12th Jumma-dee-sanee 1277 Hegira.


 Seal.

(Signed) CUTHBERT DAVIDSON,
Resident.


 Seal.

(Signed) CANNING.

Ratified by His Excellency the Viceroy and Governor-General of India, in Camp at Amerpattan, on the 31st day of December, 1860.

(Signed) A. R. YOUNG,
Offg. Secy. to the Govt. of India.

18. The two clauses of the 52nd paragraph of Lord Dalhousie's

"It is much feared that the Nizam will entertain an invincible repugnance to ceding the sovereignty of any Districts to the British Government, for whatever purpose it may be."

"The Resident is instructed to contend for the cession to the utmost, but, if unsuccessful, to propose that (as in the recent case of Gwalior) the revenues of certain districts should be Assigned, the Districts shall be managed by the Government of India, and the Civil Administration fully made over to it, while the Sovereignty over them remains with the Nizam."

minute which I shall here take the liberty of setting out show, however that the Governor-General fully anticipated an insuperable reluctance on the part of the Nizam to make a further absolute and perpetual cession of any part of his dominions.

19. The Resident was further, by this minute, desired to inform the Nizam that, if he declined to provide by assignment of lands for the future payment of the Contingent Force, it would cease to exist; but that, as its disbandment must be gradual, the Government of India would retain possession of certain districts which the Nizam was to be required or compelled to assign temporarily, until his debt to the East India Company should be liquidated, and the Force wholly disbanded, upon which those districts should "be restored to His Highness."

20. The minute and the Draft Treaty were accordingly sent to the then Resident Colonel Low, who, without delay, addressed himself, according to his instructions and the discretion given him, to obtain from the Nizam, if possible, a permanent cession, and failing that, such temporary assignment of the specified districts as was considered desirable by the Government of India.

21. The Sixth Article of the first Draft Treaty so sent was framed to provide for the cession "in perpetuity" to the East India Company of the specified districts, and the Eighth Article held out, as an inducement to the Nizam to consent to the dismemberment of his dominions, that it would be accepted in full satisfaction of his debt to the East India Company, as well as of the other charges to which I have before referred. The result fully justified the anticipation of Lord Dalhousie as to the "invincible repugnance" that the Nizam would exhibit to the permanent cession of any part of his dominions, at any price whatever.

22. I was then not in office, but as the nephew of His Highness, then Minister Nawab Suraj-ool-Moolk, I was a witness of the most painful scenes which ensued, on the Nizam's becoming aware of the nature of the proposal which, as embodied in the Draft Treaty, was in the first instance laid before him by the Resident.

23. Those scenes are indelibly imprinted on my memory; yet I think it desirable to refer as little as possible to my recollections, and to rely rather on the very vivid and minute details given in the despatches of Colonel Low to his Government dated 3rd, 4th, 10th, 13th and 19th days of May, 1853.

24. Those despatches will make it clear to His Lordship in Council that, though threatened with a military occupation, which would have amounted to actual invasion and conquest, and though fully conscious of the hopelessness of resistance, and most deeply and painfully affected by the humiliation which he was enduring, no fear, nor persuasion, nor desire to escape from the situation could prevail with him for a moment to consent to a permanent cession of any portion of his territories. The result was that the Resident had to fall back on the alternative left to his discretion, and to abandon all suggestion as to permanent cession.

25. What was the Resident's representation to the Nizam, as to the

Paragraph 26 of Despatch of 4th May, 1853.

"Finding that the Nizam's dislike to the words 'in perpetuity' was extreme, and fearing that the whole negotiation might fail if I insisted on that word, I announced that that was a part of the scheme which my Government had allowed me the liberty to alter if necessary; and I announced formally that if His Highness wished it the Districts might be made over merely for a time, to maintain the Contingent, as long as he might require it; and further, that if he declared to me that he did not require the Force, the Governor-General would gradually reduce it entirely, by discharging some men who were unfit, pensioning others who were old, and providing for others by employing them in other Corps, &c. and when the whole should be reduced, which it might be in a very few years, he, the Nizam,

object and character of the temporary assignment to be so alternatively required, and what was the Nizam's understanding respecting it, are well known to me who was present at the time, but will most satisfactorily appear from the 28th paragraph of the Despatch of the 4th May, 1853, addressed to the Government of India, and re-

" might get the districts back again to his own management, and I went on to point out that my Government, for the express purpose of avoiding any unnecessary amount of land being made over to us, had proposed that the amount of the Contingent Troops by the new Treaty should be less by at least 1,000 men than the strength of the present Force; and hence that a smaller extent of territory was proposed to be made over to us than if it had been settled that the Force should be kept up to its present strength."

" MY DEAR NAWAB,

" I believe the Resident requires your attendance this evening, to inform you his negotiations with the Nizam are at an end, and he applies to the Governor-General to move Troops by to-day's post.

" His Highness asked for four months' delay, which was refused, not even in that time positively stipulating to pay the Troops. Had he however done so, this would have been refused, as contrary to the instructions of the Governor-General.

" His Highness next offered to place 40 lakhs of talooks in the hands of Shums-ool-Gourah for the pay of the Contingent. The Resident said, no, as he could not be assured that there would be no interference on the part of His Highness' Government or his other Officers, but if the talooks were made over to the Resident and Shums-ool-Gourah or any other officer of the Hyderabad Government as Commissioners, they to have the entire management and control of these districts only furnishing accounts yearly to His Highness, he would refer the proposition to Calcutta, but without the slightest expectation that the Governor-General would agree to it.

" His Highness has refused to agree to the above, and therefore he has lost a chance of obtaining a remuneration of what was disagreeable to his ideas of dignity. The terms first proposed are now renewed, and with an unfriendly feeling that would in my opinion drive matters to extremities. Indeed, I have a letter from my nephew at Poona, mentioning that the 78th Highlanders and 86th Regiment H.M.'s Troops have received orders to be in readiness to march on Hyderabad. Don't suppose military operations will be confined to the districts; and if you are a friend of His Highness, beg of him to save himself and his dignity, by complying at once with what the Governor-General will most assuredly compel him to accede to."

(Signed) CURT. DAVIDSON.

Hyderabad, 14th May, 1853.

Article VI, VII, VIII of Draft Treaty of 21st May, 1853.

" VI. " For the purpose of providing the regular monthly payment to the said Contingent Troops, and payment of Appah Deyayee's Choute, and the allowances to Mohipat Ram's family, and to certain Mahratta pensioners, as guaranteed in the 16th article of the Treaty of 1822, and also for payment of the interest at 6 per cent per annum of the debt due to the Honourable Company so long as the principal of that debt shall remain unpaid, which debt now amounts to about 50 lakhs of Hyderabad Rupees, the Nizam hereby agrees to assign the districts mentioned in the accompanying Schedule marked (A), yielding an annual gross revenue of about 50 lakhs of Rupees, to the exclusive management of the British Resident for the time being at Hyderabad, and to such other officers acting under his orders as may from time to time be appointed by the Government of India to the charge of those districts."

" VII. " By the 12th article of the Treaty of 1800, the British Government can, in time of war, call upon that of His Highness the Nizam to furnish 9,000 Cavalry and 6,000 Infantry to accompany the British Troops in the field; the present Hyderabad Contingent which is to be maintained at all times (whether in peace or war) is accepted as an equivalent for the larger body of Troops above specified to be furnished in time of war; and it is accordingly hereby declared that the Nizam shall not be called upon at any time by the British Government to furnish any other Troops but those of the Subsidiary Force and the Hyderabad Contingent, and that part of the 12th article of the Treaty of 1800 which requires the Nizam to furnish 9,000 Cavalry and 6,000 Infantry is accordingly hereby annulled."

" VIII. " The districts mentioned in Schedule (A) are to be transferred to Colonel Low, C.B., the Resident, immediately that the ratified Treaty shall be received from Calcutta, and that officer engages, on the part of the British Government, that the Resident at the Court

received by them without any objection, which paragraph is set out in the margin.

26. The repugnance of the Nizam, at first, even to the Resident's alternative was almost insuperable after a number of interviews, in which the Resident re-alternative demand; and a note from the Assistant Resident, a copy of which is in the margin (the original I had the pleasure of showing you, and the translation of which then fell to my lot) being received by the Nizam inclined him at last to accede to the request of the Resident, and consent to such a temporary assignment as was proposed by the Resident of certain districts for the future maintenance of the Contingent (which he was unwilling to have disbanded); and a second Draft Treaty was accordingly drawn up, of which the Sixth, Seventh and Eighth Articles set out in the margin differed wholly from the first Draft Treaty.

27. The Treaty, so altered, was executed by the Nizam on the 21st May, 1853, upon the understanding of it, as conveyed to him previously by the Resident, that he was thereby not making a cession in perpetuity of any part of his dominions, but merely temporarily assigning, by way of security, certain districts to British management, that is to say, in Colonel Low's language, " merely for a time, to maintain the Contingent so long as he should require it," and no longer.

28. The subsequent Treaty of December, 1860, made no change material to refer to now. It was thereby agreed in substance that the Nizam's debt to the East India Company should be treated as discharged by the past surplus collections from the Assigned Districts,

"of Hyderabad for the time being shall always render true and faithful accounts every year to the Nizam of the receipts and disbursements connected with the said districts, and make over any surplus revenue that may exist to His Highness, after the payment of the Contingent and the other items detailed in article VI of this Treaty."

and by the cession of certain districts on the river Godavari, and that in future the British Government should pay to the Nizam any surplus there might be from the revenues

of the Assigned Districts, which were declared to be held "in trust."

29. The seventh Article of the Treaty of 1853, as above quoted, is stated by Colonel Low in his despatch of the 19th May, 1853, to have been added at the special instance of the Nizam, and in order to assure him against any possible demand upon him to aid the East India Company in war, not only with the Contingent, but also the Cavalry and Infantry stipulated for in the Treaty of 1800, and not with the intention of affecting the admitted right of the Nizam to say at any time whether he desired the further maintenance of the Contingent.

30. It, however, making this observation, I will pray His Lordship in Council to bear in mind that I am making it with no intention whatever of bringing forward any proposal for lightening the burdens of this State, by the abandonment or partial reduction of the Contingent now in existence, and the proportionate restoration of the Assigned Districts.

31. The simple proposal which my colleague and I now desire to submit for the approval and assent of His Lordship in Council is, that (the Contingent Force remaining for the present to be maintained upon the footing, and for the purposes declared in the Treaty of 1853) a capital sum, sufficient to secure the payment of that force, as heretofore under that Treaty, should be accepted from this State by the British Government, and the Assigned Districts be restored to the administration and Government of the Nizam.

32. We are happy to be able to inform His Lordship in Council that we are now in a position to make this proposal. Financial arrangements, under which we shall be enabled to deposit with His Lordship's Government such a sum as shall be agreed upon, as sufficient to secure to the British Government the means of paying and maintaining the Hyderabad Contingent, and also of defraying so many of the minor charges referred to in the Sixth Article of the Treaty of 1853 as are still subsisting, will be arranged, subject only to the consent of His Lordship's Government to our proposal to pay off the mortgage at present existing on the revenues of the Berars; and to the further consent to this Government obtaining from British subjects the loan requisite for carrying out this proposal, if Act 37, Geo. III., C. 152, S. 28, be still considered in force.

33. I feel much confidence that this proposal will recommend itself to His Lordship in Council, not only on account of the importance of it to this State, but also because it will remove all possible future question as to the amount of surplus revenue of the Berars which, under the Treaty of 1800, the British Government has to pay to this Government, and will materially simplify the relations between the Governments in carrying out the policy declared in the preamble to the last-mentioned Treaty.

34. Upon the restoration to this State of the administration of those districts, I beg to assure His Lordship in Council and shall be prepared to give any more formal assurance that may be required, that all the present rights of property, and all agreements entered into during British management with landlords, cultivators, and others shall be inviolably observed and that it will be my earnest desire and study to continue to promote such cultivation and enterprises as have hitherto appeared to be desirable, in the interest of the agricultural population, and the commerce of this State, and of the British India possessions.

35. If anything further should appear to His Lordship in Council, as a reasonable and proper measure of protection to any persons interested in the Assigned Districts, I shall feel honoured by having it communicated to me.

36. I have now to ask the indulgence of His Lordship in Council for the length at which I have entered in the question, the importance of which must be my excuse.

37. I am conscious of the justice of the proposal which I make, and have every confidence in its being received with the good faith and fairness due to the ancient friendship of the two States, and the dealings of the great nation which His Lordship in Council represents.

38. My proposal is based on the unquestionable ground that the assignment was made and taken on the express declaration that it was a temporary security, and its duration, in one specified event, wholly dependent upon the pleasure of

the Nizam; and that, since I am now in a position to offer a security still more tangible, and I trust more satisfactory to the British Government, the necessity for a further continuance of the assignment has passed away; and that any other constructions, which I am far from anticipating, would have the effect of converting an avowedly temporary assignment into the permanent cession already refused by the Nizam.

39. In the event of His Excellency the Governor-General in Council not deciding to accede to this proposal without previous reference to Her Majesty's Government in England I respectfully request that such reference be made at the earliest opportunity.

Yours, &c.,

(Signed) SALAR JUNG.
(") AMEER-I-KUBBER.

APPENDIX Q.

DESPATCH OF SECRETARY OF STATE FOR INDIA TO GOVERNMENT
OF INDIA, OF 28TH MARCH, 1878.

(COPY.)
Secret
No. 19.

INDIA OFFICE,
London, 28th March, 1878.

TO HIS EXCELLENCY,
THE RIGHT HONOURABLE
THE GOVERNOR-GENERAL OF INDIA.

MY LORD,

1. I have received and considered your letter of the 11th of June last (No. 18 of 1877), enclosing a Memorial from the Regent Ministers of Hyderabad, praying for restoration of the Assigned Districts of Berar, and your Excellency's reply to that request.

2. I concur with your Excellency (in) thinking that the previous correspondence which has passed upon this subject dispenses with the necessity of examining and refuting the historical contentions put forward by the Ministers in support of their prayer. It is superfluous at this time to inquire into the grounds and motives which actuated those who concluded the treaty of 1853. The fact that it was signed, and that its provisions are binding on those who signed it, is the material fact with which Her Majesty's Government on the one side, and His Highness's Government on the other side, have to deal. To go behind it to impugn the reasons which induced the signatories to conclude it, and on that ground to challenge its validity, is inconsistent with the practice of nations.

3. It would be sufficient, therefore, that I should now simply express my approval of the course which you have followed, and my concurrence in the arguments which on this and on former occasions your Government has employed. But in this and in former letters from the Ministers, a line of reasoning has been pursued, of which, if I do not take any notice, I may seem to have admitted the legitimacy, and upon which, therefore, I will make some observations.

4. A claim, as of right, to the restitution of the administration of Berar will be naturally sustained by appeals to the treaties and other formal obligations of the British Government. To a certain extent the arguments advanced have been of this character, and, little as the Regent Ministers appear to Her Majesty's Government to have been successful in establishing their contention, no demur can so far be made to the legitimacy of the evidence to which they appeal. But formal treaties, or instruments of like authority, are by no means the only documents which they quote in seeking to fix a pledge or obligation on the British Government. A large portion of their argument rests on an expression of opinion by servants of that Government, contained in letters or minutes addressed by them, not to the Nizam and his officers, but to their own superiors or subordinates. It often happens that these papers are subsequently given to the world in Parliamentary Blue Books. The Ministers appear to assume that opinions which they find expressed by highly placed officers of the Crown, and published in this manner, are binding on Her Majesty's Government, and constitute a pledge which the latter may be called upon to fulfil. It is very necessary to point out that this assumption is quite ungrounded.

5. In all Governments, and especially in the Government of India, it is generally requisite that public servants should record the reasons on which any particular measure or order is based. The statement of these reasons may take the form of instructions to the subordinate officer, by whom the orders are to be executed, or they may be contained in minutes or reports addressed to Her Majesty's Government in explanation of the policy that has been pursued. Such documents, if they are to be of any value, must contain not only records of fact, but statements of opinion upon disputable questions. They may contain arguments upon the rights and claims of persons concerned, upon contested questions of obligation, upon controverted points of external and internal law. It must occasionally happen that in his treatment of these questions of opinion, the officer may hold, and express with great distinctness, views which are entirely at variance with those of the Government under which he is serving; and perhaps the consciousness that his opinions are not generally shared will lead him to dwell upon them with greater length, and to advocate them with greater energy. The Government may possibly approve the measures that have been taken by an officer, while dissenting from his opinions upon matters of controversy; but unless the statement of these opinions contain matters requiring immediate decision, they will probably be satisfied simply to approve his policy, without expressing any judgment on his opinions. The documents may in due course be published; but it would be a great error to assume that Her Majesty's Government are in the slightest degree pledged to the expressions of opinion, or the interpretation of documents, or the estimate of rights which the reports so published may be found to contain. No obligations can be created on their part towards any other person, except by assurances addressed by them, or on their behalf to him, for that purpose.

6. It is, therefore, irrelevant to discuss point by point the various opinions which have been quoted during this controversy out of the official correspondence of various Governors-General and other officers during the half century which elapsed between the surrender of Berar by the British Government to the Nizam, and its reassignment by the treaties of 1853 and 1860. It would not be difficult to show that the opinions attributed to the Marquis of Hastings, and the Marquis of Dalhousie, and the Earl Canning, are not really deducible from the expressions which are quoted out of their correspondence. But it is comparatively of little importance to ascertain what is the signification of their language, and the discussion might attach to it an exaggerated value. It is essential to insist that their meaning is irrelevant to the question of obligation. The pledges of Her Majesty in respect to Berar are to be found only in the formal engagements which have been contracted on her behalf.

7. The only formal engagements which are directly material to this controversy are to be found in the treaties of 1853 and 1860. In order to elucidate the meaning of these documents, the Ministers dwell upon the conversations which took place during the negotiations between the Nizam and the British Residents, Colonel Low and Colonel Davidson, and they seek apparently to establish that the Nizam had fully resolved not to cede the districts in perpetuity, and that the arrangement to which he did agree was accepted by him rather in deference to the superior material force of the British Government than of his own genuine inclination. Upon these latter circumstances it is hardly necessary to enlarge. The Nizam appears to have been guided by a fear of losing the Contingent, a body of whose utility to his Government, in spite of its costliness, he was well convinced. But the obligations of the treaty can hardly be thought to turn upon this point. The doctrine that the validity of a treaty is affected by the fact that one of the two parties signing it was actuated in doing so by a consciousness of the material superiority of the other would, as I have already observed to you, be fatal to the mass of the treaty law over the whole of the civilized world. Nor is it necessary to enquire into the exact nature and application of the conversations which passed between the negotiators of the treaty of 1853. Its language requires no elucidation, but sets forth with perfect distinctness the nature of the relations which it was intended to establish. It is manifest that the Treaty does not convey any absolute cession of Berar. Lord Dalhousie appears to have desired such an arrangement, but the Nizam entertained insuperable objections to it, and no attempt was made to force it on him. If the cession had been absolute, the entire sovereignty would have passed to the British Crown. No transfer of sovereignty, in fact, took place, but the territory remained among the dominions of the Nizam, as it had been before the Treaty was signed. The Nizam retained unimpaired all the personal dignity which this sovereignty had previously conferred upon him, and the net revenue of the province, after all charges of administration had been defrayed, has ever since been paid into his treasury. All that he parted with was the

actual conduct of the administration. So far the limited nature of the assignment is clearly borne out by the language of the treaties, and has always been scrupulously recognized in practice by Her Majesty's Government.

8. But when the Ministers attempt to extend this important limitation in the scope of the assignment by adding to it a limitation in time as well, they are inserting into the Treaty a stipulation of which its actual text does not bear the slightest trace. There is no word in it indicating any term, after the expiration of which the assignment is to cease, or vesting in one of the signatories the power of terminating it at will. If any intention had been entertained of fixing a limit to the duration of the British Administration, or of making its continuance to depend on the will of the Nizam, words to that effect would have been inserted. The entire absence of any such words is, in the judgment of Her Majesty's Government, decisive of this controversy.

9. The Regent Ministers, on this, as on previous occasions, do not rely exclusively upon their claim to the re-assignment of territory as of right, but enforce it by appeal to the favour of Her Majesty, and the friendly relations which have long continued between the British Government and the Nizam. While fully recognizing the satisfactory nature of these relations as they at present exist, and the advantage which their continuance confers upon both Governments, I am unable to admit that a question of this character can be disposed of as a matter of favour, or that the policy of the British Government in respect to it can be looked upon as a test of the amicable nature of the sentiments they entertain towards the Government of the Nizam. The matter in controversy here is not dignity, or revenue, or any matter of personal enjoyment; it is the control over the lives and properties of two millions of men. In dealing with interests of this magnitude, Her Majesty's Government must necessarily be guided by considerations of a more imperative character than the sentiments, however friendly, which they entertain towards another Government. A very strong presumption exists in such a case against disturbing a state of things which was not only sanctioned by treaty, but is now established by usage. It would be invidious in this despatch to compare the relative merits of the British system of Government with that which has prevailed in the dominions of the Nizam during the period covered by the review of the Ministers. But it may be at least confidently said that the two Governments differ widely in their methods, and that a thickly-peopled territory could not be transferred from one system to the other without a disturbance in the most important circumstances of life being felt by every class of the population. No doubt the interests of the Empire at large, and especially of the adjoining populations, and the character of the administrative system which ultimately takes root in the Nizam's dominions, are considerations germane to such an issue as the Ministers desire to raise. But it would be necessary to make good a very strong case of advantage, on the whole, to those who would be affected, in order to overbear the weighty presumption which treaties of the assigned districts have established against a change.

10. Your Excellency, in replying to this appeal on the part of the Ministers to the favour of the Crown, has noticed the inconvenience of discussing questions of this kind while the Nizam, in whose behalf they are professedly raised, is himself a minor. In this opinion I entirely concur. You go on to say, that if, on His Highness undertaking the government, he should desire to bring the whole of the treaty arrangements between the two Governments under general revision, the British Government will take His Highness's request into consideration. I confirm this intimation on your part, on the understanding that, in making it, you do not in the slightest degree prejudice, by any present engagement, the discretion of the Government of the day to deal, as it shall think it expedient, with any question submitted by the Nizam.

I have, &c.,

(Signed) SALISBURY.

(True Copy.)

(Signed) C. B. EVAN SMITH,

First Assistant Resident.

* NOTE.—The Appendix does not at this point reproduce the text of Lord Salisbury's despatch quite accurately. The words "and the actual well-being" should be inserted after the word "treaties".

APPENDIX R.

LETTER FROM THE GOVERNMENT OF INDIA TO THE SECRETARY
OF STATE FOR INDIA, OF 13TH NOVEMBER, 1902.

We have the honour to forward to Your Lordship a complete copy of the correspondence that has passed between the Government of India and the Minister of His Highness the Nizam, concerning the future administration of Berar, and also of the Agreement that has been concluded on the subject between Sir D. Barr, our Resident at Hyderabad, on behalf of the Viceroy and Governor-General of India on the one hand, and the Maharaja Peshkar Kishen Pershad Bahadur, Minister to His Highness the Nizam, on behalf of the Hyderabad State on the other.

2. The negotiations that have thus reached a happy termination were inaugurated, with the full knowledge and sanction of Your Lordship, towards the end of the year 1901. An interchange of friendly and confidential opinions ensued between the representatives of the Government of India and of the Nizam; and His Excellency the Viceroy, who had some time previously accepted an invitation from His Highness to visit Hyderabad in the spring of the present year, was able, while there in the month of April, to complete the negotiations in personal conference with His Highness. The succeeding interval has been occupied in working out the details of the new arrangement, and in considering and replying to certain requests that were received from the Nizam. Finally, the Agreement, recording the settlement arrived at, was signed at Hyderabad on the 5th November, 1902, and the discussions between the Government of India and the Hyderabad State were thereby brought to a successful close.

3. The papers which we forward with this despatch will in themselves provide a full and ample explanation, both of the objects which the Government of India have throughout had in view, and of the nature of the Agreement that has been signed. But they may briefly be summarised as follows. The system that has prevailed up to the present date in Berar, dates from the Treaties of 1853 and 1860, under which certain districts, known as the Assigned Districts of Berar, were made over without limit of time to the British Government for the maintenance of the Hyderabad Contingent, the surplus, if any, from their administration being paid to His Highness the Nizam. In the passage of time these arrangements have become both inconvenient and obsolete, while they have on occasions given rise to controversies, which have never permanently affected the friendly relations between the British Government and the Hyderabad State, but the recurrence or revival of which it was nevertheless most desirable in the interests of both parties to preclude. Upon the side of the Government of India the flaws in the existing system were mainly associated with the civil and military administration of the province, which, under the arrangements stereotyped by the Treaties, was imperfect and wasteful. Upon the side of His Highness the Nizam, the desirability of a change arose in the main from the precarious and fluctuating character of the surpluses which also under the stipulations of the Treaties, were payable to him, and the irregular nature of which introduced a regrettable element of uncertainty into the finances of the State. It was realised on both sides that the events of the past half century, during which the Assigned Districts of Berar have remained continuously under British administration, constituted a prescription, from which it was neither possible nor desirable to depart; and the efforts of both parties in the recent negotiations were accordingly directed to the discovery of a solution that should possess the combined merits of removing the administrative anomalies of which we have spoken, of securing to His Highness the Nizam an assured income from this portion of his territories, and of guaranteeing to the population of Berar, which now amounts to over 2½ million persons, a continuance of the conditions and standards under which they have attained to a high measure of prosperity.

Consistently with these objects, it has been our desire to recognise and to reaffirm, rather than in way to dispute or to derogate from, the sovereignty of the Nizam; and the Agreement arrived at, while leaving the administration of Berar as at present in British hands, though under conditions that will ensure a far more economical system of management, provides for the recognition of the prerogatives of His Highness, both by the terms of the Agreement, according to which the future tenure of the Assigned Districts by the British Government will be a lease in perpetuity, and also by the annual compliments to His Highness in the leased territories which the Government of India have consented henceforward to bestow.

4. The financial terms which we offered to the Nizam and which have been accepted by him are an annual rent of 25 lakhs, or nearly £167,000. When this sum is contrasted with the average annual amount of the surpluses that have been paid to the Nizam during the 40 years between 1860 and 1900 namely, a fraction under 9 lakhs, or a sum varying according to the rate of exchange from £90,000 to £50,000, it will, we think, be recognised, both that the Hyderabad State will be a substantial gainer by the transaction, and also that our proposals have been conceived in no grudging or illiberal spirit. It is true that, in consequence of the financial embarrassments in which the State has lately been plunged, owing in the main to famine both in Hyderabad and Berar, and which have compelled recourse to be made in both cases to the Government of India for loans, the full annual rent will not for some time be realised by His Highness. But the arrangements that have been agreed upon for the discharge of these liabilities are such as will relieve the Hyderabad State at the earliest possible date from its burdens; while we have further accelerated this consummation by handing over to the Nizam, for the still more rapid liquidation of the loans, a sum equivalent to the entire working balance of 41 lakhs, which stood to the credit of the Berar administration on October 1st of the present year. We did not regard the request of the Nizam for a concession of this point as one with which we were at all bound, either in logic or equity, to comply. But in our anxiety to meet the courteous and conciliatory attitude of His Highness in a similar spirit, and to effect a liberal settlement of all possible claims, we were glad to give a favourable answer to his representation.

5. It only remains for us to notice the effect that will be produced by the new Agreement upon the military forces of both signatories. The Government of India acquire the liberty, hitherto denied to them by the Treaties, to effect such a redistribution and reorganisation of the Hyderabad Contingent (without of course in any way reducing the numerical strength of the Indian army) as may be found desirable, consistently with the uninterrupted discharge of the obligation, assumed by them in the Treaty of 1853, to employ these troops, when required, in assisting the Nizam to maintain order within his dominions. Simultaneously the Nizam has undertaken to reduce by gradual degrees the irregular forces of his State, which, as at present constituted, are far from being required for purposes of internal order, and which, moreover, impose an onerous annual charge upon the revenues of the State. It is, therefore, a further and not less beneficial result of the new Agreement that both parties will thereby be enabled to undertake long needed projects of military economy and reform.

6. We do not delay the present despatch to acquaint Your Lordship with the proposals which we have in view for the future administration of Berar. Under the terms of the new Agreement the British Government are at liberty to deal with this matter in such manner as they may deem desirable. The extinction of a separate and costly administration will be the first condition of the projected reforms. But upon this matter, we shall again address Your Lordship at a later date when our plans have been more fully worked out.

7. In our correspondence with our Resident at Hyderabad we have already expressed our cordial acknowledgments of the friendly manner in which His Highness the Nizam has throughout participated in the recent negotiations. The language that has been used by his Minister in reply assures us that these sentiments are entirely reciprocated by His Highness, and leaves no doubt that the settlement of this most important matter which we have here recorded has been as heartily and spontaneously accepted by the Nizam, as it was frankly and sincerely put forward by ourselves. We now look forward with confidence to a future in which no cloud need again arise to obscure the historical and unbroken friendship that has for so long existed between the British Government and the Hyderabad State.

We have, etc.,

(Signed) CURZON.

.. A. P. PALMER.
 .. T. RALEIGH.
 .. E. F. G. LAW.
 .. E. R. ELLIS.
 .. A. T. ARNDEL.
 .. DENZIL IBBETSON.

No. 2.

LETTER FROM THE VICEROY AND GOVERNOR-GENERAL OF INDIA TO HIS EXALTED HIGHNESS THE NIZAM OF HYDERABAD, DATED DELHI, THE 11TH MARCH, 1925.

YOUR EXALTED HIGHNESS,

I have now examined in detail the representation in regard to Berar which was contained in your letter of the 25th October, 1923, and the memorandum enclosed therewith, and write to convey to Your Exalted Highness a brief summary of the conclusions arrived at thereon.

2. Your Exalted Highness's letter and memorandum put forward a line of argument which has its beginning as far back as 1766 and involves a detailed examination of the dealings connected with Berar from that date onwards. But it is hardly necessary for me to point out that the historical arguments relating to the period prior to the Agreement of 1802 have already been considered and rejected by His Majesty's Government more than once. Your memorandum indeed follows generally the lines of Sir Asaf-ud-Daula Jung's representation of 1874 and in many places reproduces its wording. It appears that the arguments in relation to that period now put forward are, in the main, not in every detail, the same as were fully considered by His Majesty's Government in connection with the correspondence relating with Lord Salisbury's despatch of March 28th, 1878. That despatch moreover pointed out, irrespective of the view taken of the historical contentions that had been put forward, that the position as now governed by the fact that the settlement of the main question at issue had been embodied in the Treaties of 1853 and 1860 and so put beyond question. The Government of India and His Majesty's Government, before whom the case has been placed, entirely agree with the general view then indicated and consider that nothing but the most exceptional circumstances could justify the reopening now of issues that not only belong to the distant past but have been long ago actually both decided on their merits and settled in clear terms of Treaty engagements. They are, therefore, unable to admit a claim to a general reopening and reconsideration of the events and decisions leading up to the Treaties of 1853 and 1860. But having regard to the importance of the issues and their desire to do the fullest possible justice to Your Exalted Highness's representations, they have nevertheless caused the whole of the latter to be carefully examined with a view to ascertaining whether they bring to light any circumstances of such a nature as to justify the very exceptional course of setting aside, in regard to events prior to 1860, the general principles indicated above. They are satisfied that nothing of this nature is brought to light and they take their stand, therefore, without hesitation, on the Treaties of 1853 and 1860 as a starting point for further consideration. At the same time I desire to remove, as far as possible, all misunderstandings and with this object I take this opportunity of putting on record a statement of what are in the view of the Government of India the unquestionable facts of this earlier period, taking the main points raised in Your Exalted Highness's memorandum in chronological order.

3. We find for instance that the circumstances in which the Hyderabad Contingent had its origin were not such as would support your complaints and contentions. The Treaty of 1800 clearly contemplated that the Nizam would continue to maintain troops of his own for use in time of war, and the Subsidiary Force was expressly debarred from participating in operations connected with the maintenance of internal security, except in very special circumstances. The maintenance of order in the Hyderabad State, and indeed a considerable proportion of the ordinary functions of Government (in the performance of which troops were at that time much more freely used than is now the case) rested very largely with the Nizam's own troops. The formation of the Contingent was necessitated by the inefficiency of those troops, partly, it is true, with a view to increase their value for purposes of war, but chiefly in order to save the Nizam's power from falling to pieces, and to enable His Highness to maintain tranquillity within his borders. The propriety of this measure was expressly approved in 1853 by the Nizam Nasir-ud-Daula, who confined his criticisms to the maintenance of the Contingent after the close of the Pindari-Maratha war. It was not challenged in the representation submitted in 1866 during the rule of the Nizam Afjal-ud-Daulah, while in the one submitted by the Regents in 1872 it was expressly admitted that the Contingent was raised with the approval of the Ruler of the time. Even in the later representation of 1873 no effort was made to impugn the justification for the Contingent during the period ending with the close of the war in 1819. There is, therefore, no valid foundation for any contention that the Contingent was inaugurated by a denial to the Nizam of the services of the Subsidiary Force to which he was entitled.

4. It would serve no useful purpose to discuss, after the many years that have elapsed since the matter ceased to be an elevable issue, whether or not the scale on which the Contingent was maintained up till 1853 can fairly be characterized as extravagant. Even if such extravagance were admitted, the responsibility for it could not be imputed to the British Government alone. On the contrary it appears that no real effort to secure a reduction in the strength of the Contingent was ever made by the Nizam or his Ministers during the whole period from the close of the Pindari-Maratha war down to 1853 and that at no time during that period did they feel that the administration was strong enough to dispense with its support. During the critical years 1848-53 the suggestions for reduction invariably originated with the British authorities and whenever they were put to the Hyderabad Government they were opposed, either by the Nizam himself or by the Minister, presumably with his approval. Moreover, from 1815-53 the Nizam was spending an annual sum amounting to two and a half to four times the cost of the Contingent on the maintenance of a useless force of irregulars.

5. Your Exalted Highness's counter-claims regarding the excise revenues of Secunderabad and the alleged long sustained and serious deficiency of strength in the Subsidiary Force are also *res judicata*. The principle underlying the former has long ago been conceded as an act of grace and the claim to arrears, which was not even put forward until the duties in question had already been collected for

more than half a century by the British Government, was rejected seventy years ago and can not now be revived. As regards the latter, such information as the Government of India has been able to collect shows that the deficiency was very much less than you have alleged and is certainly too small to be taken into account now, even if the debt to the British Government had not been acknowledged in full by the Nizam in 1853 and 1860.

6. Similarly the documentary evidence at the disposal of my Government does not bear out the contention that the Treaty of 1853 was executed by Your Exalted Highness's predecessor under the apprehension that refusal would be followed by Military occupation of his Dominions. Here again, as stated in Lord Salisbury's despatch, it is superfluous at this time to enquire into the grounds and motives which actuated those who concluded the Treaty. The material fact is that it was signed and that its provisions are binding on those who signed it.

7. In paragraph 4 of the same despatch Lord Salisbury has also said all that requires to be said regarding the allegation that the Treaty of 1853 should be regarded as terminable at the will of the Nizam. I do not therefore propose to expatiate on the inherent weakness of this allegation or to advance detailed arguments in support of Lord Salisbury's conclusions. In view of my Government's unqualified concurrence in those conclusions it is obviously unnecessary for me to do so. I would only point out that the Contingent was a force in which the British Government as well as Hyderabad had an interest. The Contingent originated for the protection of the Nizam, but under the Treaty it had become also a part of the war strength of the armies of British India, accepted by the British Government in lieu of the larger forces which the Nizam was bound by the Treaty of 1800 to supply in time of war.

8. By the way of summing up the attitude of the Government of India towards this portion of Your Exalted Highness's representation I need only repeat that I and my Government, agreeing with the views expressed on behalf of Her Majesty's Government in 1878, unhesitatingly take our stand on the Treaties of 1853 and 1860 and are unable to admit any liability to reopen matters expressly settled on those occasions.

9. It is hardly necessary for me to point out that similar considerations would apply as against any proposal to reopen the question settled by the Agreement of 1912 with Your Exalted Highness's distinguished father. The state of affairs established by that agreement had been established not only by the announcement of 1878 and the treaties on which it was based but also by the added force of protective rights acquired during the intervening period of nearly a quarter of a century. In this connection I would remind Your Exalted Highness that the obligations of the British Government towards the Nizam were again reaffirmed in the terms of the Agreement of 1912 when it was signed by Lord Salisbury on behalf of the Government of India and by Your Exalted Highness's father when it was signed by me on behalf of the Government of India under no circumstances.

of the main objects of that agreement was to guarantee to the population of Berar "a continuance of the conditions and standards under which they have attained to a high measure of prosperity."

10. Nevertheless as the events relating to the transactions of 1902 are of comparatively recent occurrence and Your Exalted Highness's representations thereon break entirely new ground, and also because those representations reflect upon the conduct of the case by a distinguished former Viceroy who is now a member of His Majesty's Government, I have decided, having regard to the importance of the issues and the desirability of removing all misunderstandings, to examine your arguments on their merits.

11. I have accordingly examined carefully all the papers connected with the negotiations which led up to the Agreement of 1902, and the conclusion at which I and my Government have arrived is that they contain nothing which could in any way justify the serious imputations which you have made. The reasons for this conclusion are detailed below.

12. When Lord Curzon visited Hyderabad at the end of March 1902, your father had been in possession of the proposals which were to be discussed for full two months, and it is clear that he came to the discussion well prepared.

Your Exalted Highness has made it a grievance that he was not attended by one of his Ministers at the interview. So far as our records show, it was by his own choice that he came unattended. I cannot find that he ever expressed a wish to bring anyone with him, or that Lord Curzon ever demurred to his doing so. Your Exalted Highness has not, I am aware, in so many words alleged that he feared that many who have read your letter must have interpreted it as conveying an imputation to this effect. As regards the proposals passed at the interview, it is abundantly clear that Lord Curzon was most careful not to take any undue advantage of the Nizam. He pressed for no immediate answer; he urged him to do nothing without full consideration. In spite of that, His Highness, there and then, accepted the proposals. After this informal acceptance, he again had ample time for reflection and reconsideration before it was officially confirmed by him in July. And it was not until November 1902, more than seven months after the interview, that the agreement was finally signed. The spirit in which he accepted the proposals is abundantly clear from the last paragraph of the Minister's letter of July 14th, 1902, which I quote in full:—

"In conclusion Your Highness desires to tender to His Excellency the Viceroy your self his most cordial thanks for the great friendliness and courtesy that have been shown to him in bringing to a amicable settlement this most important matter, and I trust that His Highness's hope that this settlement will do to promote and when the happy day shall have always existed between the Government and Hyderabad."

the facts to which it is unnecessary to refer in Your Exalted Highness's verbal

criticisms. It is perfectly clear from His late Highness's own minute of the interview that he at any rate was under no misconception as to the real nature of the position. Lord Curzon told him with all the weight of his knowledge of British political thought that no British Government was likely to restore Berar. It was open to the Nizami to put the correctness of his view to the proof if he had wished to do so, but he preferred to accept the perpetual lease on terms, which were much more profitable to him than the Treaty terms had been.

14. I regret I cannot admit the force of Your Exalted Highness's argument that your father, even if he agreed willingly to the settlement of 1902, was acting beyond his powers in so doing "in the absence of imperative State or dynastic necessity." Such a doctrine would give a State the right to repudiate any alienation of territory which was not yielded at the point of the sword. In fact if Your Exalted Highness's views were adopted in their entirety, no alienation of territory would be safe from repudiation. If it was yielded to superior force, it might be pleaded that the consent was vitiated by duress. If it was not, the alienation itself would be *ultra vires*.

15. Your Exalted Highness appeals to the precedent of Mysore as justifying the restoration of Berar. The two cases are not parallel. The restoration of Mysore was made in accordance with the solemn announcement of 1868. In the case of Berar, the promise to the inhabitants, implicit in the perpetual lease, is that the Province will remain for ever under such form of administration as the British Government may deem desirable.

16. Finally, you complain that Berar has been brought within the ambit of the Reforms, and that its resources are made available to outsiders, who now control its destinies, and you argue that this is contrary to the Agreement of 1902.

I cannot find that Your Exalted Highness has any just ground for complaint on this account. The agreement left it to the British Government to administer the Assigned Districts in such manner as might seem desirable. Moreover, in applying the reforms to Berar, regard has been had throughout to the peculiar status of the Province, and I can hold that the terms of the agreement have been in any way infringed.

17. I have now dealt with the leading points in Your Exalted Highness's case, but, in view of the importance of the issues touching the Agreement of 1902, I desire to repeat in summary form my conclusions in regard to that agreement.

The Nizam was well prepared for the discussion which took place between him and Lord Curzon. He came to the interview alone, of his own choice. He was not pressed to give an answer on the spot, but preferred to do so, in spite of Lord Curzon's earnest advice to do nothing without full consideration. At the interview, he had three and a half months for reflection before he gave official confirmation to his agreement. He used words which were only negative to the agreement, and he gave a high degree of satisfaction. He had a further three months for reflection before the agreement was signed. And lastly, his apprehension as to the result of the interview was clearly that of the position of the Nizam.

18. My reply to Your Exalted Highness's specific requests, as stated in paragraph 59 of the Memorandum attached to your letter, is as under :—

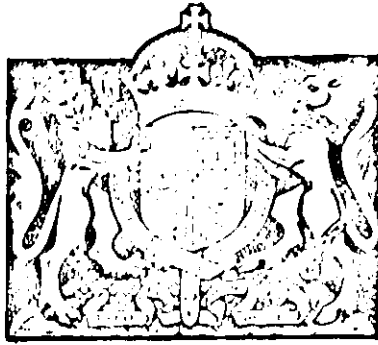
- (1) The Government of India in taking their stand on the Agreement of 1902 have no doubt whatever in regard to their justification for so doing. As the Contingent was abolished in pursuance of the agreement, they do not understand the meaning of your request for its removal from your Dominions.
- (2) The strength of the Subsidiary Force is regulated, not by the Treaty of 1800 but by that of 1853, and the requirements of that Treaty are amply satisfied. The Force will always be available to Your Exalted Highness in accordance with the Treaty conditions, within its employment.
- (3) The Government of India are not aware that there are any outstanding financial obligations to be met.
- (4) The Contingent is no longer in existence. The protection it formerly afforded to Hyderabad is now afforded by troops of the Indian Army. For the most part, the Government of India entertain no doubt in regard to the validity of their title to occupy Berar, and they regard themselves as being under an obligation to the inhabitants of the Province to retain it under their own administration.

19. In conclusion, I may add that, as already indicated in paragraph 2, Your Exalted Highness's letter, with its enclosures, has, in accordance with what I understand to be your wishes been submitted to His Majesty's Secretary of State, who concurs in all the conclusions at which the Government of India had arrived. The decision, therefore, which I now have the honour to communicate to you, is the decision of His Majesty's Government.

(Signed).

Yours sincerely,

W. R. MADING.



EAST INDIA (HYDERABAD)

Further Correspondence regarding the Claim
of the Nizam of Hyderabad to the
Restoration of the Province of Berar.

(In continuation of Cmd. 2439.)

*Presented to both Houses of Parliament
by Command of His Majesty*

LONDON:

PRINTED & PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.

To be purchased directly from H.M. STATIONERY OFFICE at the following addresses:
Admiral House, Kingsway, London, W.C.2; 28, Abingdon Street, London, S.W.1;
York Street, Manchester; 1, St. Andrew's Crescent, Cardiff;
or 120, George Street, Edinburgh;
or through any Bookseller.

1926

Price 4d. net.

Cmd 2621.

EAST INDIA (HYDERABAD).

Further correspondence regarding the claim of the Nizam of Hyderabad to the restoration of the Province of Berar.

(In continuation of Cmd. 2439.)

No. 1.

Letter from His Exalted Highness the Nizam of Hyderabad to His Excellency the Viceroy and Governor-General of India, dated King Kothi, Hyderabad-Deccan, 20th September, 1925.

MY DEAR LORD READING,

Your Excellency's letter of the 11th of March, 1925, in reply to mine of the 25th of October, 1923, was handed over to me by Sir Lennox Russell, the Resident, about a fortnight before your departure for Europe.

2. During Your Excellency's absence from India, I have given very careful consideration to the "decision" conveyed in the letter and the reasons on which reliance has been placed for coming to the conclusions that have been expressed. I need hardly assure Your Excellency that I have not overlooked the weight that must necessarily attach to a pronouncement that has the concurrence of the Viceroy, the Government of India and His Majesty's Government. I also recognise the high authority of such a pronouncement yet I frankly confess I cannot conceal from myself a sense of disappointment at the reply that has been given. It is true the Berar Controversy is an old one, but I think that my letter of the 25th of October, 1923, presented some aspects neither considered by His Majesty's Government in 1878, when Lord Salisbury sent out his Despatch of the 28th of March of that year, nor treated in Your Excellency's letter handed over to me by Sir Lennox. I say this not only with reference to the "historical arguments" but also as to the Agreement of 1902, in respect of which there are deeper considerations which do not appear to me to have been appreciated. As I read Your Excellency's letter I find it is mainly based upon the doctrine of "res judicata" on the one hand and the obligations resulting from treaties and agreements once signed on the other. If these were the only criteria by which the claim to the restoration of the Berars could be met, my letter of the 25th of October, 1923, addressed to Your

Excellency was indeed in vain, but that is not my view. I am aware that the settlement of the main question at issue was embodied in the Treaties of 1853 and 1860; I also know that there have been communications in the past culminating in the Despatch of 1878, and I am also fully conscious of the fact that my father signed the Agreement of 1902. I do, none the less, for reasons given in my letter of the 25th of October, 1923, question the adverse interpretation of the Treaties of 1800, 1853 and 1860, the correctness of the pronouncements and validity of the Agreement of 1902. In so doing I do not rely on any fanciful pleas but on incontrovertible facts which were never examined before nor have they been given a place, as I see, in Your Excellency's reply. I propose to deal with these presently to invite pointed attention to them, but before I proceed to do so it is necessary to refer to the anomaly the controversy presents in so far as a finality is concerned. My relations as the Nizam and the Ruler of my Dominions with the British Government are governed by the historic Alliance, Offensive and Defensive, between my forefathers and the East India Company based upon mutuality of esteem friendship and interest. Happily that alliance was further cemented and strengthened by fresh and consolidating Treaties between my House and the British Government after the assumption of the administration of British India by the Crown. With the lapse of time, the relations thus established have grown more and more cordial on either side with a distinct desire in each party to solidify a friendship that has stood the test of time and has on critical occasions proved itself of real value to both. Save and except matters relating to foreign powers and policies, the Nizams of Hyderabad have been independent in the internal affairs of their State just as much as the British Government in British India. With the reservation mentioned by me, the two parties have on all occasions acted with complete freedom and independence in all inter-Governmental questions that naturally arise from time to time between neighbours. Now, the Berar question is not and cannot be covered by that reservation. No foreign power or policy is concerned or involved in its examination and thus the subject comes to be a controversy between two Governments that stand on the same plane without any limitations of subordination of one to the other. I do not deny that parties so placed and within the limits mentioned by me are free to reject each other's claims or proposals, but, with great respect to the British Government, I cannot refrain from questioning the use of the word "decision" in connection with the Berars. Outside foreign affairs, I have, as an Ally of the British Government, every justification to reserve to myself the right of looking upon a refusal given by His Majesty's Government as a mere rejection and not a "decision." The same applies to whatever happened in the past over the Berar controversy. I think it essential to invite Your Excellency's attention to this aspect of the question as it raises a Constitutional issue affecting the

relations that subsist between that Government and the Nizam, as Allies. The refusal to entertain an Ally's claim or proposal stands on a different footing from a "decision" which signifies a constitutionally binding force which in the circumstances of the case is not applicable. The rejection by His Majesty's Government of my claim to the restoration of the Berars can only be a fact expressing its views but it cannot impose upon me or my House any obligation to treat the subject as closed or regard the claim as barred for all time. No such limitations can govern allies who within the terms of their Treaties exercise full freedom of action to agree or disagree with a proposal put forward by one or the other. The principle I am laying emphasis upon is of equal application to both sides. It has happened and it does happen in the settlement of inter-Governmental matters for me some time to express disagreement with a proposal of Your Excellency's Government. By no stretch of imagination can my disagreement, that is to say the rejection, be termed as "decision" in the sense in which the word seems to have been used in reply to my letter. The use of this word in conjunction with another legal phraseology, namely, "res judicata" is an additional reason for me to lay stress upon what I conceive to be the respective position of the parties to the Berar issue. In this connection I am forcibly reminded of the unhappy history of the "assignment" and the "lease" of the Berars. Your Excellency is no doubt aware that time after time my forefathers rejected the proposals but the East India Company and thereafter His Majesty's Government time after time renewed and pressed the same proposals without giving any thought to the doctrine of "res judicata." It was really no more applicable then than it is now when I make a request to reopen the subject for its due and proper examination. In matters of this kind between Allies there can and ought not to be the barring of investigation or of renewal of proposals on the plea of "res judicata" which jurists formulated to meet quite different conditions and circumstances affecting parties and issues that have no resemblance or similarity to His Majesty's Government and the Nizam on the one hand and the question involved on the other.

3. But apart from what I have said above regarding the use of the word "decision" and the application of the doctrine of "res judicata" to the Berar controversy, there is yet another graver anomaly which it is not possible for me to leave unnoticed. This arises from the consideration that when the controversy happens to be between Allies who stand in relation to each other with reference to a particular issue in no position of subordination, ought the finality be left to either in terms of a mere rejection? Such a procedure predicates one of the parties to be the judge also. When there is a controversy no satisfactory solution can be obtained by such a method. Judge and party in one is an arrangement that leaves much to be desired. As

an eminent lawyer and an Ex-Chief Justice of England, Your Excellency is far more qualified than I am to deprecate such a conjunction. In this connection I wish to express my admiration of the statesmanship that laid down the principle contained in paragraph 308 of the Recommendations of the Joint-Committee of Parliament on Indian Reforms. When there is a disputed question between the Government of India and an Indian State it is only fair that the dispute should be investigated and reported upon by a Commission of impartial men. True, the Viceroy has been vested with discretion to appoint the Commission or not, but it was clearly intended that the departure from the principle was to be an exception for good reasons rather than the rule. It is possible that with reference to the Berar controversy the provisions of this wise and wholesome rule have been overlooked. I intend, therefore, to suggest at the end of this letter the constitution of a Commission with definite terms of reference to enquire into and report to your Government on the Berar controversy. What I feel is that regard being had to the relations and mutual obligations of the parties, the help of an independent tribunal in examining the merits of the case and the issue raised is a *sine qua non* to a satisfactory settlement of the controversy.

4. Your Excellency is pleased to say that nothing but the most exceptional circumstances could justify the reopening of issues that belong to the distant past, have been decided on their merits and settled in terms of Treaty engagements. It is a comfort to me to think that the possibilities of reconsideration of the issues are not wholly denied and that given the necessary circumstances they will not fail to engage the attention of His Majesty's Government. I should have thought when the question of *Construction of Treaties and the Validity of an Agreement* was raised by me in my letter of the 25th of October, 1923, Your Excellency and His Majesty's Government would be disposed to treat my representation as a matter of some moment. On the contrary I find that the Treaties of 1853 and 1860 are put forward as documents with reference to which a claim to the general reopening and reconsideration is not to be admitted. Having laid down this principle Your Excellency proceeds to observe that my representations were nevertheless carefully examined and the Government of India and His Majesty's Government were satisfied that no circumstances were brought to light to justify the setting aside, in regard to events prior to 1853, the principle referred to above and for that reason the Treaty question must be taken as the starting point for the consideration of my claim. On the facts and circumstances on which I rely I am unable to share this view as I question the validity and construction of these very Treaties. Indeed as put forward in my letter of the 25th of October, 1923, the Treaty of 1853 had its birth in threats of Military force on the one hand and formal assurances that the cession of the Berars was

only to be in trust for a time on the other. The Treaty of 1860 was only supplementary and is a reflex of the one of 1853. I have had a copy of the original Treaty of 1853 in the Urdu language looked up and find that the words "in trust" in the original have not been translated into the English version though these words have been repeated in the Treaty of 1860. I feel confident that the character of the trust was as much a feature in 1853 as in 1860. In this contention I can safely say I am borne out by the original text that was signed by both parties. When I press this consideration I do so in a most friendly spirit and fully reciprocate Your Excellency's desire to remove all possible misunderstandings. This is a sentiment that I heartily support and wish to assure Your Excellency that there is nothing further from my mind than the introduction of any sense of irritation in the examination of the Berar controversy. Indeed I am thankful to Your Excellency for having, in spite of the principle laid down by you as the starting point, devoted some time to the examination of the facts of the period which culminated in the Treaty of 1853. This leads me to point out certain salient features of the Treaty of 1800.

5. With reference to the Treaty of 1800 Your Excellency says that the Subsidiary Force was expressly debarred from participating in operations connected with the maintenance of internal security, except in very exceptional circumstances. In this connection I invite attention to paragraph 7 of the Memorandum that I sent as an enclosure to my letter of the 25th of October, 1923. A perusal of Article 17 of the Treaty of 1800 will convince Your Excellency that the Subsidiary Force was placed on a wholly distinct and still broader footing than that which it had occupied under the Treaty of 1798. This article puts beyond question that that force was from 1800 to be ready in concert with the Nizam's own troops to reduce to obedience all such subjects as should withhold payment of claims upon them or excite rebellion or disturbance. It is manifest from the language of this Article that the principal duty of this force was to help in maintaining the internal authority of the Nizam in his Dominions. It is inconceivable to me that this proposition can be questioned. What the very special circumstances are to which Your Excellency alludes in your letter I have not been able to understand. The Nizam had given up territories in exchange for the maintenance of this Subsidiary Force as at first laid down in the Treaty of 1798 and broadened and amplified in that of 1800. The language of this article itself is explicit in that obedience where it was due from subjects was to be exacted with the assistance of the Subsidiary Force. The maintenance of internal security in the Nizam's Dominions was on requisition one of its principal functions. This view is confirmed by Article 2 of the Treaty of 1853 which excepts only trifling occasions or matters relating to collection of revenue. I am unable, therefore, to appreciate Your Excellency's reference

to "very special circumstances." Neither side contemplated the participation of the Subsidiary Force in the internal revenue administration of the Dominions or on occasions of a trifling character. The point of my representation, therefore, is that the formation of the Contingent and the services it was to render were in their origin a mere duplication of the very services which the Treaty of 1800 imposed on the Subsidiary Force. In this connection I greatly value Your Excellency's observation that the Contingent was formed "chiefly in order to save the Nizam's power from falling to pieces and to enable His Highness to maintain tranquillity within his borders." The point of my claim under this head was that the formation of the Contingent at the time of its origin was called for by no necessity whatsoever if the Subsidiary Force was to discharge its duties as laid down in the Treaty of 1800. There is nothing to controvert my proposition that at the time the Contingent was formed it had neither the express sanction of the Government of India nor of the reigning Nizam. My view of the inception of the Contingent as a wasteful measure brought about by the help and connivance of the disloyal Minister Chandoo Lal is not only supported by the record on which I have relied in my Memorandum, but is confirmed by my failure to detect anything in Your Excellency's letter that reveals any other history of the creation of the Contingent. I do not also see that anything has been said to weaken the important point that the services of the Subsidiary Force within a short period after the Treaty of 1800 were denied to the Nizam when the Zemindar of Shorapur proved himself to be refractory and contumacious. Your Excellency is pleased to observe that the Nizam Nasirud Dowlah in 1853 expressly approved the propriety of the Contingent. As no reference has been given to any document I am unable to offer any criticism, but it remains to be pointed out that the formation of the Contingent took place many years before 1853 and my Memorandum deals with the circumstances of its origin in which the Nizam had no hand but a Minister subservient to the Residency had. Even if the Nizam Nasirud Dowlah gave his approval in 1853 and the Nizam Afzalud Dowlah observed silence on the subject in 1866, I do not see how I am disqualified from pointing out the unconstitutional, unnecessary and wasteful introduction of the Contingent and its imposition upon the Government of Hyderabad at the time the Force came into existence. I would press upon His Majesty's Government the appreciation of the exact circumstances in which an enormous financial burden was thrown upon the Nizam's Dominions without any corresponding advantage. Your Excellency has referred to the admission of the Regents of 1872 that the Contingent was raised with the "approval" of the ruler of the time. I have looked up the letter of the Regents dated the 19th of September, 1872, addressed to Colonel Lumsden, the then Resident, and I do find in it the words "approved of by the reigning Nizam" with reference to the raising of the Contingent

Force. I have failed to discover in the records of my Government any authority for the statement. The Memorandum that I sent to Your Excellency gives in its paragraphs 8 to 18 a full exposition of the genesis of the Contingent Force and I would invite attention to those paragraphs that incontestably establish that no consent was officially given to the Contingent " by either the Government of India or that of the Nizam " and that it was, as admitted by Lord Metcalfe, " in reality a joint concern between Raja Chandoo Lal and us." I am sure Your Excellency has not failed to observe that the raising of the Contingent did not form the subject of a Treaty. This is a very big factor in the Berar controversy, and I had expected a thorough examination of this aspect of the case in order to get at the real truth of the matter. A stray statement of the Regents in 1872 cannot in all fairness be permitted to throw out of account irrebuttable evidence furnished in my Memorandum from British sources. As this is a point of very great magnitude in the just and proper consideration of my claim, it calls for proper investigation and does not, in my opinion, deserve to be disposed of by a statement made by the Regents on an occasion when the inception of the Contingent was not in issue but that the restoration of the Berars was sought on the basis of a security of a capital sum sufficient for the payment of that force. It would also be noticed that the Regents repudiated the suggestion that the maintenance of the Contingent was to be a perpetual imposition upon the Hyderabad Government and were not, for that reason, much concerned with the circumstances of the inception of this force. Assuming that they in their representation of 1873 did not impugn the justification for the Contingent at its inception or during any subsequent period, their silence cannot alter the facts upon which I have relied. Those facts are the contumacious conduct of the Zemindar of Shorapur, the request for the assistance of the Subsidiary Force and the denial. I am, therefore, by no means convinced that the reasons advanced by Your Excellency affect my contention based as it is upon historical record that the Contingent was inaugurated by a denial to the Nizam of the services of the Subsidiary Force to which he was entitled. The events on which I rely took place at or before the raising of the Contingent, and these events, as facts, cannot be varied by anything that was said or done by the Nizam Nasirud Dowlah in 1853, by the silence of the Nizam Afzalud Dowlah in 1866 or by the representations submitted by the Regents in 1872 and 1873. The events relied upon by me relate to a period that preceded the reign of Nizam Nasirud Dowlah by several decades and cannot be refuted by acts or omissions separated from those events by such a long lapse of time. The historical argument, therefore, as regards the raising of the Contingent to perform the same duties that were due from the Subsidiary Force remains unassailed. I would press upon Your Excellency's attention this aspect of the case which has a very important bearing upon the claim I have preferred as it goes

to the very root of the question of the assignment effected by the Treaty of 1853. On the import, implication and interpretation of this Treaty I defer my criticisms till I come to paragraph B of Your Excellency's letter. My observations set forth above are confined to the historical retrospect set out in paragraph 3 of that letter. I invite Your Excellency to be so good as once more to go over the grounds taken in my Memorandum in this connection. I have no hesitation in saying that they will convince you that the creation of the Contingent was no more than the creation of a second Force to perform the same duties that were by the Treaty of 1800 imposed upon the Subsidiary and that the introduction of the Contingent was without an official and formal sanction of the British Government or of the then reigning Nizam.

6. As to the extravagant scale on which the Contingent was maintained up till 1853, it seems to me that the point raised by me under this head in my letter of the 25th of October, 1923, has been missed. The question of reduction in strength of the Contingent is clearly distinguishable from the question of lavishness of expenditure on its maintenance without reduction in the strength of the Force. I am unable to gather from paragraph 4 of Your Excellency's letter that the distinction has been kept in view. Assuming for a moment that the Nizam's Government at no time proposed the reduction of the strength of the Contingent and even opposed such a suggestion originating with the British authorities, no valid excuse can be found for the lavish extravagance on the maintenance of that Force. Paragraph 23 of my Memorandum clearly states my contention on this point. There is the high authority of Lord Dalhousie in its support. In his Minute of the 30th of March, 1853, commenting on the extravagant expenditure on the Contingent, the then Governor-General observed, "I feel strongly the justice of the objection that may be made to the very heavy cost at which it has been maintained." He illustrated the meaning of his observation by pointing out the enormity of the extravagance in these words, "This force has no less than five Brigadiers with the Brigade-Majors. The Gwalior Contingent, which contains about 1,000 men less than His Highness's Contingent, has only one Brigadier and all other establishments proportionately small." The British Government as the Ally of the Nizam maintained the Contingent and managed all its affairs at his cost while he had no control over the expenditure. In the circumstances, how can the extravagance alluded to by Lord Dalhousie be associated with the Nizam? The responsibility for the waste must assuredly rest on those who paid no regard to the Nizam's financial interests and indulged in a lavishness for which there was no justification and for which in the end the Nizam was called upon to pay or to assign the Berars. This aspect of the question seems to have been completely overlooked as I find in paragraph 4 of Your Excellency's letter the observation "even

if such extravagance were admitted, the responsibility for it could not be imputed to the British Government alone." How the Nizam was responsible for this extravagance which eventually fell upon him as a heavy blow I am wholly unable to see. I would request Your Excellency to give further consideration to this question of extravagance which is very much germane to the demand for payment of arrears culminating in the assignment of the Berars in 1853. It is one of the factors which led to the loss, to my House, of this Province, and should not be allowed to go unnoticed. In paragraph 4 of your letter I find Your Excellency refers to the Nizam spending between 1815 to 1853 an annual sum amounting to two and a half to four times the cost of the Contingent on the maintenance of a force of Irregulars which you describe as "useless." The significance of this observation is not clear to me as it does not seem to bear upon the matter of lavishness of expenditure on the Contingent for which the responsibility rests on the British authorities. Whether the Nizam's force of Irregulars was "useless" or not was a matter solely for him to judge and can give no absolution to extravagance on the maintenance of the Contingent committed by his Ally. I strongly feel that the issue raised in my letter of the 25th of October, 1923, on the question of extravagant expenditure on the Contingent has not been kept in proper perspective.

7. Paragraph 5 of Your Excellency's letter deals with counter claims put forward by me with reference to the excise revenues of Secunderabad and Jalna and the long sustained and serious deficiency of strength of the Subsidiary Force. My counter claims are based upon a just appreciation of the facts stated in my Memorandum. As I have already explained the doctrine of "res judicata" is inapplicable to the issues raised by me. What matters in a controversy like this is not that the claim was rejected seventy years ago, but that whether the facts and figures cited by me in the Memorandum are correct and unassailable. As to this, paragraph 5 of Your Excellency's letter says that according to the information of your Government the deficiency of strength in the Subsidiary Force was very much less than I have alleged and too small to be taken into account. I gave all the necessary data in my Memorandum which give results totally different. As no figures have been quoted in paragraph 5 of Your Excellency's letter the issue raised under this head calls for proper investigation to exactly ascertain the extent of financial liability. Then again, as regards the claim regarding the excise revenues, some enquiry was necessary to work out the real measure of the loss sustained by the Hyderabad Government if the figures quoted in my Memorandum were challenged. But I find that no challenge has been put forward but that the collection of the excise duties for more than half a century by the British Government is advanced as a consideration against the recognition of the claim. The principle

underlying the claim to the excise revenue is referred to as an act of grace. I must confess I am unable to see how these considerations really affect the merits of a claim that is based upon incontrovertible facts clearly establishing enormous financial losses to the Hyderabad Government and corresponding gain to the British Government under circumstances conferring no justification on such a consummation. The failure of the Nizam in 1853 and 1860 to advance these counter claims as a set off against the debt of the British Government and indeed even the acknowledgment of that debt by him cannot be held to have extinguished the liability of the British Government to him on a separate account and ought not to bar the examination of the question. I do not believe that between Allies whose relations are governed by sentiments of fidelity and honour, pleas in bar such as Estoppel, Limitation and Res judicata have any place.

8. As to the threat of Military occupation referred to in paragraph 32 of my Memorandum, I can but express my surprise that the documentary evidence at the disposal of Your Excellency's Government does not bear out my contention. I have no access to the records of the Government of India, but the letter of Major Davidson, the Assistant Resident, to the Nizam's Minister on the 14th of May, 1853, can leave no room for doubt that coercive measures were taken against His Highness. An extract from that letter is as follows :--

" I believe the Resident requires your attendance this evening, to inform you his negotiations with the Nizam are at an end, and he applies to the Governor-General to move troops by to-day's post. . . . Indeed, I have a letter from my nephew at Poona, mentioning that the 78th Highlanders and 86th Regiment, H.M.'s Troops have received orders to be in readiness to march on Hyderabad. Don't suppose Military operations will be confined to the Districts ; and if you are a friend of His Highness, beg of him to save himself and his dignity by complying at once with what the Governor-General will most assuredly compel him to accede to."

9. On the day after the receipt of Major Davidson's letter the Minister wrote to the Resident that the Nizam had at last consented to the Treaty. If the office copy of this letter is not traceable at Simla it must assuredly be in the records of the Residency at Hyderabad. Here again, some investigation is needed, but so far as the Hyderabad Government is concerned it is immaterial whether the office copy is traceable or not so long as the threat was delivered and in such unequivocal terms as contained in the extract given above. A letter like this written by the Assistant Resident to the Minister immediately followed by submission is sufficient proof of my contention. Relying on Lord Salisbury's Despatch Your Excellency considers it superfluous at this time to enquire into the grounds and motives

which actuated those who concluded the Treaty of 1853. As I read that Despatch, the then Secretary of State laid down certain principles in its paragraphs 4 and 5. According to him, the British Government was not bound by "an expression of opinion by servants of that Government, contained in letters or Minutes, addressed by them, not to the Nizam and his officers, but to their own superiors or subordinates," but at the same time Lord Salisbury made a clear reservation when, referring to the obligations of the British Government, he concluded paragraph 5 of his Despatch in the following words :—

" No obligations can be created on their part towards any other person, except by assurances addressed by them, or on their behalf to him, for that purpose."

Even within the restrictive terms of the principle laid down by the Secretary of State I have good cause to urge a reconsideration of the Treaty of 1853. If Your Lordship is disposed to disregard the " grounds and motives which actuated those who concluded the Treaty " I do not think I can be barred from inviting consideration to the *official assurances* given to the Nizam and the language in which they were couched by the British Resident to induce His Highness to the assignment of the Berars. A reference to paragraph 32 of my Memorandum will satisfy Your Excellency how on the 30th of April, 1853, Colonel Low, the Resident, put the proposal of his Government to the Nizam. He asked for the assignment of the Berars to the British Government " merely for a time to maintain the Contingent as long as the Nizam should require that Force." There can be no question that the assurances so conveyed by the Resident to the Nizam were given in his official capacity as a Representative of the British Government and on its behalf. The point of my argument is that the action taken by the Resident falls within the dictum of Lord Salisbury and creates an obligation that cannot be disregarded. As I have already mentioned the Urdu text of the Treaty of 1853 has the words " in trust " which are missing in the English translation. Evidently these words did not engage the attention of Lord Salisbury. If they are read with the official assurances given by Colonel Low, the temporary nature of the assignment and its character of a mere trust will be made perfectly plain to His Majesty's Government. My remarks are strengthened by the use of the same words " in trust " in the Treaty of 1860. The assignment was, therefore, not in perpetuity or for all time. It is by no means clear from paragraph 8 of Lord Salisbury's Despatch that His Lordship had kept the words " in trust " contained in the original text in view, or, that he had given sufficient consideration to what Colonel Low, his Representative at Hyderabad, had put forward in his proposal to induce the Treaty of 1853. Here again, is an aspect of my claim which needs reconsideration. The more so, as I urge it in accordance with the principle laid down by Lord Salisbury. I do not ignore that the Treaty of 1853 was

signed nor do I deny that its provisions are binding on those who signed it, but the interpretation of its clauses by reference not only to the language of the Treaty but also to the official pledge given to induce its execution is a matter that alone can bind the signatories to the Treaty. Here again investigation is called for.

10. I read in paragraphs 7 and 8 of Your Excellency's letter an unhesitating resolve to take stand on the Treaties of 1853 and 1860 and an expression of inability to admit any liability to reopen matters expressly settled on those occasions. As an Ally of the British Government I can but furnish reasons for giving a proper interpretation to these Treaties. It is in the hope that these reasons will be considered that I am making this further representation. If a reconsideration of the Treaties of 1853 and 1860 necessitates reversion to the maintenance by the Nizam of the large forces which he was bound by the Treaty of 1800 to supply in time of war, I shall most assuredly undertake that liability. This offer I make whole-heartedly not only to facilitate the reconsideration of the Treaties of 1853 and 1860 but to give further proof, if proof were needed, of my unity and identity of interest with the British Government in times of danger and Imperial crisis.

11. I welcome Your Excellency's solicitude for my subjects of the Berars. In this I find a repetition of the sentiments expressed in Lord Salisbury's Despatch of 1878. I am also not unmindful that the Government of India in reporting the terms of the Agreement of 1902 alluded to their anxiety in this connection. I do not doubt the genuineness of this solicitude nor do I deny that my subjects of the Berars are entitled to all the fostering care which can be bestowed upon them for their moral and material advancement. I am no less anxious than Your Excellency and the British Government to secure to the Beraris the benefits of progressive Government. For this very reason I offered in paragraph 32 of my letter of the 25th of October, 1923, a Constitution to the Province of Berar by the insertion of definite clauses in the Instrument of Restoration or any other State paper that may be drawn up securing to my Berar subjects a responsible Government with absolute popular control, under a Constitutional Governor appointed by me as my Representative, of their internal affairs and complete autonomy in administration, except in matters relating to the British Government and my Army Department. In these days when Provincial autonomy, the realization of responsible Government and the increasing association of the people with the work of administration are in the air in British India, the offer I have made of a Constitution for the Berars should remove all apprehensions and ought to be taken as a sufficient guarantee of the prosperous development of this part of my Dominions. It is a guarantee in consonance with the very methods that are in the process of adoption for the governance of British India. Your Excellency's

which actuated those who concluded the Treaty of 1853. As I read that Despatch, the then Secretary of State laid down certain principles in its paragraphs 4 and 5. According to him, the British Government was not bound by "an expression of opinion by servants of that Government, contained in letters or Minutes, addressed by them, not to the Nizam and his officers, but to their own superiors or subordinates," but at the same time Lord Salisbury made a clear reservation when, referring to the obligations of the British Government, he concluded paragraph 5 of his Despatch in the following words:—

"No obligations can be created on their part towards any other person, except by assurances addressed by them, or on their behalf to him, for that purpose."

Even within the restrictive terms of the principle laid down by the Secretary of State I have good cause to urge a reconsideration of the Treaty of 1853. If Your Lordship is disposed to disregard the "grounds and motives which actuated those who concluded the Treaty" I do not think I can be barred from inviting consideration to the *official assurances* given to the Nizam and the language in which they were couched by the British Resident to induce His Highness to the assignment of the Berars. A reference to paragraph 32 of my Memorandum will satisfy Your Excellency how on the 30th of April, 1853, Colonel Low, the Resident, put the proposal of his Government to the Nizam. He asked for the assignment of the Berars to the British Government "merely for a time to maintain the Contingent as long as the Nizam should require that Force." There can be no question that the assurances so conveyed by the Resident to the Nizam were given in his official capacity as a Representative of the British Government and on its behalf. The point of my argument is that the action taken by the Resident falls within the dictum of Lord Salisbury and creates an obligation that cannot be disregarded. As I have already mentioned the Urdu text of the Treaty of 1853 has the words "in trust" which are missing in the English translation. Evidently these words did not engage the attention of Lord Salisbury. If they are read with the official assurances given by Colonel Low, the temporary nature of the assignment and its character of a mere trust will be made perfectly plain to His Majesty's Government. My remarks are strengthened by the use of the same words "in trust" in the Treaty of 1860. The assignment was, therefore, not in perpetuity or for all time. It is by no means clear from paragraph 8 of Lord Salisbury's Despatch that His Lordship had kept the words "in trust" contained in the original text in view, or, that he had given sufficient consideration to what Colonel Low, his Representative at Hyderabad, had put forward in his proposal to induce the Treaty of 1853. Here again, is an aspect of my claim which needs reconsideration. The more so, as I urge it in accordance with the principle laid down by Lord Salisbury. I do not ignore that the Treaty of 1853 was

signed nor do I deny that its provisions are binding on those who signed it, but the interpretation of its clauses by reference not only to the language of the Treaty but also to the official pledge given to induce its execution is a matter that alone can bind the signatories to the Treaty. Here again investigation is called for.

10. I read in paragraphs 7 and 8 of Your Excellency's letter an unhesitating resolve to take stand on the Treaties of 1853 and 1860 and an expression of inability to admit any liability to reopen matters expressly settled on those occasions. As an Ally of the British Government I can but furnish reasons for giving a proper interpretation to these Treaties. It is in the hope that these reasons will be considered that I am making this further representation. If a reconsideration of the Treaties of 1853 and 1860 necessitates reversion to the maintenance by the Nizam of the large forces which he was bound by the Treaty of 1800 to supply in time of war, I shall most assuredly undertake that liability. This offer I make whole-heartedly not only to facilitate the reconsideration of the Treaties of 1853 and 1860 but to give further proof, if proof were needed, of my unity and identity of interest with the British Government in times of danger and Imperial crisis.

11. I welcome Your Excellency's solicitude for my subjects of the Berars. In this I find a repetition of the sentiments expressed in Lord Salisbury's Despatch of 1878. I am also not unmindful that the Government of India in reporting the terms of the Agreement of 1902 alluded to their anxiety in this connection. I do not doubt the genuineness of this solicitude nor do I deny that my subjects of the Berars are entitled to all the fostering care which can be bestowed upon them for their moral and material advancement. I am no less anxious than Your Excellency and the British Government to secure to the Beraris the benefits of progressive Government. For this very reason I offered in paragraph 32 of my letter of the 25th of October, 1923, a Constitution to the Province of Berar by the insertion of definite clauses in the Instrument of Restoration or any other State paper that may be drawn up securing to my Berar subjects a responsible Government with absolute popular control, under a Constitutional Governor appointed by me as my Representative, of their internal affairs and complete autonomy in administration, except in matters relating to the British Government and my Army Department. In these days when Provincial autonomy, the realization of responsible Government and the increasing association of the people with the work of administration are in the air in British India, the offer I have made of a Constitution for the Berars should remove all apprehensions and ought to be taken as a sufficient guarantee of the prosperous development of this part of my Dominions. It is a guarantee in consonance with the very methods that are in the process of adoption for the governance of British India. Your Excellency's

letter omits to take notice of my offer and the undoubted security it provides for the prosperity and the advancement of the Beraris. But apart from the offer I have made and the guarantee which it assuredly conveys, the solicitude of the Government of India however laudable can hardly give rise to "obligations" that can vary the character of the trust which the assignment bore in its origin and inception. As Your Excellency is aware there are numerous instances of the Government of India transferring and restoring large territories to Indian Princes without such "obligations" being allowed to out-weigh political or dynastic claim. Mysore and Benares are but two instances out of many where the higher consideration was given preponderance. These changes took place after many decades of British rule in the territories transferred or restored, and without such a guarantee as the offer of a Constitution I have made for assuring the moral and material advancement of the Berars. If my claim to restoration rests upon sound contentions, as I maintain it does, the solicitude for the interests of the Beraris should advance my claim and not retard it accompanied as it is with definite proposals of giving them self Government.

12. In touching upon the incidents of the Agreement of 1902 I greatly regret and deplore the demise of Lord Curzon who was the Viceroy then and a Member of His Majesty's Government when Your Excellency wrote to me the letter under reply. In the presence of the death of so brilliant and distinguished a personality as his, my task in dealing with the Agreement that he concluded with my father has become mournfully heavier than it was before. Let me at the outset assure Your Excellency that however much I challenge the validity of the Agreement of 1902, I have never intended to cast any imputation serious or otherwise upon the honour and the good faith of this great and patriotic English nobleman. He had no personal interest in the matter. As the representative of the British Government, his watchfulness of British interests does him credit and in the annals of British history his name will ever remain honourably associated with burning patriotism. My letter of the 25th of October, 1923, was written in the light of his own Minute of the interview he had with my father and also of the Note of the Nizam sent to his Minister on his return to the Palace from the Residency where they had met. I mainly rely on these two documents for the contentions put forward by me. They are in substantial agreement. Paragraphs 23 to 26 of my letter of the 25th of October, 1923, bring into relief the principal points on which I have relied. Lord Curzon's Minute and my father's Note bear them out. The position in brief as clearly established from these documents was that Lord Curzon proposed to the Nizam that "the perpetual Assignment already provided for by the Treaties" should be replaced by a lease in perpetuity, and that no British Government would at any time restore the Province to His Highness. My grievance is that though there

was in fact no assignment in perpetuity it was conveyed to my father that there was such an assignment under the Treaties. So also the rejection of the representation of the Regents was not invested with the character of finality as to restoration. This contention is borne out by Lord Salisbury's Despatch of 1876. Far be it from me to say that Lord Curzon was aware of the inaccuracy. His Minute shows that he was genuinely under the impression that the position stated by him was according to fact and consequently he expressed his estimation of what the disposition of the British Government with reference to the restoration would be. On this part of my case I receive no assistance from Your Excellency's letter. There was no assignment in perpetuity before 1902 nor was there a final resolution of the British Government to refuse the restoration at any time. A pronouncement like this vested with high Viceregal authority and delivered personally to my father left him no option but to agree. He had no reason to doubt the authority of Lord Curzon for what he stated. There was nothing to put to the proof. It is true the proposal to lease out the Berars in perpetuity to the British Government was put to my father for full two months before the interview, but it is also true that it had been rejected by him. His Highness had called a Council of his principal Noblemen and after due deliberation had decided to press his claim to restoration. It cannot, therefore, be said that he went to the interview with any disposition to accept the proposal. On the contrary, Lord Curzon's Minute and my father's Note show his intense desire to have the Province restored to him. It was only when he saw the fruitlessness of resistance against the attitude of the British Government as conveyed to him by Lord Curzon that he yielded. His dislike to the lease in perpetuity continued for some days even after the interview as a perusal of paragraphs 50 and 51 of the Memorandum sent with my letter of the 25th of October, 1923, will show. There can be no doubt that if on the one hand he had no intention of going back on his "pledged word" given in the circumstances narrated above he was on the other hand suffering from a "qualm of conscience" and was exploring the possibilities of a personal appeal to His Majesty King Edward VII for even a partial restoration of territory. When he found that even this course was not open to him the Nizam lost all heart and ceased to struggle. What followed was only a sequel to the surrender he had made at the interview. Your Excellency in paragraph 12 of your letter has referred categorically to these sequels. They are but the reflex of what transpired at the interview and do not affect in any material degree the issue raised by me. I seek an examination on this point in the light of Lord Curzon's Minute and my father's Note.

13. The Constitutional issue raised by me in paragraph 29 of my letter of the 25th of October, 1923, I earnestly trust will

receive serious consideration. The doctrine has no application to an alienation of territory to irresistible Military Force, or yielded under the pressure of State or dynastic necessity. It applies to cases where neither of these two contingencies is present. The Agreement of 1902 is an instance in point. As I read paragraph 14 of Your Excellency's letter my contention seems to have been missed. The doctrine does not permit the repudiation of all alienations. It applies only to cases where the surrender is voluntary and not under Military pressure or any necessity dynastic or of State. This Constitutional issue deserves to be determined by authoritative adjudication.

14. As to the question relating to the financial resources of the Berars made available to outsiders who control its destinies under the Reform, my contention is that even within the terms of the Agreement of 1902 such a subordination of the interests of my Subjects of the Province is not warranted. Your Excellency is pleased not to share my views in this connection. Here again, is a disputed point touching the very incidence of the lease.

15. As to specific requests referred to in paragraph 18 of Your Excellency's letter, I will take them in the order in which they have been dealt with.

(1) When I asked for the removal of the Contingent from my Dominions, I did so on the supposition that the Agreement of 1902 and the Treaties of 1853 and 1860, will, on the acceptance of my contentions, be abrogated and the liability for the maintenance of the Contingent by the Government of Hyderabad will be cancelled.

(2) Having questioned the validity of the Treaty of 1853, I naturally laid stress on the regulation of the strength of the Subsidiary Force in accordance with the terms of the Treaty of 1800.

(3) The outstanding financial obligations to be settled relate to an adjustment of the account of the excise revenue of Secunderabad and Jalna and the savings effected by the British Government by the reduction of the strength of the Subsidiary Force.

(4) As the raising of the Contingent was an unnecessary and wasteful measure and I have asked for its abolition, I am prepared to forego, to the extent of the strength of the Contingent, the services of the Troops of the Indian Army for the use of the Hyderabad State, relying upon the clauses of the Treaty of 1800, relating to a general Defensive Alliance concluded between my House and the British Government. The alternative proposal of cash security was put forward by me in the event of the British Government holding the Hyderabad State liable for the maintenance of the Contingent Force. This was put forward to remove all objection to the restoration on the financial basis. As regards any obligation of that Government to the inhabitants

of the Province to retain it under their administration the point is met by the offer of the Constitution I have made to be entered clause by clause in the Instrument of Restoration.

16. I thank Your Excellency for having submitted to His Majesty's Secretary of State for India my letter of the 25th of October, 1923, with its enclosures. That was my wish. Your Excellency will lay me under a further obligation by forwarding to the Secretary of State my present letter with the practical proposal I make below for the solution of this vexed question of the Berars. My excuse for this request is that I feel very keenly that I shall be failing in my duty to my House if I did not press on the attention of His Majesty's Government this solution which to my mind would assuredly prove satisfactory as much to the British Government as to me and my successors.

17. I propose that the issues in dispute over the Berar controversy be referred to a Commission for enquiry and report. It should be presided over by a British gentleman of high standing and judicial experience nominated by the Secretary of State for India and should be composed of six Members besides the President. Out of the six, two should be the nominees of the Government of India, two chosen by me, and two representative Beraris elected by the non-official Berar Members of the Central Provinces' Legislative Council, the Legislative Assembly and the Council of State. The Commission so constituted should be given definite but comprehensive terms of reference with a view to a thorough examination of all the questions on which there is unfortunately a difference of opinion between His Majesty's Government and myself on the Berar controversy. The terms of reference can be agreed upon by Your Excellency and myself after a discussion of the issues by an officer of the Political Department of the Government of India and a nominee of mine. My Government will bear the entire cost of the Commission.

18. I need hardly assure Your Excellency that in putting forward the above proposals I am actuated by the earnest desire that once for all Berar controversy may be ended by the help of an investigation conducted by a body of men who would be representatives of the various interests concerned and at the same time impartial in the discharge of their duties as Members of the proposed Commission.

19. Let me once again lay stress upon the friendly spirit in which I request Your Excellency to help the solution of this controversy.

Yours sincerely,

(Sd.) MIR OSMAN ALI KHAN.

No. 2.

Letter from the Viceroy and Governor-General of India to His Exalted Highness the Nizam of Hyderabad, dated Delhi, the 27th March, 1926.

YOUR EXALTED HIGHNESS,

Your Exalted Highness's letter of 20th September, 1925, which has already been acknowledged, raises questions of importance, and I have therefore taken time to consider my reply.

I do not propose to follow Your Exalted Highness into a discussion of the historical details of the case. As I informed you in my previous letter, your representations have been carefully examined, and there is nothing in what you now say which appears to affect the conclusions arrived at by me and my Government and by the Secretary of State. Your Exalted Highness's reply is not in all respects a correct presentation of the position as stated in my letter of 11th March last, but I am glad to observe that, in your latest communication, you disclaim any intention of casting imputations on my distinguished predecessor, the late Marquis Curzon.

I shall devote the remainder of this letter to the claim made by Your Exalted Highness in the second and third paragraphs of your letter and to your request for the appointment of a commission.

2. In the paragraphs which I have mentioned you state and develop the position that, in respect of the internal affairs of Hyderabad, you, as Ruler of the Hyderabad State, stand on the same footing as the British Government in India in respect of the internal affairs of British India. Lest I should be thought to overstate your claims, I quote Your Exalted Highness's own words: "Save and except matters relating to foreign powers and policies, the Nizams of Hyderabad have been independent in the internal affairs of their State, just as much as the British Government in British India. With the reservation mentioned by me, the two parties have on all occasions acted with complete freedom and independence in all inter-Governmental questions that naturally arise from time to time between neighbours. Now, the Berar question is not and cannot be covered by that reservation. No foreign power or policy is concerned or involved in its examination, and thus the subject comes to be a controversy between two Governments that stand on the same plane without any limitations of subordination of one to the other."

3. These words would seem to indicate a misconception of Your Exalted Highness's relation to the Paramount Power which it is incumbent on me as His Imperial Majesty's representative to remove, since my silence on such a subject now might hereafter be interpreted as acquiescence in the propositions which you have enunciated.

4. The sovereignty of the British Crown is supreme in India and therefore no Ruler of an Indian State can justifiably claim to negotiate with the British Government on an equal footing. Its supremacy is not based only upon treaties and engagements but exists independently of them, and, quite apart from its pre-emptive in matters relating to foreign powers and policies, it is the right and duty of the British Government, while scrupulously respecting all treaties and engagements with the Indian States to preserve peace and good order throughout India. The consequences that follow are so well known, and so clearly apply no less to Your Exalted Highness than to other Rulers, that it seems hardly necessary to point them out. But if illustrations are necessary, I would remind Your Exalted Highness that the Ruler of Hyderabad, along with other Rulers, received in 1862 a *Sanad* declaratory of the British Government's desire for the perpetuation of his House and Government, subject to continued loyalty to the Crown; that no succession to the *Masnad* of Hyderabad is valid unless it is recognised by His Majesty the King Emperor; and that the British Government is the only arbiter in cases of disputed succession.

5. The right of the British Government to intervene in the internal affairs of Indian States is another instance of the consequences necessarily involved in the supremacy of the British Crown. The British Government have indeed shown again and again that they have no desire to exercise the right without grave reason. But the internal, no less than the external, security which the Ruling Princes enjoy is due ultimately to the protecting power of the British Government, and where Imperial interests are concerned, or the general welfare of the people of a State is seriously and grievously affected by the action of its Government, it is with the Paramount Power that the ultimate responsibility for taking remedial action, if necessary, must lie. The varying degrees of internal sovereignty which the Rulers enjoy are all subject to the due exercise by the Paramount Power of this responsibility. Other illustrations could be added, no less inconsistent than the foregoing with the suggestion that, except in matters relating to foreign powers and policies, the Government of Your Exalted Highness and the British Government stand on a plane of equality. But I do not think I need pursue the subject further. I will merely add that the title "Faithful Ally" which Your Exalted Highness enjoys has not the effect of putting Your Government in a category separate from that of other States under the paramountcy of the British Crown.

6. In pursuance of your present conception of the relations between Hyderabad and the paramount power, you further urge that I have misdescribed the conclusion at which His Majesty's Government have arrived as a "decision", and that the doctrine of *res judicata* has been misapplied to matters in controversy between Hyderabad and the Government of India.

7. I regret that I cannot accept Your Exalted Highness's view that the orders of the Secretary of State on your representation do not amount to a decision. It is the right and privilege of the Paramount Power to decide all disputes that may arise between States, or between one of the States and itself, and even though a Court of Arbitration may be appointed in certain cases, its function is merely to offer independent advice to the Government of India, with whom the decision rests. I need not remind you that this position has been accepted by the general body of Indian Rulers as a result of their deliberations on paragraph 308 of the Montagu-Chelmsford Report. As regards the use of the term *res judicata*, I am of course aware that the Government of India is not, like a Civil Court, precluded from taking cognizance of a matter which has already formed the subject of a decision, but the legal principle of *res judicata* is based on sound practical considerations, and it is obviously undesirable that a matter which has once been decided should form the subject of repeated controversies between the same parties.

8. I now pass on to consider your request for the appointment of a Commission to enquire into the Berar case and submit a report. As Your Exalted Highness is aware, the Government of India not long ago made definite provision for the appointment of a Court of Arbitration in cases where a State is dissatisfied with a ruling given by the Government of India. If, however, you will refer to the document embodying the new arrangement, you will find that there is no provision for the appointment of a Court of Arbitration in any case which has been decided by His Majesty's Government, and I cannot conceive that a case like the present one, where a long controversy has been terminated by an agreement executed after full consideration and couched in terms which are free from ambiguity, would be a suitable one for submission to arbitration.

9. In accordance with Your Exalted Highness's request, your present letter has been submitted to His Majesty's Secretary of State, and this letter of mine in reply carries with it his authority as well as that of the Government of India.

Yours sincerely,

(Sd.) READING.

EAST INDIA (INDIA STORE DEPARTMENT, LONDON).

RETURN to an Address of the Honourable the House of Commons,
dated 17th December, 1925;—for,

RETURN of the REPORT on the WORK of the INDIA STORE
DEPARTMENT, LONDON, for the year 1924-25."

India Office, } A. HIRTZEL,
18th December, 1925. } Under-Secretary of State for India.

(Mr. Wardlaw-Milne.)

Ordered, by the House of Commons, to be Printed,
18th December, 1925.

LONDON:

PRINTED & PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.

To be purchased directly from H.M. STATIONERY OFFICE at the following addresses:
Admiral House, King'sway, London, W.C.2; 28, Abingdon Street, London, S.W.1;
York Street, Manchester; 1, St. Andrew's Crescent, Cardiff;
or 120, George Street, Edinburgh;
or through any Bookseller.

1926

Price 1s. net.

LETTER FROM THE SECRETARY TO THE HIGH COMMISSIONER FOR INDIA TO THE GOVERNMENT OF INDIA, DEPARTMENT OF INDUSTRIES AND LABOUR, DATED 14TH SEPTEMBER, 1925.

In accordance with the request contained in your letter No. S. 483, dated 25th September, 1924, I am directed by the High Commissioner to forward the first Annual Report on the working of the India Store Department in London, covering the financial year 1924-5, submitted by the Director-General of Stores. The Report gives a full account of the activities of the Store Department in London, and the High Commissioner hopes that it will be useful to the various Departments of the Government of India, to Provincial Governments, to Members of the Indian Legislature, and to the general public in India. Sir Atul Chatterjee has been concerned with the working of the Department for only three months during the year under report. He has devoted considerable attention, both to the general lines of policy followed in the Department and to its detailed work. He hopes in the course of the current year to obtain a fuller experience of the operations of the Department, and he has only a few brief observations to offer on the present Report.

2. The Director-General has furnished interesting particulars, in para. 4 of the Report and in Appendix C, of the distribution of the orders placed during the year among the different countries in Europe and America from which the stores have been drawn. The High Commissioner has carefully examined the system of publicity given to the requirements of the Indian Governments, as explained in paras. 32-4 of the Report. He is satisfied that leading manufacturers in all parts of Europe and America receive due notice of the larger requirements of the India Store Department and that adequate competition is secured in the tenders offered. This matter receives continuous personal attention from the High Commissioner, and he will not hesitate to adopt modifications in the present system should they be required in the interests of economy or efficiency. In this connection Sir Atul Chatterjee would like to draw attention to the fact that in the case of many large orders considerable economy could be secured if the stores were not required for urgent delivery. The Store Department in London is often compelled to accept higher tenders in order to secure quick delivery. It is realised that in many instances speedy delivery of the stores in India is required for important reasons, but Sir Atul Chatterjee thinks that it will be useful if consuming Departments in India would give earnest and continued attention to the possibility of forecasting their requirements in good time in order that the Store Department in London might secure the placing of orders at a favourable time both for price and delivery.

The Director-General has referred, in para. 31 of his Report, to the important question of speeding up supplies, and has specified various causes of delay which are beyond the control of the London Department. The High Commissioner wishes to add that instances have come to his notice where delays have been caused by incomplete and unsatisfactory specifications in the indents received, and in some cases, even after orders have been placed, instructions have been received for very radical changes in the specifications. The High Commissioner has instructed the Director-General of Stores to report glaring cases of this nature for reference to the Government of India.

3. The Director-General has discussed, in paras. 7-10, the cost of the Department and the incidence of the charges. I am to state that the High Commissioner hopes to make a fuller examination of this question during the course of this year. The taking over of the supplies required for the East Indian Railway and the Great Indian Peninsula Railway should reduce the percentage of overhead charges. In considering the cost of the Department it has to be remembered that it is not a mere purchasing agency, but employs a highly-qualified technical staff for the purposes of test, inspection, and advice. (See para. 20 of the Report and Appendix J.) Without the entertainment of this staff it would be impossible to maintain the high quality of the stores purchased through the Department or to secure ultimate economy in the transactions. The High Commissioner trusts that steps will be taken by the consuming departments in India to encourage their indenting officers freely to consult the technical staff of the India Store Department in London with regard to their requirements. Apart from correspondence from such officers in India, the Director-General would welcome visits from officers interested in the work who might happen to be in London on leave or deputation.

4. As indicated in para. 29 of the Report, the Store Department has been utilised on various occasions to secure advice and assistance in respect of finding suitable facilities for the technical training of Indian students in this country. Sir Atul Chatterjee agrees with the Director-General in thinking that the assistance of the technical and commercial officers of the Store Department should be utilised in a larger measure for this purpose without in any way modifying the principle that has been laid down by his predecessors and accepted by the Government of India of complete dissociation of this work from the commercial transactions of the Department. The matter is engaging the attention of the High Commissioner in connection with the reorganisation of the Educational Department of his office as the result of the orders of the Government of India on the Report of the Lytton Committee on Indian Students.

5. In paras. 36-7 of his Report Colonel Paddon has furnished interesting particulars regarding the effect of the new rules for the supply of articles for the public service which were recently

adopted by the Government of India. Sir Atul Chatterjee is unable to endorse what he presumes to be the implications of the observations made by the Director-General in this matter. It is true that, under the new rules, permission is given to indentors in India, in certain circumstances, to purchase articles not manufactured in India when they are already in India at the time of order or are on their way out. The Director-General is inclined to think that if a British or Continental firm starts a branch house in India, the price in London would be raised in correspondence with the price charged in India. Sir Atul Chatterjee does not think it likely that branch houses would be forthwith established in India by all the important manufacturers in a particular class of goods. So long as competitive prices are obtained in this country from all important manufacturers in Great Britain and on the Continent, he does not think that the establishment of a few branch houses will prejudice the India Store Department in London. He does not consider it necessary to dwell on the larger considerations of public policy which influenced the Government of India and the Secretary of State in the framing of the revised rules.

6. In conclusion, Sir Atul Chatterjee wishes to express his acknowledgments to Colonel Paddon for a very interesting Report and for the very loyal and efficient manner in which he has carried out his difficult and important duties during the year. The High Commissioner desires to take this opportunity of acknowledging the good work of the Consulting Engineers and the Naval Architects. He is also grateful to the authorities of the East Indian Railway and the Great Indian Peninsula Railway for the help rendered by them in the transfer of the stores work of these two railways to the India Store Department.

REPORT on the WORK of the INDIA STORE DEPARTMENT, LONDON, for the Year 1924-5, by Lieut.-Col. S. S. W. PABON, C.I.E., Director-General, India Store Department, London, dated August, 1925.

1. The total value of the contracts for stores and freight placed during the year was £4,949,179. The number of contracts was 40,477. The total expenditure on stores and freight was £5,285,798.

Work of the Department.

A graph has been prepared (Appendix A) which shows the number of contracts and the total expenditure in relation to the corresponding figures for previous years from 1913-4. The total value of the contracts placed during those years is not readily available, but records of the amounts from 1923-4 will appear in future reports.

2. The classification of purchases made during the year according to indenting Departments and Provinces and according to the nature of the stores is shown in Appendix B. This classification follows generally the form adopted by the Government of India in their return of expenditure on stores purchased in India in order to facilitate comparison of the two returns. The first column (a) of the statement shows the same main heads as those adopted by the Government of India, but for the purposes of this Department it has been necessary to elaborate the classification, and the second column (b) shows the classes of stores which have been included under the main heads specified in column (a). Several classes of special importance, not elsewhere provided for, have been shown as sub-headings of "Stores—Miscellaneous."

Classification of purchases.

In calculating the value of the stores covered by this statement actual contract prices have been taken where these are known. In some cases, such as demands on other Government Departments, the values shown are estimates, as the actual costs are not known until a considerable time after the end of the year.

3. On the transference to State management of the East Indian Railway, which came into operation on 1st January, 1925, 99 current contracts were taken over from the Company and of this number 72 were completed before 31st March. A certain number of indents, in various stages of progress, were also taken over and the orders placed in due course. The transition was accomplished with no appreciable interruption of work, the Company's records being transferred bodily to this Department under the supervision of those members of their staff who were taken over by the Department. The transition was facilitated by the fact that the Consulting Engineers to the

Transference of East Indian Railway work.

East Indian Railway Company, Messrs. Rendel, Palmer and Tritton, are also the Consulting Engineers to the High Commissioner.

Countries
from which
stores are
obtained.

4. The distribution of the orders placed during the year among the supplying countries is shown in Appendix C, together with the corresponding figures for the two previous years. It will be observed that the percentage of stores purchased abroad has increased from 6.317 in 1922-23 and 8.292 in 1923-4 to 12.667 in 1924-25. The procedure adopted to enable manufacturers in foreign countries to tender is described in para. 32.

Excluding stores, mainly for military purposes, which must be obtained through other Government Departments, the total value of stores purchased from British manufacturers during the year amounted to £3,632,796, while all foreign countries together supplied goods to the value of £526,883. The criticism is frequently heard that the Department does not take sufficient advantage of the lower prices ruling on the Continent for a great proportion of the stores which it purchases. Such criticism is apt to overlook factors of vital importance which have to be taken into account in addition to the figure quoted on a tender. First and foremost of these is quality. Before an order can be placed with a manufacturer it is necessary to be assured that his tender contains no vital departure from standard specifications and drawings, and many tenders have to be rejected for obvious failure to comply with these conditions. At the same time, with the object of broadening the basis of supply, all legitimate facilities are given to enable foreign firms of repute to compete, by the visits of inspectors to their works and by personal consultation with their representatives in London. Apart from the factor of quality, it has further to be borne in mind that the cost of inspection during manufacture is usually higher on the Continent than in England, that the delivery terms offered by Continental manufacturers are as a rule worse than those of their British competitors, and that, owing to far inferior facilities for carriage to the ports and difficulties in obtaining suitable freight from the ports, stores supplied by Continental manufacturers take longer to reach India after their delivery from the works than is the case with goods supplied from factories in Great Britain.

In the case of large classes of stores the British manufacturer is still able to quote lower prices for satisfactory quality than his foreign competitor and the combined operation of these factors is responsible for the very high proportion which purchases in Great Britain bear to the total. It may be stated categorically that the British manufacturer receives no preference of any kind in the allocation of orders. The sole considerations which are allowed to weigh are price, quality and delivery, and every attempt is made to encourage competition and so enlarge the list of suppliers. In this work the Department has to acknowledge the whole-hearted co-operation and assistance of the Consulting Engineers.

The following are a few outstanding instances of foreign purchases made during the year under review :—

	Accepted Tender.			Lowest British Tender.		
	£	s.	d.	£	s.	d.
3 locomotive boilers ...	3,520	0	0	4,760	0	0
7 locomotive boilers ...	10,770	0	0	13,225	0	0
5 tank engines ...	20,750	0	0	25,750	0	0
2,000 tons bearing plates ... (per ton)	8	18	6	11	15	0
4 spans bridgework ...	2,820	0	0	3,597	0	0
41,000 boiler tubes ...	10,400	0	0	17,431	8	6

In some instances the foreign tenderer is known to be adequately equipped for manufacture and reliable, by reason of his having executed previous contracts or by general repute. In other cases it is necessary for the tenderers' works to be specially inspected before a definite recommendation on the tenders can be made.

5. Returns are submitted every half-year to the Government of India showing those cases in which tenders other than the lowest have been accepted. Copies of the returns for the half-years ending on 30th June, 1924, and 31st December, 1924, are reproduced in Appendix D.

Acceptance of tenders other than the lowest.

It is, perhaps, desirable to explain what is meant by the "lowest" tender for the purpose of these returns. It does not mean the lowest price quotation received in response to a call for tenders, but the lowest tender offering stores which are of adequate quality and comply with the specification or technical description furnished by the indenter. In most cases the grounds for passing over a tender which would otherwise be satisfactory are either delay in delivery, where the stores are required urgently, or the extra cost of inspection.

6. The value of the stores for which tenders were obtained by public advertisement was £2,829,000, and of the stores for which tenders were obtained without advertisement £1,703,000. The value of stores obtained from the War Office, Admiralty, Air Ministry and other Government Departments was £518,000, and of the numerous small purchases made by the Superintendent of the India Store Depot £21,500.

Advertised and non-advertised tenders.

It may be explained that the value of the stores for which tenders have been obtained, whether by advertisement or not, differs from the value of the orders placed. The former includes the value of "simultaneous" tenders obtained at the request of the Indian Stores Department, by which Department the resultant contracts are frequently placed. In some instances, again, contracts for which tenders are invited by this Department have been placed by the company-worked railways.

The usual rule is to call for tenders by public advertisement, but in the case of certain highly-specialised classes of stores, such, for instance, as surgical instruments, advertisement would involve useless expenditure of time and money. In such cases invitations to tender are sent only to those manufacturers who are known by experience to be capable of supplying reliable stores of assured quality. Again, where stores covered by patent or of a highly-specialised nature are demanded by the indenter in India public invitation to tender is clearly out of the question. The practice of inviting tenders without advertisement is, however, restricted and each case involving large expenditure in which it is proposed to dispense with advertisement is subjected to careful scrutiny. Some remarks appear, therefore, to be called for regarding the value (£1,703,000) of stores tendered for during the last year without public advertisement. The principal items which went to make up this total were:—

(1) Mechanical Transport vehicles and spare parts, valued at about £500,000. These stores were obtainable only from the specified manufacturer.

(2) Currency Notes and Stamps, valued at £311,000. The former are obtained from the Bank of England, and the latter from Messrs. De La Rue & Co.

(3) Stores such as wireless equipment (30,000) mostly only obtainable from the Marconi Company, and train lighting equipment and fans (£20,000) supplied by a firm whose specialities have been standardised by the State Railways.

The balance is made up of purchases referred to above and of orders of which the individual values are too small to be worth advertisement.

It should be observed that in all such cases the Department insists on obtaining the benefit of the maximum trade discount, and in some cases is able to get specially favourable terms, while if any doubt is entertained regarding the prices quoted they are subjected to detailed examination by the Technical Costs Branch, to which reference is made in para. 15.

Cost of the Department. 7. The total cost of the Department in 1924-5 was £181,692, or 3½ per cent. of the expenditure on stores. This is about £9,000 less than the corresponding figure for the previous year, the saving being almost entirely in the Consulting Engineers' expenses, due to the smaller volume of work carried out for the State Railways.

Depart- mental charges. 8. The amount credited during the year for departmental charges was £39,417. This sum is arrived at by a levy of 2 per cent. on the value of all purchases made for the Provincial Governments and for quasi-commercial Departments of the Central Government.

The amount credited for marine insurance, &c., at the rate of 1 per cent. in respect of the purchases referred to above was £20,27. The value of losses in transit and general average contributions was £1,937, and the further charges borne by this head in respect of shipping brokers' salaries, dock dues, lightage, &c., &c., were £10,887. The total debit of £15,824 is in respect of all services and not merely those for which departmental charges and marine insurance are specially levied.

The charge of 2 per cent. for departmental expenses is of very old standing and was sufficient to cover the costs incurred when practically the whole of the stores required by the Government of India were purchased through this Department. The rise in the actual percentage to 3½ for the year under review has been caused by a considerable diminution in the value of indents, particularly in the case of the State Railways. The increasing activities of the Indian Stores Department have doubtless contributed to this result.

Although the percentage of departmental charges compares favourably with those made by Departments of the Imperial Government, it is, on the other hand, higher than those shown by some of the Indian Railway Companies, and an investigation has been conducted with the object of discovering the cause of the disparity. The East Indian Railway Company's contracts for 1923-4 and for the nine months ending 31st December, 1924, were examined, analysed and compared with India Store Department contracts for the two financial years. The result may be tabulated thus:—

	East Indian Rly. Co.		India Store Dept.	
	1923-4 (12 months).	1924 (9 months).	1923-4 (12 months).	1924-5 (12 months).
Total value of orders	£1,110,000	£1,777,000	£3,615,000	£4,699,179
Total number of contracts.	341	269	3,464	9,462
Average value of contracts.	£3,255	£6,600	£350	£496

It has evidently been the practice of the Railway Company to buy miscellaneous stores in bulk from merchants, a procedure which naturally involves less work at headquarters. Further, large purchases of rails and other permanent way materials have been made in Europe by this railway, whereas in the case of the State lines stores of this character are mostly purchased in India. For instance, a single East Indian Railway contract for rails of the value of £134,000 has been noted, whereas the total expenditure through this Department for permanent way material for all State lines was only £3,400 during the year. The inspection of stores of this nature is comparatively easy and inexpensive.

Division of
indents.

9. It may not be out of place here to allude briefly to the treatment given to an indent as a preliminary to a call for tenders, since advantageous purchasing depends very largely on this initial step, and because statistics of the number and value of orders placed by the Department are vitally affected by the extent to which items appearing in one or more indents are grouped together in one contract. On the one hand, overgrouping of items, will lead to uneconomical purchase, for a firm tendering for the whole schedule will add its profit on each item which it is itself unable to manufacture and has to obtain from a sub-contractor. On the other hand, excessive subdivision of an indent will produce a large number of small contracts which are unattractive to the manufacturers and therefore tend to reduce competition, while they involve higher overhead expenditure by duplicating office work and inspection and by adding to packing and shipping charges.

When tenders are under examination it is possible to detect serious overgrouping at the first stage and remedy it by dividing the order between two or more contractors, giving each the items or groups of items for which his tender is lowest. But care has to be exercised here again to see that any saving which might be so effected is not more than counter-balanced by the extra cost of office work, inspection, packing and freight. In short, while overgrouping results in paying middlemen's profits, the other extreme results in less obvious extravagance spread over departmental expenses, packing and freight.

Comparison
of depart-
mental
charges.

10. Apart from differences of this kind, the comparison which has been alluded to above appears to disclose a difference in the basis of charges which are allocated to overhead expenses in the case of this Department and the headquarters organization of the company-managed lines. It is not proposed in this report to examine the principles on which the allocation of charges to overhead expenses is based. It may, however, be questioned whether all the items reckoned among the departmental expenses of this Department would be regarded on strict commercial principles as forming part of the cost of the supply of stores. In comparing the working cost of the Store Department with that of an ordinary commercial agency it is necessary to bear in mind that a considerable amount of work has to be done in the way of preparing special returns for the High Commissioner and the Government of India, communication of price intelligence to India and detailed accounting under numerous heads of expenditure on account of the Central and the ten Provincial Governments, which, though necessary, can hardly be regarded as essential features of "stores purchase" viewed from a purely commercial standpoint. Appendix E shows the items which have been taken during the years 1921-2, 1922-3, 1923-4 and 1924-5, in calculating the cost of the Department, and Appendix F compares for the year 1923-4 that portion of the High Commissioner's expenses which is allotted to this Department, and therefore determines the amount of departmental

expenses, and the corresponding items taken as making up the cost of the East Indian Railway Company's headquarters organisation. It will be seen that items totalling something like £55,000 and equivalent to 1·176 per cent. on the stores expenditure for that year were not represented by any corresponding items in the East Indian Railway charges.

The cost of the services rendered in connection with the supply of stores, reckoned as a percentage on the value of the stores (excluding freight and other charges), varies from year to year. Certain overhead charges (e.g., salaries) remain generally stationary, whatever increase or decrease there may be in the value of stores; other charges (e.g., inspection expenses) increase with the value of stores purchased, but not in the same ratio, and consequently the percentage decreases as the total value of stores purchased increases. It is, perhaps, unnecessary to point out that too great importance should not be attached to the proportion which departmental expenses bear to the value of stores purchased as a measure of the efficiency, or of the economical working, of the Department. It will readily be appreciated, for instance, that the combination of items contained in indents into one invitation to tender, to which reference is made in para. 9, if carried to excess, will operate in two ways to reduce the departmental cost percentage. For, in the first place, uneconomical buying, involving large purchases from middlemen, will increase the cost of stores, while, in the second place, a decrease in the number of contracts placed diminishes the cost of office work and supervision.

11. By an arrangement which came into force on 1st April, 1925, the cost of packing at the India Store Depot of stores delivered there, including not only making the packing cases but the actual labour and other materials used in packing, will be included in the price of the stores debited against the indenting Department instead of being included in the overhead charges of the Department.

Allocation
of packing
charges.

12. Arrangements are made from time to time at the request of the Chief Controller of Stores in India for inspection by this Department's technical officers or by the Consulting Engineers of stores ordered from Europe by the Indian Stores Department, and the Government of India have recently directed that a charge of 1 per cent. should be levied for the work in respect of orders placed for quasi-commercial Departments of the Central Government and for Provincial Governments.

Inspection
of stores
ordered by
the Chief
Controller of
Stores in
India.

13. The impending transference of the East Indian and Great Indian Peninsula Railways from Company to State management necessitated consideration of the provision to be made for a considerable addition to the technical, advisory, and consultative work to be performed in London in connection with the State Railways. The average value of the stores purchased for these two railway systems during the past few years amounted to

Consulting
Engineers.

approximately £3,500,000 per annum. The Consulting Engineers to the Secretary of State and the High Commissioner for India, Messrs. Rendel, Palmer and Tritton, were also the Consulting Engineers employed by the East Indian Railway Company. The Great Indian Peninsula Railway Company employed the services of another firm. While fully recognising the eminent services which the latter firm, Messrs. Robert White and Partners, have rendered over a long period of years to the Great Indian Peninsula Railway, the Government of India and the Secretary of State, after very careful consideration, came to the conclusion that it was necessary, in the best interests of the railway administration, to employ one firm of consultants for all the State Railways. Notice of termination of their contract was therefore given to Messrs. Robert White and Partners, and a new agreement entered into with Messrs. Rendel, Palmer and Tritton, which provides for an increase in their remuneration commensurate with the amount of additional work which the Consulting Engineers will be called upon to perform.

14. The main function of the Consulting Engineers is to advise the Government of India on all matters connected with the equipment of the State Railways, but their duties include such technical work and advice as may be required by other Departments of the Central Government and by the Provincial Governments. Their work falls roughly into two main categories: Firstly, general consultative work not immediately or directly followed by actual purchase of stores, such as advice on the standardisation of railway equipment and designs for bridgework and other large engineering projects; secondly, work of a varied and extensive character in connection with the placing of contracts for the supply of stores, including the preparation of specifications and drawings, technical advice on tenders received, and the inspection of manufacturers' works and of materials during and after manufacture, both in Great Britain and on the Continent and in America. The Consulting Engineers also assist the High Commissioner, when required, in recruitment in England of technical personnel for the Governments in India. They employ a large staff of engineers, inspectors, draughtsmen and clerks, including resident inspectors in the industrial districts in this country and also on the Continent.

15. The payments made to the Consulting Engineers fall under two heads: (1) the fee paid to the partners as personal remuneration for their services as consulting and inspecting engineers; (2) reimbursement of the actual cost of rent, office expenses, office and technical staff, salaries and travelling allowances of inspectors, &c., as certified by chartered accountants to be ascribable to work done for the Secretary of State and the High Commissioner for India.

The personal fee payable to Messrs. Rendel, Palmer and Tritton for the two years ending 31st March, 1925, was fixed at the rate of £5,000 a year. The expenses mentioned under (2)

naturally steep fluctuation. Appendix G shows the amount of these expenses in comparison with the value of orders placed for stores for the two five-year periods 1909 to 1913 and 1919 to 1923. The fluctuations are accounted for by the fact that expensive engineering work, as has been indicated above, not necessarily related to purchase, in the particular financial year.

16. A Consulting Engineer to the East Indian Railway Company Messrs. Rendel, Palmer and Tritton have been in receipt from the Company of a fee of £1,300 per annum. The Consulting Engineer employed by the Great Indian Peninsula Railway receive a fee of £1,200. The new arrangement entered into with Messrs. Rendel, Palmer and Tritton provides for the increase of the personal fee payable to them by £2,000 per annum to £7,000 per annum, the remuneration to cover all the work that may be required of them in connection with State Railways, including the East Indian and Great Indian Peninsula Railways, and all other work on behalf of the Central Government and Provincial Governments. This sum is less by £500 per annum than the total of the fees paid by the Government of India, the East Indian Railway and the Great Indian Peninsula Railway to their Consulting Engineers before the transference of these two railways to State management, and it is confidently expected that under the new arrangement considerable economies, the extent of which cannot immediately be estimated, will be secured in the cost of inspection and other expenses owing to the concentration of the work in the hands of one firm.

Further economy may be expected to result from the fact that, in respect of the East Indian and Great Indian Peninsula Railway, the staff of the Stores Department will perform duties which, under Company administration, had necessarily to be entrusted to the Consulting Engineers, thus swelling the latter's charges.

The basic principle which is applied to determine the allocation of the work between the Consulting Engineers and the departmental technical staff is that each contract should so far as possible be dealt with by a specialist in the particular line involved. For example, demands for rolling stock and parts thereof, permanent way and signal material, bridge work, and to some extent railway workshop equipment, are entrusted to the Consulting Engineers, who prepare specifications and drawings, report on the tenders, and carry out inspection. Many articles demanded by railways come within classes common to other indenting departments and are therefore more suitably dealt with by the technical officers of the Department who are experts with wide experience in their various trades.

17. The remuneration of the Naval Architects is based on a percentage of the value of the contract. The percentage varies between 5 per cent. on contracts of £500 or less, and 1 per cent. on contracts over £300,000. The amount paid to the Naval Architects during the year was £2,621

Naval
Architects.

**Technical
Costs
Branch.**

18. The services of the Technical Costs Branch of the Admiralty are utilised by this Department. This Branch has grown out of an organisation originally set up by the Ministry of Munitions during the war to investigate shell and fuze prices. The advantages derived by purchasing departments from such an organisation were soon apparent, and, as the result of a report by the Select Committee on National Expenditure, the Branch was made permanent and was attached to the Admiralty. The work of the Branch consists mainly in examining and advising on claims from contractors for increased prices on account of advances in rates of wages or cost of materials, and in reporting, after investigation at contractor's works, whether tendered prices are reasonable. The cost of the Technical Costs Branch is borne by the various departments utilising its services, and the amount paid by this Department for the year under review was £939. The direct savings effected by the Branch in cases referred to them in 1924-5 were, approximately, £1,600. It should, however, be borne in mind that the saving to the Department is not confined to the actual reduction made in any particular case. If better terms are obtained from a supplier as the result of an investigation by the Technical Costs Branch, the Department continues to receive the benefit of the increased discount or other reduction in the case of subsequent tenders from that firm, and a small saving in the first instance may thus result in considerable economy in future purchases. Owing to a reorganisation of the Branch, the fees payable for 1925-6 will be considerably reduced and should not be more than about £550.

**Representa-
tion on
Committees
of B.E.S.A.**

19. The Department is represented by its technical officers on the Sub-Committees of the British Engineering Standards Association. By this and other means, and with the assistance and co-operation of the Consulting Engineers and the Naval Architects, the Department is kept abreast of the latest developments in science and engineering. Every member of the technical staff has been encouraged to become a member or associate member of one or more appropriate Institutions, and most of them now possess the highest technical diplomas.

**Consultative
work.**

20. A few indenting officers utilise the services of the Department as technical consultants, and the staff are anxious to give all assistance to those responsible for framing indents. It is possible that, if it were more widely known in India that well-qualified and up-to-date expert advice is always available, this branch of the Department's activities would expand to the ultimate advantage of indenting departments. A list of the Higher Technical officers of the Department will be found at Appendix J.

**Patterns
and Specifi-
cations.**

21. The Pattern Room contains over 10,000 patterns, many of which tend to become obsolete as manufacturing methods are improved and designs modernised. The overhauling and

modernising of these patterns is a gradual and continual process, but during the last three years efforts have been made to reconstitute patterns, drawings, &c., by trades so that a comprehensive survey can be made by trades in rotation. The specifications are, of course, closely linked up with patterns and drawings and handled in the same office branch. Each specification comes forward automatically for criticism and revision when the stock of printed copies is approaching exhaustion, so that improvements suggested by experience may be incorporated in the reprint. In the case of a new specification, or an old one which has been drastically revised, the practice is to print only 250 copies so that the specification will come up for review as soon as sufficient practical experience of its effectiveness has been gained.

22. Under existing arrangements, which have been in force for many years, the engagement of freight for the shipment of stores to India is carried out by a section of the Department assisted by an eminent firm of shipping brokers, Messrs. Turnbull, Gibson & Co. The inclusive remuneration paid to the brokers for their services has been fixed since 1st October, 1920, at £4,500 a year, the arrangement being terminable by six months' notice on either side or on the retirement of Mr. McLagan, the present head of the firm, who conducts personally the negotiations for freight for the Department. Shipment.

A total of 102,573 tons of stores was shipped by the Department during the year under review from the United Kingdom and from the continent. The number of freight contracts was 1,015, and the amount of freight paid was £250,000.

Shipments from foreign ports increased considerably during the year. In the last six months the shipments from the Continent represented one-fifth of the total tonnage.

The effect of the addition of purchases for the East Indian Railway made itself felt in the last three months of the year. During that quarter 38,183 tons were shipped, as compared with 29,063 tons during the corresponding quarter of 1923-4, an increase of 9,120 tons.

23. In June last it was ascertained that the "English Conference Shipping Lines" and the "Hansa Line" were negotiating certain mutual arrangements, and it was anticipated that this would lead to an increase of Continental freight rates. Steps were taken to obtain as much advantage as possible from the old rates, and when a contract for stores was placed on the Continent the freight contract was placed at the same time at current rates instead of waiting until the stores were ready for shipment. These arrangements enabled savings aggregating several thousands of pounds to be made in freight charges, as on the termination of the negotiations in December, 1924, Continental freights immediately rose.

24. In addition to the Hansa Line, shipments were made by the following Continental companies at varying competitive rates :—

- Societa Veneziana di Navigazione a Vapore.
- Societa di Navigazione del Lloyd Triestino.
- Holland British India Line.

English freight rates were steady throughout the year, but, in cases where consignments have been sufficiently large to warrant negotiation, reductions have been secured. The additional tonnage required for the East Indian Railway supplies and the further addition to be expected when the Great Indian Peninsula Railway is taken over should place the Department in a more favourable position for securing lower freight rates.

25. On 1st January, 1925, the new Shipping Act, entitled "The Carriage of Goods by Sea Act, 1924," came into force. This Act, in brief, gave legal authority to many of the provisions hitherto inserted in commercial bills of lading. It also more strictly defined the liabilities of both parties—shipowners and shippers—and abolished the implied warranty of seaworthiness hitherto existing.

The Conference Shipping Companies were pressed to continue the same favourable conditions which had been long enjoyed by this Department, especially as by Article V of the Act shipping companies could by agreement contract out of any of the provisions of the Act. All negotiations to this effect have however been unsuccessful, and as there was no practical alternative, stores shipped by this Department on steamers of the Conference Lines have been carried since January, 1925, in accordance with the Act.

The Act, however, does not yet apply outside the British Isles, and all stores shipped from Continental ports, even when carried by the Conference Lines, are still conveyed in accordance with the more favourable conditions previously existing. In regard to shipments from British ports, the position of the Department is affected by the withdrawal of the stipulation of seaworthiness, by the acceptance of the "negligent navigation" clause in the bill of lading, and in respect to various modifications regarding the ship's liability for shortage and damage.

The Department, however, still has its various regulations which govern the classification of the ships employed and their equipment and manning, and still retains the right to prohibit or regulate, as necessary, the carriage of dangerous or deleterious cargo on behalf of other shippers. Certain other advantages are also retained. No "primage" is paid, nor can the stores shipped be held as a lien against "general average." The shipments are subject to British law, which is more favourable to the Department than the "York-Antwerp" rules governing commercial shipments under the ordinary bill of lading.

It is difficult to estimate how far the Act of 1924 will operate prejudicially to the Department, or to determine to what extent, if any, liabilities will be increased. Losses proved to be due to negligent navigation have in the past been very infrequent and claims against shipping companies have been reasonably met. Much will depend on the extent to which the provisions of the Act will be enforced by the shipping companies and the result of any test cases taken into court.

26. In view of the amendment of section 20 of the Indian Sea Customs Act which took effect from 1st April, 1924, considerable alteration was necessary in the procedure followed in the preparation and despatch of shipping documents and invoices so as to ensure that the different Port Officers should be in possession of values at the time of arrival of the stores. Invoices for stores shipped are now sent by an earlier mail and through the respective Clearing Officers.

Indian
Customs
duties.

27. The year under review saw the termination of the contract for the supply of postage stamps and stamped papers. This contract was placed in 1914, and has been carried out under the supervision of the Post Office Store Department, Stamp Section, but the work is to be undertaken in future by the Government of India Security Printing Press at Nasik Road, Bombay. In consequence of the change considerable demands were received in the closing months of the year for the initial plant and miscellaneous equipment required for the new Department. The selection of plant, &c., was entrusted to Lieut.-Col. G. H. Willis, C.I.E., M.V.O., who has been attached to the High Commissioner's Office on deputation for this purpose. He worked throughout in close co-operation with this Department and visited the leading makers' works in the United Kingdom and on the Continent before orders were placed, so that the Security Printing Press will start operations under conditions most favourable to success.

Termination
of postage
stamp, &c.,
contract.

28. On the suggestion of the Government of India, a self-contained set of instructions for the guidance of officers in the preparation of indents and in the receipt and examination of stores has been drawn up and copies have been despatched to all officers concerned. Careful adherence to these instructions should facilitate the work of supply and assist in obviating the necessity for referring demands back to indentors for further information, and should also result in a considerable reduction of mail and telegraphic correspondence with consequent economies in money and time.

Instructions
for prepara-
tion of
indents.

29. The Department has from time to time given advice and assistance to the Indian Students Department of the High Commissioner's Office in the matter of obtaining facilities for the practical training of students. The Department is in the course of its business brought into close and continuous contact with a large number of manufacturing firms covering a very wide

Training of
Indian
Students.

range of technical work, and there seems to be no reason why still further use should not be made of its services, both in the preliminary examination of students sent for training in this country with the object of ascertaining the extent of their previous experience and determining the exact nature of the training best suited to each case, and also in obtaining places for them with the most suitable firms. Certain suggestions for enabling the Department to be of greater assistance in this direction have been placed before the High Commissioner for his consideration.

Control of
stores ex-
penditure.

30. With the introduction of the reformed constitution the responsibility for controlling stores expenditure in England devolved on the High Commissioner. Previously no effective control had been exercised in this country, and demands were generally complied with without question, provided that they were received from officers duly empowered to indent on the Department. In February, 1921, the Government of India, in the Finance Department, asked for proposals from the High Commissioner in regard to the procedure to be prescribed for watching the progress of expenditure, and for reporting as soon as there was a probability of excesses occurring under any head. A scheme was accordingly prepared, and, subject to one or two minor modifications, was adopted and is still in force. The work involved is considerable, as the watching of the progress of expenditure and the framing of estimates have to be carried out with regard to several hundred major and minor heads, both Central and Provincial. The main points of the scheme may be briefly summarised as follows:—

(i) The High Commissioner's budget estimates for stores are based on "forecasts" received from India, subject to such modifications as may be considered necessary, having regard, for example, to information that may be available in the Store Department as to the actual cost of the stores required and to liabilities expected to be brought forward from the previous year. Details are given, where necessary, to show how the estimates are made up.

(ii) A regular monthly comparison is made with grants of expenditure incurred to date, and of probable further outlay to the end of the year. The actual control is, in fact, even closer than that effected by the monthly review, since all contracts before issue, and all indents on receipt from India, are considered in relation to the budget provision.

(iii) As soon as it appears certain or probable that the placing of a contract or the acceptance of an indent will result in the budget provision being exceeded, reference is made to the Government concerned, and commitments are not entered into in excess of the grant until sanction has been obtained.

(iv) Several revisions of the estimates for all Governments are carried out from October to January or February, or even as late as March in important cases, and every endeavour is made to give therein as full information as may be available in regard to possible excesses or surrenders.

(v) At the beginning of each financial year a complete survey is made as quickly as possible in order to ascertain the amounts of the payments brought forward from the previous year. Where no provision exists for such liabilities, or where the payments are materially in excess of the specific provision made therefor, or cannot be met from the budget allotment without materially reducing the provision intended for new indents, the matter is reported to India—usually by letter to the administrative department of the Government concerned.

31. The question of speeding up supplies has received special attention. Various improvements in the departmental organisation and methods have been introduced, and a close watch is kept upon contractors to ensure that contract dates for delivery are adhered to as nearly as possible. Expedition
of supplies.

Delay is, however, caused in many instances owing to action on demands having to be suspended until notification has been received from India that funds have actually been provided. Such delay may be regarded as inevitable in the case of indents transmitted towards the end of one financial year certified against the provision proposed in the budgets for the ensuing financial year, which unless accompanied by certificates to the effect that the Government concerned authorise compliance with the indents in anticipation of sanction to the provision of funds, must (with certain exceptions, e.g., indents for stores for the Military Services and State Railways) necessarily be suspended until the actual grants have been notified. In other cases, where the indents are not covered by existing provision in the High Commissioner's budget, the delay in placing an order caused by want of sanction might be obviated if indenting officers, before transmitting an indent which is not covered by provision in the High Commissioner's budget, would arrange for the transfer of the necessary funds, and would intimate when sending the indent that the Government concerned have authorised its execution and are transferring funds for the purpose.

32. In accordance with the instructions of the Government of India the practice of publicly advertising for stores has been greatly extended during the last few years. In the case of all orders of any magnitude, excepting specialities and patented articles, which can only be procured from a single source, no deviation from the rules regarding public advertisement is permitted without the High Commissioner's express sanction, which is only granted for special and convincing reasons. Advertis-
ment
procedure.

The method adopted is to advertise in those newspapers and technical journals which prove to be the best advertising media, statistics being kept to show which periodicals give the best results. At the same time complete forms of tender are sent to foreign Embassies and Consulates in London for despatch direct to firms in the countries which they represent. In this way our requirements are made known to firms in all countries.

The cost of advertisements during the year under review was £422. The number of advertisements during the last three years was as follows:— 1922-23, 165; 1923-24, 225; 1924-25, 287.

33. As the result of the 287 advertisements published in 1924-25, 7,749 sets of tender forms were issued to applicants and sent abroad through foreign Consuls. This represents an average of 27 sets of forms for each advertisement. The number, however, frequently exceeds 40 and has been as high as 81. As an instance of the results obtained it may be mentioned that, in response to 66 advertisements issued during the four months September to December, 1924, 632 tenders were received, of which 521 were British and 111 foreign. The foreign tenders were thus about 17½ per cent. of the total. For certain classes of stores the number of foreign tenders received is as high as 50 per cent. Tenders are received for supplies from Germany, Belgium, France, Switzerland, Czecho-Slovakia, the United States of America, Italy, Australia, Austria, Holland, Canada, Sweden, Denmark, Luxemburg, Latvia, South Africa, China and Spain, so that the Department can justly claim to have tapped the world's markets.

Machinery has been instituted by which, on the satisfactory completion of every contract entrusted to a foreign firm, the name of that firm is added to the Department's list of contractors. The firm is thus normally invited for supplies the value of which does not warrant advertisement.

34. The question of advertising in foreign publications has been repeatedly considered, but for the following reasons this procedure has not been adopted:—

(1) The procedure now followed yields a large and increasing number of foreign tenders. Undoubtedly all manufacturing countries are alive to the importance of India as a market for their products and are able, through the London representatives of individual firms and by other means, to keep in close touch with all requirements advertised in the London Press.

(2) Announcements in the foreign Press would, owing to the necessity for translation, involve considerable extra cost and delay.

(3) Such advertisements would result in the receipt of a large number of tenders from irresponsible firms or individuals without experience of world markets and without

sufficient enterprise to bring themselves into touch with new markets through the ordinary commercial channels, or lacking the resources necessary to deal with large contracts.

(4) Foreign Embassies and Consulates to which forms of tender are sent are in the best position to bring our inquiries to the notice of suitable firms in their respective countries.

35. During the six months October, 1924, to March, 1925, there were 28 cases in which tenders were obtained simultaneously in India and London. In seven of these instances the contracts were ultimately placed by this Department. The procedure is as follows: A day is fixed by the Chief Controller of Stores, Indian Stores Department, for the opening of both sets of tenders, and for this purpose the most favourable quotations received in London are telegraphed to him by this Department. Experience has shown that it is not always possible to ensure that the results obtained, so far as tenders from this country are concerned, are entirely satisfactory, and this opportunity may be taken to mention the principal difficulties which have been encountered by this Department in endeavouring to obtain the keenest competition in order to furnish a basis for true comparison between Eastern and Western prices. Difficulty frequently arises through the time given for quotations to be received in London and to be examined and transmitted to India being insufficient. The procedure which must be followed in London necessarily takes some time to complete. On receipt from India of full particulars of the requirements, the branch concerned, in consultation where necessary with the appropriate technical officer or officers, prepares forms of tender. Certain modifications of the Indian forms and specifications have to be made to cover such points as inspection, shipment, and payment by this Department. An advertisement has then to be prepared and sufficient time must be given after the date on which the advertisement appears in the Press to enable it to reach a wide circle of manufacturers and for the latter to obtain tender forms and to work out and submit their tenders. On receipt of the tenders a critical examination has to be carried out to determine the most favourable offer. If, as is not infrequently the case, a manufacturer known to be satisfactory is unable to submit a "clean" tender to the specification as received from India, further correspondence, and in some cases a reference to India, is rendered necessary before a final recommendation can be cabled to the Indian Stores Department.

Again, in some cases in which simultaneous tenders are to be invited the schedule and specification may be drawn in such a way as to render the contract considerably easier to tender for in India than in this country. This is the case, for instance, when the requirements indicate erection of machines at site and a trial period of running under the contractor's supervision. Schedules and specifications so drawn may exclude competition in respect of the actual plant, or portions of the plant.

Effect of
new stores
purchase
rules.

36. It is perhaps too early yet to judge of the full effect of the revision of the Rules for the Supply of Articles for the public Service which has recently been made by the Government of India, but certain results are noticeable, and as the initial tendency will probably become more pronounced, some remarks on the situation which appears to be developing, so far as it affects the activities of this Department, may be of interest. In view of the alteration of the rules which permits the purchase in India of certain classes of stores through branches and agents established in that country, British manufacturers have been advised by the Department of Overseas Trade to establish agencies and to hold stocks in India. In the case of manufacturers who have followed this advice a tendency to raise prices is growing apparent. To the manufacturer it is immaterial whether he sells to the Government of India in London or in Delhi. But if he quotes in London his prices are for delivery *ex* factory, and allow for inspection during manufacture at his works. A mistake in starting manufacture is put right by inspection before serious loss is incurred, reducing the risk of final rejection to a minimum; in most cases freight has not to be obtained at commercial rates nor insurance to be paid on the goods in transit; no charges have to be incurred on account of storage or interest on capital locked up, and payment will be made as soon as the goods are shipped. If the manufacturer establishes an agent in India the prices which he quotes for delivery through that agent must allow a considerable margin to cover expenditure on items which have been mentioned above, and the agent's remuneration or the cost of maintaining the Eastern branch. If, then, the manufacturer quotes his lowest *ex* factory prices to the India Store Department in London he will ensure that his agent in India secures no orders, so that he will probably decide either to refrain from quoting to this Department or to raise his price in London to the level at which he finds it necessary to quote in India.

37. Nearly all the evidence on which the above summary is based has been verbal and given more or less confidentially, but a few instances have come to light officially, and three are cited below:

(a) An important manufacturing firm states:—

"We have been approached by the Board of Trade Overseas Department with regard to appointing an agent to hold a stock of our apparatus and parts in India. . . . If we did this our prices would be advanced, as it would be impossible to supply at the present rates through an agent."

(b) A demand was received for certain small stores, the price quoted for delivery in this country being 3s. 6d. each. The demand had to be suspended for two or three months, and when the suspension was removed the firm stated that an Indian agency had been established which was able to

quote a price of 7s. each, and that the Indian agency price must apply whether the order were placed in London or locally.

(c) An order was placed with a firm for material. Subsequent to the letting of the contract the firm represented that they had tendered in error, and that the prices should have been increased by 50 per cent. Under cross-examination they admitted that this was to protect their Indian agency, which, of course, had to charge higher prices. They also stated that many local sales in India were effected at double the prices which this Department had been paying.

38. A statement is attached (Appendix II) showing the numbers employed in the Stores Department during each of the years 1921-22, 1922-23, 1923-24 and 1924-25. The establishment is divided into three grades, viz., permanent, unestablished, and temporary. The permanent staff are eligible for pension on the Treasury scale, the unestablished staff are non-pensionable but are eligible on retirement for a gratuity dependent on length of service, and the temporary staff are not entitled to either pension or gratuity. Staff of
Department.

Under the orders of the Government of India, no new permanent appointments are being made in the Department and no vacancy in the permanent cadre of the Department can be filled substantively unless the officer selected has already a permanent and pensionable status.

39. A comparatively new addition to the staff of the Department is the Mechanical Transport Section. This section was constituted to deal with demands for lorries, armoured cars, touring cars, motor bicycles and allied stores which had not previously been bought except in very small quantities. The value of these stores purchased in 1924-25 was £528,405. The staff, which consists of three technical and two clerical officers, has hitherto been engaged on a temporary footing, but as it is considered unlikely that demands for the important military stores concerned will be discontinued or seriously diminished, a proposal has been submitted to the Government of India that the staff should be given unestablished status.

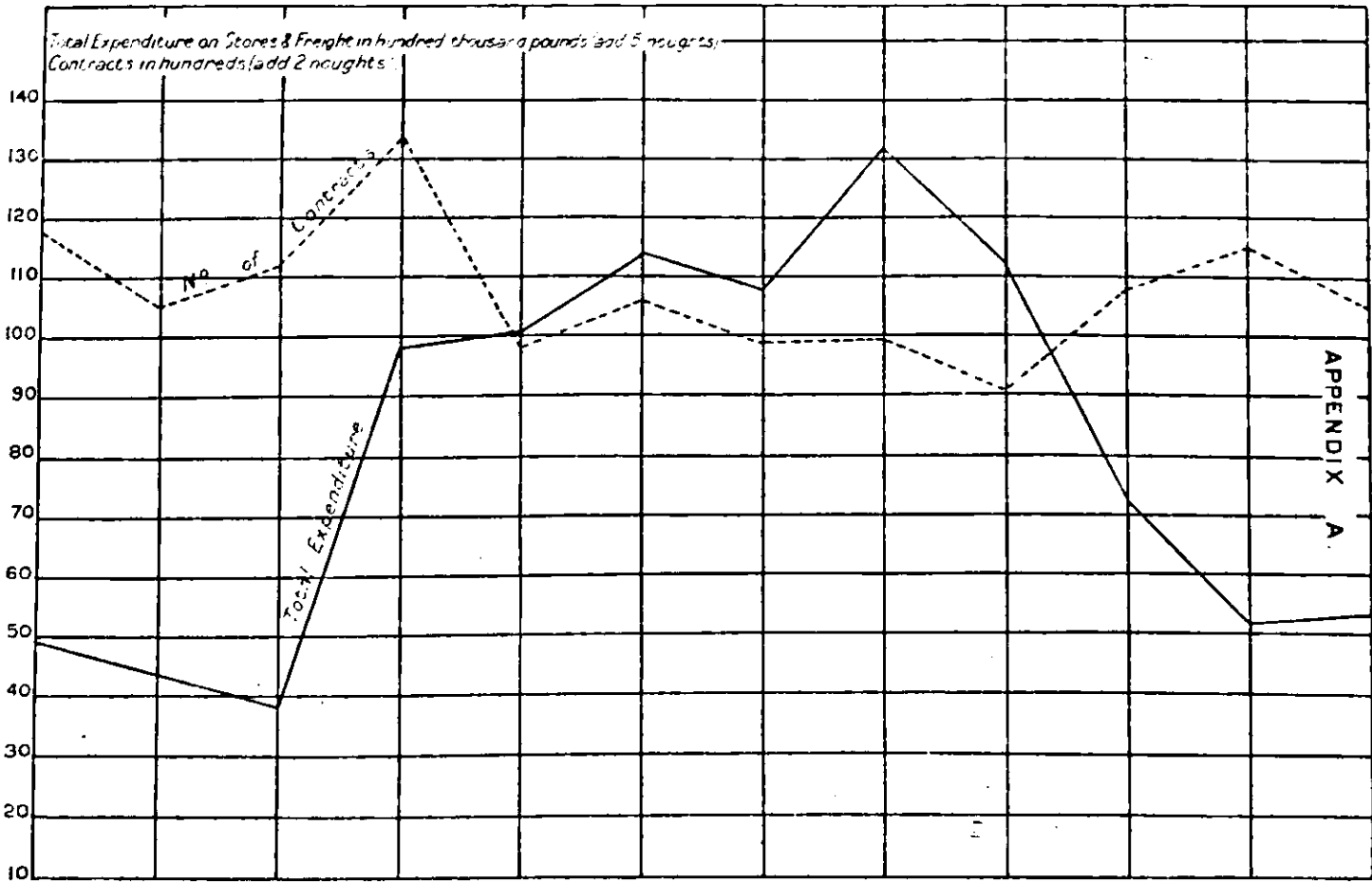
40. To deal with the extra work to be expected from the transfer to the Department of the purchase of stores for the East Indian and Great Indian Peninsula Railways the Government of India sanctioned an increase of staff amounting in all to 16 persons. This additional staff is being recruited mainly from the staff employed in the offices of the two Railway Companies. Seven of these took up their duties in January, 1925, and one more on 1st April.

41. In the course of the year an application was made by the industrial staff employed at Woolwich Arsenal and the Royal Army Clothing Department, Pimlico, for an advance in wages.

The application was referred by the Imperial Government to arbitration, and resulted in an increase of 6s. a week to skilled men and 5s. a week to semi-skilled and unskilled men. In accordance with the established practice, by which the industrial staff of the India Store Depot is treated in a similar manner to the corresponding grades at Woolwich and Pimlico, similar advances were granted by the High Commissioner to the India Store Depot employees. No other important variations in rates of wages or cost of living bonus took place.

Lease of
advertisement rights
on Depot
premises.

42. During the year under report the High Commissioner entered into an agreement to lease to a firm of advertisement contractors the advertising rights on the river front of the India Store Depot. The rent payable by the contractors is £525 per year, and the agreement runs for a period of five years. The contractors bear all risk of damage to the Depot buildings and contents that may be caused by or through the erection of the advertisement.



APPENDIX A.

APPENDIX C.

VALUE OF STORES PURCHASED DIVIDED ACCORDING TO COUNTRIES OF ORIGIN.

Country.	1922-3.		1923-4.		1924-5.	
	Value.	Percentage of total amount.	Value.	Percentage of total amount.	Value.	Percentage of total amount.
Great Britain ...	£ 4,689,557	93.683	£ 2,939,086	91.708	£ 3,632,796	87.333
U.S.A. ...	139,386	2.784	81,196	2.533	274,743	6.605
Germany ...	59,144	1.181	45,716	1.426	174,230	4.189
Belgium ...	34,191	0.683	38,395	1.197	40,037	0.962
Czecho-Slovakia ...	19,952	0.398	38,750	1.208	12,214	0.293
Holland ...	2,790	0.055	5,335	0.166	6,042	0.145
Latvia ...	—	—	—	—	5,169	0.124
France ...	19,760	0.394	45,676	1.425	4,109	0.099
Italy ...	841	0.016	2,276	0.071	2,971	0.071
Switzerland ...	597	0.012	2,871	0.089	2,398	0.058
Canada ...	1,152	0.023	—	—	1,827	0.044
South Africa ...	—	—	—	—	1,625	0.039
Sweden ...	20,392	0.407	1,910	0.059	1,370	0.033
Denmark ...	—	—	1,450	0.045	42	0.001
China ...	—	—	—	—	40	0.001
Australia ...	—	—	—	—	36	0.001
Spain ...	—	—	—	—	13	0.0003
Austria ...	—	—	—	—	17	0.0004
Other countries (not fully classified in 1922-3 and 1923-4).	18,003	0.359	2,699	0.084	—	—
	£ 5,005,765		£ 3,205,360		£ 4,159,679	

Note.—These figures do not include stores obtained through other Government Departments.

APPENDIX D.

ABSTRACT OF CASES in which Tenders, other than the lowest offering suitable goods, were accepted on the grounds of superior quality, superior trustworthiness of the firm tendering, greater facility of inspection, quicker delivery, &c. (Reference: para. 7 of High Commissioner's letter No. 521, H.C., General, dated 25th January, 1922, to the Secretary to the Government of India, Department of Industries.)

HALF-YEAR ENDING 30TH JUNE, 1924.

PART I.—Cases in which lower foreign tenders, including British tenders for foreign made goods, have been set aside wholly or partially in favour of British tenders.

Stores ordered.	Contract number.	Name of Contractor.	Amount of Contract.	Lowest tender not accepted.	Reason for acceptance.
Axles, engine	D. 706/38/ 18.2.24.	Wm. Jessop and Sons, Ltd.	£ s. d. 324 0 0	£ s. d. 250 19 0 (German).	One item of three crank axles was stated by the Railway Board, after a summary of the tenders had been telegraphed to them, to be urgently required. The lowest tenderers were unable to guarantee delivery within the period required, and it was therefore necessary to order the three axles in question from the lowest British firm. For the remaining axles the lowest tender (German) was accepted.
Wheels and axles.	D. 1600/ 2429/ 14.5.24.	Wm. Beardmore & Co., Ltd.	2,340 0 0 for 60 pairs.	1,434 0 0 (German)	212 pairs of wheels and axles were indented for by telegram, delivery being required at the rate of 20 pairs a month commencing by May, 1924. The lowest satisfactory tender came from the Bochumer Verein, but shipment could not be expected to commence before August if this tender was accepted. It was therefore necessary to place an order for three months' supply with the lowest tenderer who could be relied upon to give quick delivery. Sixty pairs were accordingly ordered from Beardmore & Co., who promised to commence in five weeks. The balance of the order was given to the Bochumer Verein.

Part II.—Cases in which the discrepancy in value is due to a difference between foreign and home market prices. (Continued.)

Windlass ...	D. 75/8-10 7.1.24.	Clarke, Chapman & Co., Ltd.	131 0 0	108 0 0	Superior value. The lower offer was for a less powerful machine, and the accepted tender was well within the price offered by Borma.
Chasers ...	D. 251/30.10 18.1.24.	E. H. Pickford & Co.	15 11 0	12 17 9	Considered better value, the stores offered being much stronger and heavier and worth more than the difference in cost.
Dog spikes ...	D. 156/30 30.1.24.	A. de Barsey ...	5,509 10 9 (at £12 1s. 6d. per ton) for 139 tons 14 cwt. 1 qr. 4 lbs.	5,100 13 9 (at £11 12s.)	The dog spikes were urgently required in India. The lowest tenderer had proved unreliable as regards deliveries, so was only entrusted with a portion of this large order, viz. 146 tons (approx.)
Level ...	D. 524/210 4.2.24.	E. R. Watts and Son, Ltd.	25 0 0	22 0 0	The lower quotation included a bubble reading attachment generally considered suitable, but the accepted tender included a Zeiss prism reading attachment at an extra cost of only £3, which the Indenting Department is known to prefer.
Steel, mild, bar	D. 896/672 6.3.24.	Patent Shaft and Axletree Co., Ltd.	34 8 6	32 17 2	The lower tender did not offer delivery in time to meet the urgent requirements of the Indenting Department.
Axles, steel, engine.	D. 994/657 21.3.24.	Bochumer Verein	777 4 0 (German)	752 0 0 (German)	As the stores were stated to be urgently required, the order was placed with the second lowest tenderer at the small extra cost of £25, in order to secure delivery two months earlier than the time offered by the lowest.
Boiler ...	D. 1175/8533 8.4.24.	James Neilson & Son, Ltd.	580 0 0	568 0 0	The Indenting Department asked for the boiler to be delivered in India by 31st January, 1924, the indent being received in the Store Department on 21st November, 1923. The delivery specified could not be secured at such short notice, nor could the boiler be obtained in time to allow of payment in the financial year 1923-4. Enquiries had therefore to be made regarding budget provision, and it was not possible to place the order before 8th April. In view of the urgency it was decided to pay the small extra sum of £12 to secure delivery about four weeks earlier than that offered by the lowest tenderer.

Stores ordered.	Contract number.	Name of Contractor.	Amount of Contract.	Lowest tender not accepted.	Reason for acceptance.
Binoculars ...	D. 1910/ 2618/ 3.6.24.	J. W. Atha & Co.	£ s. d. 209 0 0 (German Zeiss glasses with British cases)	£ s. d. 204 0 0 (French glasses and cases)	Better value. Both the glasses and cases offered by Atha were considered superior to those offered by the lower tenderer, and well worth the small difference in cost.
Carbonate of soda.	D. 2079/ 2213/ 13.6.24.	Brunner, Mond & Co., Ltd.	26 19 6	26 0 0	Superior value. Accepted tenderer's sample was of better quality.

HALF-YEAR ENDING 31ST DECEMBER, 1924.

PART I.—Cases in which lower foreign tenders, including British tenders for foreign-made goods, have been set aside wholly or partially in favour of British tenders.

Girder bridges	D. 2483/ 3505/ 10.7.24.	Francis Morton & Co., Ltd.	6,280 0 0	6,036 5 2 (German).	The lowest tender offered longer delivery and Continental sections, which would have necessitated a revision of the design. The preliminary inspection of the works and the visits of inspectors during re-designing and manufacture would have absorbed most, if not all, of the difference in price. The H.C. decided on the second tender on the grounds of superior reliability, delivery approximating to the requirements of the Indenting Officer, and economy in inspection.
Microscope ...	D. 2591/ 2536/ 17.7.24.	Down Bros., Ltd.	35 18 0	30 6 9 (German).	Selected by the Indenting Officer to whom tenders were referred.
Microscope ...	D. 2607/ 3055/ 19.7.24.	J. Swift and Son, Ltd.	147 8 6	92 9 0 (German).	" " " "

Axleboxes	D. 3533/5389/223624.	The Patent Axlebox and Foundry Co., Ltd.	2,568 15 0	2,074 15 0 (German).	17 tons of a total of 21 axleboxes were purchased originally. They were tendered from an unknown German firm. The Consulting Engineers took samples for inspection, and a report on the worst lot in view of the impracticality of early delivery (new patterns having to be made) and the undesirability of our using the wheel of a large order (smaller than the 15-ton axleboxes) were ordered from the next lowest tenderer, the Patent Axlebox and Foundry Co., Ltd. Subsequently the Consulting Engineers reported favourably on the German firm, and the non-urgent part of the order was placed with them as a trial order. The cost of the two orders totalled 24,220, as against the lowest tender at 23,707 10s.
Wagons, goods	D. 4738/6786/21.12.24.	Metropolitan Carriage, Wagon and Finance Co., Ltd.	11,805 12 6 (Pt. order)	11,310 0 0 (Czechoslovakian)	Accepted on account of the earlier delivery offered. The lowest tenderers required 24 weeks for delivery, and, having regard to experience in connection with previous orders placed with them, it was considered probable that the contract could not be completed by them under, say, eight to nine months. The cost of inspection abroad would be greater than in England, and would have been further increased by such an extended delivery, and the earning power of the wagons obtainable through the Metropolitan Company (who offered to deliver in 17 weeks) would more than counterbalance the extra cost.

PART II.—Cases in which the discrimination is between British firms only.

Limeshaft Motors, &c.	D. 2356/1720/17.24.	English Electric Co., Ltd.	629 4 0	556 18 0	Not lowest, but selected by Mr. Ringing, Tibetan Trade Agent, as best value. The motors are for the Tibetan Govt.
Tyres, solid band.	D. 2630/4336/26.7.24.	C. Macintosh & Co., Ltd.	259 12 0	241 14 0	Accepted on account of superior quality of goods offered. Decision was based on the mileages reported and the preference expressed by Indenting Officer.

Stores ordered.	Contract number.	Name of Contractor.	Amount of Contract.	Lowest tender not accepted.	Reason for acceptance.
Windlass ...	D 3050/ 5126/ 23.8.24.	Clarke, Chapman & Co.	£ s. d. 348 0 0	£ s. d. 345 0 0	The windlass offered by this firm is exactly similar to the original supply. This is in accordance with the Indenting Officer's wishes as indicated in his demand.
Machine, numbering.	D. 3084/ 3095/ 27.8.24.	C. W. Shortt & Co., Ltd.	126 3 9	86 12 10	Tenders were referred to India and the machine offered by Shortt & Co. was considered by the Indenting Officer to be the more suitable.
Varnish ...	D. 3114/ 4752/ 28.8.24.	R. Kearsley & Co., Ltd.	820 0 0	800 0 0	Accepted on the ground of the superior quality of varnish offered. Considered best value for money.
Carsac elements.	D. 3135/ 4974/ 29.8.24.	General Electric Co., Ltd.	1,187 10 0	1,153 6 8	Best offer. The small additional cost considered negligible compared with the better quality offered by the accepted tenderer.
"	D. 3136/ 5037/ 29.8.24.	General Electric Co., Ltd.	53 10 0	48 4 0	The General Electric Company's quotation was actually the lowest offer based on output guaranteed per ampère hour.
Locomotive ...	D. 3443/S. 6987/ 17.9.24.	A. Barclay Sons & Co., Ltd.	1,460 0 0	1,100 0 0	Selected by the Indenting Officer of whom tenders were referred.
Paraffinum liquidum.	D. 3629/ 2821/ 29.9.24.	Anglo - American Oil Co., Ltd.	45 0 0	43 15 6	Superior value offered as compared with the lowest tender.
Paper, writing	D. 3736/ 1976/ 4.10.24.	J. Dickinson & Co., Ltd.	2,487 11 6	1,690 0 0 (approx.)	Messrs. Dickinson's paper was demanded. Quotations were also obtained from other makers, and samples and prices were sent to the Indenting Officer who selected Dickinson's tender.
Buffers ...	D. 3738/ 5390/ 4.10.24. (Pt. order.)	P. and W. MacLellan, Ltd.	2,835 0 0 (for 600 buffers).	2,475 0 0	In order to meet the Indentor's requirements regarding delivery, 600 out of 3,000 buffers were ordered from P. and W. MacLellan, Ltd. The balance of the order was given to the lowest tenderer.

Machine, back saw	D. 3757/ 3769/ 6.10.24.	E. G. Herber, Ltd.	65 19 7	38 19 5	One machine at £65 19s. 7d. was selected by the Indenting Officer to whom the tenders were referred. (He also selected one machine from the lowest tenderer.)
Wire, insulated	D. 5695/ S. 2523/ 7.10.24.	Callenders, Cable and Construction Co., Ltd.	500 17 0	539 17 3	Callenders are the only firm who have made this cable, specially suited to the tropics, with entire success. Complaints have been received in respect of all cable of this type ordered from other firms.
Swords	D. 3999/ 5811/ 21.10.24.	Wilkinson Sword Co., Ltd.	255 15 0 (Part order).	196 9 3	The lowest tenderer's previous contract (dated June 1924) had to be cancelled owing to their failure to supply satisfactory swords. Part of the present order has been given to them to afford them another chance, as they are the only competitors of Messrs. Wilkinson, but it would be inadvisable to allot them the whole order owing to the rather considerable risk of failure. The balance of the order has been placed with the Wilkinson Sword Co., as shown.
Quinine hydrochloridum acidum.	D. 4125/ 2828/ 31.10.24.	Burroughs, Wellcome & Co.	460 9 3	456 19 2	Accepted on the ground of the greatly superior value offered as compared with the lowest tender.
Diathermy apparatus.	D. 4269/ 6059/ 11.11.24.	Watson and Sons (Electro Medical, Ltd.).	104 16 4	91 16 0	Messrs. Watson's apparatus was specified by the Indenting Officer. Tenders were called for, however, and a quotation lower than that submitted by Messrs. Watson was received. The tenders were referred to the Indenting Officer, who asked for Messrs. Watson's apparatus to be supplied.
Sterilisers	D. 4318/ 6055/ 13.11.24.	Down Bros., Ltd.	27 18 4	19 12 6	The order has been placed with the firm whose name was expressly specified in the indent by the Indenting Officer. This firm's tender was the highest received, although within the estimate of cost. The two lower tenders received were passed over in accordance with the instructions of the Indenting Officer. One of these tenders—the lowest—came from a firm whose sterilisers had already been tried by the Indenting Department, but had not been approved of.

Stores ordered.	Contract number.	Name of Contractor.	Amount of Contract.	Lowest tender not accepted.	Reason for acceptance.
Press, wheel, hydraulic.	D. 4373/ 5677/ 21.11.24.	Sir W. G. Armstrong, Whitworth & Co., Ltd.	£ s. d. 775 0 0	£ s. d. 762 0 0	Sir W. G. Armstrong Whitworth's quotation was within the estimated cost, and was accepted on the ground of the better value offered as compared with the lower tender. The press was heavier and of better design.
Decolorising carbon.	D. 4450/ 6554/ 1.12.24.	Haller and Phillips, Ltd.	225 0 0	178 15 0	The tender at £225 was within the estimated cost of £240, and the carbon offered was double the strength of that offered at £178 15s.
Road rollers...	D. 4550/ 6685/ 10.12.24.	Aveling and Porter, Ltd.	3,846 2 0	3,381 17 6	Aveling and Porter rollers were demanded as being preferred by the local drivers, and being more suitable for the working conditions in Burma. Rollers by another well-known maker were offered at a lower cost, as shown in the previous column, but value for value on a dead weight basis there was little to choose between the two. The selection was referred to the Indenting Officer, who choose Aveling and Porter's make.

PART III.—Cases in which the discrimination is between foreign firms only.

Loco. crank axles.	D. 2405/ 3379/ 3.7.24.	Fried. Krupp ...	2,611 0 0 (German)	2,601 4 0 (German)	Superior reliability as makers of crank axles.
Screw spikes...	D. 3750/ 6164/ 6.10.24.	A. de Barsey ...	564 14 5 (Belgian)	545 14 8 (Belgian)	Accepted on the grounds of the quicker delivery offered and the superior reliability of firm tendering.

Microscopes ...	D. 4314/ 4768 17.11.24.	J. W. Atha & Co.	23 11 0 (German)	20 14 4 (German)	Zeiss microscopes were demanded, and Messrs. J. W. Atha & Co. tendered for that firm's apparatus at £27 6s. 6d., subsequently reduced to £23 11s. A tender at £20 14s. 4d. for an equivalent set of apparatus was received from another firm, and both tenders were referred to the Indenting Officer, who selected the tender for Zeiss microscopes.
Oil tank wagons.	D. 4399/ 6340 24.11.24.	H. J. Skelton & Co., Ltd.	9,774 1 0 (German)	9,692 10 0 (German)	Accepted on account of quicker delivery. 15 out of the 34 wagons demanded were required at the earliest practicable date; the remainder were required in India during 1924-5. These requirements could not be met by the acceptance of the lowest tender.
Tyres, steel ...	D. 4648/ 7496/ 18.12.24.	Fried. Krupp ...	768 1 9 (German)	751 5 6 (German)	Accepted on account of the earlier delivery offered. The indent required delivery in India not later than 1st January, 1925. Messrs. Krupp (next to the lowest) offered shipment in three weeks of the date of order, whereas the lowest tenderer required eight weeks.

PART IV.—Cases in which lower British tenders have been set aside wholly or partially in favour of foreign tenders.

Dragline excavators.	D. 2505/ 2777/ 10.7.24.	Encyrus Co. ...	£39,760 (£7,104 approx.) (U.S.A.).	4,700 0 0 (British)	The lowest tender was recommended by the India Store Department, after inspection of works and of a similar machine. Prices and deliveries were telegraphed to the Indenting Officer, who selected the highest of the six offers received.
----------------------	-------------------------------	-----------------	---	------------------------	--

APPENDIX E.

CLASSIFICATION OF THE COST OF THE SERVICES RENDERED BY THE HIGH COMMISSIONER'S OFFICE IN CONNECTION WITH THE SUPPLY OF STORES TO INDIA.

NOTE.—The salaries and wages generally include an addition of 15 per cent. for pensionary charges.

	Total for Stores.			
	1921-2.	1922-3.	1923-4.	1924-5.
HIGH COMMISSIONER'S OFFICE AT GROSVENOR GARDENS.				
Salaries of High Commissioner, Secretary, Personal Staff, and Typists.	£ 3,040	£ 2,749	£ 3,205	£ 3,251
All costs of Accounts Department staff engaged on Stores work.	5,089	5,096	5,308	5,510
Costs of Accounts Treasury staff and Accounts combined accounting and estimating staff and Accounts Registry.	3,433	4,282	4,157	4,331
Costs of subordinate staff, messengers, and cleaners.	1,248	1,557	1,797	1,939
Costs of upkeep of premises and office contingencies.	1,238	2,235	1,828	1,935
Interest at 5 per cent. on initial outlay on premises at 42 and 44 Grosvenor Gardens.	612	—	—	—
Interest at 5 per cent. on initial outlay on premises at 42, 44, and 46 Grosvenor Gardens.	—	780	780	780
TOTAL	14,660	16,700	17,075	17,746
STORE DEPARTMENT (BELVEDERE ROAD). (All chargeable to Stores.)				
Staff	100,599	93,984	90,845	90,885
Wages of labourers, &c.	33,694	25,525	21,863	23,617
Upkeep—contingencies	19,993	19,889	16,464	15,910
Interest on assumed capital cost of Store Department premises.	6,000	6,000	6,000	5,290
TOTAL	160,286	145,398	135,172	135,612
MISCELLANEOUS.				
All costs of Ordnance Consulting Officer's Branch.	Nil*	2,941	2,924	2,520
All costs of professional inspection of stores (Consulting Engineers, &c.) ...	29,221	30,323	28,717	21,964
Costs of postage to India	203	292	238	251
Costs of telegrams to India	1,349	1,504	779	837
Costs of law charges	—	—	5	1
Costs of stationery, printing, and book-binding.	2,658	2,718	2,381	2,445
Costs of National Health and Unemployment Insurance.	417	519	218	416
TOTAL	33,848	38,297	35,262	28,334
SUMMARY.				
Grosvenor Gardens	14,660	16,700	17,075	17,746
Store Department	160,286	145,398	135,172	135,612
Miscellaneous	33,848	38,297	35,262	28,334
GRAND TOTAL	£ 208,794	200,395	187,509	181,692

* Charge borne by Secretary of State up to 1st April, 1922.

APPENDIX F.—Year 1923-24.

Item.	Description.	Total.	P.E.R. figures roughly attributable to Stores.	
			£	Rs.
1	High Commissioner, Secretary, and Personal Staff.	6,214	(2) 2,486	1,200
2	General Department	5,125		
3	Typists, Grosvenor Gardens	1,797	(3) 719	
4	Staff of Store Department (including Depot and M.T.).	90,845	90,845	1,600
5	Wages of labourers, &c. (Store Depot)	21,863	21,863	
6	Ordinance Consulting Branch	2,924	2,924	
7	Cost of professional inspection of stores	28,717	28,717	14,750
8	Upkeep—Contingencies—Store Department and Depot.	16,464	16,464	
9	Accounts Department—Staff on Stores Work.	5,308	5,308	700
10	Accounts Department—Staff on Pay and Pension Work.	11,408		
11	Accounts Treasury Staff	2,667	(4) 1,334	
12	Accounts—Combined accounting and estimating, C.A.O. Registry.	5,645	(15) 2,823	
13	Indian Students Department Staff ...	4,258		
14	Grants to Oxford and Cambridge Universities in connection with Indian Students and to local Advisers at other University towns.	1,615		
15	Hostel at 21 Cromwell—Rent, rates, and grants for maintenance and allowance to Warden.	2,416		*
16	Miscellaneous expenses and grants for Indian Students work.	514		
17	Subordinate Staff at Grosvenor Gardens—messengers and cleaners.	5,134	(5) 1,797	
18	Upkeep of premises at Grosvenor Gardens and Office Contingencies.	6,093	(11) 1,828	1,280
19	National Health and Unemployment Insurance.	363	(13) 218	10
20	Postage to India	634	(2) 238	10
21	Cost of telegrams to India	1,335	(13) 779	50
22	Law charges	44	(15) 5	
23	Colonial departmental charges for issue of Leave Pay and Pensions.	1,245		
24	Stationery, Printing and Bookbinding...	4,763	(6) 2,381	1,000
25	Interest at 5 per cent. on initial outlay on premises at Grosvenor Gardens.	2,600	(5) 780	
26	Interest on assumed capital cost of Store Department premises.	6,000	6,000	
		235,991	187,509	20,600

* These figures were supplied by the East Indian Railway Company.

APPENDIX G.

STATEMENT OF EXPENSES OF CONSULTING ENGINEERS, EXCLUDING THE PERSONAL FEE.

Year.	Value of Contracts placed during calendar year.	Cost of expenses for years ending three months later—i.e. on 31st March.	
		Amount.	Per cent.
	£	£	
1909	912,764	9,086	0.92
1910	1,584,690	11,841	0.75
1911	1,833,430	13,275	0.72
1912	2,560,622	14,819	0.57
1913	2,753,558	12,802	0.46
	Pre-war average		0.64
1919	5,112,861	14,560	0.28
1920	2,237,503	19,805	0.88
1921	969,525	19,784	2.04
1922	1,488,070	17,445	1.17
1923	1,213,999	16,517	1.36
	Post-war average		0.79
	AVERAGE OF TEN YEARS		0.72

APPENDIX H.

NUMERICAL STRENGTH OF THE STORE DEPARTMENT.

1921-22.

				Staff.	Labourers.
Permanent	...	...	...	109	89
Unestablished	...	...	...	—	63
Temporary	...	...	...	60	1
TOTAL	...	...	...	238	153

1922-23.

				Staff.	Labourers.
Permanent	...	...	...	152	90
Unestablished	...	...	...	5	57
Temporary	...	...	...	78	1
TOTAL	...	...	...	235	148

1923-24.

				Staff.	Labourers.
Permanent	...	...	...	157	90
Unestablished	...	...	...	6	57
Temporary	...	...	...	66	1
TOTAL	...	...	...	229	148

1924-25.

				Staff.	Labourers.
Permanent	...	...	...	152	88
Unestablished	...	...	...	52	57
Temporary	...	...	...	30	1
TOTAL	...	...	...	234	146

APPENDIX J.

LIST OF HIGHER TECHNICAL OFFICERS.

Superintendent.

F. E. Benest, M.I.E.E.

Deputy Superintendent.

Major J. R. Acton, F.C.S., F.I.C.

Chief Mechanical Engineer.

A. L. Haas, M.I.M.E.

Assistant Mechanical Engineers.

H. Bollman, A.M.I.M.E., A.M.I.E.E.

J. W. Price, A.M.I.C.E., A.M.I.M.E.

Chief Electrical Engineer.

L. A. Lewis, M.I.E.E.

Assistant Electrical Engineers.

J. R. Abbott, A.M.I.E.E.

G. T. Wright, A.M.I.E.E., Grad. I.E.E.

C. Newman.

Inspectors of Scientific Supplies.

T. F. Connolly, M.Sc., F.Inst.P., F.Op.S.

E. H. Coumbe, A.R.C.Sc.

Chief Chemist.

T. A. Moore, A.I.C.

Assistant Chemists.

A. Farmborough, A.I.C.

M. Priest, F.I.C.

Inspectors of Mechanical Transport.

Major R. W. Fraser.

Major E. H. W. Partridge, M.I.M.E., M.I.A.E., A.M.I.E.E.

Examiner of Medical Stores.

Lieut.-Col. A. Miller, M.B., I.M.S.

Examiner of Surgical Instruments.

Lieut.-Col. Sir T. J. Carey-Evans, M.C., I.M.S.