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ABSTRACT OF THE PROCEEDINGS
OF
COUNCIL OF THE GOVERNOR GENERAL OF INDIA,
ASSEMBLED FOR THE PURPOSE OF MAKING
LAWS AND REGULATIONS,

1901,

WITH INDEX.

VOLUME XL.



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CALCUTTA -

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Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict., c. 67, and 55 & 56 Vict., c. 14).

The Council met at Government House, Calcutta, on Friday, the 4th January, 1901.

PRESENT:

His Excellency Baron Curzon, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.
 The Hon'ble Major-General Sir E. H. H. Collen, G.C.I.E., C.B.
 The Hon'ble Sir A. C. Trevor, K.C.S.I.
 The Hon'ble Sir C. M. Rivaz, K.C.S.I.
 The Hon'ble Mr. T. Raleigh.
 The Hon'ble Sir E. FG. Law, K.C.M.G.
 The Hon'ble Maharaja Rameshwara Singh Bahadur of Darbhanga.
 The Hon'ble M. R. Ry. Panappakkam Ananda Charlu Vidia Vinodha Avargal, Rai Bahadur, C.I.E.
 The Hon'ble Kunwar Sir Harnam Singh, Ahluwalia, K.C.I.E., of Kapurthala.
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 The Hon'ble Sir A. Wingate, K.C.I.E.
 The Hon'ble Mr. F. A. Nicholson, C.I.E.
 The Hon'ble Mr. H. J. S. Cotton, C.S.I.
 The Hon'ble Mr. C. W. Bolton, C.S.I.
 The Hon'ble Rai Sri Ram Bahadur.

NEW MEMBER.

The Hon'ble MR. COTTON took his seat as an Additional Member of Council.

INDIAN MINES BILL.

The Hon'ble SIR CHARLES RIVAZ moved that the Hon'ble Mr. Ashton be added to the Select Committee on the Bill to provide for the Regulation and Inspection of Mines.

The motion was put and agreed to.

2 *LABOUR AND EMIGRATION (ASSAM); EMIGRANTS' HEALTH (ASSAM); MILITARY LUNATICS.*

[*Sir Charles Rivaz; Major-General Sir Edwin Collen.*] [4TH JANUARY, 1901.]

ASSAM LABOUR AND EMIGRATION BILL.

The Hon'ble SIR CHARLES RIVAZ moved that the Hon'ble Mr. Henderson be added to the Select Committee on the Bill to consolidate and amend the law relating to Emigration to the labour-districts of Assam.

The motion was put and agreed to.

ASSAM EMIGRANTS' HEALTH BILL.

The Hon'ble SIR CHARLES RIVAZ moved that the Hon'ble Mr. Henderson be added to the Select Committee on the Bill to make better provision for the health, supervision and control of Emigrants proceeding to or from the labour-districts of Assam.

The motion was put and agreed to.

MILITARY LUNATICS ACT, 1877, AMENDMENT BILL.

The Hon'ble MAJOR-GENERAL SIR EDWIN COLLEN moved for leave to introduce a Bill to amend the law relating to the admission of Native Military Lunatics into Asylums. He said:—"The practice under the Military Lunatics Act of 1877 and the regulations hitherto in force is that a Native soldier who is discharged from an asylum rejoins his regiment if considered fit, or is entrusted to the care of his friends. Experience has, however, shown that it is better to adopt the home practice and to discharge from the army any soldier declared to be insane, and not to allow him to bear arms again after being discharged from the asylum. With this object certain amendments are proposed in the Act of 1877 and in the Articles of War."

The motion was put and agreed to.

The Hon'ble MAJOR-GENERAL SIR EDWIN COLLEN introduced the Bill.

The Hon'ble MAJOR-GENERAL SIR EDWIN COLLEN moved that the Bill and Statement of Objects and Reasons be published in the Gazette of India in English, and in the local official Gazettes in English and in such other languages as the Local Governments think fit.

The motion was put and agreed to.

The Council adjourned to Friday, the 18th January, 1901.

CALCUTTA;
The 4th January, 1901.

J. M. MACPHERSON,
Secretary to the Government of India,
Legislative Department.

Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict., c. 67, and 55 & 56 Vict., c. 14).

The Council met at Government House, Calcutta, on Friday, the 18th January, 1901.

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- The Hon'ble Mr. P. M. Mehta, C.I.E.
- The Hon'ble Sir A. Wingate, K.C.I.E.
- The Hon'ble Mr. D. M. Smeaton, C.S.I.
- The Hon'ble Mr. H. J. S. Cotton, C.S.I.
- The Hon'ble Mr. C. W. Bolton, C.S.I.
- The Hon'ble Rai Sri Ram Bahadur.
- The Hon'ble Mr. R. P. Ashton.
- The Hon'ble Mr. R. H. Henderson.

NEW MEMBERS.

The Hon'ble MR. MEHTA, the Hon'ble MR. ASHTON and the Hon'ble MR. HENDERSON took their seats as Additional Members of Council.

INDIAN PORTS BILL.

The Hon'ble MR. RALEIGH moved that the Bill further to amend the Indian Ports Act, 1889, be referred to a Select Committee consisting of the

4 PORTS; AMENDMENT OF CENTRAL PROVINCES CIVIL COURTS, AMENDMENT OF ADMINISTRATOR GENERAL'S ACT, 1874.

[*Mr. Raleigh; Sir Charles Rivaz.*] [18TH JANUARY, 1901.]

Hon'ble Sir Charles Rivaz, the Hon'ble Sir Edward Law, the Hon'ble Rai Bahadur P. Ananda Charlu, the Hon'ble Sir Allan Arthur and the mover.

The motion was put and agreed to.

CENTRAL PROVINCES, CIVIL COURTS (AMENDMENT) BILL.

The Hon'ble MR. RALEIGH moved for leave to introduce a Bill further to amend the law relating to Civil Courts in the Central Provinces. He said.—“By the Central Provinces Civil Courts Act, 1885, section 12, the Chief Commissioner is empowered to invest any person with all or any of the judicial powers of a Commissioner, and the person so invested is designated Judicial Assistant to the Commissioner. The title is no longer appropriate, for the Commissioner has ceased to take judicial work on the civil side. The Chief Commissioner proposes that the Judicial Assistants should in future be called Divisional Judges, and that he should himself be empowered to fix the limits of the divisions to which they are assigned. I now ask leave to introduce a Bill to give effect to this proposal. I ought perhaps to say that other amendments in the Civil Courts Act are in contemplation, and that we may before long ask the Council to repeal and re-enact it. In the meantime, we propose to make the textual amendments set forth in the Bill.”

The motion was put and agreed to.

The Hon'ble MR. RALEIGH introduced the Bill.

The Hon'ble MR. RALEIGH moved that the Bill and Statement of Objects and Reasons be published in the Gazette of India in English, and in the Central Provinces Gazette in English and in such other languages as the Local Administration thinks fit.

The motion was put and agreed to.

ADMINISTRATOR GENERAL'S ACT (AMENDMENT) BILL.

The Hon'ble SIR CHARLES RIVAZ moved for leave to introduce a Bill further to amend the Administrator General's Act, 1874. He said.—“The question of affording relief to the Native Christian community in India in respect of the disadvantages to which they are at present subjected through the unequal operation of the law relating to probate and administration, has for

[181H JANUARY, 1901.] [Sir Charles Rivaz]

some time past engaged the attention of the Government of India. The position of Native Christians in this matter is explained in the Statement of Objects and Reasons attached to the Bill which I have asked leave to introduce, and I need not repeat what is said therein. When the Court-fees Amendment Act was under discussion in this Council two years ago, the grievances of the Native Christian community in regard to their liability to payment of succession-duties were noticed by several Hon'ble Members, and a promise was made on behalf of the Government of India that the representations then made should receive careful consideration. The Local Governments were accordingly consulted.

"In the course of the consideration of the subject, three proposals were put forward for achieving the end in view. The first of these was to exempt Native Christians from the operation of sections 187, 190 and 239 of the Indian Succession Act. The objection to adopting this suggestion was that, owing to the provisions of the Succession Certificate Act of 1889 and of the Hindu Wills Act, the position of the Native Christian community relatively to other members of their race would be affected in a somewhat anomalous way. Another suggestion was that the limit of exemption from payment of duty on probates and letters of administration should be raised from its present figure Rs. 1,000 to Rs. 5,000. Such action, however, while sacrificing a certain amount of revenue, would leave the grievance in question entirely untouched in so far as it affects well-to-do members of the Native Christian community, and would only partially improve the position of the remainder. The third proposal, which was put forward by the Madras Government, was to exempt Native Christians from the provisions of certain sections of the Administrator General's Act. This has been accepted by the Government of India as seeming to be the simplest and most effective method of dealing with the question, and it has accordingly been embodied in the present Bill. The exemption thus proposed will do for Native Christians what was done for Parsis by Act IX of 1881, it will relieve the community from the interference of the Administrator General in certain cases, and will enable them to avoid taking out probate, and therefore to escape payment of probate-duty, in cases where an estate is amicably distributed. The action thus proposed will not, I must admit, owing to the complex character of our scattered legislation on the subject of probate and administration, place Native Christians on terms of absolute equality in every respect with other Natives of India, but the Government of India consider that it will be a substantial and adequate recognition of the grievance which they are pledged to, as far as possible, redress."

6 AMENDMENT OF ADMINISTRATOR GENERAL'S ACT, 1874.

[Mr. Raleigh.] [18TH JANUARY, 1901.]

The Hon'ble Mr. RALRIGH said :—“ My hon'ble colleague has remarked upon the scattered nature of our legislation. With Your Lordship's permission I will endeavour to put together a few of the fragments, and to give some further explanation of the measure now to be introduced.

“ We had before us several projects for the amendment of the law. It was proposed to raise the limit below which probate-duty is not leviable. The proposal had some attractions for my Department, because it would only have been necessary to alter a figure in the schedule to the Court-fees Act. But we felt, as the Council will probably feel, that this would not have been a direct answer to the memorials which were before Government. We should have given the petitioners relief, not because they were Christians following Native usages, but simply because they were poor.

“ We turned to the proposal which we now recommend for adoption. The payment of probate-duty is in many cases compulsory, because, if the parties do not take out probate or letters of administration, the Administrator General is authorised and required to intervene. Payment is rendered optional, in a large class of cases, if the parties are exempted from the provisions of the Administrator General's Act. This concession has been made to Hindus, Muhammadans and Buddhists, and finally to Parsis. We propose now to extend it to Native Christians.

“ If the proposal is adopted the effect will be to relieve the parties from paying duty in all cases where an estate is amicably got together and distributed. Even in this litigious country, one may express the hope that the great majority of Christian estates are and will continue to be distributed without litigation.

“ It will still be necessary to take out probate or administration in all cases where an executor, legatee or next of kin has to prove his right in a Court of Justice. We do not ask the Council to accede to the proposal that Native Christians should be exempted from sections 187 and 190 of the Indian Succession Act. We recognise that it may be considered oppressive if we say, as the law now says, to members of a Native community, ‘ Even if you are distributing an estate amicably, and in accordance with your own usages, we shall bring in the Administrator General and make you pay the duty.’ But there is no obvious injustice in saying, ‘ If you cannot collect and distribute your estates without invoking the aid of our Courts, you must comply with our law of administration.’

“ There is also a special reason which would make it difficult to exempt the memorialists from section 187. That section has been incorporated in the

7 AMENDMENT OF ADMINISTRATOR GENERAL'S ACT, 1874.
[18TH JANUARY, 1901.] [Mr. Raleigh; Sir Charles Rivaz.]

Hindu Wills Act, which applies to Lower Bengal and to all Presidency-towns— that is, to those parts of India in which a Native, whether Hindu or Christian, is most likely to die testate and leaving property. We cannot well exempt the Christian in cases where the Hindu is made to pay. If then we gave a general exemption from section 187, we should have to qualify it by excluding all cases analogous to the cases which are governed by the Hindu Wills Act. The form of our legislation would be rather confusing; its practical result would be to some extent illusory. We should give a concession with one hand, and take away a valuable part of it with the other.

“Complaint has been made in regard to the power given by section 239 of the Indian Succession Act to the District Judge to intervene and to retain possession of property until probate or administration is taken out. But the power is to be exercised only on the application of a person interested, or when the Judge himself thinks it necessary to intervene. The words ‘for the protection of the property’ are sufficient to give the Judge a discretion. If there be any class of cases in which the intervention of the Judge involves hardship to any party, an exemption from this particular section may be given, by the Executive Government under section 332.

“The Bill which my hon’ble colleague has asked leave to introduce will not simplify the law, nor will it place the members of all religious communities on a footing of perfect equality. We can only do that by making persons of all religions pay the same duties; but to take this course would involve the withdrawal of privileges long enjoyed and not unsuited to our administrative traditions. The Bill now to be introduced will give, as we contend, an appreciable measure of relief and will give it in those cases which are best entitled to our favourable consideration.”

The motion was put and agreed to.

The Hon’ble SIR CHARLES RIVAZ introduced the Bill.

The Hon’ble SIR CHARLES RIVAZ moved that the Bill and Statement of Objects and Reasons be published in the Gazette of India in English, and in the local official Gazettes in English and in such other languages as the Local Governments think fit.

The motion was put and agreed to.

The Council adjourned to Friday, the 1st February, 1901.

CALCUTTA; }
The 18th January, 1901. }
J. M. MACPHERSON,
Secretary to the Government of India,
Legislative Department.

Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict., c. 67, and 55 & 56 Vict., c. 14).

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- The Hon'ble Mr. H. J. S. Cotton, C.S.I.
- The Hon'ble Mr. C. W. Bolton, C.S.I.
- The Hon'ble Rai Sri Ram Bahadur.
- The Hon'ble Mr. R. P. Ashton.
- The Hon'ble Mr. R. H. Henderson.

DEATH OF HER MAJESTY THE QUEEN-EMPRESS.

Hon'ble Members having taken their seats, His Excellency THE PRESIDENT addressed them as follows:—

"Here, at this table, where we are met to exercise the legislative powers, for the benefit of the people of India, that have been devolved upon us by the

[*The President.*] [1ST FEBRUARY, 1901.]

Crown of Great Britain, we ought not, I think, to meet to-day without paying such tribute of humble respect as is open to us to the memory of the great and good Sovereign who has worn that Crown for nearly two-thirds of a century, and now, in the fulness of years and honour, has passed away. The British Empire has had no such Queen, gracious, wise, dignified, symbolising all that was most enlightened and progressive in her time, of pure and stainless life. India, in its long cycles, has had no such Empress, tender-hearted, large-minded, just, humane, the loving parent of her subjects of every race and clime. All the Princes of India have been proud to own their fealty to so noble an example of sovereignty, and the hearts of all the Indian peoples have been drawn together by this singular and beautiful combination of mother, woman, and queen. Those of us who, in any official capacity, either here or elsewhere, have served Her Majesty have felt it to be our proudest distinction that it was her warrant that we acknowledged, her Empire that we were engaged in safeguarding, her example that inspired us. Whether we are young or old, we shall none of us ever forget that we were honoured by wearing the uniform of Queen Victoria.

“ It would be easy for me to say much about the mark that this marvellous reign has left upon the history of India, and to indicate, at many points, the sagacious hand and influence of the deceased Sovereign. But perhaps the present occasion is not the best for such a purpose, while, after all, are not all her reign and character, in their relation to this country, summed up in the famous Proclamation of 1858, the Magna Carta of India, the golden guide to our conduct and aspirations ?

“ It has been the fashion in history to designate some Sovereigns by the distinguishing attributes of their personality or reign. Thus we have read of the Great, the Conqueror, the Just, the Lion-hearted, the Saintly, the Strong. Should it ever be desired to find such an appellation for the late Queen, it would be admitted by all that she deserves pre-eminently to be called by the title which she herself, I believe, gave to her own husband, namely, the Good. It is the virtue of her character, and the benignity of her influence, that her people have admired, quite as much as, if not more than, the splendour of the Victorian Era, or the unequalled glory of her reign. If blame or reproach ever fell upon her country, no shadow of it touched herself. She was above all, as well as over all. She set an example not merely to Courts and nations, but to every human hearth ; and at every hearthstone in the Empire is the feeling not merely that a great monarch is dead, but that a bright and beautiful ray has been extinguished.

DEATH OF HER MAJESTY THE QUEEN-EMPRESS. 11

[1ST FEBRUARY, 1901.] [The President.]

"Nowhere, I am convinced, in the wide orbit of the British Empire is there a more genuine sorrow, or a more profound sense of loss, than in India to-day. We are truly a nation in mourning. During the past 'ten days, many hundreds of telegrams and letters have poured in upon me testifying to the grief of communities and individuals. The newspapers have been full of similar evidence. All these records tell the same tale. They speak of the simple emotions that spring from the heart, of the sadness with which, even when it is a throne that is left vacant, men gaze upon the parting sail 'that sinks with all we love below the verge.'

"And yet the occasion is not one for lamentation only. We may mingle a sense of pride and of gratitude with our tears. For the Queen's life was extended far beyond the normal span. It had covered four-fifths of one century, and had crossed the threshold of another. Nature seemed for a while to have relaxed its inexorable laws in her favour, and in extreme old age, even to the end, she retained the freshness, the warmth of affections, and the energy of youth. In her more than eighty years of life, she had represented, as no other living man or woman, the higher aspects of the spirit of the age. She had shared in its trials—indeed had borne more than her portion of them—had steadied its impulses, and had sympathised with its struggles and hopes. There was left to her no public or private duty undone, no glory unattained. It may be said of her that she turned Great Britain into a world-wide Empire, with India as its corner-stone. If a part of the result is to be attributed to the statesmen who met at her Council, and part also to the movement of those unseen forces which are beyond human control, it yet remains true that her ministers were as often guided by her as she was by them, and that it was her personality and character, and the devotion which they excited, that gave to those forces the direction which they assumed. And so, having summed up in her own career the aims and achievements of the Nineteenth Century, she has now, in the very hour of the dawn of its successor, been relieved of the burden, and has handed on the trust to others. The British Empire, and the entire world, may count themselves fortunate if the new century produces any figure at all comparable with the central and shining figure of the old.

"I propose, as a mark of respect, that this Council should not proceed further with its business this morning, but should stand adjourned until this day week."

The Council accordingly adjourned to Friday, the 8th February, 1901.

CALCUTTA; }
The 1st February, 1901. } J. M. MACPHERSON,
Secretary to the Government of India,
Legislative Department.

Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict., c. 67, and 55 & 56 Vict., c. 14).

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The Hon'ble Major-General Sir E. H. H. Colley, G.C.I.E., C.B.

The Hon'ble Sir A. C. Trevor, K.C.S.I.

The Hon'ble Sir C. M. Rivaz, K.C.S.I.

The Hon'ble Mr. T. Raleigh.

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The Hon'ble Sir Allan Arthur, Kt.

The Hon'ble Sir A. Wingate, K.C.I.E.

The Hon'ble Mr. D. M. Smeaton, C.S.I.

The Hon'ble Mr. H. J. S. Cotton, C.S.I.

The Hon'ble Mr. C. W. Bolton, C.S.I.

The Hon'ble Rai Sri Ram Bahadur.

The Hon'ble Mr. R. P. Ashton.

The Hon'ble Mr. R. H. Henderson.

INDIAN TOLLS (ARMY) BILL.

The Hon'ble SIR CHARLES RIVAZ presented the Report of the Select Committee on the Bill to amend the law relating to the exemption from tolls of persons and property belonging to the Army. He said :—"I explained, when introducing this Bill, that its object was to combine in a single Act the provisions relating to the exemption from tolls of persons and property belonging

14 *TOLLS (ARMY); PORTS; AMENDMENT OF MILITARY LUNATICS ACT, 1877.*

[*Sir Charles Rivaz; Mr. Raleigh; Major-General Sir Edwin Colleen.*] [8TH FEBRUARY, 1901.]

to the Army which are at present scattered over a large number of local enactments in force in different parts of India, and to bring these provisions into harmony with those of the English Army Act. Clause 3 of the Bill, which contains the list of proposed exemptions, has been carefully considered by the Select Committee in the light of the opinions received from Local Governments, and it has been revised as explained in the Committee's report, but no material alterations have been made in it.

"The Bill as introduced contained three clauses dealing with the question of compensation to contractors, local authorities or other persons on account of losses incurred in consequence of the proposed new exemptions from tolls. These provisions have been simplified and condensed into a single clause.

"I need only further mention a point raised by the Punjab Government, namely, that special provision ought to be made for giving compensation to the contractor or manager of a ferry when additional boats and labour, in excess of the ordinary requirements of such ferry, have to be provided for troops using it. The payment of remuneration in such cases for the special services demanded and rendered is obviously equitable and necessary, but the matter seemed to the Select Committee to lie outside the present Bill altogether, and we have accordingly made no provision for it."

INDIAN PORTS BILL.

The Hon'ble MR. RALEIGH presented the Report of the Select Committee on the Bill further to amend the Indian Ports Act, 1889.

MILITARY LUNATICS ACT, 1877, AMENDMENT BILL.

The Hon'ble MAJOR-GENERAL SIR EDWIN COLLEN moved that the Bill to amend the law relating to the admission of Native Military Lunatics into Asylums be taken into consideration.

The motion was put and agreed to.

The Hon'ble MAJOR-GENERAL SIR EDWIN COLLEN moved that the Bill be passed.

The motion was put and agreed to.

AMENDMENT OF ADMINISTRATOR GENERAL'S ACT, 1874; 15
EXTRADITION.

[8TH FEBRUARY, 1901.] [*Sir Charles Rivaz ; Mr. Raleigh.*]

ADMINISTRATOR GENERAL'S ACT AMENDMENT BILL.

The Hon'ble SIR CHARLES RIVAZ moved that the Bill further to amend the Administrator General's Act, 1874, be referred to a Select Committee consisting of the Hon'ble Mr. Raleigh, the Hon'ble Rai Bahadur P. Ananda Charlu, the Hon'ble Kunwar Sir Harnam Singh, the Hon'ble Sir Andrew Wingate and the mover, with instructions to report within one month.

The motion was put and agreed to.

INDIAN EXTRADITION BILL.

The Hon'ble MR. RALEIGH moved for leave to introduce a Bill to consolidate and amend the law relating to the Extradition and Rendition of Criminals. He said.—“The Foreign Jurisdiction and Extradition Act of 1879 is so familiar to the Judicial and Political Officers of Government that the proposal to recast and amend its provisions may seem to require a few words of explanation. There are at present two laws of extradition in force in British India. The Act of Parliament which was passed in 1870 applies here as it applies throughout the British Empire, except where it has been excluded by the orders of Her late Majesty in Council. On the demand of a Power which has a treaty with the British Government to which the old Act applies, we may be called upon to cooperate in surrendering a criminal who has come into British India, and any such application would involve us in the somewhat difficult task of adapting provisions, which are expressed in the language of the English procedure and are suited directly only to the English Courts, to our own Courts in practice.

“One object of the Bill which I now ask leave to introduce is to devise a procedure which may, as we hope, be accepted by His Majesty's Government and by the Treaty Powers as an efficient substitute, or rather as the British Indian version of the procedure established by the Imperial Act. We have endeavoured in framing the Bill to preserve the same safeguard for accused persons which is provided for by the Act of 1870, that is to say, that where there is a question of law that ought to be fairly argued before the extradition takes place, we shall provide for the question being raised and for the opinion of a superior Court being taken upon it; we also preserve what is an important feature in the procedure of the Imperial Act, namely, the complete control of the Executive Government over all extradition proceedings at every stage. I ought to say that if the Bill which I now ask leave to introduce is passed, we shall not at once be in a position to ask for an Order in Council excluding the English Act. Difficult questions may arise connected with the territorial limits of our legislative power,

but we hope that, as our procedure becomes understood, it may be accepted as a substitute for the Imperial Act. In the meantime, we do not propose to exclude the Imperial Act in case it may be necessary to fall back upon its provisions.

“The other law of extradition is our own Act of 1879 to which I have referred. Some of the provisions of the Act are, as my predecessor Mr. Chalmers expressed it, remarkable for their vagueness, and with regard to some of the most important of them we are obliged to say that in the absence of judicial authority no confident opinion can be given as to the occasions on which they were intended to apply. The one merit of the Act is that it has established a convenient procedure which is in common use in cases of extradition between British India and the Native States. To appreciate the necessity of a simple and expeditious procedure in such cases, it is only necessary to look at the map of India; to see how the boundaries of the Native States are interlaced with those of the territories of this Government, and to see especially how lines of railway often cross the political boundaries again and again, so that one may pass into and out of British India several times in the course of a day's journey. That being so, it is necessary, as I say, that we should have a simple and expeditious procedure, and this we have endeavoured to preserve in the provisions of the Bill. We have also taken the opportunity of adapting to our own use the procedure established by the Fugitive Offenders Act of 1881, which was intended by Parliament to regulate the rendition of criminals by the Government of one part of the British Empire for trial or punishment in another part.

“There is still one subject to which I must refer in introducing the Bill. The Act of 1879 provides not only for extradition but also for foreign jurisdiction. Now in the English Statute-book there are separate Acts providing for these two subjects; and it appears to us that inasmuch as the two are governed by different principles it is most expedient to deal with them separately here. I am not at present in a position to say exactly what our proposals in regard to foreign jurisdiction will be, because we have not yet received a final expression of the views of the Secretary of State; but before the Bill, if I obtain leave to introduce it, is taken into consideration, we hope to be able to state exactly how we propose to provide for the important subject of foreign jurisdiction, and thereby to make it possible to repeal the Act of 1879. I hope, my Lord, that these observations will be sufficient to explain at all events the main objects of the Bill. The details are highly technical, and Hon'ble Members who wish to understand them will find the explanation they require in the *Notes on Clauses* appended to the Statement of Objects and Reasons.”

The motion was put and agreed to.

EXTRADITION.

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[8TH FEBRUARY, 1901] [*Mr. Raleigh.*]

The Hon'ble MR. RALEIGH introduced the Bill.

The Hon'ble MR. RALEIGH moved that the Bill and Statement of Objects and Reasons be published in the Gazette of India in English, and in the local official Gazettes in English and in such other languages as the Local Governments think fit.

The motion was put and agreed to.

The Council adjourned to Friday, the 22nd February, 1901.

CALCUTTA,	}	J. M. MACPHERSON,
<i>The 8th February, 1901.</i>		<i>Secretary to the Government of India, Legislative Department.</i>

Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict., c. 67, and 55 & 56 Vict., c. 14).

The Council met at Government House, Calcutta, on Friday, the 22nd February, 1901.

PRESENT:

- HIS Excellency Baron Curzon, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.
- HIS Honour Sir John Woodburn, K.C.S.I., Lieutenant-Governor of Bengal.
- The Hon'ble Major-General Sir E. H. H. Collen, G.C.I.E., C.B.
- The Hon'ble Sir A. C. Trevor, K.C.S.I.
- The Hon'ble Sir C. M. Rivaz, K.C.S.I.
- The Hon'ble Mr. T. Raleigh.
- The Hon'ble Sir E. FG. Law, K.C.M.G.
- The Hon'ble M. R. Ry. Panappakkam Ananda Charlu Vidia Vinodha Avargal, Rai Bahadur, C.I.E.
- The Hon'ble Kunwar Sir Harnam Singh, Ahluwalia, K.C.I.E., of Kapurthala.
- The Hon'ble Mr. J. Buckingham, C.I.E.
- The Hon'ble Mr. H. F. Evans, C.S.I.
- The Hon'ble Rai Bahadur B. K. Bose, C.I.E.
- The Hon'ble Sir Allan Arthur, Kt.
- The Hon'ble Sir A. Wingate, K.C.I.E.
- The Hon'ble Mr. D. M. Smeaton, C.S.I.
- The Hon'ble Mr. H. J. S. Cotton, C.S.I.
- The Hon'ble Mr. C. W. Bolton, C.S.I.
- The Hon'ble Mr. R. P. Ashton.

ASSAM LABOUR AND EMIGRATION BILL, AND ASSAM EMIGRANTS' HEALTH BILL.

The Hon'ble SIR CHARLES RIVAZ presented the Report of the Select Committee on the Bill to consolidate and amend the law relating to Emigration to the labour-districts of Assam, and on the Bill to make better provision for the health, supervision and control of Emigrants proceeding to or from the labour-districts of Assam. He said that, with HIS Excellency's permission, he proposed to ask the Council this day fortnight to take the Report into consideration.

TOLLS (ARMY).

[*Sir Charles Rivaz; Major-General Sir Edwin Collen.*] [22ND FEBRUARY, 1901.]

INDIAN TOLLS (ARMY) BILL.

The Hon'ble SIR CHARLES RIVAZ moved that the Report of the Select Committee on the Bill to amend the law relating to the exemption from tolls of persons and property belonging to the Army be taken into consideration. He said :—" I explained the object of this Bill briefly and the modifications proposed by the Select Committee when I presented their Report at the last meeting of Council, and I need not trouble Hon'ble Members with any further remarks."

The motion was put and agreed to.

The Hon'ble SIR CHARLES RIVAZ moved that the Bill, as amended, be passed.

The Hon'ble MAJOR-GENERAL SIR EDWIN COLLEN said :—" After the explanation which has been given by my Hon'ble colleague Sir Charles Rivaz on previous occasions, I need not take up the time of the Council by enlarging upon the provisions of the Bill. But I should like to point out that this matter has received very ample consideration. It was recognised long ago that there was a great variety in the special exemptions scattered through the Indian Statute-book, and that it would be advisable that we should consolidate these and bring the whole subject into harmony with the provisions of the Army Act. The question was definitely taken up as far back as 1892. The Local Governments and Administrations were consulted, and their replies were very full, although some of the questions dealt with were by no means simple. In 1895 a departmental Committee was appointed, of which Major-General Maitland, now Secretary in the Military Department, was appointed Chairman, and, if I may be allowed, I should especially wish to acknowledge the labours of that Committee. A draft Bill was prepared and was generally approved. It has since gone through various stages of discussion, by the Government of India collectively, by reference to the Secretary of State, and again to Local Governments, and, finally, a Select Committee of this Council has reviewed it. It must be admitted, I think, that the subject has been exhaustively discussed, and that the proceedings have been marked by some deliberation. This Bill will simplify the enactments in India, it will bring the subject into line with the Army Act, and I therefore cordially support the Bill."

The motion was put and agreed to.

[22ND FEBRUARY, 1901.] [*Mr. Raleigh; Sir Charles Rivaz.*]

INDIAN PORTS BILL.

The Hon'ble MR. RALEIGH moved that the Report of the Select Committee on the Bill further to amend the Indian Ports Act, 1889, be taken into consideration.

The motion was put and agreed to.

The Hon'ble MR. RALEIGH moved that the Bill, as amended, be passed.

The motion was put and agreed to.

INDIAN FOREST (AMENDMENT) BILL.

The Hon'ble SIR CHARLES RIVAZ moved that the Bill further to amend the Indian Forest Act, 1878, be referred to a Select Committee consisting of the Hon'ble Mr. Raleigh, the Hon'ble Mr. Evans, the Hon'ble Rai Bahadur B. K. Bose, the Hon'ble Sir Andrew Wingate, the Hon'ble Rai Sri Ram Bahadur and the mover, with instructions to report within one month.

The motion was put and agreed to.

The Council adjourned to Friday, the 1st March, 1901.

		J. M. MACPHERSON,
		<i>Secretary to the Government of India,</i>
		<i>Legislative Department.</i>
CALCUTTA;	}	
<i>The 22nd February, 1901.</i>	}	

Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict., c. 67, and 55 & 56 Vict., c. 14).

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PRESENT:

- His Excellency Baron Curzon, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.
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- The Hon'ble Sir A. C. Trevor, K.C.S.I.
- The Hon'ble Sir C. M. Rivaz, K.C.S.I.
- The Hon'ble Mr. T. Raleigh.
- The Hon'ble Sir E. F.G. Law, K.C.M.G.
- The Hon'ble M. R. Ry. Panappakkam Ananda Charlu Vidya Vinodha Avargal, Rai Bahadur, C.I.E.
- The Hon'ble Kunwar Sir Harnam Singh, Ahluwalia, K.C.I.E., of Kapurthala.
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- The Hon'ble Mr. H. F. Evans, C.S.I.
- The Hon'ble Rai Bahadur B. K. Bose, C.I.E.
- The Hon'ble Sir Allan Arthur, Kt.
- The Hon'ble Sir A. Wingate, K.C.I.E.
- The Hon'ble Mr. F. A. Nicholson, C.I.E.
- The Hon'ble Mr. D. M. Smeaton, C.S.I.
- The Hon'ble Mr. H. J. S. Cotton, C.S.I.
- The Hon'ble Mr. C. W. Bolton, C.S.I.
- The Hon'ble Rai Sri Ram Bahadur.
- The Hon'ble Mr. R. P. Ashton.

INDIAN FOREST (AMENDMENT) BILL.

The Hon'ble SIR CHARLES RIVAZ presented the Report of the Select Committee on the Bill further to amend the Indian Forest Act, 1878.

CENTRAL PROVINCES CIVIL COURTS (AMENDMENT) BILL.

The Hon'ble MR. RALEIGH moved that the Bill further to amend the law relating to Civil Courts in the Central Provinces be taken into consideration.

The motion was put and agreed to.

*CIVIL COURTS (CENTRAL PROVINCES); RELIGIOUS
ENDOWMENTS.*

[*Mr. Raleigh; Rai Bahadur P. Ananda Charlu*] [1ST MARCH, 1901.]

The Hon'ble MR. RALEIGH moved that in the new proviso proposed to be added by clause 4 of the Bill the words "or parts of districts" be omitted. He said:—"The object of this Bill was explained on its introduction. The Bill has been referred to the Government of the Central Provinces and it has been approved: but the Divisional Judge of Nagpur points out that, under the proposed section 6, the civil division consists of one or more complete districts and that the words in the proviso 'or parts of districts' are unnecessary, and I move that the words be omitted."

The motion was put and agreed to.

The Hon'ble MR. RALEIGH moved that the Bill, as amended, be passed.

The motion was put and agreed to.

RELIGIOUS ENDOWMENTS BILL.

The Hon'ble RAI BAHADUR P. ANANDA CHARLU moved that the Bill to amend Act XX of 1863 (*an Act to enable the Government to divest itself of the management of Religious Endowments*) be referred to a Select Committee consisting of the Hon'ble Sir Charles Rivaz, the Hon'ble Mr. Raleigh, the Hon'ble Kunwar Sir Harnam Singh, the Hon'ble Rai Bahadur B. K. Bose, the Hon'ble Mr. Smeaton, the Hon'ble Rai Sri Ram Bahadur and the mover. He said:—"In placing before the Council the motion that stands in my name, I beg leave to make a few brief explanatory remarks.

"One proposal I have made is to do away with the distinction under which certain temples, mosques and other religious institutions fall under the control of the Committees and others do not. In other words, the difference that has been made between section 3 and section 4 must cease. That distinction proceeds virtually on the assumption that the thing to be safeguarded was, not the trust-property or the object worshipped, but the trustee, to whom—speaking strictly—they are merely confided. It looks as though the trustee had an inherent, inalienable and personal right, over-riding the claims of the object of worship and its endowments. It cannot be too strongly emphasised, I venture to think, that the public and the vast body of worshippers are interested in the question how the institutions are maintained and their property looked after—not in the question how a trustee derives or has derived his title. Yet the Act now in force has proceeded as if the latter of these questions was the paramount one. How this has come about is easily told.

[1ST MARCH, 1901.] [*Rai Bahadur P. Ananda Charlu.*]

“ In the early part of the century that has just expired, the then Government considered it a part of their duty to exercise control, more or less, over one and all temples, mosques and other religious institutions in the country as well as over all endowments for charity. To realise this one has only to read the preambles and the provisions of Madras Regulation VII of 1817, and the kindred pieces of legislation in other parts, and the judgment of the Madras High Court at p. 52, Vol. V of its Reports. For nearly a quarter of a century since then, I may say the strong arm and the vigilant eye of the local representatives of the Government were extended over, and were felt by, all the institutions, whether the nomination of the trustee was or was not in the hands of the Government. In the beginning of the forties which followed, a change came over the spirit of the Government—a change which was unfortunate so far as it regarded the interests of the institutions—a change, the cause and the motive of which it is as purposeless as unprofitable to dwell upon here. Suffice it to say that the change was prompted, neither by any notion of thereby advancing the good of the institutions nor by any revised or refined ideas as to the strict functions of the State. I wish I could give some extracts from the mass of correspondence which the change led to, but I do not propose to trouble the Council with them. I may, however, say this, that there are indications in that correspondence showing how the change of policy—at any rate, the expediency of it—was not readily acquiesced in by at least a few of the Government officers who were in close touch with the institutions and their worshippers and were thus capable of fully grasping the exact situation. It is worthy of note, in this connection, that, so far as I know, no complaint of any sort or kind on the part of the worshippers, or any persons representing them or claiming to represent them, was made to evoke or precipitate that change of policy. All other considerations were absolutely subordinated to the single idea which was in the ascendant, *vis.*, the idea that the Government and their officers should finally and effectually abdicate the attitude of that control which, as a fact, they had till then maintained. I, for one, have no quarrel with this stern and irrevocable resolve. I heartily approve of it. But the pity of it is that the Act which was to give effect to that resolve was not passed at once, but was delayed for over twenty years, *i.e.*, till 1863. If an Act was passed immediately when the change of policy was determined upon, the machinery, such as it is, which was embodied in the later legislative measure, would have, in all probability, embraced the supervision of nearly all of them or the bulk of them, as they were then under the actual control of the Government. But during the twenty and odd years which intervened, steps were executively taken which bereft some of the richest institutions of even the merest semblance of check and preventive control, such as

the temples at Tripati and Trivellore. It goes without saying that, taking the average human nature for what it is, it is the inevitable tendency of unchecked freedom to fast degenerate into unbridled license. The aim of my proposal in question is to minimise, if not to neutralise, the disastrous results that have followed and to make better provision for the future. I have no sympathy with those who talk of vested interests in matters of this sort. If there is one office more than another, whose retention is or ought to be dependent on good behaviour, it is, I venture to think, the administration of sacred institutions. As I have had repeatedly to say, there can be no vested interest in doing wrong.

“The only objection, with an air of seriousness, which has been urged against my proposal is that many a zamindar or rich land-holder is the trustee of temples within his estate, and often spends his own money, over and above their income, and that it would be both wounding his dignity and doing him wrong to subject him to supervision of persons, much his inferiors. I know there are many zamindars who are all they ought to be and who are laudably open-handed as above described. Being what they are, they should be foremost (I should imagine) to cast aside the false pride imputed to them and offer their accounts for outside and authorised scrutiny, thus setting an encouraging example to the black sheep in their class and to all other less scrupulous men. To such of them as hanker after advertisement, this would perhaps be an excellent, annual celebration of their disinterested generosity. But I am afraid the plea of outraged dignity is too often a cloak to conceal deformities which cannot bear the fierce light of day, while the so-called inferiority of auditors and examiners of their accounts is utterly irrelevant when it is remembered that no question of social status can arise as to persons who are legally authorised to do a legal duty. I know too much to admit that the average zamindari human nature is, in any essential respects, different from ordinary human nature, and if an open door, as the adage says, would tempt a saint, it would tend no less to tempt the rich and the clever who may have the chance to draw but a mathematical line between *meum* and *tuum*. Even the apologists for the zamindars seem, after all, to concede that it would have a salutary effect, if they were called upon to render to the Committees periodical accounts, by which, I take it, those accounts should be liable to be sifted and audited. I have virtually asked for no more. Such being the true state of the case, it is for Your Lordship and my Hon'ble colleagues to say whether the distinction I wish to see abolished should or should not endure. I am aware that an interested outcry has been raised by those who have the handling of the trust-funds. But it is significant that they are not backed up by the vast mass of worshippers, and that such would doubtless be the result in case such as finger the trusts had their sympathy and sup-

[1ST MARCH, 1901] [*Rai Bahadur P Ananda Charlu*]

port. As for their not having flooded this Council with petitions, mahzarnamas and other representations in favour of the changes I have proposed, I do not wish that the bad lesson should ever be learnt that, even in Councils constituted such as this, sound arguments could not prevail unless supported by an outside multitudinous re-echo. I think I have a right to lay stress on the fact that, while there is no popular dissent from the proposals I have made, five experienced Judges of the High Court of Calcutta and—barring a few who are naturally wedded to proposals which they themselves were incubating—nearly all representative Hindus who have spoken of my proposal have accorded to it their general approval. For all I have said, if it is the sense of this Council to let the matter alone in respect of the particular proposal,—owing to the outcry in question or on any other grounds,—I am quite content not to press it.

“ My next proposal relates to the constitution of the machinery, which was substituted by the Act now in force, *i.e.*, Act XX of 1863, for the controlling hand of the Government thence withdrawn. To constitute two or more Committees in each district once for all and to hand over to those Committees certain of the institutions (*i.e.*, those falling under section 3) and their entire property (moveable and immoveable) was an initial duty laid on Local Governments under section 7. This was as it should be. In the choice of members of such Committees, the Local Governments were directed to bear two points in view, *viz.*, (1) that the members selected should belong to the same religion as the one to which the institution belonged which they were to manage, and (2) that, in making the choice, the Government should, as far as possible, be guided by the wishes of the worshippers concerned. To ascertain such wishes, an election, if need be, was to be resorted to. All this is excellent enough, and I take no exception to any part of it. I shall assume, for the purposes of my Bill, that this initial duty was fulfilled all round in the amplest degree and in the best possible manner. But the Local Governments were no longer to concern themselves with the institutions from that date. The Act had, therefore, to provide for filling up of vacancies which must, from time to time, occur. The provision it enacted was that it must be by election, and that Local Governments should make rules for the purpose, including obviously the questions of who should elect and what qualifications the electors should possess. Having regard to the lapse of a generation since the Act was passed or since the Local Governments made rules in that behalf, and seeing that the system of election has received a wider application and greater development than at that time, I have in my Bill drawn up a scheme, to secure uniformity, on the lines on which electorates have been constructed for other purposes. By this I have, I find, brought a hornets' nest about my ears. I

come face to face with an infinite diversity of destructive criticism, often mutually hostile, and with the touch-me-not attitude of the sensitive plant on this point; and I see little trace of any desire to suggest an alternative plan, illustrative of constructive, architectural skill. One piece of delicious criticism I have come in for by remembering previous pronouncements of the Government of India and by taking care not to clash with them, is too good to go unnoticed, for, it seems that, by excluding all the executive officers of Government from participating in the management, I have cast a deliberate and unmerited slur on those officers. This is a fair sample of the degree of mastery of prior literature with which my Bill was approached. I take no note of those who have a chronic dislike and a nervous horror for such words as 'election' and 'electorate' as applied to this country. I cheerfully agree to disagree with these, as it is perhaps no more their fault that their minds are non-receptive for the ideas suggested by these words than it is my fault that my mind is open to them. But I think that it is rather a pity that the objectors had not perceived that it was *the Legislature of 1863 and not my 'impudent' self* with whom the idea of election for this purpose really originated. If only men, prepared to tilt at me, had done me the kindness of comparing my schemes with the systems of election devised under the Temple Act,—notably the one by the Government of Madras,—there would have been very little to anger them; only I have not given prominence to pecuniary qualifications, though I unmistakably and inclusively implied them—a course I thought it necessary to take in the interests of orthodox classes with whom I have been in full touch and whom I should be the last to hoodwink or embarrass. Subject to this single feature—defective only to outward seeming—my plan for constructing an electorate is, I venture to think, just as faultless as anyone else may suggest. If, therefore, the fulminations of the out-and-out foes of election are all the obstacle in my way, I would certainly not mind it, but press my proposal nevertheless. There are other reasons why I should leave it to a future time; and I know how other action may be taken to seek effect being given to it without meddling with the imperial Act XX of 1863. I do not therefore desire to urge it if it is the sense of the Council that this also must be, for the present, left alone. With this is bound up my scheme of a Central Committee, meant to minimise the need for recourse to Courts.

“Quite apart from the foregoing proposals and absolutely unconnected with them are two other proposals of mine, on which I am particularly keen. One of them is that members of the Committees under the Act should hold their places for a term of years and not for life. As to the wisdom and expediency of this course, we have had quite recently Your Lordship's most

[1ST MARCH, 1901.] [Mr. Raleigh ; Rai Bahadur P Ananda Charlu]

referred, namely, the election of Committee men for a limited term and the extension of the powers which a Committee may exercise, whether the Government would be prepared to allow the Bill to go into Select Committee. Subject to any ruling which Your Lordship may give on the point of procedure, I venture to submit that this is not what Committees are intended for. When we send a Bill to Select Committee, we accept the Bill generally subject to that revision in detail which the Committee is able to give it ; but I think it would be a bad precedent if we were to accept a Bill which, on the face of it, raises very large and difficult questions, and send it to Select Committee with the avowed object of having the whole substance of the Bill left out, and the Bill turned into one merely for amending two or three points in the Act of 1863. I may say that even the proposal to amend that Act would raise difficulties which would have to be carefully considered. I have no hesitation at all in supporting the Hon'ble Sir Charles Rivaz in saying that the Council ought not to allow this Bill to be referred to a Select Committee."

The Hon'ble RAI BAHADUR P. ANANDA CHARLU said:—"Reference has been made to an opinion represented on the West Coast of Bombay, that so far as that part of the country is concerned, the Bill is unnecessary. As this happens to be an Imperial Act, it is impossible to alter it so as to make it useful for certain parts and not for others, unless the Act is made declaratory and it is left to the Local Governments to extend it if they consider extension necessary. It is, I believe, equally open to the Select Committee, if this comes before them, to make that recommendation.

"Now, as to the interference to which reference has been made in several of the opinions given, I need not reiterate what I have stated already, because in no part of my Bill is there an attempt to interfere with the principles laid down in the Act of 1863. I must, however, point out this one thing. If that is considered an interference, even that is capable of being dealt with as being antagonistic to the principle of the Act, and therefore one that ought to be rejected. I say that may be done by the Select Committee, and that is the constitution by way of innovation of the Central Committee which is not contemplated in the Act which I have asked to be modified. An opinion has been stated that the evil does exist, and that it is deep-seated. Well, if the evil exists, it must be attacked, and if deep-seated, the way to deal with it is not by holding our hand altogether. It has been pointed out that the Bill is very wide, so wide as to embrace the charities. I have already explained about the end of my observations why I introduced it in

[*Raj Bahadur P. Ananda Charlu*] [1ST MARCH, 1901.]

the first instance, and why I consider that it was not proper to retain that part of the Bill untouched. Therefore, all the objections pointed out by the Hon'ble Mr. Smeaton on the ground that it was so wide that by reason of the width of it, it was not capable of being properly worked, fall to the ground.

"Then the Hon'ble Mr. Bolton has taken four objections. The first is that under the Bill there would be a kind of quasi-official control. I am sorry to have to point out that *no* part of my Bill aims at it, or asks for it. The interference on the part of the District Courts and of District Judges which I have invoked in my Bill is only in such cases in which defaults occur, and for which Act XX of 1863 makes an exactly similar provision. I have not asked the District Courts to exercise one single scintilla of more control than it is open to them to do under Act XX of 1863. Therefore, my Bill it has no sort of quasi-official character about it, and its reference to District Judges does not make these Judges do more than what the existing Act does. Then it is said that the agitation is mainly by the educated and not the orthodox classes. That the voice of the educated classes is heard is beyond all doubt, but that they alone feel the injury is not correct; but it will be absurd to go further. For instance, that on the important question, namely, when a trustee says he has spent Rs. 1,000 on a particular festival, whether he had actually spent Rs. 1,000, or only spent Rs. 500 and put the remaining Rs. 500 into his own pocket,—I do not know that the orthodox classes and the educated classes would differ from each other. The great object of my Bill is to prevent misapplication of funds. If, for instance, on a particular festival a trustee is in the habit of spending Rs. 1,000, I do not say and nowhere in my Bill do I wish it to be understood that that amount ought to be refused; but all I want is that it should be shown that the Rs. 1,000 have been spent. I do not think a single member of the orthodox classes would differ from me in the expression of that request. He will say, just as I do, that the trustee ought to show that he has spent the Rs. 1,000 when he says he has spent Rs. 1,000, and that he ought not to spend Rs. 500 and put the remaining Rs. 500 into his pocket. That is the question here; and in a matter like that, to say that the interests of the orthodox and the educated people—as if there were an antagonism between the two—are opposed, is to state what is not correct. It may be that in the adherence to certain ceremonies and so forth the orthodox people and the educated people may differ, but upon the question of the important points of religion they do not. The point, relevant here, is, whether money has been properly applied or not—whether the account is correct or not. That has nothing to do with orthodoxy or heterodoxy, and it seems to me therefore that, the great object of my Bill being to keep the trustees straight in their dealings with a fund not belonging to them, there is, and there can be, no antagonism between

[1ST MARCH, 1901] [Sir Charles Rivaz]

ment had laid down the principles of its relations to religious endowments in Act XX of 1863, and that it adhered to those principles. He remarked that the Bill was in the main an endeavour to secure through the existing non-official Committees a closer control of the management of those endowments, but that was an aim which could only be successfully prosecuted should it appear that it had the general support of those interested and that the Government reserved to itself the absolute right to oppose the Bill, if that appeared expedient in its later stages.

“ The Bill was accordingly circulated for opinions, but met with a distinctly unfavourable reception from all the Local Governments and Administrations. The Bombay Government expressed a strong opinion that legislation to the effect proposed by my Hon'ble friend or any legislation for a similar object was, so far as the Bombay Presidency was concerned, unnecessary and undesirable, that the existing law provided a sufficient remedy for any grave or palpable abuse, that there was no evidence that the proposed law was desired in the Bombay Presidency by any class of people, and that it would almost certainly create great discontent and engender widespread suspicion of the motives of the Government. The Bengal Government stated that the replies received from its local officers showed that the proposed legislation was not desired by the great body of those whom it would affect, that the Muhammadan community was unanimously opposed to it, that, as regards the Hindus, only the small minority represented by the educated classes were in favour of it, and that there was nothing to show that the present law, if resorted to, did not afford a sufficient means of remedying such abuses as existed. The North-Western Provinces Government said that the weight of the opinions which it had taken was against the Bill as being unnecessary and unworkable, that it would probably be considered as an unwarrantable intrusion by Government in religious affairs and would excite serious opposition. The Punjab Government replied that the proposed measure appeared to be quite unsuited to that Province, and would probably give rise to an immense amount of ill-feeling and discontent. The Burma Government said that the general local opinion, in which the Lieutenant-Governor agreed, was that the Bill was not suitable to or required in Burma. The Chief Commissioner of the Central Provinces reported that the matter was of little importance as regards the territory under his jurisdiction, such religious institutions as exist in that part of India being generally small and of little repute or resort, but that he did not think it would be possible to organize the Central and District Committees contemplated in such a way that their decisions would command public confidence among the religions and sects affected. The Chief Commissioner of Assam while thinking that it must

be admitted that the best educated native opinion is in favour of the Bill, and that there is much to justify it, since it is hardly too much to say that religious endowments in India are, as a rule, grossly mismanaged, went on to remark that the evil which it was sought to remedy was very deeply seated, and there was great danger that the cure proposed might be worse than the disease. His conclusion was that it would be highly inexpedient to extend any legislation of the proposed nature to Assam. Lastly, the Madras Government expressed a strong opinion against the Bill on the ground that the wide scope of the proposed enactment, which purported to apply to all non-Christian religions and charitable endowments throughout the whole of India, subject only to a limitation in regard to petty institutions, constituted a fundamental and fatal objection to it. They followed up this condemnation of my Hon'ble friend's Bill by sending up a Bill of their own which was intended to provide for the better protection of Hindu religious endowments in the Madras Presidency, but the Government of India declined to accord sanction to its introduction into the local Legislative Council.

"The only other opinion on my Hon'ble friend's Bill which I need mention is that of the Calcutta High Court. Five of the Judges expressed an opinion that the system suggested in the Bill should be given a trial, two of the Judges disapproved of it, another Judge said that it had been framed without sufficient consideration of the conditions and requirements of Muhammadan endowments, and the Hon'ble the Chief Justice expressed his doubt as to the expediency of the Bill.

"In the face of this preponderating mass of adverse opinion, it is obviously impossible for me to consent, on behalf of the Government of India, to my Hon'ble friend's Bill being referred to a Select Committee. He has expressed his willingness, it is true, to accept a condition of modifying some of its present provisions, but even on this understanding I am unable to agree to my Hon'ble friend's motion, because reference to a Select Committee would practically commit the Government of India to the consideration and probable passing of a measure which, whatever modifications it might receive in Committee, has been framed on lines which are opposed to their declared policy in the matter of religious endowments. This policy is enunciated in Act XX of 1863, and the Government of India, in refusing to countenance the Bill sent up by the Madras Government to which I have just alluded, declared its inability to sanction any proposal to revise the procedure or alter the principles embodied in that Act in any material way, and further expressed an opinion that the existing law affords ample facilities, if those interested choose to employ them, for obtaining an adequate remedy from the

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Civil Courts against dishonest trustees. If my Hon'ble friend finds himself able at any time to frame a Bill which will improve the procedure prescribed by Act XX of 1863 without interfering with its main principles, well and good. The Government will be quite ready to give it favourable consideration. But the present Bill does not fulfil this essential condition, and I cannot therefore consent to its being further proceeded with."

The Hon'ble RAI SRI RAM BAHADUR said :—"My Lord, after the speech of our colleague the Hon'ble Mr. Charlu, in which he has dealt with the subject so, ably and exhaustively, and also the speech of the Hon'ble Home Member placing the views of the Government before this Council, I am rather afraid that the support I am going to give to the motion of the Hon'ble Mr. Charlu will not be of much avail. But, with Your Excellency's permission, I beg to offer a few remarks in connection with the question now before the Council.

"The law relating to management and control of religious endowments, as found in Act XX of 1863, is defective in many respects. The Act has now been in force for a little less than four decades, and many shortcomings in its different provisions have been found out in the course of their actual application. The machinery provided by it for the control of religious endowments is not capable of effective and smooth working, and the result is that the funds are misappropriated and misapplied, and property is wasted by the trustees without any proper check whatever.

"I find that in the majority of the opinions submitted by different individuals and public bodies, on the Bill now before the Council, the facts of mismanagement of many of the religious endowments and the misapplication of their funds are admitted. The question is whether these evils should not be removed by a more effectual legislation than the one we have got at present. The non-intervention policy of Government with religious and charitable endowments has been departed from in cases of necessity. I can give at least one instance from my Provinces, I mean the Husainabad Endowment Act which was passed by this Council in 1878 to control the management of a religious and charitable endowment created by one of the Kings of Oudh.

"But the motion at present before the Council as made by my Hon'ble colleague Mr. Ananda Charlu is of a very limited character. He has confined it now to the modification of, and addition to, two sections of Act XX of 1863. That Act stands as a piece of legislation in force in our Statute-book. The amendments pressed by our Hon'ble colleague, without in any way trenching upon the principles of the Act, will certainly lead to its more effective working.

"With these remarks I beg to second the motion."

The Hon'ble MR. BOLTON said :—" My Lord, I desire to add some remarks to those which the Hon'ble Sir Charles Rivaz has addressed to the Council in opposition to this motion. The motion is in terms ordinary and formal, but in substance of great importance. The Hon'ble Mover is acting in exercise of a right in inviting us to refer to a Select Committee a Bill which he obtained leave to introduce in a past session, however distant, but he doubtless recognizes that the mere introduction of a Bill does not imply its eventual reference to a Select Committee. Such a reference is contingent on the approval of the principle of the measure, and it is that question which gives the present motion its importance. The issue before us—and it is manifestly of great significance—is this, whether the Council should identify itself with a proposal to establish a quasi-official control over religious institutions which the people themselves have hitherto preferred to leave without such interference.

" In coming to a decision on that issue the Government and the Council must be guided by both public and official opinion, as they are guided in respect of every Bill which is submitted to their judgment. This opinion has been sought and obtained from all parts of India, and it is adverse to the Bill. The reports which have been received agree, with rare exceptions, in deprecating or strongly opposing the proposed legislation. The exceptions are mainly found in the views of individuals and a few associations representing the most advanced section of the educated classes, whose opinion on a religious matter, be it said without disparagement, is not valued by the orthodox members of their faith, and cannot claim weight with the Government. This is no less the case in Bengal than elsewhere, and, speaking of this Province, I entertain no doubt that opposition to the Bill is strong and uncompromising outside the limited class to which I have alluded.

" Briefly, the Bill proposes to establish District Committees and a Central Committee for the control of religious and charitable institutions belonging to all non-Christian religions, and it differs from the Act which it purports to amend in this very material respect that it proposes to substitute general Committees for entire districts for Committees controlling the management of single endowments. Without entering into details, I may note that it associates the District Judges, who are mostly Europeans, with the formation of the Committees, that it proposes a system of electing the members of the Committees which is likely to bring into conflict the sects within the different religions, and that it overlooks the obstacles to the control of many of the endowments by a general Committee which are presented by usages and customs having religious force, and, therefore, immut-

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[Mr Bolton.]

able. These are features of the Hon'ble Member's scheme which could not be removed in Select Committee without radically modifying the Bill, if, indeed, any other workable scheme could be devised, and they must be present to our minds in voting on this motion. We must take the Bill as it stands and have no regard to possible changes which would alter its whole principle.

"What, then, do we learn, for guidance, from the opinions which have been expressed on the Bill in its present form? We find that Hindus and Muhammadans alike have strongly protested against the interference with their endowments which it would set up, and we have the warning that any countenance given by the Government to such legislation, and especially the vesting of the District Judges with the duty of forming the electorates for the District Committees, would raise the general suspicion of an insidious attempt to interfere with religion, notwithstanding the patent fact that such interference has been always foreign to the wish of the Government, and would create grave discontent. This apprehension is unquestionably well-founded. No cry, we are aware, is more easily excited than that of danger to religion. None, again, is more dangerous politically and more difficult to allay, and against none should the Government more prudently guard. The decision of the Government of India to oppose progress with this Bill must, therefore, commend itself not only to this Council, but also to the great mass of the people throughout the country. It may be conceded that serious abuses exist in the management of many religious endowments, and the Hon'ble Mr. Charlton is entitled to credit for an endeavour to remedy the evil; but it is clear that the difficulties in the way of legislation are enormous, if not insuperable, and that the Government cannot be fairly and reasonably pressed and expected to accompany the Hon'ble Member into a position which would provoke religious ferment throughout India.

"A remedy for individual cases of mismanagement is available in the provisions of section 539 of the Code of Civil Procedure, which authorise applications to the Courts for the appointment of new trustees and the settling of new schemes of management, and the Government may legitimately point to those provisions as ample justification for refusing to give its support to fresh legislation of the present character. It rests with the people themselves to make use of the power which they thus possess of enforcing proper management of religious and charitable trusts. The provisions of the section, it may be mentioned, have been successfully appealed to in the past.

"For these reasons I join the Hon'ble Sir Charles Rivaz in opposing the motion before the Council."

The Hon'ble MR. SMEATON said.—“As the Hon'ble Mr. Charlu has done me the honour of nominating me on the Select Committee, I think it due to him that I should state my reasons for not being able to support his motion that the Bill be referred to a Select Committee, and for agreeing with the remarks of the Hon'ble Sir Charles Rivaz that the Bill should not progress further. While I concur in most of the remarks that have been made by both the Hon'ble Sir Charles Rivaz and the Hon'ble Mr. Bolton, I equally sympathise with my Hon'ble friend Mr. Charlu, inasmuch as I think the Government, as the successor of the Hindu, Muhammadan and Buddhist Sovereigns, is under an obligation to take every available means to ensure the proper management of the vast funds which are devoted to religious and charitable endowments. I think, however, that the proposals of the Hon'ble mover are not such as are likely to accomplish the ends which he has in view; and, moreover, I think that some of them are likely to be exceedingly inconvenient and possibly hurtful. In the first place, I notice that in section 3 the Committee, such as is contemplated by Act XX of 1863, shall prepare what the Hon'ble mover calls an electorate. The body contemplated here is the Committee which succeeded to the powers and responsibilities of the Board of Revenue, whose duty it had been to administer the funds of all the religious endowments within its jurisdiction and see that they were properly appropriated. This Committee, who succeeded to the powers of the Board of Revenue, was in fact a Committee which took cognizance of the funds of all religious institutions within the district to which it related. In other words, the powers exercised were without regard to the particular religion or sect concerned. So that, if the proposals under section 3 of the Hon'ble Member's Bill were to be carried out, we might have a committee of Hindu laymen and priests making a list of the electorate which was to govern the affairs of Muhammadan, Buddhist, Jain and Parsi endowments in the district. That, it seems to me, would be very likely to cause friction and discord among those sects and religions, who might, with some reason, resent the interference of a Hindu Committee with their affairs.

“The next matter in which I cannot agree to the Hon'ble mover's proposals is this: section 3A proposes to establish an electorate of notables, and this electorate is to select a District Committee and a Central Committee, and these two Committees are to be absolute in their power over the endowments with which they are concerned. Section 12 of the Bill runs thus—

‘The District Committee of each religion or sect shall have absolute control, not inconsistent with their maintenance, over the institutions belonging to that religion or sect, including the appointment of the trustees, according to the custom prevailing in each institution as vacancies shall occur after the passing of this Act.’

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[Mr Smeaton]

"Section 13 prescribes a budget : section 14 empowers the Committee to revise the budget as it sees fit.

"And then section 16 runs thus.

'The orders of the District Committee shall be appealable to the Central Committee, whose decision shall be final'

"In respect of this extraordinary absolute power and finality, particularly in the administration of funds, I can only say that my experience of the administration of funds by a Committee of notables is very much against the propriety of such a proposal. The only case I can at this moment recall is where a Committee of notables in a secular endowment managed the affairs of a large irrigation scheme. This Committee managed to irrigate all their own lands and pay very little rent, whereas the large majority of the poorer cultivators got very little of the irrigation and paid a very large proportion of the rents. I doubt very much if even a Committee of persons living in the odour of sanctity would be likely to avoid the temptation of possibly acting in a similar way. But the objection which to me appears to be most fatal is this the Act applies not only to strictly religious but also to charitable endowments. Now in the province with which I am connected at present I imagine that the monasteries and dependent schools would fall under the category of religious and charitable endowments. If in the case of those monasteries, and more particularly the schools dependent on them, we are to have under sections 12 and 16 this absolute control by Committees of Buddhist notables, I very much question whether that control would be likely to operate to the advantage of those who attend the schools or to the people. Your Excellency may be aware that until recently the tendency of the superior ecclesiastical authorities in Upper Burma was distinctly averse to anything like the introduction of a liberal element into the education given in the primitive monastic schools of that province. If these triumvirate Committees—who would naturally be imbued with the prejudices of the ecclesiastical authorities—are to have absolute control over these foundations, I very much question whether the efforts of Government to introduce a liberal element into the education given to the boys of those schools would be likely to be successful, and therefore I think that the proposal to vest these absolute powers in the District and Central Committees, in respect so far at least as these monasteries and dependent schools are concerned, would be most unwise. This being my interpretation of the powers given to the District Committees under the two sections 12 and 16, I think that even on that ground alone I should be justified in opposing the further progress of the Bill."

The Hon'ble MR. RALEIGH said:—" My Lord, as this Bill was introduced before the beginning of Your Lordship's administration and long before I had a seat in this Council, I thought it right to ask my Hon'ble friend the mover of the motion for explanations with regard to his proposal, and these explanations he has very freely furnished me, and I desire to acknowledge the reasonable spirit which he has displayed in discussing the provisions of this Bill. I pointed out to my Hon'ble friend the difficulty which would occur to any practical person on reading the text of the Bill. The difficulty is of this nature. that when you are dealing with the ancient religions of India, you are not dealing with a people organised into a certain definite number of churches submitting to a certain limited number of authorities who represent them for all practical purposes, but you are dealing with very large bodies of persons imperfectly organised, united in belief and worship, but at the same time divided by differences which have often been the cause of the most serious anxiety to those who are responsible for the maintenance of order in this country. Some of the most serious troubles we have had have been due not to the conflict between one religion and another, but to the conflict between sects within the limits of one religion. When you propose out of elements of this kind to constitute an electorate under the auspices of a British Magistrate and to give to elected committees large powers of interference, obviously there is the danger that these Committees may be used by one sect against another, and thus may lead to differences so serious as to require the intervention of the Government. My Hon'ble friend has expressed his approval of the policy of 1863, when the Government endeavoured as far as possible to divest itself of responsibility for religious endowments. If we established anything like the system which the Bill proposes, we should have the responsibility of the Government restored and rendered more direct. There is not only the danger, which the Hon'ble Member has pointed out, of wounding the dignity of zamindars and other important persons who have undertaken the management of these endowments. There is the far greater danger of interfering with the mohants, and others who are invested not only with dignity but sanctity among large numbers of their countrymen. I found to my surprise and relief that there was less difference of opinion than one might have supposed between my friend and myself on points of this kind, and, so far from curling up like the sensitive plant to which he has compared himself, my Hon'ble friend met my questions boldly and fairly admitted some of them were difficult to answer. Finally, he asked me to consider whether, supposing he were willing to abandon those parts of the Bill upon which my criticism chiefly turned and were to retain merely the two important—not all important—amendments in the Act of 1863 to which he has

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authoritative pronouncement in matters connected with the direction of the University. I venture to think that the administration of the enormous funds which belong to the religious institutions of the country is not a less onerous function. With the powers of the Committee increased, as I shall presently suggest, very many capable and pious men would be glad to devote a few years of their life to the honorary work of looking after the affairs of their religious institutions as many have been ready to serve on the Municipal and Local Boards. But they would be deterred if they were to be tied down to those institutions all the days of their existence.

"It may well be that the hope and prospect of getting rewards in the way of titles from the Government for good work on Municipal and Local Boards play an important part, as a friend of mine shrewdly observed to me. I nevertheless think that the consciousness of power to work with advantage and the satisfaction of winning the good opinion and well-merited praise of the mass of pious worshippers, who now stand aghast at their utter powerlessness, would afford a strong enough motive, besides the sure prospect of the trustees themselves being under a wholesome fear and improving, in the presence of a right in the Committees to interfere effectively, which is now absent. These observations are, I trust, enough to commend this proposal to your best and earnest consideration.

"There is but one other proposal of mine on which I am anxious to secure the sympathy and approval of the Council. It is my proposal to enlarge the powers of the Committees under section 13 of the existing Act. To my mind, it is the most important one, and—be it noted—that it does not, in the slightest degree, trench upon the principles of the Act. That section makes it, indeed, the duty of every Committee and every trustee severally to keep regular accounts of receipts and disbursements of every institution. But, beyond saying that the Committee 'shall require the production by the trustee of his accounts at least once a year,' the powers go no further in terms. Could the Committee hold an enquiry and enforce the attendance of the trustee to clear up doubts? Could they call upon him to produce proper vouchers? Could they, if they found it necessary, compel witnesses to attend? It is by no means clear that they can do all or any of these things, unless we strain—overstrain I might well say—the word 'require' in the section, in order to evolve all this. No Court, so far as I remember, has done so, nor do I think any Court would. Suppose, for argument's sake, it is granted that minds, accustomed to financial study, could detect these powers in the word 'require' and in the further word 'manage' used in connection with the Committee; still I do think that

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the harmless superfluity which I plead for might well be granted as elucidatory instead of driving people to costly and hazardous lawsuits to evoke a judicial interpretation, if only to remove doubts from lay minds and to instil a deterrent fear in the would-be recalcitrant. Such legislation is not uncommon. I need hardly add that by legislation in these respects we shall still be scrupulously within the intentions of the Act, and not swerve from them by so much as a hair's breadth.

"The income, it is perhaps not widely known, is very often derived from varying voluntary contributions in the shape of numerous dribbles from casual, not regular, worshippers, chiefly on certain festive days or days of celebrations. But it is under the head of expenditure that frightful room would exist for palming off unexpended or fictitious sums as spent. Expenditure would necessarily fluctuate, and the one check which common prudence has recourse to is to form a previous forecast or budget in most affairs of life and in all administrative systems. This every trustee may be required to do and obtain the Committee's prior sanction. It will go a long way to minimise fraud.

"To subject the accounts of both the Committees and the trustees to a system of outside audit would carry success much further. This, I imagine, needs legislation which also would not trench upon the principles of the Act.

"There are other points in my Bill which are comparatively of minor importance. As they do not go to the root of any of my cardinal proposals, if I may so say, I venture to think that no remarks need be made on these at this stage.

"Struck by glaring instances of fraud as regards charities which are supposed to be still under the check of Madras Regulation VII of 1817 and kindred Regulations, I brought charities also within the purview of my Bill, though there was the oversight on my part to describe my Bill as an amendment in that respect also. As it is a large question by itself and outside the Act relating to temples and the like, I prefer, on second thoughts, to leave it out of my Bill. With these remarks, and the repudiations I have made in course of them, I beg to move that the Bill be referred to the Select Committee above-named."

The Hon'ble SIR CHARLES RIVAZ said:—"When my Hon'ble friend introduced his Bill in this Council in March, 1897, His Honour the present Lieutenant-Governor of Bengal, who was then the Member of Council in charge of the Home Department, said that, while the Government of India consented to the introduction of the Bill, it must be distinctly understood that they were not a party to it. He proceeded to say that the Govern-

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the opinions of the orthodox people and the educated classes, who, I hope, it will never be denied are also orthodox classes.

“Then again the Hon'ble Mr. Bolton has referred to the long standing usages under which succession takes place to the trusteeship. It looks as if he considered that my Bill in some sort of way wanted to divert the succession. I do not intend anything of the sort. If the part of my Bill dealing with the question is taken into account and carefully examined, it will be found that I take care to say that all the usages shall be followed and observed strictly, and that every trustee shall get his office in the way he has been getting it all along, and that neither the District Committee nor the Central Committee will have anything whatever to do to twist the right of that person from his proper course.

“These seem to me to be the observations necessary for the purpose of showing that there is not against my Bill that outrageous and prodigious objection that is believed to exist against it, but, at the same time, seeing that the Government are not in favour of referring it to a Select Committee, and as the Hon'ble Sir Charles Rivaz has been good enough to say that if the points upon which I said I am keen and the like are presented in a subsequent Bill, that Bill will be considered, I thankfully accept that explanation; I also thankfully accept the terms in which I have been referred to by the Hon'ble the Legal Member. I do not therefore wish to ask for a division on my motion.”

His Excellency THE PRESIDENT.—“Does the Hon'ble Member wish to withdraw his motion?”

The Hon'ble MR. ANANDA CHARLU said that the withdrawal of his motion would naturally follow from his speech.

His Excellency THE PRESIDENT:—“It is for the Hon'ble Member to say if he wishes to withdraw his motion. If he does, I will ask permission of the Council for it to be withdrawn. If not, I must put the motion to the Council in the ordinary way.”

The Hon'ble MR. ANANDA CHARLU said he would ask leave for his motion to be withdrawn.

The motion was accordingly withdrawn.

The Council adjourned to Friday, the 8th March, 1901.

		J. M. MACPHERSON,
CALCUITA;	}	<i>Secretary to the Government of India,</i>
<i>The 6th March, 1901.</i>		<i>Legislative Department.</i>

Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict, c. 67, and 55 & 55 Vict, c 14)

The Council met at Government House, Calcutta, on Friday, the 8th March, 1901.

PRESENT :

- His Excellency Baron Curzon, P.C, G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*
- The Hon'ble Major-General Sir E H H Collen, G.C.I.E., C.B.
- The Hon'ble Sir A. C. Trevor, K.C.S.I.
- The Hon'ble Sir C M Rivaz, K.C.S.I.
- The Hon'ble Mr. T. Raleigh.
- The Hon'ble Sir E FG Law, K.C.M.G.
- ✓ The Hon'ble M. R. Ry Panappakkam Ananda Charlu Vidia Vinodha Avargal, Rai Bahadur, C.I.E.
- The Hon'ble Kunwar Sir Harnam Singh, Ahluwalia, K.C.I.E., of Kapurthala.
- The Hon'ble Mr J Buckingham, C.I.E.
- The Hon'ble Mr. H F. Evans, C.S.I.
- ✓ The Hon'ble Rai Bahadur B. K. Bose, C.I.E.
- The Hon'ble Sir Allan Arthur, Kt.
- The Hon'ble Sir A. Wingate, K.C.I.E.
- The Hon'ble Mr. F. A. Nicholson, C.I.E.
- The Hon'ble Mr. D. M. Smeaton, C.S.I.
- The Hon'ble Mr. H. J. S Cotton, C.S.I.
- The Hon'ble Mr. C. W. Bolton, C.S.I.
- ✓ The Hon'ble Rai Sri Ram Bahadur.
- The Hon'ble Mr. R. P. Ashton
- The Hon'ble Mr. R. H. Henderson.

INDIAN FOREST (AMENDMENT) BILL.

The Hon'ble SIR CHARLES RIVAZ moved that the Report of the Select Committee on the Bill further to amend the Indian Forest Act, 1878, be taken into consideration. He said — "I explained, when I introduced this Bill, that its object was to strengthen the hands of the executive in dealing with cases of forest-fires by (1) extending to protected forests the provision of the Forest Act, which at present applies only to reserved forests, by which, when a fire is

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caused wilfully or by gross negligence, the exercise of rights of pasture or to forest produce in the forest so burnt can be suspended by the Local Government, and (2) making all persons enjoying forest-rights liable to punishment unless they turn out of their own accord and render assistance in extinguishing a forest-fire.

"The Select Committee has proposed, as explained in their Report, some small alterations in the language of the Bill which will have the effect of (1) enabling the Local Government, when suspending rights in a burnt forest, to not necessarily suspend the rights of all right-holders but only of those who are immediately responsible, actively or passively, for the fire, and (2) limiting the cases when persons can be punished for not rendering spontaneous assistance to those of forest-fires."

The motion was put and agreed to.

The Hon'ble SIR CHARLES RIVAZ moved that the Bill, as amended, be passed.

The motion was put and agreed to.

INDIAN MINES BILL.

The Hon'ble SIR CHARLES RIVAZ presented the final Report of the Select Committee on the Bill to provide for the Regulation and Inspection of Mines. He said that he proposed, with His Excellency's permission, to ask the Council that day fortnight to take the Report into consideration.

ASSAM LABOUR AND EMIGRATION BILL.

HIS EXCELLENCY THE PRESIDENT said:—"It may perhaps be of convenience to Hon'ble Members, and may facilitate the course of the present debate, if I state at its commencement the course which the Government propose to adopt. As to the merits, and the desirability of the greater part of the Bill which we are asked today to pass into law, there are, I understand, no two opinions. This legislation is not merely required, but is accepted as salutary and essential by all the different parties concerned. There is, however, one provision in the Bill, namely, that to make a slight increase to the statutory wage of the Act-labourer on the tea-gardens of Assam in the second and third years of his service, which has been the subject of much controversy, and about which opinions are sharply divided, both among the outside public and in this Council. Intimately connected with this question is that of the present

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[The President]

condition of the tea-industry, which is alleged by its spokesmen to be in so depressed a condition as to render unwise, if not unjust, any increase to its burdens.

" The Government desire to approach both these questions with absolute impartiality. Though this Bill is a Government Bill, we have throughout shown our readiness to meet criticism or objection by the substantial concessions that have been made in Committee in the proposed increase of wages. We wish that the question should be examined by this Council with as much freedom from bias or from external influence as we have ourselves endeavoured to apply to it. The case is one that should, in our opinion, be decided exclusively upon its own merits, and by the unhampered discretion of this Council.

" We do not of course propose to divest ourselves of our duty, as the body charged with the administration of this country, to give advice to this Council as to the manner in which it should proceed. We are ourselves convinced, after repeated and most careful discussion of the clause, that the case for a modified and reasonable increase in the wage has been made out. That conviction we shall be prepared fully to vindicate in the debate that will presently ensue: and for it the Government will, without exception, vote. Hon'ble Members will thus be in a position to hear both sides of the question. They will be acquainted with the planters' views; and indeed the latter will bear me out in the statement that I have ensured to them the fullest possible opportunity for giving expression to their opinions by placing two seats upon this Council, and upon the Select Committee, at their disposal, exclusive of those Hon'ble Members who were known in advance, to sympathise very strongly with their desires. On the other side will be heard the views of the Government and of the Chief Commissioner of the Province, though, as is known, he would wish to go a good deal further than the Government have been prepared to follow. It should not be difficult for any Hon'ble Members of this Council, who have not previously made up their minds, to decide upon the issue that will thus be placed before them.

" I will now pass to the second point. There is, I think, a legitimate distinction between the acceptance of a proposal as justified in itself, and the insistence upon its enforcement at a particular time. For instance, a man may perfectly well hold that a case for the increase of the Act-coolie's wages in Assam has been made out, and he may resolve to vote for it. But he may also hold that, owing to the present condition of the industry,

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it would be inopportune, and might be harsh, to bring that increase into operation at the present moment, or for a fixed period of time. Now, I understand that the representatives of the tea-industry propose to ask this Council to reject *in toto* that clause of the Bill which provides for any increase in the wage. They are of course quite entitled to do so; and if they were to succeed, the Bill would not be lost, but that particular clause would disappear. If, however, this Council accepts the advice of Government and retains the clause, and if any Hon'ble Member were then to bring forward a further amendment to the effect that the operation of the wage clause of the Bill should, for special reasons, namely, the present condition of the industry, be postponed for two years, he will have my permission to do so, and, in the event of a good case being made out for such postponement, the Government will not stand in the way of its acceptance by this Council. They will even be prepared to vote for it themselves. We cannot divest ourselves of our responsibility to secure to the labourer that additional statutory protection to which we consider him to be entitled. But we have no desire to secure it at a time or in a manner that may be oppressive to a hard-hit industry, which, not less than the coolie, has a claim upon our dispassionate consideration.

" This then is the course which the Government propose to adopt, We shall ourselves support the compromise offered with our consent by the Hon'ble Sir Charles Rivaz in Select Committee—in the shape of a modified increase of wage in the second and third year and we believe that the reasons which we shall adduce in favour of this course will be such as will commend themselves to a majority of this Council. Should our advice be accepted, Hon'ble Members will then be invited, after listening to the discussion, to vote upon the question of a two years' postponement of the operation of the clause—which in practice will mean that the enhancement will not commence to take effect until the close of the third year from now; since it is only in the second year of the coolie's service that it will begin to operate, while it will not become fully operative until the first batch of coolies to whom it applies have been for three years upon the plantations. I venture to entertain the hope that this course may vindicate the impartiality, without any abnegation of the responsibility, of Government, and may conduce to a harmonious solution of the disputed problem that lies before us."

The Hon'ble SIR CHARLES RIVAZ moved that the Report of the Select Committee on the Bill to consolidate and amend the law relating to Emigration to the labour-districts of Assam, and on the Bill to make better provision for the health, supervision and control of Emigrants proceeding to or from the labour-

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districts of Assam, be taken into consideration. He said:—"I explained, when introducing this Bill eighteen months ago, that its main object was to remedy the abuses and malpractices which have sprung up in connection with the system of assisted emigration to the labour-districts of Assam which is permitted by the present law as contained in Act I of 1882 and its amending Act VII of 1893. These Acts, while providing in a minute and careful manner for the licensing of contractors and recruiters, for the recruited labourers being brought before a Registering-officer in the district of recruitment, for the execution of labour-contracts after such registration, and for the conveyance of the labourers thus put under contract under proper safeguards and official cognizance to Assam, allowed a system of so-called 'free emigration' to be carried on outside the elaborate provisions which I have just mentioned. The consequence was that a horde of unlicensed and uncontrolled labour-purveyors and recruiters sprang into existence who, under the guise of assisting 'free emigration,' made large illicit gains by inducing, under false pretences, ignorant men and women, chiefly from the most backward districts of Bengal and the Central Provinces, to allow themselves to be conveyed to Assam, and by practically selling these people to the planters for the purpose of being placed under labour-contracts in that province. These evils were forcibly exposed by a Commission which was appointed by the Lieutenant-Governor of Bengal, Sir Charles Elliott, in 1895, to enquire into the whole labour-question. The Commission, on which the Indian Tea Association was represented by Mr. Gladstone and Mr. Begg, reported in 1896, after visiting the recruiting districts, that the cost of importing labour to Assam was steadily increasing owing to the abuses arising from the competition of unlicensed professional recruiters, and they made various recommendations for the adoption of measures to check such abuses, which, after consulting the Local Governments and Administrations concerned, were generally accepted by the Government of India and embodied in the Bill now before the Council. Briefly, the Bill first provides for a system of recruiting by licensed contractors and recruiters and by certificated garden-sardars, subject to close supervision and control. All persons thus recruited will have to be brought before a Registering-officer in the district of recruitment, and after being registered and medically examined they will be placed under a labour-contract in the district of recruitment; or at all events at some other place within the same province as the Local Government may direct. They will then be conveyed under proper supervision to the estate in Assam where they have bound themselves to serve. The Bill further enables, on the one hand, the Local Government of a recruiting province to prohibit, with the sanction of the Government of India, all

persons from recruiting, or engaging or assisting, any native of India to emigrate from any specified part of its territories to any labour-district or any specified portion of a labour-district otherwise than in accordance with the provisions of the Bill, and on the other hand enables the Local Government with similar sanction to allow, after such a prohibitory notification has issued, a system of assisted emigration by specially employed garden-sardars acting under permits granted by their employers, as described in Chapter V of the Bill. A means is thus provided of putting a complete stop to the present unlicensed and uncontrolled system of free recruiting, and of substituting for it a system of *bond fide* assisted emigration by garden-sardars who will be deputed by individual planters to bring up coolies from the recruiting districts to the planter's particular garden, and who will not be required to register their coolies or to place them under contract before taking them to Assam. Provision has been made for withdrawing at any time the concessions which are thus proposed for these specially employed garden-sardars if they are found to be abused.

"As regards the work of the Select Committee, the modifications which we have proposed after giving the Bill our most careful consideration are all aimed at the main object of keeping professional recruiters under strict control, and encouraging recruiting and assisted emigration by *bond fide* garden-sardars. These modifications are fully explained in the Committee's report, which has been in the hands of Hon'ble Members for the past fortnight, and I need not take up the time of the Council by repeating the explanations already given. It will be seen that, for the sake of simplicity and convenience, we have proposed the incorporation of the provisions of the Emigrants' Health Bill, which was introduced as a separate Bill, with those of the Assam Labour and Emigration Bill.

"So far I have referred only to the recruitment provisions of the Bill under our consideration. I explained, when introducing it, that it was not proposed to make any alterations in the labour-system which was constituted by Acts I of 1882 and VII of 1893 except in the one matter of the minimum statutory wage. (The minimum wage-rate fixed by Act I of 1882 for a completed daily task was five rupees a month in the case of a man and four rupees in the case of a woman for the first three years of a labour-contract, and six rupees in the case of a man and five in that of a woman for the fourth year. The Bill as introduced provided for six rupees a month in the case of a man and five in that of a woman as the minimum wage-rate throughout the whole period of contract. The Bill as now amended proposes to maintain the present wage-rate of five rupees for a man and four for a woman in the

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first year, to raise it by eight annas a month both for men and women in the second and third years, and to keep the present maximum rate of six and five rupees, respectively, for the fourth year. It is further proposed, as explained in the paragraph of the Committee's report which deals with clause 5 of the Bill, to afford special protection to the newly-joined labourer by entitling him to receive a full wage for the performance of a half task during the first six months of his contract unless the Inspector certifies that he is physically fit to perform a whole task. As this one clause of the amended Bill, clause 5, has not been accepted by all the members of the Select Committee, and as I see that my Hon'ble friend Mr. Buckingham intends to move an amendment regarding it, I will defer making any further remarks on the wage-question until I reply to my Hon'ble friend's motion."

The Hon'ble RAI BAHADUR P. ANANDA CHARLU said —“ Clause 9 is the outcome of the wholesome desire to respect marital rights. The practice of spiriting away (as it were) of a wife in defiance of the wishes of the husband is, as remarked by the Select Committee, a scandal, but it is a scandal which needs, in my view, to be qualified by a somewhat pungent epithet. I should, however, have been better satisfied if the original provision in the Bill were left alone, *i.e.*, if the consent of the husband was made a condition precedent rather than the absence of it a subsequent invalidating incident. It too often happens that the wife is, so to speak, smuggled away without the husband having the least scent of it. In such cases the husband, whose waking hours are mostly occupied in labouring for daily bread out of doors, comes to know of the exact cause of his wife's disappearance or of her whereabouts rather too late, *i.e.*, after the inducement to keep her from straying from the straight path has given way to the depressing sense of irreparable outrage perpetrated against him. This is as undesirable as demoralising. Nothing would be easier, if some little trouble were taken, than for the recruiter, or for the many officials through whose hands the recruit is made to pass, to get at the husband and obtain his consent at the outset and at first hand. Practical objections are stated to have necessitated the alteration of the clause from what it was at first. It seems to me that no amount of practical objections—be they real or exaggerated—ought to have weighed against the strictest recognition of the sensitiveness of man on this, the tenderest of his feelings—feelings which are no less keen in the labourer than in the well-to-do. So strongly have I felt on this point that my first thought was to frame an amendment and urge it. But the words in clause 34, sub-clause (3)—the words which import that the Registering-officer should ‘satisfy himself of the consent of the husband,’—

might be extended to and made to embrace enquiry from the husband direct or from witnesses of a reliable kind, notwithstanding the fact that, whereas the words 'evidence' and 'witness' occur in sub-clause (4) as regards widows, &c., they are absent in sub-clause (3), as though they were deliberately omitted in order to make a distinction between the two classes of cases. I trust that the officers, who are charged with the duty, will be proof against plausible arguments based on allegations of such fancied distinction.

"On the provision in the next sub-clause (4) of clause 34, I feel some difficulty and doubt. It is possible elsewhere perhaps for widows or other species of women who are not wives to remain outside lawful guardianship; but wherever Hindu law applies, either expressly in terms or by adoption as a body of binding usage as is widely done, a woman without a lawful guardian, for civil purposes, is an unmeaning expression. I am not aware that the bulk of the classes from among whom the emigrant labourers are drawn are clean outside such limits: *If they are not*, then the fact must be realised that the provision in question, so far as it applies to widows and other women who are not wives, runs counter to established laws and valid usage among the people of this country. As yet, the spectacle is rare of women, floating, as so many drifts, on the stream of Hindu society in ordinary times: and the evil would only be precipitated if facilities were offered for social moorings to snap asunder, so as to permit of lapses to multiply and, by slow degrees, undermine the inter-dependent household, held together by long traditional sentiments in the main.

"Another aspect of the conjugal relationship is apparently unnoticed or unconsidered. It is not unoften that a husband skedaddles, if I may use an expressive colloquial word, under a sudden impulse of glowing, migratory ambition, leaving, in the lurch, wife and children—not to speak of aged parents—to shift for themselves as best they might. Such instances occurred in connection with emigration to Mauritius within my knowledge, and the wife only woke up to the dreary reality months after the scamp of the husband gave her leg bail. One result of it shall remain nameless. It appears to me that, for every one labourer who might thus be gained for a planting employer, society, and eventually the State, would have, thrown upon its hands, not a few she-waifs as well as orphans for no fault of theirs. It may be a question, worthy of more than a passing thought, whether the scrutinising intermediate officers between the initial recruiter or garden-sardar on the one hand and the ultimate employer on the other hand should not be authorised to institute an enquiry in this regard and to see to the forsaken family

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being either, if fit, enrolled as well among the recruits or to arrangements being made to allot to the members of the family, so left behind, a definite part of the earnings of the runaway bread-winner, such as he is. Cases such as this are only the converse of the cases for which provision is made under clause 50, whereby the labourer is entitled to secure the manumission of his wife, daughter or mother, when he himself has obtained his own repatriation. I believe that it will serve a useful purpose, if also a humane and economical purpose, if express directions should be issued to watch and note cases of this kind, in view to an amendment of the Act, if such cases grew appreciably numerous enough. Attention to matters of this description will be found, in the long run, to facilitate rather than retard the cause of emigration. Public policy requires it."

The Hon'ble SIR CHARLES RIVAZ said :—" The question raised by my Hon'ble friend was very carefully considered by the Select Committee, and we intentionally made a distinction between the case of women who are recruited by the professional recruiter and women who are recruited by the garden-sardar. As I have said before, the whole object of our Bill is to encourage recruiting by garden-sardars and to place material restrictions on recruiting by professional recruiters. Therefore, in the case of recruiting by garden-sardars, we thought it sufficient to provide that a woman may be recruited, unless her husband or guardian comes forward and objects, whereas in the case of the professional recruiter we have placed a definite obligation on the Registering-officer who is required by sub-clauses (3) and (4) of clause 34 of the Bill to satisfy himself that the husband or lawful guardian, where there is one, actually consents to the woman being recruited."

The motion was put and agreed to.

The Hon'ble MR. BUCKINGHAM moved that for the first portion of sub-clause (4) of clause 5 of the Bill, as amended, from the beginning down to but excluding the provisos, the following shall be substituted, namely :—

"(4) No labour-contract shall stipulate for a less rate of monthly wages than five rupees in the case of a man and four rupees in the case of a woman for the first three years of the term of the contract, and six rupees in the case of a man and five rupees in the case of a woman for the fourth year of such term."

He said :—" My Lord, the amendment standing in my name is, that in clause 5 (4) of the amended Bill the wages of coolies should not be increased for the second and third years but should remain as at present, *vis.*, Rs. 5 for a man and Rs. 4 for a woman.

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"With Your Excellency's permission I will now state my reasons for moving this amendment.

"I stated in my note of dissent that 'wages in Assam are generally higher than in the tea-districts of Bengal, where coolies emigrate under a free system for a similar description of labour.'

By the last Assam Immigration Report (for 1899) the number	
of Act coolies is given as	131,958
Number of non-Act	267,985
	TOTAL . 399,943
Non-Act children	249,639

"Average monthly pay given in Immigration Report earned by Act coolies during 1899 was—

	<i>R s. p.</i>
Men	4 12 0
Women	3 11 3
Ditto non-Act—	
Men	5 4 4
Women	3 12 0
Children	2 4 10

"Taking the proportion of $1\frac{1}{4}$ children per man and woman, we have an average of Rs. 2-4-10 to be added to the family earnings, making the earnings per family of Act coolies to be Rs. 11-4-3 and non-Act Rs. 11-13-4. As, however, some gardens do not enter all the *ticca* earnings, the returns are not of much value in ascertaining actual wages.

"It should be noted that although I have taken the total number of Act and non-Act coolies in the Province, representing 757 gardens, 11 gardens were not inspected and therefore not included in the wage-statement in the Immigration Report. On this account, therefore, the wage would be somewhat higher than that given. To the above should be added various perquisites the coolie receives, such as medical comforts, sick allowances, diet to sick coolies given free, loss on rice sold to coolies, land given free of rent, free housing and firewood, amounting in all to an equivalent of about Re. 1 per mensem per adult and 8 annas per child. In 1893 Sir William Ward alluded to the collateral means of livelihood of the coolie in the following terms:—'The fact is,' he said, 'that the statement of wages when reduced to a tabular form is not of much value in enabling an idea to be formed as to the actual condition of the labourer,' and in the Special Report of 1890 it was pointed out that many of the circumstances which led to low average pay are such as tend to make a garden popular

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with coolies, some coolies working only a few days in the month, their pay being included in the average.

"I may here mention that in the Indian Association's letter to the Government of India it is said that in the Assam Administration Report for 1894-95 the Chief Commissioner desired that the returns of wages should be accompanied by an account of the extent to which collateral means of livelihood other than garden-work were available to coolies. It is said that subsequent reports contain no reference to the subject, and hence it is inferred that no such means of livelihood exist. The order referred to was given by Sir Charles Lyall in paragraph 33 of the Annual Labour Immigration Report for 1893. The remarks of District-officers on the subject are quoted or summarised just after the wages statements in the reports for 1894 and 1895, and the subject is briefly referred to in the same place in the report for 1896. The last enquiry on the subject was made in 1889, and is described in paragraph 150 of the Special Report of 1890.

"It is a significant fact that since 1891 the yearly reports have not given a statement showing the highest wages earned by Act and non-Act coolies.

"In the Immigration Report for 1890 the following figures were given for the Assam Valley :—

	R	a.	p.	
Non-Act men drew wages up to	18	0	0	} per mensem.
Non-Act women	14	8	6	
Act men	15	4	0	
Act women	14	0	0	
and children as much as	8	12	0	
In 1891 Act men drew as much as	15	4	5	
Women	17	2	8	
In 1891 non-Act men	21	0	0	
In 1891 non-Act women	20	13	0	

This statement, I think, disproves the Hon'ble the Chief Commissioner's remarks in his note on the Bill when he says the great mass of labourers get little or nothing from overtime work.

"Mr. Cotton gives a range of wages in Bengal from Rs. 4-8 to Rs. 9 and Rs. 6-8 to Rs. 9. Regarding Duars labour, we find in a letter from the Secretary to the Government of Bengal to the Government of India that the mean earnings, including extras, from twelve typical gardens amounted to the following :—

	R	a.	p.	
Men	4	14	0	per mensem.
Women	3	2	7	" "
Children	1	6	0	" "

“ Mr. Cotton's statement that Duars labour is better paid than Assam does not therefore appear to be correct.

“ These coolies are brought to the Duars gardens by contractors, who receive advances, such advances being all charged against the coolie, and cut monthly from his pay, amounting in many cases to Re. 1 per mensem. His Honour the Lieutenant-Governor alludes to these stoppages in the fourth paragraph of his letter to the Government of India, dated the 15th September, 1900.

“ Again, is it fair to compare temporary emigration to coal-mines, and factories, near the coolies' own homes, with emigration to Assam? In the former case they go with the intention of making money, and returning as soon as possible to spend it elsewhere. In the latter, they live the true type of an emigrant, finding a home for life.

“ I most emphatically deny that the coolie in the Duars gets practically all the advantages of the Assam coolie which Mr. Cotton asserts he does. In addition to the above-mentioned stoppages, the Duars coolie gets no pay for Sunday, no pay for extra or sick leave and no pay for incompleted tasks.

“ The expenditure on hospital and housing accommodation is a mere cypher compared with what it is in Assam, and I am informed, that dieting sick coolies at the factory expense is unheard of, and what perhaps is the heaviest tax we have in Assam, *vis.*, to provide rice at Rs. 3 per maund, the Duars planter is exempt from, his coolies having to provide themselves with rice at market-rates. The fact is, there is no occasion for these extras; the coolie is well off without them. At one garden in Assam, where the yearly pay-bill amounted to Rs. 32,530-14, I found Rs. 5,868-6-6 were expended on coolies' Sunday and other leave, showing that they actually get 20 per cent. of their pay for no work at all. As to the loss on rice, one of the largest companies in Assam lost in one year £5,340 sterling in rice, equivalent to 2½ per cent. on its capital. Others lost in the same proportion. Mr. Cotton, in his letter to the Government of India, says, ‘ the rate of wages current in Bengal may also be taken as a guide in determining what minimum rates should be specified in penal contracts in Assam.’ He then goes on to quote the wages of able-bodied agricultural labourers in Bengal from Mr. O'Connor's *Prices and Wages in India* from 1873 to 1897. These wages are quite useless for comparison with coolie wages, for they are all compiled on the assumption that the coolie works every day in the month, and not on what he *actually* earns, as Assam coolies' wages are calculated. Mr. O'Connor, in his evidence before the Currency Commission in London in 1899, questions the often-stated assertion that the wage of unskilled agricultural labour *has* increased during the last twenty years, and he tells me he still adheres to this opinion,

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and yet Mr. Cotton suggests that the coolie should share in the general rise in wages.

"Another reason given by Mr. Cotton for the raising of wages is that the price of nearly all food-commodities have increased, and in paragraph 19 of his letter to the Government of India he says: 'Statistics of the price-current are not available, but it will suffice to say that the other articles besides rice are all ordinarily imported from Bengal.' This is hardly correct, for the ordinary bazar of the coolies, with the exception of clothes (and these are one-third of the price they were thirty years ago), is procured in the local markets; for example, oil, ghee, dal, sugar, fowls and ducks, fish, vegetables, etc. I laid before the Select Committee a statement showing the present cost of food-commodities in Assam and in the Duars, comparing them with the prices paid twenty years ago in Assam, and they show in nearly all cases a decrease. I presume it cannot be disputed that the price of liquor has fallen; if it has, my Lord, I may mention that one witness—*vide* 'Collection of Government Papers relating to Excise,' deposed that, whereas some years ago it would have cost him four annas to get drunk, he could now get deal drunk for one anna.

"The Chief Commissioner himself states in his letter to the Government of India that 'there is no higher authority on the subject of labour-immigration into Assam than Lieutenant-Colonel Campbell, the Civil Surgeon of Shillong.' On this account, therefore, I think I am fully justified in quoting his letter to the Chief Commissioner on the increase of wages and status of the coolies.—

* No 439, dated Shillong, the 9th November, 1899.

† From—Lieutenant-Colonel R. N. CAMPBELL, M.B., I.M.S., Civil Surgeon, Shillong.

‡ To—The Secretary to the Chief Commissioner of Assam.

No 186 L. & L.—4528J, dated Shillong, the 1st November, 1899, from the Secretary to the Chief Commissioner of Assam, to Lieutenant-Colonel R. N. Campbell, I.M.S.

'WITH reference to the communication as per margin, I have the honour to forward my opinion on certain of the provisions of the Bills.

'I.—*Assam Labour and Emigration Act, 1900.*—The two important points in which this Act differs from Act I of 1882 are—(1) the proposal to raise the monthly minimum wage from Rs. 5 to Rs. 6 in the case of a man, and from Rs. 4 to Rs. 5 in the case of a woman; and (2) initial registration and execution of labour-contract in the district in which the labourer is recruited. I will consider these in detail.

'(1) *Minimum monthly wage.*—The arguments in favour of the proposal to raise the monthly wage are: (a) the present rate is too low, regard being had to the rise in prices; (b) the higher rates which labour commands outside Assam. In my opinion, this change is not only unnecessary and uncalled for, but inadvisable as being a decided hardship and tax on the tea-industry.

'The only grounds on which this proposal might have been supported are: (a) that the pay of the labourer is such that he cannot live on it in comfort owing to the rise in prices, or (b) that by raising the wages a better class of labourer may be attracted. Regarding the former, *i.e.*, the question of the labourer being unable to exist in comfort on his present pay, it is a well-known fact that a labourer and, more especially a family man, after a few years in Assam, is really well off and wants for nothing as far as his desires can go.

'Let us now enquire how far the rise in prices has affected the labourer. His house costs him nothing more to build, in fact, it never has cost him anything, though it costs the employer more, as he has to build better houses than were supplied twenty years or more ago. His food, the chief staple of which is rice, costs him no more, though it may cost the employer considerably more, as he must supply it at the same price as twenty years ago, *i.e.*, Rs. 3 per maund. No, instead of his food costing more, it is probably cheaper and certainly more varied and more easily procurable than twenty or thirty years ago, because communications are much better, and there are more *hatts*, and they are nearer at hand, at which the labourer can procure vegetables, fish, etc.

'His firewood costs him no more and his clothing is not more expensive.

'I think the labourer is as well off, nay, better, than twenty or thirty years ago, though his minimum monthly wage has remained the same. He is better housed, all his sanitary arrangements, as the water-supply, etc., are much improved, and there is a marked difference in the arrangements made for his medical care and treatment. His expenses have not increased as I have shown above, and he can really make more on most gardens, as gardens are better supplied with labour than in the old days, and so kept in better order, and the tasks necessarily lighter, and at certain seasons of the year a much larger wage can be made than the minimum one. On the other hand, the employer or importer of labour has to pay much more than twenty or thirty years ago. It is he that has to pay for the rise in prices. The initial cost of the labourer is much greater. The labourer has to be clothed, fed and generally cared for from the date he leaves his home till he arrives on the garden, and everything costs more than it did quarter of a century ago outside Assam.

'After reaching the garden, the labourer is better cared for, better housed, has a better water-supply, better medical arrangements, and is fed and nurtured if unable for full task work. This feeding may have to go on for some time till the labourer is accustomed somewhat to the life and surroundings and fitted for ordinary task work. The medical arrangements are infinitely better and far more expensive, as in most gardens there is now general European supervision, and, in all of any size, good native doctors are resident. It seems to me, therefore, that the rise in prices, not to say the cost of improvements in housing the healthy and treating the sick, affects only the employer of labour and not the labourer, and that this argument in favour of raising the minimum monthly wage is worthless.

'The labourer is, as a rule, contented and well-to-do, many of them possessing poultry, pigs, cattle, and even rice-fields to cultivate where such are close to the garden.

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' It is possible that, if the minimum wage is raised, some of the employers may raise the tasks and diminish the rate paid for *tacca* so as to equalise matters, and that the labourer may, on the whole, have harder work and get no more pay than he at present receives.

' 2. The higher rates which labour commands outside Assam is the second argument in favour of raising the minimum wage. By raising the wage, will the class of labourer be improved? I think not. The same class would still emigrate even if the minimum wage was increased 50 per cent. Will labourers emigrate in greater numbers if the minimum wage is raised? I think not. Of course, if the rates in places outside Assam attracted labour so that it was difficult to procure labour or the proper class of labour for Assam, without raising the minimum wage, this would necessitate the change; but no such state at present exists, and, as long as a sufficient supply of suitable labour can be procured at the present rates, why should the present rates be changed when, as has been shown above, the labourer not only is paid sufficient for all his wants, but is really well off?

' Many tea-concerns could not stand the extra charge of 20 per cent. in the case of the man's wage and 25 per cent. in the case of the woman's, for many can only just pay their way, and some cannot do that, with the present rates.'

' It is worthy of notice also that only three or four of the officers in the Assam Commission agreed with the Chief Commissioner's proposal to raise wages. Again, in answer to Mr. Cotton's assertion that the price of food-stuff has risen, I read to the Select Committee extracts from the Report of the Commission sent up in 1867 from Bengal to report on tea and the condition of coolie-labour. The Commission (composed of Messrs. W. Ainslie, H. Steward Reid and J. M. Cunningham) said, coolies were actually unable to procure dal, oil, ghee, salt, fish, and they generally were without them because there was no market near (paragraph 132). Then again in 1873 Mr. Edgar in his report, page 15, said, 'Surplus food in tea-districts is very little, and food for imported labour had to be imported; there was no machinery for the distribution of food, and thousands died through mere want.' Also at page 17 he said, 'Food scarce and dear', and at page 20, 'the number of imported labourers far exceeded the supply of food available.' Very gradually communication improved, food became cheaper, coolies took to cultivating, supplying to a great extent their own requirements, and the conditions of their life became thoroughly satisfactory. The chapters on wages and food in the Special Report of 1890 on the working of the Act fully bears me out in this statement. Mr. H. W. Stevens at page 15 in the *Collection of Papers relating to the Excise Administration, 1890*, stated in his evidence before the Commission that he considered the price of food during the last twenty years had not increased, *i.e.*, in normal years.

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"A convincing proof also, I think, that food-commodities have not increased in price, is that in 1871 the yearly cost of feeding prisoners in the jails of Assam was Rs. 34 9 against Rs. 33·10-9 in 1899, and I believe about the year 1884 their diet was raised.

"Such evidence as I have given above appears to me to entirely refute Mr. Cotton's statement as to the increase in the price of the necessaries of life to coolies.

"It will naturally be asked, what does it cost a coolie to live in Assam, and does he simply get a mere living wage? In the Special Report of 1890, page 232, it will be seen that one coolie with his wife and two children gave their monthly cost of living at Rs. 7-11-3 when their combined earnings amounted to Rs. 11. The man said he had bought a Kabuli blanket for Rs. 6, also a silk cloth for Rs. 8; he had given his wife Rs. 8 worth of jewellery; he also possessed a cow; he had worked on for four years on the garden; coolies, therefore, living together in a family can maintain themselves in comfort at a cost of from Rs. 2-8 to Rs. 3 per head per mensem, and, as a further proof of this, I may mention that one coolie usually charges another for keep Rs. 3 a month, and this he would not do unless he made something over the transaction. Even Mr. Cotton said in the Emigration Report for 1897, paragraph 45, 'With the high prices at present prevailing, Rs. 3 a month is probably the smallest amount on which a coolie *can live and keep in good health*, and it is the duty of inspecting officers to enquire carefully into each case in which this maximum is not attained, and in the absence of special reasons to the contrary to direct that the person concerned be fed in the general mess till such time as he or she is able to earn Rs. 3 per mensem at least.'

"After giving such instructions to his officers it does appear extraordinary that he should have written the following to the Government of India on the 25th December, 1899. Alluding to our resolution at the Tezapore Conference, *viz.*, to give men Rs. 3-8 a month and women Rs. 3 for the first two years of their indenture, irrespective of the work they do, Mr. Cotton said that—

'such a proposal should have been brought forward is an illustration of the *unsatisfactory footing* on which the recruitment of labour for the tea-gardens of Assam now rests. It is contemplated apparently that the labourers when they first arrive in Assam will be *so weak and sickly that for two years they will be unable to perform the tasks required to earn the satisfactory minimum wage, which is in most cases much less than a full day's work.* During that time it is proposed they should be given *a miserable pittance not sufficient to keep body and soul together* or merely fed and clothed at the expense of the employer without receiving any wages!!

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"As to cost of living I also notice in the Immigration Report for 1899 that the average cost of diet per diem in the Government dispensary shelter at Sylhet was 1 anna and 1 pie per head or Rs. 2-1 per mensem.

"The Hon'ble Mr. Cotton also quotes from *Prices and Wages in India* that the average monthly wages of an able-bodied agricultural labourer in Assam in 1897 rose to Rs. 8-27; in 1892 it was Rs. 8-4. These of course are originally his own figures. All these, however, are on the assumption that the labourer works every day in the month. Fifteen to twenty days a month is the outside the independent labourer works; therefore his average pay, according to Mr. Cotton's figures, would be reduced to nearer Rs. 4 than Rs. 8. Gardens in many places are able to secure village-labour at 3 annas per diem or at the rate of Rs. 5 per mensem, no pay being given for Sunday.

"It is true that the average rate of pay for the Assam constable, the process-server or chaprassi varies from Rs. 6 to Rs. 8 a month, but their wives and children earn nothing; so how can this be compared with tea-garden earnings, where the women and children are bread-earners and can easily contribute between them Rs. 12 or Rs. 15 per mensem? Municipalities in Assam offer as much as Rs. 11 a month, and are unable to get sufficient voluntary labour, and this very circumstance is produced as a proof that wages have risen and that we do not pay our coolies sufficient. In my opinion it proves the reverse; the coolies prefer the tea-garden system and its family earnings and the general advantages a tea-garden gives. If it did *not* prove what I say, why do not time-expired coolies (of whom there are thousands) flock to the municipalities for Rs. 8 or Rs. 10 a month? And now let us see what pay the Assam Administration gives to witnesses attending the Criminal Courts. I will quote their rules—

'(a) for the ordinary labouring class of native two annas per diem,

'(b) for natives of higher rank in life four annas per diem.'

And this is all they get if they have to perform a journey of 100 miles. Surely we may call this 'a miserable pittance.'

"The average prosperity of the people of India cannot, therefore, be identified by the wage-test. To gauge the value of the daily wage-quotations, it will have to be shown that daily employment is obtainable. The experience of owners of industrial factories is, that the free labourer earning a daily wage on piece-work does not work continuously throughout the year, that he takes holidays frequently, and absents himself for long periods to suit his inclination.

" His Honour the Lieutenant-Governor says—

' The figures given by the Chief Commissioner in paragraph 14 of his letter are surprising; it appears that for three years, 1873-75, the wages of free agricultural labour, *i.e.*, of coolies entertained otherwise than under the contract-system of the Emigration Act, ranged from Rs. 6'53 to Rs. 6'94. After fluctuations, which show that the returns may be relied on, as faithfully following the actual changes of the market, wages settled down for five years, ending in 1889, between Rs. 6 and Rs. 7. Since 1889 they have been far below Rs. 7, but apparently they have not been much above it. In 1897, the famine year, and its successor they rose to Rs. 6-4. It thus appears that till the very exceptional period of the great famine, there has been no material rise in the wages of free labour in the open market. It cannot be denied that these unexpected figures give considerable support to the argument that an enhancement of the minimum wage of the contract coolie is *not* required on the ground of absolute justice to him.'

" Mr. Cotton, in commenting on our resolution at the Tezpur Conference to give coolies Rs. 3-8 and Rs. 3 a month irrespective of work done (letter dated 25th December, 1899, to the Government of India), says he ' does not consider the law should encourage by any form of recognition the practice of importing coolies so debilitated as to be incapable of doing a day's work ;' and yet in his note on the Bill he states he is thankful the Committee have been pleased to accept a reduction of tasks for newly arrived coolies. I would ask, my Lord, if this is not a recognition on the part of the law that coolies are unable at first to do a day's work? His Honour the Lieutenant-Governor considered that Inspectors should utilize more freely the powers under section 117, *vis.*, that of reducing tasks. Mr. Cotton's answer to this was that his executive is not powerful enough; but in paragraph 23 of the letter above quoted he says that as regards house-accommodation, medical assistance and water-supply the law affords ample power to Inspectors ' for insisting on adequate provision being made ;' why not as regards tasks it is difficult to understand. I cannot follow the Chief Commissioner when he says—

' It is not correct to say, as was said at the Tezpur Conference, that coolies under contract are not affected by fluctuations in the price of rice.'

" We maintained that the coolie did not suffer when market-price of rice was over Rs. 3 per maund, but that it was an equivalent of extra pay to him. From the year 1866 to 1890 the coolie was beneficially affected to the extent of over Re. 1 per mensem in his pay if he cared to take rice regularly at Rs. 3. In the famine year 1896-97 he was beneficially affected to the extent of Rs. 2-8 per mensem, taking the consumption at 30 seers per mensem per man. Coolies, therefore, do receive an equivalent of a rise in pay. Wages rise with the cost of living, and generally move upwards more slowly than the price of food. If the value of

rice expresses a rise that has taken place in the cost of living in Assam, then residents, who under statutory enactments, or from privilege, are protected from an increase in the cost of the staple food, must be no worse off than they would have been in previous years, and in some respects may be better off. They must be better off than the indigenous labour and compared with those who receive a wage in other employment. This was verified by the Hon'ble the Chief Commissioner of Assam on the 29th April, 1897, when he said at the meeting held at the Bengal Chamber of Commerce that 'immigrants are well off, and they benefit the Province from every point of view.'

" Mr. Cotton says in his letter to the Government of India that during the ten years 1865 to 1874 the average retail price of common rice throughout the Province of Assam was about Rs. 2-3-6 per maund. *Now the inference from this* would be that, having to sell rice to coolies at Rs. 3 per maund, we must have made a profit during those ten years. In paragraph 29 of the Commission's Report they say that in 1867 for many months rice cost Rs. 5, Rs. 6 and even Rs. 10 a maund; the above statement, therefore, of the Chief Commissioner is most misleading; the average price is no criterion whatever, for when rice is high we lose an enormous amount in selling it at Rs. 3. We also have to keep a large stock in store, and this, when prices fall, has to be sold to coolies at current rates. I may mention that, in 1896-1897, 1½ million maunds of rice were imported into Assam.

" Among other collateral means of livelihood I may mention one garden where 307 acres of paddy are cultivated by coolies, producing approximately 4,605 maunds, valued at Rs. 8,058. The Government rent on this land would have been Rs. 3 per acre; coolies are charged 7 annas 6 pies. The gain, therefore, to coolies by thus cultivating would be Rs. 8,835-16, which sum is as good as extra pay, but this sum actually goes against the planter in his wage-return, for coolies get leave to cultivate this land and the average wage shown in Government returns is thereby stultified. A census of cattle taken a short time ago by order of the Chief Commissioner showed there were 947 cows and buffaloes on this garden, 513 young stock, 41 sheep, 390 goats, 15 ponies, 164 ploughs and 102 carts. Are all these statistics pigeoned-holed in Shillong? They appear to be.

" Mr. Quinton said in his Special Report:

' The coolies with other means of livelihood in addition to garden-work are undoubtedly better off than they would be in their own country; *but excluding these*, and taking into consideration only such coolies as are entirely dependent upon the

garden for their living, the tasks required and the wages earned are such that every coolie in ordinary health or of ordinarily industrious habits can get a sufficiency of food and yet be able to save.'

"In the statement I placed before the Select Committee of coolies' earnings there was one company employing 14,412 coolies (men 6,311, women 6,210, children 1,891) : men earned for the year an average per mensem of Rs. 6-3-5, women Rs. 4-14-8, and children Rs. 2-8-6, or an average of Rs. 12-1-0 per family in hard cash. With perquisites the average per family was Rs. 12-15-3. At another garden employing 6,557 coolies, the average per family was Rs. 11-11-8; at another 3,301 coolies—1,413 families earning Rs. 13-0-10 per family. In fact, the average pay for 51,322 coolies per family was just Rs. 11-8. I find that new coolies' pay averaged even higher than old coolies' in many cases, and in this I am supported by a statement shown in the Special Report on Act I, paragraph 146, before alluded to, where Act I women earned on an average more than non-Act women. The average pay of non-Act men was slightly in excess of Act men.

"In advocating an increase in wages, the Chief Commissioner seems to try and smoothen matters by stating in his letter of the 25th December, 1899, paragraph 23, that employers will be justified in raising the task-rates, and insisting on the performance of *a full day's work* for a fair wage. We next find the Chief Commissioner slightly moderating this statement, by saying we are entitled to a *fair day's labour* for the legal wage; then again in his letter to the Government of India, dated 10th September; he says, this increase will immensely benefit the great mass of labourers, who will get through a *slightly augmented task*. These statements are so conflicting, that I am afraid the amendment made, that coolies for the first six months should have full pay for half tasks, would, according to Mr. Cotton's theory, be no amendment at all; for a full day's work of nine hours certainly represents just double what is expected out of the coolie at present. Mr. Cotton says that the 'mere fact of tasks being light, and that overtime payments are allowed, afford a strong consideration in favour of raising wages.' It is plain, therefore, that he advocates the abolition of work of an optional character, so dear to the coolie, and so universal throughout the whole of India. Is Mr. Cotton ignorant of the fact that the coolie is master of the situation, and that the present system of labour has grown up for generations? Ought not legislation, therefore, to aim at the regulation of methods which the immigrants have themselves adopted, rather than to attempt to force the current of emigration back into channels of its own creation?

"Such changes in pay and in tasks may easily be taken by coolies as an indication that the Government distrusts employers. I know such is not the

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case, but this may and probably will be the view taken by coolies, and such an impression is not likely to promote the good relations between employers and labourers.

"An increased rate of payment leads to a lesser task instead of an augmented task, the coolies taking out the balance, so to speak, in the only form of luxury which appeals to an Asiatic, *vis.*, the luxury of sitting still and doing nothing, for instance, at one of the collieries in the Asansol District, where labour is scarce, the outturn was very small and they did exactly as Mr. Cotton would have done; they raised the rate per ton of coal cut, hoping thereby to stimulate the coolie to increased exertion; what happened? The outturn diminished. The fact was, the coolies were thoroughly satisfied with their previous income, and on a higher rate they merely worked a fewer number of hours. A similar result must follow if wages are increased in Assam. At page 17 of the Report of the Labour Enquiry Commission it is stated that coolies will not do more work than they are obliged to do, and are only anxious to earn enough to live on, and when they have collected enough for a few days eating, they take themselves off—they live only for the day.

"We hear everywhere of wages being reduced instead of increased: take for instance what Mr. Muir said on the 3rd December last at a meeting of the Duars Tea Association. He said—

'When considering the proposal of reducing pay, under the existing system, the labourers really worked about three or four days a week, and lower wages would necessitate their working six days with a corresponding benefit to the garden, it was proposed and carried that wages should be reduced one rupee in case of men and eight annas for women.'

"Compare this with Mr. Cotton's proposal that wages should be increased and tasks augmented. In practice we should find that less work would be done, and we should have to import more labour. In Coorg, on the 24th April last, the reduction of wages was considered. The institution of overtime work, His Honour the Lieutenant-Governor of Bengal describes,—

'as one not infrequently adopted in English industries and is indeed an excellent and proper system for industries where the employment is monotonous or where from the shortness of the labour-supply the most has to be made of a limited number of labourers. It is universal in the tea-gardens of the Bengal Duars.....It is difficult to avoid the uneasy feeling that we must be on wrong lines when we remedy the evils on a minority of badly managed gardens by upsetting the system of the good ones, which are the majority, or force the good gardens to depart from a system which experience elsewhere as well as in Assam shows to be essentially the best'

"The system the Hon'ble the Chief Commissioner wants to upset is described by himself as the payment of a minimum wage for a light nominal task

supplemented by a liberal overtime wage for overtime work. I need hardly say that such a proposition will meet the greatest opposition among the coolies themselves; and even Mr. Cotton acknowledges in his letter to the Government of India, dated the 25th December, 1899,—

'that some inconvenience will no doubt be caused by a general alteration of task-rates, but there is no reason to suppose it will be serious. It must be remembered that every industry is subject to occasional disturbance from fluctuation in the rate of wages, and it cannot be expected that the tea-industry will entirely escape such inconvenience.'

"Such direct interference with the liberty of employer and employe, my Lord, is unwarrantable, and, I may say, unheard of. Mr. Cotton argues that the coolie's ignorance and helplessness entitles him to protection in pay as well as in other directions. Can it possibly be proved that there is general ignorance or helplessness?"

"Only last year the Hon'ble Mr. Cotton in his letter to the Government of India stated that the *great mass of coolies comprising more than half of the total number imported under the Act who are recruited by contractors* know nothing about Assam.

"In the Immigration Report for 1899 the following figures are given:—

In 1896	18,870	contractors' coolies only	out of a total of 61,308 adults imported
" 1897	18,127	" "	out of 66,328 adults imported.
" 1898	10,559	" "	35,516 "
" 1898	11,065	" "	25,872 "

"Surely the total number of coolies imported should be taken and not those only under the Act.

"Out of the 4,000 to 5,000 sardars annually sent down, coolies cannot be so ignorant of the circumstances of Assam as the Chief Commissioner makes them out to be. Even ten years ago Mr. Quinton said:—

'In the latter (alluding to the new recruiting grounds), coolies may be ignorant of the conditions of life on a tea-garden and liable to be imposed upon; but in the former (old recruiting grounds), with a constant flow of emigrants between Assam and the recruiting districts, anything like misrepresentation on a large scale, except solitary cases seems impossible.'

"I notice in the resolution on Inland Emigration, Bengal, that, in 1899 67 per cent., and in 1898, 70 per cent., of the registered coolies were collected by garden-sardars, many of them from outside Bengal.

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"As the Hon'ble Mr. Cotton in his note on the Bill alludes to the death-rate of coolies, I am glad to have this opportunity of correcting an erroneous idea that certainly seems to be in the minds of some regarding this subject.

"An officer of the highest standing in the Assam Commission, in his letter to the Secretary of the Chief Commissioner of Assam, dated 21st December, 1899, says—

'The average death-rate during the last ten years of Act-labourers has been 53·6 per mille.' He continues, 'Comment is superfluous. That amongst an adult population of over one lakh all in the *prime of life* there should be, year in and year out, a constant death-rate of 53·6 per mille indicates something radically wrong. The fact is certain and cannot be explained away . . . The coolie (during the term of his contract) remains and dies at a rate which, if it occurred among the prisoners in our jails for a series of years together, would infallibly draw forth the most scathing comment of Government.'

"Now, in the first place, Mr. Cotton tells us that all the beggars in the bazar, men and women of bad health, or idle, and of dissolute habits, who have failed to make a living in their native districts, are swept together and sent up to the gardens of Assam, where for a year or two at least they will not do a full day's work and swell the returns of sickness and mortality.

"The Deputy Commissioner of Sibsagar in report for 1894 wrote:—

'I do not think it can fail to strike any one who looks at a number of batches of newly arrived coolies that most of them are not average specimens of the labouring classes of India, but people of inferior physique and constitution, who, having failed to make a living in their own country, emigrate to Assam as a last resource.'

"Can coolies, I ask, such as these, and those who are weak and emaciated by famine, fail to swell the returns of sickness and mortality?

"The Hon'ble Mr. Cotton himself owns to this fact, and yet an officer in the Assam Administration says *it cannot be explained away*. Again, can the prime of life can be applied to such people? I maintain that at forty years of age the native of India is long passed his prime of life. I should be inclined to call them old, and for the sake of full rates being paid many a coolie over forty is smuggled in.

"The exultations of the Assam Administration over a slightly reduced mortality in their jails for 1898 must have been sadly marred by the result of 1899, when the Director General remarked that 'in face of these figures congratulations were at least premature.' The figures of mortality alluded to by the Director General for the last four quinquennial periods in Assam jails were 45·48·55 and 51 per mille.

"The average death-rate for the last ten years among all classes of the coolie population is 35·8 per mille. In 1899 the death-rate was 27·5 per mille, being considerably less than among the general population. I certainly should not have alluded to this excessive mortality in jails unless comparison with tea-gardens had been drawn.

"In paragraph 58, Provincial Report for 1900, Sir Dennis Fitzpatrick remarked that—

'the climate of Assam under the most favourable sanitary arrangements is fatal to new arrivals. We must,' he said, 'make up our minds to accept the above as one of the drawbacks to emigration; but only people who are unwilling or unable to view the position as a whole, and who ignore the fact that the bulk of those who emigrate to Assam would have far more evils to face in their own homes than this additional risk to die, would contend that there is any reason for stopping or discouraging emigration.'

"It has frequently been asserted that the penal system of the Act is responsible for not only low wages but also for the high rate of mortality among Act-coolies. This is not the case. Take, for instance, Assam and the Surma Valley. The average pay earned per family by Act-coolies in Assam for 1896 was Rs. 11-11-1, against Rs. 10-4-4 in the Surma Valley, or Rs. 1-6-8 in favour of Assam, and for non-Act coolies per family in Assam Rs. 12-9-6 against Rs. 10-14-10 in the Surma Valley, or Rs. 1-10-2 in favour of Assam; and yet Assam with more than 90,000 Act coolies in excess of the Surma Valley showed a mortality of only 37·6 per mille against 34·3 per mille in the Surma Valley, showing plainly that the wage-question need hardly be considered. The Chief Commissioner's attention was directed three years ago by the Government of India (see Report on Labour Emigration, 1897) to the fact that a number of sick and destitute coolies had been noticed in the Tippera District of Bengal travelling on foot from the direction of Assam. The tea-planting community were saddled by the Government of India with the responsibility attached to these coolies; and the Chief Commissioner, appealing to our feelings, impressed upon employers of labour the responsibilities which rested upon them of co-operation with Government officers in grappling with the difficulty. Mr. Cotton said he had observed for himself the consideration and humanity displayed by the great majority of employers towards coolies who had worn themselves out in the service of their garden, and he called upon all to support him to the utmost of their power in remedying the evil.

"It is satisfactory to find in the report (Immigration Report, 1898), dealing with the subject, that the Deputy Commissioner of Cachar was unable to trace a single case of a worn out or sickly coolie being turned out of a garden.

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'As to the tea-industry not being in a position to bear such an additional tax as the enhancement of wages would mean, I am of the opinion that to raise the rate of wages for two years would similarly affect wages at any period. It would in the first place be impossible to import Act labour on one scale and non-Act on another scale of wages. We invariably treat Act and non-Act coolies on the same footing: if Act labour get rice at Rs. 3, it would be unfair to deny this privilege to non-Act. Coolies themselves fail to recognize a difference. The effect, therefore, of raising wages eight annas would be an additional charge of 10 per cent. on labour-charges. The expenditure on a garden on account of pay for labourers is calculated at nearly three-quarters the actual total expenditure in placing tea on the market; this would mean, therefore, an increase of $7\frac{1}{2}$ per cent. on our present expenditure, or an equivalent of nearly 2 per cent. on the capital invested in tea.

"The accounts for 1900 have not yet been closed, but the results are certain, as far as profit and loss are concerned. The bulk of tea now sold in Calcutta and London is being disposed of at three farthings or one penny per pound below cost price, and more than 75 per cent. of tea-gardens will be worked at a loss. A continuation of such conditions must assuredly lead to a collapse of the tea-industry.

"In paragraph 12 of Mr. Cotton's letter to the Government of India, he says:—

'The insufficiency of the wages paid to labourers under contract has repeatedly been the subject of notice in official reports, it will suffice here to refer to the remarks contained in paragraph 35 of report for 1896, paragraph 45 of report for 1897, paragraph 44 of report for 1898.'

"This, I think, is misleading, for we may certainly infer from the above that other reports, besides those mentioned, take up the subject of low wages. Such, however, is not the case. We have only to refer to reports for 1893, 1894 and 1895 to see that Sir C. Lyall and Sir W. Ward make no reference to low wages as telling against the coolie, but confirm the evidence given in the Special Report.

"The reports referred to by Mr. Cotton (it is almost needless to say) are those compiled during his administration.

"I maintain that in 1896 the Hon'ble Mr. Cotton could not possibly have had an opportunity of either seeing for himself the status of the coolies or of consulting with his officers on the wage-question. In fact, in Mr. Cotton's report, dated the 25th January 1899, No. $\frac{125}{40}$, Emig., it is stated (alluding to the

question of raising the minimum wage and of reducing the term of contract; that they are reserved for further consideration, and that 'on these two latter subjects Mr. Cotton adheres to the opinion he has already expressed and has nothing to add to them.....The Chief Commissioner has written it while on tour and has not consulted the officers or any representatives of the tea-industry in regard to the proposed legislation.'

"In the Immigration Report for 1896, Mr. Cotton quotes some remarks of Mr. Monahan, Deputy Commissioner of Sibsagar, in report for 1894, with which he says he fully agrees. In the *same report* Mr. Monahan (alluding to the occupations of coolies) says, 'as a rule, however, their occupations, or at any rate the most profitable of them, are confined to coolies who have been a year or two on the gardens, during which time, if they keep in good health and are industrious, they may be able to acquire the small capital necessary.' This of course was not quoted by Mr. Cotton.

"My Lord, I do not think it is sufficiently realised what the ultimate effect of a rise in wages will mean, not only to the tea-industry but to the coolies themselves. There are benevolent people at home who denounce fox-hunting, little thinking that, if such a proposition was carried into effect, it would cause a wholesale slaughter and extermination of that animal we take such a pride in preserving. The Hon'ble Mr. Cotton with his philanthropic ideas is similarly dealing a death-blow not only to the coolie but also to the industry we have such a pride in sustaining. Sir Alexander Mackenzie's recommendations for raising wages were based upon the view that the abolition of free recruiting would lower the cost of importing labour (see paragraph 8, Bengal letter of 29th December, 1896).

"Sir Charles Lyall did not say that he agreed to the raising of wages, but simply that he would like to see the rate raised, but that it must be left to Assam. Sir John Woodburn considers that an increase in the minimum wage might disastrously injure the system under which tea is produced without substantially benefiting the labourer.

"The real question is this, the minimum legal rates are already exceeded by arrangements which have gradually grown up and which suit both employer and labourer. Are there sufficient reasons for disturbing these arrangements? The burden of proof is on him who asserts there are sufficient reasons. He has to prove—

(1) that wages are insufficient ;

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- (2) that the proposed re-arrangement will result in sufficient wages being paid;
- (3) that the arrangement can be carried out without undue disturbance of the labour-system; and
- (4) that the industry *can meet* the financial burden of the proposed increase in wage.

“Not one of these points have been proved. How can the fact that tasks are light, such as can be performed in much less than a day, and that overtime payments are allowed, afford (as Mr. Cotton says) a strong consideration in favour of raising the statutory rate of wage?”

“Your Excellency said at Tezpur :—‘In the long run a problem of this sort will not be settled by Labour Commissions or by Government Bills, it will be decided by the immutable laws of supply and demand; you cannot make water run up-hill, and you cannot provide labour for an industry below its market-price.’ I need hardly say, my Lord, we accept this responsibility.

“I trust I have clearly demonstrated by the foregoing remarks that no reasonable grounds for enhancement of wages have been produced, and that coolies financially are in a better position than they ever have been, wages earned being considerably in excess of their requirements.

“With Your Excellency’s permission I should like to place on the table extracts from the last Land Revenue and Excise Reports, the former showing to what extent immigration has benefited the Provinces. The Land Revenue Administration Report for last year shows that, at the end of 1899-1900, 85,881 acres of Government land were settled direct with immigrant cultivators, *viz.*, 71,169 acres with *ex-tea-garden* coolies and 14,712 acres with other immigrants. The area settled with *ex-tea-garden* coolies increased by 10,558 acres during the year. In 1890-91 the area settled direct with immigrants was not more than 30,000 acres, nearly 24,000 acres being settled with *ex-tea-garden* coolies. In 1880-81 the area settled direct with immigrants was just over 3,000 acres, almost all settled with *ex-garden* coolies. During the last nine years the area settled direct with immigrants has increased by about 56,000 acres, or at the rate of over 6,000 acres a year, the area settled with *ex-garden* coolies having increased by 47,000 acres, or at the rate of over 5,000 acres a year. These figures by no means represent the whole cultivation of immigrants; large numbers also cultivate as sub-tenants of grant-holders or assamese *raiyats*.

"It is estimated that the number of *ex-tea* immigrants (including their Assam-born children) who have left tea-gardens and settled down in the Assam Valley, chiefly in the districts of Sibsagar and Lakhimpur and in the Tezpur Sub-division of Darrang, is at the present time probably something between 150,000 and 200,000. This represents the actual colonisation work done by the tea-industry. In 1891 the colonists numbered something between 80,000 and 90,000. In 1881 they numbered not more than 25,000. Including tea-gardens, the total number of persons of the immigrant classes, including those born in the province, in the four upper or tea districts would not fall far short (if at all) of 500,000, or more than one-third of the total population of those districts. In 1891 the total number of persons of these classes in these districts was less than 300,000. In 1881 the number could not have been more than 150,000 at the outside ; and in 1872 probably not more than 40,000.

"The above shows the work done by the tea-industry in populating and colonising the province in the Assam Valley only. I have no doubt that the record in the Surma Valley is equally satisfactory. When we add to the above the fact that the tea-industry in this province affords a livelihood to a labour-population of about two-thirds of a million and to over 50,000 emigrants annually, especially in times of famine or scarcity, we shall be in a position to realise the obligation which the Assam province chiefly, but also, to some extent, the other provinces from which the emigrants come, are under to the tea-industry.

"In 1899, Rs. 6,38,573 were realized from liquor-shops in Assam and Rs. 3,66,868 from ganja. The Chief Commissioner acknowledges that this 6½ lakhs are almost wholly derived from coolies. I calculate it amounts to over Rs. 5 per annum per drinking head. Mr. Davis says regarding the consumption of ganja :—

'The labouring emigrant population which furnish the bulk of our ganja-consumers increased by 33,725 or 26·99 per cent. in five years ; the consumption has increased from 36 maunds in 1890-94 to 53 maunds in 1896-97 or by 32 per cent. In addition to this the revenue from rum, chiefly consumed by garden-coolies, amounted to Rs. 6,177.'

"The revenue derived from opium also amounted to Rs. 15,81,991, a large proportion of this drug being consumed by coolies. The figures given above for spirits and ganja are for licenses only, so we may add nearly 50 per cent. for vendors' profits drained out of coolies new and old, who, according to our Chief Commissioner, are unable to earn a living wage."

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[*Sir Charles Rivaz.*]

The Hon'ble SIR CHARLES RIVAZ said :—“ As I cannot accept on behalf of the Government of India the amendment which my Hon'ble friend has moved, I must ask the forbearance of the Council if I give my reasons for the position we have take up at some length. I trust I shall be able to show that in this matter we have good reasons for our belief that some improvement in the statutory wages of the tea-garden labourer of Assam is called for, and that we should be parties to one-sided legislation if we failed, when amending the Act of 1882 in so many respects in the interest of the employer and when altering the recruiting law in accordance with his wishes, to do something also for the labourer who is the subject of these penal contracts. The penal contract system has become so familiar to the tea-industry of Assam, that there is a tendency to regard it as something quite normal, and to question the right of the Government to revise for the better protection of the labourer any of its details. But in reality the whole system is entirely opposed to the conditions ordinarily existing between employers and employed, and a heavy responsibility rests upon the Government which allows it to continue. The Government is bound to see that the wage, as well as all other conditions of service, is reasonable, and in insisting that it shall be increased on the state of the labourer being shown to be unsatisfactory, the Government is acting strictly within the limits of the responsibility which it has accepted in sanctioning the continuance of the penal contract system.

“ My Hon'ble friend states that the minimum legal rates are already exceeded by the arrangements which have grown up between the employers and the labourers : and he throws the burden of proof on us that the present wages are insufficient. I am content to meet him on these two points. His first contention is, that the minimum legal rates are already exceeded, and the evidence he relies on practically amounts to this, that the average earnings of what he considers a normal family, that is, an able-bodied man, an able-bodied woman and an able-bodied child and a further quarter of an able-bodied child, amount to a trifle over Rs. 11 a month. But, on his own showing, the wage of the individual man and of the individual woman is less than the prescribed minimum wage, and what we have to look at is the individual and not the family. Therefore, I cannot allow that he has proved his first point. As to his second point I am quite willing to grant that the expert acclimatised labourer who has retained his health and has adapted himself to his new country earns in one way or another a fair subsistence. But, if anything has come out clearly in the course of the discussions which our proposal has evoked, it is this, that the condition of the migrant in the first years of his contract is far from satisfactory. My Hon'ble friend has cited the opinions of officers who, writing generally of the

condition of the labourers in Assam, describe them as fairly prosperous. Against these opinions I am content to set the opinion of the present experienced Commissioner of the Assam Valley Districts, who, with wider and more mature knowledge than his subordinate officers and with sympathies strongly inclining towards the employers, has strenuously insisted on the necessity for discriminating between the condition of the old and expert labourer and that of the labourer in the first years of his contract. The condition of the latter, he has emphatically said, requires to be safeguarded. His opinion was endorsed by the conference of planters and officials at which he presided, and which put forward a proposal that a minimum wage, sufficient to purchase food, should be secured by law to every labourer, irrespective of task, for the first two years of his contract. What was this but an admission that the present minimum wage, as it actually works in practice under those arrangements which my Hon'ble friend states 'have gradually grown up,' fails to secure the labourer a living wage? This is the evil to which we cannot shut our eyes, and which justifies our decision that the revision of the law for the benefit of the employers in their recruiting operations ought to be accompanied by some improvement in the wage-scale.

"My Hon'ble friend has not alluded to the fact that the present average wage of the labourer under penal contract is, taking it all round, less than the legislature 35 years ago intended it should be, as my Hon'ble friend the Chief Commissioner of Assam has pointed out in his note which he has appended to the Report of the Select Committee. This is a very remarkable fact, which it is well to bear in mind, when we are told of other 'arrangements which have gradually grown up.' I doubt if there is any other place in India where the cash-wage of today is substantially less than the cash-wage of 35 years ago. When the system of a penal labour-contract was instituted by Bengal Act VI of 1865, a fixed minimum monthly wage was prescribed, which was Rs. 5 for male adults and Rs. 4 for female adults. This system of a fixed monthly wage was altered by Act I of 1882 to the present system of a minimum wage-rate contingent upon the completion of a daily task, the regulation of which is practically in the hands of the employer. I doubt if the full effect of this alteration was realised by the legislature. The effect has been that even in the busy season of the year, when the labourer gets overtime earnings, the prescribed minimum wage-rate of Rs. 5 per man and Rs. 4 per woman is in many cases not earned; while at other times of the year it is seldom, if ever, earned, at all events by the newly-joined coolie during the first two years of his contract. The annual returns of the average monthly wage earned in each district of Assam show that, even including payment for overtime, the average

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wage of the whole year round, in almost every sub-division of the province is less than Rs. 5 per man and Rs. 4 per woman. As the skilled workers admittedly earn on good gardens more than the minimum wage, the only possible explanation of these figures is that the newly-joined and unskilled members of the labour-force earn materially less than the minimum wage-rate. When we bear in mind that, when this minimum wage-rate was fixed, it was fixed on the supposition that even the newly-joined coolie would be able to earn it by performing a fair day's work for 26 days in the month, we must, in my opinion, recognise that this failure on the part of a considerable section of the labour-force to earn the prescribed wage constitutes a very strong argument for the enhancement of the present wage-rate which is proposed in the Bill now before Council. For we have, I repeat, the undeniable fact that for the first years of their service on the gardens the labourers do not receive the wage which the legislature supposed in 1865 and again in 1882 it was guaranteeing to them. I know that it has been said that though the legislature may have intended that no labourer should receive less than Rs. 5 a month if a man, or Rs. 4 if a woman, yet the law was impracticable, and that it was found convenient to depart from these benevolent intentions, and to convert the monthly wage into a daily wage contingent upon a fulfilment of a task fixed by the planter. But the change was to the detriment of the labourer, and to it must be ascribed the evil which, as I have said, is admitted to exist. I cannot help thinking that the practice of strictly enforcing the daily task and of keeping down the labour bill by the method of '*fractional hasiris*,' that is, of paying half or three-quarters wage for short tasks, has grown of late years. It is not noticed as a prominent abuse in the report of the Committee of Enquiry which preceded the enactment of the Act of 1882. Any one reading that report would come to the conclusion that the full monthly wage was ordinarily earned by the coolie in those days, and that tasks, if set, were only for the punishment of the able-bodied labourer who was wilfully idle. That at all events was the view taken by the then Viceroy, Lord Ripon, in the course of the debate on the Bill. Replying to the objections taken in certain quarters to the wages fixed in the Bill as being too low, Lord Ripon said that they were minimum rates, designed to secure that under no circumstances should the labourer get less than a living wage, and that the Government was convinced that the real earnings of the great majority of the labourers would far exceed this minimum. We know that these anticipations have not been realised, and that under the task-system as practised today in Assam the living wage which the minimum rates of the Act are supposed to represent is not earned or earnable by a considerable proportion of the labour-force. Therefore, I say that the lot of the labourer is worse than the legislature in 1865 and in 1882 intended that it

should be, and that this fact alone would amply warrant a larger increase in the monthly wage-rate than we propose.

"But the case for raising the wage does not stop here. When I introduced the Bill two years ago I stated that, since the wage was first fixed in 1865, a great rise had occurred in the prices of food and in the wages of labour. The fact seemed to me too notorious to require demonstration. Every one who has long experience of India is conscious that money will neither purchase as much food or labour as it did twenty or thirty years ago. As my Hon'ble friend has alluded to Mr. O'Connor's evidence on this point before the Currency Commission of 1898, I have looked up what Mr. O'Connor actually said. He said that there had been a great increase all over India in the wages of skilled and unskilled labourers. He subsequently stated that in the case of the wages of agricultural labourers the rise was largely disguised in the official returns by reason of their still being paid in kind. This is perfectly true, but, as we are here dealing with cash wages, it does not affect the question before us. If we test Mr. O'Connor's evidence by the Assam figures, we find that, whereas for the ten years preceding the enactment of Act I of 1882 the average price of rice in the Province of Assam was over 19 sers the rupee, for the ten years preceding the present time the average is less than 13 sers. Measured in rice, therefore, the minimum wages fixed in 1882 are not the minimum wages of today: that is, the sum Rs. 5 or Rs. 4 a month purchases less rice now than it did in 1882. It has been argued that the prices of other commodities have fallen in Assam owing to improved communications and establishment of local marts. I am ready to admit that this may be the case. But the ruling figure in the coolie's budget is what he spends on rice, and the evidence to my mind is clear that rice is much dearer today in Assam than it was when the present wages were first fixed. The labourer is, I admit, provided by his employer with rice at Rs. 3 the maund, the equivalent of a rate of 13'3 sers per rupee. But my contention is that in old days rice on the average was far cheaper than this in the province. I think, therefore, that, on the ground of prices alone, a case could be made out for raising the minimum wage. We have also the fact that wages of free labour have risen of late years in Assam, and that they are considerably higher than the wages of the penal contract. We have also the fact that, in the districts from which the planters seek to draw their labour-supply, there is an active and increasing competition for labourers for mills and mines and the colonies, and that much higher rates are offered than the present minimum rates of the Act. Putting all these things together, it is impossible to avoid the inference that not only prices of food, but also wages of labour of the particular kind required by the planters, have risen.

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" My Hon'ble friend has attempted to show that the Act-labourer in Assam is better off than the free labourer in the Duars. The circumstances between a free-labourer and a labourer under a penal contract are so radically different that such a comparison is of little real utility, even if we accurately knew all the facts about wages and tasks and overtime in the Duars. It is, however, clear that the lowest wage-rate in the Duars for a man is Rs. 6 a month, and that he can earn this by performing a very moderate task for 20 days. When my Hon'ble friend states that the average wage actually earned by adult male labourers on certain selected gardens in the Duars is under Rs. 5 a month, he omits to notice the important qualification supplied by the Deputy Commissioner of the district that many of the labourers have other occupations, and that they do not on an average work on the tea-gardens more than 18 or 20 days in the month. The Duars planter cannot compel them to work as an Assam planter can his Act labourers. The comparison is thus vitiated by this circumstance alone. We also have it in evidence that labour prefers to go to the Duars rather than to Assam, and we quite recently have been told in the correspondence columns of the *Englishman* that labour in the Duars is more expensive than in Assam. I cannot, therefore, see that there is any force in the argument about the Duars.

" I now return to my statement that the actual condition of the labourer under penal contract is not satisfactory, at all events during the first two years of his contract, and that it requires to be improved. In the first place, the Labour Commission of 1895 distinctly recognized the fact by saying in their Report that, if Government took measures for reducing the cost of importing the coolie into Assam, it would be fairly entitled to demand some increase in the pay of the coolie and some reduction in the term of contract. In the next place, the Bengal Government in forwarding this report to the Government of India expressed an opinion that, if the recommendations of the Commission on the subject of recruiting were carried out, the term of contract ought to be reduced to three years and the minimum wage also raised to Rs. 6 for a man and Rs 5 for a woman throughout the period of contract. The then Lieutenant-Governor (Sir Alexander Mackenzie) expressed a very decided opinion that wages were kept at too low a level in Assam, even allowing for all the expenses of the present system of recruitment. When the report of the Commission was circulated to the other Local Governments and Administrations concerned, there was a consensus of opinion on the part of the North-Western Provinces Government, the Central Provinces Administration and the Assam Administration that the minimum wage-rate ought to be enhanced as proposed by the Bengal Government, and provision was made

accordingly in the present Bill as introduced. Since the introduction of the Bill, opinions on this point have no doubt changed in some quarters; still all concerned are agreed that something ought to be done for bettering the present position of the coolie during the first two years of his contract. The remedy proposed by His Honour the present Lieutenant-Governor of Bengal was to reduce the statutory task; but it was found that the planters were opposed to this solution, and it was consequently dropped. Another proposal which was put forward at the Conference convened by the Commissioner of the Assam Valley Districts at Tezpur to discuss the Bill was that the labourer during his first two years in Assam should be guaranteed, if a man Rs. 3-8 a month, and if a woman Rs. 3 a month, for this period irrespective of task. This proposal was, however, considered insufficient by the Chief Commissioner and was also eventually rejected by the planters themselves. We had, therefore, when considering the Bill in Select Committee, to fall back on some other solution of the question, and it seemed to us that, as increased protection of the newly joined labourer was the matter of foremost importance, this end could best be attained by providing that he would be entitled to earn a full wage by performing half an ordinary task during the first six months of his service. This, however, taken alone fell considerably short of protecting the coolie for the first two years of his contract, which, as I have just said, has been generally admitted to be required. The representatives of the planters on the Committee were opposed to applying the half task rule to a longer period than six months. We therefore provided, while maintaining the present minimum wage for the whole of the first year subject to the half task rule for the first six months, a very moderate increase of eight annas a month for the second year of the contract, nor did we go beyond this moderate increase for the third year. The present wage-rate for the fourth year has been left untouched. I think I may reasonably claim that in doing this much, and this much only, we have shown the planters all possible consideration compatible with the obligation of Government towards the coolie whom it allows to be placed under a long term of penal contract, and it must be remembered that the small proposed enhancement of the wage rate is not accompanied by any reduction of the period of contract at present allowed, although such a reduction was pressed upon the Government of India by the Secretary of State in 1893 and was, as I have already said, contemplated by the Labour Commission in 1895.

“Coming now to the practical effect of the moderate enhancement thus made in the wage-rate of the second and the third years, let us see what it comes to. The aggregate earnings of a man during the four years of his labour-contract would

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amount, under the present wage-scale, if he earned the full wage throughout, to Rs. 252 and of a woman to Rs. 204. The increase in these aggregate earnings will be Rs. 12 only, that is, less than 5 per cent. in the case of a man and less than 6 per cent. in the case of a woman. Now, as I have already pointed out when speaking earlier today, the main object of the Bill before the Council is to cheapen the cost of importing the coolie into Assam by abolishing the present unlicensed and uncontrolled system of so-called free recruiting and encouraging recruiting and assisted emigration by *bond fide* garden-sardars. The Labour Commission estimated that the cost to the planter of each contractor's coolie was from Rs. 125 to Rs. 150, while the average cost of the coolie recruited through the garden-sardar was Rs. 60 to Rs. 65. The Report on Labour Emigration into Assam for 1899 estimates the average cost of importing coolies from about Rs. 50 for a sardari recruit to Rs. 120 for a labourer recruited through a contractor. It may therefore be fairly estimated that the difference in cost between a labourer obtained from a contractor and one recruited by the garden-sardar comes to at least Rs. 50. Setting aside for the moment the Surma Valley, where in a labour-force of over 160,000 there are only 12,000 Act labourers, statistics show that about 18,000 coolies go annually to the Assam Valley, of whom about 12,000 are obtained at present through professional recruiting. It is evident, therefore, that there is considerable room for substituting the cheaper sardari recruit for the more expensive contractor's coolie in the Assam Valley, supposing, that is to say, that, as is alleged on behalf of the planters, the labour-supply in the recruiting districts is ample if only the garden-sardar is given fair play. By the present Bill we are giving him fair play by virtually carrying out all the recommendations which were made in this direction by the Labour Commission; and if, after the garden-sardar has been freed from the illegitimate competition of the unlicensed contractor and recruiter, he finds himself unable to procure an adequate supply of coolies for his employer, I think all will admit that it is a legitimate inference that the wage offered, even if enhanced as proposed in the Bill now under consideration, is insufficient to attract a proper supply of labour, and that the employers will have to offer further better terms on their own initiative. It has, however, been urged on behalf of the planters that the increase in the wage-rate contemplated by the present Bill will not only affect the price of Act labour but also of labour outside the Act. I am not prepared to admit this. In the Surma Valley it certainly will not, for, as I have just mentioned, the proportion of Act labourers to non-Act labourers is so small that the proposed small rise in the wage-rate of Act labourers cannot possibly affect the wage-rate of the non-Act labourers. Then, as regards the Assam Valley proper, where the number of Act labourers and non-Act labourers are about equal, Mr. Melitus, the Commissioner

of the Assam Valley Districts, has shown that the average wage of the non-Act labourer is materially higher in that part of Assam than the average wage of the Act labourer. This being the case, there seems no reason for supposing that our proposed very moderate increase in the wage of the Act labourer need necessarily have the effect of increasing the wage-rate of the non-Act labourer.

"I trust I have shown sufficiently that the increase which we propose to make in the wage-rate is in reality an exceedingly moderate one, that the interests of the planters have received all possible consideration, and that this increase in the wage-rate will not have the damaging effect on the tea-industry which has been so vehemently asserted in some quarters."

The Hon'ble MR. HENDERSON said.—"My Lord, I desire to make a few remarks in support of the amendment proposed by the Hon'ble Mr. Buckingham.

"It would naturally be expected that, before the Hon'ble Mr. Cotton introduced a Bill affecting in such a serious manner the very important interests of a great industry and the welfare of the great population depending on that industry, he would have made careful personal investigation in every district in the Province, and his failure to inspect a single estate during the years of his Chief Commissionership must detract considerably from the value which would otherwise attach to his opinions.

"His predecessor, Sir William Ward, whose long residence and great experience in the labour districts made him peculiarly qualified to speak with authority, has not recorded any opinion that the enhancement of wages is advisable, nor has any previous Chief Commissioner done so.

"The Hon'ble Mr. Cotton's experience of Assam has been limited in the first place to a residence of a few years in a portion of the Province which is not a labour-district, and in the second place to hurried tours through the Province.

"I am not aware that during these tours he has ever made even the most superficial inspection of any tea-estate in the Assam Valley and he has certainly not done so in the Surma Valley.

"It is obvious therefore that the very strong views he has expressed as to the necessity for increase in wages are not the result of personal observation, nor can they be based on the reports of the District-officers; for I find that the Commissioner of the Assam Valley, an official of great experience, is opposed to

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him on this question, and amongst eight Deputy Commissioners in charge of labour-districts he has only succeeded in finding one supporter.

“With Your Excellency’s permission I desire to criticise the reasons given by him for his dissent from the Report of the Committee.

“I would point out in the first place that he has made no reference in his memorandum to the general rise in the cost of articles consumed by the labourer, which he originally gave as a principal reason for the proposed increase of wages. I do not know whether we are justified in concluding that the reason of this omission is that he has already realised the fact that the statement could be effectually refuted.

“With reference to the concluding paragraphs 6 to 15 of his memorandum, I would submit with all due deference that they are full of inaccuracies and exaggerations.

“In paragraph 6 I find the extraordinary statement that the general rise of wages of unskilled labour in Assam has on an average amounted to 44 per cent. in 25 years. The Hon’ble Member who represents the Assam Valley has dealt with the question so far as regards the Assam Valley and the rest of India.

“Of the Cachar and Sylhet Districts, where local labour is more plentiful than in the labour-districts of the Assam Valley, I have had a very extensive experience dating since 1880. I can assert most positively that in that year the pay earned by unskilled local labour was not lower than that earned in recent years, and that actually at the present time the rates of pay for such labour in Cachar are lower than I have ever known them.

“During the twenty years from 1880-1901 I have been a very large employer of local labour, and in no case have I ever paid more than four annas per working day, and frequently less.

“The rates quoted by the Hon’ble Mr. Cotton in his paper entitled *Wages in Assam* are overstated to the extent of 30 to 40 per cent. in case of the two districts above referred to.

“I should be inclined to think that the explanation of the high figures quoted there is that the rates quoted are those prevailing in the sadr stations, where living is more expensive, or are those paid to skilled labourers, and possibly in some cases they refer to labour impressed for Government service, which is always unpopular.

"If you add to the wages paid to the imported tea-garden labourer the cost of house-accommodation provided, medical attendance, medicines, sick allowances and the numerous other advantages enjoyed by the coolies, it will be easy to show that the tea-garden labourer is at no disadvantage compared with the outside labourer.

"The statements in paragraph 8 that the Duars coolie earns higher pay than his neighbour in Assam have been shown to be incorrect, and comparison between Calcutta and Assam rates of pay is manifestly unfair unless accompanied by a comparison of cost of living.

"It is specially stipulated both in the present Bill and in Act I of 1882 that labourers imported into Assam shall not be bound to perform underground labour, and this recognition of the special nature of this employment entirely vitiates comparison between the Assam coolie and the mining one.

"I am unable to agree with the statement in paragraph 9 that the minimum rate of wage has proved insufficient to attract an adequate supply of suitable labour.

"It is true that estates in Assam for which Chota Nagpur labour is alone suitable have serious difficulty in securing the number of labourers required, partly because this district has already been depleted of its surplus population by many years' recruiting, and partly because the system of free recruiting for the Duars is more popular.

"The result has been that there has been very severe competition and consequently very high prices for labour from that district.

"To state the price of contractors' coolies at Rs. 120 to Rs. 150 per head is an obvious exaggeration. I do not consider that the average figure should be over Rs. 80 for all contractors' coolies imported to Assam, and the allegation that a saving of 13 lakhs would be effected by a higher rate of pay reducing cost of recruitment is utterly absurd.

"There is no reason to suppose that an increase in wages would result in any reduction of cost of importation or in any improvement in the class of coolie.

"To assume, as is done in paragraph 10, that an increase in the rate of wages would result in such an improvement in the physique and class of labour that a reduction of 50 per cent. in rate of mortality would occur is as

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unreasonable as it is to place an arbitrary valuation of Rs. 130 per head on the presumably inferior class of coolies who have succumbed.

"Cases may have occurred, but I am certain they have been very rare, when an insufficient living wage is paid; but an increased rate of wages would scarcely affect this evil unless at the same time an increase in tasks is prohibited.

"The remedy in such cases—a very minute minority—is to be found in more stringent control by District-officers and not by special legislation.

"In any case, it is probable that the low earnings referred to were the result and not the cause of the unhealthy labour-force on gardens where such cases have occurred.

"There is no doubt that the tea-industry cannot afford to pay higher rates of pay than it is doing at present, and unless the proposed increase of pay is accompanied by an increase of tasks the ruin and closure of many estates will result, and the labourer himself will eventually be the principal sufferer from this ill-judged effort to benefit him.

"Assuming that the increase of tasks corresponds to the proposed increase of pay, it is evident that the lazy and inefficient labourer will not benefit in any way, and the strong, healthy, efficient coolie will suffer, because a larger proportion of his work will consist of daily task work and less time will be at his disposal for the performance of the more highly paid and more congenial ticca work.

"All employers of labour will cordially agree with the remark of His Honour the Lieutenant-Governor that the system of over-time work and remuneration is an excellent and proper system.

"Any legislation which would have the effect of making the labourer's earnings depend on daily task work to the exclusion of ticca work would inflict an injury on the best class of labourer as well as on the employer, who would require to largely increase his labour-force if the labourer were discouraged from doing over-time work.

"I trust that in coming to a decision on this important question Your Excellency will give full consideration to the serious effect of a rise in wages on the industry in its present very critical state, and that by your decision you will not further aggravate the almost overwhelming difficulties which we have at present to face."

The Hon'ble MR. ASHTON said:—"My Lord, I support the amendment moved by my Hon'ble friend and beg Your Excellency's leave to state my reason as follows.

"The Hon'ble Member in charge of this Bill commenced his argument by stating that the existence of a penal contract is not a normal condition of things. Of course it is not normal, because other conditions are not normal. It is an effort to give to a coolie in the only possible way an ability which he did not before possess—the ability to make a contract to better his condition, and has no sinister significance. It is a survival of a more patriarchal condition of things suitable for the society for which it is devised. Ninety-nine out of a hundred of the aboriginal coolies are poor beyond the poverty that is measured in rupees and pice. A civil obligation is unknown to them; so that the penal contract is the only form of contract possible between them and the planter. This being admitted, Government is called on only to see that the coolie is not deluded into a situation less desirable than that which he desires to leave. The law, aided by the private interest of employers, however, goes far beyond this, and that it does so with practical effect there is abundant evidence. The Hon'ble Member of Council who has so warmly advocated an increase in the minimum wage has indeed argued that the opposite is the case; but there is overwhelming evidence against him. The minimum wage for a minimum task is only one out of many advantages that the coolie secures. He secures, for instance, a master whose direct interest it is to keep him well and happy, because a tea-manager who fails in the treatment of his labour fails in everything. He secures his housing, his doctoring. His staple food, rice, must be furnished him at a price that is not allowed to exceed Rs. 3 per maund. In further evidence of how carefully he is looked after I may instance a tea company for whom my own firm are agents, who, in the year 1899, spent Rs. 62,610 on medical officers and medicines for the benefit of coolies. The company virtually pays the premiums of a sick insurance fund at the rate of Rs. 4-4 per head of the men, women and children employed, which premiums are expended on the sick at an average rate per head, the amount of which I have not ascertained, but which must be far beyond the reach of a coolie. In one year alone the same company spent Rs. 11,565 in condensed milk for coolie children, most of them born in Assam. Would the parents have been able to give them this? I think not. It is beyond argument that many lives are saved annually by the care, attention and money which tea-gardens expend on their labour-force. It is only necessary to study the financial columns of the newspapers to see how many gardens there are that, as a matter of fact, exist mostly for the benefit of the coolie. Shareholders have had nothing, the manager toils for a salary that allows him to save

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nothing; yet the coolie continues happy in the knowledge that he has exchanged the fear of famine for a certain livelihood and modest savings. Add a little heavier burden and these gardens are closed and the coolie's livelihood ends.

“ Much has been made of the cost of securing and landing coolies in Assam. It must be more costly than of old, because regulations are more complicated and thus give a handle to those who trade on the fact. Just as it is necessary to pay a skilled barrister to pilot one through the perilous and tortuous channels that lead to justice, or a patent agent to help one to find protection for an invention, so it is necessary to employ a forwarding agent to shepherd the coolies through the police and inspectors who hang on the line of their march from their own country to the gardens. If abuses occur, it is in fact in the recruiting districts, but not on the tea-gardens. The broad facts are that the coolies are badly off in their own country and well off in the tea-gardens. I think that this fact has been prominently brought forth in this discussion by the prominence that has been given to the weak and emaciated condition of the coolies on their first arrival at the gardens, as may be expected, seeing the famine-stricken districts from whence they come, and by the fact that special provisions are made in order to give the gardens sufficient time to reconstitute their health and strength by care and attention. The difficulty is to get them from the one to the other without hardship or abuse, and the obvious remedy is to make the road from the coolies' forest home to the gardens plain and easy, and it is towards this end that effort should be directed. Every tea-manager is at one with every Hon'ble Member of this Council in a wish to see the coolie well, happy and contented and his lot improved. Remedies for the coolie's lot may be required, but of this I am certain, that the raising of the minimum wage is not the one for which we ought to seek.”

The Hon'ble RAI SRI RAM BAHADUR said :—“ My Lord, instead of recording a silent vote against the amendment moved by the Hon'ble Mr. Buckingham, I beg, with Your Lordship's permission, to make a few remarks on the motion before the Council, and, by adopting this course, I hope on this occasion to exonerate myself, at least to some extent, from the general charge, just made by the Hon'ble Member, of being an Asiatic and doing nothing.

“ No sensible person, my Lord, can underrate the difficulties which exist with regard to legislation of the class to which the Assam Labour Bill belongs. The first question which comes to one's mind with respect to a legislation of this nature is, why the contractual relations between labourers and their employers, instead of being left to be governed by the ordinary law of contract, should be subjected to a legislative enactment of an exceptional character, and why the whole

thing should not be left to regulate itself by the economical laws of supply and demand, and the contracting parties allowed to settle their own terms, but, on the contrary, the legislature should intervene to fix the rates of wages which the employers have to pay to the labourers. These points do naturally force themselves upon one's attention in considering the question before the Council. But it appears that the existence of circumstances of a very peculiar nature induced the Government, in time past, to have recourse to special legislation on the subject of emigration of labourers to Assam, and that the continuance of those circumstances, though now changed to a considerable degree, has led the Government to still retain that legislation, with such necessary alterations and modifications as the exigencies of the time require.

“ My Lord, had it been the case of two contracting parties standing on a footing of equality as regards intelligence, knowledge, experience and facility and opportunity to get sound advice, a wholesale repeal of the law on the subject would have been the most acceptable course to be adopted by Government. But in reality such is not the case. Of the two contracting parties, in the first stages of the negotiations which ultimately result in the contract, on one side we have the astute and shrewd recruiting agent or labour-contractor, who receives large premia to procure labourers for the tea-plantations, and whose measure of pecuniary gain depends upon the number of labourers he succeeds in securing for his employers. On the other side, we have the villager, simple, illiterate, ignorant and not possessed of the capacity to fully comprehend the consequences or realize the nature of the liabilities to which he is subjected by the terms of the contract into which he is led to enter by the contractor's persuasive words, blandishments and rose-coloured accounts of the place to which he is to be taken—that place being so distant from his native home. These contracts are not of a purely civil nature, but breaches of their terms, real or assumed, make the labourer liable to criminal punishment by a Criminal Court.

“ My Lord, it was the consideration of the helpless condition of the men engaged as labourers, and the gross abuses which had been found to exist at the time in the system of recruitment, which first forced the Government to have special legislation on the subject, and Act III of 1863 was the first enactment passed by the Bengal Council—Assam in those days forming a part of the Government of Bengal.

“ The avowed object of that legislation was the protection of coolies and the removal of abuses in the system of recruitment. But in subsequent legislations on the subject, on the representations made by the planters, penal clauses have been added from time to time, their object being to give greater

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facilities to the planters to enforce, by the machinery of the Criminal Courts, terms of the contracts entered into by the labourers.

"Act VI of 1865 of the Bengal Council, passed in the Spring of that year, fixed for the first time the minimum monthly rates of wages—Rs. 5 a month for an adult male and Rs. 4 a month for an adult female. Additions to, modifications of, and alterations in the different provisions of the Assam Labour Law were made from time to time by the Bengal Council as long as the tea-districts remained under the Bengal Government, and by this Council after the constitution of Assam into a separate Administration. But the amount of minimum rates of monthly wages to be paid to the labourers has continued the same as they were fixed thirty-six years ago. A general rise in the rates of wages has taken place throughout India, prices of food-grains have arisen all over the country, and cost of living has increased to a considerable extent in almost all the provinces of the Indian Empire. Those who advocate the retention of the minimum rates of wages laid down in the law at present in force do not take into their consideration these factors. According to them no advance in the way of raising the standard of minimum wages to be paid to the poor Assam coolies should be made by the Government, but legislation in this respect should remain as severe and stereotyped as the laws of the Persians and the Medes.

"My Lord, the ordinary wages earned by the labourers in their own districts were much lower in 1865, when the law for the first time fixed the minimum rates. In the North-Western Provinces and Oudh there has been a general rise of wages of the common labourer, in many places such rise averaging between 25 and 33 per cent., and in some as high as 50 per cent. In 1865 the demand for labour in the tea-districts of Assam was not so high, because at that time the number of plantations was not so great as it is now.

"There is a consensus of opinion of the Governments of the North-Western Provinces and Oudh and the Central Provinces and of others from which places many of the labourers are recruited, in favour of raising the minimum monthly wages.

"A glance at the table of monthly wages received by both of the classes of labourers, those governed by the Act of 1882 and those not so governed, shows that the labourers of the latter class in most cases, are much better off in respect of the wages received by them than their brethren of the former class. I have refrained from quoting figures in support of my proposition, as I understand that other Hon'ble Members, in particular the Hon'ble the Chief Commissioner of Assam, who can speak with the greatest authority on the point, are going to speak on this subject.

"My Lord, it is said that there is a danger looming in the distant horizon, threatening the prospects of the tea-industry in this country, and that the present is not an opportune time for raising the minimum rates of wages. That danger may actually be realized or not, but its mere apprehension should not outweigh the proved necessity for raising the wages of the poor labourers.

"My Lord, an increase of only eight annas a month in the wages of labourers, during the second and third years of their engagements, does not go far enough to completely meet the circumstances of the case. One rupee a month, as provided in the original Bill, would have been more appropriate. But, as there is no amendment before the Council to restore the rate originally proposed, I am obliged to support the one now fixed by the Select Committee as a sort of compromise.

"It is a matter of regret that the Maharaja Bahadur of Darbhanga, the only Indian member on the Select Committee of this Bill, was able to take part only in four or five of its sittings. During the rest of the deliberations of the Committee there was no Indian member to represent the views of the Indian community respecting such an important measure.

"So far as I know, there is no expressed desire on the part of the planting interest to have a repeal of the law governing coolie-labour. The existence, in that law, of provisions favourable to the interest of the tea-planters may account for their desire for its retention. If the special legislation containing penal provisions unfavourable to the interests of the labourers is to remain, no valid objection can, I think, be raised against the proposed small increase in the minimum rates of wages—an increase completely justified by change of the circumstances in the labour-market.

"I therefore vote against the proposed amendment of sub-clause (g) of clause 5 of the Bill."

The Hon'ble MR. BOLTON said:—"The freedom which, I understand, may be exercised by the official Members in voting on this motion places before me the plain duty of voting in accordance with my personal and independent judgment. I may say that I came to this Council with a mind entirely open on this subject, that I have since studied it with great care, that I am in no sense, directly or indirectly, interested in the tea-industry, and that I have formed my final judgment with strict impartiality on the materials before me, guided also by my personal knowledge and experience, so far as they apply. The conclusion to which I have been brought—and I regret that it differs from that of the Government of India—is this, that the case for an increase of the minimum contract

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wage has not been made out; and I must accordingly vote in favour of the Hon'ble Mr. Buckingham's motion. I am in no doubt as to the necessity of facilitating the earning of a full wage by the weak and unacclimatised coolie during the early stage of his stay in Assam, and I am glad to find that the motion leaves untouched the important proviso of the Bill on that point. I have also concurred in the introduction of the new section which will empower the Local Government to cancel the contracts of labourers on any garden where the earnings cannot be such as to maintain them in health and fair comfort. These two provisions appear to me to do all for the labourers that the existing circumstances demand, and I have personally not been convinced by the arguments advanced in support of the raising of the wage. In fuller explanation of my vote I am constrained to notice those arguments on which the greatest stress is laid; but I will do so briefly. It is said that the wages of agricultural labourers in Assam are much higher than those of the garden-coolie. That is so, but it affords, to my mind, no ground for raising the garden-coolie's wage. Local labour in Assam is scarce, and the labourer is able to impose his own terms. His appears, therefore, to be, not a necessary, but a special wage, which cannot be taken as a guide in fixing the pay for labourers imported from a distance at great cost. It should be remembered also that the agricultural labourer, whether in Assam or elsewhere, does not obtain work throughout the year, and that, therefore, with a higher rate of monthly wage it does not follow that his earnings for the entire year exceed those of the garden-coolie, who is assured labour and remuneration for every working day of the year. Comparison has, again, been made between the wages of the garden-coolies and those which are paid to the mill and mine hands in Bengal, but it is open to the coolies who emigrate to Assam to seek work in the mills and mines of Bengal, and, if they do not, or are not an acceptable class, it can hardly be urged that their wages in Assam should be regulated by those paid to men who are actually employed on such labour. Finally, a general increase is said to have taken place in the wages of labourers, from the benefit of which the garden-coolie should not be excluded. There is evidence of such increase in the towns, but it cannot be affirmed that it has extended to the class of agricultural labourers in the interior, employed by zamindars, middlemen and well-to-do tenants, from which the emigrants to Assam mainly come. These labourers are paid chiefly in kind, receiving little more than a bare subsistence wage, and their lot is certainly inferior to that of the garden-coolie.

"It seems to me that these arguments do not point out the true tests of the sufficiency of the garden-labourer's wage, but that the adequacy of the wage

should be tested, first, by the willingness or otherwise of the coolie to emigrate to Assam, and, secondly, by his condition generally in that Province. We are left in no doubt on the first point. Thousands, acquainted with the conditions of labour on the tea-gardens, willingly emigrate every year from Bengal and the Central Provinces, and the inference is reasonable that the wage attracts and is deemed sufficient. On the second point there is much testimony to the well-being of the coolies in Assam generally. Many cultivate patches of land and own cattle, goats and pigs, they spend a good deal on what may be termed luxuries, and they also make remittances to their native districts. So far, therefore, as it is possible to form an opinion without intimate personal knowledge of the life of the coolies in Assam, it does not appear that the wages earned are insufficient. There are necessarily exceptions, but for such cases relief will be available in the two provisions of the Bill to which I have alluded.

“If the tea-industry were prosperous, an argument might be found for raising the wage, even though its insufficiency were not clearly proved, in the principle that the labourer should have a share with his employer in the prosperity to which he largely contributes. We have, however, evidence on all hands that the industry is passing through a period of extreme depression, and the time is certainly inopportune for adding to its burdens. An early and continued improvement must be the hope of all, and in that hope it is gratifying to learn that the Government is prepared to consider favourably a proposal to suspend the increase of the wage for some time.”

The Hon'ble MR. COTTON said:—“My Lord, I support the Hon'ble Member in charge of the Bill in opposing this amendment of the Hon'ble Mr. Buckingham, and in doing so I fear I shall be obliged to trespass on Your Excellency's indulgence in addressing the Council at considerable length upon a question which has excited an unusual degree of interest in Assam and in Calcutta. My excuse is that the responsibility for the proposal to raise the wages of contract labourers on tea-estates in Assam rests mainly on my shoulders, and that its justification must in some measure depend on the arguments I may be able to adduce in its support.

“In the first place, I must ask for Your Lordship's permission to advert to the considerations which have made it necessary to fix by law the minimum rate of wages under penal labour-contracts, and I must point out that there seems to be the more occasion for doing this as these considerations have been conspicuously ignored in some of the arguments which have been advanced against the proposal to raise the minimum rate. Let us therefore clearly

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understand that the conditions in Assam are not those of the ordinary labour-market, where the rates of wages can safely be left to be regulated by the economical laws of supply and demand. The whole of the special legislation regarding labour-immigration into Assam is based on the assumption that the conditions of the labour-market on Assam tea-gardens cannot be regulated by those economical laws. The existence of a penal contract is justified on this ground. The protection of the labourer is justified on the same ground. The law as it stands, and in an equal degree the law which the Council will be today asked to pass, impose on the labourers serving under contract hereunder in the tea-districts penal provisions of extreme stringency—to such a point that the coolie who is conveyed to the labour-districts under this law ceases legally and practically to be a free man. My Lord, I will not go so far as Sir George Campbell did, who, when the Act of 1873 was under consideration, declared from his place as President of the Council that the coolie was reduced to the position of a slave. I do not wish to use any expression which would cause offence, but I will say that the coolie is compelled to labour to the end of his contract as a man not free or his own master. He is bound down for a term of years not only by penalties under the law, but by physical subjection to his employer, who, on a labourer attempting to run away, is empowered to seize him and bring him back to work. (In a country where the tea-plantations are generally far removed from authority that is a tremendous power given to employers over their labour-force.) I do not deny that it is necessary in the interests of the tea-industry to confer this power; but, when I say this, I venture to remind the Hon'ble Members of this Council that the recognition of this necessity by a provision in the Statute-book affords sufficient evidence of the length to which the Legislature has deemed it proper to go in order to give something more than mere moral support and encouragement to the industry.) It is not too much to say that the material support accorded to the tea-industry by the provisions contained in the Labour Law for the enforcement of labour under a penal contract is the mainstay of the industry, and it is simply amazing to hear, as we have so often heard in the recent public discussions on the subject of this Bill, that the Government affords no assistance to tea in Assam.) It is needless for me to add that the Bill now before the Council in no way ameliorates the condition of the tea-labourer in regard to his deprivation of freedom while he is under contract. But, my Lord, the legislature has another duty to perform, and, while the Statute law of the country has deprived the labourer of his status as a freeman, it has also always recognised that a corresponding obligation rests upon the Government to compel the employer to provide for the labourer's wants, to protect

him against overwork, to shield him from ill-usage of all kinds and to secure to him a reasonable wage. The law before us therefore provides for all these things. A penal labour law and Government protection to the labourer are correlative terms, and it follows from the peculiar nature of a penal contract that it is absolutely necessary for the protection of the labourers who enter into such a contract to make it by law obligatory upon the employer to pay a reasonable wage for their services.

¶ When we speak of the interests of the tea-industry, we are accustomed to mean the interests of the proprietors of tea-gardens, of the share-holders of Companies, of the agents in Calcutta and London, and of the employers of labour; and this customary use of the expression is a true indication of the fact that we are too apt, not only in our language but also in our thought and actions, to contemplate the interests of the industry exclusively from the capitalist's point of view. ¶ And so it is not surprising to find that, in the somewhat stormy agitation which has taken place outside these walls regarding the rate of coolies' wages, the question has been looked at solely from the attitude of the capitalist. ¶ When an industry is carried on under normal conditions, when labour is free and wages are regulated by the ordinary laws of supply and demand, a claim for increase of wages, if one is made, is naturally put forward by the labourers themselves. If the claim is resisted, the labourers have their own remedy for endeavouring to enforce it. Trades-unions and strikes are the means by which the operatives of the West can make their power felt. Eventually a settlement is come to after discussion during which both parties have been heard. The Press is catholic enough to ventilate the case on both sides, and the sympathies of the public are as often with labour as with capital. But the circumstances now before us are very different. ¶ The labourers in Assam are an ignorant and voiceless community, and they have no organ to press their demands, while, on the other hand, the whole of society and all the newspapers of the British Press are pledged to the hilt in the defence of their own interests. The truth is that we are now confronted, in a very singular manner, with the old struggle between capital and labour: there is no need to comment on the energy and ability with which the capitalists are represented in this Council; but there is no Labour Member to argue the coolies' cause, and I have therefore felt it peculiarly incumbent upon me, as representative and Head of the Province concerned, to state the case on their behalf as temperately and completely as it is in my power to do.

“ My Lord, I am not indifferent to the praise or blame of my own countrymen, and on the contrary I attach such value to their good opinion that it is with very painful feelings that I have taken up a position which, for a time at least, has

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alienated from me their sympathy. I do not wish to vapour about a sense of duty, but in this Council at least it will be admitted that I am animated by a high sense of responsibility. I am not undertaking a pleasant or agreeable task: I am adding to the obloquy I have already incurred: but I am convinced of the justice of the cause and of the righteousness of the claim I have put forward on behalf of labour, and I apprehend that with the mass of facts, figures and reasoning I shall now lay before the Council I shall have little difficulty in persuading Hon'ble Members to agree with me that the raising of the Assam coolies' wage is a necessity which we are bound to face.

"By Act VI (B. C.) of 1865, a minimum monthly rate of wages was first fixed by the legislature. The rate so fixed 'after communication with persons who had a thorough acquaintance with the state of the labour-market in the Eastern Districts,' and which the Select Committee of that time were 'assured by those deeply interested in the cultivation of tea to be an equitable and reasonable minimum rate,' was Rs. 5 for male adults and Rs. 4 for females. This is the rate which prevails up to the present time. But the important point connected with the legislation of 1865, to which I invite the attention of the Council, is that the status of the labourer thereunder is that of a monthly labourer receiving a certain wage, which could not under any circumstances be reduced by the employer. It was only by order of the Protector of Immigrants or on conviction before a Magistrate that the labourer could receive less than the statutory rate. The object of prescribing a fixed wage was thus explained by the Select Committee in its Report on the Bill:—

'We think that such minimum rate should be fixed, not so much with reference to the amount of profit which a labourer, leaving his own district to labour for a term of years in one far distant, might reasonably and fairly expect to make, but rather with reference to the great practical difficulty which now exists in ensuring that the labourer really knows what rate of pay it is he is undertaking to contract for. At present he agrees to perform work according to a schedule of tasks, the real practical effect of which agreement neither he nor his employer is in a position to know. It has been found that the result of this is that under such agreement men who thought they were engaged for liberal wages have in fact received less than the wages ruling in the districts from which they were taken. Proceeding on this view of the matter we have fixed the rates mentioned in section 4, which, while interfering as little as possible with the economical law of supply and demand, will save the labourer from the possibility of making in his ignorance a contract which shall be a positive loss to him, even if it does not bring him to the very verge of starvation.'

"I have quoted these remarks because they are strictly applicable to the present situation. 'The practical difficulty in ensuring that the labourer really

knows what rate of pay it is he is undertaking to contract for' still remains, and it has not been overcome by any subsequent legislation. It was met by the law of 1865, but that law was evaded and ignored. It was found in practice impossible to enforce the payment of a fixed wage, and, as one of my predecessors, Sir Steuart Bayley, reported in 1880:—'The alternative universally adopted, and, I may add, universally accepted by the Magistrates, is to have a fixed scale of *hasiris* or tasks, and payment is made, not by the day or hour but by the task.' This is the practice to which the legislators of 1865 had objected, but which they were powerless to stop. Accordingly by Act I of 1882, which is the present law, the practice was recognised and the payment of monthly wages is prescribed at the rate of Rs. 5 and 4 for a completed task, and, when such task is not completed, provision is made for the payment of monthly wages calculated at the same rate in proportion to the amount of work actually done.

"I hope I have made it quite clear what the meaning of the legislature was when the present rates of Rs. 5 and 4 were first fixed in 1865, and what these rates have come to mean now. In 1865 the labourer was engaged on a monthly wage of Rs. 5. He might, and no doubt did, in many cases by overtime earn more, but he could not earn less than five rupees, and his employer could not, on account of his absence from work or laziness, reduce his wage below the statutory minimum. The rate was then, what it purported to be, a *minimum* rate. Now, it is not too much to say that, excluding from consideration overtime payments, which are only earned by a certain number of labourers and which existed, though perhaps not to the same extent, under the old system, it is a *maximum* rate, for it is only by performing a full task for every working day in the month, without exception, that five rupees can be earned.

"It follows that under the operation of the Act of 1882 the status of the coolie has been practically altered to that of a daily labourer. That Act gave effect to the practice which was allowed to prevail generally—the old law and Government orders notwithstanding—with the tacit consent and approval of Assam District-officers. But the Act in giving legal sanction to this practice could not shake itself free from the old fiction of the monthly minimum, and obscured the effect of the change which it introduced by declaring that five rupees could only be earned by completing as many tasks as there were working days in the month, and by detailing the method of arriving at the number of working days in the month. This arrangement, so unnecessarily complicated and cumbrous, is reproduced in the present Bill, although the same result might have been arrived at in a more direct and intelligible manner by declaring specifically in section 5 the daily wages for each class of labourer. I urged in Select Committee that this

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change should be made and that a statutory minimum daily rate should be adopted in place of a monthly rate. I regret that this proposal was not accepted, for it is calculated to meet the difficulty of the Committee of 1865 by ensuring that the labourer shall really know what rate of pay he is going to get. A crucial objection to any system of fixed pay is that it is inevitably attended by much compulsion to work. It is not likely that planters who are required to pay a coolie irrespective of task will allow him to sit idle, and there is a risk of a sick or incapable coolie being bullied to work. The failure of the law of 1865 is not, therefore, a matter for much regret. What is wanted is a law which shall secure to the labourer the wages which he believes he will get when he enters into his contract. The Act of 1882 does not provide for this, and the Bill now before the Council does not provide for it. The labourer does not find, till he gets to his destination and begins to work, that he will not get five rupees a month or five rupees eight annas or six rupees, as the case may be, but he finds that he is paid at these rates according to a daily task, and that, unless he completes a full task every working day in the month, he will not get that wage. I do not hesitate to say that under the present system a tacit deception is practised when the terms of the contract are explained to an intending emigrant. He is induced to believe, and actually believes, that that he will get a monthly salary, but he does not get it. My Lord, I endeavoured to persuade my colleagues in the Select Committee to agree to a daily rate of wage, which the labourer would have readily understood, in place of the monthly rate which he understands only so far that he is deceived by it, and I do not cease to deplore that I was unsuccessful in persuading them to adopt this amendment.

“ I shall now show to the Council that the wages fixed for the labourer under the Act of 1865, even if he worked no overtime whatever, are higher than the average wages, including overtime, advances and sick allowances, actually earned in any of the past seventeen years by labourers under the Act of 1882. It will be wearisome to give the figures, but I shall proceed to do so. In the year 1883 a statement, based on Inspection Reports, was first included in the Provincial Annual Immigration Report, giving details of wages earned by Act and non-Act labourers in the various districts of the Province. In 1888 a statement was, in addition, first included in the Report, intended to show the wages earned in each district during the busy or manufacturing and during the slack or non-manufacturing seasons. The accuracy of the figures contained in these statements, which are obtained from the employers' accounts, is perhaps open to question, and there is reason to believe that the averages returned in recent years are in excess of the wages actually earned. Personally I share in these doubts, but, overstated as they probably are, I am willing

to accept the figures as they stand. The following statement shows the average wages earned throughout the province in each year since 1883, calculated from these two sets of figures :—

Statement showing Provincial average Wages of Tea-garden Coolies under Act 1 of 1882.

YEARS.	AVERAGE WAGES OF ACT COOLIES BASED ON FIGURES OBTAINED DURING INSPECTIONS OF GARDENS.		AVERAGE WAGES OF ACT COOLIES, BEING THE MEAN OF WAGES EARNED DURING THE MANUFACTURING AND NON-MANUFACTURING SEASONS.	
	Men.	Women.	Men.	Women.
1	2	3	4	5
	Rs. As P.	Rs. As. P.	Rs. As. P.	Rs. As. P.
1883	4 5 3	3 7 0	.....	.....
1884	4 7 4	3 9 6	. . .	.....
1885	4 8 8	3 8 5	.....	.....
1886	4 6 6	3 12 7	.....	.....
1887	4 8 9	3 9 11	.....	.....
1888	4 7 5	3 10 0	4 7 11	3 10 3
1889	4 6 5	3 8 2	4 6 6	3 7 4
1890	4 12 1	3 9 1	4 6 11	3 6 9
1891	4 4 9	3 7 2	4 4 1	3 5 11
1892	4 9 10	3 7 11	4 15 4	3 14 0
1893	4 11 2	3 9 10	4 12 6	3 11 4
1894	4 9 9	3 8 5	4 8 11	3 10 3
1895	4 12 3	3 12 1	4 12 0	3 11 6
1896	4 11 5	3 15 5	4 12 2	3 13 6
1897	4 12 5	3 12 5	4 11 0	3 10 10
1898	4 11 2	3 9 6	4 11 7	3 11 3
1899	4 11 2	3 11 3	4 11 7	3 11 3
Average	4 9 2	3 9 11	4 10 0	3 10 4

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"In paragraph 145 of the Special Report of 1890—this is the report to which our particular attention has been drawn by my Hon'ble friend Mr. Buckingham—it was pointed out that the calculation of average wages in the past had been vitiated by the neglect to include such items as advances, overtime, and sick allowances. To correct these errors and to ascertain exactly the average wages earned, returns showing the average wages earned in two months—one in the rains and one in the cold weather—in selected gardens in each subdivision were submitted for inclusion in the report of 1890. The statement will be found in paragraph 146 of the Special Report. I give the Provincial average for Act labourers, which was not struck in the statement:

	Rs. As P.
Act men	4 3 8
Act women	3 7 5

"The returns of which this is the net result were prepared with special care, and may be taken to accurately represent the wages of Act labourers ten years ago. In recent years, advances, overtime and sick allowances are always included in the calculation of average wages, and the returns since 1890 are not open to the objections taken in paragraph 145 of the Special Report.

"I have quoted these figures with the definite object of showing that the average wages of labourers under Act I of 1882 have never reached what is euphemistically called the statutory minimum. These labourers draw less salary now than it was intended by the legislature of 1865 that they should receive. I now pass on to establish my next point, which is that there has occurred in recent years in Assam a general rise in the wages of unskilled labour, in which tea-garden coolies under penal contracts have not participated.

"I have already shown that the Act I labourer is in no sense a monthly but a daily labourer. It seems right, therefore, and here I entirely agree with the Hon'ble Mr. Buckingham, that, so far as the present question is concerned, regard should be had to daily and not to monthly wages. The two things are by no means the same, and fortunately comparison is facilitated by the fact that in the official returns daily wages are given. The following statement

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“A rough examination of this statement is sufficient to show that a general rise has everywhere taken place, but, to make the figures more intelligible, I give for the Surma Valley which contains less than 10, and the Assam Valley which contains over 50, and for the four Upper Assam Valley districts which contain 90, per cent. of the Act population of the Province, the daily wages in each of the five quinquennial periods between 1874-1875 and 1898-99 :—

	1874-75— 1878-79.	1879-80— 1883-84.	1884-85— 1888-89.	1889-90— 1893-94.	1894-95— 1898-99.
1	2	3	4	5	6
	As.	As.	As.	As.	As.
Averages for—					
Surma Valley	4'8	5'8	5'0	5'3	5'7
Assam Valley	4'1	4'8	5'1	5'6	6'4
Four Upper Assam Valley districts (Darrang, Nowgong, Sibsagar and Lakhimpur).	4'3	5'1	5'5	5'8	6'3
All plains districts	4'28	5'0	5'06	5'5	6'2

“Adopting a useful device used by the Statistical Department, I repeat the last statement, denoting in each case the figure for the first quinquennial period by 100, with a view to illustrate the percentage of fluctuation in each case :

	1874-75— 1878-79.	1879-80— 1883-84.	1884-85— 1888-89.	1889-90— 1893-94.	1894-95— 1898-99.
1	2	3	4	5	6
Surma Valley	100	120	104	110	118
Assam Valley	100	117	124	136	156
Four Upper Assam Valley districts (Darrang, Nowgong, Sibsagar and Lakhimpur).	100	118	127	134	146
All plains districts	100	116	118	128	144

“It will be noticed that the general rise in Assam amounts on an average during the past twenty-five years to 44 per cent.

“I will now advance to the next step of my argument and show that the present average rate of wages paid to unskilled labour in Assam is more than

double that of the wage prescribed by law for Act coolies. The present daily wages of an Act I labourer in a month of 26 working days amounts to three annas a day, and this is the rate at which all *hasiris* in the province are calculated. Denoting this daily rate at 100, I commend the following highly significant table to the consideration of the Council.—

		Annas.	
Present daily wages of an Act I labourer	. . . . .	100	or 30
Average daily wages of an unskilled labourer during the quinquennial period 1894-95—1898-99 in			
	Cachar	162	50
Ditto	ditto Sylhet	208	64
Ditto	ditto Goalpara	149	46
Ditto	ditto Kamrup	267	82
Ditto	ditto Darrang	172	53
Ditto	ditto Nowgong	208	64
Ditto	ditto Sibsagar	192	59
Ditto	ditto Lakhimpur	254	78
Ditto	ditto the Surma Valley	185	57
Ditto	ditto Assam Valley	208	64
Ditto	ditto four Upper Assam Valley districts	205	63
Ditto	ditto all plains districts	201	62

“The average daily wage of an Act I labourer who does full tasks is three annas, the average daily wage of an unskilled labourer in Assam is a little over six annas or more than twice as much. These are the facts. They speak for themselves, and comment on them is superfluous.

“It is, indeed, obvious that the minimum statutory wage should not be lower than the average wage current for ordinary unskilled labour in the district in which the contracting labourer is to serve, due allowance being made for any additional expenditure imposed by law on the employer, which can properly be included in wages. I cannot admit that the cost of the medical and sanitary arrangements, which the Legislature requires to be provided for large bodies of coolies living in an unhealthy climate, should be included in wages. But such items of expense as the cost of free coolie lines and the cost of medicines and subsistence money or diet given to sick coolies may properly be included. When, however, these items are taken into account, they will in no way compensate the contract labourers for the fact that the rate of wages they receive is less than half the current market-rate.

“I will now allude to the cost of living in Assam and show that it has increased, notwithstanding the assertion of my Hon'ble friends to the contrary. They have not been able to furnish any authoritative figures on the subject, and I am

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not careful to disprove or dispute the statement that calicos and salt and probably tobacco and pepper are cheaper in 1899 than they were in 1882. I have had some difficulty in getting figures myself, and the only official statistics I have been able to procure in regard to the price of staples are those which refer to cleaned rice in ordinary use, to pulses in ordinary use and to wheat. A reference to the Bengal Administration Report of 1871-72, a year of normal prices, shows that the average price of rice in Assam was then 22 seers a rupee, of pulses 20 seers, and of wheat 20 seers. The average price now is approximately 12 seers for rice, 12 seers for pulses and 10 seers for wheat. It is true that employers are bound to supply rice to their Act labourers at the rate of three rupees a maund, which comes to about 13½ seers for a rupee, but the fact remains that in regard to these main staples of food the price has greatly risen. When the minimum was first fixed in 1855, it was the rule for employers to bind themselves to supply rice to their coolies at the rate of one rupee a maund. This was gradually relaxed to two rupees and then to two rupees eight annas, and it was in Sir George Campbell's time that the three-rupee rate was established. In any case, it is untrue to say that coolies under contract are not affected by fluctuations in the price of rice. The prescribed rate of ₹3 a maund is the maximum price at which employers are bound to supply rice when the market-price rises above that limit, but in most of the tea-districts it has until recently been below ₹3 a maund and coolies are left to make their own arrangements for their supply. It is in the Dibrugarh gardens only that the price of rice to the coolies has practically remained constant at ₹3 a maund. But it is among the Dibrugarh gardens, as I have ascertained by personal enquiry, that the objection of the employers to raising the rate of wages is comparatively slight. The rate of six rupees a month has already in the most important gardens of that district been accorded to the labourers employed therein.

"The rates of wages on Assam tea-gardens are sometimes compared with the rates current in the districts from which the tea-coolies are recruited; but this is not a fair comparison. Although wages may be low in the country of recruitment, they are not low in the vast field for labour in the vicinity thereof. Coolies from Chota Nagpur, Behar and the North-West and Central Provinces migrate in large numbers for work to Eastern Bengal, to Calcutta, and the districts near it, and look to these places for employment as much as to their native districts. They are in demand in the coal-mines of Raniganj, the jute-factories around Calcutta and at Narainganj, and the tea-gardens of the Duars, and it is not to be expected that they will willingly emigrate to Assam under a penal contract at a lower rate of wages than they can obtain by free

labour so much nearer their homes. It is a truism applicable to all classes of workers in all parts of the world—as much to the Hon'ble Members of this Council as to tea-coolies—that they will expect a higher rate of wages far from home than when employed in or near to their own country.

“Upon the subject of wages earned at coal-mines in Bengal I cannot do better than quote paragraph 44 of the Report of the Labour Enquiry Commission of 1896. The Commission wrote :—

‘From the experience already gained, there is but little doubt that on good mines a hard worker should earn his 8 to 10 annas a day cutting coal, and so far the average has been above that. At Gaurangdi 12 annas a day were being earned when the President visited the place. On some mines these amounts cannot be earned, but even on them a North-Western Provinces miner can earn three times the amount he would be able to get in his own country; and when the supply of labourers is at present less than the demand, miners will not stay unless they get good pay. What amount a coal-carrier would be able to earn it is difficult to say, and North-Western Provinces people are hardly likely to carry coal except as members of a gang, when they would of course share with the coal-cutters. Where coal-carriers are engaged separately, they generally earn from 3 to 6 annas a day.’

“From the statement furnished by the Jute Association, which is given in paragraph 101 of this Report, it appears that for ‘general coolies’ work at jute-mills the minimum rate of wages is Rs. 5 a month and the maximum Rs. 9 a month. For different kinds of work suitable for women the rates vary from Rs. 4-8 to Rs. 9 a month. The statement in Appendix O to this report, which is the only detailed information I can find, shows that wages at the Shamnagar jute-mill, which employs more than five thousand workmen, are higher than the above, the rates for ‘general coolies’ ranging from Rs. 6-8 to Rs. 9 a month. In Calcutta the wages of labour are usually paid at a daily rate which is certainly not less than four annas a day, and jungly coolies such as those required for Assam are, when engaged on a monthly salary, paid at not less than 9 rupees a month. With regard to the Duars tea-gardens, full information is supplied in the letter from the Deputy Commissioner, Mr. Forrest, dated 21st August, 1900, which is among the papers laid by the Bengal Government before the Council. He writes, ‘the monthly rate for men’s work (which is practically entirely confined to hoeing and pruning) is the same all over the district, *viz.*, Rs. 6 for a man who performs his *haziri* every day in the month except Sunday.’ The rate for women, he explains, varies from Rs. 4 to Rs. 5. He adds that the supply of efficient labour is at present not equal to the demand, and that, although theoretically this state of things should lead to a gradual rise in wages, the fact that it has not yet done so is due to the imperfect mobility of coolie-labour,

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to combination among managers who are controlled by superintendents in charge of large concerns who regulate tasks and wages according to a uniform principle, and, lastly, to the all powerful influence of custom. 'It is the *dustoor*,' he writes, 'to pay Rs. 6 per month for a *haziri*, and the coolie accepts this as fair pay for his daily labour and is content.' In addition to this salary the coolies enjoy all the miscellaneous additional advantages which are allowed to a tea-coolie in Assam. Mr. Forrest writes, 'a coolie's minimum requirements are a good thatched house, free medicine, a fairly abundant supply of water, a sufficiency of fuel and a market close at hand, and he will not go to a garden where any of them are not complied with.' He does not get rice at three rupees a maund, but rice is cheaper in Jalpaiguri than in the Assam Valley, and coolies are able to procure rice without the intervention of the planter at a lower price than three rupees a maund.

"My Lord, these are the wages which a jungly coolie is able to command in Bengal without the paralyzing condition of a penal contract in a distant province for a term of years. The contract labourer who is expected to serve for five rupees a month in Assam as an *adscriptus glebae* is able to earn from six to ten rupees a month in service as a free man much nearer to his home. I should be justified in declaring that for this reason alone the minimum rate of wage prescribed by the present law should be raised. But I can go further. This minimum rate has never been sufficient to procure suitable labour for the Assam tea-districts. So long ago as the 27th December, 1868, the then Lieutenant-Governor of Bengal, Sir William Grey, wrote.—'The simple fact is that the wages * * * are not sufficient to induce people who are in good circumstances to run the risks of emigration in order to secure them. It is perfectly clear that the wages paid will not tempt in ordinary years and for a continuance anything like first class labourers.' What was true more than thirty years ago is now more true than ever. I have long since found it impossible to avoid the conclusion that the inadequate rate of wages offered is the principal, if indeed it is not the sole, cause of the difficulty of obtaining labour which has resulted in such a keen competition for labourers and in the enormous premia paid to labour-contractors. Coolies of good physique and constitution, willing to emigrate to Assam under a penal contract, are not to be obtained in the labour-market at the present rates, and, to meet the demand, contractors are compelled to search far and wide for people who are in such a state of destitution that they are prepared to emigrate on any terms as a last resource. Men and women who owing to bad health or idle or dissolute habits have failed to make a living in their native districts, beggars collected in towns of Bihar and the Central and North-Western Provinces, are swept

together and sent up to the tea-gardens of Assam, where for a year or two at least they will not do a full day's work but will only be an expense and burthen to their employers and swell the returns of sickness and mortality. The recruiter or *arkati* lies in wait for wives who have quarrelled with their husbands, young people who have left their homes in search of adventure, insolvent peasants escaping from their creditors. In carrying on his business he has to display considerable activity and resource; he has to incur unpopularity and even physical danger; he must bribe chaukidars, police underlings and zamindari servants. Occasionally he brings himself within the meshes of the criminal law. When unsuitable coolies are recruited their names and castes are changed before they are sent up to the labour-districts; and if his frauds are discovered or any irregularity in the recruitment is brought to light, the contractor is liable to have the coolies returned on his hands. It is not surprising that for such difficult and risky work the contractor demands a high rate of remuneration which the keen demand for labour enables him to obtain.

"There is indeed a regularly established business of 'buying and selling' labour, and employers now pay for every labourer recruited under penal contract a sum varying from Rs. 120 to 150, whereas a quarter of a century ago they paid for the same class of coolie about Rs. 50 or 60. The difference in price, or on an average about Rs. 80 for a coolie, represents the increased cost now incurred by the tea-industry in procuring labour. The average number of Act I labourers imported by contractors into Assam during the five years from 1895 to 1899 inclusive is 16,093, and at a cost of Rs. 80 per head the average annual net increased loss to the industry during this period has been nearly 13 lakhs of rupees. This money has filled the pockets of an army of middlemen—agents, contractors, *duffadars* and *arkatis*. It is money which would not have been spent if the rate of wages offered were as sufficient to secure suitable labour as it was twenty-five years ago. The rate was notoriously insufficient then, and it is by the measure of this difference the more insufficient now. The total annual loss incurred by the tea-industry on account of these buying and selling transactions, which are so objectionable on other grounds, cannot be estimated at less than 16 lakhs of rupees.

"These transactions are a great curse to the recruiting districts. In too many instances the subordinate recruiting agents resort to criminal means, inducing their victims by misrepresentation or by threats to accompany them to a contractor's depôt or railway-station where they are spirited away before their absence has been noticed by their friends or relations. The records of the Criminal Courts teem with instances of fraud, abduction of married women

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and young persons, wrongful confinement, intimidation, and actual violence—in fact a tale of crime and outrage which would arouse a storm of public indignation in any civilised country. In India the facts are left to be recorded without notice by a few officials and missionaries. I would refer those who are curious in this matter to the reports of my late lamented friend, Mr. Grimley, who was for six years Commissioner of Chota Nagpur, and to the note of the Reverend Father Hoffman, which was submitted to His Honour the Lieutenant-Governor of Bengal in 1899.

“ Upon the tea-industry of Assam the effects of the system are, if possible, even more disastrous. They are seen in the appalling rate of mortality among contract labourers, which is due to the importation of unsuitable labour and to insufficient feeding, the result of inadequate wages; in the frequent desertions, in the wretched worn out and diseased coolies who find a miserable end in the public hospitals or by the way side. The importation of a bad and even of the worst class of labour has always been a great practical difficulty with the tea-industry, and it augments year by year. It is the principal cause of the excessive mortality among Act labourers in Assam, which during the past thirteen years from 1887 to 1899, inclusive, has averaged 53·2 per thousand. It must be remembered that this is the mortality among adults in the prime of life. It amounts to what would be considered a very heavy mortality if all ages were included. It is at least twice as much as it would be if the rate of wages were sufficient to enable the employers to reject all but healthy labourers. I have examined the rate of mortality during the year 1899 for the whole province of Assam among persons from 15 to 40 years of age, and find that it amounts as nearly as possible to 24 per thousand. The rate of mortality among Act coolies is therefore quite double that of the mortality among the general population. In regard to the death-rate among prisoners in jail, the Hon'ble Mr. Buckingham will be glad to hear that, whatever the sad mortality may have been in former years, it has fallen in the past year, 1900, to 23 per thousand. The total average mortality among Act labourers in the Province during the past thirteen years has been 6,175. If half of these could have been maintained alive, an annual saving at the estimated rate of Rs. 130 per head, amounting to Rs. 4,01,310, would have been effected. Apart from all considerations of humanity, the industry is thus a heavy loser from paying wages on a scale which is insufficient to attract strong and healthy labourers.

“ My Lord, this is the real canker that is eating at the vitals of the tea-industry. One of the most important principles of the present Bill is to encourage sardari recruiting and to discourage recruiting through contractors.

This is a most sound principle, and it meets with my hearty concurrence. It means that recruiters should be labourers employed on the estate, who are sent down by their employers to their own country to recruit among their own people and near their own homes where they are known, who are understood and trusted by those among whom they operate, and who are able to explain fully to them the circumstances and conditions of labour on the garden from which they come. Such men are able to certify that the garden is a healthy one, that the coolies are well treated, that their tasks are light, and that they can easily earn overtime money in addition to the legal wages under their contracts. This would indeed be an ideal state of things, and if all recruiting were carried on in this way there would be little or no necessity for special legislation. But unfortunately recruiting is not, and cannot, so long as the present rates of wages continue, be carried on in this way. It is only in years of scarcity in the recruiting districts that even well-managed gardens are able to recruit coolies of a good class through garden-sardars at present rates, and it is only a very small number of employers who are able to recruit all the coolies they require through garden-sardars. The late Mr. Huttman, who was for thirty years or more the Superintendent of the important Jorhat Tea Company, wrote in 1890: 'Now-a-days we have to send away 100 sardars for 300 or 400 coolies required. Formerly we calculated on getting 15 to 20 coolies for each sardar.' When Mr. Huttman was a young man, the rate of wages was more adequate than it is now, and sardars were able to return from the recruiting districts with 15 or 20 men apiece. Those halcyon days, alas! are gone. In 1890 garden-sardars were able on an average to bring only four or five recruits apiece. But since then things have gone from bad to worse, and I find from the last report which has been submitted to Your Excellency's Government that in 1899 the average number of recruits per sardar amounted to only 1'4. How often have I not seen for myself on the river steamers sardars returning to their employers empty handed! 'Why have you not brought recruits?' I ask. 'What could I do, Sahib?' is the reply, 'the harvest is good and no one will come.' It is the old story that the wages are insufficient. During the year 1899, 5,411 garden-sardars were sent from Assam into the recruiting districts and they brought back with them only 7,571 coolies. The number of contractors' coolies imported in the same year was also below the average, but it amounted to 11,065. The official explanation is: 'this was due not to a decreased demand for labour, but to the difficulty of obtaining coolies during a year of plenty in the recruiting districts.' In other words, the wages offered were insufficient to attract recruits. During the past year the influence of famine had made itself felt, and a great stimulus has been

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offered to recruiting. But even so the supply of labour has not been equal to the demand for it, and the Hon'ble Members who represent the tea-industry on this Council are, if possible, even more alive than I am myself to the fact that there is a grave deficiency in the supply of labour to the province. My Lord, it is generally unwise to venture on prophecy, but I do not think I am betraying myself in a moment of indiscretion when I say from my seat in this Council that the well-considered and well-intentioned provisions of the Bill before us are not calculated to facilitate the importation of labour into Assam. That has been our object, but it will not be attained until a reasonable market-rate of wage is offered to Assam coolies. Until that is done, and our present Bill does not do it, sardari recruiting will be no more successful in the future, except during a famine year, than it has been in the past, and it will always be necessary to buy coolies, the very scum and ruffraff of the labour-market, at an extravagant and, I fear, increasing price which, with such difficult and risky work as the crimping of labour involves, will always be demanded by the contractor. No one knows this better than the employers themselves; and there was remarkable evidence to this effect in the speeches of Messrs. Ashton and Hart at the recent special meeting of the Tea Association on the 22nd of February, when it was urged that this Bill would not reduce the cost of importing coolies and that the planters would still have to bribe recruiters and police-officers and village-chaukidars to obtain recruits.

"The question may be asked, why it is that, if the market-rate of wages and the demand for labourers have increased, the wages of tea-garden coolies have not also increased, and why it is that the rates of premium paid to contractors have enormously increased instead. Now, I have already been told, as is perhaps natural enough, that the planters know their own interest better than I do, and that it is their own lookout if they prefer to pay their money to middlemen rather than to their coolies, and to lose their labourers by death and sickness and desertion rather than pay wages which will secure the service of healthy and contented employés. But, when the issue is set up in this form, it is impossible for the Government to look on with unconcern, and I cannot forget that one of the highest duties imposed upon me as Head of the Administration is to protect against their employers these very labourers who are entrusted into their hands with all the rigours of a penal contract for a term of years. I altogether repudiate the contention that the rate of wages is no concern of mine. I am aware, however, that the ordinary principles of political economy have very little application to the question, and that the real answer is to be found in the

peculiar conditions of the tea-industry. Wages in Assam tea-gardens, having been fixed at the outset at the minimum statutory rates, which were then comparatively high rates, have been kept from increasing by concerted action among employers. I think it may be said that in all avenues of business employers combine as much as they can to keep down wages : that is one of the normal points of antagonism between capital and labour ; but in the Assam tea-industry such combination is exceptionally strong and effective, not only because the labourers are very ignorant and helpless, but also because, being bound by a penal contract, they are unable, as operatives are elsewhere, to strike for an increase of wages. If they were to strike, they would be sent to prison. On the other hand, a rise of wages has not yet been forced on employers by the impossibility of obtaining labourers at the old rates. Contractors still continue to supply labour at those rates, but they do so with increasing difficulty and risk for which they are compensated by a rise in the price of coolies, while, at the same time, the quality of the labour has perceptibly diminished. The question how much longer contractors will be able to supply coolies at the old rate of wages is another matter, but it is evident that there must be a limit beyond which employers cannot allow the price of coolies to rise and a limit below which they cannot allow deterioration to fall. The legislature has now stepped in and is proposing some amelioration in the rate of wages. In my opinion we are not going far enough, but we are at least preparing an unwilling industry for a further increase in the rate which, in a short time, will become inevitable.

“I have often heard it said, but I regard it as a mere utterance of despair, that an increase in the rate of wages will not improve the quality of labour. That it will do so I conceive to be a truism which admits of no serious discussion, and I presume that the same argument which is held to be applicable to the highest officers of State—the argument which was brought forward by the Chamber of Commerce for increasing the salaries of the Judges of the High Court of Judicature for instance—will equally apply to the raising of the wages of labour in the humblest sphere of life.

“My Lord, I wrote in my note on clause 5 of the Bill, which, with Your Excellency's permission, has been annexed to the Report of the Select Committee, that I was expressing myself with studious moderation when I said that I believed that one of the causes of the heavy mortality among Act coolies was that they did not always receive a living wage. To that remark the strongest exception has been taken, and I have been severely criticised for making it ; but I did not write those words without a due sense of responsibility, and I

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shall now proceed to prove them to the letter. It is not an uncommon experience of Inspectors to report regarding tea-gardens where the coolies have an underfed and anæmic appearance, where the death-rate is high, and where desertions are numerous, indicating discontent among the labour-force, that the chief cause for this unsatisfactory state of things is the insufficiency of wages. In tea, as in every other great industry, there are a number of concerns which, owing to one cause or another, are not prosperous and which are carried on with difficulty, yielding little or no profit; and in such cases there is the strongest temptation to the manager to effect a short-sighted economy by increasing tasks and cutting down wages. I am not careful to ransack the records of the Assam Secretariat to obtain evidence of bad cases, but I think I shall not be deemed to have adopted an ungenerous or unreasonable course if I fall back on proof in support of my statement from cases which have come to my official notice during my present stay in Calcutta as a Member of Your Lordship's Council. I will not mention names or places, but will refer only to districts from which the cases are reported. I will add also, to avoid misconception, that these reports are submitted by District-officers in the ordinary course of their official duties, that they have not been specially called for by me in any way, and that they might be paralleled by similar reports received by me during any period of any administration.

"My first case comes from Cachar. The Magistrate reports that the Act I wages returned from January to June last year are 'absurdly low,' especially those for women in June, *viz*, Rs 1-12-3 only. He found that one woman who turned out to work every day in June earned only Rs. 2-4-3, while in no case was a higher wage than Rs. 2-10-0 earned in that month. The highest wages earned by Act coolies during the year were in September, when Rs. 3-6-9 were earned by the men and Rs. 3-6-7 by the women. It is stated that these low wages were not due to the coolies being new to the work, inasmuch as they had all of them been on the garden over two years. The Magistrate adds, 'after careful enquiry I do not think it would be fair to the garden to reduce the schedule of work which is not at all an excessive one,' and it is said that non-Act coolies on this garden are drawing fair wages on the same tasks. The only explanation of this state of things is that 'Act I coolies are of a most inferior stamp, mostly from the Central Provinces.'

"My next case is from the Dibrughar District. Here the Civil Surgeon had been out to inspect an unhealthy garden—this means a garden in which the mortality had exceeded 7 per cent.—and he reports that sixty or seventy per cent. of the force were anæmic and weedy, and that, in

concert with the Civil Medical Officer employed on behalf of the tea-garden, he had repatriated 45 labourers then and there. The cause of this was bad recruitment. He writes, 'I found Telis, Napits, Halwais, Muhammadans and others sent up as Gonds.' He reports also that there were many illegal advances debited against coolies and deducted from their wages, 'including 12 cases in which rewards were paid for deserters recovered' This is an illegal practice. When labourers desert their employers naturally adopt every means to recover them and are in the habit of paying five rupees or more to the garden chaukidar, to the ferry-man who may intercept them, or to any one who may bring them back. There is no impropriety in this, but it has become an outrageous custom to debit this reward as an advance against the recovered labourer and to deduct it from his wages until the amount is paid.

"I come now to the Sibsagar District. The Civil Surgeon in this case had gone out to inspect an unhealthy garden where the mortality had varied for two or three years from 132 to 65 per thousand. I quote his remarks in full, for they are worth quoting. He writes:—

'Heavy mortality seemed to have been due to inferior coolies having been sent up when first class coolies were ordered. I am informed by the manager that many of these coolies were actually taken from Calcutta slums. I actually found a few natives of Howrah amongst them. Efficient coolies can never be made from such people, especially in a newly-opened garden. There was better recruitment later on, and the coolies who are now on the garden may almost be described as survivals of the fittest. The manager has evidently tried his best in the matter of procuring suitable coolies: on one occasion he had to send back, *i. e.*, refuse to take delivery of, a whole batch of 22 adults who were unfit for any class of garden-labour. The coolies in the garden, such as they are, are taken good care of, &c., &c.

"No case could afford clearer evidence than this of the insufficiency of the present statutory rate of wages to attract suitable labourers, and of the terrible mortality which results among the half-starved refuse of the labour-population who are sent up in their place.

"I turn to a Tezpur case. I received some time ago a pathetic petition which purported to come from the coolies of a tea-estate, who declared that they 'had executed contracts under the impression that they were serving the Maharani,' and made a complaint of continuous gross and systematic ill-usage on the part of the proprietor who was also manager of the garden. It has now been officially ascertained that the deaths occurring on the estate were systematically unreported—being entered as desertions—and, in spite of this, the recorded

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death-rate among all coolies for 1899 was 207 per thousand, and for 1900 it was 112 per thousand. I am afraid that the facts of the complaint are substantially true, and that the whole case illustrates the deplorable results of the power which the Act gives to an unscrupulous manager over his coolies. The culprit in this case has left Tezpur, but the management of the estate is, I fear, still open to exception, and this is another gross case of under-payment of the labour-force, oppression and consequent mortality among tea-coolies.

"I come back to another Sibsagar case in which the Civil Surgeon is again reporting on an unhealthy garden. It is a peculiarly instructive case, for it illustrates the manner in which coolies' wages are cut and the labourers are brought down to starvation point. The Civil Surgeon writes.—

'Out of 95 Act women, 74 actually owe the garden from Rs. 33 to smaller sums, or on an average of well over 10 rupees each for the whole female Act force. The amount owing by the women comes to Rs. 1,036. Out of 35 Act men, 19 owe the garden Rs. 155 between them, or on an average of Rs. 4-8 each for the whole number. These advances have been carried on from month to month, from periods which could not be traced. Had it been only a few people owing money, the matter could possibly be got at, but 78 per cent. of the women and 54 per cent. of the men owe various amounts

'The way these advances accumulated was during periods of sickness. No half hazirs, or subsistence allowances, were credited or given, and the coolies were practically charged for the food they consumed while sick. This of course was exceedingly irregular, but I am glad to state that this has not occurred during the present management.

'Another item I noticed which I consider irregular if not quite illegal. If a coolie absconds and is brought back by the garden-chaukidar, a sum of Rs. 5 is debited against the absconder as a cash advance and is paid to the person who brings him back.'

"Of course the practice is illegal, but, as I have said before, I have reason to believe that it is a common one. It appears there had been 25 desertions from this garden during the year up to the date of the Civil Surgeon's inspection on the 30th of November.

"I come now to what is probably the worst of the cases which have been lately before me, and I must say that it is an unusually bad case. It comes also from the Sibsagar District. The Deputy Commissioner made an inspection on the 28th of July last, when he reported as follows.—

'The price of feeding sick coolies varies from Rs. 2-4 to Rs. 3 a month, which is put down as an advance against the coolie and deducted from his pay. This is the usual system on gardens, but in a well-managed garden the manager always sees that a coolie unable to cover his expenses at the hotel by his work gets a certain amount of money paid him at

the end of the month for petty luxuries, etc. Here, however, this is not done, and I found cases where coolies had not received any money for some months. The result is that they are absolutely beggared and cannot buy clothes, oil, etc., and they go from bad to worse. When a coolie gets very bad, and there is little chance of getting any work out of him, he is "discharged by mutual consent." This, the manager explained, means that he is told that he must either work or clear out. Being *ex hypothesi* unable to work, he clears out. I met some of these people: they were absolutely destitute, but did not want to go back.'

"The Deputy Commissioner then cites special cases, of which I give an abstract. One Joharu was debited with Rs. 8-1 as the cost of feeding at the hotel for three months, during which he earned only nominal wages, not a pice of which was paid to him, and he was then 'discharged by mutual consent. One Kanhai was debited with Rs. 10-12-6, and one Dulan with Rs. 17-10-3 and both were eventually discharged in the same way without receiving any wages. One Somer was debited with Rs. 15-2, made up of advances for food, and of a sum of five rupees reward to a person who caught him when absconding. No money was paid to him for four months. Upon receipt of this report I ordered a committee to enquire into the condition of the garden. That committee sat on the 31st December last, and I will read the following extract from their report:—

'The condition of affairs on the garden is, in the opinion of both the Deputy Commissioner and Civil Surgeon, disgraceful. The average wages for the best part of this year work out to a little over half the statutory rate. Many of the coolies were in rags. From the nature of the work, which is principally hoeing—at the best of times severe labour—coolies, especially women, would have to work very hard to earn a full haziri, and a glance at the haziri books will shew that it seems almost impossible for a great number of men and women to be able to earn anything like a full day's pay. The number of fractional haziris far exceed the full ones. The committee do not propose quoting individual cases in the matter of wages, as they would have, in all probability, to quote such a large number. For this reason the haziri books are sent and cases which are noteworthy are marked with a blue pencil.'

"I regret that this *hasiri* book or labour-register did not reach me until after the deliberations of the Select Committee on the subject of coolies' wages had closed. But I have now brought this book to Council with me—it lies on the table and is open to inspection—and with Your Excellency's permission I will indulge in a running commentary on its contents. I begin with the month of June, 1899, when I find that the Civil Surgeon observes: 'From this month it may be noticed that a system of quarter haziris seems to have been started. This means that because the manager decides that only a quarter task has been done, only a quarter of a full day's salary is to be paid. For a quarter

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haziri, therefore, a coolie draws a daily salary of three pice only. Talk of a living wage, indeed! I trust for the honour of the industry that this is not a common practice in tea-gardens, but I cannot say that it is absolutely illegal, and Hon'ble Members can see for themselves how it is applied in one garden in Assam. The Civil Surgeon writes of this month: 'Not a single woman on this page has earned a full month's pay, and on the next two pages: 'Not a single full month's pay earned.' For July he points out that 'fractional haziris preponderate in this month,' and that not a single full wage has been earned by men and only one by a woman. During this month I detect no less than 5 cases in which 5 rupees have been debited as an advance against deserters who had been recovered. For August the Civil Surgeon draws attention to the number of sick cases who are not credited, as they should have been, with sick or half haziris. There is not a single full wage earned, and I find 4 cases in which deserters have been debited with an advance of 5 rupees. I note that pregnant women are allowed nothing when absent from their work. In September I note that the Civil Surgeon, whose honest indignation is rising as he goes on, comments against the name of an unfortunate wretch who is entered as 'dead,' who had received no wages and had a large advance debited against him on account of his subsistence while sick,—'Better off'! Aye! Better off indeed! Better dead than slowly dying of starvation! There are only two full wages earned this month, and I am mistaken if these were not earned by the syces of the manager. There are three sick coolies entered as absconded against whom the Civil Surgeon enters large queries, and he implies that they are dead, but have been entered as absconded—in the way we saw followed in the Tezpur case—to reduce the rate of mortality. There are apparently six recovered deserters against whom 5 rupees advance has been debited in each case. In October there are no full wages earned by coolies employed on the garden, but I find that among the coolies a full haziri was earned by a dāk-wallah, a syce and a cook. There are two miserable sick coolies this month who are 'discharged,' that is to say, as the Civil Surgeon bluntly puts it, 'turned out to die.' There are 9 cases in which 5, 6 or 7 rupees, as the case may be, are entered as an advance against a recovered absconder. In November, the only coolies who earned full pay are a dāk-wallah, a herdman and a cook. One sick coolie is discharged, or 'turned out to die,' in seven cases 5 rupees are entered as an advance against a recovered absconder. In December there is another sick coolie discharged 'to die on the road,' and no coolies, except servants, earned a full month's pay. In January some full months' wages were earned, but nobody got as much as five rupees, as old advances on account of deserting and feeding were cut from wages. There were six more deserters with the usual advance of five rupees against them this month. And so the

sickening tale goes on. My Lord, I have said enough. Have I not proved my assertion to the letter? Do I not well to be angry? I confess that my blood boils at this recitation of misery and wrong, and I shall be surprised if I do not carry with me the sympathies and have not roused also the indignation of Your Lordship and of the Hon'ble Members of this Council.

"I do not wish it to be understood that these are ordinary cases. I trust and believe that they are very exceptional cases, and I should be conveying a very false impression to this Council if I did not state distinctly that, in the great majority of tea-gardens in Assam, the coolies are well cared for and that the managers of gardens are ordinarily humane and kindly hearted gentlemen. All the gardens I have personally visited in Assam are of this type. But reports on bad gardens are submitted to me in the course of business, and it is with reference to the standard prevailing on bad gardens that our legislation has to be framed. It is the duty of the Government and of the Council to remember this in deciding upon the character of the legislation we are bound to follow.

"I observe that the objection taken by the majority of the Select Committee to the increase in the rate of wages proposed in the Bill originally introduced into this Council is that, if it were adopted, it would impose an excessive burden on employers. Now I do not deny that it would impose some burden. But it was never contemplated, when minimum rates were first imposed, that they should be fixed for ever, and I have certainly failed in my endeavours to convince the Council if I have not shewn that a heavy weight of moral responsibility will rest upon the Legislature if it does not intervene to remedy the crying evils I have described. Those evils, which are simply strangling the tea-industry, all hinge upon this question of the insufficiency of wage. I admit, and no one can be more sorry than I am, that in other directions the industry has fallen upon evil times. The present tea crisis, as it is called, is attributed to over-production. Now it is true that there has been, and still is, over-production. Tea-planters everywhere are suffering from this cause, and the fall in the price of tea is a very serious matter to proprietors and shareholders. It is probably not so serious as the fall in prices would seem to indicate. Profits can now be made at prices which a few years ago would have been deemed impossible, and I am afraid that the extension of cultivation is not likely to cease in places where tea can be produced at a cost of less than two annas a pound and the outturn is about twelve or fourteen maunds per acre. The dividends of good gardens have, no doubt, greatly diminished, but it can hardly have been expected that they would keep up to a level of

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20 or 25 per cent. These large profits of a few years ago are one of the principal causes which have led to over-production. New gardens have been over-capitalised and must work at a loss. In any case, however, the present crisis is not to be compared to the crisis in the sixties which was due to speculation. The industry recovered from that blow, and it will recover from over-production also, as other industries have done which have been stricken by the same cause. The crisis from over-production will pass away as new markets are opened out and the supply learns to adapt itself to the demand. There is nothing to interfere with the operation of the laws of political economy or to deny them their free scope in this direction. I could wish indeed that this crisis were not synchronous with the growth to a climax of the far more deeply-seated and dangerous evils on which I have dilated and which have their poisonous root in the heart of the industry. But these evils have been growing up for a long time, and nothing will remedy them but an increase in the wages of labour. It is certain that there are some tea-concerns which, owing either to mismanagement, or the inferior productive capacity of their estates, or undue inflation of their capital by speculation, are unable to earn a dividend for their shareholders by legitimate means and eke out a precarious existence by exacting from their labourers the maximum of toil for the minimum of wage at the cost of untold misery, suffering and loss of life. To such moribund undertakings an increase of the minimum rate of wage might give the *coup de grace*. But there can be little doubt that the effect of such a measure on the majority of tea-estates which rest upon a sounder basis will be to meet the increase of wages by a corresponding saving from the excessive burdens which are now placed on employers, such as the heavy cost of purchasing coolies and the heavy cost of avoidable mortality, which are directly due to the payment of an inadequate wage. I repeat, moreover, as I have said all along, that there is no reason why, with a suitable adjustment of tasks, the increase of wages should involve any increase of expenditure in the majority of gardens where the coolies are now well treated and contented. I do not anticipate that there would be any practical change in the condition of the labour-force on gardens where the tasks are at present light and the wages, including overtime payments, are already sufficient. The proposed increase in the statutory minimum rate of wages is not likely to produce any effect upon the first-class labourers who make and will continue to make large profits from over-time work, and it would not in itself, unless accompanied by the reduction in the rate of tasks which the Bill now before the Council enjoins, produce any effect on newly-arrived coolies who are unable to do a full day's work, but it will immensely benefit the great mass of labourers who are content to, and can, perform the present task and will, therefore get through a slightly augmented task in return for higher wages, but will, as they do now,

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get little or nothing from over-time. I have been told that the raising of task-rates in proportion to the increase in wages would be a matter of difficulty that it would cause inconvenience and not be understood by the coolies, and that it would upset the labour-force and cause discontent. To this I reply, that all industries must expect to be liable to some occasional disturbance in respect of wages, but that, although some inconvenience will no doubt be caused by an alteration of task-rates, there is no reason to suppose that it would be serious. Task-rates are not uniformly or rigidly laid down. They vary from garden to garden and from time to time, in some cases from day to day and from one part of a garden to another, under conditions and circumstances which are constantly changing. There is an elasticity in the system which lends itself to a modification in the rates with the minimum of disturbance.

"My Lord, I have now done. I have stated my case with a degree of elaboration which I am afraid has fatigued the Council. I thank Your Lordship and Hon'ble Members for the patience with which you have heard me. I regret that the increase in the rate of wages, which was proposed in the Bill as introduced before the Council, has been withdrawn, but I trust and am confident that the amendment of my Hon'ble friend opposite, which does not accept even the modified increase contained in the Bill now presented by the Select Committee, will be rejected by a decisive majority."

The Hon'ble SIR ALLAN ARTHUR said :—"My Lord, it is with the strongest conviction that an increase in the minimum wage is unnecessary, and if imposed will deal a severe blow to the tea-industry, that I support the Hon'ble Mr. Buckingham's amendment. During the discussion on the raising of the minimum wage in Select Committee, a remark was made by one of the official Members of Council, which seems to me to go to the root of the whole question. The remark was in the form of a query, and was to this effect :— 'Are we not killing the goose that lays the golded egg?' I regret that the Select Committee should have answered the query in the negative: and I will endeavour to show where, in my opinion, they were wrong.

"The Hon'ble Mr. Buckingham has dealt so fully with the question of the present prices of food-stuffs in Assam as compared with price years ago, and with the other question as to whether the minimum wage is or is not a mere living wage, that I will not attempt to add much to what he has said on these points.

"The evidence which has been placed before the Council in regard to them is of a very conflicting character, and I admit that Hon'ble Members who

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have no actual knowledge of the subject cannot find it altogether easy to come to a decision as to which of the two sides is right. On the one side we have some of the official advisers of the Government strongly recommending the raising of the minimum wage on the ground that it is absolutely necessary. On the other side we have the tea-planters strongly opposing any change. The first named, with the exception of the Chief Commissioner of Assam and the few Assam officials who support him, may be called non-expert witnesses ; but they are entirely unbiassed. The second named are expert witnesses, dealing with the labourer every day of their lives ; but they cannot be called altogether unbiassed, because their pockets will be affected by the change. If the matter rested there, the Council would have to decide between official opinion and non-official opinion. But a consideration that strikes me as very much in favour of the planter's contention is that on his side is ranged a very large number of Assam officials, who are entirely unbiassed, who have thoroughly studied the question, and who do not admit the necessity of an increase in the minimum wage. In numbers they greatly exceed those officials who support the Hon'ble Mr. Cotton ; they include the Commissioner of Assam, than whom there is no greater student of the coolie question in the Province. And they are supported by no less an authority than His Honour the Lieutenant-Governor of Bengal, who in a letter to the Government of India, a précis of which was placed before the Select Committee, showed, if I do not mistake His Honour's words, that in his opinion the case for an increase in the wage had not been substantiated. That the number of Assam officials who oppose the increase is greater than the number who support it is a point in favour of the planter which has weighed with me in considering the question, and which I cannot help thinking must also weigh with the Members of this Council.

"Another point which appears to me to be in favour of the planter is this. The tea-planter is not a fool. Every labourer imported into Assam costs him at least Rs. 100, and what I would submit to the Council is this : is it likely that a hard-headed man of business, such as the tea-planter is, will not do everything in his power to keep the labourer, who has cost him so much money to import, in good health and in good circumstances, much less to give him a wage on which he will starve ? If it were necessary in the interests of the labourer that he should receive a higher wage, the planter in his own interests, because the labourer has cost him so much, would surely be the first person to raise the wage. A business man is not so blind to his own interests as not to do what is obviously necessary, and it does not require a legislative enactment to compel him to look after his own interests.

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"These points seem to me to be very much in favour of the planter's case, but there are other general considerations which bear on the question, and which I should like to lay before the Council.

"When the Government of India decided to close the Mints to the free coinage of silver and to fix and maintain the rate of exchange at 1s. 4d., it was generally recognised—and I think the Currency Committee recognised it—that the tea-industry, for at all events a certain time, would be very adversely affected. The effects of the raising of the rate of exchange are now only too apparent, and the tea-industry has suffered far more severely than anyone ever anticipated. The economic effect of a rise in the exchange of a country (Indian exchange between 1893 and 1900 rose from below 1s. 1d to over 1s. 4d.) is to lower, or at all events to arrest a rise in, wages. If exchange had gone on tumbling down, the ultimate result must have been a rise in wages, and the planter would have had to face this; but with the fixing of the rupee at 1s. 4d. he had the consolation of knowing, or at all events of hoping, that whatever other disadvantages he might have to face from the raising of the rupee, a rise in wages was not one of them. He did not count on the Government nullifying the economic effect of their currency policy by arbitrarily raising the wages of his employes. He did not think it possible that after dealing a severe blow at the tea-industry by fixing the rupee at 1s. 4d. the Government of India would deal a second blow by raising the wages of the labourer. But this is what is proposed, and in view of the fact that I have named, *vis.*, that the effect of raising the exchange of a country is to reduce, or at all events to check a rise in, wages, the proposal to raise the wage seems to me to imply that one department of the Government of India is not recognizing what another department is doing or has done; or, in other words, the Government is giving with one hand and taking away with another.

"I now come to another point, *vis.*, the prices of tea and the rate of exchange during the last few years, and I give these in a tabulated form:—

	Tea. d.	Exchange.	Rupee equivalent.	
			As.	pies.
1893-94	8'75	1-3 $\frac{1}{8}$	9	1 $\frac{1}{2}$
1894-95	9'75	1-1 $\frac{1}{2}$	11	6 $\frac{1}{2}$
1895-96	8'75	1-1 $\frac{1}{2}$	10	5 $\frac{1}{2}$
1896-97	9	1-2 $\frac{1}{2}$	9	11 $\frac{1}{2}$
1897-98	8'64	1-3 $\frac{1}{2}$	8	11 $\frac{1}{2}$
1898-99	8'78	1-4	8	9 $\frac{1}{2}$
1899-1900	8'23	1-4 $\frac{1}{8}$	8	1 $\frac{1}{2}$
1900-1901 } to 15th Feb. }	7'32	1-4 $\frac{1}{2}$	7	3

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"The rates taken for tea are the average sterling prices at which the crops of each year have been sold in London, and are converted into rupees at an exchange on the basis of $\frac{1}{8}d.$ above the annual average of the bank's selling rates for on demand drafts. It was in 1896 that the Hon'ble Mr Cotton first proposed an increase in the minimum wage. As my figures show, the rupee rate per pound in 1896 was 9 annas $11\frac{1}{2}$ pies, and tea-gardens generally were doing well. If the Hon'ble Mr. Cotton in a year such as 1896 had argued that it was only right that the coolie should share in the prosperity of the tea-planter, his case would have been a stronger one. But circumstances today are entirely different, the rupee rate at which last season's crop up to the 15th February last was sold was 7 annas 3 pie per pound, or a decrease as compared with the crop of 1896 of 27 per cent. Since 15th February the London market has further declined, the last average being telegraphed on 21st February as $6\frac{1}{2}d.$; and when the total crop of 1900 has been sold it will no doubt be found that the average will be less than $7\ 3d.$, and the difference between the 1896 and last year's crop will be considerably over 27 per cent.

"It may be said that the low average of last season's crop is due to the large quantity of coarse quality tea that has been made—this may be so to a certain extent, but it does not by any means account for the vast difference between the average rate of 1896 and of 1900. The difference which my figures show between the 1896 crop and last season's crop is 2 annas $8\frac{1}{2}$ pies per pound, and, in order to meet the objection of any one who may say that the reason of the decline is due almost entirely to the large production of low quality teas, I have been furnished with certain figures by Messrs. Thomas & Co. They have given me the average prices for no less than 70 gardens in Assam, and the average decline in price for these 70 Assam gardens between 1896 and 1900 is 2 annas per pound against my figure of 2 annas $8\frac{1}{2}$ pies per pound. It is a well-known fact that Assam is not the district which floods the market with low-priced teas, and we may take it that the decline in the average value of tea is due to another cause than the large proportion of inferior quality teas. The cause of the decline is great over-production consequent on the false stimulus that was given to the cultivation of tea by a constantly declining exchange. It is idle, however, to discuss the cause which led to the present depression in tea. What we have to face is the actual position, and we may take it that the rate at which last season's crop was sold was very much lower than it has ever been before; it is at all events so low that very few gardens have worked to a profit. Nearly all are compelled to sell their produce at under cost, and when I say that the tea-industry generally is in the very depths of depression, I in no way exaggerate the position.

" My Lord, I have been able to get particulars of the results of the working of a large number of tea-companies for the past season, and I venture to lay the results before the Council. Of the 31 Assam, Cachar and Sylhet companies registered in India and quoted in *Capital*, I have been able to get figures for 28 of them. Two of those gardens will pay 10 per cent., three will pay 5 per cent., one will pay $3\frac{1}{2}$ per cent., one 3 per cent., one $2\frac{1}{2}$ per cent., and the remaining, twenty will pay no dividend whatever. Of those which will pay no dividend, I notice that one them paid 10 per cent. for the previous year. Of the 52 Assam, Cachar and Sylhet Companies registered in London and also quoted in *Capital*, I have been able to obtain the results for 33 of them. Four of these companies will pay 5 per cent., their dividends for the previous season being 10 per cent., 13 per cent., 15 per cent. and 10 per cent. respectively. One will pay $3\frac{1}{2}$ per cent., one will pay 3 per cent., three which last season paid respectively 15 per cent., 10 per cent. and 6 per cent. will only pay $2\frac{1}{2}$ per cent. this season, one will pay 2 per cent., and the remaining 23 companies will pay *nil*. One of these last-mentioned gardens paid 12 per cent. last season. I may say that the particulars I give are for the ordinary and not the preference shares of any company. I have the list from which these particulars have been taken, and shall be glad to shew it to any Member of Council who may desire to see it. My Lord, I think Your Excellency will admit that this list bears eloquent but melancholy testimony to the assertion of those interested in the tea-industry that the industry is not in a position to bear any further burden. With the particulars which I have given it seems to me that to persist in 1901, when the prospects of the tea-industry are of the blackest, in a recommendation to enhance the cost of production, a recommendation which in 1896 may have had something in its favour, indicates that those who persist in it have for the time being lost all sense of proportion

" My Lord, it is not surprising that the tea-garden proprietor, when we look at the results of last season's working, is doing all in his power to reduce and cut down expenditure. Some companies are dismissing their European assistants, and of my own knowledge I know of eighteen Europeans who have been thus dismissed. Other companies are reducing the wages of their non-Act coolies, and it was only yesterday that I heard of a garden in Sylhet, on which there are a few Act coolies, and in which the bonuses had been reduced Rs. 2 all round. The bonus is merely a portion of the wage, and the reduction was peaceably and willingly accepted by the labourers. I leave the Council to imagine what the effect on the whole labour-force would be if the wages of the few Act coolies were raised. It does seem particularly hard on the planter, when necessity is compelling him to curtail expenditure, to

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find the Government insisting on increasing it. It is somewhat difficult to arrive at what the raising of the wage will mean to the industry, but that it will enhance the cost of production in a marked degree there is absolutely no doubt, and in the present condition of the industry any enhancement in the cost may have most far-reaching and serious consequences. It may in fact lead to the breaking point, and I think I have said enough to show that if the Council throw out the Hon'ble Mover's amendment we shall be within measurable distance of killing the goose that lays the golden egg.

"If it is admitted that we are near the breaking point, we are forced to the further conclusion that the proposal to raise the wage cannot possibly benefit those whom it is intended to benefit, *vis.*, the labouring classes. There is no question that with a wage of Rs. 5 a coolie is ever so much better off in Assam than he is in his own country. In Assam the wage of Rs. 5 will at all events ensure him a full stomach, which is not what he can always count on in his country. But it is not only the Rs. 5 wage that the coolie gets in Assam. He has other perquisites, and that is a consideration which is not usually sufficiently kept in view. If these are allowed for, the minimum wage is nearer Rs. 6 to Rs. 7 than Rs. 5—

- (1) The coolie is comfortably housed free of charge in houses which are maintained in good order and in thoroughly sanitary condition.
- (2) He is provided with the best drinking water obtainable from pukka wells sunk at his doors—very often at great expense to the proprietor.
- (3) He is provided with a hospital and with medical attendance free of charge, and garden medical statistics show to what an enormous extent he takes advantage of this.
- (4) Last, but not least, he obtains his rice at prices never exceeding Rs. 3 per maund, the average price of rice in the district being probably at least Rs. 3-8, frequently rising to Rs 4-8, and even to Rs. 5 per maund in Assam.

"It was only last year that the Government of India were spending crores of rupees in keeping millions of the poorest of the people alive, and that Your Excellency was appealing to the whole world for assistance for another portion of the poor of India. But they were only parts of the population, and there must be many other thousands who would only be too glad to get a wage of Rs. 5 per month in return for a light day's work. In the interests of the millions

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of India, it seems almost cruel to make it harder for the employer of labour to give the labourer employment. That is really what the proposal to raise the minimum wage amounts to, and Members of this Council should weigh the position most carefully before they decide to veto the Hon'ble Mr. Buckingham's amendment. They will have to be absolutely certain that the burden they will place on the industry is a burden that the industry can bear ; otherwise the result of the raising of the wage may mean the ruin of many of the tea-gardens of India, and the consequent closing of a field of employment to thousands of the labouring classes of India. If this should prove to be the result of the rejection of the Hon'ble Mr. Buckingham's amendment, the responsibility will lie with those Members of this Council who reject it.

“ My Lord, I have given the position as it occurs to me. I have not overstated the case in order to gain a vote or two for the Hon'ble Mover's amendment. I know how critical the position of the tea-industry is, and I hope the Members of this Council will not aggravate the embarrassment of the industry by rejecting the amendment.”

The Hon'ble RAI BAHADUR BIPIN KRISHNA BOSE said —“ My Lord, my excuse for interposing in this debate lies in the circumstance that of late years emigration to Assam from the Central Provinces has assumed large proportions, and the question involved in the amendment is therefore likely to affect a considerable number of the people there. It has been argued on behalf of the tea-industry that ' compulsory increase of wages by legislative enactment ' is wrong. Stated in this naked form, the argument is no doubt sound. But (the real question at issue is, whether the Government, having in the interest of the employers imposed restrictions on the liberty of action of the labourers and having thereby prevented an automatic settlement of the wage through the free action of economic laws, has not placed itself under an obligation to fix from time to time the minimum wage in the interest of the labourers.) It has been said that, in spite of the increased facilities of communication and the diffusion of knowledge of the benefits of employment in the tea-gardens, the time has not yet come when penal legislation for enforcing labour-contracts can be done away with. The tea-industry has undoubtedly conferred great benefit on the country, and when those responsible for the welfare of the people think that penal laws are still needed for its advancement, I accept the position. But, if so, the continued right of the Government to intervene to protect the interests of a class of people who are unable to protect themselves and whom its own laws have placed under a special disability, cannot in reason be denied. The question, therefore, resolves itself into this, whether, since the wage-limit was fixed in

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1865, anything has happened in the economic condition of the country calling for its revision with a view to make it accord with existing circumstances. Now, it is clear that no wage which may be earned by emigrating to a labour-district can lay any claim to fairness which is not higher than the wage which the emigrant could have earned in his own province and without severing his connection with his home-life.

“Comparing the scale of wages given in the settlement-reports of the sixties, when the Central Provinces were still in most part land-locked, that is, just about the time when the wage-limit was fixed at Rs. 5, with the scale of wages as given in Mr. Fuller’s review of the progress of the province during the thirty years following the settlement, it would appear that the grain-wage has remained pretty constant though the level of prices of food-grains in which the wage is given has largely gone up, while, as regards the cash-wage, it has generally risen by fifty per cent. This was to be expected. Since 1865, the country has been linked with the principal centres of trade by two systems of railway helped by feeder roads in all directions. Seven cotton-mills giving employment to nearly 8,000 heads of families have been set up, besides 40 other factories. The two Government coal-mines, with their annual output of about three lakhs of tons, give lucrative employment to a large number, while the numerous provincial and local public works serve the same purpose to an even greater degree. These new openings for labour have materially helped to raise the wages of the labouring classes. Mr. Fuller mentions as a significant fact that, during the course of the extensive field survey-operations of the new settlement, labourers could not be had *in their own* villages for a less remuneration than Rs. 4 a month in the out-of-the-way hill districts and Rs. 5 in the plains. The officers of the Department of Public Works are also compelled to work largely with immigrants from Upper India who come to take up earth-work which local men would not accept. In a normal year now-a-days a male coolie can command a wage of three annas a day, which is half as much again as the rate prevailing in 1865. It is hardly reasonable, I submit, to take these people away from their homes by alluring prospects of gain as held out by recruiters, which prospects are seldom wholly realized, to work in a far-off, uncongenial and unhealthy country, where the wage to be earned may be no more than what they could have earned had they never been made to leave their province.

“The figures of emigrants from the Central Provinces since 1892, after the Bengal-Nagpur Railway had been in full working for a year, go to show that, apart from famine conditions, the wage to be earned in the tea-gardens

of Assam had no attraction for the people. Up to 1894, the number was within 2,100. But when one seasonal disaster after another began to dislocate the ordinary local openings for labour, then came the opportunity of the recruiter. In 1895, the number went up to 8,000. With the deepening of distress next year, it more than doubled itself. In the following year, it touched 20,000. With the return of better times in 1898, the number fell to 7,000, which figure was maintained in 1899. The figure for the recent famine year is not yet out. My private information is that in one centre alone as many as 4,200 coolies were registered in 1900. Even when working among a famine-stricken population, the recruiter had to adopt special measures to induce the people to go to the tea-gardens. I have seen many a batch of coolies travelling by rail, gaily dressed, the women with shining trinkets on their person, all presumably presents from the recruiter. He can well afford to give them, seeing that he is able to make as much as Rs. 80 per coolie. In some of the depôts, I am told by one who has personal knowledge of the matter, music, dancing and feasting used to go on day after day, the object evidently being not to allow the intending emigrant time to reflect and change his or her mind. When, even in times of deep distress, such questionable expedients had to be resorted to, it is not an unreasonable inference to draw that the inducement of the wage was not effective enough for the end in view. Such a wage can hardly be called adequate.

“It has been said that, besides the wage, the statute-bound coolie has the advantage of free housing, medical aid, food-grain at a fixed price, and other conveniences. As regards the first, the Central Provinces coolie comes generally from a class of people who live in huts made by their own labour and most of the materials of which they are able to have free of charge from the village-forest. Food-grains at normal times can in all the recruiting tracts be had for much less than Rs. 3 a maund, and as for medical aid, these people hardly need any. Be that as it may, unless these conveniences result in improving the general health of the Act-bound coolie, they cannot count. The average death-rate for the *whole* population in the Central Provinces, excluding famine years, is under 33 per mille; the rate among *adult* tea-garden coolies from the Central Provinces was at one time as high as 85·9. In 1899 it was 55·6 as against a rate of 24·30 for the provinces generally. So far then as a Central Provinces coolie is concerned, he is much better off in point of health in his humble hut in his own province than in a tea-estate with all its conveniences. In the gardens themselves, a non-Act coolie without these conveniences seems to enjoy better health than an Act-bound coolie with them. For I

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find that in 1899 the death-rate among the former was 26·3 as against 43·6 among the latter, and this difference is more or less observable in past years.

“ Whether the existing wage be adequate or not, it has been said that, in the present critical condition of the tea-industry, any additional burden imposed on it will submerge some estates and cripple many more, and thus the present openings for employment for the congested population of the Central Provinces and other provinces will be contracted. I shall have something to say on this matter later on ; but for the present I have to point out that the argument does not apply to the Central Provinces, which next to Chota Nagpur and the Sonthal Parganas now supply the largest number of coolies, the percentage of Central Provinces coolies in 1899 being 28. Although apart from land, which has gone out of cultivation under the stress of the recent cycle of bad seasons, there is not now left much good culturable waste in malguzari estates, there is a large opening for extension of cultivation by the admission of the plough to lands in Government forest-reserves. The scheme for opening them out to cultivation launched a few years back has received a check owing to the famine, but it is hoped that with the return of better times it will be pushed forward with vigour. And the class of people who are most prized and whom it is the constant endeavour of the recruiter to secure, and who have constituted the majority of the emigrants within recent years, are the very men who will be most useful in this work of reclamation. I refer to the Gonds and other jungle tribes. The former, though only a moderately good cultivator himself, is a hard-working, honest farm-labourer. Again, from the Ghât Districts these people descend in thousands to the plains during the rabi harvest, and help to reap it and thereby earn a good wage. A large proportion of field-embankments is also done by them. The province can ill spare these hardy agricultural labourers. It would, perhaps, have been an advantage if some of the broken-down agriculturists from the congested tracts had gone, but no inducement of wage and other benefits to be had in the tea-gardens of Assam has hitherto succeeded in making *them* leave their lands. Considering then the province as a whole with special reference to such highly-prized recruiting districts as Balaghat, where about half the culturable area is now awaiting reclamation, it is a mistake to say, as has been said, that the administrators of this Empire would be more usefully employed if, instead of framing laws to increase the wage, they were to help the surplus population to emigrate from the over-crowded districts of the Central Provinces to Assam. I may state here that the incidence of rural population per square mile in the rice-districts of the Province is 227 and in the non-rice it is no more than 172. What with two acute famines and several years of scarcity, there is

reason to think that the population has gone down since 1891, and the figures of the recent census, as far as they are out, seem to point to this conclusion.

“ It has been said that the Assam coolie is able often times to go back to his native place with a saving made while employed in the gardens. This may be the case elsewhere, but in the Central Provinces such a person has up till now been conspicuous by his absence. My friends in the recruiting districts whom I have consulted, and who are in a position to know, have not come across such a person as yet. I find the Collector of Ganjam, the only recruiting district in Madras, says the same. He states, ‘ Emigration from this district takes place on a very large scale, notably to Burma. The latter emigration is purely spontaneous, unrecruited and unaided. The wages earned are high, and large sums are remitted weekly to their families in the Ganjam District by these emigrants. The case of emigration to Assam is very different. There is no voluntary or spontaneous emigration, the wages earned are low, nothing is remitted to the Ganjam District by such emigrants, who are quite unable to save anything out of their pittance, while they are seldom able to return to their homes on the expiry of their contract term of labour. The labourers recruited for Assam come from the poorest and most ignorant class.....; they are too ignorant to distinguish, in their homes, between Burma and Assam. They know that numerous emigrants to Burma return home laden with accumulated savings, and dazzled by a similar prospect fall an easy prey to the recruiter, only to learn, too late, the difference between Burma and Assam.’

“ Apart from the special circumstances of the Central Provinces, attention has already been drawn to the fact that wages in Assam generally have risen. Whereas the average wage of an agricultural labourer in 1888 was Rs. 7, it was Rs. 8½ in 1898, an increase of 20 per cent., which is double the increase proposed in the Bill. Even in the tea-gardens a difference is observed between the wages of non-Act and Act coolies. In 1899, during the manufacturing season, in 14 out of 15 subdivisions the excess of the former over the latter ranged from 3 annas 6 pies to 1 rupee 3 annas. In one subdivision only was the difference in favour of the latter, it being 4 annas 4 pies. As regards the non-manufacturing season, in 3 subdivisions the Act coolies earned something under 3 annas more than the non-Act coolies. In the remaining 12 subdivisions the former earned from 4 annas 9 pies to 1 rupee 10 annas less than the latter. Whether during 1899 the Act coolies had an advantage owing to their being entitled to have rice supplied to them at a reasonable price fixed by the Local Government, I cannot say. For the *Prices and Wages in India* for 1899 is, I believe, not yet out. The difference in the wages of these two

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classes of labourers has, however, been a permanent feature in most subdivisions for years past, and as it has not been shown that there has been a corresponding abiding difference in the price of rice in the local markets and the price as fixed for Act coolies under section 124, it seems reasonable to conclude that the Act has in a manner compelled the coolies whose relations with their employers are governed by its provisions to remain content with a wage which would not be accepted by those who were free to work as they pleased. It would further appear that the average wage of the Act coolie has on the whole been below the statutory minimum. It is no explanation to say that he sometimes earns extra wage, for the extra wage has no reference to the task to which the minimum wage relates.

“As regards this extra wage, which in well-regulated gardens the coolies are able to earn by working overtime, figures have been published showing that in six such gardens it ranged from Rs. 5-4-5 to Rs. 7-7-9, the average being 20 per cent. more than the minimum, or Rs. 6. Admittedly these figures include earnings of acclimatised coolies, and as they are able to earn more than the newly imported indentured coolie, the average earnings of the latter class alone must be somewhat less. However that may be, the average income of a free agricultural labourer in Assam has since 1888 never been below Rs. 7. Moreover, the above fact loses its importance in the face of the admission that in gardens not well-managed the earnings do not exceed the minimum. Here the task is so severe as to exhaust the labourer's entire time and energy, and thus to put it out of his power to earn an extra wage. To meet these cases the Bengal Government had, I find, suggested a reduction by two hours of the maximum period of compulsory labour. But evidently this suggestion has not proved acceptable, for the existing limit of nine hours has been reproduced in clause 125 of the Bill. Failing this, the only remedy for an admitted evil, however limited may be its operation, seems to be that which the Bill provides. At least none other has been suggested on behalf of the tea-industry.

“As regards the argument that the tea-industry cannot afford to bear the additional burden which the clause under discussion will entail, I venture to submit, though with great diffidence, that when the wage cannot in the interest of the industry be allowed to find its own level untrammelled by penal laws, it is the duty of the Government to see that the labourer gets a fair wage, and what that wage is to be must depend mainly on the wages obtaining in similar industries and occupations where labour is free. Whether capital can, without trenching upon what it considers its legitimate profit, pay this wage should occupy a subordinate position in the decision of the question. Moreover, it is not quite clear

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that those considerate employers who treat the coolie kindly will be affected. For there does not appear to be any insuperable difficulty in their so adjusting the remuneration paid for overtime work as to keep the total earnings within the present limits. It is the badly managed estates, where a fair wage cannot now be earned, which will suffer, and surely they deserve to suffer. Again, it strikes one that if to make the industry pay it is necessary to cut down the cost of production, why should not a well-directed systematic effort be made to reduce the present heavy commission paid for recruitment, the benefit of which mostly goes into the pockets of men who least deserve it and who would certainly be unable honestly to earn anything like the sum they now earn in any other occupation?

“On these grounds I feel bound to dissociate myself from a proposal which, I believe, will not advance the best interests of the people of the Central Provinces, and in doing so I follow a line of policy which has the support of my Local Administration. The Hon'ble Mr. Fraser, the Hon'ble Mr. Ibbetson and Sir Charles Lyall are, in my humble opinion, better judges of what is good for the people than outsiders who know little or nothing of the province and who are precluded by their very position from considering the matter in a spirit of judicial impartiality.”

The Hon'ble KUNWAR SIR HARNAM SINGH said :—“My Lord, I venture to think that it will be conceded by every one that the provisions of the Assam Labour and Emigration Bill have received the most careful consideration from Government. There were a great many points in controversy when the Bill was introduced into Council two years ago. But I am happy to observe that the Select Committee have satisfactorily dealt with all of them. There is a consensus of opinion that the Bill, as it has emerged from the Select Committee, is eminently calculated to secure the object in view. The only point at issue now, and with regard to which there is a difference of opinion, is in reference to the monthly rate of wages to be given to the labourers. The representatives of the tea-industry contend that the proposed increase will injuriously affect the interests of the proprietors of tea-gardens, while those who consider the question from the labourers' point of view deny that such increase will in any appreciable degree damage that industry, and assert that a substantial increase in the monthly rate of statutory wages will secure comfort to the contract coolies, and make service in the tea-gardens more attractive. I believe that the Select Committee have wisely chosen a middle course. They observe that,—

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'though some increase in the present minimum wage is desirable in the interest of labourers, the increase proposed in the Bill as introduced would, if adopted, impose an excessive burden on employers. The newly-joined labourer needs special protection, as he is often unable for some months after his first employment, owing to his weakly condition and want of skill, to complete the daily task allotted to him, and therefore to earn the minimum wage prescribed by the present law. To meet such cases we have proposed in our amended sub-clause that all such labourers should be entitled, unless the Inspector certifies that they are physically fit to perform a whole task, to receive full wages for the performance of a half task during the first six months of their contracts. With this concession we think that the present minimum rate of wage may be maintained for the first year.'

"This concession, in my opinion, is just, and I am sure it will be keenly appreciated. During the first six months after his arrival at the tea-garden, the labourer, who needs special protection at this time, will get a salary of Rs 5 per month, and he ought to be satisfied with it.

"Although Mr. Melitus, the experienced Commissioner of the Assam Valley Districts, thinks that there are not sufficient reasons for raising the rate of wages generally, he is still of opinion that a distinction ought to be made between the average labourer able to do full tasks and earn full wages, and the new immigrant who has not yet settled down and learnt to make himself comfortable, who naturally suffers more than the acclimatized coolie from the Assam climate during his first two rainy seasons, and who has not yet thoroughly learnt his work. The latter cannot always earn sufficient wages, and it is for this reason that a minimum monthly wage has been suggested. 'But I would be opposed,' he says, 'to extending the minimum monthly wage to labourers other than immigrants of less than two years' standing.'

"It will be seen from this that, in the opinion of such an experienced officer as Mr. Melitus, a clear distinction ought to be made for two years between new immigrants and acclimatized labourers. The Select Committee, instead of accepting Mr. Melitus' recommendation in its entirety, have taken into consideration the interests of both labourers and employers, and have fixed the statutory minimum wage only for the first year.

"The Hon'ble Mr. Cotton, the Chief Commissioner of Assam, who is intimately acquainted with the labour conditions of his Province, says that—

"there can be no doubt that the mortality among tea-immigrants of less than two years' standing is terribly high, and that these new immigrants, as a rule, are indifferent workers and earn far lower wages than acclimatized labourers. The Chief Commissioner has come across instances in which new labourers earn absolutely nothing at all, and go from bad to worse, until there is no chance of getting any work out of them, and at last they are discharged by mutual consent, and wander on the high-way or find their destination in the Government hospitals, sick unto death and absolutely destitute."

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"This state of things is greatly to be deplored, and it must be admitted that the Select Committee in fixing a minimum wage for a half task for the first year has benefited the labour-community and has done a distinct service to the cause of humanity.

"When the labourer acquires some knowledge of the surroundings in which he is placed, and is able to regulate his mode of living, he becomes capable of performing the full task that may be allotted to him. The employer becomes benefited by the work which he gets from the labourer, and the latter naturally expects that some consideration should be shown to him for the increased work that he is able to perform. It has been authoritatively stated that, with the aid of the existing statutory wage, the labourer is not able to meet even the ordinary expenses of living, far less to live in comfort. If he is expected to do his full work, he must be allowed to take sufficient food and to live in some degree of comfort. We are informed that dissatisfaction among the labour-force is great owing to insufficient wage. The numerous desertions which take place on the tea-gardens indicate that there is discontent among the labourers. I believe that to remedy this state of affairs, the Select Committee have very properly come to the conclusion that the existing wage should be raised, and, after all, the increase they have proposed is not exorbitant. I should think that an addition of eight annas to the monthly wage is but barely sufficient to meet the requirements of the case.

"In this connection I would invite Your Excellency's attention to the following remarks of the Chief Commissioner of Assam in which he points out that the present special legislation creates certain definite obligations which cannot be ignored both in the interest of the labourers and their employers. The Hon'ble Mr. Cotton observes :—

'In the first instance, I am to advert to the considerations which have made it necessary to fix by law the minimum rates of wages under statutory labour-contracts and to say that there appears to be the more occasion for doing this, inasmuch as those considerations have been conspicuously ignored in some of the arguments advanced against the proposal. If in this case, as in the conditions of the ordinary labour-market, rates of wages could safely be left to be adjusted by the law of supply and demand, there would never have been any necessity for laying down minimum legal rates. The whole of the legislation regarding labour-immigration into Assam is based on the assumption that the conditions of the labour-market on Assam tea-gardens cannot be regulated by the economical laws of supply and demand. The existence of a penal contract is justified on this ground. The protection of the labourer is justified on the same ground. It has been found by experience, and it follows from the peculiar nature of a penal contract, that it is absolutely necessary, for the protection of the labourer who enters into it, to make it by law obligatory upon the employer to pay a reasonable wage for a full daily task. The reason for this is obvious. When a labourer enters into a contract to labour for a long period under severe penalties in a distant country, of which he has no knowledge,

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and where the cost of living is much higher than in his native district, his ignorance and helplessness entitle him to protection in this as well as in other directions.'

"The fact is that, if special legislation is necessary in the interest of the proprietors of tea-gardens, it is equally necessary in the interest of the contract labourers. The present rate of wage was fixed more than thirty years ago, and the wage which was then sufficient is inadequate now. The expenses of living must necessarily have increased, and the rise in wages is almost universal. (Why should the statutory wage of the poor coolie alone be left in its original state, while there is an universal demand for higher wages to meet even their most ordinary wants?) If the representatives of the tea-industry demand special legislation for the security of their interests, it is the absolute duty of the legislature to see that the interests of the contract labourers are properly safeguarded, and the proprietors of the tea-gardens should be prepared to accede to the Government demand.)

"I do not deny that the proprietors of tea-gardens are considerate in many ways to the labourers on their estates. But it is clear, nevertheless, that the coolies are not attracted to their service, and I would not be surprised if, in the present situation, free choice were given to those who are now under contract, a large number would leave their work on the gardens.

"It is denied that the proposed enhancement will have any injurious effect on the tea-industry. On the contrary, it has been abundantly made clear that the industry will be benefited. The cost of recruitment will be considerably diminished, the service in the tea-gardens would be made more attractive; by securing a stronger and healthier class of coolies, their mortality would be greatly lessened, and this alone ought to ensure a considerable saving to the proprietors of the gardens. The increase proposed, instead of putting employers to much additional expense, would, in the long run, I am inclined to think, be for their distinct benefit.

"I have, however, my Lord, a grave doubt about one point. Is this the most appropriate time for raising the wages when the tea-industry is admittedly face to face with a crisis, when a large quantity of the annual produce is lying unsold in the market; and when duty on tea is threatened with a further increase? This is a matter which requires most serious consideration.

"The question may fairly be asked whether the proposed action would have the result of closing some of the gardens, and thus have an injurious effect on the tea-industry. My Lord, India requires industrial development in every

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form, for which more capital is needed, and nothing, in my opinion, should be done to prevent capital flowing freely into this country. Of course, it must be left to Your Excellency's Government to decide whether clause 5, sub-clause (4), of the Act should be enforced *at once*, or whether enforcement of this sub-clause should be postponed till a notification of the Government should be issued fixing a time for such enforcement. With these few observations, I oppose the amendment and beg to give my cordial support to the Bill."

The Hon'ble RAI BAHADUR P. ANANDA CHARLU said :—" The point raised is what minimum wages should be entered in the labour-contracts. Such contracts endure for no more than four years, and the question that has been raised is, what are to be the minimum wages in the preparatory stage. That there should be a variation on this account is the opinion on both sides, on the part of planters and on the part of the Select Committee, though, speaking for myself, I find sounder reason in the original provision in the Bill, that there ought to be no difference from first to last, inasmuch as such a stage of comparative slight inefficiency must exist in all walks of life and in all spheres of labour, and inasmuch as there is no such distinction made in any one of them. But that is now beside the issue before us. That issue is this: whether three-fourths of the contracted period should be the preparatory stage, as the planters virtually contend, or a fourth only as the Select Committee have held. We have to eliminate the last and fourth year from our consideration, because both sides agree as to the wages for that year. Looking impartially into the matter, the best that could be said in favour of the planters is that, in the first and opening year of labour, the raw recruit might not be quite up to the mark, for the obvious reason that he has to adjust himself to the novel surroundings and to form the requisite habits for ready and almost automatic discharge of the mechanical work that falls to him—though, let me repeat what I already once emphasised, *that* by itself is no ground for reduced wages in this line by way of an exception to the almost invariable rule.

" In taking note of the first year's comparative inefficiency of the recruit, the Select Committee appear to me to have already over-stated the case for the employers. They, the Select Committee, speak of two circumstances, one of which alone, I humbly think, is sound and relevant. They speak (1) of the labourer's weakly condition, and (2) of his want of skill. Against the latter, as a fact, I have nothing to say. But I must demur to the tenability of the former, in the face of the repeated examinations, not less than three in number, to which the recruit is successively subjected in view to a pronouncement on his physical

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fitness, *i.e.*, under clauses 32, 43, 46 and 47. This is not all. The employer is given the further chance, before accepting the recruit, to have the latter further examined under section 73 by a medical man of his own choosing; and, what is more, he can challenge also the Government medical officer to give his verdict. In the teeth of all this elaborate process of sifting and sifting, again and again, it is too much even to presume a possible physical unfitness, without casting an unmistakable slur on the several officers who have successively borne testimony favourable to the recruit.

“I am inclined to think that, so far as this item of physical fitness is concerned, the presumption is all the *other* way, and it ought to prevail, until rebutted by clear and positive evidence to the contrary. In this view, the one sole ground on which alone a reduction of wages during the first year could be said to be justified is want of skill, which even as I pointed out is, strictly speaking, not a proper ground at all. But the Select Committee did not stop here. They have, for reasons which they have not recorded, made a difference as regards the two years between the first and the last. They have, for those two intermediate years, added a half rupee per head. Taking into account the sort of work that awaits the labourer, it seems to me that the first year is long enough to acquire the so-called skill. If the wage of the fourth year is an index of payment for efficiency,—as I feel bound to take it,—then the addition of a half rupee, instead of one rupee, is as unwarrantable as unaccountable for the intermediate period in question. But if the fourth year's wage is not to be taken as a standard, even then surely a graduation of some sort would seem reasonable. If, in making the proposal they have done, the Select Committee have erred, I must say that they erred on the side of the richer and more influential party. I do not, by any means, grudge them the fruits of this error; for the interests of the planting classes require all legitimate safeguarding that one can secure to them, having regard to the circumstances that they have brought capital, energy, perseverance and enterprise—if not, as is said, to convert a howling wilderness into a smiling scene of verdure and harvest—at least to open up and develop an industry, congenial to areas which had perhaps frowned on all prior efforts to utilise them. But it will be a one-sided justice if, in lively sympathy with them, we ignore the claims of the mass of labourers who help no less in securing success to the enterprising, energetic and persistent capitalists. Neither class, it seems to me, could get on without the other. Each is the complement of the other. Between classes, so interdependent, nothing short of harmony and mutual good-will ought to prevail, and I should be the last party to any measure which might introduce among them a discordant element or a cause for irritation; for when bad

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blood is stirred up, even level heads are thrown out of balance, while generous impulses run the risk of being checked or dried up, for a time at least. I am quite alive to the fact that it is within the power of the better situated employer to starve or drive to the wall the weaker workmen, with their limited staying powers and with little or nothing to fall back upon. Even the extreme case of cutting off the nose to spite the face is not altogether beyond the range of possibility. For this reason, and for the further reason that I happen honestly to differ from some here and out of this hall enjoying my highest respect, I have looked into the question, again and again.

“But I cannot persuade myself out of the proposals made by the Select Committee—proposals which are of doubtful soundness, so far as the reduction of wages for the first year is concerned, and of doubly doubtful soundness so far as they relate to the unaccounted-for reduction of wages, recommended for the second and third years of the contractual period of service.

“Such legislation may perhaps not be insisted upon where the employer and the employed are part and parcel of the same nation, and where, on that ground in particular, much less friction and much greater fraternal feeling are to be met with. Where conditions for such congenial mutuality and for such hearty ‘give and take’ do not exist, or rather are at a discount, there is an *à fortiori* case for periodical intercession to cancel unconscious excesses of unilateral proclivities. Again, opinions are quoted and tables of the labourer’s bill of fare, his remittance and his trinkets are set forth, to show that the labourers are well off physically and financially. All this is irrelevant and inconclusive and is quite capable of being explained on other than the hypothesis relied on by the planters. But seeing how late it is, I shall say *no more*.”

The Hon’ble SIR EDWARD LAW said.—“I think that the case as regards rates and comparative rates of wages has been fully argued from both of the contending points of view, but I may perhaps point out that the effect of the proposed addition to wages does not appear to me to be likely to prove as great as is apparently anticipated in some quarters.

“The increase actually proposed amounts to 16 annas on 21 rupees, the 16 annas being the proposed addition of eight annas per mensem to coolies in the second and third years of service, and the 21 rupees the monthly wage of four coolies respectively in their first, second, third and fourth years of service.

“The net result then of the increase will, according to my calculations, be approximately, but will not exceed, a five per cent. addition to the entire wage

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expenditure. If then we admit—and it appears to me to be even hypothetically a considerable admission—that the increase will necessarily be extended to all coolies, Act and non-Act alike, the total charge to the tea-industry will be five per cent. of three-fourths of the total expense of production, *i.e.*, 3½ per cent. of this total, and therefore, to follow what I understood to be the calculations of the Hon'ble Mr. Buckingham, the total cost, admitting hypotheses concerning which I am personally doubtful, will not exceed one per cent. on the capital invested in the tea-gardens.

“ I do not say that one per cent., if this be not an exaggerated estimate, would not prove a heavy tax on the industry, but I think and hope that a tax in the form of extra wages will not be without *some* compensatory advantage, and that reviving prosperity will at an early date permit of its being easily supported by the tea-industry without prejudice to its interests.”

The Hon'ble Mr. RALEIGH said:—“ My Lord, we have listened to a number of speeches, full of information and argument, contributed by Hon'ble Members much better qualified by special knowledge than I can claim to be. If I venture to prolong the debate, it is only for the purpose of stating, as clearly as may be, the question on which we are now to vote.

“ We are legislating in respect of a matter which lies outside the domain of contract, in the ordinary sense of the word. When my Hon'ble friends Mr. Buckingham and Sir Allan Arthur speak of supply and demand, the reference appears to me to be beside the point. The labour-contract authorised by this Bill is a transaction by which, to put it rather bluntly, a man is often committed to Assam before he knows what he is doing, and is thereupon held to his promise for four years, with a threat of arrest and imprisonment if he fails to perform it. Conditions like these have no place in the ordinary law of master and servant. We made them part of the law of British India at the instance and for the benefit of the planters of Assam. It may be, as my Hon'ble friend Mr. Ashton contends, that the contract is, on the whole, for the good of the coolie. I think it is, otherwise I could not vote for the proposal to renew the Act. But the fact remains that the motive power in this legislation is the interest of the planter, not the interest of the coolie.

“ Under cover of our legislation a system has grown up which none of us can regard with satisfaction. It is a system under which labour is made expensive to the employer without being made profitable to the labourer. The cost of importing a coolie into Assam is about Rs. 25; the reward paid to the importer has ranged as high as from Rs. 100 to Rs. 150. The difference between

cost and reward is absorbed by agency expenses : that is to say, it is spent in bribing chaukidars and policemen, in buying off indebted men from their creditors, in swelling the gains of the *daffadars* and *arkatis*, for whom nobody has a good word to say. The system is described in the report of the Labour Enquiry Commission of 1895. Hon'ble Members are aware that the Commission was a body mainly composed of business men, and that the report was signed by Mr. E. Cable, Mr. H. C. Begg, and Mr. W. B. Gladstone. After describing the nature of the traffic, the Commission ask why the tea-planter is content to nourish 'this numerous brood of blood-suckers.' The answer to that question might have been given in the one word 'competition.' Large profits were being made; the supply of labour was not equal to the demand, and the price rose accordingly.

"For some time past, the abuses of the labour-traffic have engaged the attention of Government. There were those who thought that the time had come to dispense with special legislation; the planters asked that Act I of 1882 might be renewed, and we now propose to renew it. They suggested various changes in the law, with a view to reducing the cost of importing coolies; these changes we have in substance adopted. As to the measure of relief we have afforded, I will take the figures quoted in the Labour Commission's Report. We find there that in the Sibsagar District in 1889 contractors' coolies cost on an average Rs. 100 and sardari-recruited coolies between Rs. 45 and Rs. 58. In 1893 the average from 77 gardens was Rs. 82 for sardari and Rs. 105 for contractors' coolies. I do not wish to press these figures, because we do not know exactly what the expense of sardari-recruiting will be under the amended Bill. My Hon'ble friend Mr. Henderson has hinted that the figures shewing cost of importation under the present system may be exaggerated; but, like all who take this line, he is content with a general statement. Balancing their precise assertions against their somewhat vague denials, I come to the conclusion that, on the planters' own showing, this is a Bill which will enable them to effect great economies in the importation of labour.

"On the question of the statutory wage, the Commission reported as follows:—

'It has been pointed out,' they say, 'that the expense of importing the coolies should be very little over half what it now is, and, if Government would insist on reducing the cost, it would be fairly entitled to demand some increase in the pay of the coolie; and some reduction in the term of contract.'

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" My Hon'ble friend Sir Charles Rivaz has referred to this expression of opinion ; I quote it again, because it is the foundation of our case. In this Bill we keep the term of contract unaltered. We demand an increase in the pay of the coolie, and I contend that the planters themselves have admitted that the demand is just.

" Our discussion today has been of a practical character ; but during the agitation which has been carried on in Calcutta and elsewhere, the business aspect of the case has been frequently ignored, or dealt with in a perfunctory way. We have all read speech after speech, letter after letter, in which it is assumed that the demand for a better wage is entirely gratuitous, and that the motives of Government are merely philanthropic. In my opinion, philanthropy has no place in our discussion today. I hope the Government of India will never attempt that kind of statesmanship which consists in claiming credit for generosity at other people's expense. We are simply driving a bargain for ignorant people, who cannot bargain for themselves ; and we are asking terms which we consider to be fair.

" Our opponents acknowledge that this is a Bill such as they wished to have. Mr. Begg stated that its provisions would benefit the tea-industry. Our Hon'ble colleague Mr. Buckingham confirmed the statement, and he was kind enough to compliment the Select Committee on the manner in which its work was done. I read his speech with great satisfaction. At the close of an enquiry, which at some points was acutely controversial, it is pleasant to know that we part on friendly terms. But compliments are not business. I want Mr. Buckingham to take the figures of the Report, or any other figures he can give us, and to tell us what he thinks this Bill is worth to those whom he represents. When he has done that, I will ask him to say whether there is anything unfair or oppressive in our contention that the coolie should have (as the Commission said he ought to have) some share in the benefit conferred.

" It may of course be argued that, while an increased wage is, in the abstract, desirable, the demand ought not to be put forward at the present time—first, because the coolie is well off, and does not need it ; and second, because the employer is badly off, and cannot pay it. I will deal with these arguments in their order.

" As to the sufficiency of the present wage, we have before us a considerable body of statistics. I have spent a good many hours in studying these figures, and have come to the conclusion that there is nothing approaching an arithmetical demonstration on one side or on the other. This is exactly what we might

expect to find. Any fixed income, whether it be Rs. 5 or Rs. 5,000, is sufficient for one, and not for another; we have to strike an average by comparing very diverse cases. Bearing this in mind, we must, I think, decide that many of the tables presented to us, interesting and important as they may be, are not complete enough to justify any confident opinion. There are, for example, the tables which show that some coolies are able to save money which they remit to their former homes. This no doubt is a gratifying fact; but I observe that the number of remittances shown is not large in proportion to the total labour-force; and we have evidence to the effect that saving among coolies may sometimes mean privation. The North-Western man is famous for his thrifty habits; but we are told that he sometimes saves money by limiting himself to one meal a day, and that he will endure hardships rather than break open the box in which his money is hoarded. Still less importance attaches to the figures which show that part of the wages paid is spent in drink. For, if the saving is mostly credited to the North-Western man, the drinking is mostly done by the jungli man, who spends his money as fast as he gets it. Whether in England or in Assam, expenditure in drink is no index of the real prosperity of the labourer.

“The question, whether the cost of living in Assam has increased since 1865, has been keenly debated; but again the figures are inconclusive. Improved communications have no doubt cheapened many articles of consumption, but, as they tend also to expenditure on a greater variety of things, the coolie probably finds, like the rest of the world, that five rupees do not go quite so far now as they did in 1865.

“Much trouble has been spent upon comparisons between the Assam coolie and labourers in other parts of India, but a comparative statement of money-wages, tells us very little. To ascertain whether coolie A is better or worse off than coolie B, you want the family budgets of both, showing their receipts and their necessary and usual expenses. In most of the cases which are referred to in the papers now before us, complete information of this kind is altogether wanting. There is, however, one comparison which is close enough to be instructive. The free coolie on a tea-garden in the Duars appears to enjoy, roughly speaking, much the same advantages in respect of house-accommodation, etc., as the coolie in Assam. What, then, is the amount of his money wage? Here and throughout this controversy we are always being involved in ambiguities because the word ‘wages’ is used to mean the rate at which a man is paid, and the money which he actually receives. Our opponents are at variance as to the coolie in the Duars. We were told today, that wages there were for men Rs. 4-14-5, a month and for women Rs. 2-1-2, the inference being, of course, that the Assam

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coolie is comparatively well off. But a few days ago we saw a letter from a gentleman in the Duars, asserting that the usual *rate* in that part of the country is Rs. 6 for a man, Rs. 4½ for a woman and Rs. 3 for a child. The gentleman is anxious that the facts should not be incorrectly stated, and why? Because he is getting up a movement in the Duars for the reduction of wages. So that, while the Duars coolie is cited at Calcutta and used as an argument against raising wages in Assam, the Assam coolie may expect to be used in the Duars as an argument in favour of reducing wages there.

“We are on somewhat firmer ground when we come to the figures which show the actual cost of living in Assam at the present time, for here we are able to compare some more or less complete family budgets with the figures given by employers who have tried what is called the hotel system, and with the Government returns which show the cost of maintaining prisoners in jails. Combining the information derived from all these sources, I come to the conclusion that the maintenance of a single man costs about Rs. 3 a month. This corresponds pretty closely with the language of the Labour Commission's Report in regard to the mining districts. They tell us that ‘the ordinary miner, who does not drink, can live on 1½ to 2 annas a day.’ If we take into account the fact that every wage-earning man has some personal expenses beyond mere subsistence, and the fact that many members of the coolie community are dependent on the wage-earners, we may, I think, fairly conclude that Rs. 5 is a low wage. Even if it were a certain minimum, there would be a strong case for raising it, but, as Sir Charles Rivaz has shown, it is not certain, there are many cases in which coolies earn less than the statutory rate. The cases quoted on this point by the Hon'ble the Chief Commissioner were admitted by him to be exceptionally bad; but they show how far the actual wage may fall short of the nominal rate.

“When we take all the facts into account; when we consider that a Commission of business men reported in favour of raising the wage in a certain event, that Sir Alexander Mackenzie declared the wage to be too low, and that the present Chief Commissioner of Assam has imperilled his popularity in the Province by preaching the same doctrine, Members of Council must admit that the Government of India had strong reasons for deciding that some improvement in the wage should be made a condition of the renewal of a penal Act.

“But we are told, this improvement cannot be conceded, because the industry is depressed, and the planter cannot pay. Depression is an undoubted fact, and it is a fact which the Government cannot regard with indifference.

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We should indeed be less than human if we could not sympathise with the anxieties of men who have worked honestly at this business, and now have to face one misfortune after another. The present position is bad; and Mr. H. K. Rutherford, a high authority, tells us that things will be worse before they are better. But let us look at this as a business question, from the coolies' point of view. The time has been, not very long ago, when the tea-industry flourished, and large dividends were paid. That made no difference to the coolie; he went on earning his five or six rupees, subject to deductions. In business we are all familiar with the maxim that you must take the rough with the smooth: if you receive the profits of a concern, you must bear the charges and losses. I have endeavoured to show that we are not adding to the burdens of a depressed industry. The primary object of the Bill is to get rid of the incubus of the *arkatti*. Our opponents are not fighting to throw off a burden wantonly imposed. They are fighting to get the benefit of this Bill without doing anything for our client, the coolie.

"We have been told that, if our proposal is adopted, gardens will be ruined and closed, and the industry generally will collapse. On the best consideration I can give to the question, I see nothing to indicate general collapse; but there can be no doubt that the industry has entered upon a period of severe stress. If at this moment we insist upon a small enhancement of wages, it is because we are bound by repeated declarations to secure some improvement for the coolie, and also because we feel that no body of employers can profit in the long run by paying less to their labourers than justice and good policy require."

His Excellency THE PRESIDENT said:—"We have listened to a long and interesting debate on this amendment and it will, I am sure, be the opinion of Hon'ble Members that the respective views have been stated with much ability and force. The Hon'ble Mr. Buckingham, assisted by some other Hon'ble Members, has proved a valiant and capable champion of his cause, and on the other side have been given the views of Government, as expressed by Sir Charles Rivaz, who has conducted this Bill through its various stages with much tact and skill, and by Mr. Raleigh, as well as the opinions, stated with obvious sincerity and with an authority which cannot be denied, of the Chief Commissioner of the Province. Of him I will only say in passing that I have no sympathy with the attacks that have been made upon him, not in this Chamber, but in other quarters, for the conscientious discharge of what he has believed to be a public duty: and that it is a doctrine which I cannot myself accept, and which, when I came out to India only two years ago, I was

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universally implored to repudiate in the case of Assam, that the Government of India should not attach much weight in a matter of internal politics to the counsels of the head of the Local Administration. The Government of India have not been prepared to go as far as the Hon'ble Mr Cotton would have wished but I desire emphatically to express my opinion that he has been actuated by no other desire than to secure the welfare of the province with which his name has been so long and honourably associated, and that to impute to him any other motive is unjust.

"Before I proceed to sum up the grounds upon which the Government must advise this Council to reject the amendment of the Hon'ble Mr. Buckingham, I must make a few preliminary observations upon the conditions under which we are called upon to intervene in this matter at all. It seems to have been inferred in some quarters that the Government is now taking upon itself, in an uncalled for and malevolent manner, to interfere with the movements of an industry which only asks to be left to itself. I have read a great deal in the Press about grandmotherly legislation and a grandmotherly Government. And yet I venture to say that, if the Assam planters were offered the option of dispensing with the grandmother altogether, they would very speedily discover the virtues of her existence. Why, the governing factor of the whole situation is that the Government of India has been called upon to constitute itself a grandmother to the tea-industry in Assam, that, without her protection, it would never have been called into being, and that, but for her assistance, it would long ago have dwindled and died. Do not imagine for a moment that *we* are enamoured of the system of penal contracts. It is an arbitrary system, an abnormal system, and sooner or later it will disappear. But it has been devised not in the main in our interests, but, as Mr. Raleigh has pointed out, in the interests of an enterprise with which the Government could not but sympathise, namely, the effort to open up by capital and industry the resources of a distant and backward province. In order to secure that end we have created, and are now revising, a law which enables the planter to procure the labour without which he could not cultivate the soil, and which is not forthcoming in the country itself, and in order to render this alien labour continuous and remunerative, we have further placed the coolie under a penal contract which enables the planter to arrest a deserter without warrant, and to treat a breach of contract as a criminal offence, punishable with imprisonment by the Courts. These are great privileges and great advantages; and in return for them the least that the Government can demand is that the coolie, who is not a shrewd or independent personage, but is often an almost unknowing partner to the contract, should not suffer from his ignorance or his timidity, but should

be accorded a protection corresponding to the stringency of the conditions by which he is bound. That protection we offer him by statutory stipulations as regards the term of his contract, the conditions of his employment, the price of his food, and, above all, the rate of his wages; and we have just as much right to revise the latter, if we think them unjust or inadequate, as we have to provide the machinery which brings him into Assam at all. The Hon'ble Mr. Buckingham quoted with approbation a passage from a speech which I made when in Assam a year ago, and in which I said that, in the long run, this question will be settled by the immutable laws of supply and demand. So it will. But we are dealing here not with the long run, but with the short run; and the less Hon'ble Members talk at the present stage about the laws of political economy in the present context, the better, I venture to say, for their own position. Where, I wonder, are the laws of supply and demand at the present moment, when the coolies cannot be imported, at any rate in sufficient numbers, without the assistance of the law, when they cost Rs. 150 apiece, when they are not allowed to combine or to strike, when they are compelled to stay for four years whether they like it or not, and when they are put into gaol if they run away? The less, therefore, that is said about the laws of supply and demand, I venture to think, the better. I should be only too pleased to revert to them at once. But if I proposed to repeal this legislation altogether, and to leave the entire industry in Assam to the operations of natural laws, from whom would the loudest protests come? It would not be from the coolies, but from my Hon'ble friends who represent the employers' interest. This, then, is the justification for our interference. It is the corollary of the whole of our action in the matter for the last thirty-six years: and if we ceased to intervene, it would be capital and not labour that would utter the bitterest outcry. The Hon'ble Sir Allan Arthur said that, if a higher wage were called for, why should not the planters give it? The answer is that, as long as the penal contract remains, by which capital is rendered relatively secure of its labour, so long will capital continue to resist a reduction of the wage. It is merely another illustration of the proposition that the ordinary laws of supply and demand do not apply to Act-labour in Assam.

“And now as regards the case for the particular increase of wage that is advocated by the Government. I confess that I find it rather difficult to distinguish between all the calculations and statistics with which we have been favoured by opposite speakers. I have never come across a more striking illustration of the proposition that figures are obedient servants but queer masters. Each Hon'ble Member has provided himself with a store of these pliable instruments, which have done for him all that he could desire. But

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then another Hon'ble Member has appeared upon the scene with a rival batch of figures, leading to a diametrically opposite conclusion, until we have all felt ourselves in the position of the bewildered interrogator who asked, What is Truth? I cannot of course claim to be any better judge of these rivalries than any one else, but I have at least set myself to a very patient examination of them, and the conclusion to which I have come is the following. I cannot conceive how it can be argued that a wage which was considered a fair minimum wage nearly forty years ago is a fair maximum wage (for so it is in general practice) now. Whether we compare the wages of Act-coolies with those of free-labour coolies upon the Assam gardens, or the wages in the plantations of Assam with those in Bengal, or the wages in the tea-industry with those in other forms of industrial enterprise, or the wages of Assam coolies with those of the Indian emigrants who proceed to foreign countries—and I have endeavoured to apply all these tests—we cannot, in my judgment, resist the conclusion that, where his fellows or neighbours or competitors have gone ahead, the Act-coolie in Assam has relatively stood still. But then I shall be told that the answer to this is the contention of the Hon'ble Mr. Buckingham and his friends, namely, that the average coolie already gains more than the minimum wage, and therefore that it is a task of superfluous generosity to increase his pittance. These were Mr. Buckingham's words, 'The minimum legal rates are already exceeded by arrangements which have gradually grown up between employers and employed.' Now this is exactly the contention which is disputed by the Government, and which is, I believe, incapable of being sustained. For, in the first place, the contention fails to specify that the arrangements spoken of are absolutely voluntary, and are provided for by no law. Next the calculations upon which the contention is based include overtime payments, which are not earned everywhere or by everybody, or at every time of the year: they also, I believe, in many cases include the bonuses paid to time-expired coolies to induce them to re-engage. They are further based, as Sir Charles Rivaz has pointed out, upon the unit, not of the individual, or of the man and his wife, but of the family. If all these deductions be made, and if it be remembered further that at the end of every calendar month a subtraction is also made on account of the uncompleted tasks during the preceding twenty-six working days, then I do not hesitate to say that the monthly wage earned by the average indentured man and woman on the Assam tea-gardens, so far from being Rs. 5 + Rs. 4, *i.e.*, Rs. 9, which is the statutory minimum, will be below it. In other words, the statutory minimum is in excess even of the normal maximum; and the law which provides for the former has in practice broken down. That this is so is conclusively proved, as regards first and second year coolies, by the

action of Mr. Melius at the Tezpur Conference in recommending a fixed minimum of Rs. $3\frac{1}{2}$ for a man and Rs. 3 for a woman for the first two years, irrespective of task. Why should he have made any such proposal, if this minimum, in itself far below the statutory minimum, were commonly exceeded in practice? I am not here saying one word in criticism or in depreciation of the management of the majority of the gardens. I saw enough of them in my short visit of last year to justify much admiration. But I say that we have to deal with the average coolie, and not with the exceptional coolie, with the average garden, and not with the exceptional garden, and that a situation in which the law has fixed a minimum wage for the male and female coolie, and in which the majority of them fail to earn it within the limits of their ordinary task, is not a situation which the Government can accept with equanimity, or in whose permanent continuation they can acquiesce.

"I am aware that pictures have been drawn in these discussions of the contentment of the coolie, and of the happy Arcadia in which he dwells. It is impossible in this context to ignore the evidence placed before us today by the Hon'ble Mr. Cotton. It may relate to exceptional cases; but even if they be exceptional, how is it possible to defend a system under which such things can occur? So far as it goes—and I desire to push it no further—the evidence is, in my judgment, overwhelming. I have seen some excellent plantations, in which I think that favourable conditions may reasonably be predicated: though even there, I should very much like to hear the coolies' view of the situation. But if the planters' contention is generally true, and if, as is also alleged, the coolie knows perfectly well what he is going to when he is enlisted for Assam, then I fail to see why the stream of emigration to this peasant paradise should be drying up, or why there should be such difficulty in securing eligible recruits. It cannot be due to the superior attractions of labour in the coal-fields or jute-mills of Bengal, or in the gardens of the Duars, because Hon'ble Members decline to admit that the wages there are any higher, or the prospect more alluring. How then does it come about, to quote the Hon'ble Mr. Buckingham's figures, that the total number of imported adult coolies sank from 61,000 in 1896 to 25,800 in 1899, and of Act-coolies from 18,800 in 1896 to 11,000 in 1899? Famine conditions, and the facility of procuring labour in famine years, do not explain these variations. How are we to account for the figures that were given in his speech, by Mr. Cotton? It seems to me that the argument that the coolies know exactly what they are about in going to Assam, when coupled with the startling reduction in the totals in which they go there—a reduction that, it should be noted, has been simultaneous with an extraordinary expansion of the

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industry—is fatal to the hypothesis that they find in the existing prospect, which turns mainly upon the wage, a sufficient attraction. The Hon'ble Mr. Bolton said that the coolie need not go to Assam, and nevertheless that thousands go every year. But how much does the poor ignorant coolie really know of where he is going to? One recruiting agent comes along and tempts one man by glowing promises to go to Assam. Another agent appears and persuades another man by an equally glowing picture to go to the coal-mines or the Duars. Not too much stress should, I think, be laid upon the volition of the coolie. As for the thousands in which they are alleged to go, the whole point is that the thousands are diminishing. That has been conclusively shown by the figures quoted by Mr. Buckingham.

“ It is not unreasonable also to suppose, if the coolies are so familiar with the prospect that lies before them, that they are acquainted with the terribly high rate of mortality that prevails among the Act-labourers as compared with free-labourers in Assam. No one has disputed the figures upon this point: and to my mind it seems clear that the consciousness that there awaits the exile a wage lower than that of his fellows, and a risk of mortality immensely greater, is quite enough to staunch the flow of the emigrant stream. The Hon'ble Mr. Henderson remarked that he had himself experienced no difficulty in procuring sufficient labour. Yes, but his plantations are, I believe, in Cachar, where the Act-coolies are in so small a minority that the proposed increase of wage will have little effect. The conditions of Cachar, moreover, are very different from those of the Brahmaputra Valley: and the dearth of labour in the latter is a matter of universal complaint and is incontestable.

“ I next pass to the cost of the proposed increase of wage. I read some astonishing statements at a recent public meeting in Calcutta to the effect that it might involve the tea-industry in an additional annual burden of 30 lakhs. This calculation proceeds in the first place upon the assumption that because there is a slight increase in the wage of the Act-coolies, there must be a corresponding increase in the wage of all the non-Act-coolies, both in the Surma and Brahmaputra Valleys. I believe this to be an erroneous hypothesis. In the Surma Valley the Act-coolies are, as it is known, in a small minority compared with the free-labourers, and might, so far as I can see, be dispensed with altogether. Secondly, the planters have themselves contended throughout that there is no analogy between the circumstances or conditions of the two parties. Thirdly, it is generally admitted that the wages of the free-labourers are already higher, so that there need be no question of bringing the two sets of wages on to the same level. I believe this surmise, therefore, to be destitute of any widespread or general foundation. Mr. Buckingham has given the number of

Act-coolies as 132,000. Out of these it can be shown by calculations that about 50,000 are in their second or third year. An increase of 8 annas per month to the wage of each of these persons for two years means an increase in each case of 12 rupees, or a total increase spread over the two years, of 6 lakhs. Now I understand that the labour bill of the Assam gardens is about 200 lakhs a year, or 4 crores in two years. An addition to this total of 6 lakhs is an addition of only $1\frac{1}{2}$ per cent. in each of two years, not, I should have thought, a burden that would have reduced even an embarrassed industry to ruin.

"But perhaps it may be said that the arguments which I have been using might equally justify the larger increase advocated by Mr. Cotton, with the smaller increase proposed by the Government of India. I am not sure that this is not the case, and that we have not been too moderate. But we have preferred to err, if at all, on the side of leniency rather than of severity. We have tried to see how best we could reconcile our responsibility to the labourers with our desire to do no injury to the planters and we have accordingly diminished our proposals to the minimum point compatible with fairness. What then is the upshot of the contemplated legislation in respect of wage? For the first year of the quadrennial period, the maximum wage will remain, as under the existing law, at Rs. 5 a man and Rs. 4 a woman, with the proviso that those who are physically unfit for the discharge of a full task shall receive the same wage for a half task during the first six months. In the second year the wage will be Rs. $5\frac{1}{2}$ for a man and Rs. $4\frac{1}{2}$ for a woman, instead of Rs. 5 and 4. In the third year, the figures will remain the same as in the second year. In the fourth year, they will be raised, as they already are under the existing law, to Rs. 6 and 5. I have further indicated in my opening remarks our willingness to consider favourably the postponement of this very modest increase for another two years. I submit to this Council that our proceedings have been actuated by conspicuous and almost excessive moderation, and by the most anxious desire to strike the delicate mean between the two great interests which it has been our duty to consider; and I cheerfully ask the consent of this legislative body to a proposal which, when it comes into operation, will I believe, do something to ameliorate the lot of the labourer, to attract a better class of coolie to the Assam plantations, and in the long run to benefit the employers even more than the employed."

The Hon'ble MR. BUCKINGHAM, in reply, said :—" My Lord, allusion has been made by the Hon'ble Chief Commissioner to the *penal* contract between employer and employé, as if it was a dire misfortune for the coolie to be bound by such a contract. In my opinion the coolie benefits to a great extent by such

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contract. I should like to state what late Chief Commissioners had to say on the subject.

“ Sir Charles Lyall in his letter to the Government of India, dated 8th July, 1898, said,—

‘ Government insists on a great deal more in Assam than would be possible under any Factory Law of which the Chief Commissioner is aware, and the penal contract is thus compensation to the employer for an amount of interference and control in all the details of his relations with his labour-force, which could not be justified without some such contract.’

“ Sir Charles Elliot remarked in 1885 :—

‘ As to the tea-coolie, the protection he gets, the excellent cottage he lives in, the good water-supply, the fairly cheap food and the fairly reasonable wage he gets, are the *quid pro quo* granted in return for the penal clauses which compel him to carry out his part of the contract. He would not get the one without the other, and he would certainly be worse off if he had to part with both. The alternative would be a migratory class of labourers whom no one would go to much expense in hutting and providing for, because he could not be sure of retaining their labour, who would be constantly shifting from one place to another under the influence of enticement and bribery, who would have to build their own houses and would build them of poor materials on unhealthy spots, who would be entitled to no medical care when ill, and would have no opportunity of making complaints or getting grievances redressed such as they have now when the Inspector’s official visit takes place. Such a state of things would be good neither for their *morale* nor for their bodily welfare, but such a state of things would necessarily arise as long as population is scarce and the labourer of great value to the planter, if the law did not intervene to give permanence and solidity to the mutual relations of planter and labourer.’

“ Allusion has also been made by the Hon’ble Mr. Cotton to the so-called Rs. 5 minimum pay, which, by Act I of 1865, he says, the coolie was entitled to receive irrespective of work done. Whatever may have been the intention of the Government of Bengal at the time, suffice it to say it was never carried out in practice. The Bengal Commission sent up to report in 1867 stated at page 65 of their report that—

‘ The wording of section 4, Act VI of 1865, was ambiguous. Had the word “rate” been omitted, the meaning would have been clearer. By many it has been interpreted to mean that the labourers were to be paid at these rates, the insertion of the word “rate” implying that the actual amount of pay earned was to be determined by the actual work done

‘ This view of the case, moreover, is supported by the wording of the form of contract which is required, and which has the force of a document drawn up and brought into operation by the Government. The fourth section of that contract states that so long as the said labourers respectively shall work nine hours daily, or so much thereof as

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shall be required of him or her, he or she shall receive monthly the sum payable to the class to which he or she may belong, clearly' implying (so the Commission said) 'that when the labourers did not work they lost their claim to the full amount of wages.'

"The Hon'ble Mr. Cotton has not even alluded to the term of the contract, I need hardly add that the terms of contract were adhered to in Assam, not only by planters, but also by the officers of the Public Works Department, who imported coolies on the same terms as we did.

"It is worthy of note that in Act II of 1870 the legislature abandoned the rate of wage altogether, providing, however, that the contract should 'specify the monthly wage in money', and so it remained for no less than twelve years, during which time no advantage whatever was taken by planters to reduce rates.

"My Lord, alluding to the Hon'ble Sir C. Rivaz's remarks on this Bill and on what I stated *re* wages, I did not accept the immigration statement of wages, for I added that 'some gardens did not enter all the ticca earnings; so the returns are not of much value in showing actual earnings.'

"As to the Rs. 3-8 and Rs. 3 suggested at the Tezpur Conference, we simply wished to make law what in reality was being done at most gardens in behalf of coolies who could not do full tasks; in fact, that the very small minority of gardens should be compelled to act as the majority did."

The motion being put, the Council divided :—

Ayes—5.

The Hon'ble Mr. R. H. Henderson.
The Hon'ble Mr. R. P. Ashton.
The Hon'ble Mr. C. W. Bolton.
The Hon'ble Sir Allan Arthur.
The Hon'ble Mr. J. Buckingham.

Noes—13.

The Hon'ble Rai Sri Ram Bahadur.
The Hon'ble Mr. H. J. S. Cotton.
The Hon'ble Mr. F. A. Nicholson.
The Hon'ble Sir A. Wingate.
The Hon'ble Rai Bahadur B. K. Bose.
The Hon'ble Mr. H. F. Evans.
The Hon'ble Kunwar Sir Harnam Singh.
The Hon'ble Rai Bahadur P. Ananda Charlu.
The Hon'ble Sir. E. FG. Law.
The Hon'ble Mr. T. Raleigh.
The Hon'ble Sir C. M. Rivaz.
The Hon'ble Sir A. C. Trevor.
The Hon'ble Major-General Sir E. H. H. Collen.

The Hon'ble MR. SMEATON abstained from voting.
So the motion was ^{negatively} negatived.

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The Hon'ble MR. BUCKINGHAM then said:—"Alluding to Your Excellency's opening remarks I will ask permission to move the following amendment:—that to clause 5 of the Bill, as amended by the Select Committee, the following further proviso shall be added, namely:—

'Provided further that any labour-contract made before the first day of April, 1903, may stipulate for a rate of monthly wages of not less than five rupees in the case of a man and four rupees in the case of a woman for the second and third years of the term of such contract.'

"Our position, my Lord, is such, that we readily grasp at any straw which, coming within our reach, might relieve us for the present of additional taxation.

"The state of the tea-industry has arrived at such a crisis that it is almost impossible to exaggerate it. I am afraid, my Lord, I have another small batch of figures. I have before me the results for the last four years of 52 joint stock tea companies registered in London with a capital of £4,552,814. The average dividend paid in 1896 was 7'39, in 1897, 6'07, in 1898, 5'41, and in 1899, 5'34.

"I must state, however, that in many instances reserve funds were encroached upon to provide dividends.

"Of 20 Assam Valley joint stock companies registered in Calcutta, representing nearly 70 lakhs of rupees, the dividend paid per cent. in 1896 was 4'16, in 1897, '93 only, in 1898, '88 only, and in 1899, '98.

"Of an average of 22 gardens in Cachar and Sylhet representing nearly 76 lakhs, the dividend paid per cent. in 1896 was 5'88, in 1897, 1'59, in 1898, '62, and in 1899, 3'34.

"As to the results of season 1900, I will now show that there must be a very serious loss to the majority of gardens.

"A fall of one anna per pound in the price realized for tea represents no less than 5 per cent. depreciation in dividends payable on the capital of a company.

"Comparing therefore the prices realized in Calcutta of the crop of 1900 with that of 1899, we find the average price has fallen from Re. 0-5-11 to Re. 0-5-4 per pound, or rather more than an equivalent of 2½ per cent. on the capital, thereby reducing the dividends of the Assam Valley and Cachar gardens to *nil*.

"In Messrs. Gow, Wilson and Stanton's Indian Tea Report of the 8th February we see that the total average of tea sold to date on garden account averaged for last season 7'35*d.* against an average in the previous year of 8'38*d.* per pound or 1*d.* decrease, thereby reducing dividends to '34 per cent. As, however, stocks are at present over 119 millions pounds against 103 millions pounds at the same time last year, we cannot but expect an even greater fall before all the season's teas are sold.

"The tea sold in the Calcutta market from the Brahmaputra Valley from September to December averaged Re. 0-5-9, or about 3 pie under total cost of placing it in the market.

"Similarly, tea from the Surma Valley averaged Re. 0-4-6, or 3 pie under cost price.

"I have shown that, taking the industry all round, dividends for last season will be reduced to *nil.* What must, therefore, the position of say 80 per cent. of the gardens be, if as many as 20 per cent. of the most favoured gardens do pay fair dividends? It is utterly impossible to continue working at a loss, it has indeed, my Lord, come to a point when the employer has to ask the labourer to give him a share of his income, to continue the industry, for what else is it, when we are compelled to reduce the wages of all coolies except those under the Act? The Hon'ble Mr. Cotton enquired, when expressing a doubt regarding the depression of tea, how it was that we had been going on with extensions for so many years? The answer is simple. If we *had not* made the extensions, many an old garden would have collapsed long ere this. Extensions have enabled us to place our tea in the market at a greatly reduced rate. I see from the Annual Tea Reports that only 15 years ago, tea from the Assam Valley cost, placed in the market and including sale charges, over 8 annas per pound, and in the Surma Valley over 7 annas. Within this period, owing greatly to these extensions, the yield has increased per acre from 320 pounds to 448 pounds, and we can place tea in the market two annas cheaper. Could we remain looking on quietly when Ceylon, the Duars and Travancore were rushing tea out and slowly driving us out of the market? It is not, therefore, fair to blame the Assam planters for the present state of affairs.

"The Tea District Labour Supply Association inform me that they have forwarded to date 12,934 coolies only to Assam, against 20,715 to the same date last year.

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"Owing to the depressed state of tea, orders for coolies are being cancelled in many quarters. It must not be thought that the above decrease is owing in any way to the scarcity of coolies, for our requirements can be easily met.

"My Lord, every effort is being made by the planters themselves to reduce the output of tea either by abandoning 10 per cent. of the area of their cultivation or else by actually curtailing the estimates for the coming season by 10 per cent. By some it is thought, and by all fervently hoped, that by adopting the above precautions the tide of events may be satisfactorily passed over.

"Another point I should like to mention, and it is this. It is absolutely impossible to foretell with any accuracy the result of the working of the Act in the recruiting districts, *i.e.*, whether or not the amendments made will reduce the cost of labour. I understand that a notification under section 3 will be issued with as little delay as possible, but in my opinion it will be necessary to defer putting Chapter V into operation, until the present pernicious *arkati* system is thoroughly rooted out. This will be a matter of time. It must be remembered that any remarks of the Labour Enquiry Commission on the increase of wages were made on the assumption that the cost of importing labour would be materially diminished, but the 'unfulfilled prophesies' in connection with the working of past Acts are inclined to make one feel sceptical in the present instance.

"We look, my Lord, for stronger executive supervision: the system is too slippery to be confined in a legislative straight waistcoat.

"An industry, my Lord, which does not progress, must by the law of nature retrograde, and finally disappear. I could not believe that Your Excellency would be so deaf to the overwhelming majority of official opinion against this enhancement of wages, or so blind to the fatal consequences of its becoming law, that you, my Lord, will persist in it, as it now stands, and not consent to the slight modification I have now proposed."

The Hon'ble SIR CHARLES RIVAZ said.—"I endeavoured to explain, in replying to my Hon'ble friend's previous motion for amending clause 5 of the Bill, that while the Government of India was convinced of the necessity for their very moderate enhancement of the present wage-rate of the coolie who is put under penal contract in Assam. At the same time, I am quite ready to admit that my Hon'ble friend has shown that the tea-industry is passing at present through a phase of acute depression which we all sincerely hope will very soon be followed by a return of prosperity and that at the present moment it is really

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unable to bear an addition burden, however moderate. I think, therefore, that on this ground, and also because the planters will probably require some little time for making their arrangements for availing themselves of the new system of recruiting by garden-sardars which is provided by Chapter V of the Bill, I am justified in accepting the present amendment on behalf of Government. The provision about a half task for the new coolie during his first six months will of course come into operation at once."

The Hon'ble MR. COTTON said:—"My Lord, I confess that this proposal, of which no notice has been given to Hon'ble Members, has come upon me somewhat as a surprise, although I was not absolutely unaware that a motion of the kind was possible. But, my Lord, I think that, if this recommendation is accepted by the Council, we shall stultify in a very complete manner the comparative benefit which we have today accorded to the tea-coolie in Assam. As I understand it, the effect of it will be that it will be for a period of four years at least before even the small concession—a wholly inadequate concession as I think—which the Council have today agreed to will be accorded to the long-suffering labourer. If there is a postponement of two years from the 1st April next,—and one year follows from the operation of the Bill as it now stands,—it will be in the fourth year before he will gain the small increment of eight annas above the rate which he at present draws of Rs. 5. If this small increase of salary is postponed for so long a period as that, I think Hon'ble Members might as well postpone it altogether. The only reason for the postponement—so far as I am able to understand it, because the discussion on the subject has been very brief—is that the industry is suffering from a temporary depression. Well my Lord, a great deal too much in my opinion has been made out of this so-called depression. The real reason of this depression is that the industry a few years ago—and not so many years ago—was so extraordinarily prosperous that everybody put their money into tea, and the extension of tea-cultivation was so great, and the production so large, that the market was over-supplied. I do not blame the Assam planters in the smallest degree for this result, but that this is the explanation of the so-called temporary depression there can be no doubt. I have not come to this Council primed with figures of dividends which tea-gardens in Assam gave a few years ago; but my memory on the subject is not altogether indistinct, and I know this, that only a very short time ago the prosperous gardens in the Province, and they are not inconsiderable in number or extent, were giving dividends varying from 30 to 15 per cent. per annum. Well, I suppose that even my Hon'ble friend opposite (Mr. Buckingham) would consider that to be evidence of prosperity; at all events the general public took that view and put

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their money largely into tea. The production of tea has enormously increased, and the price of tea has run down, and dividends now, instead of being 20 or 25 per cent., have become in prosperous gardens 10 per cent., 7 per cent. or in some cases 5 per cent., and in some less. But, my Lord, even 10 per cent. or 7 per cent. is not altogether a bad return for your money, and so long as gardens are able to give dividends of 10 and 7 per cent. and even 5 per cent., I must say that it seems to me that the outcry that the industry is in such a crisis that it is on the point of expiring is an idle one. I see in today's paper—I do not mean the *Englishman*, I refer to the *Indian Daily News*—that what I take to be the first garden of this year which is giving a dividend for 1900, *viz.*, the Hoolungurie Tea Company, has declared a dividend of 5 per cent. This is not a very large garden, the cultivation is somewhat under 1,000 acres, but I see it has given a dividend of 5 per cent. on the outturn of 1900. During 1899 this garden gave a dividend of only 3 per cent. It was able to give 5 per cent. during the past year because it has got a higher price for its tea and, I presume, has done better plucking. I do not say that this is a typical garden at all, but what I do say is that this is a garden which has understood the position and, instead of flooding the market with rubbish, has confined itself to the manufacture of the best class of tea. It has got an increased price and is able to offer an increased dividend. The Hoolungurie Garden seven years ago was only able to give 3 per cent. It is now able to give 5 per cent. I know nothing of the internal management of that garden, but I state the facts as I find them. Now, my Lord, the tea-industry is not the only industry that has passed through a crisis in connection with over-production. I have been for more than thirty years familiar—not perhaps in the same degree as some of my Hon'ble friends—but familiar with the fluctuations which take place in the market in regard to jute and other large and important industries. I was, for instance, an original shareholder in the Budge Budge Jute Concern. I can remember the fluctuations and depression in the prosperity which we have sustained as shareholders of a jute-mill. I can remember rushing up to dividends of 20 per cent. I can remember the corresponding over-production due to other mills being started and to the extreme depression under which we laboured. For some years there was no dividend given at all. Since then we have recovered. The immutable laws of supply and demand, of which we have heard so much today, have been allowed free operation, and as in the jute-industry so in other industries. Take the cotton-industry for instance, a decidedly larger industry than either jute or tea. The fluctuations there have been of a some-

what similar nature. They have been due chiefly to over-production as is the case before us now, but the crisis through which those industries have passed was never looked upon as being of such an exceptional character as to excite the sympathy of the public in such a way as we have today been called upon to sympathise with it. I can remember also the crisis through which the tea-industry went a little more than thirty years ago when I first came to the country. I well remember the Commission of which the Hon'ble Mr Buckingham has spoken, and of which Mr. Justice Ainslie was the President. The crisis through which the industry passed at that time was much more severe, much more dangerous and acute, than that through which it is now going on account of over-production. Then it was due, as I stated in the remarks which I made earlier in this discussion, to speculation, and it was so serious that those gardens which were subsequently able to give from 20 to 25 per cent, were really in a very bad way and able to give nothing at all. That was a time when there was reason to fear that the tea-industry might go under; but there is nothing whatever in the condition of the industry at present which justifies us in adopting the extraordinary—I can only describe it by such a term—extraordinary proposal of postponing this provision of the Bill which, after full and elaborate discussion, we have provided for the benefit of the cooler. I trust that Your Excellency—and I speak with great diffidence in this matter—I trust that the mind of Your Excellency is not absolutely made up on the subject; and I hope that the Council will not by a second resolution today carry an amendment which completely stultifies and destroys the benefit of the clause in the Bill to which we have agreed; but that this amendment of Mr. Buckingham will be rejected as decisively as the former amendment which he put forward."

The Hon'ble SIR ALLAN ARTHUR said—"I understood the Hon'ble Mr. Cotton to say that there is nothing in the condition of the tea-industry which suggests that it is in a bad way. I am very much surprised that the Hon'ble Mr. Cotton made a statement of this sort after the figures which I read in the course of my former speech. They showed that, out of 61 representative gardens, 45 of them this year have not paid a dividend at all. I should think, my Lord, that that is sufficient proof that the tea-industry is in a very bad way. Further, out of 33 companies registered in England, the highest dividend that any of them paid last year was 5 per cent. I read these figures, as I say, before, and showed the Council that the industry was in as depressed a condition as it could possibly be. I should like to point out to the Council that tea is not like other crops. If the price of jute or wheat declines so low that it

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cannot be grown at a profit, all that the cultivator has to do is to throw his land out of cultivation, grow another crop, and wait till the market improves. It costs him nothing to throw his land out of cultivation. Tea is entirely different in this respect. If the planter were to stop cultivating for a season, the bushes would grow into jungle, the coolies would leave the estate and the planter would be a ruined man. The only thing that can help tea is an increase in consumption, and for that the planter must wait for some years. The end of the present depression is not in sight, and I think it would be of great benefit to the industry if this increase in the wage of the coolie could be postponed for two years."

"The Hon'ble RAI BAHADUR P. ANANDA CHARLU said.—"I regret I have to oppose this amendment. Between the employer and the labourer, the former can afford to bear the burden, as Your Lordship pointed out incidentally, while the latter can ill-afford to go without the increased wage. If the former will be appreciably worse off, the latter will be very much more so. To the former it may mean the reduction of some luxury, while to the latter it will be serious privation."

HIS EXCELLENCY THE PRESIDENT said.—"I am sorry that this proposal has met with so unfavourable a reception at the hands of the Chief Commissioner of the Province. He seems to have considered that it is one of an extraordinary character. I hope he will allow me to say that it is in no sense extraordinary. It is not at all an uncommon thing in legislation in England, and it has not been an unknown thing here, if the Government or the Council have, upon their responsibility, decided upon legislation of a particular character affecting a particular interest, and if any circumstances have been brought forward which have demonstrated to the satisfaction of the legislative body concerned, that a change in the law which, upon general principles, they have accepted, could only be put into operation at a certain moment at the cost of some injury to one of the parties concerned—I say it is not at all an uncommon thing, either at home or here, to accept an amendment or proviso postponing for a short time the operation of the Act or clause in question. Nor, again, do I think that there is anything extraordinary in the circumstances of this particular case. We have now had a long debate lasting the greater part of the day, and widely as our opinions have differed, and difficult as it has been to test the figures that have been given, undoubtedly the calculations which have, in my judgment, least admitted of dispute have been those which have indicated that the tea-industry in this country, and Assam

in particular, has, during the last year or two, passed into a depressed and impoverished condition. However, the Chief Commissioner says that we are now about to stultify—this is very strong language—the benefits and the advantages which it is proposed to confer upon the coolie by this Act. Well, I would submit that he is ignoring or forgetting the fact that the postponement of the wage clause will not in the least degree affect the particular concession as regards the full wage for the half task during the first six months of the term of service of the Act-coolie. He is also ignoring the great and indisputable advantages that ought to accrue to the coolie no less than to the employer from the improved methods of recruiting and superior supervision that will be effected under this Act, and he is also ignoring, as has been pointed out, the remarkable figures and calculations given in the table that was read by the Hon'ble Sir Allan Arthur this afternoon. There is, therefore, I submit, nothing extraordinary in such a proposal being submitted to this Council; and while it is true that its acceptance may involve the postponement of certain of the advantages of this Bill, to say that it will stultify them, is language which exceeds the bounds of that which is reasonable or just. What we are called upon to do is to strike a balance between the two parties. No doubt it is true that it would be more to the advantage of the coolie that the increase of wage should come into operation at once; but even the Hon'ble the Chief Commissioner must remember that were his advice accepted, it would not do so for a whole year, inasmuch as the rise of wage only begins to apply to the coolie in his second year. He has himself, therefore, already by his vote signified his acquiescence in a position which does postpone for an entire year the increase of wage which he now argues ought to take immediate effect. Then, as I have said, we have not only to consider the wage of the coolie, on the one hand, but we also have to consider the effect that might be produced upon him by the imposition of this additional tax upon the industry that employs him at a time when it is very seriously depressed. Is not this point worth considering—that if the increase of wage began to operate at once, and if the facts are, as they are alleged to be, in connection with many of these plantations, even the modest additional expenditure entailed by the increase in the wage of the Act-coolie, in its effect upon these impoverished firms and companies, might be followed by a very unfavourable reaction upon the coolie himself? I think, therefore, that even in the interests of the coolie a case may be made out for postponement.

“We have, as I indicated in my remarks at the opening of this debate, been prepared to listen with an open mind to the arguments which might

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be adduced in favour of such a postponement. At the same time there are certain of these arguments in which I cannot profess to find any peculiar force. I have heard it said, both inside this Council and outside, that if, and when, the slight addition to the wage of the Act-coolie in Assam, that we have sanctioned by the vote of this Council, be put into operation, the majority of gardens will pass out of cultivation, and that Assam will revert to a howling wilderness. Having heard a good deal of public and platform declamation, I have learned that in speeches wildernesses always howl. But they do not do so in fact; and even were this increase of wage which we have passed to come into immediate operation, I should not be in the least alarmed as to the relapse into waste of any considerable part of the cultivated area of Assam. It might unfavorably affect a number of tottering ventures, and I am willing to regard this as a ground for postponement, but I cannot believe that it would appreciably retard the general development of the province.

“ There is another claim that was specially put forward by the Hon'ble Sir Allan Arthur which I must equally decline to accept. It is the claim that we owe some special reparation to the planters for our currency policy, which, by raising the rate of exchange, is alleged to have raised against them the cost of production. Now, this case was argued before the Currency Commission in London in 1898 by prominent representatives of the planting interest; and I do not hesitate to say that it completely broke down. It was conclusively proved before that Commission that the depression in the industry was due, not to the closing of the Mints by the Government of India, nor to the fiscal policy of the Chancellor of the Exchequer in raising the tea-duty, but to over speculation, over competition, and over production. I have gone very carefully into the figures: and they show most conclusively that, whereas in the nine years preceding the closing of the Mints, that is, from 1885 to 1893 inclusive, the area under tea-cultivation in India increased by 39 per cent., and the quantity produced by 85 per cent., in the six years following upon the closure of the Mints, namely, 1894 to 1899, the area increased by a further 43 per cent., and the produce by a further 76 per cent.; while in 1899 the increase in production was double what it had been in any previous year. So much for all India. I will next take the case of Assam alone. In the nine years from 1885 to 1893, the increase in area was 30 per cent., in production 75 per cent.; in the six years from 1894 to 1899 it was 38 per cent. in area, and 67 per cent. in production. Further, if we elimi-

nate the years 1893-1897 while the rupee was steadily rising from 13*d.* to 16*d.*, and if we take the years posterior to 1897 only, during which the rupee reached and maintained stability, we shall find that, in the two years 1897-1899, there was an increase of 20,000 acres in Assam alone brought under cultivation, and of 21 million pounds of tea produced. Moreover, the fall in the price of tea, about which we have heard so much, continued long after exchange had become stable. It is clear, therefore, to me that the argument derived from the closure of the Mints is of very little value, and that the tea-industry has been disastrously affected not by the currency policy of the Government of India, but by the ill-considered rush of speculation, and by the production of more tea than there were markets to purchase or mouths to swallow.

“ However that may be, we have to deal at this moment not so much with causes as with results, and I am quite prepared to recognise that the facts that have been placed before us, testify to a condition in the industry which is one of much embarrassment. The situation has changed materially, and for the worse since 1899. Figures have been given in this debate of the fall that has taken place in the prices of tea. I am far from admitting that this fall involves a corresponding abridgment of profits, since I learn that there has been a considerable reduction in the cost of production, arising from more scientific cultivation, better plucking, and improved methods in general. But nevertheless the fall in prices has been continuous and unarrested, and cannot fail to react unfavourably upon the industry. Similarly I have examined the dividends of the Joint Stock Tea Companies throughout India, in order to realise the general impression that was being produced upon them by the stagnation, resulting from excessive production, in the industry. I gather from the statistics that the turn for the worse did not come till after 1899. Up till that time many were doing very well. Of 31 companies registered in India in 1899, six paid dividends of 4 to 10 per cent., and five of 10 to 15 per cent. or over. On the other hand, that production was already becoming extravagant was shown by the fact that 17 of the 31 paid no dividend, and of these 8 never had paid any dividend. The figures for 1900 have been given by the Hon'ble Sir Allan Arthur and the Hon'ble Mr. Buckingham, and I need not repeat them. Of the 50 companies registered in England, 12 in 1899 paid no dividend, 16 paid 5 to 10 per cent. and 11 paid 10 to 15 per cent. Here again we have received the figures for 1900 from the Hon'ble Sir Allan Arthur and the Hon'ble Mr. Buckingham. The Hon'ble Mr. Cotton has spoken as though 10, 7 and 5 per cent. were still common figures.

[8TH MARCH, 1901.]

[*The President.*]

I believe that this is not the case; and I think that the mistake he has made is his failure to recognize that there has been a marked decline since 1899.

"I am prepared, therefore, to admit that not merely in Assam, but throughout India, the tea-industry is at the present moment in a position, which demands much sympathy and deserves respectful consideration. Other calculations and reasonings have been placed before us by the spokesmen of that industry at this table. Though I do not for one moment shrink from the position that the increase to the wage of the coolie which was recommended to this Council by Government, and which has been accepted by a majority of its votes, was a right and a wise decision, I will not refuse on behalf of my colleagues and for myself to accept the postponement that has been suggested, in the hope that in the space of time that will intervene before the change in the law comes into operation, there may under the new Act be an improvement in the facilities for recruitment by the garden-sardar, and a reduction in the price of importation, that will render the planting interest itself more favourable to an enhancement of wage that will provide it with a better article at a reduced cost.

"But here, in conclusion, let me say a friendly word to the representatives of that interest. I am a believer in the policy of helping those who know how to help themselves. I see the tea-merchants of India and Ceylon scrambling for the markets of England, the Continent and the United States of America. Why do the Assam planters not recognise that there lies the most splendid market in the world at their doors? Millions of Indians now burn kerosine oil, consume ice, carry umbrellas, and smoke cigarettes. Twenty-five years ago these habits would have been scouted as impossible. Now they are common and in some cases universal. Why do you not tempt these people also to drink tea? What is the good of scouring the world for the thousands? You have the millions at your gates. If I were a planter in Assam I would never rest till the pluckings of my garden became the staple drink of the Indian artisan, in place of the spirituous poison which he is now tempted, for want of anything better, to pour down his throat. I give you this suggestion for what it is worth: and, whether it be taken or not, I hope that Hon'ble Members will at least admit that throughout the controversial discussion of today the Government has shown itself a critical, but a not unfriendly, champion of the composite interests of the most interesting province of Assam."

The motion being put, the Council divided :—

Ayes—15.

The Hon'ble Mr. R. H. Henderson.
 The Hon'ble Mr. R. P. Ashton.
 The Hon'ble Mr. C. W. Bolton.
 The Hon'ble Mr. D. M. Smeaton.
 The Hon'ble Mr. F. A. Nicholson.
 The Hon'ble Sir A. Wingate.
 The Hon'ble Sir Allan Arthur.
 The Hon'ble Mr. H. F. Evans.
 The Hon'ble Mr. J. Buckingham.
 The Hon'ble Kunwar Sir Harnam Singh.
 The Hon'ble Sir E. FG. Law.
 The Hon'ble Mr. T. Raleigh.
 The Hon'ble Sir C. M. Rivaz.
 The Hon'ble Sir A. C. Trevor.
 The Hon'ble Major-General Sir E. H. H. Collen.

Noes—4.

The Hon'ble Rai Sri Ram Bahadur.
 The Hon'ble Mr. H. J. S. Cotton.
 The Hon'ble Rai Bahadur B. K. Bose.
 The Hon'ble Rai Bahadur P. Ananda Charlu.

So the motion was agreed to.

The Hon'ble SIR CHARLES RIVAZ moved that the Bill to consolidate and amend the law relating to Emigration to the labour-districts of Assam, as amended, be passed.

The motion was put and agreed to.

The Council adjourned to Wednesday, the 20th March, 1901. His Excellency THE PRESIDENT explained that the Budget would be presented on that day, and that the Indian Mines Bill would be taken at the sitting on Friday, the 22nd March.

CALCUTTA; }
 The 14th March, 1901. }

J. M. MACPHERSON,
 Secretary to the Government of India,
 Legislative Department.

Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict, c. 67, and 55 & 56 Vict., c 14).

The Council met at Government House, Calcutta, on Wednesday, the 20th March, 1901.

PRESENT :

- His Excellency Baron Curzon, P.C , G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*
- His Honour Sir John Woodburn, K.C.S.I., Lieutenant-Governor of Bengal.
- The Hon'ble Major-General Sir E. H. H. Collen, G.C.I.E., C.B.
- The Hon'ble Sir A. C. Trevor, K.C.S.I.
- The Hon'ble Sir C. M. Rivaz, K.C.S.I.
- The Hon'ble Mr. T. Raleigh.
- The Hon'ble Sir E. F.G. Law, K.C.M.G.
- The Hon'ble M. R. Ry. Panappakkam Ananda Charlu Vaidya Vinodha Avargal, Rai Bahadur, C.I.E.
- The Hon'ble Kunwar Sir Harnam Singh, Ahluwalia, K.C.I.E., of Kapurthala.
- The Hon'ble Mr. J. Buckingham, C.I.E.
- The Hon'ble Mr. H. F. Evans, C.S.I.
- The Hon'ble Rai Bahadur B. K. Bose, C.I.E.
- The Hon'ble Sir Allan Arthur, Kt.
- The Hon'ble Sir A. Wingate, K.C.I.E.
- The Hon'ble Mr. D. M. Smeaton, C.S.I.
- The Hon'ble Mr. C. W. Bolton, C.S.I.
- The Hon'ble Rai Sri Ram Bahadur.
- The Hon'ble Mr. R. P. Ashton.
- The Hon'ble Mr. R. H. Henderson.

ADMINISTRATOR GENERAL'S ACT (AMENDMENT) BILL.

The Hon'ble SIR CHARLES RIVAZ presented the Report of the Select Committee on the Bill further to amend the Administrator General's Act, 1874. He said that he proposed, with His Excellency's permission, to ask the Council, at its next meeting, on Friday, the 22nd instant, to take the Report into consideration.

FINANCIAL STATEMENT.

[Sir Edward Law.]

[20TH MARCH, 1901.]

FINANCIAL STATEMENT FOR 1901-1902.

The Hon'ble SIR EDWARD LAW introduced and explained the Financial Statement for 1901-1902. He said :—

Introduction. • "1. It is my duty to lay before the Legislative Council, statements showing the actual financial results of the year 1899-1900 : the results according to Revised Estimates for the year 1900-1901 ; and the Budget Estimates for the coming financial year 1901-1902.

"2. In their briefest form and leaving out Capital, Debt, and Remittance transactions, the figures are as follows :—

	1899-1900 (Accounts).
	£
Revenue	68,637,164
Expenditure (charged against Revenue)	65,862,541
	<hr/>
Surplus	2,774,623
	<hr/>
	1900-1901 (Revised Estimate).
	£
Revenue	75,166,000
Expenditure (charged against Revenue)	73,525,600
	<hr/>
Surplus	1,640,400
	<hr/>
	1901-1902 (Budget Estimate).
	£
Revenue	72,191,900
Expenditure (charged against Revenue)	71,501,000
	<hr/>
Surplus	690,900
	<hr/>

[20TH MARCH, 1901.]

[*Sir Edward Law*]

" 3. Before proceeding to the detailed consideration of the figures composing the above totals, I think it would be well to explain a slight modification of system which we have decided to adopt in our Accounts.

" 4. We have had under consideration the advisability of some simplification in the General Statement of Accounts and Estimates of Revenue and Expenditure, and Receipts and Disbursements.

Changes
in the form
of Accounts.

" 5. It has appeared to us that by submitting this Statement under two heads, separating Ordinary Revenue and Expenditure, from Receipts and Expenditure on Capital Account and Debt and Remittance transactions, the general result will be made clearer to the public

" 6. We have therefore, with the consent of the Secretary of State, adopted a form showing, first, all purely Revenue Receipts, and Expenditure charged against the same, and indicating differences between the respective totals as 'surplus' or 'deficit' according to circumstances. We then show separately, Capital Receipts and Expenditure, the Debt and Remittance transactions, and the opening and closing cash balances, including in the proper columns, the surplus or deficit resulting from the difference between Ordinary Revenue and Expenditure.

" 7. This change is not in itself of great importance, but I think that it offers the advantage of presenting the Accounts, in a more readily intelligible form, and, moreover, that it is technically correct.

" 8. It would seem expedient to strike a balance at the end of the first section of the Statement, to show as Surplus or Deficit, in the body of the account, the difference between Ordinary Revenue, and Ordinary Expenditure charged against that Revenue, and to make a very marked distinction between the two main heads of the Statement, (1) Ordinary Revenue and Expenditure charged against Revenue and (2) Capital, Debt, and Remittance transactions. The final result of the second section of the Statement is the closing cash balance in hand at the end of the financial year.

" 9. We have at the same time adopted certain minor changes which I will proceed to indicate.

" 10. There seems no reason why the comparatively unimportant expenditure on 'Construction of Railways charged against Revenue, in addition to that under Famine Insurance,' should be shown separately in the General Statement, which is designed to exhibit only the leading and important figures. The expenditure under this head is now

insignificant in amount and is either 'Provincial' or 'Local.' We have therefore combined it with that under Buildings and Roads, giving to the group the title of 'Other Public Works.'

" 11. In view of the importance of the heads Post Office, and Telegraph (the figures for which are specially watched by many observers interested in the general and economic progress of a country), we think there will be an advantage in giving a separate line to each of them, even in the General Statement, and, in view of the decision to treat the profits of coinage specially, we think it desirable also to show the Mint figures separately.

" 12. Further, with the object of bringing together all the entries connected with capital expenditure on Railways and Irrigation Works, we have adopted another change which will, in our opinion, be a distinct improvement. It is to group together under the heading 'Railway and Irrigation Capital not charged to Revenue,' the figures relating to the Capital of Railway Companies, which are at present shown under 'Debt, Deposits and Advances,' and those for the similar direct capital transactions of the Government, which are now shown under the heading 'Expenditure not charged to Revenue.' We shall thus have a perfectly distinct Capital account, with the advantage of showing in one place, the whole capital outlay on railways, whether by Government, or through Companies.

" 13. Being convinced of the value and improving position of the Government property in railways, we are anxious that the Railway Accounts should be readily understood by the investing public, and we consider the changes relating to railway accounting, now proposed, as a step in the direction of attaining desired simplicity, in a somewhat complicated technical question of accounting.

Accounts,
1899-1900.

" 14. The closing of the Accounts of the financial year 1899-1900 shows an improvement in Actual Receipts of £712,164 over the Original Estimates and £104,764 over the Revised Estimate, as submitted by my predecessor last year.

" 15. The differences between the Original and Revised Estimates were explained by Mr Dawkins last March, and the differences between the items of Revenue in the Revised Estimate and those of the final Accounts are insignificant and call for no special remarks. I need only mention that the final Accounts show an improvement of £123,545 in Railway Receipts, with the result that Railway Revenue Accounts brought out a net profit of £76,756.

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[*Sir Edward Law*]

" 16. In Expenditure charged against Revenue the final Accounts show an increase of £559,341 as compared with the Original Estimate, and a decrease of £117,059 as compared with the Revised Estimate, the largest item in the latter being a decrease of £144,374 under 'Army.'

" 17. The difference between the original and the revised Estimate of Receipts is very considerable, the increase amounting to £5,010,200; but, of this increase, a sum of approximately £2,900,000 comes under the head of Mint, and is balanced by a correspondingly large increase under the same head in Expenditure. These considerable differences are due to the large coinage of rupees, which could not be foreseen; but, deducting the sum due to this cause, we still have to account for an increase of Revenue exceeding £2,100,000.

Revised
Estimate,
1900-1901.

" 18 It is certainly very gratifying to note that, in spite of all the troubles of the past year, every main head of Receipts except Land Revenue shows a more or less important increase.

" 19. The most notable augmentations are:—under Opium, about £572,000, due to the high price of opium, £106,000 in Salt, due to increasing consumption, although under this head we have cause to be dissatisfied with the Burma returns; £138,000 in Excise, £190,000 in Customs, a certain sign of consuming capacity and therefore of progressive well-being; £86,000 from Telegraphs, partly due to exceptional circumstances connected with Famine and partly to the increasing demand for news owing to the wars in South Africa and China, and the fatal illness of the late Queen-Empress; £965,000 in Railway Receipts, partly due to the large movement of food-stuffs for famine requirements and partly to increased mileage and general development, £208,000 under Irrigation; and finally an increase of £130,000 under Military Department Receipts, which is purely fortuitous, and represents the value of Military Stores sent abroad and debited to the Home Government. The totals of the items I have mentioned account for an increase in Receipts of about £2,395,000

" 20. Against this satisfactory increase in the great majority of items of Revenue we have to record a heavy deficiency, as between the Revised and original Estimates of Land Revenue, amounting to £382,900. This is the only main heading of Revenue which shows a falling-off, and the unfortunate result tabulated is sufficiently accounted for by the severity and prolongation of famine in some of the western and central districts.

" 21. When we turn to Expenditure, we find that the total of the Revised Estimate exceeds that of the original Budget Estimate by about £3,530,000. But here again

we must make a reduction of about £2,900,000 under 'Mint,' the amount of the net profit on coinage to be credited to the Gold Reserve Fund, and consequently we have only to account for between £600,000 and £700,000 of increased Expenditure, above the original Estimate.

" 22. The most important item of increase in Expenditure is under the group 'Famine Relief and Insurance,' which amounts to about £876,000. This unfortunately needs no explanation. The next in importance is an increase of £323,000 under 'Railway Revenue Account,' but this augmentation was due to, and more than compensated for, by increased traffic yielding the larger Revenue already indicated. The charge under 'Interest' also exceeds the Budget Estimate by about £200,000 and Miscellaneous Civil Charges by £74,500.

" 23. On the other hand, 'Other Public Works' decreased by about £118,000, out of which about £42,000 is to be attributed to reduced expenditure on Military Works, and 'Army Services' cost less than anticipated by about £1,185,000, the saving being chiefly due to the absence of troops in China and South Africa. There was also a decrease of £124,000 under Salaries and Expenses of Civil Departments, and finally, the differences in the Accounts under Provincial Deficits and Surpluses increased the expenditure as shown in the Statement by £576,400.

" 24 The grand result indicated by the Revised as compared with the Original Estimate for 1900-1901 is to increase the originally estimated surplus of £160,300 to a fairly assured surplus of £1,640,400.

Budget
Estimate,
1901-1902.

" 25 We may now turn to the consideration of the Budget for the coming financial year.

" 26. It will be observed that, if the abnormal receipt under 'Mint,' included in last year's Estimates, is omitted, the difference between the totals of Receipts, according to the Revised Estimates of the closing year, and the Estimates for 1901-1902, now presented, is very small, and amounts only to an anticipated increase of Revenue of £71,900 in the coming year.

" 27. Under certain heads, however, the differences are considerable and demand attention.

" 28. Land Revenue is estimated to produce £474,800 more than last year, and in view of improved prospects throughout the greater part of India, this Estimate is unlikely to prove too sanguine, although, until we are sure of a favourable monsoon, the most moderate Estimates may be suddenly and hopelessly falsified.

[20TH MARCH, 1901.] [Sir Edward Law]]

" 29. The only other main heading of Revenue which is expected to yield an important increase is 'Railways,' where Receipts are expected to exceed those of last year by £331,400. The anticipated increase is chiefly due to the inclusion of gross instead of net Receipts from the Great Indian Peninsula Railway for 12 months in the coming year, as against 9 months only in the closing year, and also, to some extent, to increased mileage opened to traffic.

" 30. Besides the above-noted increases, variations in the items included under 'Other Heads' are estimated to produce, on balance, an additional £183,400, the more important improvements being £160,800 in Provincial Rates, and £62,600 in Tributes from Native States.

" 31. Other minor improvements make up the total increase of Revenue, as compared with the Revised Estimate for 1900-1901, to £1,086,500.

" 32. Against these improvements we have, however, (always excluding Mint) to note a considerable reduction under various important heads. Opium is estimated to yield £589,300 less than last year, since it would not be prudent to count on the continuation of the abnormally high prices which have lately prevailed. Customs are estimated at £136,100 less, the most important variation in detail being a lower Estimate for imports of Sugar, the duties on the extraordinarily large importation of which have abnormally swelled our Receipts during the past year. Irrigation Receipts necessarily fluctuate with the increase or decrease of the demands of agriculturists for water, and are higher in bad seasons; we therefore anticipate for next year a smaller return by £127,400.

" 33. The above are the more important heads of decrease, and other minor variations account for, approximately, a further £161,800, making up the total of items of decrease to £1,014,600.

" 34. I now turn to Expenditure, which as a total, and again excluding 'Mint,' shows an increase of £1,131,900 reduced to £923,500 by the differences under the Provincial Deficits and Surpluses.

" 35. The total increase under various heads is £4,446,900, of which £2,062,100 is for Army Services, £728,400 for 'Other Public Works,' and £652,400 for Railway Revenue Account. Concerning these three items I shall have some remarks to make when I deal specially with Military and Public Works Expenditure. Other heads including 'Direct Demands on Revenue,' £161,600, 'Salaries and Expenses of Civil Departments,' £493,200, and Miscellaneous Civil Charges, £123,900, make up the total figure of increase above indicated.

" 36. Expenditure in all directions has been so greatly and necessarily restricted during the period of financial distress that, now that we may fairly estimate for an improvement in Revenue and a very important diminution of Charges for Famine Relief, we have been glad to show some comparative liberality in meeting urgent administrative demands. The Famine Charges, including £250,100 for Reduction or Avoidance of Debt, are taken at £3,245,000 less than for the past financial year.

" 37. We have examined the more important figures of the Budget. I will now endeavour to sum up the situation.

" 38. Our estimate of Revenue and Expenditure chargeable against Revenue closes with a surplus of £690,900. This surplus we carry forward to the second part of our Statement dealing with Capital Account and including Deposits, Remittances and Advances.

" 39. Our total Estimate for Capital Expenditure (not chargeable to Revenue) on Railways and Irrigation amounts to £5,395,600, of which sum £2,019,400 is for State Railways and £2,709,500 for the Account of Railway Companies, the balance being for Irrigation Works. In addition to the above, we have to find £301,900 for discharging Temporary Debt, and also to provide for other minor Capital Expenditure amounting to £944,500, including an over-payment in India of £330,200 on account of Secretary of State's Bills, and we finally arrive at a gross total of Capital requirements amounting to £6,642,000.

" 40. To meet this outlay, we have, in addition to our surplus of £690,900, a sum of £1,663,400 raised by Railway Companies. We further anticipate procuring £2,240,000 by addition to our Permanent Debt, of which sum we contemplate raising two crores of rupees in India, £502,500 from addition to the Unfunded Debt, and £111,200 from repayment of Loans and Advances.

" 41. These sums amount in the aggregate to £5,208,000, and the balance required to meet the total Capital Expenditure of £6,642,000 is found by a reduction of £1,434,000 in our Closing Balances in India and England.

" The final result will be a Closing Balance on March 31, 1902, of £10,500,327 in India and £2,605,943 in England.

" 42. The present intention of the Secretary of State is to draw bills amounting to £16,500,000 during the course of the coming year. I have omitted this figure from both sides of the account I have summarised.

" 43. There is a point in connection with our Treasury operations which is perhaps likely to be the object of remark, or question, and on which I think it may be well to

[20TH MARCH, 1901.]

[*Sir Edward Law.*]

give some explanation beforehand. I refer to the fact that, whilst our Estimates show a comparatively large cash balance in hand in India, at the end of the coming financial year, we nevertheless announce our intention of adding to our permanent indebtedness by raising a loan in India during the course of the year.

" 44. The necessity obliging us to take this course arises from the fact that during the earlier part of the financial year our Revenue collections are very small, as compared with monthly expenditure, and our balances gradually diminish, until in November, they fall so low that we have to calculate our ways and means and assure our supplies with great care, so as to tide over the critical period till the last four months of the financial year, when Revenue Receipts begin to pour in.

" 45. It will be understood then, that it is the anticipated condition of our resources in the month of November which necessarily fixes the amount of our borrowings without regard to the possibility of a relative plethora of cash in our Treasuries, three or four months later.

" 46. The Government of India is at a great disadvantage in this respect, owing to the non-existence of any financial institution sufficiently strong to be able at all times to provide such funds, for short terms, as may be required to satisfy the temporary needs of the Treasury.

" 47. It has, I believe, often been urged that the relatively high rates of discount prevailing in the busy winter season from December to the end of March are due to the low figures of Government balances with the Presidency Banks, during those months.

" 48. I give below the figures showing these balances during the last four years. They are as follows :—

	1897	1898.	1899.	1900.	1901.
	R	R	R	R	R
January	2,84,69,815	3,10,74,779	3,22,88,586	2,83,49,286	3,31,13,363
February	3,00,23,776	3,22,51,227	3,30,81,480	3,01,62,613	3,09,44,761
March	3,77,40,338	3,27,96,275	3,16,44,816	2,64,87,648	
December	2,88,20,840	2,92,33,557	2,73,30,372	2,74,96,162	

" 49. I think that, although special circumstances reduced these balances last year, the above quoted figures show that the Government of India is not unmindful of the advantage to the business community of placing comparatively large balances at their disposal, during the busy season.

" 50. In my general summary which includes under various main heads, the different items of Provincial Finance, I have not discussed any details of this branch of accounts, as I have nothing to add to, or to explain in, the very clear statement on this head, prepared by Mr. Finlay with his usual ability and industry and to which I would specially invite attention. This statement is to be found in Section VI, Part II * of the Financial Statement.

Expenditure
on the Army
and Public
Works.

" 51. In all countries in the world, the greatest drain on financial resources and in some respects the most difficult to justify, is that caused by the combined heavy demands for military requirements and for public works.

" 52. But our whole existence depends on proper provision for the defence of our frontiers, and without continual expenditure on public works, the development of communications so absolutely necessary for economic progress, could never be realised, whilst the large sums spent on irrigation are more than justified by the magnificent results obtained from this class of expenditure, yielding, as a rule, not only direct and immediate profit, but also providing for the sustenance of millions, who would otherwise be included among the sufferers from recurring droughts.

" 53. As regards military expenditure, although we have granted very large sums for the improvement of our military position as regards defence, every additional item which has been agreed to, has not only been most jealously scrutinised in the Finance Department, but has also been submitted to the close examination of the Governor General in Council.

" 54. The lessons derived from the war in South Africa could not be neglected. It was our responsible duty to take them to heart, and we have done our best under the guidance of the military advisers to Government to profit by them.

" 55. Fortunately, the savings realised in our general military expenditure owing to the temporary absence of our troops in South Africa and China have enabled us to provide for a portion of the urgent needs of the army without adding to our general burdens; for the rest, we have done what is for the moment in our power, but we cannot yet say that our task is completed.

" 56 The following figures show the Net Military Expenditure during the last few years :—

	£
1898-99, Accounts	15,385,042
1899-1900 "	14,165,743
1900-1901, Revised	14,239,100
1901-1902, Budget	16,345,500

* *Pidg Gazette of India Extraordinary*, 20th March, 1901, p. 53.

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[*Sir Edward Law.*]

“ 57. The increase in the estimates for the coming year is very considerable. Items classed as new expenditure amount to about 142 lakhs charged under Army in addition to about 18 lakhs connected therewith, charged to Military Works. Of this total, amounting to, approximately, 160 lakhs, about 127 lakhs are non-recurring, and 33 lakhs recurring. It includes, among other heads, provision for the expenditure of 94 lakhs on artillery, rifles, ammunition and ordnance stores, approximately 8½ lakhs for the establishment of the gun-carriage factory at Jubbulpore and the cordite factory in the Neilgherries; and 21½ lakhs for the establishment of an efficient transport service, including the purchase of animals

“ 58 The expenditure on factories for manufacturing munitions of war in India, will not only have the effect of increasing our military independence, but also the highly satisfactory result, from the economic point of view, of substituting expenditure in India for expenditure abroad, of increasing the productive power of the country, and of training a large body of mechanics and other skilled artisans.

“ 59 As regards expenditure on public works, we have given our special attention to rendering existing railways more efficient, by the provision of additional rolling stock and other requirements for their satisfactory and profitable working. We have also set aside a large sum for expenditure on irrigation works as a protection from famine. The grant under this head for the coming year amounts to one crore and is the same as that sanctioned last year, whilst in considerable excess of the sums allotted in the immediately preceding years for the same purpose. But we are convinced that the money will be well spent.

“ 60. The following figures show the comparative capital expenditure on public works, during the last few years, classed under the more important heads, and the programme for expenditure in 1901-1902.—

	R
1898-99—	
Railways	8,84,21,189
Irrigation ,	65,35,482
	9,49,56,671
1899-1900—	
Railways	8,96,77,803
Irrigation	89,69,400
	9,86,47,203
1900-1901 (Revised Estimate)—	
Railways	8,30,75,000
Irrigation	90,08,000
	9,20,83,000

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[Sir Edward Law]

[20TH MARCH, 1901.]

Programme, 1901-1902—

Capital expenditure on open lines	4,59,97,000
Ditto lines under construction	4,59,47,000
Ditto new lines only recently commenced	1,13,00,000
Ditto Irrigation	1,00,00,000

TOTAL 11,32,44,000

Classification.

Capital expenditure for Railway Construction—

To be raised by Government	2,22,86,000
Ditto Companies	8,09,58,000

TOTAL 10,32,44,000

“ 61. I think that after consideration of the above figures showing comparative capital expenditure, I should invite special attention to the comparative net results of the working of our railway system. The following figures give the net deficit or surplus since 1897-98:—

1897-98.	1898-99.	1899 1900.	1900-1901 (Revised Estimate).	1901-1902 (Budget Estimate).
£	£	£	£	£
—709,304	—620,165	+76,756	+156,200	—164,800

“ 62 In noting the relatively unsatisfactory estimate of net results for the coming year, it must be borne in mind that the traffic of last year, due to transport of famine supplies, was exceptionally large, and that we have now made specially large provision for repairs, renewals of rolling stock, and other improvements to be charged against next year's revenue.

“ 63. Further, I must point out that, if we take only the figures of traffic receipts, £18,427,600—and those of working expenses £8,655,300,—the results anticipated for the coming year, are somewhat better than those for the year 1900-1901, and show a net profit (thus calculated) of £9,772,300 as against £9,701,600 last year. The final estimated falling-off is due to an increase of expenditure under the heads of Interest and Annuities, in connection with new construction and the purchase of the Great Indian Peninsula Railway. These are temporary drawbacks, and the decrease in net revenue is temporary as the lines under construction will add to revenue when opened for traffic.

“ 64. It is unnecessary for me to enter into further details concerning expenditure under the two heads I have now been discussing, since it is the main principles guiding such expenditure, and the possibility of satisfying recognised requirements, which alone concern the Finance Department. Questions of detail lie outside the province of that Department and are the immediate concern of the Honourable Members of Council at the head of the Military and Public Works Departments.

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[Sir Edward Law.]

" 65. During the past financial year this great Indian Empire has been suffering from an appalling calamity, quite unprecedented, I think, in the recent history of any country on the globe's surface. Not only have we been the victims of a famine of extraordinary severity, the inevitable outcome of the early cessation of the rains in the year 1899, but to the consternation of all men, responsible for, or interested in, the welfare of the millions of agricultural population, the coming of the periodical rains, required to refresh the thirsty soil and restore the fecundity of mother-earth, was so delayed last season, that the trials of the long suffering populations were prolonged in the most distressing and unexpected manner. But this was not all. In addition to the calamity of famine, the plague pestilence is still with us, and the terrible list of its victims is daily to be counted in the official returns from the plague-stricken districts. And this too weighs heavily on the resources of the country. Results of
the Famine.

" 66. The Government of India has followed with the keenest anxiety the course and results of these awful afflictions, so entirely beyond its control, and it has recognised with profound admiration the splendid spirit with which millions of sufferers have faced the calamities from which they were powerless to escape.

" 67. The suffering condition of our fellow-subjects has been brought home to us, in the most incisive manner, through the continued and heart-rending appeals for assistance which have reached the Government of India. It is however my duty, and a happy duty, to state that, under the instructions of the Secretary of State and the Government of India, all such appeals have been considered by the Departments concerned, in a most liberal spirit, and no single appeal examined in that spirit by the competent authorities, has remained unsatisfied. The national purse and national credit have been freely placed at the disposal of all whose genuine distress might, it was hoped, be relieved by the prompt expenditure of money.

" 68. Such has been the spirit guiding our action, and it now falls to my duty to state the cost of our gigantic undertaking:

" 69. To count it with any approximation to accuracy is impossible, for it is not the direct expenditure of money which alone is involved: there has been an expenditure of life, health and energy of the numerous Government servants, both European and Native, who have nobly done their duty in facing the storm: in addition to the direct cost, of gratuitous famine relief and relief works, of remissions of taxation, of agricultural loans, of loans to assist afflicted Native States, of provision of medical assistance, and of special payments to famine officers, there has also been the indirect cost of loss of revenue, both as regards land revenue and miscellaneous taxes, and the incalculable, but probably still greater future cost of checked economic development.

" 70. We can fairly count the direct cost ; the indirect cost must necessarily escape accurate calculation.

The following are the principal items of direct loss and expenditure :—

	R
Famine relief	6,33,76,000
Remissions and Suspensions of Land Revenue and Provincial Rates	1,47,16,000
Compensation for dearness of provisions and other charges	66,03,000
TOTAL	8,46,95,000
" In addition to the above, we have provided :—	
	R
Loans to Native States	4,11,00,000
Special Agricultural Advances	1,42,00,000
TOTAL	5,53,00,000

" This is an appalling total, but the calamity was also appalling. And the tale is not yet told. Expenditure will continue in the coming year. Already we have been called upon to provide approximately a crore for direct famine expenditure in the coming year, chiefly in Bombay, and we have been obliged to allot 164½ lakhs as grants-in-aid to Provincial Revenues, to restore financial equilibrium, thrown out of balance by famine and plague requirements.

" 71. It has been a serious and responsible task to meet all these heavy demands, but, thanks to the recuperative power of the country, directly due to the frugal habits and industry of the people, the task has been accomplished, and the Government of India can say with no inconsiderable satisfaction, that, with the aid of the ruled, the Rulers have done their duty, and the results have been such as to leave a memorable record in the history of mankind.

Countervailing Duties.

" 72. The countervailing duties on bounty-fed sugar came into practical effect in May 1899, and consequently we have not yet had two years' experience of their working. Two years is too short a period to permit of the formation of a definite opinion as to the effect of these duties, and considering also the abnormal conditions of plague and famine which have prevailed during the whole time, I think that it would be very premature to draw definite conclusions from the statistics of recent imports of sugar.

" 73. The general question of the sugar trade and industry is, however, one of such wide-spread interest, that it may be useful to invite attention to the figures showing the imports of sugar into India, during the last four years, classified according to the countries of origin.

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"74. I may call attention to the fact that the United Kingdom, and the interested British Colonies, the Straits Settlements, Hongkong and Mauritius, appear to have had their full proportionate share in the remarkable increase of importation into India, during the expiring financial year. It is also interesting to note that the greatest relative advance in the supply of sugar has been made by Germany, although that country is far from having recovered the predominant position which she occupied at the beginning of the period under review. Among foreign countries Austria-Hungary still keeps the lead, as an exporter of sugar to India, but does not come within measurable distance of Mauritius.

"75 I may mention that the net receipts from the countervailing duties amounted to ₹8,17,555 in the eleven months of the last financial year, during which the extra duties were in force, and to ₹15,29,552 during the first ten months of the current financial year. We may reasonably hope to encash 17 or 18 lakhs from this source before the close of this year, and it is perhaps not an unsatisfactory reflection that this addition to our Revenue has been realised at the expense of the European tax-payers, taxed by their respective Governments to provide the bounties which enable foreign sugar refiners to sell their sugar in India, at prices below prime cost.

"76 The fact is that the Government of India has added 17 lakhs to its resources by taking for Revenue purposes, the approximate difference between cost price, and the artificially maintained selling price of bounty-fed imported sugars, whilst the Indian consumer pays no more for his sugar than he would have to pay if the bounty system were abolished

"Imports of Sugar into British India by sea from other Countries.

	1897-98.		1898-99.		1899-1900		1900-1901 (Ten months.)	
	Cwt.	₹	Cwt.	₹	Cwt.	₹	Cwt.	₹
<i>Refined</i>								
United Kingdom	46,384	8,64,618	135,565	7,42,288	65,424	11,45,888	97,090	15,82,124
Austria-Hungary	945,745	1,04,45,039	1,003,737	1,08,48,842	777,821	85,37,821	929,104	1,10,15,378
Germany	1,203,309	1,27,88,053	413,971	43,38,134	60,526	6,10,514	288,229	33,57,206
Mauritius	1,406,047	1,50,60,098	1,793,607	1,85,56,504	1,417,115	1,53,04,869	1,748,141	1,93,41,498
Egypt	44,274	4,66,630	1,261	12,968	6,977	81,743	34,691	4,03,423
Ceylon	48,965	5,54,082	2,117	23,626	16,813	1,91,203	8,281	97,809
China—Hongkong	291,175	33,48,381	185,682	20,98,496	316,975	36,55,145	454,384	53,61,030
Java	140,485	17,54,857	162,500	17,02,398	190,553	18,54,091	200,247	20,13,143
Straits Settlements	74,357	8,13,005	75,656	8,87,364	79,999	8,96,142	138,992	14,84,094
Other Countries	34,653	3,93,167	30,814	3,21,640	3,789	54,458	31,627	3,37,352
TOTAL	4,235,394	4,70,87,930	3,764,910	3,95,32,320	2,935,992	3,23,34,904	3,930,786	4,49,93,957
<i>Unrefined.</i>								
Mauritius*	371,969	7,50,277	310,504	6,24,539	356,231	7,18,466	357,666	7,31,444
Ceylon	656	2,688	510	2,154	289	1,253	119	304
Java	...	...	...	...	62,675	7,06,282	...	...
Straits Settlements	555	3,513	1,551	10,883	667	5,104	3,695	24,560
Other Countries	56	386	24	93	48	290	101	609
TOTAL	373,226	7,56,864	312,589	6,37,669	424,870	14,31,395	361,581	7,56,917

* The imports from Mauritius classed under unrefined sugar are molasses.

Exchange
and Coin-
age.

" 77. The course of exchange throughout the financial year, ending on the 31st of this month, has been remarkably steady, and I may with satisfaction repeat the statement made by my predecessor, on this question, last March, namely, that the object of Government, the maintenance of a stable exchange, has been realised during the past year; and I may add that this stability has been maintained by following lines already laid down and without involving the necessity of any further special measures or serious effort on our part.—

The average rate for Council Drafts, throughout the twelve months now drawing to a close, has been 15 979*d*

The maximum, reached in the month of December, was 16'037*d*.

The minimum, in the month of August, was 15 933*d*.

" 78. What has been done as regards the sale of Council Drafts and the coinage of rupees (and to the latter question I will return more particularly) has been done in accordance with a general policy of limiting, as far as possible, the action of Government, in exchange matters, to following and satisfying the demands of the market. I believe this to be the proper safe policy. It has been suggested that such a policy should be firmly established by legislative enactment, but I am not convinced that any enactment would give greater security than now exists for continuity of guiding principle. I fear that any possible form of enactment would bind our hands in an undesirable manner, in questions of detail, and on general grounds, it is desirable to avoid frequent recourse to legislation on exchange and currency questions.

" 79. During the past year there has been no hesitation to sell Council Drafts and Telegraphic Transfers to meet demands, although during the slack season of trade sales were shorter, whilst later on the Secretary of State found himself obliged to increase his offers of Bills so as to compete with the export of sovereigns which were being largely despatched to India, by parcel post, for conversion into rupees, at our mints and treasuries.

" 80. We have, without legislation, established a Gold Reserve Fund into which will be paid all profits of coinage accruing since the beginning of the closing financial year, and that Fund will serve as a guarantee for the conversion into gold, if required, of the rupee token coinage with which, to meet positive requirements, we have supplied the public so largely.

" 81. The great strain on our resources, due to disastrous famine, forced us to use for current requirements, the profits of coinage during the past calendar year, but since January 1, 1901, we have commenced paying our further profits directly into the

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[*Sir Edward Law*]

Gold Reserve Fund, and the amount thus paid in, already amounts to £800,000, to which a further sum of £400,000 will almost immediately be added, on account of coinage profits in March.

82. As regards the profits from April 1 to December 31, 1900, amounting to about £1,730,000, these will be paid into the Gold Reserve Fund as our resources may permit, and it is our earnest desire to expedite such payments as much as possible. A special source will become available for these payments, by the reimbursement of the large advances to Native States and takavi loans provided by Government, in connection with famine necessities. The advances made to Native States alone amount to over four crores of rupees.

83. I may here state that it is the intention of Government to invest, from time to time, in British Consols or other Sterling Securities, the sums which may be accumulated in the Gold Reserve Fund.

84. With regard to the control of coinage operations, I think that a practical rule of conduct is to be found in maintaining as closely as possible, a sufficient sum in rupees in the Currency Reserve, to meet all demands which experience shows may reasonably be anticipated, and, for the present, we may hold in sovereigns, the balance of our Currency Reserve exclusive of the ten crores invested in Rupee Paper.

85. This is what we have resolved to do, and although we have not yet been able to accumulate in our Currency Reserve the full sum in rupees which it is in our opinion desirable to maintain, the failure to secure this accumulation is due solely to the limited capacity of our mints and to their inability to turn out rupees as quickly as they have been required to meet an extraordinary and unprecedented demand.

86. I submit a statement showing the results of our rupee coinage operations during the past financial year :—

Amount of Rupees, coined 1900-1901.

1900.										1901		TOTAL FOR 11 MONTHS.
April	May	June	July	August	September	October	November	December	January	February		
67,70,538	86,95,312	1,26,47,856	74,38,228	88,28,057	1,45,95,261	1,59,72,707	1,54,65,446	1,60,30,063	2,44,35,608	1,99,01,678	15,07,50,754	

“ Of the above total coinage exceeding 15 crores, 3 crores and 23 lakhs were coined for, and issued to, Native States.

“ The monthly outturn for account of the Government of India varies considerably, but this variation must not be taken as an index of the opinion of Government as regards requirements, for the coinage of rupees for our own requirements has been hampered by the fact that our mints have been under obligations to coin, besides rupees for our own needs, both dollars for the Colonies, and rupees for Native States, and, as regards the latter operation, no one will dispute the great advantages from every point of view of having a uniform currency circulation throughout the Indian Empire. This desirable end we now appear to be in a fair way of attaining, and apart from the advantages of securing a uniform currency, we were bound, at no matter what inconvenience to ourselves, to fulfil our contracts to Native States. We have, however, taken such measures as were possible to increase the capacity of our mints, with the result of reaching an average monthly outturn exceeding two crores of rupees in the last two months for which we have the returns.

“ The figures of the Table submitted, show a total coinage for 11 months (the figures for March are not yet available) exceeding 15 crores, and for the 12 months of the financial year we shall presumably reach approximately 17 crores, of which between 13 and 14 crores constitute an addition to the rupee currency of British India. This is an enormous and surprising addition, but we have not allowed ourselves to be tempted by the large possible profits of the operation. We have not gone beyond supplying possible demands, and we have taken adequate precautions to insure the realizable value of this extraordinary addition to our token currency. I believe that what we have done has been both necessary and safe.

“ 87 On this question I may point out that the figures of outturn show conclusively that there has been no hesitation on the part of Government to take every possible measure to provide all the necessary circulating medium which current demand has indicated as required for the business of the country.

“ 88 To sum up, I may say that we have endeavoured, and will endeavour, to regulate the sale of Council Drafts in accordance with trade demands; that we have endeavoured, and will endeavour, to maintain a stock of rupees in our Currency Reserve sufficient to satisfy all reasonably to-be-anticipated demands, and even if such demands continue beyond reasonable anticipation, we still hope to maintain and improve our position. Finally, we shall accumulate from coinage profits a substantial gold reserve, independent of the Currency Reserve, and we shall from time to time invest the gold accumulated in Sterling Securities.

“ 89. I venture to hold that this system which we have adopted in accordance with a deliberate policy, is as nearly automatic as any that could be devised, and I think that there are practical difficulties in the way of any attempt to stereotype such a system by legislative enactment.

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[*Sir Edward Law.*]

"90. First, I may observe that the effects of legislation are necessarily so restrictive that, though they may enforce automatic action under one set of conditions, they inevitably limit automatic action if those conditions are changed. Thus, under existing conditions, and with due regard to the present average circulation of notes, we may think that we ought to keep a certain amount of rupees in the Currency Reserve, and that we can afford to hold a certain number of sovereigns in the same fund. But the circulation of currency notes may increase or diminish (I hope and anticipate the former), and the general requirements for rupee currency may also increase or diminish; if such changes of condition occurred, what would be our position if the proportion of rupees to sovereigns in the Currency Reserve were fixed by law?

"91. We have fixed this proportion in our own minds, but, if the conditions on which our estimate is based should change, we are quite prepared to change the proportion which we have temporarily accepted as our guide. This, as we now stand, can be done immediately without recourse to legislative enactment, and without that undesirable disturbance of the public mind, which legislation on such delicate questions is liable to produce.

"92. In concluding my remarks on this subject, I think it will be of interest to state what is our position to-day as regards note circulation, rupees and silver bullion in the Currency Reserve, gold in the Currency Reserve, and gold in the Gold Reserve Fund.

The figures on March 7, were as follows:—

Notes in circulation	R28,09,15,765
Rupees in the Currency Reserve	R 5,87,12,865
Value of silver bullion in the Currency Reserve	„ 1,78,48,764
Gold in the Currency Reserve	£ 6,956,946
Gold in the Gold Reserve Fund	£ 800,000
Total silver	R7,65,61,629
Total gold	£ 7,756,946

"93. The Government of India some time ago addressed inquiries to the Local Governments, Presidency Banks, and Chambers of Commerce, soliciting their opinion as to the best method of increasing the circulation of currency notes. Circulation
of Currency
Notes.

"94. I think that this is a very important question, and that the entire banking and commercial community will admit that it is desirable, if possible, to increase the circulation of notes. But the problem how best to do so, without incurring undesirable risks and expenditure, bristles with difficulties.

"95. I cannot say that the numerous valuable communications, which we have received from the authorities whom we have consulted, have gone very far towards furnishing a definite solution of the problem, for the divergency of the opinions offered is remarkable. Difficulties, of which we were already aware, are emphasised, and the only general conclusion to be drawn is, that it is practically impossible to take any heroic measures, that we can only safely venture on some very limited experiment, and that it will take a very long time for important results to be achieved.

"96 With reference to this question, I may perhaps say a word regarding the criticisms on the circular of inquiry issued by the Government of India which have appeared freely in the press. It has been stated more than once that it is evident from the terms of the circular that the Government of India did not know its own mind on the question propounded. I am very willing to admit that, when making the inquiry, the Government of India had arrived at no definite decision as to how best to arrive at a desirable end. But I cannot admit that this is fair ground for hostile criticism.

"97 The business public undoubtedly desire that Government should take them into their confidence, and ask their opinions on such important questions. But it seems to me that it would be rather late in the day to ask opinions when we had definitely made up our own minds. I am not deprecating press criticism, on the contrary, if intelligently conducted, as it very frequently is, it is most valuable. But I think that it is not quite logical, both to blame Government for autocratic decisions, as is sometimes done, and also to accuse Government of indecision, when it is seeking the solution of a difficult problem, and asks the opinion of competent advisers.

"98. It is unnecessary to recapitulate all the difficulties of this particular question, for they are well known to all who have studied the subject. I will only say that Government recognize as the most serious difficulty to be met, the probable use of notes for large remittances, and the expense of maintaining at out-treasuries a sufficient stock of rupees to cash notes when suddenly presented for large sums. Even with the existing circulation, under existing conditions and limitations as regards encashment, we are not always able to supply rupees to those who present notes and ask for them. I am, however, strongly of opinion that if the use of currency notes became more general, and larger amounts were held in circulation, the percentage of rupees required to meet demands for encashment, would be considerably less than that which is required to-day, when, unfortunately, the circulation of notes is still hampered by the fact, that the holder of the note cannot be assured of converting it into rupees at the Treasury, and is therefore willing, and sometimes obliged, to dispose of his note in the bazar, at a discount. I hope, however, that considerable improvement may gradually be made in this respect, and that before long we may go even further and find ourselves able to adopt some limited measure in the direction of encouraging and increasing the circulation.

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“99 Before quitting this subject, it may be of interest if I quote some figures showing the tendency to increase in the circulation of notes during the last few years.

I.—Statement showing the gross circulation of paper currency for all India.

	1897-98.	1898-99.	1899-1900.	1900-1901 *
	R	R	R	R
Average	24,24,00,000	25,63,00,000	27,96,00,000	28,79,00,000
Maximum	24,76,00,000	28,20,00,000	29,27,00,000	30,78,00,000
Minimum	22,86,00,000	23,25,00,000	26,26,00,000	27,90,00,000

* Eleven months only.

II.—Statement showing in lakhs the circulation of paper currency excluding amounts held by the Government Reserve Treasuries and by the Presidency Banks at their head offices.

	1897-98	1898-99	1899-1900.	1900-1901 †
	R	R	R	R
Average	20,35,00,000	20,79,00,000	23,09,00,000	23,84,00,000
Maximum	21,20,00,000	22,49,00,000	24,41,00,000	25,02,00,000
Minimum	19,44,00,000	19,43,00,000	21,94,00,000	22,85,00,000

† Eleven months only.

“100 The above tables show a decided and satisfactory increase in the average note circulation in the hands of the public during the last four years, and I think that the indication thus given by facts, is a sufficient encouragement to persevere in the policy of seeking to augment our note circulation.

Economic
Progress.

“101. We have reviewed the financial situation in its more important features. We may now turn to the consideration of the economic situation.

“102 In my opinion, the question of economic development is one in which those responsible for the financial situation must take the keenest interest. It has always appeared to me that it is comparatively easy for a Government, to take money out of the pockets of the public, provided that those pockets are sufficiently well-filled. Hence, I think that we are specially interested in doing all that is in our power to promote economic progress.

“103 I pass to the consideration of certain facts and figures indicative of the economic situation.

F

" 104. In dealing with the great question of meeting famine requirements, I have already alluded to the recuperative power of India. The fact that we have been able to meet the extraordinary demands on our resources, due to famine and plague, and that we are to-day able to present a budget showing, notwithstanding the simultaneous serious depression in three such important industries as cotton, tea, and indigo, a distinct and satisfactory increase of revenue obtained without increase of taxation, is in itself the strongest evidence of that recuperative power. But I think that close examination of certain material facts will afford further proof that our belief in this recuperative power is not an idle assumption.

" 105. We may first consider the more important indications of the figures of revenue returns during the last four years.

" 106. It was natural and inevitable, that the land revenue in certain provinces should suffer and diminish through the direct influence of the calamities which have befallen us, but, whilst land revenue has necessarily fallen off in some afflicted provinces, in others, more favoured by Providence, the collections have increased with the prosperity of the people. Fortunately too we are not dependent on land revenue alone, and I observe, with some satisfaction, that on the whole, over a series of years, the proportion of land revenue to the total of our resources shows a diminishing tendency.

" 107. In 1897-98 the proportion of land revenue to general revenue was 26.63 per cent, in 1898-99 27.08 per cent, in 1899-1900 25.07 per cent, in 1900-1901 it will be 23.54 per cent, and the estimates for 1901-1902 result in a proportion of 25.17 per cent.

" 108. There are certain other sources of revenue, which I trust will, year by year, assume greater importance, and in the returns from which we may find indications of general economic progress. In particular I think that such indications may be noted in the increasing revenue derived from Salt, Customs, and Post Office. The following are the figures under these respective heads:—

	Accounts, 1897-98..	Accounts, 1898-99..	Accounts, 1899-1900..	Revised, 1900-1901.
	₹	₹	₹	₹
Salt Revenue . . .	8,59,42,250	9,09,98,713	8,77,56,944	8,92,66,000
Customs Revenue—				
Import duties . . .	3,73,51,650	3,59,25,090	3,61,39,583	3,89,65,000
Excise duty on cotton goods . . .	11,61,880	13,72,910	13,36,623	10,88,000
Export duty . . .	72,48,190	1,01,12,130	87,63,905	90,09,000
Land Customs and Miscellaneous . . .	6,51,230	6,11,490	7,66,751	8,00,000
TOTAL . . .	4,64,12,950	4,80,21,620	4,70,06,862	4,98,62,000
Post Office Revenue . . .	1,87,91,630	1,91,40,671	1,96,24,722	2,03,04,000

[20TH MARCH, 1901.]

[Sir Edward Law.]

" I think that the Salt revenue returns are particularly encouraging as indicating not only a steadily increasing tendency, but in particular, as showing that even in the past disastrous year of famine and pestilence, the general consuming power of the population, as a whole, not only suffered no diminution, but, on the contrary, showed an improvement over the preceding year

" 109. The same considerations apply to the figures of Customs Revenue, though even in a more remarkable manner, for whilst we find a diminution of about 2½ lakhs in the yield of Excise duty on cotton goods, a diminution due to an industrial crisis and having no connection with the general condition of the country, under all other heads, there was a marked increase, resulting in a total improvement, over the previous year, of nearly 29 lakhs, and producing the highest total figure of revenue recorded by the Customs Department, since the duties on cotton yarns were abolished in 1896.

" 110. As regards Post Office revenue, the same absolute conclusions cannot be drawn from the fluctuations of revenue as may be fairly assumed in the case of Salt and Customs. Post Office profits are necessarily seriously affected by arbitrary reductions of postage rates, which, however necessary and profitable in the long run, must cause an immediate, though temporary, falling off in receipts.

" 111. I think, however, that when, as in the case of the Indian Post Office returns, a steady progress of revenue is observable, we are entitled to consider such progress as strong evidence of satisfactory economic development, a development which has not only material, pecuniary results, but is important, as evidence of general moral progress.

" 112. I have already alluded to the growth of Railway revenues, and, although the task of drawing conclusions from the figures of railway receipts is complicated by the difficulty of distinguishing increase due to increased mileage, from increase due to increased traffic, nevertheless, the actual increase of gross railway receipts affords positive proof of greater movement on the railways, and, in so far, of general development.

" 113. The most important industry in India and the one directly interesting the numerably larger proportion of the population is agriculture.

" 114. The prosperity of the agricultural population, the deepest concern of the Government of India, has, in the last five years, received apparently crushing blows through the unprecedented recurrence of famine. The effect of repeated droughts is indeed far reaching, and the terrible loss of cattle is a most distressing incident of the late famine, which will long make itself felt in Gujarat and other similarly affected districts, but the figures of Land Revenue, which I have quoted, conclusively show that, whilst some unfortunate territories have suffered most severely, others have prospered.

with the general result that, as a whole, the agricultural population in the Indian Empire is somewhat better off to-day than it was a year ago.

" 115. *Prima facie*, this is certainly an astonishing conclusion, but if the whole situation be examined it is perfectly natural and logical. Bengal, the Punjab and Madras show by the land revenue returns that they have been doing well, Assam has held its own, and Burma, favoured with a magnificent rice crop, was able to export its staple produce, on the most profitable terms, to feed the famished peoples of Western and Central India, and is in a condition of remarkable prosperity. Further it may here be mentioned that the unprecedented transport of food-stuffs on the railways, swelled Railway Receipts, and contributed a useful addition of Revenue wherewith to meet the demands of famine sufferers.

" 116 Two special branches of agricultural industry, indigo and tea, are unfortunately now passing through a serious crisis. Indigo is being hard pushed by the competition of a foreign chemical product, and the easily made profits of former days have become a thing of the past. But, when the first stages of consideration and research have already revealed that there has been room for economy in administration, that superior crops can be raised by manuring, scientific rotation and selection of seed, and that the actual product of the vats can be increased up to 30 per cent by the use of the 'blower,' there would appear to be reasonable hope for a return to more prosperous days.

" 117 The history of the tea industry in India has been a very chequered one, alternating between periods of great prosperity and the deepest depression, and it may, therefore, be hoped that the present crisis, which seems to be generally attributed to over-production, may in its turn be succeeded by a renewed period of prosperity.

" 118. Manufacturing industries still hold but a very small proportionate place in the economy of India, but their importance is increasing and there is every reason to desire that it should increase. The cotton industry, the most important hitherto, is unfortunately passing through a period of considerable depression, and in some quarters it is held that the introduction of spinning high numbers will be necessary to secure a full revival.

" 119 Cotton is, however, the only manufacturing industry which appears to be in even temporary difficulties, and the rapid increase in the number of important factories and workshops during the last few years is really remarkable and most encouraging.

" 120 I may cite a few examples of industrial development.

" 121. In the year 1895 there were 350 cotton factories including spinning and weaving mills, and there were 586 such factories in 1899. The number of engineering

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workshops and foundries, including railway workshops, rose from 72 in 1895 to 82 in 1899, and jute mills and presses from 62 to 82. Rice mills numbered 65 in 1895 as against 84 in 1899, and sugar factories 9 in 1895 as against 14 in 1899.

" 122. The imports of machinery and mill-work and of iron and steel, also afford important indications of progress. These have, as might have been expected, been recently adversely affected by the serious depression in the cotton industry, by far the most important manufacturing interest in the country. Nevertheless, if we take into consideration the natural effects of this special depression during the last two years, it is most satisfactory to find that the average value of imports of machinery and mill-work during the last five years, has surpassed that of the previous quinquennial period, by, approximately, 75 lakhs, equivalent to an increase of nearly 30 per cent.

" 123. Perhaps, however, the most satisfactory statistics are those showing the production and export of coal during the last few years. The exports of coal, which only amounted to 222,380 tons in the year 1897, reached 490,490 tons in 1900, and there appears every reason to anticipate further progressive development in this direction.

" 124. As regards the total output of coal, in 1897 it was 4,063,127 tons, whilst in 1899 it reached 5,089,392 tons, showing an increase in two years of about 25 per cent, and the figures so far available for the subsequent period, show that progress is being well maintained.

" 125. Other interesting figures bearing on the question of economic welfare are to be found in the statistics of the Savings Banks and Provident Institutions.

" 126. Between 1895-96 and 1899-1900 the balance at the credit of depositors increased by Rs. 1,88,111 notwithstanding the two disastrous periods of famine with which the country was afflicted during this short term of years.

" 127. As regards the condition of trade, as apart from industry, it is rather difficult to fix on any special figures from which to generalise or draw sound conclusions. I give, however, below, a table showing the value of exports and imports, exclusive of treasure and Government stores, during the last four financial years, and for ten months of the current year. This table shows a slight falling off in exports during the year 1899-1900, amounting, however, to less than 4 per cent, but taking all the figures of both export and import together, the total value of trade is only about 1 per cent less than for 1898-99, and considerably in excess of the preceding years tabulated. Considering the numerous disadvantages under which the export trade has been labouring

since the recommencement of famine, I think that on the whole these figures indicate commercial strength, and a generally satisfactory situation.

	1896-97.	1897-98.	1898-99.	1899-1900.	1900-1901. Ten months, 1st April to 31st January.
	₹	₹	₹	₹	₹
Total Imports . . .	71,79,38,293	69,26,66,625	68,38,03,412	70,71,18,634	62,06,92,778
“ Exports (including re exports) . . .	1,03,91,42,972	97,53,72,730	1,12,72,14,730	1,08,97,61,873	86,98,70,628
Total Exports and Imports . . .	1,75,70,81,265	1,66,80,39,355	1,81,10,18,142	1,79,68,80,507	1,49,05,63,406
Excess Exports over Imports . . .	32,12,04,679	28,27,06,105	44,34,11,318	38,26,43,239	24,91,77,850

“ 128. Another point connected with the question of the general trade situation, and which affects traders very closely, is the bank rate for the use of money.

“ 129. The annexed Table shows the rate of the Bank of Bengal month by month, since January 1897, and it will be observed that since August 1898, a fairly uniform tendency has prevailed, and that a maximum rate of 8 per cent has rarely been reached and never passed. I think that an 8 per cent rate during the busiest season of the year is no serious hindrance to business in India, although, if we could reduce our normal maximum to 6 per cent, it would be an advantage. But we must remember that if the rate of interest in India were brought down to the low averages prevailing in Western Europe, there would no longer be any temptation to capital to seek investment so far afield.

“ 130. In connection with this question I may point out that, according to the figures tabulated, there is much less relation, in India, between the volume of trade and the rate of interest than would naturally be supposed.

“ 131. It will be observed from the subjoined Table that, whilst a 7 per cent rate existed concurrently with the comparatively small exports during October and November 1897, no higher rate was induced by the comparatively large exports in the first three months of 1899; and that, whilst a 10 per cent rate was maintained in April 1897, when the value of exports was below average, a 5 per cent rate sufficed for the large exports of October 1900.

“ 132. These figures would seem to indicate that the rate of discount, and therefore the demand for loanable capital, has been at times, more dependent on speculation and the nervous apprehensions of traders, than on the real requirements of trade.

“ 133. The consideration of these figures leads me to hope, that provided our money markets do not become the victims of speculators (and to avoid this we must rely on

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the prudence and good sense of the banking community), we are now reaching a more permanently stable monetary condition, than that which existed three or four years ago.

" 134 A factor tending in this direction is, I think, to be found in the development of communications and increasing facilities of credit, which must tend to prolong the seasons for export of such staples as rice, jute, cotton and seeds, and thus facilitate the financing of the trade.

Statement showing the value of Merchandise exported from India during the years 1897, 1898, 1899 and 1900 with the Bengal Bank's maximum published rate of interest and the rate of Council Bills for the same period.

Months	1897			1898			1899			1900			1901		
	Value of exports	Rate for Council Bills	Rate of interest	Value of exports	Rate for Council Bills	Rate of interest	Value of exports	Rate for Council Bills	Rate of interest	Value of exports	Rate for Council Bills	Rate of interest	Value of exports	Rate for Council Bills	Rate of interest
	₹	Pence per rupee	Per cent	₹	Pence per rupee	Per cent.	₹	Pence per rupee	Per cent	₹	Pence per rupee	Per cent.	₹	Pence per rupee.	Per cent.
January	8,73,04,851	15 188	10	8,34,52,788	16 028	11	10,21,84,221	16 087	7	10,32,92,817	16 160	8	10,43,47,203	16 031	7
February	9,62,61,163	15 241	10	9,70,08,863	15 920	12	10,07,62,555	16 077	7	9,79,89,243	16 098	8	10,35,00,000	15 954	8
March	10,25,04,183	15 068	10	9,94,31,550	15 874	12	11,14,04,069	16 019	7	9,01,30,024	16 041	8			
April	7,22,02,871	15 009	10	9,53,28,912	15 959	12	9,21,95,847	15 995	7	8,03,05,815	15 973	6			
May	8,09,19,405	14 455	10	10,85,85,324	15 961	11	9,20,44,648	15 979	8	9,17,36,214	15 887	6			
June	7,19,85,838	14 648	10	9,42,05,289	15 888	11	8,67,39,268	15 994	5	7,95,87,619	15 984	5			
July	7,62,03,383	15 031	7	9,62,23,911	15 801	8	9,73,36,326	15 984	5	7,49,66,216	15 941	4			
August	7,17,54,950	15 494	5	8,90,21,171	15 869	4	8,78,49,348	15 972	4	7,09,67,938	15 933	4			
September	6,57,94,038	15 614	6	8,00,44,865	15 866	5	8,11,85,607	16 079	6	7,14,77,871	15 951	5			
October	7,46,14,910	—(1)	7	8,26,62,148	15 687	5	8,77,16,005	16 135	8	10,38,06,652	15 933	5			
November	8,88,93,382	—(1)	7	8,05,72,895	15 954	5	8,19,88,412	16 118	7	8,89,31,218	15 968	4			
December	8,20,47,730	15 400	9	8,52,74,230	16 007	6	9,15,78,640	16 069	7	9,78,67,151	16 037	7			
Total	87,34,86,728			1,10,28,40,083			1,11,30,34,846			1,05,70,68,888					

(1) No bills were drawn in these months on account of the famine

* Average rate

† Approximate

" 135. I may now endeavour to sum up the general situation.

Conclusion.

" 136. It has been shown that our economic situation, on which our financial situation depends, is, notwithstanding checks in certain directions where it has been prejudicially affected by known causes, on the whole good that, wherever not prejudiced by such special, and it may be anticipated, temporary difficulties, it is progressive, and that the evidences of general recuperative power are many and satisfactory

" 137. At the same time, in a country where the returns of Revenue depend so largely upon meteorological conditions impossible to foresee or to control, it behaves

us to frame our Estimates with great caution This we have done, and still our Estimates of Revenue Receipts show an increase of over £2,000,000 above those framed by my predecessor for the closing financial year, and if we remove from the Account the purely fortuitous receipt of, approximately, £3,000,000 on account of Mint operations, they are slightly in excess of the realisations of 1900-1901.

“ 138 It is indeed fortunate that we are able to present such satisfactory figures, for, as already stated, we are not yet free from the charges and consequences of famine.

“ 139. It has been our first care to afford relief from the financial prostration affecting so many Provinces, where not only necessary Balances have been exhausted, but where also, stern need for the strictest economy has most unduly curtailed expenditure necessary to meet many primary needs of society, such as public works, education, medical requirements, and administrative improvements. We have been as liberal in this direction as prudence permitted, and have made grants-in-aid to Provincial Revenues amounting in the aggregate to 164½ lakhs.

“ 140. In addition to this abnormal charge on our Revenues, we must devote one crore of rupees from the Famine Insurance Grant to direct famine expenditure in the still afflicted districts, and to this again, as a consequence of the lessons of the South African War, is added a large sum for Army Services, increasing the estimated charge on this account by £876,500 above the sum sanctioned for 1900-1901.

“ 141. These large extraordinary charges, amounting together to over £2,600,000, are, however, more than balanced by an estimated reduction, as compared with last year, of £3,245,000 in general famine expenditure, and by the exercise of strict economy where permissible, we are finally able to show a surplus of £690,900 to be carried forward to Capital Account and to reduce by so much the amount which we shall be obliged to borrow for railway construction and irrigation works, on the prosecution of which we are so largely dependent both for general economic progress and for protection from the direct and indirect effects of recurring famine.

“ 142. In conclusion I may say that the Estimates for 1901-1902 are of good promise, and that, unless our reasonable anticipations are falsified by an unprecedented recurrence of serious disasters, we are entitled to look forward with some confidence to the future, and to hope for the early dawn of a period of considerable prosperity.”

The Council adjourned to Friday, the 22nd March, 1901.

CALCUTTA ;	}	J. M. MACPHERSON,
The 22nd March, 1901.	}	<i>Secretary to the Government of India,</i> <i>Legislative Department.</i>

Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict., c. 67, and 55 & 56 Vict., c. 14).

The Council met at Government House, Calcutta, on Friday, the 22nd March, 1901.

PRESENT :

HIS Excellency Baron Curzon, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.
His Honour Sir John Woodburn, K.C.S.I., Lieutenant-Governor of Bengal.
The Hon'ble Major-General Sir E. H. H. Collen, G.C.I.E., C.B.
The Hon'ble Sir A. C. Trevor, K.C.S.I.
The Hon'ble Sir C. M. Rivaz, K.C.S.I.
The Hon'ble Mr. T. Raleigh.
The Hon'ble Sir E. F.G. Law, K.C.M.G.
The Hon'ble M. R. Ry. Panappakkam Ananda Charlu Vidya Vinodha Avargal, Rai Bahadur, C.I.E.
*The Hon'ble Kunwar Sir Harnam Singh, Ahluwalia, K.C.I.E., of Kapurthala.
*The Hon'ble Mr. J. Buckingham, C.I.E.
*The Hon'ble Mr. H. F. Evans, C.S.I.
*The Hon'ble Rai Bahadur B. K. Bose, C.I.E.
The Hon'ble Sir Allan Arthur, Kt.
The Hon'ble Sir A. Wingate, K.C.I.E.
The Hon'ble Mr. D. M. Smeaton, C.S.I.
The Hon'ble Mr. C. W. Bolton, C.S.I.
The Hon'ble Rai Sri Ram Bahadur.
The Hon'ble Mr. R. P. Ashton.
The Hon'ble Mr. R. H. Henderson.

NATIVE CHRISTIAN ADMINISTRATION OF ESTATES BILL.

The Hon'ble SIR CHARLES RIVAZ moved that the Report of the Select Committee on the Bill further to amend the Administrator General's Act, 1874, be taken into consideration. He said :—"The Bill as introduced was limited to the exemption of Native Christians from the operation of certain provisions of the Administrator General's Act. We now propose, as explained in the Select Committee's Report, to extend this concession to exemption from the provisions of sections 190 and 239 of the Succession Act, and also to give Native Christians the benefit of the Succession Certificates Act."

[Kunwar Sir Harnam Singh.] [22ND MARCH, 1901.]

The Hon'ble KUNWAR SIR HARNAM SINGH said:—"My Lord, the Bill which is now before Your Excellency's Council has my fullest measure of sympathy and support. The Indian Christians of all denominations, of whom I am a humble representative, will feel deeply grateful to Your Excellency's Government for the relief which this Bill, when it becomes law, will give to them. Formerly Indian Christians were in every case and under all circumstances obliged to take out probate or letters of administration and pay succession-duty. It was felt by them that this was a substantial grievance. The representatives of deceased Christians had to go through a tedious, troublesome and often ruinously expensive procedure of taking out probate or letters of administration. From all this unnecessary hardship their non-Christian countrymen, however, were perfectly free.

"Indian Christians from various parts of India approached Your Excellency praying for redress and relief from the hardships they suffered, and Your Excellency has very considerably granted their prayer.

"Under the Bill as it originally stood the Indian Christians were only exempted from the provisions of sections 16, 17, 18, 37 and 64 of the Administrator General's Act, 1874; they were not relieved from the necessity of taking out probate or letters of administration and of paying probate-duty in cases covered by sections 187 and 190 of the Indian Succession Act of 1865; that is to say, when a right as executor or legatee under a will, and a right to any part of the property of a person who had died intestate, had to be established in any Court of Justice. I felt it my duty to bring to the notice of the Select Committee, when the original Bill was under consideration, that the relief thus granted was not substantial and adequate, and my Hon'ble friend Mr. Ananda Charlu supported me in my contention.

"My co-religionists, the Indian Christians, approached Your Excellency with two requests:—

'(1) that they may be relieved at as early a date as possible from the undesirable interference of the District Judge and the Administrator General;

'(2) that they may be placed on the same footing as their non-Christian brethren and fellow-countrymen in regard to the taking out of probate and letters of administration.'

"The original Bill relieved the Indian Christians only from the interference of the Administrator General, but was silent as regards section 239 of Act X of 1865, under which certain powers are conferred upon the District Judge; and it also left untouched sections 187 and 190 of

[22ND MARCH, 1901.] [*Kunwar Sir Harnam Singh.*]

the Indian Succession Act, which sections, however, made all the difference between the law applicable to Indian Christians and their non-Christian countrymen in the matter of taking out of probate and letters of administration. I am glad to acknowledge that my representations in regard to these matters, supported as they were by the able advocacy of Mr. Charlu, have received favourable consideration at the hands of my Hon'ble friend Sir Charles Rivaz and of the members of the Select Committee, and that Your Excellency's Government have thought it expedient to enlarge the original measure. The Bill, as it now stands, will place the Indian Christians practically on the same footing as their non-Christian countrymen in regard to the payment of succession-duties in cases of intestacy.

"The present Bill not only relieves them from the interference of the Administrator General and the District Judge, but also relieves them from the necessity of taking out letters of administration for the whole of the property of persons who have died intestate, by reason of their exemption from the provisions of section 190 of the Succession Act; and they will now also be on the same footing as non-Christians as regards the payment of proportionate duties in contentious cases of intestacy by being brought under the Succession Certificate Act.

"It is true that the Christians are not relieved from the operation of section 187 of the Succession Act, but it must be remembered that in Presidency-towns and in places outside the limits of those towns, in respect to immoveable property situated there, Hindus stand precisely on the same footing in regard to taking out of probate. It is true that Indian Christians living outside the limits of Presidency-towns, and who are not possessed of any immoveable property, will stand on a slightly different footing with regard to probate; but the number of people thus affected is small, and it does not appear to me probable that Christians living in such places and not possessed of any immoveable property would be likely to leave a will. Wills are generally made by the more intelligent and literate classes, who have considerable property to leave, but persons who have no immoveable property at all do not generally belong to that class of society in this country; and if, perchance, there should be a solitary case, where an Indian Christian living outside a Presidency-town dies leaving a will, and only moveable property, there is this fact to be remembered, that the taking out of probate confers upon the heirs a legal status which is after all a distinct advantage.

"My Lord, as the measure is now framed, it gives almost complete relief to the Indian Christians. It would not have given satisfaction if only the

[*Kunwar Sir Harnam Singh, Rai Bahadur* [22ND MARCH, 1901.]
P. Ananda Charlu]

partial relief originally proposed were granted; but I am happy to say that the question has now been so satisfactorily settled that the Indian Christians cannot but be grateful to Your Excellency. The concessions made are liberal, and I am confident in saying, on behalf of my fellow-Christian countrymen, that they must fully appreciate the present measure, and will gratefully associate Your Excellency's name with it."

The Hon'ble RAI BAHADUR P. ANANDA CHARLU said:—"To the remarks of my Hon'ble friend Sir Harnam Singh I wish to add a few words. I am sincerely glad that we are able to grant to my fellow-countrymen of the Native Christian community a substantial relief on a long-standing and keenly-felt grievance. That relief, I must confess, has come to them much sooner and in a larger measure than there was room, at one time, to hope for. It was but about three years ago that I took part in the discussion of the question, when it was, as it were, interpolated by Mr. Rees and Sir Griffiths Evans into a debate on an amendment of the Court-fees Act. The occasion was, however, most inopportune in a sense; for the legislature was then engaged in devising how best to bring into the net certain classes who managed, as it was thought, to keep out of the fiscal meshes. It goes without saying that the time when we were bent upon *extending* the tax was the least propitious for proposals that others who were already, though unwarily, paying it should be let off from the burden. So fully were the legislative energies absorbed by the then purpose that the Finance Member of the day bristled up at once and, with his characteristic penchant for a ready and smart retort, declared that, if it were made a grievance that some classes paid the tax and others did not, he, for one, was prepared to redress the grievance and adjust the inequality by laying the tax on all alike, thus including even those that were exempt for the best of reasons. Hope was, however, held out on behalf of the Government by the Home Member, who said that, in case the Local Governments sent up reasonable proposals, they would be duly and carefully considered. Since then the powerful advocacy of Mr. Rees and Sir Griffith Evans was practically lost to the cause by their ceasing to be Members of this Council. The question was, however, kept alive by periodical interpellations, eliciting more or less satisfactory answers, till my Hon'ble friend Sir Harnam Singh, who is interested in it for more reasons than one, threw the weight of his influence, and talent into the scale. Of Local Governments, too, who were moved by or on behalf of the Native Christians within their respective jurisdictions, the Government of Madras did signal service by submitting definite proposals, supported by a wealth of

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reasoning and backed up by their then Advocate General, Sir Bhashiem Iyengar, who solved what to a great many appeared to be an insolvable sphynx's riddle, with an ability and thoroughness, which even the hero of Toxar might envy. The consequence was that, although there was a preponderance of *ipse dixit* to the contrary, most of the proposals of Madras, where the hardship was, perhaps, more keenly and more widely felt, became acceptable, as the Report of the Select Committee shows. Three features, incidentally connected with the Bill now before us, must be noticed here as marking a new era in the method of legislation and as amounting to a decided improvement on the previous practice. In the first place, preference has been given to cogency of reasoning over mere preponderance of official *ipse dixit*. In the second place, liberty has been conceded by Your Excellency to the Select Committee to widen the scope of the Bill, which was originally much too narrow to afford adequate relief, by setting aside the red-tape or unbending rules of practice which were believed to block the way. In the third place, the papers printed and placed before the Council have been not only those which embodied the opinions elicited on the Bill *after* its introduction but also those which had *led* to its introduction. I emphasise this last feature and make it a matter for congratulation, as I remember an instance of a recent Bill which was fortunately shelved later, regarding which my request for papers of this description was refused, though in my judgment those papers formed, as it were, the *res gestae* of the whole question, and the Council ought not to be kept in the dark as to them, once the legislation was resolved upon.

"Now I have only to make a few remarks on the proposals in the Select Committee's Report. If, as it shows, the prayer to be relieved from the operation of section 187 of the Indian Succession Act was not granted, there is, strictly speaking, little valid cause to complain. It relates to testamentary succession, as distinguished from section 190, which deals with intestacy. There is, I think, this important distinction between the two cases, that, whereas a will is a ground of title, mere letters of administration have no such force. When it is further remembered that, while there are many cases in which a will is rendered waste-paper by Hindu law, as, for instance, when it deals with partible property, or is made by a widow, daughter, mother, etc., in the Mitakshara provinces, such a document in every case overrides the Succession Law among the Native Christians. The factum of the will is a question of prior importance to its validity. In every case, therefore, a Native Christian, who derives title from a will, will act best to have these questions authoritatively decided by a competent tribunal and be armed with a judgment *in rem* against the whole world. I

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may point out that, even among Hindus and Muhammadans, with whom it is but optional to take out probate, except when the Hindu Wills Act applies, it is the invariable practice, as it is an act of manifest wisdom, to prove the will in common or solemn form in order to bar the operation of the Succession Law, which would assuredly apply but for the will. The Native Christians are no worse and I, for one, would make it obligatory in all cases in which a will is a ground of title, to take out probate for the sake of the testamentary heirs and for the protection of such as deal with them. A contrary policy will lead to disputes, difficulties and disturbances of title when years have rolled by and when the witnesses to the will and to the disposing mind of the testator have ceased to exist. These considerations, which apply to testamentary succession, but which do not to cases of intestacy, in the main support the distinction maintained in the Select Committee's Report, which I accept as conceding all that policy, expediency and the real merits of the question require."

The motion was put and agreed to.

The Hon'ble SIR CHARLES RIVAZ moved that the Bill, as amended, be passed.

The motion was put and agreed to.

INDIAN MINES BILL.

The Hon'ble SIR CHARLES RIVAZ moved that the Reports of the Select Committee on the Bill to provide for the Regulation and Inspection of Mines be taken into consideration. He said :—"As my Hon'ble friend Sir Allan Arthur is about to move a small verbal amendment, I propose to defer making any remarks on the Bill until this amendment has been disposed of, and when it comes to my turn to propose the second motion that stands in my name to-day."

The motion was put and agreed to.

The Hon'ble SIR ALLAN ARTHUR moved that in clause 14, sub-clause (2), of the Bill, as finally amended by the Select Committee, between the words "shall each be" and the word "guilty", the words "liable to be found" be inserted. He said :—"This point was raised in Select Committee, and the objection taken to the wording was met by an explanation from the Hon'ble the Legal Member so lucid and so convincing that for the time being I was satisfied. On reconsideration, however, I do not think that the wording as it now stands is really what is intended. It is not the ordinary man's idea of

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justice to be considered guilty first, and thereafter to prove that he is innocent. If he does prove his innocence, he should never have been considered guilty. But according to the present wording of the section the owner, agent and manager would at one time be guilty persons, *i.e.*, before they prove their innocence. I think that the wording I suggest is the intention of the legislature rather than the wording as it now stands, and I therefore move the amendment standing in my name."

The Hon'ble MR. RALEIGH said—"The words to which the Hon'ble Member has taken objection were borrowed from the English Act. It appears to me that the amendment now proposed makes no difference in the legal effect of the clause, and if the wording appears to the Hon'ble Member more satisfactory, I think I may take the responsibility of saying that the Hon'ble Member in charge of the Bill may safely accept the amendment on behalf of the Government."

The Hon'ble SIR CHARLES RIVAZ said—"I am quite willing to accept, the amendment."

The motion was put and agreed to.

The Hon'ble SIR CHARLES RIVAZ moved that the Bill, as now amended, be passed. He said:—"Since I introduced this Bill in this Council two years ago it has twice undergone material alteration, first at the hands of the Select Committee which dealt with it last winter, and now again by the present Select Committee which has considered the revised Bill which was published a year ago. On both occasions the important amendments made have been entirely in the direction of meeting the representations and objections made on behalf of the mine-owners; and although I am afraid that even now we have not succeeded in producing a measure which meets with their entire approval, still I think that I may fairly claim that, in the Bill now before the Council, the Government of India have shown all possible consideration to the mining interests compatible with having any legislation at all on the subject. My Hon'ble friend Mr. Ashton does, indeed, in the note which he has appended to the Select Committee's Report, protest against having any legislation at all for the coal-mines of Bengal; but I venture to think that, in view of the past history of the case to which I shall presently allude, he can hardly expect to be taken seriously on this point.

"The criticisms on the revised Bill, which was circulated for opinion a year ago, were mainly directed to two points—first to the alleged unnecessary strin-

gency of the provisions of clauses 9 to 11 of the Bill, which dealt with the question of restricting and regulating the admission and employment of children and women in mines, and secondly to the extensive rule-making power which was reserved to the Executive Government by clause 21. Now, to take this latter point first, I may remind Hon'ble Members that the Government of India, before deciding to undertake legislation connected with the inspection and regulation of mining-operations, referred the whole matter to the consideration of a Committee on which the Bengal Chamber of Commerce and the Indian Mining Association were represented. This Committee, which submitted its report in December, 1895, expressed an opinion, from which only one of its members, who was the representative of the native coal-mine owners, dissented, that a mining law was necessary, and that it should be as short and simple as possible, but should give the Governor General in Council ample powers to make rules and to exempt mines and persons from their procedure when necessary. They embodied their views on the subject in a draft *Mines Regulation Bill*, which was for the most part of an enabling character and to which were appended full drafts of rules proposed to be made under it. These drafts were circulated for opinion, and the Indian Mining Association, which has now taken up the ground that this wide power of making rules ought to be restricted and that the bulk of the rules ought to be embodied in the Act in accordance with the procedure adopted in the British Coal-mines Act of 1887, at that time fully accepted the principle advocated by the Committee, and again accepted it in giving their opinion on the Bill which I introduced two years ago and which was largely based on the draft Bill prepared by the Committee of 1895. In these circumstances I think we are quite justified in keeping to the original plan of an enabling Bill with extensive rule-making powers. Moreover, for the reasons given in paragraph 3 of the Select Committee's Report, the radical change in form which the Mining Association now asks for would be of very doubtful advantage to the mine-owners, for mining is a comparatively new industry in this country and is still undergoing a process of rapidly changing development. We have not yet got sufficient knowledge and experience of its various conditions and requirements to enable us, even in the case of coal-mines, to frame a set of detailed provisions straight off with any certain assurance of their permanent applicability. If this were attempted and a code of this nature were embodied in the Act, mistakes could not be corrected without recourse to fresh legislation, and the owners and managers of mines might thus be subjected to considerable inconvenience and trouble before this machinery could be employed. On the other hand, if we proceed by rules, we shall be able to move cautiously and deliberately, and to promptly make amendments, modifications or additions as

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the necessity may arise. We have, therefore, decided to keep to the plan of an enabling Act with large rule-making powers, and, this being the case, nothing will be gained by having separate enactments for coal-mines and for metalliferous mines. A very material safeguard against hasty or ill-considered use of the rule-making power thus reserved to the Government has, however, been provided in the Bill now before the Council by the proposal to constitute Mining Boards on which the mine-owners will be represented, and to which all rules which it is proposed to make under section 20 of the Act will be referred for opinion and report before they are published for criticism. It is intended to have one or more such Boards in every province where there are private mines if the owners of such mines express a desire for the constitution of a Board.

“As regards what have been called the labour provisions of the Bill, that is, those which deal with the employment of women and children in mines, and which it is desired in some quarters to omit altogether, the case stands thus: the Bill as introduced two years ago contained a clause which absolutely prohibited the employment below ground in any mine of children under ten years of age, or the admission into any mine of children over four and under ten. In the Bill as revised last year the prohibitory provision in respect of the admission of children into mines was eliminated, but the age below which the employment of children was prohibited was raised from ten to twelve. In the amended Bill now before the Council this one absolute prohibition has, in deference to the representations made on the subject, been struck out of the labour clauses, and the provisions relating to the restriction and regulation of the employment of women and children in mines have been materially simplified. As they now stand, the Government merely reserves to itself the power, first, of making rules to prohibit, restrict or regulate the employment of women and children, either below ground or on particular kinds of labour, where such employment is attended by danger to the life, safety or health of such women or children, and, secondly, of requiring mine owners or agents to maintain registers of women and children employed. But no such rules will be made or extended to any particular groups or classes of mines without previous reference, as I have already stated, to a Mining Board where such a Board has been constituted. The Government has further reserved for its Inspectors a special power to prohibit, on inspecting a mine, the employment of women or children in it, when the Inspector is satisfied that there is urgent and immediate danger to their life or safety. But here again, if the owner, agent or manager of the mine objects to the Chief Inspector's or Inspector's order, his objection will be referred for decision to a Committee on which the owner, agent or manager of the mine concerned will be able to nominate a re-

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representative; and, if the owner, agent or manager is dissatisfied with the Committee's decision, he will have a right of appeal to the Local Government.

"I think I may safely rely on the support of all impartial opinion in claiming that, in this matter of the employment of women and children in mines, we have limited the powers of interference by Government and have safeguarded the interests of mine-owners to the utmost possible extent which is compatible with the due discharge by Government of its responsibility in this respect. The Government indeed could not have consented to restrict its powers of interference to this extent had it not been satisfied that, in the present conditions of mining in this country, and so long as these conditions prevail, the special abuses which have been found to arise in England and other Western countries in connection with the employment underground of women and children, and which have led to restrictions of a very stringent character, are not to be feared. So long as the mines are shallow, so long as the family system of mining prevails, and so long as the mining population is in a position to look after its own interests and refuses to work excessive hours underground or to let the women or children be overworked, the Government is satisfied to interfere as little as possible with the regulation of labour. Still it is impossible to deny that the employment of women and children in mines is in some circumstances liable to be attended by certain risks to which men are not equally exposed, and, this being the case, it is the manifest duty of Government, when legislating on the subject of mines, to take power to protect, when necessary, women and children from incurring such risks.

"The other alterations proposed by the Select Committee are of minor importance and are fully explained in the Committee's Report.

"I trust I have succeeded in showing that the Bill now under consideration, and which I hope will be passed to-day, is a necessary and moderate measure which will in no way affect prejudicially the interests of either the mine-owners or of the labourers employed in their mines."

The Hon'ble MR. ASHTON said:—"My Lord, I have listened with great interest to all that the Hon'ble Member in charge of the Bill has said. I was not on the Committee which sat in 1895, and in the speech which I am about to make I will give the reasons which, I think, induced that Committee and which now induces me to accept the Act, which are reasons not based on the desirability of legislation but on expediency. Nevertheless, I must still ask Your Excellency's leave to speak at some length, first, because I want to use this occasion to give prominence to arguments which I think have influenced the Hon'ble Member

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and, secondly, because I wish to strengthen his promises by eliciting from Your Excellency a decisive confirmation. Had the mining industry always to deal with its present Imperial and Local Governments, I should have had nothing to fear from this Bill. But in a very few years it is probable that not a single Member of this present Council will still be a Member. New men with new ideas will then use the powers which we today bring into existence, and will take the place of those who have during the last few months so carefully studied the subject of this debate.

“When this Bill becomes an Act we cannot claim to have made a new law, but we have prepared the ground and roughly drawn the lines upon which others are left to build. Whether therefore the legislation on which we are now engaged will be productive of great harm, will be inoperative or productive of good, will depend on these rules which others are to make; and I would respectfully ask Your Excellency to lay down, in the clear words which Your Excellency knows so well how to command, the lines on which this subsequent legislation should be carried out. With this end in view, I beg leave to endeavour to draw in rough outlines a picture of the coal-industry, which will be the one principally affected by this Act and is the one that I represent.

“I have the honour to represent an Association which comprises Colliery Companies which raise nearly three million tons of coal annually and employ over 40,000 workpeople; and we have every evidence that the rest of the industry is with us in this matter.

“A few months ago the noble Lord, the Secretary of State for India, is reported, in a speech full of sympathy with the peoples of India, to have made the following remark:—

‘No problem was more difficult or gave greater anxiety to persons interested in India than the problem how, for the future, they could provide, for that over-augmented population, conditions that would secure for them a living wage. He saw no hope of attaining that end save by the development of new industries, and, in that connection, he greatly commended the efforts that were being made to spread practical and technical education. He found some comfort in the fact that motive power would in future be electricity. Whereas steam as a motive power tended to aggregate the population, electricity tended to split them up, and, as units could be conveyed to houses, clever Indian craftsmen could possess themselves of a power that might enable them to revive some of the older industries of the country.’

“My Lord, today we have to deal with an actual living industry which is of the greatest importance, *directly* and *indirectly*, to the whole of the population of India, and is therefore of very much greater moment to the welfare of this

country than the visionary industry which the Secretary of State has called up to our imagination with the view to impressing us with the importance of developing industries and providing for our rapidly increasing population. *Directly*, this industry gives profitable and congenial employment to over 74,000 people; *indirectly*, it drives mills, sails steamers, opens up the country by railways, lights your houses, carries your letters. It is the Aladdin's lamp of modern days, and if ever the Secretary of State's vision is realized it will be through this medium. The coal-industry has increased within the last twenty years by leaps and bounds, and the total output in 1900 has risen to over five million tons. It must be remembered that every ton has not only afforded remunerative labour to the working races, but it also provides an indefinite number of people with the means of subsistence during its consumption. Every ton raised and burnt is an addition to the muscles and brain of the community, and yet I see that the consumption of coal in India is now only 22 pounds per head, whereas the consumption in England is 4 tons or 8,960 pounds per head of the population. It is not only in the expansion of industries that it is desirable that the consumption of coal should increase, but it is also of importance to the country that it should come into the daily use of the humblest inhabitant. To quote the words of the Hon'ble Maharaja of Durbhanga —

'I should regard it as one of the greatest reforms that could be brought about for the benefit of agriculture if we should induce the cultivator to substitute coal and coke for the fuel which he now uses and return the last to the soil.'

"I need not further enlarge on the importance of the industry to the country by giving figures to show how the development of England, the United States and Germany has gone hand in hand with the development of their coal-industry. All I wish to impress upon this Council is that in the Bill before us we are dealing with the very sinews and nerves of a modern nation and of our great Empire, and that any steps taken under the wide rule-making power now to be conferred on Local Governments should not be taken without the gravest consideration, the most careful enquiry and the minutest knowledge. In all Governments the first principle is or should be the good of the people, and in judging of what is for the good of these aboriginal tribes we ought to take into consideration their ideas, habits and local conditions. These elements must be considered in order to get them to think and feel with us and work with us in carrying out our plans. The multitudinous races of India cannot be compelled to work on conditions foreign to their customs. As Burke said a hundred years ago, we must govern them on their own principles and maxims and not upon ours, and should extend our system of opinions to take in theirs and the

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necessities that arise from both. It is true that the clauses referring to women and children confine Government interference to cases where there is danger to life and health, but these expressions may be unwisely interpreted by future rulers, and it is in order to guard against this that I appeal to Your Excellency to more clearly define their meaning.

"I will now briefly endeavour to describe those interesting people who, under present conditions, command a congenial livelihood in our collieries and at the same time confer such benefits on the State. Several of the Members of Council have themselves seen them at work. They have seen the troops of men, women and children walking down the spacious inclines into colliery workings, where, protected from the inclemency of the weather, they are employed for a few hours on work certainly not more arduous than they pursue in agriculture or more dangerous than they often pursue on Government roads and railways, and coming back to the surface can receive at once the payment for their labour. Let me here quote an extract from a paper on the East Indian Railway mines at Giridih, written by the Director of a Scotch Colliery Company and read before the Institution of Mining Engineers. The paper, I may add, refers to a visit made last year, and is reliable in its details and is written by a man who has no reason, except his sense of justice, for sympathising with us, and the description might just as well apply to many other collieries in Bengal :—

'As a rule, the family, after attending to their own affairs and getting a good square breakfast, go down together not later than 8 A. M. They work till 4 P. M., when they leave their places, come home, wash up, and have the rest of the evening to work on their land in the cooler hours before sunset. They descend by inclines running from the surface to depths of 500 feet, and not by shafts, and prefer this method of coming and going, as it gives them more freedom, although involving a greater amount of bodily exertion. The happy family, consisting of father, mother and say two or three children, hew and carry, or draw, on an average about 2½ tons of coal from the face in eight hours and deliver it into tubs at the pit-bottom or up to a distance of half a mile from the working-face.

'They work in their own time and are paid for what they produce. Strikes or serious disputes very rarely take place between them and their employers. It is more likely that here, as in other parts of India, any disputes that do occur will be between people of different castes or religions. On one occasion there was a general strike or stoppage of work on account of an attempt by the Government to prevent women from working below ground. This was a well-meant but mistaken piece of legislation, based on the Western ideas of some newly-appointed officials fresh from home. The result was that the hewers found, as they were deprived of their wives' assistance in getting the coal

carried from the face to the tubs, that their work was brought to a standstill and no coal could be raised. The mistake was soon seen, and the women were allowed to return and work the coal according to the ordinary Oriental method.

“I wish that my fellow Members of Council who have visited the mines could have seen the same people in the middle of the hot weather, when the sky is like brass, the ground parched, cracked and dusty, when the comparative cool and the darkness of the workings are a welcome refuge. Not only are the people happy under the present system, but statistics show that they are healthy. The Labour Commission, which was presided over by Mr. Williams, enumerates 47 different castes as working in the mines, but after consulting Mr. Risley's book I do not think that that number, by a long way, represents all the castes employed. The most valued of these workers are the aboriginal Dravidian races, Sonthals and Kols, creatures of the forest and children of nature, whom the mines' managers have to tempt from their forests and fields by the inducements which they offer. If I may be allowed an illustration, I may compare the manager's position to a bee-keeper who provides a hive to attract bees. He makes them comfortable and happy, and in return they leave him a portion of the wealth of their labour. Bees can live, however, in the jungle, and if you interfere with their habits perhaps they will sting you; any way they will leave the hive and live in a hollow tree. And so it is with the jungle races. How easy it is for these people to go away may be judged from the fact that one colliery reports that 75 per cent. of its miners have land under cultivation. Especially are these features noticeable with the Sonthals, whom tradition shows to be a people wisely ruled by their *manjhees* and *paramaniks*, who have preserved themselves, their customs and habits amidst the pressure of conflicting races with wonderful success, who have trekked more than once to avoid what they disliked, and will trek or try to trek again if we force on them conditions which they consider a hardship. It is wrong to say that they are unprotected. They are protected by their own laws and prejudices, sanctioned by the ages, far stronger than any which we can force on them against their will. These aboriginal tribes are the 'same as they were in the early days of the world; the family, and not the individual, is the unit of society, and their laws and customs are based upon this fact. With your permission I will read an extract from Maine's *Ancient Law* :—

'Archaic law,' he says, 'is full in all its provinces of the clearest indications that society in primitive times was not what it is assumed to be at present—a collection of individuals. In fact, and in the view of the men who composed it, it was an aggregation of families. The contrast may be most forcibly expressed by saying that the unit of ancient society was *the family*—of a modern society *the individual*.'

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"So says Sir Henry Maine, and in these ancient Dravidian races we may see these ancient laws at work. It is our duty to respect them, and we can only injure the society which is held together by them if we ruthlessly break them down by the force of our power.

"I have referred to the industry and to the workpeople, and now I wish to say a few words about that skilled body of men, the 'mines managers,' who have built up this great industry. Now that we are about to pave the way for laws which may enable the Inspector to override the mines manager, it is well to remember that the most skilled authorities on this subject in the country are the highly trained gentlemen who are in the employ of the large Colliery Companies. These men recognise that a happy and healthy supply of labour is their most valuable asset. They wish to see the people contented, healthy and strong, and multiplying in numbers. The great enemies that they fight against are sickness and the risk of accident. Nine accidents out of ten arise from carelessness, and if any good is to come out of this Act I think it will be from the special rules which may help the manager to maintain that discipline which is essential to safety. Government must enlist the mines manager on their side. Mr. Ibbetson in his note of 9th October, 1896, has told us that this was his intention, and I know that this is the intention of the present Government. I hope that it will be the effect, and that the authority and prestige of the manager will in no way be lessened by the existence of the Inspector.

"At the present time ill-health has taken one Chief Inspector home, and death has now taken his deputy. Our deep sympathy is with these gentlemen, who have lost health and life in their devotion to duty. To us too the loss is great, for now we must look for a third reformer with ideas hot from the bake-house of English mining schools but difficult for the Indian digestion to assimilate.

"The idea that the interests of managers and workpeople conflict is absolutely erroneous. The dangers of epidemic and the danger of accident are as great to the manager as to the men, and it is a proud boast of the community from which the managers come that should danger arise they never fail to place themselves in the forefront, and the history of the industry is full of instances of their heroism and self-devotion. As there are exceptions to every rule so there may be exceptions to this, and there may be men among them who are not worthy of their position: I hope there are none. But, Sir, as I now appeal to Your Excellency, both on behalf of the industries and of the workers, to sanction the institution of no rules which will allow the Inspector to assume

authority or prestige at the expense of the manager, so I will appeal to all mines managers, particularly of the smaller collieries, in their dealings with the humble human beings who are entrusted to their care and guidance, to remember that, even if higher motives do not move them, their own self-interest demands that they should help, protect and care for the people under them. I trust, my Lord, that no unworthy member of this community will give occasion for Government to say that the mines managers are not worthy of the trust that I now ask Government to place in them, nor will give excuse for the enacting of rules of a nature that may hamper the industry.

“Such is the industry and such are the people with which we have to deal, and I wish now to say a few words with regard to the Bill itself. The representatives of the coal-industry have ceased to oppose legislation, not because they think legislation will do them any good, but because they regard it as an inevitable result of the convention of modern times. There is legislation at home, and so to be in the fashion we must have legislation here. Otherwise I see nothing to warrant this Government moving from the position taken up by Lord Lansdowne’s Government which is so admirably defined in their letter of October, 1892. Lord Lansdowne’s Government considered that no legislation was called for, and that opinion has been confirmed by every one since who is familiar with the subject. Lord Bacon says:—

‘It is good also not to try to experiment in States except necessity be urgent or the utility evident, and well to beware that it be the reformation that draweth on the change and not the desire of change that pretendeth reformation.’

“Your Excellency has warned the Government before utilizing its legislative powers to satisfy itself on two questions:—

‘The first is—has the existence of an evil, calling for legislative interference, been established? The second is—is the particular legislation proposed the right remedy?’

“I consider that Government has not proved, in the case of this Bill, that an evil exists or, as Lord Bacon put it, that reformation necessitates the change. Had the Hon’ble Member in charge of the Bill shewn that helpless people are being ill-treated and degraded, forced to work under unhealthy or dangerous conditions, I would have been with the first to have agitated to have them protected even though the strength of the State were impaired, though railways should cease to open up districts now periodically devastated by famine, though our mail-steamers should cease to run and our commerce be entirely disorganized for the want of coal; but, so far from the workers being unhappy, we have abundant evidence that they are happy and contented.

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"In all industries, but in mining more than any other, there is a Nemesis that acts more promptly than Government can, and punishes more severely carelessness, negligence and, above all things, disregard of the health and comfort of workpeople."

¶ I do not hesitate to say that I do not believe in legislation of the kind now contemplated for the regulation of industries. It is the fashion after such legislation has been introduced for Inspectors to publish from year to year reports showing how industries have improved under their guidance. To anyone who is behind the scenes such claims are absurd. I have known the coal-industry of India intimately for eleven years, and I have seen immense improvements effected without legislation. Improvements will continue to go on in spite of legislation, for, as Mill has said, people, whether employer or employed, understand their own business and their own interests better and care for them more than the Government does. I have known the cotton-mill industry here and at home intimately for twenty-four years, and have never come across a case where Government Inspectors with statutory powers have done any good to either workpeople or industry, neither can I think of any improvement that has emanated from them, though I have seen countless improvements instituted for the benefit of both workers and industry that have emanated from the industry itself. (But in this country there is another great objection to unnecessary legislation, for it is a country of false evidence, of heart-breaking delays, of vast distance and difficult journeying, and the law too often becomes the shield, and sometimes the offensive weapon, of the evil-doer.) Without statutory powers a skilled adviser can probably do good because he comes as a friend and not as a detective, and it is right and desirable that Government should place at the disposal of industries the very best technical advice and opportunities to acquire knowledge; but there is a wide difference between this and the authoritative interference now contemplated. As a case in point I would call attention to the inspection of land boilers in England which, contrary to the procedure in this and other countries, is left entirely to private enterprise and is most magnificently conducted, notably by the Manchester Steam Users Association. On the other hand, I would call Your Excellency's attention to the fact that the most terrible accident that has occurred in coal-mines in this country occurred in 1899 in the Government collieries at Khost, where 47 lives were lost. I think it unfortunate that at a time when Government was proposing to control our collieries Government should have delayed the publication of the report of 1899, which contains this evidence of the efficacy of Government methods, till two weeks ago. I had intended to refer in detail to

the Mines Inspector's report which gives particulars of this accident, but a sad and sudden death has overtaken the writer and I feel loathe to criticise his action. I will therefore leave the matter, merely asking Hon'ble Members who read this report also to read my comments on it, made in my capacity of Chairman of the Mining Association when it first appeared, which I have asked the Home Department to forward to Hon'ble Members. My Lord, we are to have legislation, and we accept the inevitable. We think that, as vaccination is better than small-pox, we may escape a greater evil by submitting to a lesser, and accept this Act not with delight but because we think it may protect us against a less desirable one. But, my Lord, in all countries, and most of all in India, laws should be clear, simple and certain, and we would have wished to have had a Coal Mines Act complete in itself and containing all its rules, so that we might know at once what we were to deal with. My Hon'ble friend in charge of this measure has told us that this would not be convenient. It would indeed be inconvenient, because we actually do not yet know what evils we are going to remedy. As a proof that legislation by rules is also not convenient, I read the preface to a laudable effort by the Personal Assistant to the Secretary to the Legislative Department of this Government to reduce to order the chaos that has resulted from the system in the past :—

'This pamphlet contains a list of all General Rules and Orders published under (A) Statutes, (B) General Acts, which the Legislative Department have, from time to time, found it possible to collect.

'It has been brought down to December, 1899.

'It was originally intended to have issued a collection of these Rules and Orders printed in extenso, but, considerable difficulty having been experienced in obtaining copies of the older Government of India and London Gazettes, it has been thought advisable to abandon the idea for the present.

'It is hoped that the lists now published for the first time will, to a certain extent, take the place of the collection above referred to, but it must be distinctly understood that the list is probably neither exhaustive nor free from error, and the undersigned will feel obliged if any omissions or inaccuracies, which may be discovered, are brought to his notice.'

"Sixty-eight years ago, speaking in the House of Commons on the India Bill, Macaulay said :—

'It is time the Magistrate should know what law he is to administer, and that the subject should know under what law he is to live.'

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"It was time then; it is sixty-eight years after time now, although Macaulay spent four years of his life on this very Council in trying to remedy the evils that he deplored. I therefore hope that private enterprise will respond to Government's pathetic appeal and enable it to make a list of its general rules and orders free from error, omissions and inaccuracies.

"But, my Lord, over and above this plea of convenience there is this fact: Large collieries must be laid out for many years in accordance with existing law and cannot be altered without expense. It is true that under this Bill precautions have been taken against the caprice of individuals by the establishment of a Standing Board to which rules will be referred, and that these rules must also be published and sent to the Government of India. But this Board is only advisory and contains an overpowering Government majority. There is (A) the Chairman, (B) the Inspector, and (C) another official appointed by Government, with (D) and (E) who are appointed by the mining interest. My Lord, I consider that it should be laid down that this member (C) should be either a non-official or a member of the judicial service. Government, I am glad to say, has promised to proceed cautiously; I hope that only few rules will be necessary, and that these will become law and that finality will then be attained, I go beyond that, and ask Your Excellency's assurance that this will be the case, and that when the rules have been instituted and are working smoothly they will, if the mining-industry so wish, be made part of the law, and that the wide rule-making powers conferred by clause 20 may then be surrendered and the industry allowed to develop in peace till such time as it may be necessary to legislate afresh.

"Finally, my Lord, I come to the machinery with which this Act and its attendant rules are to be worked. On this subject I have been encouraged by His Honour, who so sympathetically conducts the government of this great province. As the Bill has been suggested by similar enactments at home, it is well to compare the machinery which is available here as compared with that at home. If we go home for our precedent for the Bill, we ought to go home also for the precedent for the machinery by which it is worked. But unfortunately we have not, and cannot get, this machinery. The coal-industries of Bengal come under three different administrations. In one of these the executive is centred at Hazaribagh, 70 miles by road from the coal-district; a second at Puruḥā for a journey to which from the coal-districts it is necessary to travel by three different trains with all the inconveniences of Indian connections; and a third at Burdwan which is comparatively accessible, being only 70 miles on the trunk line from its district. How different is this from the

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Boards of Honorary Magistrates in England, the means for getting backwards and forwards from the Courts, the ease of collecting witnesses and the facilities that exist at home. I submit that under the antiquated conditions existing in this country the satisfactory working of the proposed new Act cannot be hoped for, however able and willing the Government officers may be; and if Government desired to improve the condition of the people it should have first turned its attention to this want of system which has come down to us from the time when railways would have seemed wild and fantastic visions. The coal-districts of Bengal are commercially an entity, and by their immense importance can well claim a reformation of the executive authority by which they are ruled. I regard this question of administration as of more importance than legislation, and therefore I ask His Honour through Your Lordship to tell this Council what can be done to effect this most desirable reform.

“ My Lord, it may be said that, holding the views I do, I should have moved an amendment to the motion before the Council, but I have two cogent reasons for not taking this course. The one is that while I acknowledge the most generous and sympathetic hearing that has been given me in Select Committee and today in this Council, I could not hope an amendment at this stage to be successful without Government’s order in its favour. The other is that had my amendment succeeded it would have only resulted in further loss of time; perhaps in arousing feelings which would be regrettable. The Bill had come into being—it was a dangerous creation, and the wiser course seemed to us not to block it, but to endeavour to so direct its force that it could do little harm and some good, and I hope and think that this has been effected.

“ I have to thank Your Excellency for giving me the opportunity of placing the views of the coal-mining community before the Select Committee. I have to thank that Committee for their fairness and friendliness and for the frank way in which I have been given access to the opinions of the district officials, all favourable to my arguments; and finally to thank Your Excellency and this Council for the patient hearing that has been given me today. I would conclude by saying that, unnecessary though I consider this legislation to be, and whatever its result, I am sure that nothing but good can come from the efforts which Your Excellency’s Government has made and the desire which it has shown to associate the public with it in its deliberations.”

The Hon’ble RAI SRI RAM BAHADUR said :—“ My Lord, considering the stage to which this Bill has reached, it would, I think, be too late now if I were to say anything as to the desirability of having any legislation at all on this subject. The Hon’ble Mr. Ashton, who from his connection with, and

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actual knowledge of, the mining industry in this country, is in a position to speak with authority, has already said what could be said on this point.

" India is in sore need of the development of her different natural resources, of which mines form an important factor. Lack of enterprize, want of capital and ignorance of the principle of combining capital with labour, have up to a very recent time been in the way of the people of this country in doing anything in this direction. It is to foreign capital, energy and enterprize that India is indebted to the opening out of this new industry and to the setting in of an example which is now being followed by her own sons. This industry has opened new fields for the employment of thousands and thousands of the labouring classes.

" My Lord, the mining industry in this country is only of a few years' growth, it is still in its infancy, and therefore requires the fostering care of the Government. Such being the case, the question arises whether the time has come for having a legislative enactment to regulate the working and management of mines. Conceding the point that a strong case for legislation has been made out, the next question arises as to the form which such legislation should take; in other words, whether it is desirable to combine in one legislative enactment provisions of law which would be applicable to metalliferous mines, coal-mines as well as to stone-quarries. It has been said in many quarters that the attempt to bring the whole of the mining and metalliferous industries on an equal footing and to be regulated by one Act is not a happy one. This objection acquires some additional force from the fact that in England there are two different Parliamentary Statutes laying down the law for different classes of mines, *vis.*, the Metalliferous Mines Regulation Act of 1872 (35 & 36 Vict., c. 77), and the Coal Mines Regulation Act, 1887 (50 & 51 Vict., c. 58).

" But as the subject of legislation to regulate mines in this country has been engaging the public attention for some time and the Bill has been under consideration for years, it has passed through two Select Committees and the public have had ample opportunity to weigh its different provisions, the raising of questions like the above cannot serve any useful purpose now.

" I beg now to say a few words on the Bill as settled by the Select Committee. It is satisfactory to notice that the provision containing an absolute prohibition of the employment of children has been omitted and that relating to the employment of women has been so recast as to remove its objectionable features.

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" Clause 9 (1) of the Bill gives power to Local Governments to constitute Mining Boards for the province or for any part of the province or for any group or class of mines in the province. The powers of these Mining Boards are given in clause 11 of the Bill. The Governor General in Council or the Local Government is authorized, under clause 20 (1) (b), to make rules for the appointment of chairmen and members of Mining Boards. It is submitted that in nominating members of the Mining Boards and in framing rules for their appointment, Government will be pleased to take proper care to have the native mine-owners duly represented.

" Another provision of the Bill which will affect the mining concerns in this country, specially those owned by the Indians, is the power given to Government to make rules prescribing the qualifications of managers and of all persons acting under them, and regulating the manner of ascertaining, by examination or otherwise, the qualifications of those managers and their subordinates. It is hoped, my Lord, that for some time to come no hard-and-fast rules in this respect would be framed, but they would be as lenient as circumstances would allow. Any stringent rules will hit hard the native coal-mining industry, which is yet in the process of growth.

" There are many petty mining concerns, owned individually by the Indians, which are worked with small capitals and which have to maintain a keen competition with mines owned by Europeans and worked with large capitals, according to the joint stock system. Unless mining schools be established in the country, it will not be easy to get persons duly qualified to act as managers. The small Native concerns cannot afford to employ duly qualified European managers. It appears that though very few among the managers employed in the collieries owned and worked by the Indians have had the advantages of a good literary or technical education, yet they can do their work properly, by the practical knowledge and experience they have acquired in the course of their service in mining industries. Circumstances, such as those mentioned above, will, I hope, be duly considered by the Government in framing rules regarding the qualifications and examinations of managers and of other persons working under them.

" The last point on which I wish to say a few words is clause 29 of the Bill. Instead of making the Bill, which is going to become law, applicable to the whole of British India, the more preferable course would, in my humble opinion, have been to make it, in the first instance, applicable to those provinces or parts of provinces only where necessity for such a legislation has been shown to exist.

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But the Government has considered it proper to extend the scope of the Bill to the whole of British India and to reserve to itself the power to exempt from its operation, by notification in the official Gazette, any local area, or any mine or group or class of mines, or any class of persons. So far as the North-Western Provinces and Oudh are concerned, no necessity exists for application of the provisions contained in this Bill. When first asked to express its opinion on the subject, the North-Western Provinces and Oudh Government, in its Chief Secretary's letter No. 1346-1-438B., dated the 19th May, 1897, addressed to the Secretary to Government of India, Department of Revenue and Agriculture, said that 'the draft Act and the rules forwarded contemplate a condition of things which does not exist in these Provinces.' The said letter did also express approval of the suggestion that 'the District-officer should have power to exempt from the operation of the Act *kankar* pits and other wholly open workings, the latter class including diggings for lime and earth and stone-quarries, &c. In its two subsequent letters on the same subject, dated the 4th August, 1899, and 10th August, 1900, respectively, it made a reference to its first letter. In the last letter that Government said expressly that 'the Lieutenant-Governor has no objection to any of the provisions of the Bill, which hardly concerns these Provinces' of The references given above show that it is wholly undesirable to extend any the provisions of this Bill to the working of *kankar* pits or other wholly open workings and to the stone-quarries as they are worked at present. I therefore beg to submit that on the passing of this Bill into law early steps may be taken to issue the requisite notification under clause 29 exempting the North-Western Provinces and Oudh wholly from the operation of the new legislation, or, if that step be considered inadvisable, to exempt the working of the *kankar* pits and other wholly open workings from its operation."

The Hon'ble MR. SMEATON said :—" I am one of those who enjoyed the somewhat doubtful pleasure but considerable profit from an inspection of several coal-mines in the Bengal District by the favour of the Hon'ble Mr Ashton. The inspection was attended with considerable tribulation, but one was able to see a great deal of the internal working of the mines and of the labour-force employed. I am able to endorse fully the remarks made by the Hon'ble Mr. Ashton as regards the happiness and health—the greater happiness and greater health indeed compared with those employed on the surface of the land—of those labourers who are employed underground, and of the sensitiveness of the them to any interference ; but I confess I am altogether unable to agree in thinking that there is no necessity for legislation. I think that any reader of the papers which have been laid before Members of must, even on their evidence alone, have concluded that there is ample

ground for intervention; in fact, that it was the bounden duty of Government to legislate. I remember very well that during our inspection the Hon'ble Member himself pointed out to me on the spot two very cogent reasons indeed why protective legislation was required. He showed me two defects in the machinery at the mouth of two mines, and he indicated to me certain troubles in the subterraneous working of another mine which even then, as I told him, seemed to me to clearly justify Government in taking power by law to guard against danger. In the criticisms which he has made on the Bill as it stands, my Hon'ble friend, or the Association which he represents, appears to me to be still lingering on the provisions of the first two Bills which have been superseded and so radically altered by the Bill now before the Council. Subject to certain modifications in detail, the principles of the first two Bills were identical. Children were absolutely forbidden either to be employed in, or to be admitted to, mines; women partially so. The Inspectors had large powers granted them under these two Bills to interfere in regard to the labour-force generally, in regard to the employment of women, children, and men, and in respect of any work or practice in mines or about mines or above mines which the Inspector might consider to be objectionable. The Local Government under these two Bills possessed the sole power of making rules upon every conceivable subject connected with mines, including wages, hours of labour and measurements of task. Now all that is changed; and I hardly think that the Hon'ble Member has given sufficient consideration to the changes that have been made. The Bill now before the Council is in fact a totally new one. It is in effect a reversal of the old Bills in principle and in many of their substantive provisions. The prohibition of employment or admission of children and women has been swept away altogether. The age limit has been reduced from fourteen to twelve years. The power to interfere in wages, hours of labour, and measurements of task have been brushed aside altogether. The Inspector, upon whose powers to interfere the Hon'ble Member lays such stress, had under these two Bills certainly large powers—and no doubt objectionable powers—to interfere; but now under the new Bill he is relegated to what he really ought to be—a ministerial officer—and his acts are absolutely subject to the control of the Committees, who in every case of dispute that can arise between an Inspector and mine-owner has power to decide the case. So I cannot myself see where these arbitrary powers of the Inspector now come in. Then again the power to make rules which was more or less absolute in the hands of the Local Government—and, of course, also in the Government of India—under the old Bills—that power has practically been transferred to the Mining Board. How? because the Government cannot even publish the rules

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till their purport has been approved by the Mining Board, and till their provisions have also been agreed to by the Mining Board. This, as I understand it, is the intention of the Bill, and not, as the Hon'ble Sir Charles Rivaz appear to interpret it—that the Mining Board has to report its rules for sanction of Government. It is the Mining Board who in reality sanction the rules—not the Local Government. Thus, it seems to me, the great object that the Mining Association and mine-owners have been aiming at has been attained by a full, free and independent discussion of the rules which may be passed; thereby safeguarding them against arbitrary decisions or regulations. All powers now reside practically in two representative bodies, namely, the Committee and the Mining Board, and on these there are representatives of the State, of the public and of the mining interest themselves. The proposal of the Hon'ble Member to incorporate the rules in the Act and then to revoke the power to make rules appears to be injurious to the interests of the mine-owners themselves and to be a blow at the very principle for which they have been contending; and it would be a pity, I think, thus to impair the principle of the Bill and alter its liberal progressive character. It is in marked contrast to its predecessors, which, if I may so describe them, were bureaucratic, excessively restrictive, and distinctly in advance of the existing needs of the industry. The scheme of the measure as it is now put before the Council by the Hon'ble Sir Charles Rivaz—and our thanks are due to Your Excellency for reinforcing the Select Committee by the appointment of our colleague Mr. Ashton, and thus letting in the light of public opinion on its discussion—has been shifted from its bureaucratic basis to what I may call a democratic basis; and this marks a very important and very hopeful departure in legislation upon industrial subjects—a reform for which all who are interested in the industrial development of India will be grateful to Your Excellency. I can only wish that the Bill with which I was connected two years ago had also had the same favourable treatment dealt out to it—I mean the Petroleum Bill. If the Select Committee on that Bill had had an expert independent member like our colleague Mr. Ashton, we should have turned out an intelligible measure with a convenient code of rules for all India, instead of, as now, a complicated and out-of-date Act and a tangle of rules which require an intellect above mine to understand. That Bill with appended rules was really, if I may so call it, an attempt at consolidation without solidity. If I am not out of order, may I suggest that the rules for mining and mineral concessions—rules, I may say from experience, which even in their improved form are not quite faultless—might be revised in the same way by a Board similar to that which is constituted under the Bill.

"I only want to draw attention, my Lord, to one point in the Bill which perhaps I should have noticed in Select Committee and for which I must apologise. It may have been an inadvertence. Section 30 runs as follows:—

'The Governor General in Council or any Local Government shall have authority to reverse or modify any order passed under this Act by any authority subject to his or its control.'

"But if we refer back to clause 10, sub-clause (5) (keeping in mind section 30), a question may arise which should be referred to the Committee. Clause 10, sub-clause (5), runs as follows:—

'The Committee shall hear and record such information as the Chief Inspector or the Inspector of Mines or the owner, agent or manager of the mine concerned may place before them, and shall intimate their decision to the Chief Inspector or the Inspector of Mines and to the owner, agent or manager of the mine concerned, and shall report their decision to the Local Government, or, where a Mining Board has been constituted, to the Local Government through the Mining Board.'

"And then sub-clause (6) provides that—

'On receiving such report the Local Government may, if the Inspector of Mines, or the owner, agent or manager, has lodged an objection to the decision of the Committee, proceed to review such decision and to pass such orders in the matter as it may think fit.'

"It appears to me that the restriction in section 10, sub-clause (6), is somewhat at variance with the large powers given by section 30. It seems to me to allow the Local Government to reverse, without any objection being put forward by either party, any order passed under the Act by any authority, in which I suppose the Committee is included, subject to its control. I mention this simply because it struck me that it might have been an oversight and possibly it might be worthy of rectification.

"Another matter I should like to mention which is rather important, and that is in section 21. I see there that the special rules which are made by the mine-owner or manager are not to be approved by the Mining Board, but they are to be approved by the Local Government on the Inspector's report. Possibly, however, this is unobjectionable.

"One other point to which I would draw attention is this: in sub-clause (4) of section 21 I notice that these rules are to be published in the vernacular of the district in which the mine is situated; but then there are, as my inspections showed, engaged in those mines in the Burdwan District people who do not speak Bengali, although Bengali is the language of the district. It seems to me that

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it would be wise to provide that these rules should be published not only in the language of the district but also in the language of the principal labouring-classes, such as Sonthalis, and North-West men who are engaged in the mines, but whose language is not Bengali; otherwise it is hard to see how penalties for infringement can justly be inflicted."

The Hon'ble SIR ALLAN ARTHUR said:—"My Lord, the Hon'ble Mr. Ashton has dealt so fully with the Mines Bill from the point of view of the mine-owner that there is little left for me to say. With the elimination of sections 9 and 12, which dealt with the employment of women and children, the sting has been taken out of the original Bill, and I think the Bill as it is now amended may be accepted by mine-owners, provided that Government proceed cautiously with the framing of the rules, which, as has been pointed out, are more important than the Bill itself. There is in India a very natural objection to legislation by notification, because of the uncertainty of what may happen, and for that reason many people interested in mining would prefer to see all rules incorporated in the Bill. The Hon'ble Sir Charles Rivaz has given some sound reasons why this course should not be adopted at the present time, and the point has been waived for the time in the full assurance that Government has no intention of taking advantage of the powers given them to formulate rules which may press hardly on anyone of the many kinds of mines scattered over India. Of one thing I am sure, and that is that, if the rules are considered and framed in the same conciliatory spirit and with the same regard to the interests of mine-owners as have characterized the Hon'ble Sir Charles Rivaz's treatment of the objections raised and the suggestions made by the Hon'ble Mr. Ashton and others in Select Committee, the mining industries have little to fear from the passing of this Act. At the same time I would say that if at any time advantage is taken by Local Governments to frame any rule which will press hardly on any of the mining industries of the country, the opposition to legislation by notification will be greater than it has ever been before.

"It is a little unfortunate that more time between the issue of the Select Committee's report and the passing of the Bill could not be given, particularly as regards mine-owners situated far away from Calcutta, who have had no opportunity of making their views known. In their interests I think the formation of Advisory Boards should be compulsory in every district in which the Act is to come into force, and the pledge, which the Hon'ble Member in charge of the Bill has just given, *vis.*, that it is intended to appoint Mining Boards in all districts where mine-owners desire it, will be received with satisfaction.

[*Sir Allan Arthur ; Mr. Evans ; Mr. Raleigh.*] [22ND MARCH, 1901.]

"The Bill is of the Government of India's creation, and it seems to me that it is incumbent on them to provide the necessary machinery for carrying out the provisions of the Act with the least possible friction and in such a manner that the progress of mining should not be checked in any single district of this great country."

The Hon'ble MR, EVANS said :—"There is only one point to which I ask permission to call the attention of Council. It has been frequently suggested that the form which mining legislation in England has taken affords evidence that it would have been both possible and desirable to embody general rules in the Bill. It has been stated, and correctly stated, that such rules were incorporated not only in the Statute of 1887, but also in that of 1872. As a matter of fact, we might go further back in the history of that legislation with the same result, for general rules were to be found in the still earlier Act of 1855. But that is not going far enough. It was thirteen years earlier, in 1842, that legislation first took place in regard to mines. The Act of 1842 applied to all classes of mines, but it was limited to restrictions in the employment of women and children and provisions for the appointment of Inspectors of mines. Eight years later, in 1850, an Act was passed to make further and more definite measures for the inspection of coal-mines and to provide for the appointment of Inspectors of such mines, and prescribing their powers and duties. Even then no attempt was made to frame and embody in the Act any general rules. It was not till thirteen years after the first step in legislation was taken in 1842 that sufficient experience in the working of collieries had been gained to justify the framing of general rules and their incorporation in the Statute Law of the country. It seems then that in refraining from any attempt at present to make general rules to form part of the Bill we are but following the example set by the legislature in England and for the same reasons that justified that course. At any rate, it is, I think, clear that any argument based on the course of mining legislation in England justifies rather than condemns the exclusion from the Bill of any general rules."

The Hon'ble Mr. RALEIGH said :—"My Lord, in moving that the Bill be passed, the Hon'ble Sir Charles Rivaz referred briefly to the history of this measure. I propose to travel once more, but very rapidly, over the same ground, and to take up the objections which have been raised in the course of the debate.

"It is quite true, as Mr. Ashton has reminded us, that Lord Lansdowne's Government deprecated legislation in this matter. They pointed out that the indus-

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[*Mr. Raleigh*]

try was only in its infancy, they wished to make sure of their facts before attempting to legislate, and they asked Her Majesty's Government to send them an Inspector. That request was complied with, and the *Inspector's reports* are the foundation of our case. We may readily concede to Mr. Ashton that official reports are not infallible. It is easy to understand that an expert, trained in England, coming to this country for the first time, may overlook some of the difficulties with which managers of mines are contending. But our Inspectors have been men of high character, whose evidence on points of fact cannot be doubted, and their reports were such that Government felt it necessary to take action. A Mining Committee was appointed to advise as to the form which legislation should take, a Committee constituted in a manner which must command Mr. Ashton's approval, for while the Chamber of Commerce had one representative, the Mining Association one, and the native mine-owners one, Government was represented only by the Chairman and the Inspector. I ought to say that the representative of the native mine-owners, Mr. Dakshineswar Mahla, was opposed to legislation, but his European colleagues did not agree with him. They embodied in their report the draft of a Bill, and they stated that in their opinion a mining law should be 'as short and simple as possible, but giving the Governor General in Council ample powers to make rules and to exempt mines and persons from their procedure when made' These words may be described as the instructions on which this Bill was drawn. We adhered to the plan of framing a general Act, under which mines of all classes might be dealt with, and we proposed to leave the details to rules.

"In one point the Bill went beyond the recommendations of the Committee; it made some tentative provision for regulating the labour of women and children, and for other matters relating to persons who work in mines. It may be admitted that these provisions were in part unsuited to the circumstances of Indian mines; they were received by the mining interest in Bengal with resentment and alarm. In the heat of controversy, the owners of mines abandoned the position taken up by their representatives in the Committee; they took up the position which has been ably defended by Mr. Ashton today.

"In the first place my Hon'ble friend tells us that no case has been made out for legislation, and in support of this contention he gives us a description of the mines with which he is best acquainted—mines where access is easy, work light, ventilation good, accidents few; where the manager cares for his work-people and the labourer is fairly contented.

Mr. Smeaton confirms the accuracy of this description, and I am not in any way concerned to dispute it. If Mr. Ashton tells me that the majority of mines are such as he describes, so much the better. But he will hardly tell us that all mines are equally fortunate and equally well managed. What I do not quite understand, after listening to his speech, is what Mr. Ashton would propose in regard to the unsatisfactory cases. I will take only one of them. Here is a report which tells us that in a certain mine ventilation is defective, or rather non-existent, and that a large number of men, women and children are living and working underground in most unwholesome conditions. Mr. Ashton does not object to our inspecting that mine; he is in favour of employing a highly qualified person to go round at the expense of Government and give advice to managers of mines. But what is the use of an academic Inspector in the case I mention? The owner of that mine does not ventilate it, because ventilation costs money. What he wants, to make him do right, is not good advice, but a mild touch of coercion.

"We cannot, of course, select the unsatisfactory mines, and deal only with them. No Government could attempt to discriminate in this way between competitors in business. Our choice lies between two courses; we may take power to regulate all mines, or we may leave all mines free and all abuses uncorrected.

"It has been freely suggested that this Bill was not originated in India, and Mr. Ashton has spoken of following what he calls the English fashion. We may admit that the existence of stringent legislation in England is a fact which has some bearing on this controversy. But there is no ground at all for saying that the hand of the Government of India has been forced. Every line of this Bill represents our independent judgment on the facts before us; every one of its provisions has been modified and safeguarded with reference to the special conditions of Indian mining. But, as Mr. Ashton suggests the comparison, I will ask him whether the history of English legislation does not show that the apprehensions he now expresses are somewhat exaggerated. The progress of the coal-industry in England in the last fifty years has been amazing. During all that time, every session of Parliament has witnessed mining legislation, or keen controversy on some question relating to mines. Make out a list of the dozens of Acts and scores of judicial decisions in which the English law is contained; then look at the bulk of this tentative and carefully guarded Bill, and tell me whether it is going to crush the coal industry of Bengal.

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[Mr. Raleigh]

" I do not at all object to the critical attitude taken up by business men when Government proposes to add to the extent of its own powers and the number of its officers. I share to some extent Mr. Ashton's distrust of regulating Acts; we know that such Acts have often caused disturbance and friction out of all proportion to the benefit secured. But we cannot do without them: and I may point out that Government needs an inspecting and regulating authority for its own mines as well as for those of private owners. Mr. Ashton has spoken of the lamentable accident in the Khost mine, and has expressed regret that the report which deals with the accident has been delayed. The delay, I can assure my Hon'ble friend, was not intentional, and indeed we had no reason to keep back the report. Our position, as owners of mines, is that of private owners. Our managers are men of the same class as your managers; they deserve the same recognition; they need the same kind of advice and control.

" But, says Mr. Ashton, if you must legislate, show us in detail what your rules are to be, and embody them in the Act. Give us a Mining Code, such as is contained in the English Act of 1887. This demand has been sufficiently dealt with in the course of the debate. We are almost all agreed that we are not yet at the codifying stage. Certainty we will give you, as far as our efforts can secure it: we shall endeavour to see that our rules are not too numerous, that they are not too frequently altered, and that they are brought to the knowledge of those who are to obey them. Finality we cannot promise; neither mine-owners nor Governments can answer for their successors. If our successors think this is not a satisfactory Act, let them make their own proposal and fight their own battle. And, if Mr. Ashton's constituents change their minds, they may change their policy also. For my own part I quite expect that the mine-owners will before long revert to the position of 1895, and will acquiesce in rules which are more easily adapted and altered than the provisions of an Act.

" In what Mr. Ashton says of the difficulties caused by want of care in making, collecting and digesting our statutory rules, I may express my hearty concurrence. This is just the doctrine which my department is always preaching to an inattentive world; and indeed when Mr. Ashton was in search of an illustration he found it in one of our official publications.

" The Hon'ble Sri Ram Bahadur has used an argument which seems to me incidentally to show how difficult it would be at this stage of our experience to frame a Mining Code. The Hon'ble Member spoke of the qualifications of managers. It would be difficult, inexpedient and pos-

sibly unjust to make a strict rule on that subject at this time. Many of our managers in India have learned their business by practising it. If the standard of professional qualification is to be raised, it must be raised gradually, and with due regard to circumstances.

“One point in Mr. Ashton’s speech remains to be noticed. He objects to the constitution of our proposed Mining Board, because Government has taken care to secure a majority. The reason for this is very simple. The Board is not an executive authority, it is merely advisory, and we wish to take its advice with a view to action. If we gave the mine-owners a majority, they would have the power to stop any action to which they might object by refusing or delaying to advise. It is not, I think, necessary to limit the freedom of Government in choosing its own members further than it is limited in the Bill. Our members would naturally be Commissioners and District-officers. Hon’ble Members who have read the papers annexed to the Bill can judge whether Commissioners and District-officers are animated by an oppressive temper, where the mining industry is concerned.

“My Hon’ble friend Mr. Smeaton calls my attention to an inconsistency, which he detects, between the general rule laid down in clause 30 of the Bill and the provisions of clause 10, sub-clauses (5) and (6). The procedure prescribed by clause 10 is very carefully framed, and, if the rules are followed, I cannot see that the Local Government or the Governor General in Council has any motive for resorting to clause 30 at all. Mr. Smeaton has also suggested that we should strengthen the provisions which require publication of rules in the vernacular. I am not quite certain myself that the vernacular translations of our Acts and rules convey much information to the persons for whom they are intended; and the publication of the rules is an imperfect safeguard, considering how few of the labourers can read. We may, I think, trust the Local Governments to do what is found to be really needed in this matter.

“My Lord, we have not attempted to hurry Council to a decision on this measure. We have not endeavoured to excite agitation by dwelling upon gross abuses to be corrected, or grave dangers against which the labourers are to be protected. We have given every opportunity for criticism, and, now that we have attained to a gratifying measure of agreement with those who represent the mining interest, we think the time has come to pass the Bill, and to address ourselves hopefully to the work of applying it.”

[22ND MARCH, 1901] [*The Lieutenant-Governor.*]

His Honour THE LIEUTENANT-GOVERNOR said.—“My Lord, I had intended to say a few words in support of the Bill. Had I not had that intention, the direct reference which my Hon'ble friend Mr. Ashton has made to me would have left me no option. I should like to congratulate Your Excellency's Government on the adjustment that has been come to. I think it is an excellent one and promises to work well in all interests. I do not profess to be an authority on mines; indeed, I frankly admit that until I came to Bengal I was practically without personal knowledge of the conditions of mining in India. My knowledge of mining questions is indeed even now confined to the collieries of these provinces. But of these I have seen a good deal, and I am satisfied, as the Government of India is, that the conditions which meanwhile obtain here do not require the exclusion of women and children, either in the interests of morality or of health. A large proportion of the mines are shallow, reached by inclined planes from the surface. The workings are easily reached, and the air is sweet and cool. The family system, under which the wife accompanies her husband to the workings, is certainly believed among the workmen themselves to be the best protection of the women's morals. The children contribute to the family earnings. I have seen large numbers of them, and they certainly show no signs of an unhealthy life.

“Nevertheless, the collieries are being rapidly pushed into seams at greater depth, and present conditions will materially change. How far the family system will then slowly change I cannot tell. But I think the Bill provides an eminently workmanly and sensible method of meeting such changes as time will bring. In the Advisory Board the mine-owners have the assurance of the most careful consideration of their views on every question which may become a matter of regulation. They will have two representatives on the Board of five. Any rule the Board proposes must meet the approval of the Local Government and then of the Government of India. That approval cannot be given unless the draft rule has been published for three months and the criticisms of the public received and considered. I think there could be no completer guarantee that no rule shall be passed hurriedly or without the fullest consideration of all the interests the rule may affect.

“In connection with the Bill the Mining Association addressed me last month on a matter of jurisdiction. They represented that the coal-field of Jherria, the most important of the coal-fields of this province, was spread over portions of three districts and indeed of three Commissionerships. They asked that the district-boundaries should be re-arranged, so as to bring the Jherria field into a single jurisdiction. The request was reasonable. It is obviously

[*The Lieutenant-Governor; Mr. Ashton.*] [22ND MARCH, 1901.]

confusing to have uncertainty as to the authority for the decision of a reference. The district-boundaries were fixed long before the existence of a coal-field was known. A new and important industry has now sprung up with a large population bound together by common interests, and it will be to the advantage of all to have a single Government. Fortunately the area is not large, as Indian areas go, and I have taken steps to have the whole brought under the single jurisdiction of the Magistrate of Burdwan and of the Commissioner of that division."

The Hon'ble MR. ASHTON said :—"My Lord, the Hon'ble Mr. Smeaton and I visited several of the worst collieries that I could find, and I did not hesitate to point out to him the defects that I saw. I am not afraid to own that they were defects, and defects that should be remedied. But this does not affect my main argument, which is that improvements in such matters can be better effected by the spread of knowledge than by the interference of Government. As a matter of fact, a Government Inspector would not see those little things which I saw. His coming would be signalled and he would not be able even with statutory powers to obtain that knowledge of what is going on which can be obtained by an Inspector who comes as a friend and not as a policeman.

"The Hon'ble Mr. Raleigh has told us that no home influence has been brought to bear on the Government of India in the framing of this measure, and I fully accept this statement; but the fact remains that in the Hon'ble Sir Charles Rivaz's Statement of Objects and Reasons reference was made to the fact that legislation existed at home as an argument in favour of it being instituted in India. I did not intend to imply, neither did I say, more than was stated by Sir Charles Rivaz. The Hon'ble Mr. Raleigh has again asked me to say how I would deal with the man whose workings required ventilation but who refused to ventilate them. My Lord, I should try to show him that ventilation was necessary in his own interests, and I think that I should be able to bring him over to my way of thinking. If however, he was so stupid as not to see that ventilation was in his own interests, I do not consider that even this power of Government would be able to put sense into his mind, and I should have at once recourse to section 144 of the Penal Code, which fully provides for such a case. We have only to come out of our doors to see how little use the Government Inspectors with statutory authority are. Look at the horrible nuisances that exist in Calcutta under our noses in spite of the powers vested in Nuisance Inspectors. The only hope which there is of improving matters is in educating and improving the knowledge of the people. I have already endeavoured to

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describe to His Honour the Lieutenant-Governor how I should endeavour to improve the conditions of the colliery districts. I would try to open out a centre of education at Asansol by establishing there museums, geologic and mechanical libraries, perhaps even a school for mines to which the mine-managers could resort. I do not claim that the mining industry, as carried on in Bengal, is perfect. I know that it is very imperfect; but this I do say, that the way to improve it will not be found in the institution of an expert policeman—an individual who is doubly dangerous as combining the defects of two professions—but will be found in the spread of knowledge and education."

HIS EXCELLENCY THE PRESIDENT said :—" I think that I may now bring this interesting debate to a conclusion. Few measures that have ever been enacted by the Legislative Council of the Governor General of India have passed through a severer preliminary ordeal than this. It is seven years since the report was presented to us by Mr. Grundy, the first Inspector of Mines in India, which showed that legislation was necessary. Upon his report was convened the Committee of 1895, upon which the mining industry was represented. They provided, as the Hon'ble Mr. Raleigh has pointed out, the material for the first draft Bill and rules that were circulated to Local Governments, as explained in the Government Resolution of October, 1896. When the replies had been received, the draft Bill was revised and sent home to the Secretary of State. All this had taken place before I assumed my present office. The Bill as accepted by the Secretary of State was introduced into Council in the session of 1899. It was then recirculated to Local Governments and other bodies for their opinions and advice. It was dealt with in Select Committee during the session of 1900: and, as re-amended by that body, was again sent out to Local Governments in the summer of last year. Finally, I reconstituted the Select Committee during the present session, and invited the presence upon it of the Hon'ble Mr. Ashton, whose practical knowledge has been of the utmost value to the deliberations both of the Committee and of this Council, and who has delighted us today with a most vigorous speech; and the Bill, as re-amended and substantially modified by it—and how great the modification is has been powerfully pointed out by the Hon'ble Mr. Smeaton—has now at length emerged from its long period of labour, and is about to take its place on the Statute-book. This brief historical retrospect is, I think, sufficient to demonstrate by what slow and cautious steps we attempt to move in these cases, how numerous and unhampered are the opportunities which we provide for outside criticism, and how undeserved are the censures of those who represent the Government of India as consumed by a passion for legislative interference

with matters upon which it is imperfectly informed. If any one still thinks that such a reproach can be brought against the present Administration; I would invite him to compare the form of the Bill as it is now on the table before us with the shape in which it was first sent home to the Secretary of State, and to read the notes not of dissent—for they are appended to a frank acceptance of the Bill—but of what I may call subdued interrogation, by the Hon'ble Sir Allan Arthur and the Hon'ble Mr. Ashton, which appear at the close of the Select Committee's Report. The Hon'ble Mr. Ashton, it is true, questions the desirability of any legislation dealing with the coal-mines of Bengal—a point as to which I shall have a word, or rather several words, to say in a minute—but both he and his Hon'ble colleague confess in their notes that their only objections to the clauses of the Bill are objections which they do not at present foresee—an admission which, emanating as it does from such far-sighted gentlemen, may, I think, justify the remainder of us in concluding that they cannot be very much on the surface. I would further invite attention to their speeches of today. The Hon'ble Mr. Ashton has, indeed, somewhat advanced from the position taken up in his note; for he now describes the Bill as the inevitable result of the convention of modern times; and he compares it with vaccination. Now, I am sure that my Hon'ble colleague was once vaccinated himself, and that, if an epidemic of small-pox were to threaten Calcutta, he would take very good care to be vaccinated again; and therefore I think we may conclude that the convention of modern times is a formula of which he may speak disrespectfully, but to which in practice he would be very scrupulous to conform.

“Accordingly I accept his comparison, and I gladly respond to his challenge to explain to this Council why we have preferred the inoculation prescribed by this Bill to the unimpeded prevalence of the disease which it is intended to check. A Bill for the Regulation and Inspection of Mines is, in my opinion, nowhere more needed than in this country, and an ample vindication of this proposition might, I think, be found in the general as distinct from the peculiar circumstances of the case. The mining industry in India is one that may truly be said to be increasing by leaps and bounds. Twenty years ago it had barely sprung into existence. Now it is a healthy adult. I am one of those who look forward to a promising and remunerative future for this industry, and who would wish to provide every possible opportunity for its expansion. But is it to be conceived that alone in India, of all countries in the world, the Government is to stand aloof and allow mines to be dug, and hundreds of thousands of its subjects to be employed in an occupation, at all times severe, and sometimes perilous, without inter-

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vening to ensure that reasonable protection shall be afforded to life and limb, and that adequate safeguards shall be instituted for inspection, supervision, and control? It is, I believe, true that India is the only country in the world, where mining exists on anything approaching the same scale, where there is no Mining Law. At present no mine can be visited by a Government Inspector, except by the good will of the owner of the mine. Other forms of industrial labour here have been regulated by Statute, as, for instance, by the Factories Act. Mining could not possibly expect for any length of time to escape from a similar supervision: and great, I think, would have been the responsibility of a Government which shirked a duty that has been assumed by the Government of every civilised nation, and which is imposed upon us equally by our obligations towards the Indian people, and by our respect for the common law of humanity.

“I do not think that many persons, even among the mine-owners themselves, will seriously dispute this proposition. I detect, indeed, a curious analogy between the circumstances of the present Bill and that which we were discussing in this room a fortnight ago, namely, the Assam Labour Bill. The greater part of that measure was designed to improve the conditions under which the coolie is recruited for the tea-gardens in Assam, and is maintained while at work upon them. Those provisions were very generally and thankfully accepted by all parties. Then there was the single clause dealing with an increase of wage, concerning which there was much diversity of opinion, but upon which we ultimately came to a decision that was, I believe, generally acceptable to this Council. Similarly, in the case of this Bill, I venture to think that $\frac{3}{4}$ ths of its provisions will be recognised as salutary and necessary by all of those here present; while the disputed section, known as the labour clauses, is again a matter upon which we have shown a keen anxiety to meet outside and expert criticism, and not to proceed beyond the necessities of the case. I have indeed as strong a dislike of academic legislation as can possibly be entertained by any mine-owner, who looks upon Governments as sinister bodies animated by an almost fiendish propensity for meddling in other people's business, and in particular for interfering between capital and labour. I am all for developing our nascent Indian industries; and I know that this is not to be done either by cuddling them on the one hand, or by persecution on the other. This is an explanation of the attitude which the Government has adopted with regard to the labour clauses of the present Bill, and indeed towards the Bill in general, and it is one which I at any rate fearlessly submit to the bar of public opinion.

"But now I pass to the justification for a measure of this sort not on *a priori* grounds, but on grounds of local and demonstrated necessity. Some people are in the habit of talking and writing as though mines in India were such simple affairs, so shallow and agreeable, and free from conditions either of discomfort or danger, as to be able to dispense altogether with statutory regulation, equally with labour above-ground and in the fields. The Hon'ble Mr. Ashton has drawn a picture of the poor perspiring labourer who retires to the happy haven of the underground coal-pit as a refuge from the heat of the outer air. I think that this is pushing the case rather too far. It rather reminds me of those persons who defend fox-hunting on the ground that the exercise is so agreeable to the fox. I daresay that in many cases Mr. Ashton's dictum applies. But it is not of universal application. Mines in India are not at all invariably the safe and comfortable resorts which he would have us believe. For years past Mr. Grundy, the Official Inspector of Mines, has called the attention of Government in his annual reports to the defects in their working, and to the dangers to which the operatives were exposed. I have studied these reports, and other Hon'ble Members have probably done the same: and they are far from bearing out the sanguine description to which we have listened. But I have carried my investigations a step further. I resolved to ascertain what was the very latest information as to the alleged conditions of danger attending mining in India, and I accordingly sent and asked Mr. Reader, the Officiating Inspector, for a special report. His reply only reached me a short time since. It was written less than a month ago, just before Mr. Reader sickened of cholera, and died. What he told me was that, in his many inspections, he had repeatedly found an utter disregard for human life, resulting partly from ignorance and partly from carelessness, and that many mines were conducted upon such inhuman lines—these were his own words—that some immediate remedial action ought to be taken. He further supplied me with details about 71 collieries and mines which he had personally inspected at a recent date. In 55 of these he found that precautionary measures were generally taken, and that the health and safety of the work-people were looked after. But in 16 cases—which were principally those of native-owned mines, where he reported a lower standard of experience and care—he declared that there was evidence of an utter disregard to make this elementary provision. In many of the mines the head-gear and winding apparatus were unsafe. Elsewhere there was no attempt at proper ventilation. Frequently the managers were absent, and the work was proceeding under no sort of control. In some cases the proprietors stopped the working of the mines altogether in order to

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prevent the Inspector from descending and finding out what was going on. This is the class of manager to whom the Hon'ble Mr. Ashton's earnest appeal of today may profitably be addressed. In one case, in a Bengal coal-mine, Mr. Reader found 250 people (men, women, children and infants) at work, where he reported the ventilation as *nil*, the air as foul in the extreme with smoke and gases, and the conditions as unfit for human existence. In another case he found that three deaths had been caused by a fall of overhanging sandstone, due to incompetent management, and that the lives of 65 other persons were in jeopardy from the same cause. In another case he found the women carrying the coal passing to and fro under a roof of coal that was being taken down and might have fallen in at any moment. In two other gaseous mines, where the managers were absent, and incompetent substitutes had been left in charge, he found huge fires kindled in the working galleries, and naked lights suspended from the roof where the cutting was going on. In a long succession of cases in his report I read the words—'only one entrance; no ventilation, ventilation none.' What the danger of only one entrance is must be obvious to every body. Supposing any accident to happen at the mouth, or the single incline to be blocked, all the persons working underground are imprisoned alive. Again, he says that infants are allowed to be carried and put to sleep in foul places incompatible with health or safety. I might go on multiplying these quotations, which I have given in Mr. Reader's language, not mine. But I think that I have said enough to convince my Hon'ble friend Mr. Ashton that the case for legislation has not only been proved, but proved a dozen times over. If I were to allow such evidence to come before me, and to refrain from acting upon it, when it lay in my power to do so, I should be unfit to be the head of this Administration. At the same time I readily admit that these are the exceptional and not the normal cases—it is with bad exceptions that legislation is as a rule called upon to deal—and that they probably do not occur in the mines with which the Hon'ble Member is himself acquainted. Indeed, Mr. Reader added in his reply to me that the fires, of which I have spoken, were not allowed in any mines under European management, and that, where he had noted grave defects in any such mines, they were in process of being remedied.

"I have now, I think, said enough to show that Government are standing upon very solid ground in taking the powers for official inspection and control that are provided by this Bill; and I will pass to the next remaining subject that demands my attention, namely, the regulation of the labour of women and children. I say frankly in this context that I think that our standard

should be, not a too rigid or pedantic correspondence with the tests or the enactments of European countries, but the security of female and child labour, as affected by the conditions of Oriental labour and life. There is no analogy, or, at any rate, none but the slightest analogy, between the circumstances of English coal-pits, where women and children are not permitted to descend below the surface at all, and the conditions in India, where families all work together, and where such co-operation not merely adds to the earnings of those who are miserably poor, but is a check upon, rather than an incentive to, immoral relations. I do not conceive that a case has been made out for interfering, on abstract grounds, with labour of this sort. I may add that Mr. Reader was of the same opinion, and that, outspoken as he was in his condemnation where condemnation was required, he reported that he had not found women and children doing work in one district which was performed by men in another, or work which was itself of an unsuitable or dangerous character, but that the division of underground labour was fair and well observed. On the other hand, he did report that he had inspected mines where women and children ought not to be employed at all, and that he had found them employed elsewhere under conditions which were equally dangerous to them with the men. This being the case, he held most strongly that legal power ought to be taken to prevent their employment in such places. I do not see how it is possible to differ from this conclusion. Even now woman and child labour is not employed in a number of mines, or is only employed at the surface, and I have seen a letter from a mine-manager in Bengal who has had twenty years of experience in India, and who says that he has never yet employed a woman or child underground, and never will. Though not a word has been said about it in the debate, I think too that Government should not shut its eyes to the fact that in a good many cases the labour of women and children is really engaged not for domestic reasons, but simply for economy's sake; in other words, because it is cheaper than that of men. Labour so employed is peculiarly defenceless, and has only Government to look to for protection. Moreover, Hon'ble Members must recollect that, as time goes on, while no doubt higher standards as regards management will be introduced into Indian mines, so also will there be a tendency on the part of the labour conditions to become more like, and not less like, the European model. Shafts will become deeper, narrower and gaseous seams will be more and more encountered, ventilation will become more necessary, improved facilities for ingress and egress will be required, and the need for closer inspection, and sometimes direct interference, will develop. In these circumstances, it is simply impossible for Government to divest itself

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of the full authority to intervene in such cases, or to abrogate its duty, by a rule-making power, to assimilate progressive conditions to a progressive standard of comfort and security.

“Our main object in modifying the labour clauses, as we have done, has been to secure that no such intervention shall take place in a sudden or ignorant or arbitrary manner, but that the fullest opportunity shall be conceded to the mine-owners to be heard in counsel, in exculpation, or in defence. This is the origin of the Advisory Boards and Committees which we have instituted, and which I venture to think will provide a machinery that will ensure to capital an almost unexampled opportunity of making its legitimate influence and authority felt, while not depriving Government of any portion of its right to protect and to safeguard labour. I cannot conceive anything more unfortunate or unwise than that, at this early and transitional stage of the industry in India, definite and rigid rules should be inserted in the Act, authorising or compelling a particular method of interference, and that alone. I would venture to say with some confidence to mine-owners that, were any such course adopted, the only result would be that, before many years had passed, the rules would be found to be so inflexible as to have become either obsolete or inadequate, and that a demand would be made, and very likely strongly reinforced by agitation at home, for a remodelling of the entire Act. It is from every point of view undesirable that we should be perpetually tinkering our former legislation, or passing new legislation, to regulate these questions of labour and capital in India. No enterprise will grow that is always in legislative swaddling-bands. It is much better for all parties that Government should retain the full power to which it is entitled, and which it cannot without discredit shake off or evade; but that it should provide, as we have endeavoured to provide, the amplest guarantees that this authority shall not be used to override expert advice, or to run away in advance of public opinion or of the necessities of the case. The Hon'ble Mr. Ashton has, I understand, invited me, in his speech to-day, to lay down the lines upon which the rules of the future shall be framed, and in particular to define the restrictions that may be applied to women and children. In other words, the Government of India having deliberately refrained from introducing the rules at this stage into the Bill, my Hon'ble friend suggests that I should supply the deficiency by stating them in my speech. ‘Will you come into my parlour, said the spider to the fly?’ I am afraid that I must assume the position and give the answer of the humbler insect. The fact is, if I may point it out, that the Indian

Mining Association do not quite know their own minds in the matter. As Sir Charles Rivaz has pointed out, there was a time a few years ago when they were all in favour of a rule-making power and against the insertion of rules in the Act. Now they have swung round and are crying out for definite rules. I venture to say that their earlier attitude was, for the reasons that I have named, wiser than the later. Indeed, it would have been absurd to introduce into the Act rules that would have applied to all the metalliferous as well as to the coal mines of India, and no one would have been so competent to point out this absurdity as my Hon'ble friend.

"He has further taken exception to the proposed Mining Boards on the ground that they will contain an overpowering Government majority. Well the Board is only to consist of five persons, and, as two of these are to be mine-owners or representatives, the majority against them, if all the rest vote together, can only be one, which can hardly be described as very overpowering. But who are the three to be? Excluding the Mining Inspector, the two remaining members are to be a public officer nominated by the Local Government, and another independent person similarly appointed. I presume that these persons will commonly be selected from the local officers of the district, to whom I have always understood that the mine-owners gladly appeal in confirmation of the proper conduct of their enterprise, and who have been cited to-day by Mr. Ashton as witnesses favourable to his case; and if my Hon'ble friend now assumes, as he does, that these parties, when they are placed upon a Mining Board, will always be against the mine-owner, I can only say that he displays a most surprising lack of confidence in the equity of the cases that will come before them.

"The fact is that my Hon'ble friend and his associates are very much pleased at the constitution of these boards. It gives them all and more than the protection that they desired. That the coal-mining industry at large cannot be very seriously frightened at what we are about to do, may, I think, be inferred from the market-prices of the Bengal mining shares, which have risen steadily while our measure has been proceeded with, and which stand now at higher figures than they have ever before touched, while, if my Hon'ble friend had been at all genuinely perturbed, I am sure that he would have quoted some more recent authorities upon mining than Lord Bacon and Burke, Lord Macaulay and Sir Henry Maine. In reality I believe that he has been dissembling his emotions of relief this afternoon. They were much more openly confessed by the Hon'ble Sir Allan Arthur, whose candid admissions I greatly admired. For my own part, I do not at all doubt that this Bill, while

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regularising, will encourage, rather than cripple, the enterprise with which it deals, and which is much more likely to be successful when it is no longer allowed to be lax. It is, therefore, with no small confidence that I submit the motion now before us to the votes of this Council."

The motion was put and agreed to.

The Council adjourned to Wednesday, the 27th March, 1901.

CALCUTTA ;	}	J. M. MACPHERSON,
<i>The 26th March, 1901.</i>		<i>Secretary to the Government of India,</i> <i>Legislative Department.</i>

Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict, c. 67, and 55 & 56 Vict., c 14).

The Council met at Government House, Calcutta, on Wednesday, the 27th March, 1901.

PRESENT:

His Excellency Baron Curzon, P.C., G.M.S.I., G M.I.E., Viceroy and Governor General of India, *presiding*.

His Honour Sir John Woodburn, K.C.S.I., Lieutenant-Governor of Bengal.

The Hon'ble Major-General Sir E. H. H. Collen, G.C.I.E., C.B.

The Hon'ble Sir A. C. Trevor, K.C.S.I.

The Hon'ble Sir C. M. Rivaz, K.C.S.I.

The Hon'ble Mr. T. Raleigh.

The Hon'ble Sir E. FG Law, K.C.M.G.

The Hon'ble M. R. Ry. Panappakkam Ananda Charlu Vidia Vinodha Avargal, Rai Bahadur, C.I.E.

The Hon'ble Kunwar Sir Harnam Singh, Ahluwalia, K.C.I.E., of Kapurthala.

The Hon'ble Mr. J. Buckingham, C.I.E.

The Hon'ble Mr. H. F. Eyans, C.S.I.

The Hon'ble Rai Bahadur B. K. Bose, C.I.E.

The Hon'ble Sir Allan Arthur, Kt.

The Hon'ble Sir A. Wingate, K.C.I.E.

The Hon'ble Mr. F. A. Nicholson, C.I.E.

The Hon'ble Mr. D. M. Smeaton, C.S.I.

The Hon'ble Mr. C. W. Bolton, C.S.I.

The Hon'ble Rai Sri Ram Bahadur.

The Hon'ble Mr. R. P. Ashton.

The Hon'ble Mr. R. H. Henderson.

DISCUSSION OF THE FINANCIAL STATEMENT FOR 1901-1902.

The Hon'ble SIR EDWARD LAW moved that the Financial Statement for 1901-1902 be taken into consideration.

His Excellency THE PRESIDENT said:—"If any Hon'ble Member cares in the course of this debate to adopt the plan that was followed in some cases last year, of laying upon the table either his speech, or such portions of his speech as are of a detailed or technical character, I will not stand in the way of his doing so."

The Hon'ble Mr. ASHTON said :—“ My Lord, that part of the Budget which relates to railways has such a direct bearing on the industry which I represent in this Council, that I venture to ask permission to make the following remarks.

“ I see with very great satisfaction the steps that have been taken by Government to more clearly differentiate between expenditure incurred on behalf of those enterprises which are profitable both in respect to their indirect benefits to the country and in respect to their very satisfactory working balances and on expenditure on the general administration and defence of the country.

“ The subject of the separation of railway accounts from the general accounts of the country has engaged much public attention of late years. At the time of the currency agitation it was pointed out how the aspect of that item which was called ‘ Exchange ’ in Government accounts, but which was called ‘ Loss by Exchange ’ in controversy, was made more serious by balances that were transferred to it from actually profitable undertakings. Mr. Clinton Dawkins referred last year to the misapprehension which arose from this and kindred circumstances which he justly said confounded the public and misled even English financial experts. I think I detect in Mr. Dawkins’ use of the word *even* an insinuation that experts other than English were misled to a still greater extent. I refer to this merely to show how the want of clearness in the Government accounts has led to misapprehension in the past. In later times, however, the subject has forced itself on public attention in connection with the influence that it has had in times of stress and famine in preventing the development and working of open main lines of railway which for want of funds have been starved and have therefore not been in a position to earn so much as they would have done had their demands been met as they deserved and required to be met. Within the last twelve months the British Chambers of Commerce, the Indian Chambers of Commerce and many other authorities have strongly urged the very separation of accounts towards which Government has now so wisely taken the first steps. But, my Lord, while greater authorities here and at home have been arguing the need of reform, the same need has been forced on the attention of the coal-trade by a most instructive object lesson. When these Chambers of Commerce were discussing the subject in England, the Acting Agent of the East Indian Railway was advising the Bengal Chamber of Commerce that the wagon supply could not be kept up to requirements, because, though Government sanctioned additions to the supply, they withheld the grant of money necessary to pay for them. To quote his own words :—

‘ The amount of money available for the purpose of the Company from time to time depends entirely upon the provision in the General Budget Estimates of the Government

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[*Mr. Ashton.*]

of India and the allotments made therefrom, and for the last two years, owing presumably to financial difficulties, the amounts so provided or apportioned by the Government of India for expenditure on the requirements of the East Indian Railway have fallen short of the requirements of the Company, both for the provision of admittedly necessary works and accommodation to deal effectively with the increasing traffic, and also for the engines and rolling stock to move it.'

'This led to correspondence between the Indian Mining Association, the Chamber and Government, eliciting from the last a letter dated 4th October explaining the difficulties to which the present system led. I quote the following extract.—

'Such difficulties as may have been experienced are due to the impossibility of always ensuring that the actual disbursements on account of sanctioned indents shall coincide with the year against the allotment for which they have been certified. It takes a considerable time to obtain the stores required, and it would be of no use to set aside funds in a year prior to which it may be anticipated that the outlay will be incurred. Even so, it not infrequently happens that, owing to various circumstances, the supply is not obtained as early as anticipated, and in such cases the liability for payment has to be thrown forward to another year. It also sometimes happens, on the other hand, that articles are obtained earlier than was expected, and in that case an additional provision to meet their cost is demanded. Difficulties of this sort, however, are obviously beyond the control of the Government of India, who have discharged their responsibility in providing funds according to the forecast of the railway authorities. They are to a great extent also beyond the control of the railway authorities, and, so far as that is the case, must be accepted as among the inevitable drawbacks of the system under which the funds required for railway expenditure are at present provided.'

'Now, my Lord, I do not feel competent to say how far the new system of accounts will mend matters. But I do not like those words 'obviously beyond the control' of Government, who have 'discharged their responsibility' and 'inevitable drawback.' The Hon'ble Sir Arthur Trevor last year admitted that the making of one desirable line was postponed because difficulty arose in finding money for the line within the programme. Will the new system prevent a recurrence of such an incident? As at present happens and as I understand will still be the case, the schedule for each official year which begins with April is prepared in October previously, although, as pointed out by the Agent of the East Indian Railway, it is in the very nature of a railway business that requirements of a pressing nature often declare themselves after the Railway has submitted its schedule.' Surely this is wrong. Is there not still fear that railways will be again starved of funds when the country's cash balances are being eaten up by famine or war expenditure, and can

we be sure that we are free of a system which weakens the chief power which the country possesses both for fighting famine and for making good the losses which famine causes to our revenue? I do not ask these questions with the view to advocating the spending of money on new railways, some of them in districts that are already furnished with lines of communication. The Hon'ble Maharaja of Durbhanga, for instance, last year drew attention to the folly of devoting funds to the extension of the hill sections of the Assam Railway which are not wanted and can only be a loss to the country, while money was required for the most elementary necessities of railways connecting the coal-fields of Bengal with the great industrial centres. But, my Lord, I am particularly referring to those existing and profitable railways whose further development is so important and who can show without any elaborate demonstration or estimates that they return a good percentage on every rupee which Government can borrow for them. May we now feel certain that Government will in future years provide fully for expenditure on the construction of profitable main line branches, and for the provision of suitable and sufficient rolling stock for main and branch lines which are immediately remunerative, undeterred by the claims of lines for military purposes and famine-reliefs, or by the claims of new railways for opening up new districts? The first class of railway work is so distinct in character from the others that it seems absolutely wrong to make it subservient thereto or dependent on what can be spared from the general revenues of the country. It seems to me the Public Works Department will in spite of the reforms made still be bound by hard-and-fast lines, for though in the new railway programme precedence is arranged on most unimpeachable lines, there appears to me nothing to prevent such precedence being absolutely upset by a recurrence of difficulties such as have been lately experienced. I fear that of late railways for the purposes of administration have swallowed up an undue portion of the funds which the Finance Department has been able to allot to the Public Works Department for railway works, much I should imagine to the disappointment of the Public Works Department, who know the urgent requirements of the open main lines. Hence the development of the railway system throughout the country has been delayed, and the trade of the country and the tax-payer are suffering. It therefore seems to me desirable that the financing of open main lines should not only take precedence but be wholly independent of the expenditure on railways which are not immediately reproductive, and whose rate of progress might fairly be made dependent on the country's general financial position, and I trust that the Hon'ble Financial Member will not cease to move forward till this end is reached. Separate borrowing powers should be granted to the main lines, and the fear of adversely affecting Exchange should

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not shake the determination of the Government to give the Public Works Department a fair chance and a free hand to help on as quickly as possible these developments. The main lines should be empowered to take advantage of all favourable offers of material and money. At present the Public Works Department have to spend the money as they get it, and the faculty of operating in the most opportune time in the material and money markets is denied them. It must be remembered that as the railway system extends and opens up new districts the traffic which is encouraged must cause a great increase in the demand for rolling stock on open main lines. We know that the East Indian Railway has been starved. It is probable that lines which are not so much in evidence suffer equally. The grain trade and many other trades are suffering, but it is sufficient for my argument to confine myself to the condition of the trade with which I am directly acquainted. At the present time steam coal is crumbling into dust at the wharves of every colliery on the East Indian Railway system. In America in such a situation a gigantic Wagon Company would at once spring into being and supply wagons to the railways, and traffic would force itself to the sea-board by new lines if the old could not deal with it. But we do not pursue American methods in this country. In England, colliery proprietors would have a ready remedy against the railway by application to the Standing Commissioners under the Act; but in this country the Governor General in Council has the power to refuse to even constitute such a tribunal. Moreover, in the case of a railway whose policy and finance are practically controlled by Government, it is a question whether even if Commissioners were appointed the complainants would not be met by the plea that the railways are prevented from doing their duty by Government itself; and though I am advised that this plea would not avail the railway in view of the imperative nature of its statutory obligations, it would undoubtedly complicate the only method of relief which the public possesses—a relief which ought in justice to be ready and easy to the public as a set off against the monopoly which the railways possess. There seems to me no reason even in times of stress to limit the Public Works Department in their expenditure on works which are immediately reproductive.

“Finally, my Lord, I beg your leave to ask the Hon'ble Member in charge of the Financial Department if his Department hesitates to accede to the demands of the Public Works Department on the ground that the market within which the Government of India can borrow is limited, and that circumstances might arise which would make it incumbent on Government to borrow largely in order to maintain the gold standard fixity of exchange, and that the

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Financial Department regard the salvation of the gold standard as much more important than the development and proper working of paying lines of railway. Certainly such would not be the right way to face the position, for the gold standard will never be effective unless the export trade is carefully nursed, and to ensure this the people must not suffer through the incapacity of railways. Look at it in what light we may, free but not extravagant expenditure should be allowed on main open lines, and this will not be possible unless the money is specially borrowed, apart altogether from the general finances."

The Hon'ble RAJ SRI RAM BAHADUR said:—"My Lord, the Hon'ble the Finance Minister is to be congratulated on presenting to the Council a Budget showing the finances of the country to be in a prosperous condition; and if no untoward circumstance happens the coming financial year will close with a surplus of £690,000. His predecessor, at the time of presenting the last Budget, had estimated the receipts at £70,155,800 and the expenditure at £69,995,500 leaving a surplus of £160,300, only. But better receipts from certain items of revenue (notwithstanding a considerable decrease in Land-revenue proper, on account of the Famine in Western and Central India) and large savings in certain heads of expenditure, notably under the heads of Army Services and Public Works, have swelled the estimated surplus from £160,300 to £1,640,000, or ten times the original estimate. A study of the figures relating to income and expenditure of the year which is about to come to a close leads persons like myself, who are uninitiated in the mysteries and ignorant of the system of the Finance Department, to come to the following conclusion. What I find is that the financial year 1900-1901, that is to say, the present year, began with a large surplus amounting to £2,774,623. The increase in the several items of receipt over the estimate is £2,395,000, from which, if we deduct £382,900 deficiency in Land-revenue, the net increase comes to £2,012,100. Among the items of expenditure, then, there have been considerable savings in Army Services and Public Works, amounting to £1,185,000 and £118,000—total £1,303,000. The two items of expenditure in which more than the budgeted amounts have been spent are Famine Relief which accounts for an increase of £876,000 and 'Railway Revenue Account' £323,000. The Government borrowed £3,000,000 in England and three crores of rupees in India. If from these two loans we deduct four crores lent to the Native States and which will be repaid, there remains an addition of three and half crores to the permanent debt on account of the expenditure on the Famine, which cost the Government £4,245,000 only. This state of things shows that, notwithstanding the large surplus of the preceding year, the heavy

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increase in the items of receipt, and the considerable savings in certain items of expenditure, the Government did not or could not see its way to make a smaller addition to the permanent debt of the country than it has actually done.

"Coming now to the Budget estimates for the financial year 1901-1902, the receipts are estimated to fall short by about £1,014,600, compared with those of the current year, and the expenditure is estimated to exceed a little less than by 4½ million pounds, two most important items being a little above 2 millions in the Army Services and a little over ½ of a million on the Public Works.

"A crore of rupees has been provided for the Famine relief of the affected districts in Western India. The Government has announced its intention to make an addition of £2,240,000 to the permanent debt, of which two crores of rupees are contemplated to be borrowed in India. The necessity for adopting this course has been indicated to be 'to tide over the critical period of the 'earlier part of the financial year' when the revenue-collections are said to be much smaller as compared with monthly expenditure and the balances gradually diminish until the month of November, when the revenue-receipts begin to pour in. My Lord, if that is the principal reason for the loan, one naturally expects that, the necessity for such loan being of a temporary nature, no 'addition to our permanent debt should be made' on that account.

["My Lord, the past history of the Indian finances shows that there are mainly three potent causes which exercise a disturbing influence on the financial equilibrium of the country; these are frontier expeditions and wars, fluctuations in exchange, and recurrence of famines."] Your Excellency's wise and farsighted policy has happily allayed apprehensions as to the first. The measures adopted in connection with the Indian Currency will, it is hoped, give stability to exchange; and no danger can for the present be possibly apprehended. With regard to the third, however, we are unfortunately in no better position than we were about a quarter of a century ago. Since then India has had to suffer from the ravages of no less than three great famines, each surpassing its predecessor in extent and intensity. The famine of 1877-78 caused the deaths of six millions of people according to official estimates. The one that occurred in 1896-97 was characterised by His Honour the present Lieutenant-Governor of Bengal as 'the greatest of the century', while Your Excellency was pleased to remark with regard to the one which occurred only two years after 1897 as 'the severest that India has ever known'. Fortunately for the people of India, they had a Viceroy at the helm of affairs at this juncture who was as able as he was wise and sympathetic, and who with God's help succeeded in tiding over the difficulty in a manner which has elicited the admiration of the whole world.

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He fed six millions of people daily for months together at the cost of the State—a spectacle which was never witnessed within the memory of man and a feat which was never performed before. My Lord, the people of this country are under deep obligation to you for the measures adopted by Your Excellency's Government for saving lives from starvation, and they will ever remember it with heartfelt gratitude. Unfortunately, the days of India's misery are not yet over; for I find that, in the Budget for the coming year, the Hon'ble Finance Minister has provided for a sum of one crore of rupees, to meet the expenses of another Famine in the Bombay Presidency.

“The popular notion is that the annual drain in the shape of Home Charges to which India is subjected have great indirect effect on these frequent famines. But it is a large question and opinions are divided on the subject. I will not therefore enter into a discussion upon it. All I need remark is that it goes without saying that if the Indian Government can prevent the drain of India's wealth to foreign countries and retain the same here, then they will be in a better position to make the Indians prosperous than under the present circumstances; but whether or not it is possible to put a stop to these drains is more than I can say. It is, I believe, now admitted on all sides that India suffers more from famine of money than that of food. Food-grains are available in the country but the people have not the means to buy them. Any measure that may prevent India's wealth from being taken out of the country is thus most welcome.

“The official view is that it is the fitful rainfall or its failure that brings about famine. But other countries are also subject to freaks of the weather, and yet they are not overtaken by these calamities to the same extent as India. There is, however, no doubt that crops will fail if rains do not fall when they are wanted, or there is too much rain when sunshine is needed. Hence the duty of the Government is to provide for the storage of water; and I am deeply gratified to find that the Government have taken some practical steps in this direction. So far as the opening of means of communication and providing highways in the different parts of the country for carrying food-grains in times of scarcity are concerned, the Government has done a good deal by constructing lines of railways.

“In my humble opinion, future famines may be prevented and their severity alleviated to a large extent by the adoption of the following measures:—

- (1) distribution of takkavi or agricultural advances in time;
- (2) establishment of technical institutes;
- (3) establishment of agricultural schools;
- (4) establishment of agricultural banks;
- (5) light and permanent or long period settlements.

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"(1) Takkavi advances are no doubt now made, but not in the way they should be done. The advances should be distributed as soon as the first symptoms of distress are visible and not when its pinch is actually felt.

"(2) One of the remedies pointed out by the first Famine-Commission against the recurrence of famines is the spread of technical education and the establishment of industrial schools, so that facilities may be placed within the easy reach of the masses to learn handicrafts and to become good mechanics. Some such schools have, no doubt, been established here and there in India; but many more are required to attain the desired end. Besides, an institute for higher research like the one proposed by Mr. Tata of Bombay is absolutely necessary to enable the people to learn the higher branches of science and develop the resources of the country.

"(3) But India being pre-eminently an agricultural country, her wealth lies chiefly in the soil and the produce that can be raised from it. What is therefore urgently needed is to improve the present method and system of agriculture and teach the peasants how to make their fields yield more than they do now.

"The efforts of Government in this direction have not been of a far-reaching character. No effective steps have been taken to spread broadcast a knowledge of even the most elementary principles of agriculture among the masses, and the consequence is that the Indian cultivator uses the same implements of husbandry, and ploughs, sows and reaps in the same manner, as his ancestors did hundreds of years ago.

"A Department called the Department of Land Records and Agriculture has been established by Government in every Province. But the duties which that Department has to perform are multifarious. One of its functions, no doubt, is the supervision of the agricultural condition of the Province and the adoption of measures conducive to agricultural improvement. But from the results which have been produced it is clear that the discharge of this function has up to this time been considered of secondary importance only. The methods adopted by this Department towards the improvement of agriculture and diffusion of its first principles among the peasant classes, have not yet produced any fruitful results. The Department has got no machinery at its command through which it can diffuse instruction in the first principles of agriculture among the villagers, or give them advice on the seeds to be sown, crops to be produced, and manures having great fertilizing powers to be used. There is at present a paucity of men

capable of carrying out such work. I venture to submit that, in order to improve agriculture in this country, the system of agricultural education like the one which prevails in the great countries of Europe and America, with necessary modifications, should be adopted, and primary schools to teach the first elements of practical agriculture to the peasant classes should be established in large numbers, as well as Agricultural Colleges to teach agriculture on a scientific basis and to turn out teachers for the primary schools should be opened in places where none exist now.

"That the people of this country enjoy the facilities for agricultural education to a very limited extent will be seen from a comparison of the number of institutions established in India with the number of such institutions to be found in some of the European countries and in the United States of America.

"In the year 1898-99 in Austria the number of primary institutions where chiefly practical agriculture is taught was 97, that of secondary institutions where students are prepared for agricultural service was 12, and that of higher institutions in which the highest scientific knowledge of agriculture is imparted was 2.

"In the year 1898 in the German Empire higher education in agriculture was provided by agricultural institutes at eight Universities, by agricultural schools attached to three other Universities, and by three independent high schools, making a total of 14 institutions for higher instruction only. Besides the above there were 16 intermediate schools, 42 farm schools and 195 winter schools for imparting elementary and practical instruction in agriculture.

"Russia in 1898 had 3 higher, 8 intermediate and 109 lower schools.

"In the United States of America in 1899, there were 61 institutions in which agriculture was taught either exclusively or along with other subjects.

"India, my Lord, in this respect cuts a very poor figure indeed. We have only one Agricultural College at Saidapet in Madras. In Bombay, the Poona College of Science has an agricultural department attached to it. The Central Provinces have one school at Nagpur, and the North-Western Provinces one at Cawnpore. Recently one school has been established in Bengal and is located at Sibpur. My Lord, this completes our list, which all told comprises five institutions of all kinds for agricultural instruction in a vast continent like India, whose principal source of income is agriculture and where about 90 per cent of the population are agriculturists.

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“ My Lord, there is another consideration also which attaches great importance to the subject of agricultural improvement in India. The improvement, if properly carried out, is sure to result in increasing the quantity and raising the quality of wheat and other commodities which can be exported to Great Britain, and thus place the first-named country in a position to look to her own dependency for the supply of her wants and not to foreign countries like Russia, America, etc. At the Cawnpore Experimental Farm good cotton, far superior to the indigenous article, has been produced from seeds imported from America and other places. Samples of it were sent to the Bombay Millowners Association for examination, and a Sub-Committee of that Association pronounced a very high opinion in favour of some of them, and recommended their cultivation in larger quantities. They were of opinion that yarns spun from the fibres of some of those samples were quite suitable for producing textile fabrics of the finer sorts. Now, if proper steps be taken to induce the cultivators in the cotton districts to grow cotton of the quality recommended by the Bombay Millowners Association and proper help and advice be given to them, it is sure to be grown in time in very large quantities sufficient to be exported to foreign countries, and Lancashire need not in future be under any apprehension of her industries being threatened by American cotton corners.

“(4) In times of distress the agricultural classes have to borrow money at a very high rate of interest from the village-bankers and thus add to their poverty. The money-lenders cannot be blamed if they charge a high rate, for they risk much by their dealings with men who cannot give good security. If Agricultural Banks can be established in rural centres with the object of advancing loans to raiyats at a moderate rate of interest, that will be really a move in the right direction. But, as the subject is under the consideration of a committee of experts, I need not say anything more on it just now.

“(5) Another remedial measure which is sure to have a very salutary effect on the condition of the agricultural classes, and render them less exposed to the baneful effects of a season of drought and scarcity, is the exercise of moderation in fixing the share which the Government should take on account of land-revenue, and the permanent fixation of this share in provinces or parts of Provinces where circumstances may be found to justify the adoption of this measure. My Lord, in places where the maximum culturable area has been brought under tillage, there is no good reason for not permanently fixing the Government revenue. So far as the North-Western Provinces and Oudh are concerned, the majority of the districts have reached that condition. Means

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of communication have been opened in these districts, and no further development in this respect can be expected. The plea of a further rise in the prices of marketable commodities can no more have any force, because the usual prices at present prevailing in those localities are what formerly used to be regarded as famine-prices. The prices have reached their utmost limits, and the expectation of any further rise is sure to meet disappointment. Under these circumstances the proper course for Government is to make the settlement of such places permanent. I venture to say that the landlords will not grudge to give to the tenants more permanency in their tenures, if once they are assured that the Government revenue on their estates will not be liable to future enhancement. The cultivators of the soil will thus have greater security of their tenures and will be enabled to make better provision for times of distress.

“ My Lord, I am aware of the Secretary of State’s despatch of 1883 on the subject of permanent settlement in the Upper Provinces. But I venture to submit that, in questions like this, the decision once arrived at should not possess the finality of a decree of fate, and, if a good and sufficient cause be shown for reopening of the question and its reconsideration, the Government will be pleased to give it a favourable hearing.

“ If the Government do not find their way to reopen that question, they can at least extend the period of the existing settlement from (say) thirty to fifty years. The thought of revision of assessment at short periods hangs like the sword of Damocles over the landowner’s head and does not give to him that peace of mind which is so necessary to enable him to improve his own estate and help his tenants in improving their condition.

“ My Lord, there is another point in connection with the subject of the periodical revision of assessment of land-revenue which deserves particular attention.* The different enactments on the subject do not contain any legislative limit of the minimum and maximum amount of percentage which the Government can take as its share of revenue out of the gross rental. The fixing of such limits is left to departmental circulars, which I do not consider to be a desirable course. Legislative enactments on the subject should fix such limits.

“ There is one more point concerning this subject. Government has been imposing cesses and rates from time to time, and the landholder has to pay them

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out of the share of gross rental which the Settlement-officer pleases to leave to him. The number and amount of these cesses have reached such a limit that here should be a declaration made by the Government that no new cess will be levied in future, nor their rate be enhanced.

"The next and last point to which I beg to invite Your Excellency's attention is the amount which the North-Western Provinces and Oudh are allowed to spend locally out of the revenues raised by them. This is a subject of great importance to my province. I would, therefore, crave the indulgence of Your Excellency's special attention to certain facts and figures in this connection which I shall mention later on. First of all, the sum allotted by the Imperial Government to the United Provinces for their provincial expenditure is not only inadequate, but does not bear a fair proportion either to the amount of revenue raised by the provinces or to the surplus contributed by them to the Imperial Exchequer. Then, again, of all the provinces, the North-Western Provinces and Oudh pay the largest contribution to the Imperial Government. The result is that those provinces require larger allotments for education, administration of justice and other reforms which are so necessary to secure the advancement of the people and keep them happy and contented.

"My Lord, the North-Western and Oudh Government is rather in a disadvantageous position in regard to its financial arrangement with the Supreme Government. A look at the figures given in the Finance and Revenue Accounts of the Government of India for the year 1899-1900 will at once show such to be the case. This will be all the more vividly realized when a comparison is made with 'the important and wealthy provinces of Bengal, Madras and Bombay.' In order to make my case more clear, I give below a tabular statement (the figures having been taken from the Finance and Revenue Accounts referred to above) showing in its several columns the total revenues raised by Bengal, Madras, Bombay and the North-Western Provinces respectively (the totals of the several items of the Imperial revenue such as Opium, Salt, Customs, Tributes from Native States, Post Office, Mint, Railways, Receipts by Military Departments, collected by each province being deducted from the above), the contribution made to the Government of India; the amount left to the Provincial Governments to be spent locally; and the percentages of the last two items on the net revenue. I have not taken into consideration, for purposes of this comparison, the figures for the Central Provinces, nor for 'Assam, the poor province

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with many wants, nor for the young and rapidly progressive Province of Burma, nor for the Punjab, as all these provinces stand on a different footing.

Name of Province.	Total Revenue of all kinds collected by the Province.	Total of items of exclusively Imperial Revenue collected by the Province.	Revenue after deducting item in column 3	Portion of Revenue specified in column 4 taken by the Imperial Government.	Portion of Revenue specified in column 4 left to the Province.	Percentage of Revenue specified in column 5 on that specified in column 4.	Percentage of Revenue specified in column 5 on that specified in column 4.
1	2	3	4	5	6	7	8
Bengal	Rs. 22,39,15,233	Rs. 12,00,56,159	Rs. 10,38,59,074	Rs. 4,98,03,591	Rs. 5,40,55,483	47	53
Madras	14,13,38,175	4,45,11,163	9,68,27,012	5,36,99,475	4,31,27,537	55	45
Bombay	13,57,03,045	6,32,89,752	7,24,13,293	2,65,48,008	4,58,65,285	36	64
North-Western Provinces and Oudh	12,74,82,628	2,05,50,971	10,69,31,657	6,04,02,038	4,65,19,619	57	43

"A study of the figures given in the above tables shows that 'rich' Bengal paid only 47 per cent. of her revenue to the Imperial Exchequer, Bombay 36 per cent. (something might be said in favour of Bombay for this special year), Madras 55 per cent., while the North-Western Provinces and Oudh had to pay 57 per cent., having only 43 per cent. left to them for provincial expenses. Our Local Government have repeatedly made representations to the Government of India on the inadequacy of the allotment made to them for their provincial expenditure. When the former quinquennial contract, which terminated with the financial year 1896-97, was about to come to an end, and the terms of the contract at present in force were being settled, the Local Government again pressed their claim for an increase in the allotment for expenditure made to them. The inadequacy of such allotment was admitted by the Government of India and provision was made for allowing the Provincial expenditure on a more liberal scale, by fixing it at 342½ lakhs of rupees, i.e., 22½ lakhs above the figures of the contract of 1892.

"The quinquennial contract having expired at the end of the financial year 1896-97, a new contract for the same period would in the usual course have been settled to come into force in 1897-98; but, as the United Provinces were at that time in the midst of a great famine it was thought that any calculations then made could not have formed a reliable basis for fixing the standards of

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income and expenditure for future years, and it was therefore decided that for that year a working arrangement was to be made to remain in force for one year only. In the next year contractual relations between the Supreme and Local Governments were renewed, and in March, 1898, a contract for two years was settled, the arrangements for provincializing certain items of income and expenditure, and for dividing others between the Imperial and Provincial Governments, remained with one exception, the same as in the quinquennial contract which expired with the financial year 1896-97; the one exception being an alteration in the old arrangement for sharing certain items of revenue arising from Irrigation. I shall show later on what effect this alteration produced on the Provincial finances.

"It appears that, before the expiration of the biennial contract just mentioned, the Local Government in 1899, with the view of securing more advantageous terms for the future, approached the Government of India on this subject, and the latter Government took into consideration the question 'whether (1) revised figures should be settled for the years 1900-1901 and 1901-1902 for the heads of revenue and expenditure treated special in the current Provincial settlement with the Government of the North-Western Provinces and Oudh, or (2) an entirely new settlement to last for five years from 1st April, 1900, should be made in respect of these heads.' In considering the above question the Government admitted the fact that 'there has been an improvement of revenue under some of the excepted heads which might justify some increase of the figures adopted under those heads,' but came to the decision 'to let the figures taken for the years 1898-99 and 1899-1900 stand for the remaining two years of the current Provincial settlement'.

"From the above it is therefore clear that the existence of the necessity for re-adjustment of certain heads of revenue, and for re-fixing the proportionate shares which the two Governments should get in those heads, has been recognized by the Government of India.

"With Your Lordship's permission I shall now refer to two departments of administration to show how they are affected by the insufficiency of the sums allotted to the Local Government of my province for Provincial expenditure. Our Local Government has no alternative but to spend a much smaller sum upon education than the Governments of other provinces.

"In the year 1899-1900, out of the total sum of Rs. 4,52,46,355 spent by Bengal in the items of Provincial expenditure, Rs. 40,43,682 were spent on Edu-

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caſion, giving a percentage of 8·8 per cent. on the total expenditure. Madras ſpent Rs. 3,90,10,064 on Provincial items of expenditure, devoting Rs. 28,30,087 to Education, which gives a percentage of a little over 7 per cent. on the total expenditure. In Bombay the total expenditure under the Provincial heads was Rs. 4,88,50,342, the ſum ſpent on Education Rs. 34,44,607, thus giving a percentage of a fraction leſs than 7 per cent. The North-Weſtern Provinces and Oudh occupy the loweſt poſition, their total expenditure on all heads being Rs. 3,59,58,332, and that on education being Rs. 23,51,531, giving a percentage of 6·4 only. The educational wants of the United Provinces are ſeveral. Some of the higher educational institutions are in need of greater and better means for teaching Physical Science. The Medical School at Agra, which at preſent teaches up to the Native Hoſpital Aſſiſtant ſtandard, requires to be raiſed to the ſtatus of a college which can teach up to the M.B. and M.D. degrees, and turn out ſtudents qualified as Aſſiſtant Surgeons. The eſtabliſhment of an Agricultural College, and the addition to ſome of the ſchools of tuitional ſtaff to give leſſons in practical agriculture, as well as the eſtabliſhment of additional institutions ſuited to impart technical education, are other educational wants of the United Provinces.

“The judicial adminiſtration is another branch which requires ſtrengthening. The ſtate of buſineſs, increaſe of work, as well as the nature and value of the caſes, and the important points involved in them, call for the permanent addition of a third Judge to the higheſt appellate court of the province of Oudh, and alſo the raiſing of that Court to the ſtatus of a Chief Court—a meaſure moſt urgently deſired and needed by the people of that province.

“There are other branches of adminiſtration which require reforms and improvements, and, if Your Excellency’s Government will be pleaſed to take the claims of the Provincial Government into favourable conſideration and increaſe the amount allotted for Provincial expenditure, they will be placed in a poſition to remove the wants above deſcribed.

“My Lord, I will now cite two ſpecific inſtances to ſhow how the partnership, if I may be permitted to uſe the expreſſion, entered into between the Government of the North-Weſtern Provinces and Oudh and the Supreme Government has turned into ſomething like a frienſhip formed between the dwarf and the giant. Indeed, the Government of India have not only taken the lion’s ſhare of the profit, but ſomething more. I doubt not Your Lordſhip’s generous heart will ſympathiſe with the condition of the United Provinces when the diſadvantages under which they have been placed are deſcribed.

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“ After the introduction of the Provincial contract system, in the eighties, the Local Government, by the observance of very rigid economy in every branch of administration, and perhaps at the sacrifice of several useful works, accumulated a balance of a crore of rupees from their savings. The Government of the day, with a view of securing an assured income, which they thought would be left at their disposal, applied that accumulation to the construction of certain railways. These railways have proved very profitable and have substantial income at the present time. But after their completion the Government of India, for reasons not known to the public, took over these railways into their own hands in 1897; and their income, instead of going into the local exchequer, has since been appropriated by the Imperial Government. The Local Government has thus been deprived of its crore, which it had saved at such sacrifices. I submit, my Lord, that it is fair that either the profit of the railways should be given, or an equivalent increment in the Provincial allotment should be made, to the Local Government.

“ My Lord, I have said before that the temporary arrangement in 1897-98 was followed by a two-years contract in 1898-99, and a change was made in the old arrangement for sharing certain items of revenue under the head of Irrigation. The alterations in the terms of sharing the Irrigation revenue were made with the view of benefitting the Provincial Government. But these changes, instead of doing any good to the Provincial exchequer, have proved otherwise. I give below in a tabular form the amount of revenue arising from Irrigation under the different heads, the expenses which are borne by the Imperial and Provincial Governments in connection with those heads, and the profit or loss to the two Governments. These figures are for a period of three years previous to the present settlement coming into force, and for a similar period after its enforcement. The figures for 1900-1901 are not the actuals, but are taken from the Budget Estimates, which alone are available. A glance at this statement will disclose the startling fact that the Local Government has been losing a large sum in this bargain.

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1895-96.

	Receipts.	EXPENDITURE.			Surplus or deficit.
		Working Expenses.	Interest paid to Imperial Government.	Total	
Major Works. Direct Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial	25,880	87,470	...	87,470	-61,590
Provincial	36,79,410	20,15,150	29,81,260	49,96,410	-13,17,000
TOTAL	37,05,290	21,02,620	29,81,260	40,83,880	-13,78,590
Land-revenue due to Irrigation—Imperial	11,74,980	...	...	...	+11,74,980
Minor Works and Navigation—Provincial	1,37,290	2,14,920	...	2,14,920	-77,630

1896-97.

	Receipts.	EXPENDITURE.			Surplus or deficit.
		Working Expenses.	Interest paid to Imperial Government.	Total.	
Major Works. Direct Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial	83,700	90,290	...	90,290	-6,590
Provincial	74,78,630	23,85,180	30,34,930	54,20,110	+20,58,520
TOTAL	75,62,330	24,75,370	30,34,930	55,10,400	+20,51,930
Land-revenue due to Irrigation—Imperial	11,74,980	+11,74,980
Minor Works and Navigation—Provincial	2,42,620	2,35,990	...	2,95,990	-53,370

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1897-98.

	Receipts.	EXPENDITURE.			Surplus or deficit.
		Working Expenses.	Interest paid to Imperial Government.	Total	
Major Works. Direct Receipts	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial	1,37,700	1,07,430	...	1,07,430	+ 30,270
Provincial	89,34,100	25,06,660	30,86,750	55,93,410	+ 33,40,690
TOTAL	90,71,800	26,14,090	30,86,750	57,00,840	+ 33,70,960
Land-revenue due to Irrigation—Imperial	11,74,980	...	...	..	+ 11,74,980
Minor Works and Navigation—Provincial	2,70,990	3,02,580	..	3,02,580	- 31,590

1898-99.

	Receipts.	EXPENDITURE.			Surplus or deficit.
		Working expenses.	Interest paid to Imperial Government.	Total.	
Major Works. Direct Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial	24,79,284	1,01,686	...	1,01,686	+ 23,77,598
Provincial	50,48,296	26,79,678	31,30,824	58,10,502	- 7,62,206
TOTAL	75,27,580	27,81,364	31,30,824	59,12,188	+ 16,25,392
Land-revenue due to Irrigation—Imperial	11,74,980	...	...	...	+ 11,74,980
Minor Works and Navigation—Provincial	2,42,841	2,65,297	...	2,65,297	- 22,456

FINANCIAL STATEMENT.

[Rai Sri Ram Bahadur.]

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1899-1900.

	Receipts.	EXPENDITURE.			Surplus or deficit.
		Working Expenses.	Interest paid to Imperial Government.	Total.	
	Rs.	Rs.	Rs.	Rs.	Rs.
Major Works Direct Receipts.					
Imperial	27,57,509	95,360	...	95,360	+ 26,62,149
Provincial	53,70,041	27,06,799	31,72,144	58,78,943	—5,08,902
TOTAL	81,27,550	2,80,159	31,72,144	59,74,303	+ 21,53,247
Land-revenue due to Irrigation—Imperial	12,41,086	...	...	...	+ 12,41,086
Minor Works and Navigation—Provincial	2,15,826	3,53,603	...	3,53,603	—1,37,777

1900-1901.

	Receipts.	EXPENDITURE.			Surplus or deficit.
		Working expenses.	Interest paid to Imperial Government.	Total.	
	Rs.	Rs.	Rs.	Rs.	Rs.
Major Works Direct Receipts.					
Imperial	25,28,000	80,000	..	80,000	+ 24,48,000
Provincial	51,96,000	27,60,000	32,08,000	59,68,000	—7,72,000
TOTAL	77,24,000	28,40,000	32,08,000	60,48,000	+ 16,76,000
Land-revenue due to Irrigation—Imperial	12,18,000	...	...	...	+ 12,18,000
Major Works and Navigation—Provincial	1,76,000	3,99,000	...	3,99,000	—2,23,000

"Now the present arrangement with regard to the Irrigation-works in my province is as follows: (1) the Local Government should pay interest at 4 per cent. to the Imperial Government on the total capital outlay from all sources; (2) the Local Government should get only half the net direct receipts from

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major productive works, and the whole of the direct receipts from minor irrigation-works; (3) the Government of India should get half of the net direct receipts from major productive works, 4 per cent. interest and the total land-revenue due to irrigation.

“The working expenses are however heavy and the minor irrigation-works have no profit, and as the Government of India would not remit a pice of the interest, so the arrangement has proved, as I said, injurious to the Local Government. A study of the table of figures which I hold in my hand and which I have given above will show what I mean. These arrangements have been in force since the last three years. Let us begin with the year 1898-99. In that year we find that the Government of India secured a solid income of Rs. 35,52,578. But what was the gain of the Local Government? Why, it lost Rs. 7,84,662 by the bargain! Similarly, in the following year, the loss of the Local Government was Rs. 6,46,679. And when the accounts for the present year are closed it will be seen that in this year also the North-Western Provinces Government has suffered a similar loss.

“My Lord, I have barely stated the facts as I have found them in official papers, and it is for Your Excellency to dispose of the matter in the way Your Lordship deems fit. In my humble judgment, the fair course in regard to this irrigation question is that the India Government should give up their claim upon the net direct receipts from major productive works and land-revenue due to irrigation, and be satisfied only with the 4 per cent. interest paid on the total capital outlay. Otherwise it would be a great mercy shown to the Local Government if it were relieved from the charge of these irrigation-works, if the present arrangements cannot be altered.

“My Lord, the contract now in force will terminate at the close of the next financial year. The revision of its terms and settlement of the next quinquennial contract will most probably come under the consideration of Your Excellency's Government some time in the course of the financial year which is to begin four days hence, and before the next Budget debate. It is submitted that, at the time of settling the terms of the future contract, due regard should be paid to the claims of the United Provinces to have a more liberal allotment for their Provincial expenditure.

“My Lord, in addressing Your Excellency's Council on this point, I consider it my pleasant duty to acknowledge, on behalf of the United Provinces, the liberal and unstinted financial help which the Imperial Government gave to

them during the famine of 1896-97, and the readiness with which the Imperial Government extended a helping hand to the Local Government in restoring the Provincial finances to their equilibrium."

The Hon'ble MR. SMEATON said :—" My Lord, my remarks will be very brief, and will be chiefly concerned with Provincial finance ; but before I touch upon that I have just one word to say with regard to an Imperial matter. I congratulate the Hon'ble Financial Member on the exceedingly lucid exposition of a successful year's finance, and notably upon the addition of a new chapter to the statement under the name of Economic Progress. It is a new and a very welcome feature of the Statement, and I hope it is to continue to be a conspicuous feature in future Statements. The Imperial matter to which I wish to draw attention is connected with the circulation of currency notes referred to in paragraphs 93 to 100 of the Statement. Any careful observer must have noticed how confidence in the currency note has increased and how its circulation is also steadily increasing, and I entirely agree with the remarks of the Hon'ble the Financial Member in paragraph 98, in which he says: 'I am, however, strongly of opinion that if the use of currency notes became more general, and larger amounts were held in circulation, the percentage of rupees required to meet demands for encashment would be considerably less than that which is required to-day, when unfortunately the circulation of notes is still hampered by the fact that the holder of the note cannot be assured of converting it into rupees at the Treasury, and is therefore willing, and sometimes obliged, to dispose of his note in the bazar, at a discount.' This I think cannot be disputed. But when we come to the second of the two tables given in paragraph 99 and to the remark in paragraph 100 to the effect that 'the above tables show a decided and satisfactory increase in the average note circulation in the hands of the public,' I venture to think that these words are somewhat misleading. These currency notes are concentrated in the vaults of 267 District Treasuries and in some 1,500 Sub-Treasuries. I do not think that this can be held to be 'in the hands of the public.' I should be inclined to suggest, if I may do so, that perhaps it would be more correct to say that the last column of the second schedule indicates 'an approximate ratio of the increase of circulation.' It is very difficult at any time to estimate the amount of the note money in the hands of the public, but these figures will show the approximate ratio in which the increase of circulation is proceeding.

"And now in regard to Provincial finance. I am very sorry, my Lord, to have to revert to that old and fatiguing subject—the Burma salt. We have

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[*Mr. Smeaton.*]

had enough of that already, but I really must enter my protest against two remarks which have been made in the Statement and which will be found in paragraphs 19 and 157. The Hon'ble the Financial Member appears to be somewhat dissatisfied with the revenue from the Burma salt. I think that, considering the amazing progress under the other heads of revenue, it is a little hard, even if there had been some reason for it, that we should be found fault with for a small deficit in one year. I will now proceed to explain how the deficit has occurred and to exculpate the Provincial Government from the blame which the Hon'ble Financial Member attaches to it. There is a deficit no doubt in the year that is just closing, and there will be a slight deficit in the year that is now about to open. But, my Lord, what is the reason? It is chiefly in imported salt that the deficit occurs; but that has been caused by the large import of Madras salt which already paid duty in Madras. If the salt which comes to Burma from Madras in large quantities has paid revenue in Madras, it cannot pay it in Burma, the Government cannot eat its cake and have it still; hence the deficit, and I hope that this explanation will be taken as an adequate one. With regard to this matter I said the last word I had to say last year and I will not repeat my arguments. But it seems to be clear that the Hon'ble Member and the Financial Department are looking forward longingly to the eventual extinction of the Burma local salt-industry. Well, if it is to be so, I would ask on behalf of the people that the process of extinction be gradual and as merciful as possible; and the plea for this is strengthened, my Lord, by the remarkable fact that Burma pays now in its general revenue, per thousand of the population, six times more than Bengal, three times more than Bombay and Madras, four times more than the North-Western Provinces, four or five times more than the Punjab; and I think that, if these large contributions are considered, the little deficit in Salt, even if it had been a real deficit—which it is not—will appear a small matter. And, moreover, Burma makes hardly any drain, as Your Excellency knows, on the Imperial finances for famine, and is of incalculable value as a storehouse and feeding ground for the rest of India. I make no complaint of excessive taxation notwithstanding these very large contributions; for I know, having been the guardian of these finances for some years, that the resources of the province are equal to the demand and that the burden is fairly equitably adjusted. I admit that, but still there is a limit to the extraordinary expansion that is now witnessed in the direct taxation of Burma, particularly in the land-revenue, and I would solicit Your Excellency's attention to the necessity of caution and moderation in taxing the land and to the wisdom of endeavouring to develop the indirect sources of revenue, such as forests and minerals. We know these exist, but they have been lying for centuries idle and only now are

being tapped to a very infinitesimal extent. They are the most promising resources in Burma, and I would ask the serious attention of Your Excellency's Government to the necessity of doing everything that is possible to encourage and develop these resources.

"Last year, my Lord, I had occasion to mention, at the instance of Sir Frederick Fryer, the need of a reinforcement of the forest superior staff, and the reasons which the Lieutenant-Governor gave were, I think, very strong indeed. He showed that for every increase of that staff there would be a very large proportionate increase of revenue, and he now begs me to point out that owing to the deficiency in the superior controlling staff the forests are not being adequately worked, and such as are being worked are not being economically worked. He asks me to point out that, for instance, in the estimate for 1901-1902 the revenue to be derived from the forests is 77 lakhs of rupees; the expenditure probably will be 31 lakhs of rupees; and the nett surplus will be 46 lakhs of rupees. These forest-revenues are capable of almost indefinite expansion; and so I think there is a very strong case indeed for the reinforcement which Sir Frederick Fryer so earnestly desires. Last year a promise was given that there should be this reinforcement. The promise was given, but I understand it has not yet been redeemed. I would ask that this matter be taken into consideration as early as possible, and that in addition to this the long delayed Forest Bill may also be expedited.

"The surplus, my Lord, of the Provincial revenues, as the Hon'ble the Financial Member points out, is large. He says in paragraph 270: 'The Provincial revenues of Burma are in a most prosperous condition. The revenues have increased very much above the standard of 1897, and the Lieutenant-Governor is in the fortunate position of finding difficulty in usefully spending all the funds at his disposal.'

"The Lieutenant-Governor very wisely resolved to attempt to utilize his very large balances in the construction of a Provincial railway, not connected with the Burma Railway Company—a Provincial railway which shall tap the central part of the Southern Shan States—a railway which has long been expected and anxiously looked for by the people of the Shan States, and one which will do very much to stimulate agriculture in these fertile plains. Your Excellency in the Public Works Department has sanctioned a survey of that line. I hope that when the survey is completed early sanction will be given to the prosecution of

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the project ; and I will add in conclusion, seeing that such a promising project is in hand, that I hope, the Hon'ble Financial Member, when the time for the Provincial settlement comes round, will make it as liberal and as generous as possible."

The Hon'ble SIR ALLAN ARTHUR said—" My Lord, I would join the other Members of the Council in congratulating the Hon'ble the Financial Member on the satisfactory condition of the finances of India. To the fixing of the rupee is no doubt to be ascribed in great part the comparative ease with which India can recover from an apparently staggering blow, such as last year's famine ; and I venture to think that in a very few years, unless something unforeseen occurs, the Government of India will be able to show a steadily increasing surplus. I should like to make a few remarks on some points which have occurred to me in studying the Hon'ble Member's highly interesting Financial Statement.

"The first point I would notice is in paragraph 47, in which it is stated that it has often been urged that the relatively high rates of discount prevailing in the busy winter season are due to the low figures of Government deposits with the Presidency Banks during that season. This is not exactly what the banking and mercantile communities urge. Their point is that the Government deposits are much the same all the year round and are not increased sufficiently in the busy season. The busy season comes on concurrently with the season when withdrawals from the circulation to meet Government demands are greatest, and what leads to the relatively high rates of discount in the busy season, apart from the question that more rupees are required to finance the trade of the country, is the fact that a large portion of the circulation is locked up in the Government coffers, just when it is most wanted. To the figures showing the Government deposits with the Presidency Banks, which the Hon'ble the Financial Member has given on page 7 for the months of December to March to prove his case, I have added the figures for April to November to prove my case, although my figures do not correspond with the Hon'ble Member's. He, I think, gives the figures for the last week of each month, when the Government deposits with the Banks are raised to meet the large demands for salaries, etc., in the beginning of the following month, and consequently he shows—quite inadvertently I believe—greater liberality than there has in fact been. The figures I

give are the *average* Government deposits with the Banks in each month. The figures are as follows :—

Average Government Deposits with the Presidency Banks during each of the following months, in lakhs.

	1897.	1898	1899.	1900.	1901
	₹	₹	₹	₹	₹
January . . .	255	275	270	248	264
February . . .	277	272	280	258	287
March . . .	306	316	327	271	...
April . . .	331	344	342	272	...
May . . .	216	327	337	262	...
June . . .	264	319	334	257	...
July . . .	241	307	347	287	...
August . . .	250	325	314	255	..
September . . .	195	302	272	267	..
October . . .	204	299	264	241	...
November . . .	219	288	235	231	..
December . . .	251	242	239	246	..

"I think that these figures when compared with the variations in the total Treasury balances, which I shall shortly place before the Council, completely support the contention of the commercial community not that the Government keep their balances with the Presidency Banks low in the busy season, but that they do not increase them sufficiently in that season. In paragraph 49 the Hon'ble Member admits that the Government of India are not unmindful of the advantage to the business community of placing comparatively large balances at their disposal during the busy season, and I trust this solicitude will be shewn more markedly in future years than it is shewn by the figures which I submit to the Council. I understand that it is held in some quarters that, if the Government balances were markedly increased in the busy season, sales of Council bills would be affected; but the sales of Council bills, like the net imports of specie, will always be regulated in the long run by the balance of foreign indebtedness. The Government of India, by locking up excess amounts of money in the busy season, will probably force the Exchange Banks to enlarge their purchases of Councils and their imports of specie for a time; but the effect will be temporary, as the balance of indebtedness is the ultimate regulator, and there is a danger that later on, when the Government reduces its lock up of money, the currency will be found superabundant. Our Financial authori-

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ties have on various occasions hesitated to coin rupees for fear of creating a redundancy of currency, but nothing is more likely to lead to excess imports of currency and to a redundancy than this dog-in-the-manger policy of locking away an excess quantity of rupees in the busy trade season.

" In paragraph 46 the Hon'ble the Financial Member, in deploring the non-existence of a Financial institution sufficiently strong to lend the Government money at all times for short terms as they may require it, seems to overlook the great differences that at present exist between the rates of interest in the busy and slack seasons, and also between the cash balances of the Presidency Banks at these two periods. The position is that the Hon'ble the Financial Member wants a strong Bank to lend Government money from August to November, and the commercial community want Government to hoard less money during the busy season, January to April. If the Government will comply with the request of the commercial community by increasing the Government deposits with the Banks from January to April, the Banks will, I am sure, be happy to make over a corresponding amount to Government from August to November. At all events, an arrangement such as this might be attempted, and I attach some tables to show how mutually advantageous such an arrangement would be:—

" The closing cash balances of the Government Treasury for each month of the year undernoted.

	In lakhs			
	1897	1898.	1899	1900.
	Rs.	Rs	Rs	Rs.
January . . .	1,195	1,290	1,419	1,066
February . . .	1,187	1,414	1,420	1,107
March . . .	1,381	1,596	1,670	1,271
April . . .	1,240	1,369	1,562	1,186
May . . .	1,180	1,280	1,653	1,275
June . . .	1,115	1,519	1,822	1,313
July . . .	921	1,497	1,684	1,426
August . . .	850	1,437	1,517	1,120
September . . .	760	1,397	1,316	971
October . . .	809	1,184	980	920
November . . .	807	1,127	885	879
December . . .	996	1,152	876	1,004

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"The closing cash balances of the Presidency Banks for each month of the years undernoted.

	In lakhs.			
	1897. Rs.	1898. Rs.	1899. Rs.	1900. Rs.
January	504	435	568	547
February	495	356	526	520
March	490	389	538	620
April	429	440	492	558
May	401	408	488	579
June	479	469	557	768
July	671	517	699	793
August	665	665	560	819
September	591	619	557	773
October	530	653	484	719
November	592	628	587	694
December	420	550	437	526
1901.				
January—610 February—554				

"The rate of interest is usually much lower during the second half of the year than during the first half, and one reason for the discrepancy is that the Bank cash balances are low when the Treasury balances are high. From the foregoing figures it will be observed that the average balances for the year 1897 to 1900 were as follows :

	Treasury Balances Lakhs.	Presidency Bank Balances. Lakhs.
January to April	1,336	494
August to November	1,060	634

"The Banks can spare money when Government are in special need of it, and Government lock away excess sums when the Banks are drained by the seasonal trade demands; and yet the practice of Government is to maintain a steady balance with the Banks all the year round.

"Before leaving this part of the subject, I would remark that the Hon'ble Member's apparent desire for a large Central Bank seems to be not so much to assist trade as to save the situation for the Government during the autumn, when the state of the Treasury balances is such that the Secretary of State is unable to offer his bills freely. But thanks to the amendment of the Gold Note Act

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introduced by the Hon'ble Member, a stoppage or curtailment of Council bills need no longer hamper trade, provided an ample stock of rupees is maintained in the Paper Currency Reserve, because drafts can be issued under that Act and silver can be shipped to India to meet the drafts with ease and promptitude. It should surely be the business of the State to see that they are always in a position to sell either Council bills or gold note drafts so as to avoid disturbance in the Indian money market. It is in their own interest to do so, otherwise the Exchange Banks must finance their operations by the importation of sovereigns, which have so far proved anything but a blessing to the Government of India in the working out of their currency policy.

"I now pass on to paragraphs 81 and 83, from which I am glad to see that the Government intend to invest the profits on the coinage of rupees in a special fund, which will no doubt immensely assist them in maintaining exchange at 1s. 4d. It is unfortunate that circumstances have occurred which have made it impossible to remit the whole of the profit already made to London and to invest it; but I would submit that in future the profit should be remitted as made; otherwise, if it is accumulated, the amount when remitted will practically go to swell the amount which the Government of India has to remit to London; and in a year when the balance of indebtedness is less favourable to India than usual, there might be some difficulty in selling the full amount of Council bills.

"From paragraphs 84 and 85 and 88 to 91 it is not quite clear whether the Hon'ble the Financial Member intends in future that the imports of gold and silver for coinage purposes will be regulated in response to the demands of trade as indicated by the proportion of gold to silver in the Paper Currency Reserve, or by some arbitrary amount fixed by the Financial Department. It has been the practice in the past to postpone the regulation of the respective quantities of gold and silver in the currency until excess amounts of sovereigns reached India, and it is doubtless this policy which has brought about the undue proportion of gold to silver in the Paper Currency Reserve. Lately the Secretary of State has reduced his rate for Council bills so as to compete with the import of sovereigns into India, and it is to be hoped that the authorities in London will, when necessary, substitute drafts under the Gold Note Act for Council bills when sales are necessary to put a stop to imports of gold which are shown to be superfluous by the proportion of gold to silver in the Reserve.

"The Hon'ble Member says there are practical difficulties in the way of any attempt to stereotype such a system by legislative enactment; but if one

metal can be imported by automatic process to the precise extent required, and if the Secretary of State can substitute the flow of the one metal for the other whenever the Paper Currency Reserve indicates that the change is desirable, it is not clear what difficulties could arise, and it appears highly desirable that the procedure for regulation of the coinage of rupees as well as for the setting aside of the profits on the coinage of silver should be enforced by legislative enactment.

“My Lord, I agree with my Hon'ble friend Mr. Smeaton that a very admirable innovation in the Financial Statement is that part of it dealing with the economic progress of India. It is not apparent to what extent the Hon'ble Member desires to claim credit to the Government for the progress he shows; but there are many people who think that Government might have done much more than they have done, and that progress is remarkable in spite of a somewhat lukewarm attitude on the part of the authorities as regards many questions. There are not wanting signs, however, that a greater sympathy is being shown by the Government in regard to many matters, and I am particularly glad to note that the Hon'ble Member is of opinion that the question of economic development is one in which those responsible for the financial situation must take the keenest interest. I would direct my Hon'ble friend's attention to a few weak spots still demanding attention, *viz.*, the scarcity of railway wagons not only for transporting coal from the Bengal coal-fields to the sea, but also in nearly all parts of the country; the comparatively meagre support which figures show is given by the Government to local industries; the obstruction which is shown to private enterprise in the matter of the assistance private enterprise may render Government in the construction of railways; and lastly we have our old friend, the highly expensive telegram to Europe, which, notwithstanding that its reduction was declared by the Government of India to be a measure of Imperial importance so far back as 1893, continues, like Tennyson's brook, its monotonous and defiant song of 'I go on for ever.'

“My Lord, I understand that considerable latitude is given to Members of the Council in respect of the subjects on which they may speak on Budget day, and I propose to avail myself of this latitude to make a few remarks on a question which is not a financial question. If it were regarded as such, and the financial screw applied, it would benefit not only the finances of the country but also the dumb creatures for whom I should like to say a word. From all parts of the country one hears that the destruction of the wild animals of India, even in forest-reserves, goes on at an appalling rate; and I cannot think it inappropriate to draw attention to this important subject in the first Council of

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the land on the only day of the session when Members may speak freely without restricting themselves entirely to the point brought up for discussion.

“From Travancore I have particulars of a low caste man, originally a tea-garden coolie, who has supported himself and his family for many years and saved money by shooting game and selling the flesh to tea-estate labourers, sparing neither cow nor calf, hind nor fawn, all coming alike to him. I hear of two hills in Mysore, once swarming with ibex, where not one of these beautiful animals is now to be seen. From the Satpura Range, the scene of that charming book *Seonee*, come reports of the reckless slaughter of cow bison, of hind sambhur and of deer of every description. Near Agar, where there is no restriction as to the possession of guns, every man who carries a gun shoots every sort of game all the year round, without respect to sex or season. The Government of His Highness the Nizam of Hyderabad not long ago issued a very excellent set of rules to prevent the destruction of game in his dominions. The difficulty of finding game in Cashmere is too well known to require demonstration. On the Nilgiris, it has been found necessary to form a Nilgiri Game Association, and from other parts of India one can get innumerable instances and convincing proof of the cruel and wanton destruction that is going on. Unless something is done to check the evil, the wild animals of India will soon become practically extinct.

“It may be urged that an appeal to preserve the wild animals of India is made for the sportsman only; but it must not be forgotten that all animals are created for a purpose, and the folly of indiscriminate slaughter is only too apparent.

“If certain birds, which are eager insect-destroyers, are killed, the crops suffer by reason of a plague of insects. If the usual food of the tiger, such as deer, pig and so on, are wantonly destroyed, the tiger by the inexorable law of nature must find some other victim, probably the village-cattle, not infrequently the villager himself. If it is necessary that a large number of wild animals be killed in famine years to provide food for the people, the killing should be done with system and in moderation; otherwise, when another famine comes, there will be no wild animals left owing to the slaughter of the young and of females. It should surely be possible to find a remedy for this state of things.

“After the experience of the past session, it seems undesirable to press for fresh legislation on any subject, but the only remedy for the evil I have pointed out would appear to be in legislation. I should make every European or Native alike who wishes to shoot game take out a license to do so, and

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among other things I would make the globe-trotter pay a heavy export-duty on every trophy that he buys and that he cannot prove to have been shot by himself. Care should be taken not to deprive the cultivator of his legitimate means of protecting his crops from the ravages of wild animals. But it is not the cultivator who is the butcher. The butcher who sits over the drinking places and slays even a female in young, is the man to be got at. What would probably meet the requirements of the case would be a skeleton Bill on the lines of the Mines Act, which the Native States should be invited also to pass into law, and in the Bill the fullest powers should be given to local authorities to make laws and regulations for the correction of the present abuses, including the netting of game, and for, among other things, fixing close seasons. Above all, the basis of the Act should be the protection and preservation of tender age and of the weaker sex. If anything is to be done to prevent one of the great charms of Indian life to Indian and British sportsman alike from becoming a memory of the past, it should be done quickly. My Lord, I am told on good authority that in some parts of the country the people themselves are beginning to recognize and regret the folly and license they have permitted themselves in this indiscriminate slaughter, and they would be less than human if they did not welcome a measure that will bring them back their friends of the jungle."

The Hon'ble RAI BAHADUR BIPIN KRISHNA BOSE said:—"My Lord, before submitting the remarks I have to make I beg to say a word about what the Hon'ble Mr. Sri Ram has said regarding the revenues of the different provinces not being properly distributed for purposes of expenditure. He apparently forgets that the different provinces are not like independent kingdoms standing by themselves. They form integral parts of one great Empire. There are some backward provinces which have not the same revenue as the richer ones, and in order that all may have an equal chance of prospering it is essential that the poorer provinces should be treated more liberally than the richer ones. To lay down one cast-iron rule of proportion or any other rule of that character applying to all alike, rich and poor, thriving province and backward province, will be to accentuate, if not to perpetuate, the backward condition of the backward provinces.

"I join in lamenting with the Hon'ble Sir Allan Arthur that the railway now and then fails to respond to the demands on it. In the height of the famine in the Central Provinces, the price of food-grains was going up by leaps and bounds for several weeks because the railway was unable to supply sufficient rolling stock to carry the grain that the merchants were ready and willing to pour into our distressed tracts.

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"In summing up the economic situation, reference was made to the satisfactory character of the evidence of recuperative power except in some unfortunate territories affected by temporary difficulties. I grieve to say that the day when the troubles and tribulations of the people of the Central Provinces will be over is not yet within sight.

"The official year about to close opened there badly. Following upon an almost total destruction of the kharif, the rabi of 1900 was, under the blighting influence of the terrible drought, even worse than that of 1897. Some idea of the heavy loss which this entailed may be formed when it is said that the export of wheat from 1st October 1899 to end of April 1900 was less than one-eighth of the quantity exported during the corresponding period of the last normal year we had, namely, 1893-94. How completely the crops were destroyed would further appear from the fact that, whereas in a normal year the value of imports of food-grains into the province is under six lakhs, in 1899-1900 it rose to 205½ lakhs. The vast quantity represented by this figure was almost wholly paid for with the money given by Government as famine-relief. The miseries resulting from these grievous crop-failures were aggravated by a considerable destruction of plough-cattle. Even before the hot season of 1900, about two lakhs of them had perished. The export of hides and skins during the year ending 31st March 1900 was 162,000 maunds, which is three times the quantity exported in 1893-94. But when the account of losses comes to be finally made up, it will be found to be more serious than what is indicated by the above figures. For, even in a normal year, it is just after the rains begin that the cattle, half-starved and hard-worked in the hot season, largely die, and this mortality must have been exceptionally high during the rains of 1900, when the conditions were very much more unfavourable than in an ordinary year. Besides, the belated monsoon made matters worse. The returns of rail-borne traffic during the half-year ending 30th September 1900 show that the exports of hides and skins during this period reached the enormous figure of 1,31,000 maunds. The effect of these misfortunes was painfully apparent in the unprecedented rise in the numbers on relief, a rise which was more than maintained in spite of the stiffening of the conditions of relief. In the spring of 1900, for the first time in the history of famines in the province, cultivators who had once seen better days were driven in considerable numbers with their womenfolk and children to seek refuge from starvation in the relief-camps, to labour and live there with people who sweep the village-sites and eat the flesh of dead cattle. Another sad feature of this famine, bespeaking its terribly severe character, has been the loosening of the bonds of caste. I speak not without painful personal

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knowledge when I say that severe privations were silently put up with as long as there was anything of value left which could be turned into food. But a time at last came when the only safety from the agony of death from hunger lay in accepting State relief. In these melancholy facts mainly lies the explanation of the high percentages on relief, a circumstance which formed the subject of some discussion last year. The highest percentage of people who might have eked out a miserable existence otherwise than by coming on relief was put at ten by some of the witnesses before the Famine Commission at Nagpur.

“The monsoon of 1900, though late, burst upon the country in a steady downpour, and this enabled the people to sow a large kharif area. But in spite of 25 lakhs most generously given as *takkavi* from the public funds and 18 lakhs as gift from the noble charity fund inaugurated by Your Excellency, so great was the loss of resources, that the area sown could not have been much above what was needed for the food of the people. Complete figures are not yet available, but I find that the exports of rice, the principal kharif, from 1st October 1900 to end of February last was 3,21,000 maunds, which is a little less than one-third of the exports in the corresponding period of 1898-99, which itself was not a very favourable year. At the same time the imports of food-grains continued to be large, thus showing that the local produce (after setting off exports) was not enough to meet local wants. The imports from 1st April to 30th September 1900 aggregated as much as 67 lakhs of maunds. But while the kharif gave them their food the hopes of the people to recover the ground lost lay in the rabi. Here, however, and it is most unfortunate, they have met with heavy disappointment. Proper cultivation of rabi was interfered with in several places by heavy rain in August and September and the absence of the *Dewali* showers, which soften the ground for sowing and help germination. Nevertheless, when I left the province in the middle of December last, the people were looking forward to a fair outturn. But the untimely rains since then, accompanied as they have been in some parts by destructive hail-storms, have changed the situation for the worse. It is estimated that the outturn of wheat will not go beyond a third of a normal outturn on a normal area and that of linseed beyond one-fifth. In two districts, which were very hard hit last year, all the spring crops, except wheat, are said to have been wholly ruined. Then again, unlike what happened in 1897, when the prices went down as soon as the famine conditions ceased, the prices this year never regained the normal rates. Indeed, they touched famine figures in many places. Since the new wheat and gram have begun to come to the market within the past ten days or so, the rates have become somewhat easier. The future is full of anxiety both for the people and the Government. I am afraid when the harvesting of rabi will be over and

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the employments in the fields cease, it may be necessary to start relief in some parts of the province.

“I gratefully acknowledge that proceedings with a view to lighten the burdens on land and thus facilitate the progress towards recovery have begun. The ten to twelve years' settlement in Bilaspur and Raipur will expire in June next, and the proceedings set on foot last year for a revision of the assessments are, I understand, in abeyance. Considering how hard these two districts were hit during the recent famine and how even this year their rabi has failed, I hope and pray that, when the settlement-operations will be taken in hand again, it may not be with a view to further enhance the total assessment, but, to adopt the language of the Hon'ble Mr. Ibbetson, to redistribute the burden of rent and revenue which might have become unequal during the last twelve years under ordinary circumstances and still more so under the depressing conditions of recent years. Proceedings with a view to abatement of rents of tenants payable to malguzars and of revenue payable by the latter to Government are in progress in Hoshangabad, a district twice described by its Deputy Commissioner as 'bankrupt,' even before the famine of 1899-1900. Speaking at Khurai in the Saugor District lately, the Hon'ble Mr. Fraser thus described the measures taken there :

'It would be difficult to conceive a more serious succession of calamities than I have indicated, and the effect on the country and the people has been most disastrous. When I visited Khurai last year, and now as I have again gone through some of its once flourishing but now ruined villages, I have realized something of what the people must have suffered, and of the feelings of compassion that have stirred the hearts of some of your officers. The facts on which the abatement proceedings are based are certainly startling. In 1892-93 the cropped area of Khurai was 183,825 acres. In 1898-99, the year before this last famine, it had fallen to 81,928 acres—a decrease of 55 per cent. The decrease in rabi cultivation, on which the country mainly depends, was as much as 75 per cent. The revenue-assessment, I say, was Rs. 1,29,459, the actual collections during the past seven years have averaged only Rs. 45,800 per annum. Under the abatement scheme now in progress, the revenue will be reduced to Rs. 55,123, or by 57 per cent, as compared with the assessment. This reduction in revenue is a little more than the percentage of reduction in cropped area (55 per cent); and it will remain in force for the whole period of the settlement. This is the sacrifice which the Government has made with the hope of securing the restoration of this tract to the prosperity which it enjoyed before these seven years of calamity.'

“I entertain no doubt that other tracts which have suffered, though not so grievously as Khurai, will receive similar generous treatment. In connection with this matter I may quote here what Mr. Robertson, Deputy Commissioner,

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Jabalpur, is reported to have said in his evidence before the Famine Commission :

'The district was in a distressed state. This is attributable to seven very bad seasons. Under the circumstances, the present assessment in some parts was too high. I would advocate a reduction for the remaining five years of the settlement.'

"I find that under the head of 'Land-revenue' Rs. 80,67,000 have been put down in the Budget against the Central Provinces. The revenue on the roll, including the enhancements of the new settlement, stood at Rs. 85,82,000 on 1st October 1899. Thus the Budget assumes a realization of 94 per cent. Considering that the yield of kharif in 1900 had to be supplemented by imports to meet the local demand for food-supply and that the *rabi* of 1901 is likely to give a poor return, it seems doubtful whether, even with a propitious monsoon, the people will be able to pay as much as 94 per cent. of the revenue-demand. In the year following the famine of 1896-97 the percentage of realization was 82. But the people are more resourceless now than they were after the previous famine; and there will be, besides, this additional difficulty that good seed will be scarce. For, under the unfavourable climatic conditions of this year, the yield of *rabi* will be poor not only in quantity, but also in quality. The Budget provides a most generous grant to the province to enable it to rehabilitate its finances. I venture to hope the same generous treatment will be meted out to the people if their condition does not permit of such a large payment of revenue as 94 per cent. out of the year's produce. I have ventured to draw attention to the matter as the subordinate officials directly responsible for the realization are generally apt to be influenced in their proceedings by what they think Government expects of them than by the capacity of the people to pay.

"Along with the measures that are being taken to relax the pressure of the Government demand, conciliation proceedings with a view to an amicable settlement of private debts referred to by me last year have made further progress. It would appear from Mr. Fraser's Khurai speech that in the district of Saugor unsecured debts aggregating nine lakhs of rupees owed by tenants were remitted in 1899. A wider extension was given to the scheme during this year. Debts owed by pattidars and secured by mortgages and even decrees and amounting to over five lakhs and a quarter have been remitted to the extent of two-thirds. Further remissions to the extent of half in the case of other similar debts are expected. The creditors who took part in this good work well deserved the thanks they received at the hands of their Chief Commissioner.

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"But the relief given by remission of existing debts is not likely to lead to any lasting good, unless it is accompanied by banking facilities, which will hereafter provide the tenants and land-owners with funds on fair terms for their current needs and for the improvement of their lands. The question of rural Banks may be said to have been under consideration during the latter half of the now expired century. For I find it pressed on the attention of the Bombay Government by the Collector of Poona as far back as 1854. Nevertheless, it does not seem to have advanced beyond the stage of academic discussion. In 1884, however, a scheme was matured by the Government of India for starting such Banks as an experimental measure in the Purandhar Taluqua of the Poona District. Its main feature may be thus described: (1) the Government was to advance to the Bank a sum of ₹½ lakhs for the liquidation of the existing debts of cultivators, loans made out of this advance to be a first charge on their lands; (2) where the Bank would under these liquidation-proceedings acquire the position of first mortgagee, it would enjoy, in respect of further limited advances, the same priority as a first mortgagee can acquire by stipulation under section 79 of the Transfer of Property Act; (3) the Bank was to be permitted to recover through the revenue-authorities the debt referred to above, a light fee being payable on the process of recovery; (4) as regards other loans, no stamp-duty or registration-fee was to be charged on deeds executed in connection with them and no court-fee on suits instituted to recover them was to be levied for a period not exceeding ten years. The scheme fell through, apparently because the Secretary of State would not sanction it. Acts have now and then been passed to release the peasantry and land-owners in some localities of their load of debt, but nothing has as yet been done to enable the thrifty and industrious cultivator to secure loans for agricultural purposes on easier terms than what are obtainable now. I earnestly hope that the enquiry which Your Excellency has been pleased to order will at last bring about the devoutly wished-for consummation. For the people who are to benefit by any scheme that may be sanctioned are sick almost unto death, and whatever has to be done should be done at an early date. The system that seems to find favour is what is called the mutual credit institution based on the principle of co-operation among those who enrol themselves as its members. Evidence regarding its feasibility in the Central Provinces was taken by the Famine Commission at Nagpur, and, as far as I can gather from newspaper reports, there seems to be a consensus of opinion among official and non-official witnesses that its success there is doubtful. This accords with the opinion of some well-informed friends I have consulted and also with my own opinion formed after such enquiry as my limited opportunities have enabled me to make. The scheme we

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need and which is likely to succeed is the scheme formulated by the Government in 1884. The Bank should take the place of the present money-lenders and be able like them to lend on individual responsibility. This would not, of course, prevent loans being given to associations of borrowers, who would borrow on their combined credit and lend the sum thus borrowed among themselves. The concessions which the Government was prepared to make in 1884 would, I believe, suffice to bring about a reduction of the present rates of interest and also to make the terms otherwise easier for the borrower. These rates and terms are now determined not only by the law of demand and supply but also by considerations arising from the difficulty of recovery through the Civil Courts and the expenses incidental thereto.

“In November last there was a conference at Nagpur between Mr. Higham, Inspector General of Irrigation, and our Engineers and Revenue-officers on the subject of irrigation in the Central Provinces. Speaking before the Council on the 19th of October last, Your Excellency was pleased to say, with regard to the methodical preparation in advance of programmes of famine relief-works, that railway earthwork had been pretty well exhausted and that more roads existed than could be properly kept up, but that there were few parts of the country where works for storage of water were not practicable. They might not, probably would not, be directly remunerative. But if such a work would conduce to greater security of the crops, and if it could be maintained at a moderate cost, it was just the sort of work that should be kept in hand for an emergency. Your Excellency further stated that the recommendation of the last Famine Commission, that the cost of investigating and preparing new projects for protective works should form a charge against the famine grant, has been accepted by the Secretary of State. I believe that it has been made clear in the investigations that have followed the Nagpur Conference that there is a wide field for useful irrigation-tanks in the Waingunga Valley Districts and in the Chhousgarh, where rice is largely grown, and that, if funds could be made available, surveys could be undertaken and projects prepared. The whole question is now before Your Excellency's Government, and I may be permitted to hope it will receive sympathetic consideration, and that ere long our people may have the satisfaction of seeing these useful projects taken in hand. Further some irrigation-tanks have been partially made in the district of Raipur by famine-labour, and unless they are completed the money spent on them will bring no return. I hope we shall not have to wait for the next year of drought to see them brought to completion. I may mention here that during the recent drought, in one rice-district, a considerable area of cultivation was saved from destruction by two large irrigation-tanks. The villages served

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by them had a good rice crop and were able to meet with ease the revenue-demand, while in adjoining villages, outside the influence of these tanks, crops failed grievously and large remissions had to be granted.

“In the midst of our misfortunes, the one thing that cheers our heart and makes it overflow with deep thankfulness is the conspicuous success of the campaign, which, under Your Excellency’s guidance, our Chief Commissioner, the Hon’ble Mr. Fraser, helped by a noble and devoted band of local officers, waged against an unprecedented combination of calamities that had well nigh threatened to submerge the province. The scars left will no doubt take long to be healed, even with a succession of kindest of monsoons. Considering the nature of the visitation, it could not be otherwise. But nothing which the indomitable resolve of a great Government to save its people could do to repair its terrible havoc was left undone, and the consequence has been an administrative feat of which any Government may well be proud. How this gratifying result was attained is easily told. To begin with, as soon as it became clear that the kharif was likely to fail, elaborate instructions were issued to grapple with the threatened calamity. As early as the 14th of August 1899, Mr. Ibbetson sent out circular after circular prescribing, down to the minutest details, the various modes of relief to be given, the manner of administering them, the duties and responsibilities of each class of relief-officers, and their relations to one another as forming parts of an integral whole. The result was that, when the distress actually appeared, it found the machinery of relief perfected in every part, and though the demand for help reached proportions far exceeding the limits prescribed on the basis of past experience, on the whole it did not outstrip the capacity, or dislocate the organization, to meet it. Valuable time was not lost in hazardous experiments to gauge the existence of distress needing relief through test-works with stringent deterrent conditions attached. As has been demonstrated elsewhere, even starvelings will prefer death to working for a wage that will not let them have a mouthful for themselves and their dependents. That most important part of relief, village-relief, was organized from the very outset. Relief-works, specially large works, were not possible until the rains ended, and in order that the poorer able-bodied labourers might not starve and thus run down in condition, necessitating expensive medical relief later on, it was ordered as an exceptional and temporary expedient to extend gratuitous relief to them. Necessary safeguards were laid down to prevent abuse, but everything was subordinated to the high ideal that no one was to be allowed to starve or suffer serious privation for want of relief, and thus it was that, when after the rains the works were opened, they found the people in good heart and good condition. A special feature of the works was the prominence given

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to village-works. Their greater usefulness as compared with much of the road-work that has perforce to be undertaken to create employment for famine-labour was fully recognised. Stress was laid on the desirability of getting these works done as much as practicable through the agency of the village-headmen. Their too great attractiveness was provided against by a rigorous labour-test and a restricted wage. A great deal of most useful work has thus been done. One of the saddest incidents of the famine of 1896 was the collapse of the ordinary system of relief in the case of the aboriginal jungle-tribes. For them Mr. Ibbetson laid down special measures of relief mainly on the lines of the recommendations of the Commission of 1898. The success of this wise and humane policy has been complete; while a too anxious solicitude to save the morals of the people have elsewhere resulted in failure to save their lives. Nor was the protection of cattle forgotten. One of the great horrors of this famine lay in the fact that in many tracts to a famine of food was added a famine of fodder and water for cattle. Government forests were thrown open to grazing, either free, or at reduced rates. The jungle-tribes were employed in the congenial task of cutting grass, which was then baled and sent to places where it was wanted for the cattle, or for supply to large towns. Mr. Ibbetson offered to supply any quantity of fodder to Bombay, but apparently the railway would not or could not supply the rolling stock, and thus it was that, while cattle were dying for want of fodder in other parts, it was lying idle in the forests of the Central Provinces. The above efforts to save our cattle were unfortunately to some extent nullified by the late appearance of the monsoon, which, by prolonging the hot-weather conditions, proved disastrous to the beasts that had till then been kept alive. With the approach of the rains, a somewhat new departure was taken by Mr. Fraser, with the approval, as I understand, of Your Excellency's Government. Most of the large works were closed, both because it was essential in the interest of agriculture that the people should be sent back to their fields, and also because it was difficult to keep large works open during the rains. But it was not forgotten that the resources of the people would at this juncture be at their lowest ebb, that the ordinary openings for private employment would, owing to the exhaustion of resources of the tenants and malguzars, be much contracted, and that in any case the wages earned would, owing to the high prices, be insufficient to buy food for the labourer's whole family. So it was decided to supplement private employment and wages by expansion of village-relief. This took the form of cooked food at kitchens for dependents and of money-doles to able-bodied labourers in return for work supervised by the village-headman in the shape of local improvements and, what is to be specially noted, of weeding and transplanting in fields of raiyats who were themselves unable to employ labour. It would be difficult to over-rate the good this system of relief has

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done. But for it an appalling mortality, not unlike what took place elsewhere, would have taken place in the Central Provinces and nullified the effect of the gigantic efforts hitherto put forward to keep the people alive. And, what is no less satisfactory, this helped thousands of broken-down raiyats to grow and reap a good harvest. The savings from the wages given are said to have been not inconsiderable, and some have further said that these, without any further State aid, would have carried the people through until the crops ripened. Whether the savings were made because the wages were more than what was needed for bare subsistence, or because the people were determined, whatever the wage, to save a fraction by pinching themselves to provide against the time when Government relief would close and for their other necessaries, certain it is these savings were not enough even with the liberal help from Government to keep the death-rate during the monsoon months within normal limits. In spite of these advantages, the people evidently had to live on reduced rations, and thus, with a system debilitated by insufficient nourishment, they fell an easy prey to the diseases which always break out during the rains. The death-rate began to rise perceptibly from June, when the provincial average stood at 6·78 as against 2·43 in the same month of the previous year. In July the rate was 6·88 as against 2·05 in the previous year. In August it rose to 7·71. Here I may note that at this time there was no curtailing of relief, the numbers relieved reaching a total of over two millions and a quarter out of a population of ten millions of the affected tracts. In September, with the ripening of the smaller millets, the death-rate went down to 6·82, and in October to 5·65 as against 2·13 in previous October; and it was not till November was reached that we get such a rate as 3·78, which, however, is nearly double the rate in the same month of the previous year. During this period the rate in some tracts approached 18, 17, 16, 15 and 14. The recent census has shown that, whereas between 1881 and 1891 population had increased by 9·61 per cent., between 1891 and 1901 it has decreased by 8·71 per cent., or by nearly 10 lakhs of people. In the face of these significant after-facts, the question whether the wage given was too liberal because the people saved a pinch out of it, and were at the same time able to keep body and soul together *for the time being*, would require most careful consideration. A battle against the forces of nature could not be fought and won as it has been in the Central Provinces without a heavy expenditure, but, if human life is worth saving and human misery worth alleviating, then has the money not been ill-spent. At the same time the danger that lurks in the setting-up of a system of relief on this colossal scale is not to be lightly passed over. But the fear of pauperising the people was not allowed to paralyse the hands of the relief-officer. And, now that the thing is over, I do not find that

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any of our Deputy Commissioners complained that relief had sapped the independence of the people. Possibly in some places they stuck to relief a little longer than what was absolutely necessary, but on the whole it does not appear that there has been any demoralization. Two millions of agriculturists and labourers have gone back to their ordinary occupations in good heart and trim, and, as stated by one Deputy Commissioner before the Commission, the work in the fields was quietly resumed when the proper time came without any sign of loss of self-respect. I must confess I feel a glow of supreme satisfaction at these achievements of my Government under circumstances of unparalleled difficulty. I am sure the general verdict will endorse what it has been my privilege to say before this Council today.

“I cannot conclude my reference to the famine in my province without a word about the Charity Fund. I need say no more than this, that it is impossible for those whose high privilege it has been to take part in its blessed work not to acknowledge with the warmest gratitude the benefit it has conferred on the people. As I have said elsewhere, a mere enumeration of the numbers relieved will give but a faint idea of the incalculable good it has done. For the hope that has been infused into the hearts of the people, for the opportunity they have to build up once more the fabric of their prosperity, they are no less indebted to the noble Charity Fund than to the help from the State funds. And, if they have not been loud in proclaiming their gratitude at this splendid exhibition of charity and devotion in the sacred cause of humanity, none the less the moral effect of all that has been done for them in drawing closer together the tie that binds them to their rulers must make for good government in its truest, highest sense.”

The Hon'ble MR. BUCKINGHAM said:—“My Lord, two very important Bills affecting the industries of India have been passed into law this session, but I do not think it is sufficiently recognized how narrowly we escaped from these Bills coming into force last year in their amended, and I may say objectionable, form. This only shows how disastrously the industries of this country may be affected by undue precipitation in passing any Bill into law, and to Your Excellency alone we are indebted for the postponement of them to the present session.

“My Lord, domestic legislation may be necessary in some cases, but there has of late years been too great a tendency to legislate on Western principles, which not only produces a bad effect, but creates imaginary grievances, and gives agitators the opportunity of saying it is the policy of the Home Government

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to sacrifice Indian to English interests. The industries of India must, to a great extent, be allowed to develop spontaneously, according to her requirements and needs, and, if this can be brought about without over-legislation, capital must and will come more freely into the country. Indian labour is not organized in the same way as it is at home, and it will probably take generations to bring this about. It was very truly said by the late Mr. S. E. J. Clarke, who had made 'India and its people' his chief study for a lifetime, that 'Native labour, whether at a mine or in a factory, has no sort of resemblance to anything known the other side of the Suez Canal. For all purposes of comparison, India might be a part of the planet Mars.' Labourers come and go in a way which would appear disastrous to an Englishman ignorant of their ways—they disappear for months to get married once, twice or even oftener, and on the pretext of a relation dying, which same relation has more than the proverbial nine lives of a cat: a liberal amount of leave is granted for each such death.

"Regarding the financial position of Assam, Your Lordship said at Tezpur that a larger proportion of the gross receipts of Assam was expended upon the administration and development of that Province than of any other Province in India, and that we were absorbing a large amount of Imperial capital, our balance being on the wrong side of the ledger. I notice, my Lord, that at page 58 of the Assam Revenue Account for last year, the gross income from Assam (Imperial, Provincial and Local) amounted to 146½ lakhs of rupees and the gross expenditure to 109½ lakhs; to this expenditure may perhaps be added the interest paid on account of the capital of the Assam-Bengal Railway, which I find at page 126 of the Finance and Revenue Accounts amounts to Rs. 20,27,000 on account of Indian interest and an equivalent of about Rs. 10,12,000 English interest, or a total of Rs. 30,39,000. This sum, added to our expenditure, will still leave a balance of 6½ lakhs on the right side of our ledger. It is true that we have not been able to contribute anything to the military and other general charges of the empire; but still I think it will be admitted, my Lord, that we are advancing in the right direction and that we are not such a burden to the Imperial exchequer as we are generally supposed to be. It is also satisfactory to find in this year's Financial Statement, at paragraph 271, that a grant in aid of Rs. 2,00,000 only was required from the Imperial Treasury, and that the damages caused by the earthquake constituted the sole reason for requiring such aid.

"I feel sure, my Lord, nothing would hasten a more satisfactory state of affairs than the construction of a system of tramways and feeder lines to the river and to the main line of railway. One has only to see the development

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of the country in two years, in the vicinity of the main line, to be convinced that, even if remuneration is not at once forthcoming from the actual working of the line, still the revenue side of the Provincial balance sheet is most beneficially affected.

"I trust therefore, when the time comes, Your Excellency will give us a substantial guarantee towards a system of railroads and tramways throughout the province."

The Hon'ble KUNWAR SIR HARNAM SINGH said:—"My Lord, it is a matter for congratulation that the Finance Member has been able to present to the Council a Financial Statement of such an extraordinary character. It shows how carefully, in a year of unparalleled calamity, the resources of the State have been husbanded, how economy has been exercised in all branches of administration without affecting efficiency, how manfully the struggle has been maintained, how successfully the difficulties of the financial position have been overcome without imposing fresh burdens on the people, and how all gloomy forebodings have been falsified. Receipts have improved, with a single exception, under every main head of revenue, and the originally estimated small surplus has been converted into a handsome one.

"The exception I refer to has been with regard to land-revenue receipts. A heavy deficiency has been recorded, as between the Revised and Original Estimates of land-revenue, amounting to £382,900. I took the liberty of pointing out, during the Budget debate last year, that a rather sanguine view was taken of our sources of Revenue. I said that in Provinces affected by famine the mortality among agricultural cattle would be considerable, that large tracts of land would be lying waste, and that low prices following on a plentiful harvest would reduce the receipts of cultivators, and that on all these grounds the revenue realizations would be greatly affected. I ventured to observe that in tracts of the country afflicted with famine the increase of land-revenue was overestimated. The Revised Estimates show that I was not wrong in my conclusions.

"I notice that in the Budget Estimate for the coming Financial year, Land-revenue is estimated to produce £474,800 more than last year, and the Finance Member says that, in view of improved prospects throughout the greater part of India, this estimate is unlikely to prove too sanguine. I have my misgivings, my Lord, with regard to this view of the question. Famine has not yet disappeared from the land, and it is feared that a considerable time must elapse before there will be any likelihood of its disappearance. I have

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to repeat what I said last year with regard to revenue realizations in provinces affected by famine. And then I quite agree with the Finance Minister that, until we are sure of a favourable monsoon, the most moderate estimates may be suddenly and hopelessly falsified.

"The large surplus shown at the end of the financial year was due to exceptional circumstances. Had normal causes been in operation, I believe that the estimated surplus announced last year, in spite of improvement under every main head of revenue, would have been considerably diminished, if not converted into an actual deficit. Had it not been for the saving due to the absence of troops in China and South Africa, and consequent increase in Telegraph receipts, Military Department receipts, and reduced expenditure on Military Works, the financial condition of India would have greatly deteriorated. These extraordinary causes will now soon cease to operate, and the consequence will naturally be a material reduction of receipts. I point to these facts with the view of showing that our sources of revenue are not on a stable footing, and that the increase of receipts in most cases is purely fortuitous.

"I find that in the Budget Estimate for the coming financial year Railways are expected to yield an important increase of revenue. The receipts are expected to exceed those of last year by £331,400. I do not know how this expectation can be fully justified. It is true that some increase may be due to an adjustment of accounts, and also to some extent to an increased mileage opened to traffic. But it must be borne in mind that there will be a considerable diminution of Railway receipts owing to the absence of any large movement of food-stuffs for famine requirements. I believe, therefore, that the increase from the Railway source of revenue has been over-estimated.

"Then again considerable reduction has been anticipated under various important heads. I am afraid that the reduction has been under-estimated. Owing to calamities in China, the Opium revenue is sure to be affected, and not only will the abnormally high prices of last year be greatly reduced, but the consumption of opium is likely to be decreased. As has been anticipated, Customs will yield far less than they did last year, owing to reduced imports of sugar. The duties on the extraordinarily large importation of sugar abnormally swelled our receipts during the past year, but there is reason to apprehend that these receipts cannot continue to be in the same proportion in which they have hitherto been fixed. I believe the reduction from this source of revenue also has been under-estimated. Although opinion as to the effect of the countervailing duties on bounty-fed sugar cannot

yet be definitely formed, yet it must be admitted that the addition to our revenue from this source exists under most abnormal conditions. It is certainly not an unsatisfactory reflexion, in the language of the Finance Member, that 'this addition to our revenue has been realized at the expense of the European taxpayers, taxed by their respective Governments to provide the bounties which enable foreign sugar-refiners to sell their sugar in India at prices below the cost of production.' But this satisfactory reflexion is constantly accompanied with the apprehension that foreign Governments may before long realize the impolicy of artificially maintaining the selling price of bounty-fed imported sugar, and may at any moment withdraw their subsidies—the effect of which will be the extinction of this source of revenue.

"It appears to me, my Lord, that from what I have said above Indian finances are not in a satisfactory condition, and our sources of revenue cannot be depended upon with certainty. The Finance Member observes that expenditure in all directions has been so greatly restricted during the period of financial distress, that 'now that we may fairly estimate for an improvement in revenue and an important diminution of charges for Famine Relief, we have been glad to show some comparative liberality in meeting urgent administrative demands.' This to my mind means, my Lord, that the precautions which have hitherto been taken, the vigilance which has been so effectually exercised, are to be relaxed, and that considerable increase in expenditure is proposed. I cannot but view this proposal with apprehension. I fear, as I have pointed out, that there will be a considerable reduction in the estimated receipts. If my fears prove to be well-founded, the proposed increase in expenditure will place our finances in an embarrassed position. I am led to think, my Lord, that it is a bad State policy, as it is bad domestic economy, to sanction increased expenditure in anticipation of increased revenue. When the increase is well assured, and the increased revenue is in the Treasury, then extensive schemes of reform may be matured, and money may be freely expended in successfully carrying out those schemes. But when our revenue has not yet recovered its lost balance, or rather I should say when our finances are not in a prosperous condition, when we have to meet urgent administrative demands by raising loans every year, and thus adding to our permanent indebtedness—this, I venture to say, is not the time to launch into large undertakings necessitating a large outlay.

"The Government of India proposes to make a considerable addition to the expenditure on the Army. I admit of course that our whole existence depends on proper provision for the defence of our frontiers, and that the lessons derived from the war in South Africa could not be neglected. I fully realize the gravity of the situation, but still I am inclined to think that the proposed

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increase on Army expenditure is abnormally high. I am aware that I am treading on delicate ground. The question I have ventured to refer to is certainly an Imperial question, and must be settled on Imperial grounds.

"In dealing with the great question of meeting famine requirements, the Finance Member alluded to the recuperative power of India. 'The fact,' he says, 'that we have been able to meet the extraordinary demands on our resources, due to famine and plague, and that we are to-day able to present a Budget showing, notwithstanding the simultaneous serious depression in three such important industries as cotton, tea and indigo, a distinct and satisfactory increase of revenue obtained without increase of taxation, is in itself the strongest evidence of that recuperative power.' There is abundant proof that his belief in this recuperative power is not an idle assumption, it is certainly based on substantial facts. What I only wish to say is that this recuperative power and the economic conditions of the country are not so well assured as they have been represented to be. The land-revenue of the country is in a serious condition at present. The proportion of land-revenue to the general revenue is striking. Under normal conditions I think it ought to be over 27 per cent. I notice in the figures adduced by the Finance Member that this proportion has been fluctuating. This may be due to famine, but still the fact remains that the land-revenue taken as a whole has not been able to completely recover its balance. This is the only source of revenue which is on a stable footing. Opium, Salt, Stamps, Excise, Customs, Post Office, Telegraph, and other sources of revenue are not at all to be compared, as regards stability, to Land-revenue. That land-revenue is not increasing, but that the proportion of land-revenue to the total of our resources shows a diminishing tendency, is not a matter for congratulation.

"The most important industry in India is agriculture. The prosperity of the agricultural population, to use the Financial Member's language, has, within the last five years, received apparently crushing blows through the unprecedented recurrence of famine. It is difficult to say how long it will take to remove the effects of these crushing blows. I am not prepared to say that the agricultural population in the Indian Empire is 'somewhat better off today than it was a year ago.' The agriculturist's want of staying power during severe famine is in itself a convincing proof of agricultural distress. Then, again, if it is an admitted fact that the indigenous industries of the country are perishing, and that new industries in sufficiently large numbers are not replacing them, it will be easily conceived that the recuperative power of India in this direction does not assert itself. What I mean to say is that the economic

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situation of the country, in my judgment, is not so cheering as it has been described to be, and the evidences of general recuperative power are not so many and so satisfactory as they have been represented to be.

“ It is, however, very gratifying, my Lord, as I have stated, that the Financial Member has been able to present to the Council such a remarkable budget, without increase of taxation; and the whole country will feel grateful to him for his invaluable services.”

The Hon'ble RAI BAHADUR P. ANANDA CHARLU said.—“ About this time last year, speaking of the terrible demands of famine, Your Excellency said that you were resolved to devote all the available resources at your disposal to the alleviation of suffering and the prevention of death. It would be as ungrateful as ungracious not to admit, in the most unequivocal manner, that this promise has been kept to the very letter. Nor is it less a matter for gratitude that, instead of adding insult to injury in the shape of diatribes against the alleged unthrift, wastefulness and extravagance of the suffering victims, the Finance Member has, in a spirit of unbiassed justice and strict impartiality, paid a well-merited tribute to their frugality, their industry and their powers of endurance—attributes for which they have always received credit, except when disingenuous attempts were made to substitute false for true causes of famine and its attendant evils. As though Providence wished to reward Your Lordship's righteous resolves and hearty performances of them, more than one godsend has come to us with a sheaf of plenty to repair the incident damage or to re-fill the exhausted coffers, such for instance as the unforeseen flush of opium revenue and the repayment from the British Exchequer of charges which the Welby Commission made out to be an unauthorised or unwarrantable burden laid on the Indian tax-payer—although I, for one, think that the amount paid should have included not only arrears, as has been already contended, but also a contribution, as is to be yet contended, towards retiring pay, and pensions, etc., of Indian troops employed in South Africa and China, as was wrung from India in 1884 or 1885 by the British Exchequer when British forces served or were serving India. But amid all this overflow of thankfulness and gladness, it would be failing in an important duty not to notice the shortcomings that exist and not to examine the soundness of certain conclusions, as to economic conditions, recorded in the Financial Statement as following from the figures and facts therein set forth. It is impossible, and it will be unavailing and wearisome, even if it were possible, to go over the entire ground which has been traversed in the Financial Statement and its tables of figures and appendices. Some of the Hon'ble Mem-

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bers who have spoken before me have, besides, a good deal anticipated me, either by saying exactly what I meant to say or in analogically forestalling me. Expenditure, on the Army and on matters kindred to it, is indeed a legitimate battle-ground by reason of being, in the words of the Finance Member, the greatest drain on financial resources. But the Finance Member has said in paragraph 53 on this topic that 'every additional item which has been agreed to, has not only been most jealously scrutinised in the Finance Department, but has also been submitted to the close examination of the Governor General in Council.' In paragraph 54 he has also pointed out how the 'lessons derived from the war in South Africa could not be neglected and how the Government had done their best under the guidance of their military advisers to profit by them'

"In the face of these assurances and deliverances, it would perhaps be too bold to indulge in criticism. Any little wish that might still linger to probe the question must be effectually quelled by the recollection of the short, decisive and perhaps too curt reply which was vouchsafed, in this very Council Chamber some three years ago, to one who ventured to suggest a modest reduction in the numerical strength of the Indian Army, for the circumstances now are far more inopportune than they were then, seeing how the war-pulse is at the high fever beat all the world over and realising how the doctrine now in the ascendant is that in all countries, great and small alike, to be armed *cap-a-pie* is the only way to be safe, as much for the preservation of peace as for triumphs in war. The good fortune, and perhaps the best solace as well, in these circumstances, is that this country is ocean-protected on her three sides, by far the largest part for external attack, and that she is not called upon either to maintain a navy of her own or to make contributions towards the cost of the British Fleet.

"Quitting this nettle, which, however one may handle it, must prick one's fingers, I shall confine myself to some words on public works, on irrigation and on the conclusions of economic progress, drawn and recorded by the Hon'ble Finance Member from the figures before him. Judging by the figures set forth in paragraph 60 of the Financial Statement, it looks as though the extension of railways is regarded as several times more important than the works of irrigation—ranging from nine to nearly fourteen times. Upon the relative value of railways and irrigation-works there has always been, and there is sure always to be, a wide and equally decisive difference of opinion, depending, as it does and as it must, on the difference in the stand-points from which they are looked at. It is, however, noteworthy that after Sir Arthur Cotton, of irrigation fame, no one has made or has bid for a name

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for himself by pressing the exceptional claims of irrigation as energetically as he had done—one who, on the banks of the Kristna and the Godavari, is ranked with by-gone Indian saints and receives occasional oblations of sacred water on certain days when those sainted benefactors receive holy offerings for signal, unforgotten service. A great deal, besides, could be said on both sides; and a great deal has been said. Having regard to the main consideration that, while works of irrigation help in raising and multiplying food-stuffs and economic and commercial products, the railways help in their speedy transit to places most advantageous for making profit, the claims of production have plainly a precedence over the facilities of transit. The surplus things to be carried must exist before the carrying agency is called into request. If not, the inevitable consequence is that the bare sufficiency of one place is laid under contribution for the benefit of places where there is want, and the area of scarcity and desolation is made to grow wider and wider—though it must be admitted in the interests of humanity that, if nothing better could be done, it is less objectionable to swell the number of half-starved than to let even a few to die of utter want. One ought not therefore to dogmatise on this knotty problem. It is rather the duty of every one to discuss the question with himself soberly and with the paramount, if not the sole, object of preventing the too speedily recurring famine. I humbly think that, making the amplest allowance for every pertinent consideration, the claims of irrigation have not, and have not had, such warm and vigorous championship and such large and continuous outlays as they deserve. Neither in the Financial Statement nor in its annexures do I find any detailed or defined scheme for the creation of a Government system of wells, to tap subterranean streams by way of supplementing the service of canals and reservoirs, which are solely dependent on monsoons, which have, of late, learned too much the trick of being fitful or precarious. I know it may be said, as it has been said, that this was a pure Provincial affair and that the Provincial Governments would surely be attending to it in the requisite degree. So are many of the canals, in so far as they belong to this or that Provincial Government and so far as they are cut and excavated by the particular Government within whose limits they respectively are. We nevertheless find these canals named and specific allotments labelled on each of them in the Financial Statement. Why should not schemes, devised and formulated in respect of a system of well-supply, be similarly honoured? That there is urgent need for some such course is shown by regard being had for the scanty attention such a system or other irrigation systems command in the Madras Presidency as noted in the following extract from the Hindu newspaper of Friday last :

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'From the annual report of the administration of the Irrigation Branch of the Public Works Department in this Presidency during the past official year 1899-1900, it will be seen what little has been done and what more remains to be done. The irrigation-works shown in the sketch map annexed to the report appear like specks in a vast area. The total cultivable area in the districts of the Presidency is 33,423,401 acres, out of which only 3,902,050 or about 12 per cent. only is commanded by the irrigation-works, coming under the classes of major and minor productive and protective works, about 2,601,088 acres are shewn as irrigated by works coming under minor works under the charge of the Revenue or Public Works Department—which are dependent upon rainfall for their supply of water. Deducting these two from the total cultivable area, we find that about 27 millions of acres or nearly 80 per cent. of the cultivable area has no sources of irrigation whatever. Herein lies a great field for the useful and benevolent operations of the Local Government. It may not perhaps be possible to bring all these lands under irrigation, but a large portion of them may be so brought. Unfortunately, however, Government draws its purse-strings tight when expenditure on useful public works has to be undertaken. During the last year, the amount spent on all classes of works from Imperial, Provincial and irrigation-cess funds was about Rs. 50,97,988 against a revenue of Rs. 2,01,75,080. This expenditure, be it remembered, included establishment charges which are not at all on an illiberal scale—tools, plant, construction and repair of quarters for officers and servants. How much of the fifty lakhs was actually spent on works is not clear from the report. It would be well if in future reports the cost of establishment, etc., is eliminated and the actual amount spent on works separately shown in the body of the report.'

"Paragraphs 72 to 76 are devoted to the consideration of the countervailing duties on sugar under the Act to which I lent my humble support in passing. The main ground on which the Act was sought to be passed and on which it was widely supported was that it would safeguard and promote the interests of the many thousands who had many thousands of acres under sugarcane cultivation. Looking over the paragraphs in question, one is sadly disappointed that no figures or facts in relation to that declared object are discernable, and it is no consolation to be told either that certain colonies profited thereby—one more than the rest—or that we were getting revenue at the expense of certain European countries. It is unfortunate that the avowed intention is presumably unfulfilled, and that the suspicion, freely expressed at the time, that it was legislation for the benefit of some of the colonies, seems not to have been altogether unfounded.

"I next beg leave to say a few words on the economic progress on which some stress is laid in paragraphs 101, etc. The propositions laid down in

paragraph 102 are, in the highest degree, unexceptionable. They are as follows:—

(1) The question of economic development is one in which those responsible for the financial situation must take the keenest interest.

(2) It is comparatively easy for a Government to take money out of the pockets of the public, provided that those pockets are sufficiently well-filled.

“The first of these propositions enunciates a rule of abstract duty and in it there is not the least flaw. The second proposition, too, is in one sense an abstract principle, and I presume that, in thus unreservedly predicating it, the Finance Member connotes that the pockets out of which the increased receipts have come, as noticed in the Budget, are, as a matter of fact, well-filled pockets; for otherwise there would be little relevancy in the statement of the principle. Is this true as a matter of fact? Reverting for a moment to his paragraph 18, we find that, except Land-revenue, the main heads of receipts are stated to show more or less of an important increase. In the next paragraph he goes into those main heads and virtually votes against many of them to be undeserving of acceptance as more or less permanent or established factors tending to or illustrative of economic progress. Firstly, increase of receipts in Opium is due admittedly to abnormal prices. The receipts from Railways and from Telegraphs are equally due to famine or other adventitious causes. Receipts under the Military Department are, in his own words, purely fortuitous. Eliminating all these, there are but two main heads which are left to be inferred as healthy sources of enhanced income, *viz*, Salt and Customs. As to Salt, the dictum is inexplicable, unless indeed it is assumed that big lumps of salt are swallowed in lieu of morsels of solid food, or unless there is some chemical process under which salt, combined with air, turns into human pabulum. It is quite plain that salt by itself is no article of food, and that it is only when combined with very much bigger doses of solid substances that it is an ingredient of human consumption. It is therefore somewhat problematic how, except as flavouring the charity doles or famine-rations, so much salt could have been consumed by human beings. If consumed as last suggested, the amount of its consumption is an index of the wide extent of pauperism, relieved by charity or the State, rather than any criterion of well-filled pockets. Salt might indeed have also been thrown into fields to improve the soil or given to plough-cattle to make them healthy. But in the face of the admittedly terrible holocausts of cattle and the parching-up of extensive areas for want of rain, it is rather a violent conclusion to draw that, in the track of the salt thus extended, prosperity or plenty followed in any appreciable degree.

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"Then regarding Customs as an index of progressive well-being by being, as it is alleged, a certain sign of consuming capacity, I shall grant some force in it, and I am entitled to ask whether one swallow would make summer and whether the Customs returns are any indication of well-filled pockets as a matter of necessary inference. I have my serious doubts; and Customs income is no more an evidence of well-filled pockets than is the mere fact of the payment of revenue under distraints and threats of distraints is an evidence of recuperative power. We have had too frequent proofs of full payment of revenue in one year being followed by dearth in the succeeding year to derive from that single fact the comfort that the pockets out of which the revenue has come have much left behind. To make payment of revenue under stringent processes or under menace of them an index of well-filled pockets is like inferring a well-filled granary by the number of rats and bandicoots in the farm-house, or like assuming the solid solvency of one who borrows heavily and pays exorbitant interest. True economic progress will and can come only from the colossal demands on the country's resources being considerably reduced, from the administrative machinery being cheapened a great deal, by the raiyat being relieved of harassments of re-assessments and re-settlement, and, above all, by the growth, development and multiplicity of industries which constitute a necessary complement of agriculture in working out the prosperity of a country, and which will converge towards producing what the Finance Member has very properly called the highly satisfactory result, from an economic point of view, of substituting expenditure in India for expenditure abroad."

The Hon'ble SIR CHARLES RIVAZ said :—"I have only a very few words to say. My Hon'ble friend Mr. Bose has remarked that 'the day when the troubles and tribulations of the people of the Central Provinces will be over is not yet within sight,' and he seems to think that the estimated land-revenue collections of the coming year have been put at too high a figure for these provinces in the Budget. My Hon'ble friend has, I think, taken rather too gloomy a view of the situation. The present spring harvest has unfortunately been a good deal damaged in parts of the Central Provinces by unseasonable rain, but not to so serious an extent, according to the latest official reports, as my Hon'ble friend has stated; and the last autumn harvest was on the whole a very fair one, especially as regards the rice and cotton crops. The estimated land-revenue collections of the coming year as entered in the Budget are 10 lakhs below the figures sent up by the Chief Commissioner, which again were 5 lakhs below the estimates of the District and Divisional Officers; so it will be seen that the Government of India have fully recognized the necessity of dealing leniently with the land-holders of the Central Provinces in their present circum-

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stances. The estimated collections of 80½ lakhs are made up of 67½ lakhs on account of the current demand of the year and 13 lakhs on account of arrears of suspended revenue ; and I may remark that the current demand amounts to 88½ lakhs or 3 lakhs more than my Hon'ble friend has stated it to be. In any case, he need be under no apprehension that any undue severity will be exercised in-realizing land-revenue if the coming agricultural season should again unfortunately prove unfavourable. The Chief Commissioner has been authorized, in response to an application recently received from him, to remit all arrears of revenue, amounting to about 21 lakhs of rupees, which accrued previous to the revenue year 1899-1900, that is, the year which ended last July, and to exercise his discretion as to remitting up to one-half the demand of the year 1899-1900 ; and my Hon'ble friend will perhaps accept these orders as an indication of the desire of both the Local Administration and the Government of India to treat the land-holders of the Central Provinces with generous consideration in view of the undoubted misfortunes which they have lately undergone.

"With reference to the Hon'ble Mr. Smeaton's remarks about the deficiency in the superior forest-establishment in Burma, we have not been unmindful of the promise given by Mr. Ilbetson during the discussion of the Financial Statement last year, but unfortunately we are still hampered by the want of forest-officers in all Provinces. The annual recruitment has been enlarged, but it will take some time before this is felt. I am informed that, compared with other Provinces, Burma is not badly off, and that on the 1st January last there were four young forest-officers stationed there in excess of the sanctioned cadre. The matter shall, however, be looked into again. The forest-revenue of Burma is large, and we will do our best to meet the wish of the Local Government."

The Hon'ble SIR ARTHUR TREVOR said:—"My Lord, I do not think it would serve any useful object for me to try to anticipate what my Hon'ble colleague in the Finance Department may have to say in reply to the remarks of the Hon'ble Mr. Ashton and the Hon'ble Sir Allan Arthur, on the subject of the financing of productive public works. I may remark, however, that I should have esteemed myself fortunate if things had been as easy during my term of office as I think we may hope they will be in future.

"The question of railway rolling stock to which the same two gentlemen have referred is in a fair way of solution, so far as the grant of funds to meet all demands under this head in full can avail to solve it.

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"I agree with the Hon'ble Mr. Smeaton as to the *prima facie* desirability in the interests of Burma of a line to open up the Southern Shan States. Several alternative proposals for such a line which have been put forward are now under investigation. It will rest with my Hon'ble colleague in the Finance Department to say, when that time comes, whether, if the results of the investigation are favourable, the accumulated Provincial balance can be made available as suggested for the prosecution of the work.

"I have had the pleasure of a conference with the Hon'ble Mr. Buckingham and the Hon'ble Mr. Henderson on the subject of light railways in Assam, at which the Hon'ble Sir Edward Law was good enough to attend, and which I hope may result in the submission of proposals which the Government of India may be able to accept."

The Hon'ble MAJOR-GENERAL SIR EDWIN COLLEN said :—"My Lord, I have already laid upon the table an explanation of the estimates with which I am concerned—the Indian military estimates, the Home (Indian) military estimates, the Military Works, and the Marine estimates. I have submitted an abstract of them, and have explained the causes which have led to a considerable extra expenditure for the coming year. It is not necessary for me to repeat the figures which I have already presented. But, as this is the last time I shall have the honour of addressing the Council, I shall ask permission to trespass on their patience while I deal with certain matters upon which I think a somewhat fuller explanation is necessary than that I have already given.

"I have explained more than once how the military expenditure has increased since the measures were carried out in 1885-86-87, under the auspices of Lord Dufferin and the guidance of Lord Roberts and Sir George Chesney, for raising the strength of the British and Native armies, the establishment of reserves, and for the creation of coast and frontier defences. I have also set before them the fact that, besides these great measures, there have been many others which have caused additional military expenditure. The equipment of the field army for mobilisation, the rise in prices and wages, and the increase of the pay of the British and Native army, account for a very large sum; and I have also shown to the Council that in the ordinary annual military expenditure a very large proportion consists of money spent on the pay, the food-supply, clothing, doctoring, and arming of our military forces.

"When I took office five years ago I hoped to have had the leisure to pursue the aim, which for a great many years I had set before myself, to do everything in my power to assist in the completion of all our preparations for

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the field army and for the efficiency of the army in general, and to forward all measures which would make for the internal security of India, while endeavouring to apply the money granted to the best advantage, and at the same time searching for means of economy in every branch of the military administration. But besides these I felt that there were many other questions which I might at least help in bringing forward—measures which would be beneficial to the army and to the country, not all of them perhaps of surpassing interest to the public, but which would, if carried out, lead to a considerable improvement in our army system in India. I hoped to have had the leisure to pursue these subjects, and that time would be given me to carry them forward to a conclusion. We had learned many lessons from our experience in the Chitral expedition, and there was no one who had considered the military questions of the day who did not feel that there was a vast deal to be done. But a year had hardly passed when we were confronted by the campaign of 1897-98, on the north-west frontier. In 1898 we were engaged in gathering up the fruits of our experience of the war, in 1899 we had to send a force to South Africa, which saved the situation in Natal, not only by the presence of the gallant troops who left these shores, but by the supply of the stores and munitions of war which we sent with them. In 1900, as I have shown in my memorandum on the estimates, we had to despatch a large expedition to China, and it must be a satisfaction to all of us to know that Her late Majesty's Government expressed their admiration of the promptitude with which the Indian reinforcements were delivered in South Africa, and again that similar satisfaction was expressed at the expedition with which a much larger body of troops was despatched for service in China. It must be remembered that we have no enormous fleet of sea transports at our command. If we had these, with the arrangements for mobilisation at which we have so long laboured and with the reserves we keep up, we should be able to despatch troops beyond sea in much less time. But, gratifying as these results have been, it must be allowed that a time of constant pressure and hard work to all concerned is not one in which reforms and improvements of all kinds can be threshed out. I have certainly not been able to do all that I had hoped for, but I trust that, with the support received from Commanders-in-Chief and from Your Excellency, and my colleagues, I at least have been able to pave the way and to make it easier for my successor.

“ I have attached to my memorandum on the estimates a paper showing what has been done in the past sixteen years, and I have specially desired to indicate the progress we have made, although we have had no extraordinary grants of money, because some critics have affirmed that since the great measures

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of 1885, 1886 and 1887, very little has been done to improve our military position in this country. Now, it must be remembered that since these years we have had exceptional financial difficulties—difficulties caused by exchange, by widespread pestilence, by frontier wars, and by two great famines; so that it has been a difficult thing to obtain money to fulfil those military requirements which are necessary.

“Fifteen or sixteen years ago there was no field army, but by degrees, and with comparatively small grants, we have done an immense deal to put that army into a state of efficiency, and time, labour and money have been spent on these preparations. Besides the mobilisation we have had to face rearmaments, though not to the extent that is now necessary; we have reorganised a large portion of the Native army in the direction of higher efficiency; the presidential army system was not suited to the circumstances of the time or to efficiency in war; but, although its abolition involved an enormous amount of labour, it has been replaced by a simpler system of organisation. The pay of the British and Native armies has been increased, and many improvements have been effected in every arm and in every branch of the service. In the North-West Frontier campaigns of 1897-98 our mobilisation scheme had been heavily tried and our resources had been heavily taxed, and we therefore took up all those questions which stood out as the lessons to be learned from the war.

“In 1899, the Commander-in-Chief, the late Sir William Lockhart, and I presented to the Government of India a statement of the measures which we considered necessary for improving the efficiency of the army. In March last year the Mobilisation Committee sat continuously for some weeks, and the whole situation was again reviewed, and almost with his last breath Sir William Lockhart expressed his approval of the labours which had been undertaken. And in that month we laid before the Government further proposals. The remainder of the year and the first quarter of this has been occupied in a similar manner, and the Government are now in possession of a complete statement—complete at all events for the present time—of what is needed for the army both for the defence of the country and its internal security.

“But, if the Council will permit me, I shall hope to show as concisely as I can, what the large expenditure is, which has been agreed to since we considered not only the lessons of the frontier campaigns of 1897-98, but the still more striking experience of the war in South Africa. The initial expenditure which has been agreed to or proposed by the Government of India amounts in round numbers to Rs. 3,50,00,000 or £2,333,000. I will deal with these measures of improvement under the headings which I have adopted in my memorandum, but,

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as some of the greatest of them affect every branch of the army, I will mention these in the first instance.

"First and foremost is the rearmament of the Native Army and the volunteers, and upon that we have to expend a total sum of Rs. 2,05,00,000 or £1,367,000; a portion only of which is included in the sum already mentioned, because some of the expenditure on rearmament will fall upon the year after next, that is, we have incurred a portion of the expenditure this year, a further sum is provided in next year's estimates, and the year after the total expenditure should be finished. We hope to complete the armament in a three years' programme instead of in five years as originally settled for financial reasons. The next important measure affecting the army is the increase in the number of officers. I need not go into the merits of that question, because it is well-known and appreciated by all that we require a much larger number of officers not only for war, but to provide an establishment sufficient to meet the normal drain upon it from all causes, and for the increased training of the army which must now be undertaken in peace time.

"The third measure is the increase and reorganisation of the transport.

"The subject is too large to deal with in all its details, but experience had shown that our transport was inadequate, that there was no organisation for its rapid expansion, and that we had no system of permanent registration of the transport resources of the country. The proposals made were considered too large to meet at the present time, and we therefore had to re-examine the question to bring it in closer harmony with the exigencies of our financial position. The measures which have been finally accepted were, first, the addition of 26 officers to the transport service, secondly, the organisation of permanent cadres of mule corps, camel corps, and pony-cart trains; thirdly, the creation of a permanent registration staff, fourthly, an improvement in the status of transport drivers together with the formation of reserves of drivers. This plan will give us, besides the 26 officers, an increase of 21 warrant officers, 34 British non-commissioned officers, 273 native officers and non-commissioned officers, 30 veterinary assistants, 228 artificers, and 4,396 drivers. We increased the complement of transport by 2,000 mules last March and have added 2,143 camels under the silladar system; so that we shall have, when our establishment is complete, 54 transport officers, 40 departmental warrant officers, 52 non-commissioned officers, 277 native officers, 149 veterinary assistants, 943 artificers, 21,226 drivers, 21,924 mules, 5,393 camels, 6,660 bullocks, 594 ponies, and 7,067 transport carts.

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"The whole subject has received from the transport committee under General Sanford and from other authorities the most exhaustive consideration, and both the late and the present Commander-in-Chief, Sir William Lockhart and Sir Power Palmer, strongly supported the proposals. The transport under the system we have initiated will be capable of expansion. The machinery of the cadres will be linked with the operations of the registration staff in districts, and the transport service will be placed on a footing which will induce good men to enter it; while the military organisation we have proposed will do much to bring about this result. We have also an auxiliary plan for obtaining camels, which has so far been most successful, that of making grants to camel-owners of culturable land on the Chenab canal, with grazing privileges attached, on the condition that they keep a specified number of registered camels for military service; and we hope to apply the same principle to the lands adjacent to the Jhelum canal. This should give us a large reserve of camels, and the results so far have been very encouraging. Of course, our actuals by no means tally with our establishments, because we have had to send a considerable amount of transport to South Africa and also to China; but we are gradually getting the new plan into working order, the mule cadres previously organized under the provisional scheme are in process of completion, and I hope that by the end of this month they will be in fair working order, and that the equipment and gear required will be stored at the head-quarters of each cadre by that time. The purchase of ponies for the pony-cart trains is in progress, and the siegetrain and army transport bullock establishments have been reorganised. A vast number of details have had to be settled, and a good many still remain for disposal. We have been greatly hampered by the shortage of officers, but the Commander-in-Chief has been good enough to give us aid from the army—although this has acted injuriously on regiments—as we were unable to supply the officers from the Commissariat-Transport Department. If these officers had not been supplied from the army, we should not have been able to start the new organization. I have only been able to see the initiation of the scheme, but I am sure that under my successor, and General Christopher and Colonel Mansfield, the reorganisation will be carried to a satisfactory conclusion. And, before concluding the subject of transport, I may mention that we have accepted, in a modified way, the conclusions of the committee on ambulance transport which was presided over by Sir Alfred Gaselee. We propose that the existing establishment of bearers or kahars shall be enrolled in companies, that the pay, clothing, etc., shall be improved, and that each company shall be properly organised and commanded; the control of each division composed of a certain number of companies, to be under the Principal Medical Officer of each command. We hope that each company will have the nucleus of further

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expansion in itself, which will be left, when the company takes the field, as the depôt. In this way we trust that we shall get what we have not had for many years, bearers physically fit, and that they will know that there is some one to take charge of them and to look after their interests. Under ambulance we have also provided for a large reserve of ambulance riding saddles.

“In the artillery during the past two years we have accepted various measures for its improvement, such as an increase of mountain artillery, improvement of ammunition columns, purchase of material for batteries, increase in howitzer batteries, increase in the number of artillery horses, improvement of the equipment of field batteries, provision of new mountain guns, and an increase to the scale of practice ammunition. The artillery is greatly in need of improved arrangements for mobilisation so as to avoid breaking up batteries to supply those of the field army, and it requires thoroughly and completely organized ammunition columns. All I can say on this point is that the subject has been exhaustively discussed.

“With regard to the cavalry, we have provided for an issue of Maxim guns for the regiments of the field army and for the supply of periscopes and binoculars, also additional heliographs for Native cavalry; and we have also acquired land for cavalry exercise. As to the infantry, a good many minor measures have been accepted in respect to British infantry, and to the Native infantry we propose to give additional officers. Here again we provide Maxims for a portion of the infantry for the field army and bandolier equipment; we have also been able to provide for the improvement of army signalling in the Native army, gymnastic instruction, an increase in the tools for the Pioneer battalions, an office allowance to Quartermasters of Native infantry regiments, and a great many minor items which time does not allow me to mention. We have also provided for five schools for mounted infantry, which will train a considerable number of officers and men and by degrees will establish a fairly large force of mounted infantry in this country both British and Native.

“In the Engineers we have provided for an equipment of war balloons, for ten miles of light tramway and fifty miles of light field railway, for the completion of the bridge-train equipment, for electric-firing apparatus with service companies of sappers, and for other requirements.

“I have already dealt with transport. Under the head of commissariat we propose an increase of officers as an instalment and various improvements which we trust will make this service more attractive; and we have somewhat improved the pay of warrant officers of the department. If we cannot get

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officers to enter the Commissariat Department, we must try other inducements, as if we desire economy as well as efficiency we must have adequate supervision and a sufficient number of officers.

“Under the head of medical and hospital service we hope to increase the number of officers of the Indian Medical Service; we have provided for the completion of the equipment of field and general hospitals. In future wars the provision of medical officers, hospitals, etc., will have to be largely increased, and we must not overlook that fact.

“There are also several items in connection with mobilisation, such as the provision of the requirements of mobilisation rest-camps, railway sidings, and water-supply and other things which make for the efficiency of the field army.

“It will be allowed that the development of our manufacturing power is of the highest importance. We are pushing on the cordite factory, and the central gun-carriage factory, and additional grants have been made for this purpose. Both these will well repay the outlay which is proposed not only from the point of view of efficiency but of economy. Then we have decided to propose the establishment of a small-arms factory, so that India may, as far as possible, be independent. This policy will be generally approved, but although it receives its greatest and most attractive development in the manufacture of war material, we must not forget that there are other branches of local industries of the greatest use to the Military Department and most economical to the State. For very many years the brewing industry of India has supplied the soldier with good and wholesome malt-liquor. We have the power of inspection and analysis, and the soldier is supplied at a uniform price wherever he is stationed. From local mills we obtain large quantities of clothing and other supplies, and I trust that every effort will be made to extend this local supply; the boot factory at Cawnpore worked by Messrs. Cooper, Allen manufactured 174,793 pairs of British army boots in 1899, and 246,669 in 1900 up to 30th November, of this number 198,669 pairs were supplied to South Africa. In addition to these quantities the factory supplied 314,262 pairs of boots and shoes for the Native troops in India and for troops elsewhere, or a grand total of 735,724 pairs in the two years. These figures speak for themselves, and testify to the important reserves and manufacturing powers we possess. Before I leave this branch of the subject let me mention that the Army Clothing Department at Alipore under Colonel Buckland have made up nearly 500,000 articles of clothing for South Africa and China, besides supplying about 180,000 helmets, and this without any addition to the normal permanent establishment, a remarkable result only to be accom-

plished by the zeal and energy of the Superintendent and his subordinates. I know that my Hon'ble colleague Sir Edward Law is deeply interested in the development of local industries, and I feel sure his efforts in this direction will be rewarded.

" Under the head of internal defence I am glad to be able to announce the measures which the Government of India have accepted for the increased efficiency of the volunteers, such as proficiency and other allowances to officers, larger amount of ammunition, additional help in the construction of ranges, band allowances, and prizes for rifle shooting; and I hope that the better equipment of the volunteers may be carried out later. No one can regret more than I do the delay in the issue of rifles to the volunteers, but we perhaps may hope to issue a percentage, and that steps will be taken the year after next to supply the volunteers with the new rifle. We hope, too, that before very long an officer may be appointed who shall be specially charged with the interests of the volunteers.

" Under the head of coast defences we have provided for various improvements, such as electric lighting, submarine mining, additional garrison artillery, supply of cordite ammunition for certain guns, and a partial rearmament. I have touched on frontier defences and frontier railways in my memorandum, and it is exceedingly satisfactory to know that there is a large development of traffic on the Nowshera-Daigai Railway.

" But besides such measures as I have mentioned or are enumerated in my memorandum, we are constantly endeavouring to improve the sanitation, health, and comfort of the army. These measures involve large expenditure, but I am convinced that none will repay expenditure so well. We have been able to do something in the way of improving the gymnastic training and, as I have shown in my memorandum, to improve the sanitary requirements. I have been particularly interested in what is being done to improve the meat which is issued for the British soldier's ration; experiments of great value have been undertaken by Captain Meagher; and we are improving and extending grass farms and dairy farms, and increasing them so as to be able to give fresh and plentiful supplies of meat, butter, and milk. And besides the goodness of the supplies, an advantageous financial result is obtained, while cattle-breeding is improved, and fodder production is increased, and I look to the whole of the fodder for the mounted branches being supplied by these farms. The system of fattening slaughter cattle has been a great success, and is being extended, and we hope that the beef and mutton issued to the troops will be immensely improved. Better food and better cook-

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ing will, I feel certain, do a great deal for the British soldier. We want more trained directors and managers, and if we get these, I believe that these military farms will prove a remarkable success all over India, and this will be due in a high degree to the enthusiasm, knowledge, and industry of Captain Meagher.

"The sanitary condition of cantonments must always be a matter of the greatest interest to those responsible for the military administration, and although a good deal has been done, and in the course of years we have spent a considerable amount on hospitals, water-supply, drainage and the like, we cannot say that we have approached perfection. We require to derive our piped water-supply from the purest sources, and this may mean going to a greater distance in many cases. This piped water-supply should be connected with all buildings where water is required. The removal of refuse, both liquid and solid, is a matter of immense importance to the health of stations. In my belief the present means of removal, where scientific trenching cannot be undertaken, are inadequate. In some cases we ought to have tramways, as they have indeed in some Native States. We are endeavouring to pursue this subject to the best of our means, but those means are not large, and I submit that it would be a good measure to take certain stations and bring them up to the best possible conditions of sanitation in every detail. I commend to my successor the steady pursuance of the policy of quartering British troops in the hills during the hot weather. Our hutted camps have not been increased as much as I could have wished for.

"There is one matter to which I referred very briefly in my memorandum, and which will, I believe, when carried to a conclusion, be one of the greatest reforms which has ever been undertaken for the comfort and welfare of the soldier in barracks, that is, the application of electricity in punkah-pulling and the lighting of barracks by electricity. It cannot be doubted that the discomforts experienced do tell on the health of the British soldier in the extremely trying hot weather in many parts of the country, and the transformation of the barracks into cooler, more cheerful, and better lighted quarters, will effect a vast amelioration in the condition of British troops serving in the plains of India. I may venture to say that Your Excellency has taken the deepest personal interest in this matter, and, although the expenditure will be large, I am sure that there is no greater benefit which can be conferred on the British soldier in this country—a benefit which will be due to the personal interest and sympathy of Your Excellency. I only hope that the name of Lord Curzon will be for ever associated with the carrying through of this beneficent

measure for the improvement of the condition of the British soldier serving in the plains of India.

"I would just allude for a moment to three great questions of importance which cannot be left out of consideration in discussing the needs of the army. The first is the question of the distribution of the troops I have alluded to that on a previous occasion, and all I need say here is that it has never been lost sight of, but that the enormous expenditure involved has undoubtedly prevented practical effect except in small and minor ways. But we have at this very time under consideration a project which will remove many of the defects which have been noticed in our distribution of troops in this country. The second question is the composition of the Native army as it exists at present. That is a matter which has been considered over and over again. I have shown that we have made great improvements within the last ten or fifteen years, but we must progress further in this path, and at this moment under the Commander-in-Chief's auspices an endeavour is being made to obtain better material and to raise the standard of efficiency in one portion of the army. The third question is that in which I have been specially interested, *viz.*, the creation of a more powerful agency by reorganisation both at Army Head-Quarters and the Military Department to cope with the great work which is before them, and by the more practical training of the staff in all the duties of staff officers.

"Last year I mentioned Lord Welby's Commission and my Hon'ble colleague Mr. Ananda Charlu has alluded to it today. For many years it was one of my duties to help to fight the battle of India in respect to the War Office charges. If we have not got all we hoped for—and I gather that my Hon'ble colleague does not think we have got enough—I think a reduction of £230,000 a year is a very substantial relief to our Indian military estimates. My statements of the military value of India to the Imperial army made before the Commission were hotly contested at the time, but I think South Africa and China have supported my view of the question.

"And now, if I may be permitted, I should like to say a few words about certain measures with the initiation of which I have been concerned but the completion of which I have not been able to see. The first is with regard to horse and mule-breeding in India and the remounting of the army, this is a matter of immense importance to the efficiency of the army, and from the financial point of view it deserves the highest consideration; while the promotion of horse and mule-breeding among the people of the country concerns the welfare of large numbers. The appointment of a commission under General Tyler to consider the subject was only resolved upon after very great considera-

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tion, but it was apparent that we should not arrive at a thorough investigation without such a commission, and I believe—and I have the authority of General Tyler for saying so—that, if their conclusions are correct, there is no reason why India should not take her place as one of the great horse-breeding countries of the world.

“The second matter is the inquiry which has been made by the Special Commissioners, Colonels Hutchinson and Wingate, regarding compensation for dearth of provisions, commissariat procedure and accounts, and other matters. I again must affirm that their reports are in every way practical and admirable. I believe we shall derive great benefit from their enquiries, and that the Commissariat Department itself will be vastly improved. One of the results of their labours will, I hope, be the lightening of the burden now thrown upon that Department. Another question in which I have been deeply interested is that of the account and audit system of the army. That system has grown up in course of time; it has in my opinion become over-elaborate, and we are trying to see whether the burden laid upon the army cannot be lightened with due regard to the requirements of audit and financial regularity, in fact, we wish to substitute a simpler system for the complex one which now is in vogue. Colonel Anderson, who has a complete knowledge of the whole business, and has the confidence of the army, is president of the committee which is now considering the subject, and I shall look forward to seeing the results of their labours.

“I have alluded on a previous occasion to the question of the reduction of reports and returns. Very much has been effected under the orders of the Commander-in-Chief, and I hope we have succeeded in the Military Department in doing a good deal. Your Excellency, as I mentioned before, has taken a powerful interest in the matter, and we have undoubtedly reduced a considerable number of returns and have shortened the terribly lengthy reports and reviews. A great deal still remains to be carried out, but I can thoroughly trust my successor to press on this work with vigour.

“But there is one great subject to which I must refer at the last. I took up with enthusiasm when I entered upon my term of office, but wars and expeditions and other difficulties have prevented my achieving what I hoped to have done in a matter which I have had at heart for so many years—I mean the decentralisation of military business. Still we have done something. When the presidential system was abolished we decentralised a considerable amount of business. We have since carried this on, and we have now under consideration the report of the committee of which General Burnett was president to see how far the powers of General Officers Commanding districts can be

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enlarged, and we have also under consideration certain proposals made in the Military Department for what may be called the higher decentralisation of army business and military finance. That is an immense subject to enter upon which would carry me far beyond the limits of a speech of this kind. I can only say that, although I have not seen the realization of the project, I confidently leave it in the hands of the Commander-in-Chief and of my successor, feeling assured also that Your Excellency will do everything in your power to further this great reform.

“Last year I said that the continuity of the hostile criticism of military expenditure had been broken, and, with one exception, those of my Hon'ble Colleagues who have mentioned the subject have spoken of the measures we have undertaken, with approval. Sir Harnam Singh has, however, alluded to the military charges as abnormally high. But as in the same breath he agreed that the army should be efficient and the country secure, I do not think I can regard him as a hostile critic, and hope I have convinced him that the cost of the army is a national insurance which we are bound to incur.

“My Lord, I think that it will be admitted that we have done very much to improve the efficiency of the army and to secure the defence of this country. We have been greatly assisted by a large sum from the savings due to the absence of the troops in South Africa and China and the recurring expenditure is not a very heavy burden, but I am convinced that very great efforts are still necessary. The Commander-in-Chief and I have endeavoured to place before the Government the whole of the requirements of the army, and, so far as it is humanly possible to forecast them, I do not think we have omitted a single item. We can only tell the Government what we consider to be necessary at the present time or in the immediate future, as new scientific, warlike, or political developments may arise which may be followed by great changes. A great deal has been done, but a great deal remains to be done. We cannot propose a state of finality in military affairs. We require to be able to put a powerful army into the field and to ensure the safety of the country. More I cannot say, and I am afraid I have often been accused of too great persistency in this matter, but at all events the Government have the materials for further and greater efforts. The preparation of these materials—and the exhaustive elaboration and discussion of the measures which have actually been carried out—has thrown an immense amount of extra labour on General Maitland and the other officers of the Military Department, not to speak of the very heavy additional calls on the clerical establishment.

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"I feel I have trespassed on the attention of the Council long enough, but before I conclude, and as this is the last time I shall have an opportunity, I should like to say a few words with regard to those with whom I have been specially connected in the work of military administration. From successive Commanders-in-Chief I have received the greatest consideration and support, and I am also much indebted to the officers of Army Head-Quarters for their efforts to assist me in my labours. The officers of the Military Department it would be invidious to particularise by name, but I must express my very deep appreciation of the ability and industry with which they have worked, and I would also at the same time desire to express my appreciation of the support which has been given to me by the assistants in that department, who have rendered me the most efficient help. Of the heads of the great departments with which I have been specially connected, the Ordnance, Commissariat-Transport, Military Accounts, Military Works, Medical, Horse-breeding and Army Remount Departments, I can only say that General Wace, General Hobday and Major-General Christopher, the Commissaries-General for Transport, Colonels Hawkes and Mansfield, Colonel Miley, the Accountant-General, my lamented friend General Turner, Surgeon-General Harvey, Colonel Queripel, and Colonel Goad, have always given me the most valuable assistance. And although I have already mentioned in my memorandum the Royal Indian Marine, for the administration of which the Military Member of Council is responsible, I cannot conclude without referring to the services of Admiral Sir John Hext, and of Captain Goodridge, the Directors of Marine during my tenure of office, through whose work and exertions the Royal Indian Marine has attained, and continues to maintain, the fine position it now occupies. My belief is that the Indian Marine, which I have seen grow up from very tiny beginnings into an admirable service, will prove a powerful auxiliary to the resources of the Empire. From the Commander-in-Chief, Sir Power Palmer, I have always received the greatest help and consideration, and there is no one who is more deeply interested in the efficiency of the army. It is naturally a very great regret to me that I shall no longer be concerned in the military administration of this Empire, or associated in the carrying out of measures for the good of the British and Native Army of India. But my successor, Sir Edmond Elles, is well versed in all the great problems with which we have to deal, and I look forward confidently to his tenure of office being marked by a still further development of what we all have at heart—the efficiency of the army and the security of the country. And now, my Lord, in conclusion permit me to thank Your Excellency and my colleagues, not only for the patience with which you have listened to me today, but also for the kindness and courtesy which I have invariably received in this Council."

The Hon'ble SIR EDWARD LAW said :—“ With Your Excellency's permission I will endeavour to answer some of the questions which have been more particularly addressed to the Finance Department during the course of this discussion.

“ The Hon'ble Mr. Ashton has spoken forcibly on a question which, in view of the great importance of railway finance on our general financial situation, properly attracts considerable attention.

“ I may perhaps, with advantage, first reply to some of his observations on the question of railway accounts as distinguished from the larger question of railway finance.

“ My Hon'ble Colleague refers to certain questions connected with the heading 'Loss by Exchange' in our statements. It is perhaps sufficient to say on this point that the heading 'Loss by Exchange' no longer appears in our accounts.

“ On the general question, I have already expressed my opinion that it is particularly desirable, in order to encourage investors, that we should seek so to show our main headings of accounts that possible investors, not versed in accounting, and not sufficiently interested to seek for explanations in our very elaborate, and, I consider, very complete, detailed statements, may be able at once to grasp the situation and see at a glance that Indian railways are a very important, and as a whole, a paying undertaking.

“ We have, as I pointed out in my Statement, made a practical step in this direction by shewing, grouped together in that part of our accounts more especially devoted to Capital expenditure, the different heads of Capital expenditure on railways, while under the heads Revenue and Expenditure Charged against Revenue, the net result of the working of all our railways is at once evident. I do not say that it is impossible to still further improve our system of railway accounts, but, under present conditions of railway financial organization, it is very difficult in practice to introduce such simplification as may appear easy of accomplishment, until the question is studied closely in detail.

“ The Hon'ble Mr. Ashton dwells with great earnestness on the system of raising money for railway construction and asks if our present arrangements are such as to obviate difficulty in finding money for the construction of a desirable railway within the programme. I think that to answer this question it may be well to endeavour to explain somewhat fully our situation as regards securing capital for railway construction.

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"Our resources for this purpose consist of such proportions of surplus revenue as we may be able to devote thereto, of capital which we may raise in India by rupee loans, and of sterling loans which may be raised in England either for direct account of Government or for railway companies under Government guarantee.

"When then the Public Works Department presents its statement of desirable and feasible railway expenditure for any given year, the Finance Department have to consider (1) what, if any, is the proportion of surplus revenue which they can afford to give to railways, (2) what is the amount which they can raise in India without unduly straining the resources of the Indian money market; (3) what is the amount which can be raised in sterling in England, whether for direct account of Government or under Government guarantee, without causing the depreciation of credit which must result from any endeavour to raise capital in excess of what the market is freely disposed to give.

"There are only a certain number of investors in England inclined to place their savings in Indian investments at the low rate of interest which we offer, and at any given season their disposition to invest in Indian securities is influenced by the condition of the money market and the profit obtainable at the time in other forms of investment.

"I think it must be admitted that the foregoing considerations place a distinct limit on the sums which we can possibly raise for railway development. I must therefore admit that the construction of the most desirable railways may be unavoidably postponed for want of funds, and I must add that until the investing public shew themselves ready to enter into railway enterprise in India without a Government guarantee, this condition of affairs is likely to continue. With reference to the observations made by the Hon'ble Mr. Ashton in connection with the relation between Exchange and railway enterprise, I would here point out that British investors will never invest their money in England if they have no confidence in the maintenance of Exchange. The question of Exchange, therefore, takes a very primary place in the question of railway finance and the provision of money for railway enterprise.

"I would next say a word with reference to the system adopted for the allotment of capital for the different classes of railway expenditure, and I would call attention to the information given in the Budget Statement shewing that in our programme for 1901-1902 we have given the first place to expenditure on

open lines, the second to the completion of lines under construction, and the third, and a very small place, to new lines.

“Before quitting this subject I would like to impress on the mind of my Hon'ble Colleague the fact that from the financial point of view it makes practically no difference to Government whether we are called upon to raise the money ourselves, or whether it is raised under Government guarantee. The responsibility of the Imperial Government remains the same in either case, and further I may point out that, when Provincial Governments offer a provincial guarantee for the construction of railways which they have much at heart, the Imperial Government cannot but feel that they are practically just as responsible for the provincial guarantee as if they had given it themselves.

“The Hon'ble Rai Sri Ram Bahadur in the course of his remarks made a statement regarding the amount of capital raised or debt incurred by the Government during the year, and compared that with the cost of the famine as shown in the Revised Estimates. He said the Government borrowed £3,000,000 in England and three crores of rupees in India, and that if from these two loans we deduct four crores lent to the Native States and which will be repaid, there would remain an addition of three and a half crores to the permanent debt on account of the expenditure on the famine which, however, only cost the Government £4,245,000. I think there is a slight misapprehension in this calculation, for the sums borrowed in England and in India provided not only for famine expenditure, but also for capital expenditure, including railways.

“Another point discussed by the Hon'ble Rai Sri Ram Bahadur is the treatment of local revenues by the Central Government, and in support of his argument that the provinces are not always well treated he adduces certain figures; but I think that here also the Hon'ble Member is under a slight misapprehension. In the tables which he has drawn up, he shows what he calls proportions of revenue taken by the Imperial Government, and, deducting this from the total, the proportions left to the provinces; but he appears to have assumed that the province has no advantage from the administrative and other expenditure undertaken by the Imperial Government in the province. This is an assumption which I think we cannot admit, because expenditure in the province, whether it passes through the accounts of the Local Government or through the accounts of the Imperial Government, is expenditure by which the province is directly benefited. My Hon'ble Colleague further raised the question, which I believe has been frequently discussed before, of the Provincial settlements, and

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pointed out that according to certain calculations he has made the North-Western Provinces were specially hardly treated in that they contributed a larger percentage of their revenue to Imperial needs than any other of the provinces which he mentioned, and for which he gave figures. The percentages assumed are in themselves subject to discussion, but I think it is hardly worth while to endeavour to establish other figures which in their turn might also be criticised. It is better to consider the subject from the broader ground of the necessary financial relations between the provinces and the Central Government. I think it must be held to be quite impossible that any particular province should be considered as having a special right to a special quota of Imperial revenues. We must look upon the country as a whole, and, where there is a weak and struggling province, it must receive assistance from the richer and more prosperous provinces. Others of my Hon'ble Colleagues at this table today have made certain remarks showing their acceptance of this principle. We have heard remarks from the representative of the Central Provinces, the Hon'ble Mr. Bose, on the subject of the need of his province for assistance beyond that which its revenues can afford, and we have further heard statements by the Hon'ble Mr. Buckingham as regards the needs and the resources of Assam, admitting that Assam is unable at present to provide any contribution towards what we may call Imperial expenses for defence, etc. Well, it stands to reason that if Assam cannot provide a contribution for such expenditure, some other province must, and consequently I think the idea of fixing anything like uniform percentages necessarily falls to the ground. It is a very difficult matter to arrange provincial settlements in an equitable manner, and I fear it is impossible to arrange them in such a manner as to give satisfaction to all concerned. We must, I think, maintain a system which in appearance is more or less arbitrary, but which has, as a guiding rule, that what has been found to be the necessary expenditure of provinces must be the figure used as a criterion in estimating what its future expenditure should be. I do not say that this is a satisfactory system, but it appears to be the only practicable one.

"The Hon'ble Mr. Smeaton has made some observations on the subject of the figures given in my Budget Statement on the circulation of notes, and he objected that my Table II included notes in the Treasuries, and does not therefore really show the amount of notes in the hands of the public. It is perfectly correct that the said table does include the notes in Treasuries, but not those in the Reserve Treasuries; it only includes the amount of notes in the local Treasuries, and these are notes which are practically in continual

circulation. Strictly speaking, the figures given are not those of notes solely and exclusively in the hands of the public, but I think they practically represent what may be understood by the expression 'notes in the hands of the public ;' they represent notes in general circulation, the notes in the general Treasuries not being, like those in the Reserve Treasuries, locked up and kept aside.

"The Hon'ble Mr. Smeaton has also made some observations concerning our notice that the salt revenue in Burma was not giving all the satisfaction that we might reasonably hope for, and I gathered from my Hon'ble Colleague's remarks that he admitted there might be some ground for criticisms, because he said it was a very little matter—but the idea of the Government of India is that the Burma salt revenue should become a more important matter. We think that at present this revenue is unduly small, but we have no doubt that with the measures the Local Government are preparing to take, some satisfactory progress will be registered in the course of the next few years.

"With Your Excellency's permission, I may now refer to the important remarks which have been made by the Hon'ble Sir Allan Arthur, and I may at once express my sense of the service which he renders to Government as well as to the commercial community by his competent and unbiassed study of different financial questions.

"Our Hon'ble Colleague takes exception to my remark that 'it has often been urged that the relatively high rates of discount prevailing in the busy winter season are due to the low figures of Government deposits with the Presidency Banks during the busy season.' He says that this is not exactly what the business community urge, but rather that the Government deposits are pretty much the same all the year round, and are not sufficiently increased in the busy season. I do not dispute my Hon'ble Colleague's statement. He is in an excellent position to know and to state the views of the commercial community ; but I must observe that this view is not quite in accordance with one which is, I believe, also held, namely, that it is advantageous to have a fairly constant balance with the Presidency Banks, while the excess receipts flow into the Reserve Treasuries, the Banks being thereby relieved from the sudden and fluctuating demands which the exigencies of a great Government may entail. It may be possible to find some means of reconciling the two views mentioned, but although I should be glad to see measures devised which might tend to give greater ease to the money market in the busy season of the year, the question of the precise nature of the measures which could reasonably be adopted is a very delicate one, since it is clear that it would not answer in the long run for the money market to be led to consider that Government was

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in any way definitely bound to provide for its requirements. On this subject I may say that I do not see how, under existing conditions as between the Government and the Presidency Banks, any serious change can be made. It is, however, possible that we may at an early date come to some agreement with the Banks which will enable us to review some of the existing arrangements, and Government will be prepared to give every consideration to the question now raised.

“In the meanwhile, I may once more point out that the balances which are shown by my hon'ble friend's figures to have been at the disposal of the Presidency Banks have not been inconsiderable, while in other ways also, Government has shown its consideration for the requirements of trade.

“As regards the figures showing the average monthly amounts of Government deposits with the Presidency Banks, my Hon'ble Colleague is correct in his supposition that the figures which I gave last week, and with which he compares his own, were those for the last day of each month. They are the figures which were furnished to me by the Department, from our usual monthly statements, on my request for information on the subject, but I am quite willing to admit that the averages now tabulated are more useful than my figures for the purposes of our argument.

“As regards the suggestion concerning the possible effect on the sales of Council Bills which might be caused by placing more currency at the disposal of the Banks in India during the busy season, I can only say that Government has not acted under the influence of such considerations, and has endeavoured to follow, rather than attempted to control, the demands of the market. My own view is that, even if we had the desire to exercise such a control, we have not the power as long as we give rupees for sovereigns at our Mints and Treasuries. We cannot, I think, as the Hon'ble Sir Allan Arthur suggests, 'lock away an excess quantity of rupees' when rupees are required. They would speedily be extracted from us by the importation and presentation of sovereigns. When we find sovereigns being imported in an inconvenient manner, we must increase our offers of Council Bills, and accept, if necessary, lower rates. That is all we can do. The machine will work automatically, and control our general operations.

“On the next question, the desirability of Government being able to raise temporary loans, I fear that my Hon'ble Colleague has somewhat misunderstood the situation as I endeavoured to explain it. We are not in a position to repay temporary loans in November even if we could count on existing Banks being able (of which I am not perfectly sure) to make advances repayable at that date.

November is our month of lowest balances and greatest financial stress, and it is then that we most need money, which we could only repay in the latter part of December, in January, or in February. But these are precisely the months when trade requires funds, and we could not be sure of repaying in time to meet their demands. Possibly some arrangement may be come to, to meet the difficulty, but I do not, so far, see my way clearly. This is also my answer to the Hon'ble Sri Ram Bahadur, who commented on our apparently unnecessary increase of permanent debt. I may assure my Hon'ble Colleague that we shall not increase our permanent debt by one penny which, with due regard to our legitimate requirements, we can possibly avoid.

"On this point some other questions have been raised. An explanation has, I believe, been asked as to why, if we hold the large balances which we have shown, it should be necessary to borrow. I think that people who ask that question have asked it through want of experience of the necessity of a very considerable working balance for any Government or indeed any large administrative or commercial organization. The fact that we have money in our Treasuries is not a fact which prevents the necessity for borrowing. Of course, if the money in our Treasuries shows a surplus over the amounts required for daily current requirements, which are always fluctuating and for which we must be prepared, then we need not borrow, but it shows a misapprehension of the whole situation if we are asked why, having considerable balances, we nevertheless find it necessary to borrow. The balances are required and must be maintained.

"With regard to the suggestion that the profits of coinage should be remitted without delay for investment in London, I think that the arguments of my Hon'ble Colleague have an important bearing, but, in any case, we should never make large accumulations for later investment, since it would never be profitable to offer too large sums for investment at one time.

"The next question dealt with by the Hon'ble Sir Allan Arthur is that of the regulation of imports of gold and silver for coinage. As regards gold, I do not think that Government is likely, for some considerable time to come, to be obliged to consider the question of importing gold on its own account. As to private importation of the metal, as matters now stand there is an evident waste in allowing gold to be imported by private parties which Government must subsequently re-export, and we have lately shown by our action that we are prepared to regulate our Council drafts so as to stop, or at all events check, such unnecessary importation. As regards the importation of silver for coinage, I have already endeavoured to explain that we are prepared to import and coin silver whenever the demand for rupees appears to render such a course necessary to

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insure their supply Experience enables us to gauge fairly the amount of rupees which, under existing conditions, should be maintained as a minimum in the Currency Reserve, and as soon as it may appear that we are unlikely to be able to maintain that minimum by other means, we shall lose no time in importing and coining silver, at the same time reducing by the necessary corresponding proportion the amount of gold held in the Currency Reserve.

“ For reasons which I gave in making my statement on the Budget, I am unable to accept my Hon'ble Colleague's opinion that automatic action can be secured by legislative enactment We cannot definitely fix for any length of time the amount of gold which, with due regard to the requirements for rupees, can be held in the Currency Reserve, equally, we cannot definitely fix the amount of rupees which should be so held. If our circulation expands, we shall require a smaller proportion of rupees, and can safely hold a larger proportion of gold. If our circulation should contract, we shall be bound all the same to maintain our minimum stock of rupees for current purposes, and we must, therefore, reduce the amount and proportion of gold held I cannot find any general factor governing the proportion between gold and silver to be held What is the right proportion with a circulation of 28 crores would (other general conditions remaining unchanged) be a wrong proportion with 32 crores The only sure guide, to my mind, is the minimum stock of rupees which it is necessary to hold for current requirements

“ The Hon'ble Mr. Bose in the course of his remarks has dwelt strongly on the unfortunate position of the Central Provinces, and though he did not make any direct or special appeal to Government on their behalf, and although he acknowledged with great sincerity and warmth all that has been done by the authorities to meet the distress of those unfortunate provinces, still it seemed to me that he had a feeling that possibly something more might be done. Perhaps I am wrong; but, being under this impression, I may state that, besides contributing Rs. 34,15,000 to the Provincial exchequer, we incurred a direct famine-relief expenditure of Rs. 2,86,32,000, and gave allotments for agricultural advances up to Rs. 40,00,000, making a total of Rs. 3,60,47,000 which Government provided for the benefit of that single province.

“ My Hon'ble Colleague also spoke on the subject of Agricultural Banks and expressed his hope that means would be devised and measures taken at an early date for establishing such Banks in the Central Provinces. The Government of India are most anxious to forward some satisfactory scheme, and Your Excellency has taken a first practical step in ordering the assemblage of a Committee to consider the question of establishing such Banks; but I am bound to say that

the remarks made by the Hon'ble Mr. Bose are to my mind somewhat discouraging; for I think that for an Agricultural Bank or any Bank of that class to be successful in the long run, it is absolutely necessary that we should establish the principle of mutual liability and that it should be founded on the basis of mutual co-operation. The great idea which has prevailed where such Banks have been successful is that, where a single individual cannot obtain credit, a group of individuals knowing one another, judging of the necessities of one another, judging of the character of one another, and intimately acquainted with the resources, means and character of their neighbours, can co-operate, and offer their joint security, which is a valuable and a tangible one, and unlikely to fail. Where credit is sought by an individual, and Government is invited to take the place of the money-lender, I should greatly fear that Government would find itself sooner or later somewhat in the position of the money-lender as regards the recovery of its debts, that is, Government would find itself either unable to recover the moneys advanced or would appear to that class which it desired to help as a harsh and severe creditor. I do not say that no arrangement can be made, it may be possible to devise some system to meet the special wants of special classes or special provinces, but I am bound to say that I think that any scheme which departs from the general principle of mutual co-operation will be very difficult to carry out.

"I may once more refer to the remarks made by the Hon'ble Mr. Buckingham, and I would say that the Government of India have naturally the interests of Assam quite as much at heart as those of any other portion of the country. I must observe, however, that the country as a whole cannot consider any particular province as a thoroughly satisfactory portion of the body corporate from the financial point of view, when it is found necessary to secure its financial stability by a contribution from the pockets of other provinces. My hon'ble friend himself admitted that Assam is not itself at present in a position to contribute its full quota to the military and other charges of the Empire.

"I now turn to the observations made by my hon'ble friend Sir Harnam Singh. My Hon'ble Colleague has criticized our estimates of revenue as unduly optimistic. I must say that it is rather a surprise and somewhat of a relief to me to hear criticism taking this direction; for I confess that I had rather feared that the contrary might be the case and that we might be assumed to have been over cautious and to have under-estimated possibilities. I can assure my Hon'ble Colleague that we have done our best to be cautious in every direction in framing our estimates of revenue. In regard to land-revenue, the Local Governments are certainly in the best position to frame accurate estimates,

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and the Government of India ordinarily accept, after consideration, the amounts proposed by the Local Governments. The proposals of the Local Governments this year were subjected to exceptional and specially careful examination, in both the Revenue and Finance Departments; and we adopted the unusual course of reducing the estimates proposed by 20 lakhs in Bombay, 10 lakhs in the Central Provinces, and 6 lakhs in the Punjab, making a total reduction of 36 lakhs below the amount which Local Governments estimated to realize. It must, however, be borne in mind that the estimates are framed on the assumption that the coming monsoon will be normal. If the monsoon fails in any way, our estimates will be upset, and that not only in regard to land-revenue. The non-realization of the estimates of land revenue in the current year was entirely due to the delay in the establishment of the monsoon, and in some districts to its practical failure. The collections of land-revenue including that from irrigation in the now closing year are expected to be less than the estimate made last March, by 54½ lakhs. Of this falling off, however, no less than 47 lakhs occurs in Bombay, the province in which famine-relief operations have to be continued during the coming year.

“My hon'ble friend expresses a fear that Government may become too lavish in its expenditure. I am happy to repeat the admission I have already made that we have been encouraged by a moment of comparative financial ease to act as liberally as strict prudence permits, in making grants to the Local Governments amounting in the aggregate to 164½ lakhs.

“It is certain that, owing to financial stress during past years, the administration in many provinces has been unduly starved, and a most serious check has been imposed on that material and moral development on which the welfare and prosperity of the people depend. I am convinced that when expenditure is possible we should welcome the possibility of providing for it, and I fancy that, as far as his own province is concerned, he will not cavil at the expenditure of Rs. 12,40,000, the amount of our grant-in-aid to the Punjab, and that he will approve the increase of the grant for Civil Works there to Rs. 37,33,000.

“As regards my Hon'ble Colleague's criticisms on our railway revenue estimates, I think we need not be under any apprehensions that our estimate is excessive. It is perfectly true, and we stated it clearly, that the revenue of last year was abnormally augmented by the exceptionally large transport of food-stuffs required for famine purposes; but the nine lakhs by which we have increased our estimate for the coming year, over what we practically know to have been the realizations of the closing year, is a small addition

compared with what we should have been justified in adding on account of the steady development of our railways if we had not taken into account the exceptional causes which increased the revenue last year; indeed, an exceptional increase of mileage would have entitled us to anticipate a special augmentation of revenue above the average of past years.

“I now turn to certain remarks made by my Hon'ble Colleague Mr. Ananda Charlu. I think that my Hon'ble Colleague does not sufficiently realize the importance of railways as a means of alleviating distress by the transport of food-grains to famine districts. This is a question on which the Hon'ble the Chief Commissioner of the Central Provinces has recently borne strong testimony.

“My Hon'ble Colleague has made some remarks on the question of the countervailing duties on sugar, and has asked if those duties had been imposed specially for the benefit of the colonies of the Empire. I would suggest to my Hon'ble Colleague that it is absolutely impossible that such a duty could operate exclusively for the benefit of any colony or any single foreign country, and that as long as the duty is levied, as it now is, on produce which it is sought to bring into this country at an artificially cheap price, the Indian producer of sugar must benefit by the maintenance of the duty.

“The Hon'ble Mr. Ananda Charlu then passed on to criticise our estimates of revenue in the sense that he considers them unduly optimistic, and he spoke with considerable severity on the question. As regards salt, he says that salt is not an article of food by itself. That is a truism which we may admit, but he appears inclined to assume that the considerable increase in the consumption of salt must have been solely due to the fact that salt was issued with famine-rations. I can assure my Hon'ble Colleague that such is not the case. Northern India was exempt from famine-conditions, and the increase in the revenue from salt obtained through the Northern India Salt Department was from Rs. 1,94,65,000 in 1899-1900 to the revised estimate of Rs. 1,99,50,000 for 1900-1901, while in Bengal the revised estimate was within Rs. 94,000 of the highest figure ever attained in a generally progressive series of years, and this notwithstanding the fluctuations due to the fact that the greater part of the salt-revenue in this province is due to duty on importation. In Madras, again, which was very slightly affected by famine during the last year, in the sense in which my Hon'ble Colleague spoke, that is, as regards the distribution of rations, we find that the salt-revenue rose from Rs. 1,85,50,000 to Rs. 1,89,06,000. I think that these figures sufficiently establish my contention that, notwithstanding great trouble and depression in

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certain Provinces and among certain sections of the population of this country, there was, taking India as a whole, increased general prosperity, and such increased prosperity is, I believe, clearly indicated by an increased consumption of salt.

“My Hon’ble Colleague Mr. Ananda Charlu also dealt with the question of customs, and he observed that customs-revenue returns were no criterion of the situation. He apparently considers customs-duties as revenue raised by compulsion. I must confess that I am quite unable to follow his arguments in this direction. There are necessaries which, to maintain life, a man must obtain no matter how distressed his circumstances, but of such, in a country so happily productive as India, few, if any, can be cited among those articles imported from abroad and paying customs-duty. My hon’ble friend talks of the population as being under a process of distraint. I never knew an honest man under process of distraint consuming articles which were not essential to his existence, and, seeing no reason to call in question the honesty of the Indian peoples, I think I must assume that, if they were able to consume and pay duty on larger quantities of articles not essentially necessary to their well-being, their pockets must have been better filled than at dates when they consumed smaller quantities of the same.

“My Hon’ble Colleague is, I am sure, convinced of my sincere desire to appreciate correctly and to promote, if possible, the welfare of the Indian peoples, and I trust that I may have succeeded in convincing him that, as regards customs-revenue, I am on firm ground in holding that its increase is a sign of increase in average well-being

“My hon’ble friend says that one swallow does not make a summer. It does not, but I thought I had pointed out a whole flight of swallows when I cited the increases of revenue over budget estimates during the closing year.

“The items of increase excluding those which may be esteemed as fortuitous are as follows.—

Increases in revised over budget estimate, 1900-1901.

	<i>Revenue.</i>
	£
Salt, increase	106,000
Stamps, increase	76,300
Excise, increase	137,700
Customs, increase	189,900
Post Office, increase	33,100
Telegraph, increase	85,900
Receipts by Civil Departments, increase	60,500

“I really hope and think that this flight of swallows may be looked on as an indication of the approach of a happy Indian summer!”

His Excellency THE PRESIDENT said :—“ We have arrived at the close of what I venture to claim as a practical and businesslike session. A year ago, in my Budget speech, I had to confess and to explain the withdrawal or the postponement of our most important legislative measures. In the present year we have a better record: for not merely have we placed upon the Statute-book a number of subsidiary measures, to one of which, providing a much desired relief in respect of inheritance and of succession-duties to Native Christians, I attach no small weight; but we have also carried into law two Bills of the highest importance, the Assam Labour Bill and the Mines Bill, both of which raised issues of a very controversial character, and were keenly watched by public opinion. I ventured to prophesy last year that we should profit, rather than lose, by postponement; and I have little doubt that, whereas we have in both cases secured general assent, and in one case absolute unanimity, in the final stages of these measures, we should not have been so fortunate had we persisted in pushing them forward at that time. I feel, therefore, that we may all compliment ourselves upon good work done: and although my test of the success of a legislative session in India certainly would not be the amount of the legislative outturn, I yet feel that, even judged by this standard, we have not done amiss. It is hardly necessary for me to reiterate the opinion to which I have given expression on a previous occasion and which, I am sure, will meet with the enthusiastic acceptance of the Hon'ble Mr. Buckingham, that I am not anxious to strain too heavily the productive capacity of our legislative machine during the remainder of the time that I am in India.

“ If our session has been one of a workmanlike character, we may also claim that it has terminated in a very businesslike Budget, and in a discussion of solid interest. My Hon'ble Colleague, Sir Edward Law, has hardly met with the conditions which a financier of repute would voluntarily choose for the inauguration of an Indian term of office. He has had to fight a famine of exceptional severity, and to watch a financial situation that has always been delicate, and sometimes anxious. Nevertheless, at the end of a year of strain, he has been able to convert the almost nominal surplus that was estimated for by his predecessor into a sum of nearly 1½ millions sterling. He can congratulate the country and himself that the currency policy which was inaugurated just before he joined us has gained in strength and stability at his hands, so that all those gloomy ravens who sat about and croaked of disaster, at about the time when the London Committee issued its report, seem to have vanished from the scene; and after making the most ample provision for a generous famine expenditure in the Bombay Presidency, which unfortunately is not yet free from serious drought, for increased military expenditure, for a much larger outlay

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upon railways and upon irrigation, in the forthcoming year, he is yet able to predict a substantial surplus at its close, which, if only we can count upon a recurrence of normal conditions, I shall hope to see largely increased.

"I do not wish to strain these achievements, or the figures upon which they rest, beyond their legitimate scope. I am well aware that we have had a number of windfalls during the past year, which no one could foresee, and upon which we most certainly cannot reckon in the future. But, nevertheless, making due allowance for them, I still claim that the situation is one that is hopeful, both as regards the economic and the financial position of India. I shall revert to the first of these subjects later on. But, as regards the latter, while I should always be cautious in dogmatizing either about the durability of any financial situation, or the vitality of any fiscal system, I yet think that, if we examine our main sources of revenue and note their steady increase, we may feel some confidence that, barring a recurrence of disasters which are beyond our foresight or control, India is already beginning to tread upon a brighter and happier pathway

"There is one heading of the estimates upon which I desire to say a word. I allude to the Military Estimates. They have been introduced in a statement, and have been explained today in a speech, by the Hon'ble Military Member, enumerating the very considerable reforms and additions which we have already undertaken, or are about to undertake, and summarising in a concise manner the principal measures of improvement that have been carried out in the Indian army during the sixteen years with which, in one or another capacity—culminating in the highest—Sir Edwin Collen has been connected with the Military administration of the Government of India. He is now retiring from our service with a record of long and honourable work, such as few administrators can point to, and that has left an enduring mark upon the *personnel*, the organization, and the equipment of the Army in India. May I be allowed to congratulate him upon the record which he has so modestly compiled, and also upon the very substantial addition that he has been able to make to it during the past two years? I am sure that he will be willing to make the reciprocal acknowledgment that, although his proposals have never been more searchingly investigated than during the many hours which the Members of the present Executive Council have spent at the Council table in discussing with him the problems of our military administration during the past year and a half, and although there are many respects in which we have not been able to concede the full measure of his demands, he has not in his long experience been associated with colleagues who were more profoundly impressed with the

gravity of their responsibility for the defence of the Indian Empire, both to the inhabitants of this country, and to the larger unit of which India forms a part. I need not repeat today what I said in the Budget debate last year. I gave a clear warning on that occasion that there would be a rise in the Military Estimates, and that rise has come. I am not in the least disturbed by the argument that all this Military expenditure is a waste, and that the money had ~~much~~ better be spent upon projects of economic development. I ~~would~~ gladly spend the whole of our revenues in the latter way, but I say frankly that I dare not. The Army is required to make India safe; and it cannot be said that India is safe. In the event of an invasion or a campaign, those very theorists who are so fond of the phrase 'bloated expenditure,' and who denounce any attempt to make the Army more efficient that costs money, would be the first to run round and take shelter under the armaments whose expansion they had resisted. Exorbitant or ill-considered outlay, equally with them, I would decry; but my Hon'ble Colleague will bear me out that there is not an item in the new Military expenditure of one million sterling in the forthcoming year which has not been exhaustively threshed out and sifted at the Council table, whether the outlay was half a lakh or twenty lakhs. He has given to Council in his memorandum an indication of the objects to which this expenditure is to be devoted. They are not fanciful experiments, the emanation of the brain of the faddist or the doctrinaire. Still less do they spring from schemes of aggression or advance. There have never been two years in India less marked by a bellicose ambition. The purposes to which the money is to be devoted are such objects as rearmament of the entire Army with the latest weapon, the increase of our artillery and its supply with the most modern guns, a very substantial addition of officers, the creation of an organised transport corps, instead of the fumbling units which have hitherto been a substitute for it, the proper armament of our coast defences, the building of light railways with which to strengthen our frontier posts, the establishment of factories with which to turn out our own military material. I am far from saying that the list of necessary improvements is exhausted. Year by year the discussion has to be resumed in the light of fresh experience and of demonstrated needs. But at least no one can say that, while the whole world has been busy with military reform, we in India have stood still. I remember last autumn reading in the leading organ of the English Press an article about the Indian Army. It was one of those rather sensational letters which, from the cover of anonymity, fling broadcast the accents of denunciation and doom. I never blame the writers of these productions; because their purpose is almost always honest, even where their knowledge is imperfect; and because their invective, though sometimes exaggerated, very often calls

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attention to positive blots. This particular writer declared that our armaments in India were hopelessly inadequate, our *personnel* insufficient, our equipment obsolete and absurd. How far these opinions are correct must be judged in the light of the information contained in the present Budget and in that of last year. But when the writer went on to say that nothing was being done, or, if being done, was being done so slowly and so incompletely as to be little better than absolute inaction, and that the Government of India was not in the least likely to take the necessary steps, he revealed an ignorance which was profound and, if he possessed any opportunity of learning the facts, culpable.

“In my first Budget speech two years ago, I alluded to twelve important reforms to which I hoped to address myself while in India. I was sufficiently cautious at the time not to indicate their nature, and I remember that there was some playful conjecture as to what they might be. Inasmuch as before we meet again at this table, more than half of the normal term of office of a Governor General will have elapsed, and as I shall be terminating my third, and entering upon my fourth year of administration, I may perhaps take advantage of the present occasion to indicate in more precise language how far the Government of India has travelled up to the present date along the road which we then set before ourselves. I hope I may not be misunderstood. Neither my colleagues nor I desire to claim for ourselves any premature credit for measures as yet only recently introduced, and to which the test of experience has yet to be applied. We also know enough of India not to be sanguine or to prophesy. Just as two years ago I never anticipated that we were standing on the brink of an appalling famine—the second within three years—so now there may be vicissitudes or risks ahead of us of which we know nothing, and which may upset all our calculations. All I desire to do upon the present occasion is to take the public into our confidence as to the measures which we have placed before ourselves, and to indicate to it that we have not so far been idle.

“First in importance among these objects I placed the creation and pursuit of a sound frontier policy. It seemed to me that many of our blunders and misfortunes had arisen from the fact that there was no settled basis of policy, no principle of action operating throughout that long and troubled zone, but that each situation was apt to be dealt with as it arose and according to the advice or influences that happened to be uppermost. I do not think that there is in this picture any disparagement of the officials who were responsible for what was done. They were dealing with a transitional

epoch, in which the frontiers were being pushed forward by the pressure of events, without any policy having been formulated to keep pace with them, and in which there was a tendency to oscillate, according to the predominant influence of the hour, between advance and retrogression. It has always seemed to me that a survey of the whole situation, in the light of our experience, our pledges, our armaments, and our general resources, ought to be productive of a code of frontier policy, which could, with consistency and without violent interruptions, be applied to the whole line of our North-Western Frontier from the Pamirs to Baluchistan. Such a code we have endeavoured to evolve. Its main features consist in the withdrawal of our regular troops from advanced positions in tribal territory, and their concentration in posts upon or near to the Indian border, their replacement in tribal tracts by bodies of tribal levies trained up by British officers to act as a militia in defence of their own native valleys and hills; in other words, the substitution of a policy of frontier garrisons drawn from the people themselves, for the costly experiment of large forts and isolated posts thrown forward into a turbulent and fanatical country. This is the policy that we have been engaged in carrying into effect from Chitral on the north to the Gomal Valley on the south. I do not say that it is a policy unattended with risk. There is no frontier policy capable of being framed that could be described as absolutely safe. I have not uttered one boastful word about it since we began two years ago; and I am not even going to indulge in a murmur of self-congratulation now. The policy has to justify itself: and that it can only do in time. I do not say that it will save us from frontier warfare or from occasional expeditions, or from chronic anxiety. They are the inevitable heritage of a boundary with the physical and ethnographical characteristics of the Indian frontier. All I claim for it is that it is a policy of military concentration as against diffusion, and of tribal conciliation in place of exasperation: and I desire that it should be given a fair chance. I do not at all care by what name it is called. One of the main errors of the past seems to me to have been that, instead of realising that there could be such a thing as a policy upon which all parties could agree, it has been assumed that there were only two policies—the Lawrence policy and the Forward policy—and that a man who was fit to think must be an advocate of one or the other. In my view both of these policies have long ago been superannuated. I have frequently argued in the House of Commons, and elsewhere, that the policy of Lord Lawrence is dead, from the complete change in the situation and from the efflux of time: and I think that there is nothing more dangerous or more futile than to summon dead men from their graves, and to dogmatise as to how they would have dealt with a situation that they

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could never have foreseen. Similarly, as regards the Forward School, the word is one of those elastic and pliable adjectives which are capable of assuming the most different meanings, from a statesmanlike prevision of military and political danger on and beyond the frontier, to a rash indulgence in military adventure. All I would say is, let us get away from the paralysing influence of labels. Let our new frontier policy be called by any name that men choose. Only let it be based, not upon obsolete political formulas, but upon up to date common sense ; and, if it approves itself as time goes on, let it become a tradition and endure.

" The second reform that I set before myself was the constitution, after I had had time carefully to examine the whole situation, of the best form of administration for the Frontier districts. As Hon'ble Members know, these studies led to the recommendation of a new Frontier Agency to be created out of the Trans-Indus Districts of the Punjab, and to be placed under the direct control of the Government of India. This proposal was unanimously accepted by my colleagues here, and has received the assent of the Secretary of State and of His Majesty's Government at home. The papers have already been printed in the form of an Extraordinary Gazette, which will show to the public what were the steps by which we were led to these conclusions. I need not recapitulate them now. We may perhaps feel some reasonable pleasure at the solution of a problem which has baffled successive Governments for twenty-five years. But our new province will have to be judged not by its promise, but by its results. In one respect I observe a great change in public opinion ; for, whereas when I left England the majority of those persons whom I had consulted on the desirability of such a change were hostile to it and it was doubtful what might be the reception accorded to it by the Press, I now observe with satisfaction that it is everywhere described as inevitable, and taken as a matter of course. This is rather the way with reforms. They are often vigorously and successfully resisted, as this proposal has been ever since the days of Lord Lytton, who was its first parent. But, when they are ultimately carried, every one shakes hands, and says that the result was a foregone conclusion.

" Third in order of importance I place the steps that we have taken, with the consent of the Secretary of State, to remedy what I hold to have been one of the greatest abuses that have grown up in recent years in this country, and the most subtle and insidious danger to Indian administration. I allude to the frequency of official transfers arising partly out of our leave rules, partly from local systems of official promotion, partly from a preference of the

convenience of the individual to the exigencies of the public service. It is hopeless to expect good administration without continuity, intelligent administration without local knowledge, popular administration without personal interest. If these considerations apply to government in any country, much more are they true of a country like India, where large masses of people are being ruled by a small minority of alien extraction. The abilities, the training, and the enthusiasm of the latter are all discounted or thrown away if the officers are shifted hither and thither before they know the district, or have mastered the local dialect, or have acquired the confidence of the inhabitants. It is as though the captain of a cricket eleven were to place his field indiscriminately, and to shift a man from post to post before he had learned the work of one. This great danger in India, as to which I never fail to make enquiries wherever I go on tour, and which in some parts of the country has attained to extravagant dimensions, has attracted our earnest study; and the reform in the Leave Rules which we have instituted, and which, without detracting from the privileges of the Service, will prevent the frequent removal of officers upon leave at short and insufficient intervals, with a consequent chain of transfers and far-reaching dislocation, will, we hope, tend very greatly to mitigate the evil. At the same time we are taking up independently the case of particular Presidencies or Provinces where a bad system seems to call for special treatment, and we have issued general rules, applicable to all, as to the conditions under which district posts should in future be held. Any administrator who in his time can feel that he had done something to draw closer together the ties between rulers and ruled in this country, and to produce that sympathy that can only result from mutual knowledge, may go away with a consciousness of not having altogether failed.

“A corollary of this abuse is the divorce that has been brought about between an officer and his work, or at any rate the most important part of his work, by the interminable writing that has grown up in the administration of this country, and that threatens to extinguish all personality, or initiative, or despatch, under mountains of manuscript and print. The real tyranny that is to be feared in India is, not the tyranny of executive authority, but that of the pen. I do not say that the system is without its good features. It could not have grown up, it could not have reached its present dimensions, in India, had it not had substantial justification. In a country so large, where the life of officials, even the most sedentary, is so fleeting, where customs and traditions and practice vary so greatly, and where such importance rightly attaches to precedent, it is essential that there should be preserved the written records not merely of administrations but of departments. In

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this way only can an officer upon arrival in a new district find out what has been going on there before him; and in this way only are the perpetually changing officers in the various Secretariats able to deal with cases, of which, without the written records, they would be in entire ignorance. These are the good and necessary sides of the system. But there is a consensus of opinion among those who are qualified to speak that the engine has become so powerful as to have got the better of its driver, and that those who should be the master of the system have become its slaves. In the Departments of Government I found when I came here inordinate writing, unjustifiable repetition, unbusinesslike procedure, and much easily avoidable delay. I do not think that any individual or series of individuals could be blamed for this. It had grown up, so to speak, by stealth, and every one was a half unconscious victim. Three things were necessary. The first step was to make a careful study of the system in the various departments, and to ascertain when and how and why it had grown. I found that it was almost entirely the product of the last twenty-five years, and that it synchronised with the great development of communications, and more especially of the telegraph; in other words, that it was the product of modern centralisation. The next step was to compare our system with those of the best offices in the Government at home, and to see what lessons could be derived from them. The third step was, by consultation with all those officers who are responsible for working it, to ascertain where the pruning knife could most effectively be applied. In this way was drawn up an entirely new set of rules of business for the Secretariat of the Government of India, providing for greater simplification of procedure, less penwork, more frequent verbal consultation, superior despatch. These rules were sent round to all the Local Governments, and with suitable modifications have been largely adopted by them. They have now been in operation for a year and a half in the departments of the Government of India. I watch over them, as my Hon'ble colleagues and the Secretaries and Under Secretaries know, with all the interested vigilance of a parent, and I have received and desire to acknowledge the most loyal cooperation at their hands. More recently, after prolonged examination, we have attacked that more mischievous development of the same abuse which arises out of the multiplicity and length of reports, and we are striking at its very roots. It is no exaggeration to say that the system of report-writing that prevails in India is at once the most perfect and the most pernicious in the world—the most perfect in its orderly marshalling of facts and figures, and in the vast range of its operation, the most pernicious in the remorseless consumption of time, not to mention print and paper, that it involves, and in its stifling repression of independence

of thought or judgment. The Government have made public their views in a Resolution recently published in the Gazette, and we are now addressing all the Local Governments. It is of no use to deal with the matter in pious generalisations, or with academic counsels of perfection. Resolutions or appeals of that sort are gratefully acknowledged, and as speedily forgotten. We have made a detailed examination of every report that comes in from any quarter to the Government of India, and have collated them over a period of years. In this way we have been able to strike a mean, both as to contents, and character, and length. A great many have been found to be useless, and have been abolished altogether. With regard to the remainder, we have issued definite orders in each case, prescribing the manner of compilation and the limits of length. We have invited the Local Governments to do the same with the reports that go up to them but do not come on to us. We are thus thinning the forest, not by a general order to reduce the amount of superfluous timber that it contains, but by ringing every tree in it that ought either to be lopped or to be cut down, and by sending in the woodmen with axes to perform the task. But I may be asked, what is going to come out of all this? Will not this reformatory zeal soon die down, and be replaced by the normal apathy? Who is going to secure continuity either of energy or plan? I observe that this was the tone of a recent gathering in England that met to discuss this question. A large number of Indian officers of authority and experience attended, and they were all good enough to say that our reforms were excellent, but a good many added that they would be ephemeral. Indeed, one gentleman said that no permanent reform would ever originate in India. Let us wait and see. I at any rate do not mean to be put off by these counsels of despondency and despair. As I said in the Government Resolution, there is no reason why a good practice should not endure just as well as a bad practice, if once it be given a fair start; and I think I have a right to appeal for the cooperation of every officer of Government, from a Governor to a Deputy Collector, to see that that start is given. It is true that Viceroys are fleeting phantoms, whose personality is transient, and whose term is soon over. But this is a work in which is involved not the prestige or the whim of an individual, but the entire credit of British rule in India; and it is even more to the interest of every Local Administration that it should continue than it can be to mine.

“Fifthly comes the great change in our Currency system, to which I have already adverted, and which is now in the second year of successful and tranquil operation. It is, I think, a considerable thing to have escaped for so long from all the inconveniences and troubles arising from an unstable

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and fluctuating exchange. It was fatal to accuracy of financial forecasting and it was in the highest degree prejudicial to trade. We are now all settling down to a 16*d.*-rupee as if it had existed since the beginning of time, and we make our calculations upon a basis of reasonable certainty. Even the prospects of a redundant circulation of rupees, by which some are frightened, are rendered innocuous by the Gold Reserve Fund which we have established upon the advice of Sir Edward Law, and which is to hold in reserve the gold with which to meet any sudden plethora in the silver coinage. It really seems as though India were entering upon a period of reasonable stability as regards currency and this new and happy era, which was inaugurated by Mr. Dawkins, may, I hope, be converted into a settled tradition by his successor.

“ One of the objects with which I have always welcomed the introduction of the gold standard, placing India as it does in closer contact, and upon even terms, with the money-market of Great Britain, has been the hope that it might accelerate the flow of capital to this country in industrial and other undertakings. This will not come all with a rush, but I think that I see signs that the movement is spreading. And this brings me to the sixth subject, upon which I have bestowed close attention, and to which I have been anxious to communicate a positive impetus. I allude to railways, and I speak not merely of railway construction, but of railway policy and railway finance. I remember, before I came out to India, saying that I hoped that 25,000 miles would be completed in my time. I erred on the side of caution. Though we have had to deal with a curtailed programme in consequence mainly of famine, this total has already been reached and passed. When I made my first Budget speech, the total length of open lines was 22,500. It is now 25,155. In the last two years, our railway account has, for the first time in the history of Indian railways, exhibited a net surplus—a result which must be very gratifying to my Hon'ble colleague, Sir Arthur Trevor, who has administered the Public Works Department with so much acumen for five years; and we are proposing in the forthcoming year to spend over 10½ crores upon railways, as compared with 8½ crores during the past year of famine, and 9 crores in the preceding year. But here I am confronted by a point to which I must make a passing allusion. I observe that a question has been raised as to whether the increase of railways is not an injury rather than a gain to India, and whether by carrying away the food-supplies of the country in times of plenty, they do not leave the raiyat impoverished and exhausted when famine comes. It has been suggested in consequence that, if we do not stop our railways, which are supposed to swell our exports, we ought to restrict the latter, inasmuch as these arguments

appear to me to involve a fallacy of the first order, and to rest upon presumptions for which there is no foundation, I may perhaps halt for a moment in order to expose them. The first of these presumptions is that our export of food-grains is largely upon the increase, and that this increase has been in the main caused by railways. There is no ground for this hypothesis. The total export of food-grains from India between 1880 and 1890 was 22,687,000 tons; between 1890 and 1900, 23,257,000 tons, or an average annual increase during the second decade of only 57,000 tons over the first. Had the exports increased in proportion to the extension of railways, the volume of trade in the second decade would have been half as much again as that in the first. In the last year the grain export has been far below the average of any previous year. The second presumption is that a large proportion of the total grain-produce of India is exported. This again is not the case. Out of a total estimated production of 73,000,000 tons, little more than 3 per cent. is exported, and, if rice be excluded, less than 2 per cent., the bulk of the export being wheat, which is not the food of the people in time of famine. If then we place a check upon exports in order to provide the population with more grain when famine comes, all that we shall do will be to ruin Burma, which lives upon its great export of rice to India, notably in times of famine, and to deprive the wheat-grower of the Punjab of the market which railways have created for him.

“As a matter of fact what was the old system which railways are alleged to have destroyed, and which we are now invited in some quarters to re-establish? It was the plan of grain-storage in ordinary years against the years of drought. This was a possible and a desirable system in the days of no communications. Each district had then to be self-sufficing, because it was landlocked. With the spread of railways such a policy has become a costly and a useless anachronism. The storage system itself was attended by the gravest drawbacks, which have now apparently been forgotten. Rice is a grain which will not easily admit of being preserved. Even the drier grains are apt to moulder under such conditions, and when the grain-pits of the Dekkhan were opened in 1897, a great deal of bad grain was thrust upon the market and caused widespread disease. Again, it seems to be forgotten that the grain-pit usually has a private owner, and that the price at which he will consent to open and sell is not determined by the needs of the public but by the interests of his own pocket. Under the storage system the most startling fluctuations of prices occurred even in adjoining districts. Grain was at famine prices in one place, while it was lying rotting upon the ground in another. Everyone knows the story of the Madras beach in 1876. Take the case again of Raipur in the Central Provinces under this system. In 1861

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wheat was selling at 84 seers for the rupee, in 1863 at 32, in 1868 at 20, in 1869 at 15, in 1876 at 53 $\frac{3}{4}$, in 1878 at 19 $\frac{1}{2}$.

"If anybody tells me that this is a condition of affairs good for the cultivator, or the consumer, or for trade, or for the Government of India, I must take leave to doubt his sanity. Now, as against this, what have railways done? They have equalised the prices all round. They have given to the landlocked districts access to external markets in times of plenty, and they have brought the produce of those markets to their doors in times of need. It must be remembered that the whole of India is never fortunately afflicted at the same time by famine. There are always flourishing parts to feed the parts that are famishing. In the old days the inhabitants of the latter consumed the grain in their pits, and then laid down and died. Now imported grain keeps alive the whole population. I gave just now the experience of Raipur under the old conditions. Let me tell Hon'ble Members what it has been under the new. I will quote the words of the Chief Commissioner, Mr Fraser, with reference to the recent famine. 'It is impossible,' he writes, 'to over-estimate the benefits which railway extension has conferred upon the Province. If Chattisgarh, for instance, had not been opened up by railways, it is horrifying to think of what might have occurred. The recent extensions of the Bengal-Nagpur Railway poured in supplies of the cheap scalded rice of Orissa which penetrated far into the interior. In 1897 this source of supply was wanting, and the more expensive rice from Burma was the chief food-stuff brought in.' In the famine of 1897, when exports were carried away in the early months, the Chattisgarh people pointed to the railways as an exaggeration of their ills. In this famine they have regarded them as their salvation. Within one year the railways have brought into the province grain enough to feed three millions of people for a year.' Now this is a very instructive quotation; for it shows how in 1897 when the Chattisgarh people held fairly large stocks, they resented the depletion of these by the railway and a rise in prices later on. On the other hand, in 1899 there was in over two-thirds of Chattisgarh no crop at all. Where I wonder in such a case would the grain-pits have been? On this occasion, had it not been for the railway, the entire population would have perished like flies. Storage may for a time supply a restricted area. It never has saved, and never will save, a district or a province.

"There remains the third fallacy, as I regard it, that railways have raised prices to a prohibitive level. I can discover no ground for this allegation. The export trade in food-grains cannot have produced any such result,

because I have shown it to be infinitesimal. Railways themselves cannot raise prices; their tendency is to equalise them. Prices may rise from an increase of demand over supply, that is, by the increase in the number of those to be fed or in the standard of living. But railways are not accountable for this consequence. It has been due in India to a number of economic causes to which I need not now refer, and, before we set it down as a hardship, we should have to enquire whether there had not been a corresponding increase in the purchasing power of the population.

“ I therefore shall certainly not be deterred by any of these economic heresies from a steadfast policy of railway construction in my time. I regard railways as a blessing to this country as a whole, and as the most unifying agency that exists in India. Indeed, I would like to go further and to free railway policy and finance from many of the shackles by which it is now hampered. Almost ever since I came here I have been examining this question, and we have been trying by discussion amongst ourselves and with the Secretary of State whether we cannot do what the Hon'ble Mr. Ashton has urged us to do, namely, find some means of separating railway finance from general finance, or for putting productive railways which pay more than the interest charges on their capital into a category apart from precarious or unremunerative concerns. It is easy enough to make out a good case on paper: but it is difficult to construct a workable scheme in practice. In the long run the money for railways has to be raised by loan, whether in England or in India, and the greater part of it has to be spent in India in rupees. The one is a question of borrowing, the other of ways and means for expenditure. Both questions fall at once within the range of the financial operations of Government. Sir Edward Law, however, is not less interested than myself in this question, and we hope to carry it to a successful issue. I have no time on the present occasion to speak of the steps which I have taken by the institution of a Travelling Railway Commission, which has already done valuable work, and by the publication of an annual summary of all the railway proposals before us, and of the attitude of Government towards them, to take the public into our confidence and to conduct railway development in this country on commercial rather than departmental lines. I hope to carry these efforts even further by means which I have in view: but already I claim that we have made not inconsiderable progress.

“ Side by side with railways in India we always consider the subject of irrigation; and this is the seventh branch of administrative policy in which

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I have been most desirous to initiate a positive advance. I spoke last year of the limitations attending a too ambitious programme, and of the fields of investigation and activity still open to us. During the last two years I have persuaded my Financial colleague to raise the annual grant to 1 crore instead of the three-quarters of a crore to which it was confined when I came out to India. It is not always possible to spend this sum, for considerable time is required in the preparation of the various schemes; and last year, although we granted 1 crore, we only succeeded in expending 90 lakhs of rupees. In the present year we have gone much further. I pledged myself in my famine speech at Simla in October to conduct an enquiry into the irrigation branch of the famine question. I want to be quite sure that no sources of water-supply or water-storage are neglected or ignored in this country. They may not always be great rivers flowing down unimpeded to the sea, though people at home seem to think that any river ought to be capable of being tapped in the Himalayas, and diffused either into the Central Provinces, or Gujarat, or Berar. Neither do I postulate everywhere profitable or remunerative schemes. What I want to ensure is that in each province the sources of water-supply best suited to it, whether they be canals or tanks, or wells, shall be scientifically investigated and mathematically laid down, so that we may be presented with a continuous programme which we may pursue in ordinary years as an insurance against the bad years when these come. If only people would give one some credit for common sense in the matter instead of writing to me as they do every week from all parts of the world to acquaint me with the astonishing discovery that they have for the first time made, namely, that no more famines need ever take place in India if only I would cut canals to the Himalayas or build reservoirs on the top of rainless plateaux, I should be very grateful. It is no good flogging a willing horse. No Government of India has ever been more profoundly impressed with the importance of encouraging irrigation than this. As I have said, it is one of the twelve problems, and I should have thought that the Resolution recently issued with the orders that it contained, foreshadowing a sustained investigation of all irrigation-projects in the possible areas of famine in the forthcoming autumn preparatory to a Commission in the ensuing winter, could have satisfied even the most exacting critic of the thoroughness and sincerity of our intentions. The Hon'ble Mr. Ananda Charlu has nevertheless complained that no such detailed or defined scheme is contained in the present Budget. I am afraid that he has never read the Resolution to which I refer. Anyhow I would beg him to give us a little time. It is not for the Finance Department to usurp the function of the Engineers. As soon as these have given us their reports, we are ready to set to work. The extra charge of

the operations which we have ordered will be debited to the Famine Insurance Grant, and my hope is that its outcome may be a sustained policy of protective, even if non-productive, hydraulic works for a number of years to come.

" Eighth among the problems that I hinted at two years ago was the vexed question of the increasing indebtedness of the agricultural population, and the extent to which the land is passing out of their hands into those of the money-lending class. We have already dealt with the question in the Punjab by the Land Alienation Bill which was passed last autumn. That Bill was an act of innovation, but it was also an act of courage. It was to me a matter of surprise that so many organs of native opinion should have combined to attack a measure which was exclusively based on considerations of public interest and to which, whether it succeeds or fails, it was impossible to attribute a selfish motive. The same problem meets us elsewhere in ever-increasing volume and seriousness, and each case will require to be considered upon its own merits.

" Two years ago, in reply to the Hon'ble Sir Allan Arthur, I promised to take up the question of a reduction in the present high rate of telegraphic charges between India and Europe, which I described as inimical to trade and intercourse, and as obsolete and anomalous in itself. He has reverted to the subject in tones of anguish this afternoon. I had hoped long before now to be able to announce the successful termination of the negotiations which we undertook in prompt redemption of my pledge. My view was that no reform would be worth having that did not provide for a reduction of at least 50 per cent. in the present charges. Our negotiations were so far successful that we did persuade the companies to agree to an immediate reduction to 2s. 6d. a word, with a prospective reduction to 2s. a word, as soon as the increase of traffic justified it; and in order to secure this end we undertook to give a very liberal guarantee from Indian funds. So far all went well. But since then the matter has been hung up, owing to clauses in the Telegraphic Conventions which require the assent to any change of rate of certain foreign Powers through whose territories the wires are laid. This situation is engaging the earnest attention of His Majesty's Government. It is to my mind an intolerable position that telegraphic communication between England and India, and the rates at which it is conducted, should be at the mercy of other parties; and I think that some way out of the difficulty will have to be found that will make Great Britain the mistress of her own principal lines of connection. I shall hope to see the reduction of which I have spoken realized in my time. But I may add an expression of my private opinion that the matter will not be

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satisfactorily or finally settled, and that there will not be the maximum development of traffic between the two countries, until the rate has been reduced to 1s. per word. That change will not come yet awhile, and we shall probably only reach it by gradual stages. But it will assuredly one day come, and I commend it to the reformers of the future.

“ I may mention among other matters that have engaged our attention, and in which we have made material progress during the past two years, the preservation of archæological remains in this country. I have often emphasised what I conceive to be the duty of Government in this respect, and everywhere that I have been throughout India on tour, I have made a most careful inspection of the famous or beautiful buildings of the past, and have given orders as to their repair or preservation. We have addressed the Secretary of State as to a more liberal provision for this object in the future, and as to the appointment of a Director General of Archæology, and we hope before long to introduce a Bill that will provide for the safe keeping of historic monuments, and will prevent the removal of antiquarian treasures and relics from our shores.

“ There is one subject upon which I have never hitherto spoken one word in India, because it is one of much delicacy, but to which I desire today to devote a few passing remarks. I speak of the relations between British soldiers and the natives of this country. The friends of the soldiers are greatly in error if they believe that there is the least wish to place harsh restrictions upon them or to deprive them of reasonable openings for sport and recreation. On the contrary, it is desired to give them such openings in the fullest manner compatible with the discipline and routine of military life, and as a well-earned relief therefrom. On the other hand, it is impossible for those who are entrusted with the Government to view with equanimity any risk to these relations arising from carelessness, or ignorance, or lack of restraint. That such risk has in many cases arisen, it is impossible to deny. I make no attempt to apportion the blame. Sometimes there may have been rashness resulting in collision on one side. I have heard of conspiracy culminating in attack upon the other. What we, as a Government, have to do is to minimise the opportunities for such friction, and to induce mutual self-respect. For such a purpose strict rules are required and strict attention to the rules when formulated.

“ Now upon this point I wish to be especially clear. The Civil and the Military authorities have been and are absolutely united in the matter. The responsibility is shared between them. It cannot be shifted from the

shoulders of one party to those of the other. The head of the Civil administration could not in a matter of discipline act in independence of the Military authorities. They, on the other hand, make a point of co-operating with the Civil power. There is no single rule now in operation as regards the reporting or trial or treatment of cases or otherwise which has not emanated from the Military authorities in the first place. There is no measure, proceeding, or step which has not been taken upon their authority, and with their full consent. When the shooting rules were revised last autumn, the task was entrusted to a Committee upon which the Military and Civil elements were equally represented, and further one of the Civilians was an old Military officer. Their report, and the rules as revised by them, were accepted without demur by the Government of India. I make these remarks, because it cannot be too widely known that there has existed throughout this unity of action, and because I have seen or heard of the most erroneous allegations to the contrary effect. I remember a case in which a Local Government reported to us what it called a gross miscarriage of justice in a trial for the murder of a punkha coolie. The Civil authority does not exist to rectify the errors that may be committed in a Court of Law, and there was unfortunately nothing to be done. Some time later the Commander-in-Chief, having satisfied himself that the acquitted party had so conducted himself as to be unfit to wear Her Majesty's uniform, decided to dismiss him from the Army. This proposal was submitted to, and of course received the sanction of the Government of India, who would not interfere in a disciplinary matter with the supreme Military authority. Forthwith arose an ignorant outcry that the Civil power had usurped the functions of a final Court of judicial revision. I merely mention this case as typical of the misunderstandings that are apt to prevail in these matters. I will only say for the Government that our attitude has been in every case one of the most scrupulous impartiality. Our one desire is to draw closer the bonds of friendly feeling that should unite the two races whom Providence has placed side by side in this country, and I venture to assert that no higher motive could inspire any body of men who are charged with the terribly responsible task of Indian administration.

"There remain a number of subjects, high up in the list of the original dozen, upon which we are still busily engaged, but as to which we have not found time as yet to carry our views to fruition. First among these I would name educational reform, the placing of education in India, in its various branches, university, higher, secondary, technical, and elementary, upon a definite and scientific footing, and the clear determination of the relations between private enterprise and the State. This great object has been for a

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long time occupying my attention, and I hope that we may be able to deal with it in the forthcoming summer or autumn.

“Another matter that is one of anxious pre-occupation to us is the reform of the police. Grave abuses have crept into this branch of the service, and are responsible for administrative and judicial shortcomings that are generally deplored, besides producing a widespread and legitimate discontent. We have already sanctioned very considerable improvements, notably in the direction of securing a better class of men in the higher grades at a superior rate of pay both in the Punjab, the North-Western Provinces, and Bengal. I will say no more at present than that the matter is one into which I hope to go more deeply.

“There are a number of other subjects which fall within my category, but of which I prefer not to speak at present, lest I might arouse false expectations. There are others, again, which can seldom be absent from the mind of any ruler of India and to which, though he must speak with caution upon them, there is no need why he should not refer. The possibility of fiscal reforms, leading, if circumstances permit, to a reduction of taxation, is an object that is always in the background of his imagination. The protection and scientific propagation of agriculture, for which we have instituted a separate office of Inspector General, the possible institution of agricultural banks, the question of assessments, the fostering of native handicrafts and the encouragement of industrial exploitation in general—these are all aspects of the larger question of the economic development of the country upon which my colleagues and myself are bestowing the most assiduous attention. *Salus populi suprema lex*; and all the reforms to which I have been alluding are, after all, subsidiary to the wider problem of how best to secure the happiness and prosperity of the helpless millions.

“Upon this subject I should like to add a few words which I hope may tend to dissipate the too pessimistic views that appear to prevail in some quarters. There exists a school that is always proclaiming to the world the sad and increasing poverty of the Indian cultivator, and that depicts him as living upon the verge of economic ruin. If there were truth in this picture, I should not be deterred by any false pride from admitting it. I should, on the contrary, set about remedying it to the best of my power at once. Wherever I go I endeavour to get to the bottom of this question, and I certainly do not fail to accept the case of our critics from any unwillingness to study it. In my Famine speech at Simla last October, in making a rough and ready assumption as to the agricultural income of India, I based myself upon the figures that were collect-

ed by the Famine Commission of 1880 and that were published in 1882. The agricultural income of India was calculated at that date as 350 crores, and at Simla I spoke of it as being now between 350 and 400 crores. Thereupon I found my authority quoted in some quarters for the proposition that the agricultural wealth of the country had remained stationary for twenty years, while the population had gone on increasing by leaps and bounds. The further and equally erroneous assumption followed that there had been no rise in the interim in the non-agricultural income of the community, and I found myself cited as the parent of the astonishing statement that the average income of every inhabitant of India had sunk from Rs. 27 in 1882 to Rs. 22 in ordinary years and to Rs. 17½ in 1900: the inference of course being drawn that, while Nero has been fiddling, the town is burning.

“I have since made more detailed enquiries into the matter. There are certain preliminary propositions to which I think that every one must assent. In every country that is so largely dependent upon agriculture, there comes a time, and it must come in India, when the average agricultural income per head ceases to expand for two reasons; first, that the population goes on increasing, second, that the area of fresh ground available for cultivation does not increase *pari passu*, but is taken up and thereby exhausted. When this point is reached, it is of no good to attack the Government for its inability to fight the laws of nature. What a prudent Government endeavours to do is to increase its non-agricultural sources of income. It is for this reason that I welcome, as I have said today, the investment of capital and the employment of labour upon railways and canals, in factories, workshops, and mills, in coal-mines, and metalliferous mines, on tea and sugar and indigo plantations. All these are fresh outlets for industry, and they diminish *pro tanto* the strain upon the agricultural population. That they are bringing money into the country, and circulating it to and fro, is evident from the immense increase in railway traffic both of goods and passengers, in postal and telegraph and money order business, in imports from abroad, and in the extraordinary amount of the precious metals that is absorbed by the people. These are not the symptoms of a decaying or of an impoverished population.

“Turning, however, to agriculture alone, concerning which the loudest lamentations are uttered, I have had worked out for me, from figures collected for the Famine Commission of 1898, the latest estimate of the value of the agricultural production of India. I find that, in my desire to be on the safe side, I underrated the total in my Simla speech. I then said between

[27TH MARCH, 1901.]

[*The President*]

300 and 400 crores. The total is 450 crores. The calculations of 1880 showed an average agricultural income of Rs. 18 per head. If I take the figures of the recent census for the same area as was covered by the earlier computation, which amount to 223 millions, I find that the agricultural income has actually increased, notwithstanding the growth in the population and the increasingly stationary tendency of that part of the national income which is derived from agriculture; and that the average per head is Rs 20, or Rs. 2 higher than in 1880. If I then assume—and I know of no reason why I should not—indeed I think it an under-estimate—that the non-agricultural income has increased in the same ratio, the average income will be Rs. 30 per head as against Rs. 27 in 1880.

“I do not say that these data are incontrovertible. There is an element of the conjectural in them, but so there was in the figures of 1880. The uncertainty in both is precisely the same, and if one set of figures is to be used in the argument, equally may the other. Again, I do not claim that these calculations represent any very brilliant or gratifying result. We cannot be very happy in the face of the recent census, which shows an increase of population so much less than we had anticipated—a falling off which is no doubt due in the main to the sufferings through which India has passed, and which by so much reduces the denominator in our fraction. But at least these figures show that the movement is for the present distinctly in a forward, and not in a retrograde, direction, that there is more money and not less money in the country, and that the standard of living among the poorer classes is going up and not down. Above all they suggest that our critics should at least hold their judgment in suspense before they pronounce with so much warmth either upon the failure of the Indian Government, or upon the deepening poverty of the people.

“There is one point, however, in these calculations where we are upon very firm ground. In 1880 there were only 194 millions of acres under cultivation in India. There are now 217 millions, or an increase in virtually the same ratio as the increase in population. This alone would tend to show that there can have been no diminution of agricultural income per head of the people. The case for increase results from the increased standards of yield between 1880 and 1898. Perhaps the earlier estimates were too low. That I cannot say. The fact remains that the 1880 figures showed a yield per acre of food-crops in British India of 730lbs., those of 1898 show a yield of 840lbs. In some cases this will be due to improved cultivation, perhaps more frequently to extended irrigation. They are satisfactory so far as they go; for they show that the agricultural problem has not yet got the better of our rapidly increas-

FINANCIAL STATEMENT.

[The President] [27TH MARCH, 1901.]

ing population. But they also show how dangerous it will be in the future if India, with this increase going on within, continues to rely mainly upon agriculture, and how important it is to develop our irrigational resources as the most efficient factor in an increase of agricultural production.

"I have now brought to a termination this review of the present position in India and of the policy and attitude of Government. I have, I hope, extenuated nothing and exaggerated nothing. I am a believer in taking the public into the confidence of Government. The more they know, the more we may rely upon their support. I might have added that the policy which I have sketched has been pursued at a time when we have had to contend with a violent recrudescence of plague, and with a terrible and desolating famine. But these facts are known to every one in this Chamber, and an allowance will be made by every fair-minded person for conditions so unfavourable to advance or prosperity in administration. Should our troubles pass away, I hope that in future years I may be able to fill in with brighter colours the picture which I have delineated today, and to point to a realization of many of our projects which still remain untouched or unfulfilled.

"Thanking Hon'ble Members for their valuable contributions to the successful labours of the present session, I will now adjourn this Council *sine die*."

CALCUTTA;
The 29th March, 1901. }

J. M. MACPHERSON,
Secretary to the Government of India,
Legislative Department.

Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict., c. 67, and 55 & 56 Vict., c. 14).

The Council met at the Viceregal Lodge, Simla, on Friday, the 2nd August, 1901.

PRESENT :

His Excellency Baron Curzon, P C., G.M.S.J, G.M.I.E., Viceroy and Governor General of India, *presiding*.

His Honour Sir Mackworth Young, K.C.S.I., Lieutenant-Governor of the Punjab.

His Excellency General Sir Arthur Power Palmer, K.C.B., Commander-in-Chief in India.

The Hon'ble Sir C. M. Rivaz, K.C.S.I.

The Hon'ble Mr. T. Raleigh.

The Hon'ble Major-General Sir E. R. Elles, K.C.B.

The Hon'ble Mr. A. T. Arundel, C.S.I.

The Hon'ble Kunwar Sir Harnam Singh, Ahluwalia, K.C.I.E., of Kapurthala.

INDIAN ARTICLES OF WAR AMENDMENT BILL.

The Hon'ble MAJOR-GENERAL SIR EDMOND ELLES moved for leave to introduce a Bill further to amend the Indian Articles of War.

The motion was put and agreed to.

The Hon'ble MAJOR-GENERAL SIR EDMOND ELLES introduced the Bill.

The Hon'ble MAJOR-GENERAL SIR EDMOND ELLES moved that the Bill and Statement of Objects and Reasons be published in the Gazette of India in English and in the local official Gazettes in English and in such other languages as the Local Governments think fit.

The motion was put and agreed to.

332 *AMENDMENT OF COURT-FEES ACT, 1870 ; AMENDMENT OF
INDIAN STEAM-SHIPS ACT, 1884.*

[*Sir Charles Rivaz ; Mr. Raleigh.*] [2ND AUGUST, 1901.]

COURT-FEES (AMENDMENT) BILL.

The Hon'ble SIR CHARLES RIVAZ moved for leave to introduce a Bill further to amend the Court-fees Act, 1870. He said :—The object of this Bill is merely to remove a doubt which has arisen as to the meaning of the expression "Chief Controlling Revenue-authority" in the Court-fees Act, 1870, owing to there being no definition of it in the Act. It is proposed to clear up this doubt by incorporating in the Court-fees Act the definition of the expression in question which is contained in the Indian Stamp Act, II of 1899.

The motion was put and agreed to.

The Hon'ble SIR CHARLES RIVAZ introduced the Bill.

The Hon'ble SIR CHARLES RIVAZ moved that the Bill and Statement of Objects and Reasons be published in the Gazette of India in English and in the local official Gazettes in English and in such other languages as the Local Governments think fit.

The motion was put and agreed to.

INDIAN STEAM-SHIPS (AMENDMENT) BILL.

The Hon'ble MR. RALEIGH, in the absence of the Hon'ble SIR EDWARD LAW, moved for leave to introduce a Bill further to amend the Indian Steam-ships Act, 1884. He said :—The necessity for the amendment has arisen in this way : We have been advised that the port of survey at which a certificate is given under the principal Act must be a port in British India. This requirement is found to operate hardly in the case of a Steam-ship Company whose boats ply to ports in the Red Sea. In the absence of facilities for dry-docking ships at Aden, the Company is obliged to send its boats all the way to Bombay in order to obtain a certificate. We propose, therefore, to apply to ships in this position the procedure allowed in the case of foreign steam-ships, and we take this opportunity also of extending the exempting power given under the principal Act. The power extends at present only to classes of steam-ships, and we propose to give power to exempt also single ships to the extent permitted by the principal Act.

The motion was put and agreed to.

AMENDMENT OF INDIAN STEAM-SHIPS ACT, 1884, INDIAN 333
TRAMWAYS.

[2ND AUGUST, 1901.] [Mr. Raleigh, Mr. Arundel.]

The Hon'ble MR. RALEIGH introduced the Bill.

The Hon'ble MR. RALEIGH moved that the Bill and Statement of Objects and Reasons be published in English in the Gazette of India and in the Fort St. George Gazette, the Bombay Government Gazette, the Calcutta Gazette and the Burma Gazette.

The motion was put and agreed to.

INDIAN TRAMWAYS BILL.

The Hon'ble MR. ARUNDEL moved for leave to introduce a Bill to apply the provisions of the Indian Railway Companies Act, 1895, to certain Tramway Companies. He said.—It has been thought that the construction of tramways in the nature of light railways will be facilitated if the Companies are enabled to pay dividends to share-holders out of capital during the construction of the tramways in the same way that railways are now enabled to do, and this will be effected by the Bill which I ask for leave to introduce.

The motion was put and agreed to.

The Hon'ble MR. ARUNDEL introduced the Bill.

The Hon'ble MR. ARUNDEL moved that the Bill and Statement of Objects and Reasons be published in the Gazette of India in English and in the local official Gazettes in English and in such other languages as the Local Governments think fit.

The motion was put and agreed to.

The Council adjourned to Friday, the 23rd August, 1901.

SIMLA }
The 2nd August, 1901. }

H. W. C. CARNDUFF,
Offg. Secretary to the Government of India,
Legislative Department.

Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict, c. 67, and 55 & 56 Vict., c. 14).

The Council met at the Viceregal Lodge, Simla, on Friday, the 11th October, 1901.*

PRESENT:

His Excellency Baron Curzon, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.

His Excellency General Sir Arthur Power Palmer, K.C.B., Commander-in-Chief in India.

The Hon'ble Sir C. M. Rivaz, K.C.S.I.

The Hon'ble Mr. T. Raleigh.

*The Hon'ble Sir E. F.G. Law, K.C.M.G.

The Hon'ble Major-General Sir E. R. Elles, K.C.B.

The Hon'ble Mr. A. T. Arundel, C.S.I.

The Hon'ble Kunwar Sir Harnam Singh, Ahluwalia, K.C.I.E., of Kapurthala.

INDIAN ARTICLES OF WAR AMENDMENT BILL.

The Hon'ble MAJOR-GENERAL SIR EDMOND ELLES moved that the Bill further to amend the Indian Articles of War be taken into consideration.

The motion was put and agreed to.

The Hon'ble MAJOR-GENERAL SIR EDMOND ELLES moved that the Bill be passed.

The motion was put and agreed to.

COURT-FEES (AMENDMENT) BILL.

The Hon'ble SIR CHARLES RIVAZ moved that the Bill further to amend the Court-fees Act, 1870, be taken into consideration. He said:—"As I explained when I introduced this Bill, its object is merely to remove a difficulty which has occurred owing to there being no definition of the expression 'Chief

* NOTE.—The Meeting of Council which was fixed for the 23rd August, 1901; was subsequently postponed to the 11th October, 1901.

335 AMENDMENT OF COURT-FEES ACT, 1870, REPEALING AND AMENDING BILL; IMPERIAL LIBRARY (INDENTURES VALIDATION) BILL.

[*Sir Charles Rivaz; Mr. Raleigh.*] [11TH OCTOBER, 1901]

Controlling Revenue authority' in the Court-fees Act. The definition which is contained in the Indian Stamp Act, 1899, has accordingly been adopted and incorporated in the Court-fees Act as now amended."

The motion was put and agreed to.

The Hon'ble SIR CHARLES RIVAZ moved that the Bill be passed.

The motion was put and agreed to.

REPEALING AND AMENDING BILL.

The Hon'ble MR. RALEIGH moved for leave to introduce a Bill to facilitate the citation of certain enactments and to amend and repeal certain obsolete enactments. He said — 'This is one of those Bills which have to be passed from time to time to confer short titles upon the older Acts in the Statute-book, to repeal obsolete provisions, and to make those verbal and formal changes which are necessary to make our Statute-book a consistent whole. Most of the entries in the schedule of the Bill, which I ask leave to introduce, refer to Madras, the Statute Law of that Presidency having been completely passed under review on the issue of a new edition of the Provincial Code. The Bill raises no question of principle, and for the accuracy of the details my Department is responsible.'

The motion was put and agreed to.

The Hon'ble MR. RALEIGH introduced the Bill.

The Hon'ble MR. RALEIGH moved that the Bill and Statement of Objects and Reasons be published in English in the Gazette of India and in the local official Gazettes.

The motion was put and agreed to.

IMPERIAL LIBRARY (INDENTURES VALIDATION) BILL.

The Hon'ble MR. RALEIGH asked for permission to postpone his motion for leave to introduce a Bill to confirm and validate certain indentures made between the Agricultural and Horticultural Society of India and the Calcutta Public Library, respectively, and the Secretary of State for India in Council. He said:—

IMPERIAL LIBRARY (INDENTURES VALIDATION) BILL. 337

[11TH OCTOBER, 1901.]

[*Mr. Raleigh.*]

"I ask leave to postpone the next motion which stands in my name. The Bill to which that motion relates is a Bill to confirm and validate certain indentures by which the Metcalfe Hall in Calcutta is to be vested in Government in order to the formation of an Imperial Library. The Bill was placed in the List of Business for to-day in the expectation that the indentures making the transfer would by this time have arrived from Calcutta. But as we have not yet received them, I am obliged to postpone the motion."

Permission was granted.

The Council adjourned to Friday, the 25th October, 1901.

SIMLA :	}	H. W. C. CARNDUFF,
<i>The 15th October, 1901.</i>		<i>Offg. Secretary to the Government of India,</i> <i>Legislative Department.</i>

Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict., c. 67, and 55 & 56 Vict., c. 14).

The Council met at the Viceregal Lodge, Simla, on Friday, the 25th October, 1901.

P R E S E N T :

His Excellency Baron Curzon, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.

The Hon'ble Sir C. M. Rivaz, K.C.S.I.

The Hon'ble Mr. T. Raleigh.

The Hon'ble Sir E. F.G. Law, K.C.M.G.

The Hon'ble Major-General Sir E. R. Elles, K.C.B.

The Hon'ble Mr. A. T. Arundel, C.S.I.

The Hon'ble Kunwar Sir Harnam Singh, Ahluwalia, K.C.I.E., of Kapurthala.

REPEALING AND AMENDING BILL.

The Hon'ble MR. RALEIGH moved that the Bill to facilitate the citation of certain enactments and to amend and repeal certain obsolete enactments be taken into consideration.

The motion was put and agreed to.

The Hon'ble MR. RALEIGH moved that the Bill be passed.

The motion was put and agreed to.

CANTONMENTS (HOUSE-ACCOMMODATION) BILL.

The Hon'ble MAJOR-GENERAL SIR EDMOND ELLES made the following Statement as to the Cantonments (House-Accommodation) Bill.—

“ My Lord, I propose, with Your Excellency's permission, to make a statement regarding the course which we intend to pursue in dealing with the Cantonments (House-Accommodation) Bill.

[*Major-General Sir Edmond Elles.*] [25TH OCTOBER, 1901.]

"This Bill, the object of which is to grapple with the great and ever increasing difficulty experienced by officers in securing suitable accommodation in houses built within the limits of cantonments, was, after the most prolonged consideration dating back to the year 1887, if not earlier, introduced in the Legislative Council by my predecessor Sir Edwin Collen on the 4th November, 1898. The Statement of Objects and Reasons and the Bill were duly published in the Gazette of India and circulated for criticism, and the result was the receipt, during the year 1899, of a large number of representations, official and non-official, regarding the measure. To all of these the most anxious consideration has been given by the Governor General in Council, and, looking at the history of this legislative project as disclosed by these facts, I think we may safely claim that there has been in this case no undue haste or want of deliberation.

"As was only to be expected, the Bill has not been favourably received by the majority of the house-owners in cantonments, the objections put forward being most pronounced in the case of the very cantonments in which the want of accommodation for officers has been most acutely felt. On the other hand, the measure has met with approval in many quarters, and in some cases even the house-owners themselves have admitted the necessity for such a Bill and the equity of its provisions.

"Now, I desire to make it very plain at the outset that the Government of India are unable to admit that cantonment areas can be regarded in the same light as the other parts of the country. On the contrary, the circumstances in them are altogether special and totally different from the circumstances anywhere else; and I have no hesitation in asserting that this fact is well known and thoroughly felt and appreciated by every resident of any of the permanent military stations, which here in India we call 'cantonments.' The term has for over a century been applied in this country to well defined areas, always primarily, and in some instances almost exclusively, set apart for the occupation of troops and their followers. The necessity for maintaining special laws in such places surely goes without saying, and this has indeed been recognised in actual practice and throughout all our legislation affecting cantonments. When, therefore, I find the common law of England cited and vague denunciations directed against the measure on the ground that it encroaches upon private rights which ought to be held sacred and inviolable, my answer is that the subject is approached from the wrong standpoint and that I fail to perceive the

[25TH OCTOBER, 1901.] [Major-General Sir Edmond Elles]

force of arguments which beg the question and have, in fact, no application to the case.

“ And this brings me at once to the most important part of the Bill and of the opposition which it has excited. I allude to clause 3, sub-clause (5), in which it is laid down that all land in a cantonment to which the provisions of the proposed Act are, after due inquiry, applied, shall be presumed to be held under a grant from His Majesty, unless and until the person in possession proves to the satisfaction of the Local Government that he held the land by a lawful title acquired prior to the formation of the cantonment. This provision, of course, shifts the burden of proof from the Government on to the shoulders of the cantonment house-owner, and it has, perhaps not unnaturally, been objected to as involving a serious interference with the rights of property. It has been urged that the presumption laid down by it is directly opposed to the ordinary legal principle which recognises possession as good *primâ facie* evidence of title, and that it is unfair to remove the *onus probandi* from the Government, on whom it ought to lie, to the house-owner. From what I have already said it will be anticipated that I cannot admit that this objection should be allowed to prevail. Cantonments are military stations, in which military considerations always have been, and always must be, regarded as paramount, and can never have been intentionally put on one side. The position of the Government with regard to them has been clear; for, throughout all the various orders which have been issued, the principle has constantly been affirmed that land in cantonments is held subject to the requirements of the military authorities. Proceeding on the presumption which I have alluded to above, and which I maintain is a fair presumption, all that the Bill does is to reproduce and render enforceable conditions the imposition of which on persons permitted to build houses in cantonments has been consistently aimed at ever since cantonments were formed in India, and has, as I shall endeavour to show, been insisted upon by a series of executive orders issued in Army Regulations for the guidance of cantonment authorities. As the orders in the three presidencies were distinct, it will be necessary to notice each separately.

“ In Bengal the first order was issued in April, 1801, and by it the Governor General in Council directed that ‘ if individuals, not officers, shall purchase, they must remove the materials, as the ground within the cantonment is to be kept appropriated exclusively to the use of troops.’ This order was republished on the 28th September, 1807. Again, in 1836, regulations were laid down for the occupation of land and the disposal of buildings in cantonments. Four conditions

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were attached—first, that the Government should retain the power of resumption on one month's notice, second, that the ground, being in every case the property of the Government, could not be sold by the grantee; third, that the buildings erected on the land should not be sold to any civilian without the consent of the Officer Commanding the station; and fourth, that the transfer of any house of over 5,000 rupees in value to a native of India should be subject to the sanction of the Government. The attention of all Officers Commanding stations was drawn to these orders by the Commander-in-Chief on the 30th April, 1853, and the General Regulations of the Bengal Army of 1855 practically reproduced them. In 1858 they were incorporated in the Code of Regulations for the Public Works Department, and they were again and again reproduced in the Regulations issued in 1873, 1880 and 1887. In the Punjab, it may be added, the Bengal Regulations were followed.

"In Bombay a general order of the 6th January, 1807, pointed out that any permission which officers might receive to erect houses on ground within military cantonments, conferred on them no rights of property in the land, as that continued to be the property of the State. Another general order, dated the 30th October, 1832, asserted that 'no private landed property was to be included within the limits of a cantonment, in which the whole of the ground belongs to Government.' It at the same time provided for the removal from cantonments of any person, not being an officer or a soldier, and in such cases permitted the taking away of the materials of any buildings belonging to any such person. In 1833 another Government order laid down rules for the occupation of land in cantonments, and pointed out that 'permission to occupy ground within the limits of a cantonment conferred no proprietary right on the occupant.' This was affirmed by an order which was issued in May, 1838, and included a clause for resumption on one month's notice. In 1851 these orders were affirmed, and in 1862 a Government resolution was issued re-stating the principles already laid down. The Regulations for the Bombay Presidency of 1875 and the Army Regulations, India, of 1887 followed on the same lines.

"In Madras the earliest order on the subject appears to have been issued on the 8th May, 1812, and in it the Governor in Council laid it down that 'no officer or other person should be permitted to erect any building on ground belonging to the company within the walls of a fort or within the limits of any cantonment, but on condition of immediate surrender to the Government', and that 'no grant in perpetuity of any piece of ground within the precincts of a

[25TH OCTOBER, 1901] [*Major-General Sir Edmond Elles.*]

fort or cantonment should be thereby accorded to any individual. Leases renewable at the pleasure of the Government were to be given. These orders were republished as a Code of Regulations under the authority of the Governor in Council on the 1st October, 1813. Revised codes embodying the same conditions were republished on the 12th September, 1820, and again on the 19th December, 1826. Similar orders were issued on the 4th December, 1829, and on the 17th April, 1849, revised rules framed on the same principles were published. These appear again in the Madras Army Regulations of 1869 and 1876, and in the Army Regulations, India, of 1887.

“ From the above it is, I submit, evident that the Government have consistently and continuously affirmed their rights as regards building-sites in cantonments. Moreover, in regard to the right of the Government to regulate the purchase and letting of houses for the accommodation of military officers, I would point out that the right was recognised by the Cantonments Acts of 1864 and 1880. By section 19 of Act XXII of 1864 it was provided that rules might be made,—

first, for regulating any cases in which the land within the limits of a cantonment was the property of the Government, but the occupation and use of which by private persons was permissive, and for imposing terms on which such occupation and use should be allowed, and conditions under which the Government might resume possession on giving compensation ;

secondly, for maintaining proper registers of immoveable property within cantonment-limits and for providing for the registration of transfers of such property ; and,

thirdly, for regulating the manner in which houses within the limits of cantonments should be claimable for purchase or hire for the accommodation, when necessary, of military officers.

“ These three headings were reproduced in section 27 of Act III of 1880 ; and it appears to me that, if house-owners urge that they purchased property in ignorance of the conditions imposed by the Government, they have only themselves to blame for not having made ordinary inquiries as to the circumstances in which land in cantonments has in fact always been, and must, of necessity, always be, held.

“ I now come to deal with the present position, which appears to be this. In some cases the Government would undoubtedly be able to prove that

[Major-General Sir Edmond Elles.] [25TH OCTOBER, 1901.]

conditions such as those which I have just described, were expressly imposed and as expressly accepted. In most cases it could prove that the existence of the orders on the subject above referred to was so much a matter of common knowledge that the imposition and the acceptance of the conditions laid down in them must be implied. But in others it might be able to prove nothing except that the particular cantonment concerned had existed as such for so many years, and that some sort of control over the building of houses in it had always been exercised. It may be that the orders laid down by the higher military authorities and the Government have not always been observed, and that express and unconditional grants of building-sites, or express agreements permitting the building of houses and imposing no conditions whatsoever, have been made. In such cases there is—see clause 4 of the Bill, which I shall be prepared to amend in order to ~~make the point perfectly clear—no intention to interfere.~~ But ~~in a certain number of cases—and it is to meet these that this measure is proposed—neither the Government nor the house-owner, if put to the proof,~~ could show either how the land was originally included in the cantonment or under what circumstances the building on it came to be erected. I maintain that in such cases it is but right to give to the Government the benefit of whatever doubt and uncertainty there may be, and to presume, in the absence of title-deeds on either side, that the land is the Government's and that it was all along understood by every one concerned that in cantonments military considerations must be insisted upon as paramount. The very existence of houses in most cantonments depends primarily on the presence of His Majesty's troops; the value of house-property would, as a rule, be much diminished if the troops were withdrawn; and in these circumstances it is surely not too much to assume that houses in cantonments were in fact built for the accommodation of military men, and that appropriation for their use, in suitable repair and at reasonable rents, is perfectly reasonable, just and proper.

“By the earlier part of clause 3 of the Bill the application of the measure is to be left to the Local Governments and is to depend on the result of a careful inquiry regarding the precise circumstances of each cantonment. If the occupant of any building-site can show to the satisfaction of the Local Government—judicial proof, be it noticed, is not required—that he holds the land by a lawful title acquired prior to the formation of the cantonment, then the land will be excluded from the operation of the proposed Act. And, subject to the burden of proof referred to above, instead of there being anything to prevent a resort to the Civil Courts by any one aggrieved in the matter, the obnoxious clause under

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consideration expressly directs that, 'if, pending the inquiry or at any time thereafter, any land is proved by the decree of a Court of competent jurisdiction to be held under such a lawful title, it shall be excluded from the area of the notification' bringing the measure into operation.

"I have already recognised the existence of a feeling in some quarters against the measure. On the other hand, favourable opinions have also been received. Thus, it is reported that the leading house-owners in Benares, while taking exception to one clause—clause 23—'cordially approved' all the other provisions of the Bill. In Sitapur the agent of a leading landlord appeared to think that the Bill (in the form in which it was introduced) would put house-owners in cantonments in a better position than formerly. A number of persons describing themselves as house-owners of Muttra observed that 'the Bill, though primarily intended to secure better accommodation for cantonment residents, had not neglected the rights of house-owners.' At Jhansi a representative letter was received from the landlords interested stating that, in their opinion, the Act was reasonable and fair, and not injurious to their interests. At Darjeeling the necessity for the Bill seems to have been admitted by the principal house-owners and the opinion was expressed that their interests were sufficiently safeguarded by it.

"On a question of this kind the utmost deference should, no doubt, be paid to the views of judicial authorities, and this has, indeed, been done. The result is so far satisfactory in that I find that, while the Calcutta High Court stands almost alone in condemning the provisions of the Bill, the learned Judges have merely referred to a letter written under their instructions in 1889 regarding the provisions of another Bill then under consideration. Turning to the other judicial authorities consulted—and I believe we have consulted them all—I am glad to find that one learned Judge of the Bombay High Court thinks the proposed legislation 'very desirable' and the rights of private property 'safeguarded by the provisions of Chapter II', while his colleagues have offered no comments. A Judge of the Allahabad High Court considers the provisions of the Bill 'highly desirable'; the Madras High Court has no remarks to offer; and two of the Judges of the Chief Court of the Punjab express approval.

"Again, the attitude of the Courts is a factor which ought obviously to be taken into consideration in connection with legislation of this kind, and I have

[Major-General Sir Edmond Ellis.] [25TH OCTOBER, 1901.]

taken pains to ascertain how far the Regulations in question have come before the Judges and how they have fared. The Regulations have been by no means a dead-letter; and, if this be borne in mind, it is very much in their favour that they have but seldom been brought before the Courts, and that, in all the cases appearing in the Law Reports or otherwise brought to the notice of the Government, the Courts have recognised them as legally enforceable. Even in the Barrackpore case most strenuously relied upon by some of the opponents of this Bill—that of *Robinson v. Carey*, which was decided in 1866*—the binding effect of such Regulations was expressly admitted by Sir Barnes Peacock and Mr. Justice Morgan of the Calcutta High Court, although it was found that, in point of fact, the Government had, in the case before the Judges, allowed rights irrespective of those Regulations.

“ In these circumstances, my Lord, the Government of India propose to proceed with the Bill and to adhere to the principle laid down in clause 3, sub-clause (5). At the same time, it is fully recognised that some of the objections put forward regarding certain of its provisions are very reasonable, and I shall be prepared to propose in Select Committee several important modifications, which will all be in favour of the house-owners and will, I hope, considerably weaken, if not entirely remove, their opposition.

“ In the first place, exception has been taken to the extension of the measure to civil officers, and that with good reason. There is no doubt that cantonments were originally intended solely for military officers and not for civilians, and this is indicated by the fact that in a large number of stations the civil lines are entirely distinct from the cantonment area. In the older Cantonments Acts of 1864 and 1880 it was, as has already been noticed, provided that rules might be made to regulate the manner in which houses should be claimable for purchase or hire for the accommodation of military officers; but no mention was made of civil officers. And so it is throughout. I propose, therefore, to omit paragraph 3 of the preamble to the Bill and so much of its provisions as relates to civilians. By their exclusion a distinct advantage will accrue to house-owners; for a perfectly disinterested agency, through which to administer the provisions of the proposed Act regarding reference to arbitration, will thereby be provided, and this will remove some of the strongest objections which have been brought forward. On the other hand, it will be necessary to afford a certain amount of protection in the case of civil officers in actual occupation, and I will propose that such an officer shall not be required to vacate his house except

* Indian Jurist, N S, 8.

[25TH OCT. BER, 1901.] [*Major-General Sir Edmond Elles.*]

with the sanction of the Local Government and upon such terms and conditions as the Local Government may think fit to impose. I am also ready to admit that some provision should be made to safeguard house-owners against loss where a tenant under a long lease is required to vacate in favour of a military officer whose tenancy is to be from month to month. I will, therefore, propose to provide that a tenant holding under a lease for any term exceeding a year or from year to year shall not be required to vacate without reference to the Officer Commanding the District, and that, if a house is held under a lease exceeding one year, the Secretary of State shall be liable for the rent for one year or for the unexpired term of the lease, whichever is shorter. Similarly, if a house is held from year to year or under a lease reserving a yearly rent, the Government should be liable for the rent up to, say, six months.

“ Clause 16 of the Bill I propose to amend so as to make a tenant liable for half a month's rent even where he is unfortunate enough to be compelled to depart at a moment's notice on duty or on a medical certificate.

“ In clause 22 I propose to provide for the execution of necessary repairs by the Public or Military Works Department, and not by the tenant himself.

“ The stringency of clause 23, restricting transfers, has been reasonably objected to as an unnecessary interference with the rights of property. I shall be ready, therefore, to limit the right of veto exercisable by the General Officer Commanding, with the concurrence of the Local Government, to cases in which the house-owner is a bad landlord against whom there has been frequent occasion to enforce the provisions relating to the execution of proper repairs.

“ Under clause 26, as it stands, a Commanding Officer might refuse a house-owner's application for a reference to arbitration. I shall be prepared to propose an amendment making it obligatory to accede to such an application.

“ It may be desirable to provide for the nomination by the parties of some one—other than the District Magistrate—whom they mutually regard as fit to be chairman of the Committee of Arbitration convened to settle the difference between them, and I will ask the Select Committee to consider whether clauses 28 and 31 might not with advantage be amended so as to admit of such an arrangement.

“ Under clause 33 it would be fair to take into consideration, in fixing the rent, the probable expenditure which a house-owner will have to incur in order to maintain his house in repair, and I will propose an amendment with that object.

[Major-General Sir Edmond Elles.] [25TH OCTOBER, 1901.]

"With reference to clause 34, we have fully considered the question of allowing an appeal from the decision of a Committee of Arbitration. I cannot think that it would be desirable to do so. By the exclusion of civil officers we shall have an unbiassed agency in the person of a Civil Magistrate as chairman of a Committee or, possibly, of a chairman selected by the parties themselves. And I think it is most desirable on all grounds that the award of the arbitrators should be final and conclusive.

"To meet the criticism that some of the matters referred to in clause 39 should be provided for by the Act, and not be left to rules, I will propose the addition of clauses prescribing the mode of serving notices, and empowering Committees of Arbitration to receive evidence, compel attendance and administer oaths.

"From the penal clause (4a) I shall be prepared to exclude the reference to imprisonment.

"Finally, I shall be prepared to meet the suggestion that facilities should be provided for the recovery of rent by landlords in cantonments, and I will propose the addition of a clause providing for the registration of rents by the cantonment authority, and enacting that, if the rent is not paid by the middle of any month in respect of the previous month, the grantee may apply to the military authorities, by whom the amount may be deducted from the salary and allowances of the officer concerned, wherever he may be. My clause will further provide for the eviction (where necessary) of the military tenant, if this mode of recovery is infructuous within a certain period.

"These are the main alterations which the Government are disposed to agree to in order to meet the objections raised and criticisms offered. There are also some minor amendments which will be proposed, but none of them are in the direction of rendering the Bill more stringent.

"To summarise: the principal concessions which we are prepared to make are, first, the exclusion of civil officers; second, the provision of facilities for recovering rent; and, third, the withdrawal of the power to veto the transfer of house-property except in extreme cases. These will, I think, be very valuable to house-owners, and I trust that they will go far to meet the objections to the measure. Further I am not prepared to advise the Government of India to go.

[25TH OCTOBER, 1901] [*Major-General Sir Edmond Elles.*]

"The next step to be taken, my Lord, is to move for leave to refer the Bill to a Select Committee. This, however, I propose to defer doing until the Council reassembles in Calcutta and any vacancies in it have been filled up. I have, therefore, no formal motion to put before the Council now, but have merely taken this opportunity to let the public know how we propose to proceed with a measure which, from the military point of view at all events, is regarded as being one of considerable and pressing importance."

The Council adjourned *sine die*.

SIMLA ;
The 25th October, 1901. }

H. W. C. CARNDUFF,
Offg. Secretary to the Government of India,
Legislative Department.

352 CANTONMENT (HOUSE-ACCOMMODATION) BILL; CODE
CIVIL PROCEDURE.

[Major-General Sir Edmond Elles; Mr. Raleigh.] [20TH DECEMBER, 1901.]

CANTONMENTS (HOUSE-ACCOMMODATION) BILL.

The Hon'ble MAJOR-GENERAL SIR EDMOND ELLES moved that the Bill to make better provision for securing house-accommodation for officers in Cantonments be referred to a Select Committee consisting of the Hon'ble Sir Charles Rivaz, the Hon'ble Mr. Raleigh, the Hon'ble Rai Sri Ram Bahadur, the Hon'ble Mr. Gokhale, the Hon'ble Mr. Pugh, the Hon'ble Mr. Hardy and the mover. He said that at the last meeting of the Council held at Simla he made a statement in regard to this Bill which was published in the Gazette of the 26th October.

The motion was put and agreed to.

CODE OF CIVIL PROCEDURE.

The Hon'ble MR. RALEIGH moved for leave to introduce a Bill to consolidate and amend the Law relating to the Procedure of the Courts of Civil Judicature. He said:—"The Code which we now propose to take in hand for revision was originally known as Act VIII of 1859, and was placed upon the Statute-book by the energy of Sir Barnes Peacock. It was redrafted in 1877 by Mr. Whitley Stokes, who was then Secretary in the Legislative Department, and in many chapters the present form of the Code is due to Lord Hobhouse, who, at that time, was Legal Member of Council. It was again revised in 1882. Experience has shown that the Code, in many important particulars, requires further revision; and in 1893 the Government of India resolved that both the great Codes of Procedure should be passed under review. My predecessor, Mr. Chalmers, with the aid of Sir Henry Prinsep, who was placed on special duty for the purpose, was able to complete the revision of the Code of Criminal Procedure. Sir Henry Prinsep was also engaged for a time on the Code of Civil Procedure. I ought to say that for the Bill now submitted that learned Judge is in no way responsible, but we have had the advantage of the notes which he made on the subject, and when he brings his judicial mind to bear upon the Bill, I have no doubt that he will recognise some part of his own material in the composite fabric which is now submitted for criticism. Without underrating the labour involved in revising the Code of Criminal Procedure, I may say that Civil Procedure is a subject beset with special difficulties of its own. The administration of criminal justice is a task which demands the highest qualities in our Judges and Magistrates, but the objects of the procedure are few and simple. The charge is restricted to a limited number of definite points, the prosecution is controlled in all cases by Government, and the opportunities of the defence, while carefully

[20TH DECEMBER, 1901.]

[Mr. Raleigh.]

guarded, are also limited so as to prevent delay. In a civil suit, on the other hand, the conduct of the case must be left, generally speaking, to the parties. No forms of procedure with which I am acquainted can altogether neutralize the advantage of the longer purse, nor can we always cope with the arts of evasion and delay. We must be content if our procedure is such that in ordinary cases the civil administration of justice will be as expeditious and as cheap as circumstances permit. In preparing amendments with this general object in view we have constantly referred to two sources of information. In the first place, we have before us a very large number of suggestions for the amendment of the Code made by judicial officers in all parts of the country. Wherever it has appeared to us that these suggestions ought to be discussed, we have framed amendments with a view to bringing them in a definite shape before the Committee which will sit upon this Bill. I dwell on the point for a moment, because it is important to make it quite clear at the outset that the Government is not to be supposed to be finally committed to anything that is new in this Bill. In many cases we have proposed an amendment with the view of raising a question. We have to be guided in this, as in all matters relating to procedure, mainly by the opinions expressed by the Judges. If we say to the Judges in general terms that a suggestion has been made for strengthening this or that part of our procedure, we may receive from them an equally general answer. On the other hand, if we place before them an amendment which gives effect to the suggestion, they may accept or reject or modify, but, in any case, we shall have their opinion in a definite form. In the second place, we have before us a very large number of judicial decisions on points of the Code which have led to litigation and dispute. The Government has no authority to review these decisions—to say which of them are right and which are wrong. If a rule of the Code has received one interpretation in Bombay and another in Calcutta, we have to consider not which of the Courts is right in interpreting the law as it is, but what, looking to the reasons which have been given for both decisions, we think is the rule which it is most expedient to enact for the future, and in this way we may find—and I hope on most points we shall find—that we are in agreement with all the Courts, because while two Courts may differ in their interpretation of the law as it is, they may at the same time be quite agreed when they come to discuss the question what the law of procedure ought to be.

“We do not propose to alter the general arrangement of the Code. It begins in the usual way with definitions, which we have recast and re-arranged. It then proceeds to speak of jurisdiction, and here, for convenience, the draftsman has placed the important section relating to *res judicata*—the

[*Mr. Raleigh.*] [20TH DECEMBER, 1901.]

plea that the question raised in a suit has already been determined in a previous suit. That plea is one which plays a large part in Indian litigation. The case law on the subject is of considerable bulk, and we came to the conclusion that it was not necessary, and that it would not be wise, to attempt anything in the nature of codification. We are content to propose that the section should be made fuller and more precise, so that it may afford all the guidance that is required in ordinary cases. Having dealt with these preliminary matters, the Code proceeds to follow the usual course of a civil suit from the moment of its institution down to the execution of the decree. The litigant must be told what is the Court to which he is to apply. He must be told how to frame his suit so as to show a proper cause of action; and here, in dealing with the causes of action which may be combined in a plaint and the pleas which may be set up against them, we have suggested a rather important addition to the Code in regard to the important matter of set-off. We propose to borrow from England, and to adapt to our own use, the substance of the rules which are in force in the Supreme Court in England. As this is not the only case in which we have borrowed from English practice, I may say, once for all, that it is quite evident that caution must be exercised in adapting English rules to Indian needs. Many circumstances must be considered before we hold that the rule which may be a very good one for the United Kingdom is also a good one for British India. But where assimilation is possible, I hold that the Legislature ought to keep that object in view, not only because the final appeal in Indian cases is to a Committee of English Judges, but also because assimilation of procedure in different parts of the Empire tends on the whole to the better administration of justice. I hope, therefore, that the additions which we have made to the Code—and borrowed from England—will meet with acceptance. It would be impossible to contend that English practice is a model for imitation, but it is, at least, a store-house of experience, and we may often obtain from it, by careful search, rules which are adapted to our own needs. The Code has also to determine the forms of process by which a party may be compelled to appear in a civil suit and to answer the claims against him. In this country, where evasion of process is in many cases so easy, these particular provisions of the Code are of great importance, and although the changes we have made go too much into detail to be included in an introductory speech, I think that they will be found to strengthen the Courts and to make for expedition.

“We come then to the provisions which are made in the Code for the hearing of the parties and their witnesses and recording the decision of the Court; and here we have suggested a number of changes with the general

[20TH DECEMBER, 1901.] [Mr. Raleigh.]

object of giving the Court a greater command over the suit and of freeing our Judges from some of the present rules which appear on reconsideration to be more mechanical than the nature of the case requires. We have enlarged the power of taking evidence by way of Interrogatories and Discovery. We enable the Court to take the initiative in many cases where now we must wait for the initiative of the parties, as, for instance, in compelling the attendance of witnesses. We free the Judge from the mechanical necessity of taking down every word of the evidence and of making a note of every objection to evidence. And finally, when it comes to judgment, we empower the Judge to deliver his decision orally, provided that a written judgment is afterwards prepared, for the accuracy of which he is to make himself responsible. These proposals will probably be criticised, and we may be told that in this country mechanical rules are necessary to compel the Judges to take all evidence which they ought to hear, to deal fairly with objections, and to state fully the reasons for their judgments. I am not, as at present informed, convinced that this is a sound doctrine. If your Judges are competent, you can trust them; and if they are not, I am not sure that any mechanical rules will compel them to decide their cases rightly.

“By common consent the part of the Code which most requires revision is Chapter XIX, which deals with the execution of decrees. There are, as it seems to me, two great evils in our present practice. In the first place, the decree is often used by the creditor who succeeds in obtaining it not as a means for obtaining a prompt satisfaction of his claim, but rather as a thing which he may keep alive and hold over his debtor's head with a view of acquiring more power over him. The other evil is that, owing to the circumstances of this country, evasion of process on the part of the defendant is extremely common. We have endeavoured to provide a remedy for both these evils. In the first place, we have on this point also, enlarged the powers of the Court, so that execution cases may not be allowed to drift along in the execution department, without the intervention of the Judge, where that intervention may prevent delays and abuses. We have enabled the Court to call upon the holder of the decree for information at every stage of the execution process, and to hold him responsible for going on with it; and on the other hand, we have tried to deal with the evasive debtor by providing additional facilities for the transmission of decrees for execution from one Court to another. These again, My Lord, are charges of detail to be judged by experts. I hope, when they are judged, that the general object which I have stated will be kept in view.

"One important point which has been a good deal discussed in connection with the law of execution is the question of growing crops. We have, at last, proposed to give effect to what I venture to call a sound principle that growing crops ought to be dealt with as moveable property. As such, they will be liable to the process of attachment, but we have endeavoured to introduce very special provisions, which will prevent the process of the Courts from being used in any way that can stop or hamper the proper cultivation of land. We have also added a provision—which will require careful consideration—giving power to exempt from legal process a certain portion of the crops of an agriculturist. I would not contend that in all matters relating to civil process an agriculturist should be considered as a privileged person. He must pay his debts like another man, but we may all admit that the process of our Courts bears very hardly on men who generally live at a great distance from them, and on men who have nothing but their industry, and the crops which stand upon their land, between them and starvation. In such cases it may be wise—it is for the Council to say—to give a power of exemption from legal process, limiting that power as carefully as we can. After dealing with execution, the Code, in Chapter XX, has provided an Insolvency procedure which is used to some extent in the Mofussil, where the Act of Parliament—the Insolvency Act of 1848—is not in force. It has been found that this chapter is considered by those who administer it to be imperfect, and we have endeavoured to provide an Insolvency procedure, simple enough to be applied by the ordinary Courts in this country, which will be effective, on the one hand, in enabling creditors to obtain the distribution of the assets of their debtor, and which, on the other hand, may afford the debtor relief in cases where he is entitled to it. I need not dwell, My Lord, on the particulars of the subsequent chapters of the Code until we come to Chapter XLII, which deals with the very important question of second appeals. The Government of India has expressed the opinion that the right of second appeal ought in some points to be restricted, and having full regard to all the remarks and suggestions that were made upon that expression of opinion, we have proposed to raise the pecuniary limit in those provisions of the Code which relate to second appeals, and we have also proposed that where the decisions of the Court below are concurrent, security for costs may be required. I am well aware that any attempt to restrict the right of appeal in this country is sure to be closely scrutinised and very likely to be opposed. We are often told that the Courts of first instance or first appeal in this country are sometimes deficient in special knowledge of law, sometimes deficient in strength of character, and that for these reasons it is necessary to preserve a liberty of second appeal far wider than would be

[20TH DECEMBER, 1901.] [Mr. Raleigh.]

necessary, for example, in England. There is force in these arguments, and they require to be considered. At the same time, the objections are often expressed with a considerable degree of exaggeration. My deliberate opinion, formed after a great deal of enquiry, is that the Civil Courts of lower rank in this country do not deserve the terms of unqualified censure, which are sometimes applied to them; and even if they did, it would, in my humble opinion, be a profound mistake to assume that every wrong decision of a lower Court can be set right in a Court of Appeal. Many a questionable decision stands because the parties cannot afford to go further, and when an appeal is presented, the higher Court can only deal with the case as it is presented and recorded in the Court below. If the Court below is not equal to its work, if the proper evidence has not been taken, if the decree is not framed so as to cover the points really in dispute, then the Court of Appeal is unable to do complete justice. The case may be sent back or the appeal may be decided on technical grounds. These, I think, are the reasons why the proposals which we have embodied in our re-draft of Chapter XLII should be very carefully considered.

"I have not attempted, My Lord, to give a detailed account of all that we propose in regard to the revision of this Code. The one object of my speech to-day is to make it clear what are the main objects which we have in view, and how far we regard our re-draft of the Code as being open to consideration and criticism. The re-draft will be circulated in the usual course for opinions, and a adequate time must be allowed for the examination of so large a project of law. This means that I cannot hope to take the Committee stage of this Bill until about a year from the present time. Our time will have been well spent, and our labour will be well rewarded, if the result of our deliberations is to raise the standard of efficiency in our Courts and to promote the even-handed administration of Civil justice."

The motion was put and agreed to.

The Hon'ble MR. RALEIGH introduced the Bill.

The Hon'ble MR. RALEIGH moved that the Bill, together with the Statement of Objects and Reasons relating thereto, be published in English in the Gazette of India, and in the local official Gazettes in English and in such other languages as the Local Governments think fit.

The motion was put and agreed to.

[*Sir Charles Rivaz*] [20TH DECEMBER, 1901.]

ADMINISTRATORS GENERAL AND OFFICIAL TRUSTEES BILL.

The Hon'ble SIR CHARLES RIVAZ moved for leave to introduce a Bill further to amend the Law relating to Administrators General and Official Trustees. He said:—"A Committee presided over by the Chief Justice of Bengal, which was appointed in 1897 to consider certain questions in connection with the duties of the Law Officers of Government, recommended, among other things, that, when an opportunity occurred, the offices of Administrator General and Official Trustee might, with advantage, be combined, the holder of the appointment being made a Government servant and remunerated by a fixed salary. As the present Administrator General is about to retire, the opportunity is being taken to appoint his successor on the new conditions, and the Bill which I am asking leave to introduce is intended to effect the necessary alterations in the present law. The new Administrator General will be appointed Official Trustee also when that appointment falls vacant, the Government will, in future, undertake the responsibility for his official acts, and he will be subject to the control of Government, which will be exercised mainly through the High Court.

"It is proposed, in amending the present Administrator General's Act, to repeal section 56, which declares that no person other than the Administrator General acting officially shall receive or retain any commission or agency charges for anything done by him as executor or administrator. The repeal of this section formed part of the recommendations of the Committee of 1897."

The motion was put and agreed to.

The Hon'ble SIR CHARLES RIVAZ introduced the Bill.

The Hon'ble SIR CHARLES RIVAZ moved that the Bill, together with the Statement of Objects and Reasons relating thereto, be published in English in the Gazette of India, and in the local official Gazettes in English and in such other languages as the Local Governments think fit.

The motion was put and agreed to.

The Council adjourned to Friday, the 10th January, 1902.

	H. W. C. CARNDUFF,
CALCUTTA.	} <i>Off. Secretary to the Government of India,</i>
The 23rd December, 1901. }	<i>Legislative Department.</i>

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Adjournments of— . . . 2, 7, 11, 17, 21, 41, 158, 186, 230, 330, 333, 338, 349 &
 Meetings of— . . . 1, 3, 9, 13, 19, 23, 43, 159, 187, 231, 331, 335, 339 &

COURT FEES (AMENDMENT) BILL—

Motion for leave to introduce
 Introduced
 Motion to publish
 Bill considered
 Bill passed

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DEBATES IN COUNCIL—

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 Administrator General's Act (Amendment) Bill 4 to 7, 15 & 16
 Assam Emigrants' Health Bill 2, 44 to 15
 Assam Labour and Emigration Bill 16
 Assam Labour and Emigration Bill, and Assam Emigrants' Health
 Bill 10
 Cantonments (House-Accommodation) Bill 339 & 352
 Central Provinces Civil Courts (Amendment) Bill 4, 23 & 24
 Code of Civil Procedure 352 to 357
 Court Fees (Amendment) Bill 332 & 335 & 336
 Death of Her Majesty the Queen Empress 9 to 11
 Financial Statement for 1901-1902 160 to 186 & 231 to 330
 Indian Articles of War Amendment Bill 331 & 335
 Indian Extradition Bill 15 to 17
 Indian Forest (Amendment) Bill 21, 23, 43 & 44
 Indian Mines Bill 1, 44 & 192 to 229
 Imperial Library (Indentures Validation) Bill 336 & 337
 Indian Ports Bill 3, 14 & 21
 Indian Steam Ships (Amendment) Bill 332
 Indian Tramways Bill 333
 Indian Tolls (Army) Bill 13, 14 & 20
 Military Lunatics Act, 1877, Amendment Bill 2 & 14
 Native Christian Administration of Estates Bill 187 to 192
 Religious Endowments Bill 24 to 41
 Repealing and Amending Bill 336 & 339

E

ELLES, HON'BLE MAJOR-GENERAL SIR E. R., K.C.B.—

Cantonments (House-Accommodation) Bill 339 to 349 & 352
 Indian Articles of War Amendment Bill 331 & 335