

PROCEEDINGS
OF
THE INDIAN LEGISLATIVE COUNCIL,

ASSEMBLED FOR THE PURPOSE OF MAKING

LAWS AND REGULATIONS,

From April 1916 to March 1917.

WITH INDEX.

VOL. LV.

Published by Authority of the Governor General:



CALCUTTA
SUPERINTENDENT GOVERNMENT PRINTING, INDIA
1917

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 OF
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the pleasant features of political life—and I have never known it absent—that men, whatever their opinions, can recognise and acknowledge, when the dust and sound of strife have subsided, the virtues of those with whom they may have profoundly disagreed. I feel then I am voicing you as well as myself when I wish Sir Reginald Godspeed and good-luck.

“ And now for ourselves. *Pereunt et imputantur*,—the hours pass and are laid to our account. Our Session is past and over. I trust and hope it will be accounted to us for righteousness.

“ Before I sit down, let me read to you a message which reached me yesterday from the Hon’ble Mr. Lloyd-George—

‘ I wish, on behalf of the British Government, to express to the Government and the people of India our most sincere gratitude for the magnificent contribution which India has just made to financing of the war. Coming in addition to the enthusiasm and loyalty manifested throughout India on the outbreak of war and to the invaluable military services since rendered by the Indian army, this gift is to us a moving proof that India shares whole-heartedly with the other subjects of the Crown in the ideals for which we are fighting in this war. That India should come forward of her own accord at this crisis and render such real and opportune assistance is not only a source of sincere satisfaction to His Majesty’s Government, but must produce a better mutual understanding among all the races and peoples under the British Crown.’ ”

The Council adjourned *sine die*.

A. P. MUDDIMAN,

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

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The 29th March, 1917.

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APPENDIX A.

[*Referred to in answer to Question No. 5.*]

No. 16 OF 1884.

GOVERNMENT OF INDIA.

REVENUE AND AGRICULTURAL DEPARTMENT.

 REVENUE.

To

THE RIGHT HONOURABLE THE EARL OF KIMBERLEY,

*Her Majesty's Secretary of State for India.**Simla, the 16th August 1884.*

MY LORD,

IN continuation of our despatch No. 14 of the 6th of November 1883, in which we communicated the general agreement of the Madras and Bombay Governments with the views of the Government of India respecting the assessment of land revenue, we have now the honour to submit, for Your Lordship's consideration and instructions, the correspondence and papers which we have received from the North-Western Provinces Government on the same subject.

2. The question in a zemindari province presents, however, more difficulties than in a ryotwari province, where there is only one party to be dealt with. In our despatch of the 16th of October 1882, we anticipated that it would be difficult in the former to make any satisfactory settlement with zemindars, unless at the same time the position of the ryots was taken into consideration; but as Your Lordship expressed a desire that the two questions should be kept apart, we laid, in addressing the North-Western Provinces Government, no stress upon this part of our original proposals. That Government has now criticised the whole scheme on the understanding that the tenant question is to be disconnected from it, and has, chiefly, we think, in consequence of the disconnection, been led to make alternative proposals, which fail to secure fully the objects we had in view. But we may at once say that the letter of Sir Alfred Lyall, who has given close consideration to the questions placed before him by the Government of India, must be regarded as a very valuable contribution towards the solution of the difficult problems involved in them, and that the criticisms contained in the papers which accompany his review, although displaying less comprehension of the objects of the policy advocated by the Government of India and Her Majesty's Secretary of State, yet include much valuable evidence, which is ably summarized and used in the letter from the Local Government.

3. The Lieutenant-Governor of the North-Western Provinces has been careful throughout his own review of the subject to bear in mind that the leading object of any reform which may be introduced in the assessment of land revenue is, in his own words, to give to landlords that assurance of security in regard to the assessment of the land revenue which is attached to permanency of demand without depriving the State of its unquestioned right to enhance the demand upon defined conditions. A clear statement of the principles upon which the revenue policy should be based is contained in the 20th paragraph of the letter from the Local Government, in which the conditions essential to the adequate and substantial improvement of the system of land revenue settlements are described to be—

- (1) that the improvement shall confer upon the landholders additional certainty as to the land revenue demand, and the reasonable security flowing from a certain permanence and fixity in the revenue;
- (2) that the State shall nevertheless retain a fair share in the profits of cultivation.

The opinion is then put forward that no system can be invented which will at once secure to the landlord certainty and security for the future, and to the State a fair share in increasing profits, so long as the State insists upon a definite share of the rental assets. The Government, it is argued, must take its choice between a more or less inquisitorial system that will levy an equal and uniform contribution of profits from each cultivated estate, and a less exact and easier system that will be content with an unevenly distributed and smaller demand. So far then as the main objects of reform are concerned, we may be justified in assuming that the Lieutenant-Governor of the North-Western Provinces is at one with Your Lordship and the Government of India. "The ends which the Government of India have in view are," writes Sir Alfred Lyall, "most desirable of attainment," and the task which the Local Government sets before itself is to consider whether, without serious departure from the conditions laid down in the programme of the Government of India, the ends contemplated cannot be reached by some other and similar road.

4. Before dealing with Sir Alfred Lyall's proposals, it is desirable to consider how far his arguments against the adoption of prices as a basis of enhancing revenue can be accepted. It is right, in the first place, to observe that in his 28th paragraph he remarks upon the omission of the Board of Revenue to notice that the Government of India's scheme proposes both to leave out of account a certain margin of the rise in prices before accepting them as a ground for enhancing revenue, and also to fix a certain maximum of enhancement. But although the inclusion of these two important conditions tends to reduce in value many of the arguments raised in detail against the application of a price test, yet there is a residuum of objections, to which the North-Western Provinces Government has in its review given full weight. It is admitted that there is no obstacle which cannot be surmounted in compiling tables of prices; but granting this, there are still many difficulties, briefly summarized below, which are urged against this part of the scheme:—

- (1) There is no guarantee that a rise of prices will be stable or of a permanent character.
- (2) For a sudden and material fall in prices the proposed remedy of giving relief by remission or suspension would be found to be unsatisfactory.
- (3) The plan will benefit different tracts in a different degree.
- (4) In consequence of the varying proportion of staples in different tracts, there is some difficulty in adjusting any calculation of a rise of prices fair to all.
- (5) The profits of cultivators have a tendency to diminish.
- (6) A general rise in rents follows a rise in prices only at long and uncertain intervals and in unequal degrees.

5. Such briefly are the difficulties which Sir A. Lyall sees in the way of adjusting enhancements of revenue by reference to prices. We are prepared to admit that they afford a formidable obstacle to any proposals which involve an attempt to base future enhancements upon an exact relation between a rise in prices and a rise in revenue, and which fail to associate the question of the revenue demand with that of the assessment of rent. It may perhaps be shown, as we shall presently explain, that, with the exception of the last and by far the most serious objection, the difficulties brought forward can be greatly reduced by confining the proportion which the revenue enhancement should bear to a rise in prices within definite limits,—by avoiding in fact too close an approximation between the two; but we are convinced, by the facts and arguments adduced in the papers now before us in support of the final objection, that it is practically hopeless to endeavour to accomplish the objects which we desire to attain without some consideration of the relations between landlords and tenants and of the circumstances under which rentals are in future to be enhanced. It may be at once admitted that the evidence so amply given in the North-Western Provinces papers as to the absence of any direct proportionate relation between rent and prices confirms from one point of view the objection to our original scheme, which was brought forward in the 22nd paragraph of Your Lordship's despatch of the 22nd of March 1883. The difficulty is no new one. It was, as Your Lordship justly observed in the paragraph above quoted, much insisted upon in the North-Western Provinces discussions of 1872. It is certainly fatal under the existing conditions of the tenancy law to any scheme which aims at giving to the landlords that assurance of security which is attached to permanency of demand, and which does not at the same time surrender to them a larger share of the rental than the Government is called upon to resign. There seem to be only two courses left open. The one to revert to some plan, such as that suggested in 1874 by Sir William Muir, or now by Sir Alfred Lyall, under which the revenue will continue to be regulated by changes in rental modified by general considerations; and the other so to regulate the enhancement of rents as to diminish materially the divergence between the growth of the rent rolls and the enhancements of revenue based upon a consideration of prices. The adoption of the former course means, we fear, the elimination to a material degree of those conditions of security and certainty which are considered of primary importance, while to follow the latter without further communication with Your Lordship would be inconsistent with the instructions contained in the last paragraph of Your Lordship's despatch. It appears to be our duty however, in view of the importance of the subject, to bring forward the considerations which apply to the adoption of both one course and the other, and we will make some attempt to place in a clear light our views upon the difficult issues which are involved.

6 It will perhaps be convenient to consider in the following order the leading points which we propose to discuss. We will first endeavour to show that, putting aside the question of an exact adaptation of rents proportionately to prices, the arguments brought forward admit of material modification by a wider application of the price-test. We will then explain how the regulation of rents would necessarily tend to diminish the force of Sir A. Lyall's last and most serious objection, that there is no close connection between prices and rents. We shall next ask Your Lordship's permission to discuss more fully the advantage of taking up simultaneously the two questions of the enhancement of rent and revenue, and the possibility of preserving in that case a closer approximation to our original scheme than would otherwise be feasible. Sir Alfred Lyall's proposals will then be reviewed, and the opportunity taken to compare them with those put forward in Sir William Muir's suggestions of 1874. The objections to which they may be considered open will be pointed out, and their advantages duly weighed.

7. In dealing with the first subject,—that of the difficulties attending a consideration of prices,—we desire to offer some explanation of the leading objects which we had in view in making our original proposals. It may be briefly stated that we intended to provide some means of preventing

serious loss to Government on account of any material rise in prices, and to use the examination of prices primarily as a means of detecting a change in the purchasing power of silver. The subject had attracted prominent attention when the proposals connected with a permanent settlement were last before the Government of India. We indicated in the 1.st paragraph of our despatch of October 1882 that the financial position of 1876 had considerable influence in causing the complete abandonment at that time of any idea of a permanent settlement in Northern India; and we may now add that the question was seriously entertained by Lord Northbrook's Government of adjusting the revenue demand, even within the term of settlement, in accordance with a material rise or fall in prices. When, therefore, it became our duty to enter upon a fresh investigation of the subject, we were obviously bound to give full weight to the question of the purchasing power of silver. The general tendency, we found, was in favour of basing future enhancements upon prices. Lord Northbrook, after a full consideration of the evidence from the North-Western Provinces, and the recorded views of his predecessors and councillors, had arrived, as we have stated in the first paragraph of our former despatch, at the conclusion that an improved system of settlement could not be introduced, except upon the plan of regulating the land revenue by reference to prices from time to time. The case was temporarily dropped at this point, and it was there that it became our duty to take it up. We saw no reason to disagree with Lord Northbrook's deliberate conclusions, and we endeavoured to give them effect in the scheme of assessment which we had the honour to lay before Your Lordship. Our leading idea cannot under these circumstances fail to be recognized. We desired, in common with our predecessors, to save future Governments from the incalculable loss which might result from anything like the introduction of a permanent settlement in the event of a fall in the value of money. For this purpose, however, it would be sufficient to make a very general and broad investigation, extending over a very large area, into the purchasing power of the rupee. It is not difficult to prove that an investigation of this nature would be less open to the objections brought forward in the North-Western Provinces criticisms than the more restricted and narrow enquiries to which the attention of the writers seems to have been confined. The stability and permanent character of a rise in prices could, for instance, be more safely gauged by a general and comprehensive review of prices throughout the country or an entire province than by dealing separately with each small tract. A sudden and material fall from any standard of the kind we are indicating would, except in the case of a province like Burma, which depends entirely upon one staple, be an unlikely event, unless the value of silver were to rise to such an extent as to justify the Government in giving general relief to the payers of land revenue. The difficulties of adjusting calculations on the prices of staples, on account of the varying proportion of them in different tracts, would be much diminished, while the reduced profits of the agricultural population, foreshadowed in the North-Western Provinces papers, would be guarded against by the provision of the margin which it has always been contemplated to allow. Leaving out for the present any consideration of the direct proportional relation between rents and prices, the only argument of those summarized in our 4th paragraph, to which we think much weight need be attached, is that the application of a general or provincial rate of enhancement based upon prices would have an unequal effect upon different parts of the country. But, as Sir A. Lyall very clearly points out in the words which we have quoted in our 2nd paragraph, the introduction of any less exact or easier system than that now prevailing necessitates the acceptance of an unevenly distributed and smaller demand, and we are quite of opinion that the advantage of equality may be too dearly purchased. The inapplicability of a general rate to such tracts as had benefited by State improvements did not, however, escape our notice. It was more particularly discussed in reference to railways. It was urged, and justly, that railways were an improvement directly due to the outlay of the public funds, and that their passage through an agricultural district was, as a rule, prominently marked by a material and immediate rise in the value of produce; and it was chiefly due to this consideration that we were led to avoid the proposal

of anything like a general rate for an entire province, and to leave the selection of the area over which prices should be examined to the Local Government. It was resolved that although railways were an improvement effected at the Government cost, they should not be made to influence revenue, except through the medium of prices. This conclusion led us to propose to deal separately with different parts of the province; and it was implied, although not distinctly intimated, that the district would be taken as the unit for examination.

8. On further consideration, however, we are prepared to admit that this area is too small. We do not think that the principal object we hold in view precludes its enlargement; and the alteration would certainly obviate to a great extent many of Sir A. Lyall's objections; there would, indeed, be some decided advantage if it were resolved to base the general enhancement of revenue primarily upon a wide consideration of the general advance in prices, over (say) an entire province; and then, if deemed necessary, to make some additional demand upon any district or tract which is shown, when submitted to the price test, to have markedly benefited by the introduction of a railway or navigable canal. All other variations in price might be left out of account, as due to causes too obscure and intricate to justify any inquisitorial investigation, and as involving a danger of taxing improvements made by the agricultural population. This course would be free from many of the objections which are justly brought against a more narrow investigation.

9. We have now to turn to the more difficult question of the relation between rents and prices. We may at once repeat our conviction that any restriction on the increase of the revenue ought to involve some similar restriction upon the growth of rents. It is clearly shown, we think, in the North-Western Provinces papers that our original proposals are impracticable, if the present law is to remain unaltered; and we venture again, therefore, to enquire whether it is not desirable that the question of limiting our revenue demand in the future should not be considered in direct connection with the question of regulating enhancements of rent, at least in the North-Western Provinces. Leaving out issues of detail, there are two broad measures between which a choice might be made. It would be possible, as was indicated in paragraph 3 of our first despatch, to apply to the enhancement of rent somewhat similar principles to those which are to influence the enhancement of revenue: or a modification might be made in the Rent Law, which would render it difficult for any rapid rise in the rental of occupancy tenants to be effected, except in relation to a rise in prices. The first course would allow no enhancement of rent other than that due to prices and increased cultivation. The second course would admit of a certain amount of enhancement due to other causes. But inasmuch as it would afford less interference with the existing system, we desire to bring it primarily to Your Lordship's consideration.

10. The present position of the North-Western Provinces Rent Law is this. There is no restriction upon the rents of tenants-at-will, while those of occupancy tenants can be only enhanced upon four grounds,—

- (1) that the rate is below the prevailing rate payable by the same class of tenants for similar land;
- (2) that the value of the produce, or
- (3) the productive powers, have increased otherwise than by the agency of the tenants;
- (4) that the area has increased.

The third and fourth grounds may be left out of present consideration as exceptional.

The first ground is that which has been usually employed in the North-Western Provinces. The second, as the papers before us show, has seldom or never been used. This was natural. The general effect of the policy pursued in the recent resettlement of the North-Western Provinces appears to have been the levelling up of the rents of occupancy tenants to a series of standards which were determined by the settlement officer to be the prevailing rate for each

class of soil. The rules laid down for the guidance of settlement officers

** Rules for guidance of Settlement Officers.*

10. At the time of inspection he shall divide each village into blocks or areas, of which the soil or advantages differ (so far as to such an extent as to warrant a separate classification).

11. He shall also enquire into the prevailing rates of rent for each class of land in each block, both by local enquiry and by examination of the village records, and shall show the area of each class of soil in each block, and (as far as possible) the actual rental paid by that portion of it which is held by tenants.

12. If the rentals are recorded in lump, so as to make it impossible to show the actual rental paid on each class of soil in each block, the rentals of holdings shall be examined and averaged in sufficient number to justify the assumption of a rate as the prevailing rate for each class.

17. The following terms shall be used in the following sense:—

Recorded rental.—The total rental recorded in the jamabandi of the mahál as drawn up at the time of measurement.

Corrected rental.—The total rental obtained by ascertaining the rents actually paid by tenants not holding at favored or privileged rates, and by valuing the air and rent free land, or land held at nominal or privileged rates, at the average rates thus ascertained.

Prevailing rate.—The average rate actually paid on any class of land, deducting those fields which pay an abnormally high or low rate.

22. The revenue assessed upon each mahál shall ordinarily be 50 per cent. of the estimated assets of the mahál.

23. The *estimated assets* are the assets which the Settlement Officer estimates that the mahál will or can produce *after the corrected rental has been raised by enhancement suits to its full amount*, including also all other receipts which are or can be derived, either directly or indirectly, from the natural products of the mahál or from cesses sanctioned by Government.

41. A date shall be fixed and notified by the Settlement Officer, after which any application for enhancement or abatement of rent may be refused provided that such date be not earlier than six months subsequent to the declaration of the new revenue and issue of the above notification.

43. In deciding cases of this description, the Settlement Officer or Assistant Settlement Officer shall be guided by the principles laid down in the Enhancement Rules, so far as they are applicable.

Enhancement Rules for guidance of Revenue Officers in enhancing Rent.

12. The rental rates assumed by the Settlement Officer, or where such do not exist, the Settlement Officer's rate for the circle for each class of soil, shall be presumed to have been the prevailing rate for that class of soil at the time of settlement, and that rate, in default of proof of any alteration since settlement (the onus of proving which shall lie on the asserting party), shall be presumed to be still the prevailing rate.

in other words to the full amount to which it has been assumed that the rental can be raised by enhancement suits, of which amount the revenue is presumed to be one-half. So prevalent has been the process thus described, that all other causes except competition which governed enhancements of rent seem to have been more or less overridden. In some cases it is true that the landlords have been satisfied with lower rates than those assumed to be prevailing, or have been unable to level up to the prevailing standard. But in many other cases they have shewn themselves dissatisfied with the prevailing rates, and have taken successful measures to destroy or threaten the occupancy right so as to obtain competitive rents. The proportion of occupancy tenants to tenants-at-will is understood to be

	<i>Acres.</i>	
Tenant area under occupancy right ...	87,69,883	under occupancy and non-occupancy
Tenant area not under occupancy right	88,72,611	rights respectively are shown in the latest

Revenue Administration Report received from the North-Western Provinces to be as given in the margin. The majority of North-Western Provinces tenants are probably tenants-at-will paying rents above the prevailing rates payable by occupancy tenants, and the proportion of such tenants is likely to increase every year, both by continued destruction of the occupancy right, and by the influence of ever-growing competition. But as neither rents determined by the prevailing rate nor competitive rents have any direct relation to prices, we cannot avoid the conclusion that, as matters now stand, prices would prove an unsafe basis for revenue enhancements.

and quoted in the margin* sufficiently explain the system under which the estimate of a fair rental and a fair revenue was to be calculated. It is easy to understand from a perusal of them, that as the settlement officers were to discount the enhancements of rental to which under the prevailing rate rule the landlord was legally entitled, the landlords would on their part in self-defence very generally demand and obtain, either by consent or by suit, rates of rent equal or approximate to the prevailing rates determined by the settlement officer. This is what occurred. The process is referred to in the concluding clauses of the 20th paragraph of the present letter from the North-Western Provinces Government, and is very distinctly described in the second paragraph of Mr. Elliott's letter of 1874. "Everywhere," it was explained in 1874, "an enhancement of the revenue is, as a rule, followed by a corresponding enhancement of the rates levied from the cultivators. This rise occurs at the time of settlement, and is ordinarily pressed, so as to raise the rental, under the prevailing settlement rate, to double the amount of revenue assessed on the landlord."

11. The position, however, may well become altered with any modification in the Rent Law. Your Lordship has expressed an opinion that no change should be made, except with the concurrence of the Local Government; and as the working of the existing Rent Law is at the present moment under the close observation of the Provincial authorities, we have no intention of anticipating any conclusions which may be arrived at, except so far as to presume the possible introduction of the measure suggested by the Famine Commissioners, that 12 years' cultivation within a village, and not merely 12 years' cultivation of the same field, should confer right of occupancy. This step would, in the North-Western Provinces, at once transform the occupancy minority into a very large majority, of which possibly about one-half might be the old and the other half the new occupancy tenants. The residue of tenants-at-will would become a very small percentage—somewhere perhaps between 10 and 20 per cent. of the whole body of tenants; and even these would have a better chance of acquiring occupancy rights. The position would then be, that about one-half of the whole body of occupancy tenants, *i.e.*, those who had never lost their rights, would be paying rates more or less approximate to the settlement officers' standards of prevailing rates, while the other half, or the newly-transferred tenants, would be, as a rule, paying rates above those standards.

12. It is difficult to see how, under these circumstances, the rents of either class of occupancy tenants could continue to be raised to any material degree by reference to the prevailing rate under the first clause above quoted. The process to which the landlord would then be driven under the law would be that described in the second clause of the rule, which governs enhancement by an appeal to the increase in the value of produce. This resolves itself almost entirely into an issue of prices. The determination of the revenue on the basis of prices would therefore harmonize with the process to which landlords would be compelled to have recourse for the enhancement of rents, and would offer the further advantage of providing the Courts with the results of the official investigation into the fluctuations of prices, which the Government would be obliged to maintain for the adjustment of revenue. It is a matter of historical fact that in the adjoining Province of Bengal, which has never been disturbed by revisions of settlement, attempts to enhance rents under the prevailing rate clause have, as a rule, been unsuccessful; but in that province it is the absence of maps and soil standards, which has driven the landlords to avoid this plea, and to resort to other measures of enhancing rents, among which has been the establishment of suits on the ground that produce has risen in value. But here again they have been met by the difficulty of proving in a Civil Court to what extent prices have risen, and it is partly the deadlock which was thus occasioned that led to the proposed amendment of the Bengal Rent Law, including the introduction of measures which require the official ascertainment and record of the fluctuation of prices in the Province of Bengal. If there is any possibility of the same results being brought about in the North-Western Provinces, the dissociation between rents and prices would to a great extent disappear. The course which could then be followed under our original programme would be briefly this. Existing rentals would in the majority of districts be accepted as being already fairly well levelled up to the prevailing rates determined by the settlement officer. Existing revenues would in a large number of districts be accepted as sufficiently representing the traditional 50 per cent. of these rentals, and in the remainder steps would be taken to bring them up to the full half. Initial rentals and revenues would thus be framed at the end of the current terms of settlement, which, so far as the occupancy area is concerned, would in future tend to vary together in accordance with the changes in the value of produce,—the one under the operation of the Rent Law, and the other under the operation of the proposed system of assessment. However much, therefore, rents may have been dissociated from prices in the past, it is scarcely possible that they should not be much more closely associated with them in the future. The wave of enhancement which sped over the province in the wake of settlement, swamping as it did all those minor inequalities which were due to the various causes enumerated by the North-Western Provinces Government, brought up the rentals of each tract to a level, from which they can hardly be lifted again, except under the

influence of competition, or the application of the value test; and if the Famine Commissioners' suggestion should be carried into effect, competition will tend to disappear from the occupancy area. Prices will then remain the chief lever available for raising the rent-roll.

13. These considerations have led us to doubt whether it will be desirable to have recourse to a system of enhancing revenue which eliminates the price test as its main feature, and substitutes methods far less likely to be successful in giving security and certainty to the landlords, merely because the present Rent Law does not lend itself to the desired change. The inevitable conclusion seems now to be that the two questions of Revenue and Rent should be taken up together.

It is desirable that we should explain to Your Lordship that, in contemplating a revision of the Rent Law before dealing definitely with the assessment of land revenue, we are justified by much previous correspondence in looking upon such a revision as inevitable. In our despatch of the 17th October 1882, No. 16, we adverted to this expectation when dealing with the question of the possible effect of a change in the twelve-year rule in other Provinces—a contingency to which our attention was drawn in the 20th paragraph of Your Lordship's despatch of the preceding August; and we have since received more than one intimation from the Government of the North-Western Provinces that the subject is receiving its close attention. The Lieutenant-Governor, in reviewing the Report of the Board of Revenue for the year 1881-82, in which unsatisfactory results of existing law were prominently noticed, directed that measures for reform should receive the special attention of the Revenue officials of the Province. When commenting upon these remarks, the Government of India implied that a report would be awaited, and Your Lordship further decided that no legislative action should be taken without previous reference to Her Majesty's Government. Again, in forwarding Your Lordship's despatch to the Local Government, the opportunity was taken to ask for a report which, it appeared from recent proceedings, had been called for by Sir A. Lyall in respect to the loss of occupancy rights in the district of Bulandshahr. It may be added that in January 1882 Sir George Couper submitted certain proposals affecting both the relations between landlord and tenants and the system of assessments; but as they had been very imperfectly drawn up, they were referred for the further consideration of Sir A. Lyall, who again promised a complete report on the subject. These circumstances justify an expectation that the tenant question will be dealt with at an early date, and suggest the advantage of taking up the reform of the Rent and the Revenue Law at the same time.

14. Apart, however, from other reasons which have been brought forward, there is a further strong argument in favour of not dissociating our revenue scheme from a consideration of the Rent Law. We have it now in our power to go to the landlords with the offer of an important boon. We could tell them that we are prepared, at a considerable sacrifice of our revenue, to give them an assurance, such as they have never yet possessed, as to the principles upon which that revenue will hereafter be levied, and to afford them a security in the future the want of which in the past has tended greatly to retard the progress of agriculture; and that all we ask in return is that they should admit their tenants to partake in some degree of the advantages imparted to them. It may become necessary to restrict their power of exacting competition rents from the majority of their tenants and it would then be a great assistance to the Government, from a political point of view, to be able at the same time to offer them clear and distinct restrictions on the future enhancements of their revenues. At the present time, the advantage is all on the side of the Government. It need not part with any portion of its revenue claims, unless it can by so doing promote the welfare of the agricultural population generally. It can now hold out to the landlords a strong inducement of self-interest to give a willing assent to the grant of a reasonable amount of security to their tenants; but if this advantage is lost a future Government may find itself required to take up the question of landlord and tenant when it can only approach it in the aspect of the advocate of the interests of one party, and therefore necessarily in that of the opponent of the interests of the other.

More than this, it is necessary to point out that if the present state of things remains unaltered in regard to rent, we should be doing not only no good but actual harm to the tenant-cultivator, by restricting our demands on the landlord. At present, however great the landlord's inducements may be to take advantage of competition, and to break down occupancy rights, in order to gather into his own hands as large a share as possible of the profits of cultivation, these inducements are at least checked by the knowledge that, at the expiry of the settlement, 50 per cent. of the assets thus increased will be demanded by Government. The removal of this check by the Government engaging to limit its own demands, while doing nothing for the tenant, would increase the motives which the landlords have to enhance the rents of their tenants, in that it would assure to them, outside a certain restricted limit, the full enjoyment of any such enhanced rental.

15. From another point of view, too, we are desirous that the question of bringing the revenue system into approximate accordance with our original scheme should not be disposed of by objections which, however reasonable, derive their force from the conditions of the present Rent Law. The principles which we originally put forward were held to apply in a greater or less degree to the whole of India. They have been accepted in the ryotwari Provinces, and it is important that special difficulties in the North-Western Provinces should not lead to any exceptional departure from the broad policy which was deduced from them. It is desirable, therefore, that the question should be thoroughly sifted, whether or not any material abandonment of the leading principles of our original scheme is, in the case of the North-Western Provinces, really necessary, for in view of the fact that the questions arising out of Sir C. Wood's despatch of 1864 have remained unsettled for 20 years, we should deprecate any method of dealing with the matter that does not now lead up to a clear decision of the principles which are to be adopted.

16. For the reasons above given, we desire now to explain to Your Lordship to what extent we should be prepared to revise our original scheme in the event of any modification of the Rent Law which would bring the growth of the rental into closer connection with prices.

We are willing in the first place to abandon the proposal to frame initial revenues in anticipation of the expiry of current settlement. Our objects in making this suggestion were two. We intended to give proprietors an immediate guarantee of their future prospects, and we hoped that by taking the existing rentals instead of the rentals of some future year as a basis of assessment we should get rid of the temptation to falsify the village records. In deference however to Your Lordship's opinion, in which Sir A. Lyall concurs, we would eliminate this part of the scheme. We should be willing also to withdraw our suggestion to limit the term of settlement to 20 years; and would maintain the present period of 30 years; we should not have to repeat the proposal to assess any rate upon newly cultivated land in anticipation of settlement now that the suggestion for the immediate determination of initial revenues has been thrown out, and we should have no objection in the more recently assessed districts to the entire exclusion of new land from assessment in any estate in which the increase could be proved to be below a certain percentage; we should divide districts, not estates, into two classes (1) those in which the revenues are fairly adequate, which would include the majority of districts assessed within the last 20 years, and (2) those earlier assessed districts in which the rentals have considerably outgrown the revenues. The latter would be re-assessed according to the method proposed by Sir Alfred Lyall for 2nd class estates; the former on the principles stated in our first despatch, subject to the modifications now suggested; one of the conditions would be the 15 per cent. maximum, which is also adopted by Sir A. Lyall. In case of objection, the zemindar might, as proposed by Sir A. Lyall, have the option of being assessed on his rental assets in the ordinary way. The rise in prices would, however, be determined primarily by a consideration of the prices in the whole Province, subject perhaps to a further scrutiny in particular districts of the effect on them of improved communications.

17. We turn now to the new proposals from the North-Western Provinces. Sir A. Lyall, in the able minute in which he has explained them, states

that they follow to a considerable extent the scheme put forward by Sir W. Muir in 1874 in the letter referred to in paragraph 3 of Your Lordship's despatch of the 22nd March 1883, No. 24. Sir W. Muir's scheme is suc-

17. It appears, then, to the Lieutenant-Governor quite possible that under certain favourable circumstances, the claims of Government might be met at any future period, not by a revision of settlement as at present conducted, but by the imposition of a rateable increase. The first condition is that the division, district, or tract shall have been at the time of settlement in a fair state of development both as regards extent of cultivated area and modes of agriculture. The second, that the settlement originally made was carefully and uniformly made in reference to the productive character of the soil and the natural capacities of the several estates. In such a tract, suppose that by the advance in prices, competition and general prosperity, it should be found that the letting value of land had advanced, say 12 or 15 per cent. since the last settlement, then His Honor sees no reason why the claims of the State should not be adequately met by an "all-round" rise of, say, 10 per cent. in the land revenue. The amount of the enhancement might also have a direct reference to the original pressure of assessment—being greater where the settlement was admittedly a light one, and less where the settlement was above the ordinary standard. Under this system it would be quite possible to consider separately and individually all cases of alleged hardship; and indeed it might be a part of the system that objectors should have their estates surveyed and settled on their own merits, as at present.—(*North-Western Provinces Government's letter No. 685 A, dated 2nd March 1874.*)

cinctly described in the extract marginally given, and may conveniently be compared in this place with the proposals of Sir A. Lyall. Sir W. Muir would take "the division, district, or tract" as the unit, and to all estates within the area thus determined he would apply a common rate of enhancement, the precise rate being determined on general considerations, which chiefly turn upon the letting value of land. To avoid hardships in individual cases, any landlord objecting to the rateable increase would be given the right to claim to have his estate resurveyed and reassessed

ed on its merits. Sir A. Lyall, on the other hand, proposes to take the estate as the unit, and to group all estates throughout the province into two classes, according as they fulfil or fall below the standard of a "fairly developed" estate. The standard suggested by Sir A. Lyall has exclusive regard to the proportion of the cultivated to the cultivable area of the estate, the percentage being fixed at 75 or 80 per cent. A first class estate would thus be one in which at the last settlement 75 or 80 per cent. of the area capable of cultivation was recorded as actually cultivated. For estates of the first class the present assessments would be taken as a permanent rating basis, and any future addition to these assessments would take the form of a uniform rate fixed for the district or other similar tract. This rate would be determined on considerations similar to those proposed by Sir W. Muir, with the proviso that it should not exceed a fixed maximum, which Sir A. Lyall suggests might be 15 per cent. The proviso is considered by Sir A. Lyall so important an addition to Sir W. Muir's scheme as to require that "the fairly developed estate," and not the tract, be taken as the unit, if excessive loss of revenue is to be avoided. For undeveloped estates no special concession is proposed; they are to be assessed on their actual rentals, but they are to be allowed the privileges of first class estates whenever they come up to the standard. The hope is expressed that this will stimulate owners to bring up their estates to the standard by extending the cultivation of waste lands.

18. As this scheme has not as yet received the criticisms of the local revenue officers, we are unable to do more than mention the objections which at first sight suggest themselves to us. In the first place, we think the proposed criterion of a fairly developed estate deceptive. The proportion of the cultivable area of an estate which is actually under the plough is often no guide to the character of the estate. An estate with only 70 per cent. of its cultivable area under cultivation, but with 40 per cent. irrigated, has more claim to be considered "fairly developed" than an estate with the requisite percentage of cultivation, but with little or no irrigation. The scheme also leaves out of sight what is really a not less important test of development than the area of cultivation, namely, the adequacy of the rental. It is known that the standard of rents varies greatly in different districts, being, as a general rule, highest in the east and lowest in the west of the province. But from the figures furnished by the subsequent letter from the Government of the North-Western Provinces, dated the 21st June 1884, No. 630, it would appear that in the western districts quite as many estates would fall into class I as in the eastern districts. In the Muzaffarnagar district, for example, where the settlement was made shortly after the Mutiny, the standard of rent was admittedly low and the assessment being based

on existing rentals was correspondingly moderate. Since then railways, canals, and increased population have had a powerful effect on rents in that district, and an assessment on rentals would, in all probability, result in a large increase of revenue. Yet in this district 83 per cent. of the estates fulfil the condition of having had 80 per cent. of their culturable land recorded at the last settlement as under cultivation, and would thus be secured from any enhancement in excess of 15 per cent. In the Allahabad district, on the other hand, where the standard of rent is known to be much higher, only 71 estates in every 100 would obtain the benefit of the limitation. An explanation of this apparent anomaly may, perhaps, be found in the defective classification of land into cultivable and uncultivable in many of the earlier settlements, of which that of Muzaffarnagar is one. Much land was classed as uncultivable which in districts settled at a later date would have been placed in the cultivable area. The result is that a larger proportion of estates in the earlier settled districts will, under the proposed criterion, be ranked as first class estates than in districts where the settlement has been more recent and more carefully conducted. The impossibility of basing accurate deductions from the older statistics of cultivable areas seems a fatal objection to Sir A. Lyall's scheme, and even in later assessments, the standard of what is or is not cultivable has varied very much with the idiosyncrasy of each settlement officer.

19. Nor does the scheme afford either the security which we aim at, or the equality the absence of which is so great a stumbling block to the critics of our scheme. As the "general considerations" of Sir A. Lyall's scheme apply to the tract and not to the estate, the owner of a fully developed estate in class I would find his revenue enhanced, because various less developed estates of class II in the same tract had increased their rental. The landowner moreover who had not screwed his tenants, or who had kept a fair margin of land for pasturage, would have to pay enhanced revenue, because his neighbours had rack-rented their tenants or cultivated every acre of waste land. In no case would the landholder have any criterion beforehand of what increase, within the limits of 15 per cent., he might have to pay. All that he would be sure of is that the more he can collect from his tenants, the larger the margin of profit which would be left to himself. Finally, Sir A. Lyall's scheme seems to us open to the objection that it of necessity taxes improvements. In dealing with the more highly developed estates, it will not be practicable either to decide how much of the increased letting value over the tract is due to improvements, nor to exclude this element from the "general considerations," nor, in dealing with the less developed estates which will be assessed on their rentals, will it be possible to avoid sharing in the taxation which the landlord puts on the cultivator's improvements. Under our scheme this latter difficulty remains till such time as the estate is adequately assessed. After that it disappears. Under Sir A. Lyall's scheme it remains till 80 per cent. of the land entered as cultivable is cultivated.

20. Our general conclusion, therefore, is that the scheme put forward by the Local Government is not calculated to attain fully the objects at which we aim. It will be uncertain in its effects, and may lead in a large proportion of cases to the inquisitorial system of settlement which we deprecate. It has the one advantage of basing enhancements on facts ascertained to be applicable to the tract, if not to the estate, and it provides a remedy in case of objection, which, however, would be equally applicable to an enhancement based on prices. We are not in a position to say whether the proposed definition of a "fairly developed" estate could be so improved as to lessen the present objections to it, and at this stage of the question we have not thought it advisable to refer the point for the opinion of the local officers; but, for the reasons already given, we prefer our original scheme modified as proposed in paragraph 16.

21. We may now revert once more to Sir William Muir's scheme, and explain that we find in it only two points of material variance from our own, and that the importance of these is either not great, or may tend to diminish. The first is, that Sir William Muir did not propose to assess new cultivation. We are, however, prepared to forego the assessment of such land except in cases where the new cultivation amounts to a material portion. (say 10 per cent.) of the cultivable area of the estate. The second is, that the letting value of land is used in Sir W. Muir's scheme as the chief gauge in estimating

the enhancement of revenue. If, however, the Rent Law should be so modified as to regulate the growth of the rental by other considerations than those of competition or the prevailing rate, it seems clear that the rise in prices and improvement of communications will become the main factors in modifying the rental and hence also the letting value of the land; that other cases, chief among which are competition and the improvements effected by the cultivator, will have a tendency to disappear; and that the only "letting value" subject to assessment will be (so far as the occupancy area is concerned) the former rental, *plus* an increment which can be fairly measured by a rise in prices, either provincial or local. The "all-round rate" of Sir William Muir's scheme will thus tend to become the "district rate" of our own. The "letting value," instead of being enhanced by advance in prices, competition and general prosperity, will only be raised by advance in prices and improved communications. It is true that Your Lordship has suggested a modification of Sir William Muir's scheme, which would equally affect our own, in proposing that the district rate should be varied in its application when applied to estates of varying prosperity. We fear, however, that any such license would lead to uncertainty and ill-feeling, and, as at present advised, would prefer to see Sir William Muir's original proposals left unaltered in this respect.

22. We have now laid before Your Lordship the considerations which induce us to prefer our original scheme, with certain modifications, to that put forward by Sir A. Lyall. We have not seen our way to proposing any alternative course, and we have only to await Your Lordship's further instructions. It is understood, as we have already explained, that the Local Government is still prosecuting enquiries into the relations between landlords and tenants, and collecting data and statistics which will enable it to form a more matured opinion upon the questions which have been alluded to in the preceding paragraphs. But no action will be taken until Your Lordship's reply to this despatch has been received.

We have the honour to be,

MY LORD,

Your Lordship's most obedient, humble Servants.

RIPON.

D. M. STEWART.

J. GIBBS.

T. E. WILSON.

C. P. ILBERT.

S. C. BAYLEY.

T. C. HOPE.

A. COLVIN.

APPENDIX B.

[Referred to in answer to Question No. 6.]

Statistics of persons interned, etc., up to the 31st January 1917.

Province.	NUMBER OF PERSONS WHOSE MOVEMENTS HAVE BEEN RESTRICTED UNDER THE DEFENCE OF INDIA ACT SHOWING HOW MANY HAVE BEEN			Number of persons who have been dealt with under Regulation III of 1818 or in Madras under Regulation II of 1819 or in Bombay under Regulation XXV of 1827.	Number of persons who have been dealt with under Regulation III of 1818 after their movements had in the first place been restricted under the Defence of India Act.	Number of persons whose movements have been restricted after they had been discharged or acquitted by special Tribunals or by Ordinary Courts of law.	NUMBER OF PERSONS WHO HAVE BEEN RELEASED		Total number of persons who have been interned or restricted under the Ingress into India Ordinance.	Number of persons interned or restricted under the Ingress into India Ordinance who have been released.	Number of persons arrested under rule 12-A of the rules under the Defence of India Act.	REMARKS.
	domiciled in their own homes.	restricted to their own villages.	restricted to villages other than their own.				from restriction of movements under the Defence of India Act.	from confinement under Regulation III of 1818.				
1	2	3	4	5	6	7	8	9	10	11	12	13
Madras . . . . .	...	1	...	9(a)	...	...	...	...	5(b)	8	...	
Bombay . . . . .	...	5	10(n)	...	...	...	11	...	40	6	...	
Bengal	178	...	517	82	68	66	18	4	408	877	686(o)	
United Provinces	1	...	10(d)	...	...	2	...	...	14	9	8(e)	
Punjab . . . . .	...	102	30	...	...	20	35	...	303	219(f)	17(g)	
Burma . . . . .	...	11	74(h)	8	...	2	12	...	385	348	47(s)	
Bihar and Orissa	5	8	4	2	...	...	1	...	2	1	7(j)	
Central Provinces	1	...	4(k)	1	1	7(l)	
Assam	2	5	1	...	3	
North-West Frontier Province	2	4(m)	9	...	1	
Coorg	
Delhi	2	8	2	1	1	...	

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- (a) The reference is to Madras Regulation 2 of 1819. Five are at large under police surveillance and 4 are in jail. Grounds of restriction not connected with war.
- (b) Of these 1 transferred to Calcutta for custody and 1 still interned. In addition 1 was excluded from the Malabar District and 24 temporarily interned pending enquiry. Of these 24, 8 were released, 1 died and 20 transferred to the Provinces to which they belonged.
- (c) Of these 636 persons, 54 were released, 13 sent for trial, pending 5, 564—movements restricted.
- (d) In addition 15 were excluded from the United Provinces.
- (e) Of these 8 have been released.
- (f) In addition 29 of those interned have been convicted in conspiracy and other cases; one has died in jail; and there are 54 persons still interned in jail.
- (g) Of these 6 have been released unconditionally, 1 was restricted to his own village, 7 restricted to villages other than their own and 8 interned.
- (h) In addition 15 were prohibited from entering specified areas.
- (i) Of these 1 released and 8 dealt with by courts and remainder dealt with under rule 3, Defence of India Rules, and Ingress into India Ordinance.
- (j) Of these 5 have been interned and 2 evicted from Bihar and Orissa and subsequently interned in Bengal.
- (k) In addition 1 person was directed to remove himself from the Jubbulpore District and 1 person (Mrs. Besant) was directed not to enter the province.
- (l) One person was released and in the case of a second order is about to issue interning him in a village other than his own.
- (m) In addition one was directed to remove himself from the province and one was not permitted to enter it.
- (n) In addition 7 were deported or prohibited from entering the Presidency; 8 were detained for enquiry and then released and 18 were confined in Civil Camps. Of the last named 18, 12 have been transferred to Kalapshar, one to Rangoon and one has died.



GOVERNMENT OF INDIA.
LEGISLATIVE DEPARTMENT.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER
THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915
(5 & 6 Geo. V, Ch. 61.)

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on
Friday, the 23rd March, 1917.

PRESENT :

His Excellency BARON CHELMSFORD, P.C., G.M.S.I., G.M.I.E., G.C.M.G., Viceroy
and Governor General, *presiding*, and 64 Members, of whom 56 were
Additional Members.

QUESTIONS AND ANSWERS.

The Hon'ble Honorary Captain Ajab Khan, Sardar
Bahadur, asked :—

1. "(a) Are there any facilities or concessions for educating the children of Indian soldiers in general and particularly the children of those who have fallen in the present war?" Education of children of Indian soldiers.

(b) If the answer to the above is in the negative, will Government be pleased to consider the matter?"

The Hon'ble Sir C. Sankaran Nair replied :—

"Special facilities exist for the education of the children of soldiers resident in regimental lines, but these would not apply to the children of those who have fallen in the war. Local Governments are being consulted on the matter."

The Hon'ble Mr. Bhupendra Nath Basu asked :—

2. "(a) Will Government be pleased to make a statement showing the emoluments to which Indian soldiers and officers from the lowest to the highest rank are entitled according to Army Regulations?" Emoluments of Indian soldiers.

(b) Will Government be pleased to make a similar statement in regard to British soldiers and officers of all ranks serving in India?"

[His Excellency the Commander-in-Chief in India; Sir Prabhaskar Pattani; Sir George Barnes; Maung Bah Too.] [23RD MARCH, 1917.]

His Excellency the Commander-in-Chief in India replied:—

“The information asked for is contained in Army Regulations, India, Volume I, to which the Hon'ble Member is referred.”

The Hon'ble Sir Prabhaskar Pattani asked:—

3. “Will the Government be pleased to state—

- (a) if their attention has been drawn to the complaints that have from time to time appeared in newspapers regarding the hardship experienced by British subjects, not to mention the subjects of friendly Native States, on account of the imposition of the land Customs Line at Viramgam and Ranpur?
- (b) if they have received a representation embodying proposals which may form the basis of a satisfactory solution of the question culminating in the abolition of the Customs Line?
- (c) if the Customs Line is justified by the results of its working for the last 13 years that it is now in existence?
- (d) if it is intended to perpetuate the cordon or to raise it, and if to raise it, whether any indication can be given as to the time of its abolition?

The Hon'ble Sir George Barnes replied:—

“The attention of the Government of India has been drawn to the complaints to which the Hon'ble Member refers. They have received proposals from the Government of Bombay regarding the question of the abolition of this Customs Line. These proposals are now under consideration, and I am unable to make any further statement on the subject at present.”

BUDGET, 1917-18.

11-2 A.M.

The Hon'ble Maung Bah Too:—“My Lord, as the representative of Burma permit me to heartily thank Your Excellency and Lady Chelmsford for having honoured Burma with a visit very early during your term of office in spite of the pre-occupations created by the war.

“In the presence of the larger issues we of Burma do not desire to importune Your Excellency and the Imperial Government with a statement of our local requirements, for we recognise that all other interests must be subordinated to the immeasurably more important one of the prosecution of the war to victory. Burma has become, I venture to submit, a Province which in industries and commerce can rank fairly high with several of the other Provinces of the Indian Empire, and in loyalty I say that it is second to none of those Provinces. Burma is doing her ‘*Bit*’ in the war. The Burmans have given material assistance in munition-making. There are also Burmans who are employed as mechanics, telegraphists, fitters, artisans and so forth in the war zone, and Burmans are also fighting for their King and Country. Recruitment to the Burmese Company of Sappers and Miners, the Military Police and the new Company of Pioneers has been very satisfactory.

“We are extremely grateful to the Imperial Government for appointing a Burman to officiate as a Judge on the Bench of the Chief Court of Lower Burma last year, and for having recently re-appointed the same Burman Judge again as a temporary measure, but our greatest ambition now is to see him as a permanent incumbent of that Bench, as from all accounts he has proved to be an admirable Judge.

[23RD MARCH, 1917.]

[Maung Bah Too; Lieutenant-Colonel S. H. Aplin.]

"Burma has, besides having contributed towards several Relief Funds in connection with the war, including gifts in the shape of money and comforts to the Red Cross Society, shown its loyalty and patriotism by presenting Your Excellency on the occasion of your visit to Burma with a sum of rupees 26,00,000, as the first instalment of the voluntary contributions made to the British Government towards its war expenses, in token of our appreciation of, and gratitude for, the protection we owe to His Majesty's fighting forces. I submit that, having regard to Burma's comparatively small population, these contributions have been considerable. The Burma War Fund is being daily increased by further voluntary contributions. In common with other loyal citizens, I hope that enemy influences will be excluded from Burma after the war. They have abused the hospitality which was offered them and have attempted to corrupt loyal men. I am glad to say that they did not succeed in seducing a single Burman from his loyalty.

"I desire to take this opportunity of drawing the attention of Your Excellency and the Imperial Government to certain disabilities under which my Province labours through the absence of a High Court and of means of communication throughout the Province. Our chief wants are—(1) the constitution of a High Court which will be a Supreme Court for the whole Province, both for Upper and Lower; and (2) a more liberal grant for the improvement of the communications, as we apprehend that the Burma Government will be unable to carry them out by means of the resources at present at its command. I earnestly hope that my solicitations are not premature, since I venture to think that there are signs indicating that the war will soon be ended on terms honourable to the British Nation and the Allies.

"There is one matter on which there is strong feeling in Burma, namely, that the Burma University Bill should be introduced in the Burma Legislative Council. We Burmans do not want that a Bill so closely affecting our Province should be discussed and perhaps modified by those who have no knowledge of, or interest in, the Province and its educational system.

"In conclusion, I feel it my duty to say that in our present Lieutenant-Governor, the Hon'ble Sir Harcourt Butler, we have a sympathetic administrator, who has made himself thoroughly acquainted with the needs and resources of the Province, and who I venture to say rightly believes that she has a great future. We had looked forward to much administrative, educational and industrial progress during his administration. But this does not at all stand in the way of our extending a warm welcome to our Lieutenant-Governor-designate, the Hon'ble Sir Reginald Craddock, whose devotion to duty, great ability and mature experience fully justify us in expecting that during his administration also it will be the good fortune of Burma to record satisfactory progress all along the line."

The Hon'ble Lieutenant-Colonel S. H. Aplin:—"I am ^{11-7 A.M.} very reluctant to take up any of the Council's time for I know this is going to be a very long day, but I would ask permission to add just a few words to my Hon'ble colleague's remarks on the needs of Burma. He has rightly included among these, the most pressing of our needs, firstly, the necessity for more rapid progress in the improvement of communications, and, secondly, the early establishment of a University at Rangoon.

"As regards the University, public opinion in the Province is very strongly opposed—and not unnaturally—to any avoidable delay. It is of course fully recognised that all local schemes involving heavy expenditure must be held in abeyance till the war is over; but there is a very keen desire, a very earnest hope, that the introduction of the University Bill will not be delayed, and that the Local Council will be permitted to deal with it. The Bill has already been prepared and, I understand, has received the approval of the Local

[*Lieutenant-Colonel S. H. Aplin*; *Sir Fazulbhoj Currimbhoy*.] [23RD MARCH, 1917.]

Government. It has been prepared, I may mention, by the Burma Educational Syndicate, which is a very influential body, composed mainly of non-officials and is presided over by the Chief Justice. Conditions in Burma differ very materially from those prevailing in India, and it is claimed—and I submit with justice—that a Bill introduced in the Provincial Council, where local conditions and requirements are fully understood, is more likely to prove acceptable to the Province than one introduced here.

“ These, My Lord, are the views held in Burma, and I venture to join my Hon'ble colleague in voicing them here in the hope that they will receive the early and favourable consideration of the Government of India.

“ The improvement of communications is a matter of very great importance, not only to Burma, but also—though of course in a lesser degree—to the rest of India, for it is the first and most essential step in the development of Burma's resources. India is obviously interested in this development, because it must yield a very considerable increase to the Imperial revenues which then perhaps may be in a position to finance the various schemes of progress and reform which have been lately pressed on this Council. Burma already contributes roughly about one-third of the total provincial forest revenue of India, and I have no doubt that this contribution would be very materially increased if her immense forest resources were fully developed. The Hon'ble Sir Claude Hill told us the other day that a project for bunding a stretch of the river Irrawaddy is shortly to be undertaken at a cost of 82 lakhs, and that the return estimated is no less than 20 per cent. This, I think, it will be universally admitted, should prove a most profitable investment.

“ But it is not only in forests and in agriculture that the development of Burma will prove a sound financial proposition. Burma is peculiarly rich in minerals of various kinds, but these of course cannot be exploited without capital. Capital, however, is not likely to be forthcoming till private enterprise is attracted, and that cannot happen until reasonable facilities of communication and transport have been provided. The Government of India, and I gratefully admit it, have already recognised Burma's need of financial assistance in the improvement of communications, and I venture to hope that my Hon'ble colleague's appeal for still more liberal assistance will meet with a generous response when the exigencies of war permit a larger expenditure on provincial requirements.”

11-10 A.M.

The Hon'ble Sir Fazulbhoj Currimbhoy :—“ My Lord, I will not preface my remarks on the Financial Statement with the usual congratulations, because there can be nothing but approval of the bold and statesman-like manner, in which my Hon'ble friend, the Finance Minister, has once again grappled with the financial exigencies of the country, and met the calls upon our Exchequer as the direct consequence of the war. I look upon the Budget for the coming year as essentially a war Budget, and I do not therefore propose to offer any criticism. The burden as now distributed falls mainly upon the shoulders of the 'Upper Ten', and that again of the commercial or industrial classes, as one of the provisos of both the new Super-tax Act and the Income-tax Act make the new impost inapplicable to the rich land-owner classes. Speaking on behalf of Indians of the former class, whom it is my proud privilege to represent upon this Council, I can assure Your Excellency that, hard though they are hit, the burden will be borne by them with that patriotic readiness which has always characterised their actions throughout these critical times. I have no doubt the response to the new Loan will be as generous as it will be spontaneous, and I already feel re-assured of the unprecedented success of this appeal for funds. The contribution of a hundred millions, although insignificant compared with the thousands of millions the war is costing, is to my mind, looking to the limited resources of the country a little too high; but it is welcome, because it brings the country into line with the Dominions, if it ever did really lag behind in shouldering its share of

[23RD MARCH, 1917.] [*Sir Fazulbhoj Currimbhoy.*]

the burdens of the Empire in this struggle for existence against the enemies. I hope it will silence those at least of the thoughtless and carping critics whose sole business, it strikes me, is to offer destructive, and at times obstructive, criticism instead of standing shoulder to shoulder with the Government and the various classes of the British people, and aiding them speedily to achieve that object, with which, we all stand obsessed at present, namely, to win a great and final victory over the Central Powers.

" Coming now to the details of the Statement, I feel, My Lord, I must diverge from my original intention and congratulate my friend, the Hon'ble Sir William Meyer, on his determination not to increase the Salt Tax, and thereby to add to the already heavy burden of the poor man, made heavier day by day, through the inordinate increase in the prices of the very necessities of life. This decision is all the more welcome politically looking to the critical times through which we are passing. I take this opportunity to express the hope which is shared by every public man in the country that the question of prices will be one of the earliest to engage the attention of the Government hereafter.

" The enhancement of the Cotton Import Duties, now supported by the unanimous vote of the House of Commons, is most welcome and is regarded as an indication that Government have realised the inequity of the Cotton Excise Duties and have determined to abolish them totally as soon as the financial situation will permit after the termination of the war. My Lord, there can be but one feeling, that of unmitigated regret, at the discordant note struck by the Lancashire Deputation to the Secretary of State over this question. As Mr. Chamberlain so aptly pointed out the Deputation displayed an 'absolute,' and if I may add deplorable, 'want of knowledge of Indian conditions and Indian feelings,' an ignorance not simply of that, but of the grave warning uttered so recently as last year by so eminent a Statesman as Lord Hardinge. The whole country must feel reassured at the Secretary of State's courageous and outspoken attitude and his firm determination 'to counteract the impression that the Government's fiscal policy is dictated by selfish considerations' and also to not 'deny to the people of India the fair play which they expect.' My Lord, the Secretary of State has effectually answered the arguments of the Deputation which were in themselves untenable. But the worst feature of the position, as it existed up to now, was not that it benefited Lancashire and did not benefit India, but that it permitted other and foreign countries to take advantage of this invidious position and to make India the dumping ground for their wares when her own staple industry was being starved. I fail to comprehend how a body of shrewd British merchants with a robust sense of the right and the wrong, where their own interests are concerned, should have been so carried away as to overlook the grave injustice suffered by this country for well nigh twenty years. It was indeed a happy coincidence which enabled the Secretary of State to place before the Deputation the disinterested testimony of His Highness the Maharaja of Bikanir and the Hon'ble Sir S. P. Sinha, two of the representatives of the Government of India to the Imperial War Council. My Lord, I cannot pass from this subject without paying the grateful tribute that is due to Your Excellency and Your Excellency's Government for the bold and persistent stand made in seeing this long-standing wrong righted. It is earnestly hoped at the same time and even the fond belief is cherished, that the enhancement will not be looked upon as a war measure to be withdrawn on the establishment of peace. We quite recognise that this, and all other, Imperial fiscal questions must be reconsidered when we have the time to assimilate the educative lessons of the war, but the first consideration in this analysis must be the interests of India.

" My Lord, the Budget is not the only land-mark in the history of this country set up within the most epoch-making period in the annals of the world. A new and greater land-mark was erected only the other day by the enactment of the Defence Force Act, and by the throwing open of enlistment facilities in a greater measure to the sons of India. That measure is again a happy augury of the 'changed angle of vision', and I have little or no doubt,

[*Sir Fazulbhoj Currimbhoy; Mr. K. V. Rangaswamy Ayyangar.*] [23RD MARCH, 1917.]

will meet, with that prompt and extensive response which it fully and eminently deserves, although I am led to fear that the response as such may to some degree be handicapped by the absence of the privilege of Indians being granted commissioned ranks and perhaps the meagre salary paid. I feel confident, however, that the patriotism and selflessness of young India will rise superior to these considerations, and that there will be that free offer of service which we all so proudly and with confidence expect. I also consider that, if enlistment for Indians was thrown open from 16 to 18, it would have brought opportunities to a wider extent to the youth of the country to be trained in the profession of arms, and thus laid the foundation for a great Indian citizen army. His Excellency the Commander-in-Chief's assurance that 'all eminently temperate suggestions which have been put forward will be fully and sympathetically considered in the future' conveys the grateful assurance that these and other considerations will meet with generous treatment.

"I regret that my Hon'ble friend, the Finance Minister, should have been compelled to resort to an increase in railway freights. Owing to the high prices ruling at present, it may not be felt so much for the moment, but after all, the return which this increase will bring is slight, and it must hamper the internal trade of the country, and I would rather he had resorted to some other means of raising revenue. I am glad of the assurance that it is to be looked upon as a war measure, and that the freights will again be reduced immediately upon the termination of the war.

"My Lord, I have already referred to the two land-marks in our progress, and I now come to an event which might well, without risk of being hyperbolic, be termed epoch-making, I refer to the departure of India's representatives to attend the Imperial War Council. (The unanimous feeling throughout the length and breadth of the country over this wise step is one of unbounded enthusiasm, rejoicing and pride, that India has at last received recognition as an integral part of the great British Empire of equal, if not greater, importance than the Colonies, and that her claim to be represented in the inner Councils of the Empire has been vindicated.) While on the subject I cannot refrain from once again referring to the deep and everlasting debt of gratitude which India owes to your illustrious predecessor, Lord Hardinge, for having secured for her this great privilege. This Council will discuss not only the most pressing and all-absorbing question of how most successfully to carry the war to speedy victory, but will doubtless, after the question of all questions is discussed and settled, proceed to consider some at least of the post-war problems, and amongst these the question of *trade after the war*. The fiscal relation of the various parts of the British Empire with each other and with the Allies and Neutrals is bound to be raised, and I venture to express the hope that Your Excellency's Government will be alive to the importance of India's interests in any trade or fiscal arrangements that may be decided upon, and will make it a point to see that the Indian point-of-view is effectually and emphatically represented and expressed, and the country's great stake and future safeguarded. I feel confident Your Excellency's statesmanship will not fail to see that full measure of justice done to the country which she deserves and has won by her sacrifice of blood and treasure for the common cause of the Empire.

"My Lord, a period pregnant with the most historical events in the annals of this country has been made more historic by the Ordinance recently issued by Your Excellency's Government prohibiting indentured labour. It is no misty benevolence or vague sympathy that has led to the Ordinance being issued, but a far-sighted and sagacious statesmanship quick to grasp the position and the degrading reality of the situation which has led to it, and My Lord, this measure is bound to evoke unstinted and unqualified approval throughout the country."

The Hon'ble Mr. K. V. Rangaswamy Ayyangar:—"My Lord, the provision of a hundred millions sterling, together with its interest,

[23RD MARCH, 1917.] [*Mr. K. V. Rangaswamy Ayyangar.*]

which amounts nearly to double the gift, towards the war expenditure of the Empire, is undoubtedly the most prominent feature of the Budget of this year. Apart from the consideration, as has been pointed out by our esteemed colleague, the Hon'ble Pandit Madan Mohan Malaviya, of neglecting to take this Council into confidence before the contribution was made, the burdening to a breaking point of a country, whose poor people are already over suffering owing to results of a peculiar economic policy of the Government of India, without leaving a margin for emergencies, should furnish an insoluble problem to the statesman. This danger of the total helplessness of India in the event of a direct attack on her, though it is to be hoped that the recent brilliant victories of the British arms in Mesopotamia and other fronts would make this a remote contingency, must not escape the notice of this Council. It is, of course, difficult to say what the end of the war will bring to us in the shape of new international relations. We cannot lightly brush aside what policy actuated the framers of the Government of India Act for the necessity of the inclusion therein of sections 20 and 22.

"In this connection it has to be pointed out, especially in view of the unmerited complaints brought against India in certain Anglo-Indian organs, that even without this huge contribution India has borne more than her own fair share as compared with other parts of the Empire from the services already rendered by her in her sacrifices of men and money.

"Carefully did I scrutinize the figures of the contribution towards this loan in both men and money by India and by the various Colonies. I have not deemed it proper to disclose the figures at the present time. I am well convinced that no Colonies peopled with richer classes have made a similar sacrifice. Is it fair to strain the resources further ?

"The immediate result of all these is the levy of a differentiated Super-tax. I had already spoken of its unfairness when the Bill was first introduced—especially that aspect of it which cleverly excludes Joint Stock Companies while seriously affecting the richer section of Indians that has ever been ready to contribute to war funds liberally. The enhanced charges on telegraphs and petrol and the increased fares on railways again virtually constitute increased taxation seriously affecting the richer sections. Indeed the surcharge on goods carried by railway and the tariff on yarn and piece-goods affect the people, as one Bengali paper puts it, more than the salt tax itself. Perhaps the tariff may prove good as it may serve to protect indigenous textile industries a little; and I do not agree with some who say that it is something as medical aid being requisitioned to the dead.

"Again, the note of alarm has already been struck by the announcement of the Finance Minister in paragraph 60 of his speech that even land may not be exempt from further taxation. If it is to partake of the nature of a general increased cess, it will affect all sections of land-holders, the majority of whom, it is notorious, are already on the brink of bankruptcy. A little reflection is enough to convince that taxes on Zemindars are of the nature of tributes from ruling chiefs, while it is unfair, if not illegal, to enhance land tax on ryotwari land-holders within the period between one settlement and another. For even as claimed by Government land tax is taken to be a contract to pay at a definite rate for a definite period. Our Hon'ble Finance Member has realised that it was the land-holders who were maintaining the local roads and railways for the convenience of all the other classes, and yet he has declared in this strain. It would be a matter of great heartburning if another burden, as indicated by the Hon'ble Member, is brought to bear upon them.

"It has been repeatedly advanced in this Council that the subject of Primary Education should receive the urgent consideration of the Government next to the question of military expenditure. But, in this land of agriculture as one representing mainly agricultural interests, may I not be permitted to urge on Your Excellency, with all the emphasis I could command, the necessity

[*Mr. K. V. Rangaswamy Ayyangar.*] [23RD MARCH, 1917.]

of recognising the improvement of irrigation as the foremost duty of Government. This seems to me and to many others as a panacea for most evils. It will enable people to help themselves in many important matters where they are helpless now—such as, education, improvement of sanitation, etc. It will minimise the recurrence of famines which so often direct the finger of scorn against British administration. At present in India, education as given by the Government is resorted to only as a means of getting a livelihood, and irrigation would better achieve this object. By comparing education with irrigation, it is not at all my aim to under-estimate the value of education. I attach as much importance to education as any ardent advocate of it, and I say that irrigation should be recognised as equal in importance to education. There are many important schemes of irrigation where delay would simply be dangerous. The decision of the Supreme Government in the matter of Kannambady Project is sure to bring on the greatest hardships on the people of Tanjore and Trichinopoly Districts, unless the Methur project is taken on hand for execution immediately, and I fear that many other Native States would take a leaf from the Government of His Highness the Maharaja of Mysore and steal a march over the Government of India, taking advantage of its dilatoriness. It is a matter for serious regret that in the current year again there is a further retrenchment under the head which must necessarily impair the proper working of even the existing systems of irrigation. The agricultural classes have the largest claim on the consideration of the Government, and I cannot too strongly urge on it the necessity of adopting a liberal policy towards them especially in the matter of irrigation.

“I have already brought to the notice of this Council the greatest injustice that is continued to be done to many Hindu and Mohammedan religious institutions by the action of the Government in not giving to them the full benefit of the incomes derived from their lands that are managed by the Government, and in not returning to them the unpaid and accumulated surpluses of previous years. It is a strange plea for the Government to advance that it is unable to get at the exact accounts; for most accurate accounts are always kept as regards the claims of Government itself against any of its subjects, especially if they happen to be agriculturists. Many of these temples are in a ruinous state of repair, and it will bring contentment and comfort to thousands of people if their property is restored to them completely. They no longer require any further nursing from Government, if they required it so long at all under these costly conditions. These Trust Funds should receive the most sympathetic consideration of Government, and I must beg Your Excellency to issue strict instructions to Local Governments for more liberal and straightforward dealings with these religious institutions.

“The action of Government in having put a stop to the emigration of indentured labour during the war has secured for it the thanks of the Indian community, and it is to be hoped that steps may be taken to stop it permanently even after the war.

“A few days ago the Indian public was much amused to read that the Secretary of State had taken shelter, while replying to the protest of Lancashire against Indian cotton tariff, under the plea that ‘it was not within practical politics to raise excise as not a single Member of the Legislative Council of India would vote for it.’ It is indeed a rare compliment especially to the non-official section and they may be excused if they do not know how to receive or in what terms to acknowledge it. But it is sad to reflect that few of the many Resolutions of non-official Members have been able to make head against the official majority—as though there is such persistent and concentrated unreasonableness in all their demands. I can understand the ignorant villagemen preferring requests to us as soon as we get into the Council for rectifying one or the other of their grievances and abolishing some of their heavy taxes. But it is surprising to see that the Secretary of State credits us with powers that we constituents know we cannot exercise.

[23RD MARCH, 1917.] [Mr. K. V. Rangaswamy Ayyangar; Mr. M. B. Dadabhoy.]

"It only remains for me to join in the general chorus of congratulations on the Hon'ble the Finance Minister on his having so ably framed the Budget of this most trying year and on the Hon'ble the Educational Member for providing 30 lakhs more this year than the last for education."

The Hon'ble Mr. M. B. Dadabhoy:—"My Lord, if the Hon'ble Sir William Meyer has the misfortune to have the management of our finances in times of exceptional difficulty and stress, he has the singular good luck to have the whole country at his back in his financial arrangements. The cordial reception accorded by the public to the Budget, marked though it is by extra heavy expenditure and additional taxation, should be welcome to any Finance Minister. It should likewise be welcome to Government, both here and in England, affording as it does the clearest proof of the good sense, the patriotism, and the enthusiasm of the whole Indian community in the great allied cause. Abnormal expenditure and heavy taxation are always distasteful to the people, and if they cheerfully accept the position, it is not because they do not feel the strain, but because, in their firm determination to strengthen the hands of His Majesty's Government in this crisis, they have not the slightest disposition to spare themselves. 11-21 A.M.

"My Lord, by far the most remarkable feature of this Budget is the bold decision of Government that India shall raise the largest possible internal war loan, and supplement it by taking over so much of the British loan as may be necessary to bring the contribution to £100 million. This decision of Your Excellency's Government has been enthusiastically welcomed throughout the Empire as a further proof of India's loyalty and determination to cheerfully share in the sacrifices of this great war. Your Excellency rightly interpreted and voiced the feelings and sentiments of the people, when in January last Your Excellency communicated to the Secretary of State that 'the time has come for India to place her credit and her taxable capacity at the disposal of His Majesty's Government', and that such an offer 'will evoke a general response from the Princes and peoples of India'. The War Loan is undoubtedly an event which will truly form a distinct landmark in our financial history. The Ruling Princes and peoples of India are fully alive to the sacred responsibility which has devolved on them as a component part of the great British Empire, and are only too eager to take their share in the sacrifice of blood and money, and are prepared to participate in all financial burdens howsoever heavy. We remember with gratitude the substantial pecuniary aid rendered by the people of England on several occasions when dire famines afflicted our country. My Lord, (the amount of the proposed contribution has not evoked in the country any adverse criticism, and it is only just to acknowledge that there is a loyal desire every where to abide by the Government decision. The reasons underlying the popular support are clear. A thorough identity of Indian interests with those of the British Empire as a whole, and a general keen desire to share the financial responsibilities of the war without strict regard to the financial capacity of the country, are the most important among them.) Mr. Chamberlain was quite justified in affirming that the grant from India has been made 'by the unanimous good-will of the Indian people.' The people of England have made the greatest sacrifice both in men and money, and we Indians, whose fates are indissolubly linked with the British people, will not lag behind, either in sympathy and enthusiasm, or in making any sacrifice which is consistent with our economic condition. We cannot lose sight of the fact that during the last two-and-a-half years India has wholly escaped hardships and other serious consequences attendant on a war of such magnitude, and on the whole has been free from all perils by sea owing to the splendid service the British Navy has rendered in guarding all the sea routes to our great Empire. We fully realise that no sacrifices on our part are too great for the victory of the British arms. It is under British rule that India has enjoyed unbroken peace, material prosperity, and religious toleration, and has made rapid strides in general

education, culture and civilization. Our duty requires us to do all we can to bring the war to a victorious termination. It now only remains for every person in this country from the highest to the lowest to respond to the call ungrudgingly and with unabated enthusiasm, and to subscribe every rupee that can be spared to make the War Loan a colossal success, and a worthy contribution of a great dependency whose claims to a voice in the Councils of the Empire have recently been upheld. At last an opportunity for India has arrived. Let India rise to the occasion and show to the world that she is not less alive to her sense of national duty and responsibility than other dependencies of His Majesty's great Empire.

" My Lord, I may be permitted to respectfully point out that the scheme devised for the payment of £100 million sterling to His Majesty's Government, though admirable as it is, is capable of improvement. In my humble opinion there is another practical method of meeting a substantial portion of that liability than the proposal to take over the £90 million sterling of the Home Government's War Debt. The Government proposal entails an annual charge of at least £4,250,000 in interest and sinking fund, an amount considerably over the total annual payment of interest on the whole of the Rupee Debt of India, and about two-thirds of the total annual interest on the whole of our Sterling Debt. Add to this the annual charge of the £10 million loan, and the total annual charge will be heavy. And not only that: Whereas practically the whole of our existing Public Debt, both Rupee and Sterling, has been raised for *reproductive* purposes, and the interest is charged to the revenues from our railways and irrigation works, the whole of the new loan of £100 million sterling will be for *unproductive* purposes and the annual payments therefor will be a charge upon the general revenues. The additional charge must to that extent affect the resources of this Government for many years to come, and this at a time when the insistent demands for the development of education, sanitation, irrigation, railway, commerce and industry have to be put off for want of funds. Taxation has its limits in all countries; and the limits must of necessity be narrow to a degree in an industrially backward country like India. Ordinary prudence would counsel the maintenance of a substantial margin of taxable assets, especially in India. But with the new scale of taxation in operation this margin has become extremely narrow. It would be wrong to calculate upon a reversion to our pre-war expenditure even after peace has been restored. The Hon'ble Sir William Meyer told us last year that ' the termination of the war, when it comes, will leave us with heavy financial demands upon us.' And, further, ' the experiences and lessons of the war must also add in some directions to our permanent military charges.' How shall we meet the heavy financial demands on the restoration of peace once we use up the sources of revenue in providing for extraordinary burdens? We must look ahead. From the analysis of the position in the Hon'ble the Finance Member's speech three other possible directions of taxation occurred to Government, one of which—an excess profits tax—must disappear at the end of the war. It is quite within the range of possibilities, especially in the likely contingency of the war being prolonged, that the remaining two sources will also be used up before long.

" My Lord, on a careful review of the facts it becomes necessary for us to devise, if practicable, an alternative scheme of financial aid to Britain without in any way reducing the amount of £100 million, and I submit that it would be far better to reduce materially the amount of the British war debt proposed to be charged to Indian revenues by making over to the Imperial Government a substantial portion of the Paper Currency and Gold Standard Reserves now held in England. The Hon'ble the Finance Member has told us that the total holding in British war securities in the Paper Currency and Gold Standard Reserves will amount at the end of this year to £46½ million sterling, of which £35 million is wholly new investment. It is difficult to see why the major portion of this money, say £30 million, cannot be made over to His Majesty's Government. The gold portion of the Paper Currency Reserve held in England is, according to a strong body of expert opinion, unnecessary for the specific purpose of securing the convertibility of our notes, and the

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amount of the Gold Standard Reserve might be reduced, if only for a few years, without serious risk to the sterling exchange. I am aware that the Chamberlain Committee recommended an unlimited accumulation of the Gold Standard Reserve, but the recommendation was dictated by an excess of caution which, in the extraordinary conditions introduced by the war, must lose much of its utility. Besides, in the considered note on the Gold Standard Reserve by Mr. Abrabams of the India Office, it has been pointed out with great force that the incidents of the exchange crisis of the period between 1st September 1907 and 31st December 1908, the severest yet experienced or apprehended, show that a sum of less than £18 million is sufficient to meet all contingencies. As a matter of fact, the Reserve stood at something less than £12 million in that critical period. And yet there was no difficulty. It is true under the existing orders the Reserve is to be maintained at £25,000,000, but the Secretary of State might be persuaded to reconsider the position, especially in view of the fact that reduction in amount is suggested only as a temporary measure, with the sole object of avoiding, to some extent at least, additional annual sterling liability, an increase in which must proportionately aggravate the exchange difficulty.

"The investment of the gold of the two Reserves in permanent securities, some of which at least have become unsaleable, shows that it is not immediately wanted for supporting either the note circulation or the sterling exchange. In my humble opinion, the application of a good portion of this gold to the partial liquidation of the Indian War contribution is the best use to which it could be put. The interest now earned with it is much less than what we have got to pay for the British war debt taken over by us, and there is great risk of a further depreciation in the value of the securities. Again, we could have easily borrowed £100 million sterling at a low rate of interest on the security of our productive assets. American bankers would promptly underwrite the entire amount for the mere asking, and we would also reap the benefit of a favourable exchange. I am fully aware that an internal loan is preferable for many reasons to a foreign one, but in the present exceptional circumstances such a course was permissible, especially as we would have been in a position to render more substantial aid to Great Britain in prosecuting the war by making an immediate cash payment of £100 million instead of a transference of its long-term commitments. But we must accept the better judgment of Government. Let us all hope that India will be able to raise as large a sum as possible and retain the advantage for itself of an attractive and remunerative rate of interest.

"The increased duty upon imported cotton goods, perhaps more than any other tax, has the most unstinted and whole-hearted support of the whole country. It is regrettable that even in the present crisis Lancashire has started an agitation with a view to secure a repeal of the impost, the moral effect of which in India can only be described as deplorable. My Lord, any concession to the British manufacturer in this respect will produce the keenest disappointment among the people here. The point need not be dilated upon. We have every hope this Government will stand firm in their determination to resist any modification of the scheme. The country is exceedingly grateful to the Secretary of State for India for the bold stand he made in defending Indian interests when dealing with the Lancashire Cotton Trade Deputation. My Lord, I beg of you to convey the grateful acknowledgments of the non-official Members of this Council to His Lordship for the firmness and justice with which he has tackled a really difficult situation. Nobody here can find fault with the undertaking given by His Lordship and the Premier, that the question should be reconsidered after the war in connection with the fiscal relationships of the Empire. If the fiscal policy of India is reconsidered after the war, in conjunction with the fiscal policy of the Empire as a whole, I feel perfectly confident that in any system then devised of Imperial obligations and responsibilities, India's claims for a just treatment shall not be lightly overlooked.

[Mr. M. B. Dadaboy.] [23RD MARCH, 1917.]

"My Lord, the remarks of the Hon'ble the Finance Member on the wide possibilities of our paper currency system are, it is true, fully borne out by the facts, but, I beg leave to point out, any attempt at the introduction of a one rupee note in these 'times of incipient uneasiness', as the Hon'ble Sir William Meyer calls them, will not only prove a failure, but may create an undesirable impression among the illiterate masses of India as regards the soundness of the whole paper currency system.

"My Lord, the announcement that the Secretary of State has sanctioned 'a systematic and liberal scheme of delegation' in the matter of financial powers, will be received throughout the provinces with genuine satisfaction. The aim should be to secure for Local Governments reasonably large powers of expenditure and as large an autonomy in financial matters generally as is consistent with the responsibilities of the Government of India as the supreme administrative head. Decentralisation in finance has been felt to be a necessity for years past, and any sound scheme which works towards that end must be welcome.

"The Hon'ble Sir William Meyer has told us that an agreement has been concluded with the Government of the Netherlands Indies for the supply by this Government of Indian opium at an agreed fixed price; but what this rate is, the public do not know. We do not know, too, the contract rate per chest at which opium is supplied to Hongkong and the Straits Settlements. Complete information on the point is necessary for the satisfaction of the public, especially because the Government estimate of the strength of the market is marked by some nervousness. Last year the upset price per chest of opium offered for sale by public auction was at first fixed at R1,800, an inordinately low figure according to expert opinion and as proved by subsequent experience. It was raised to R2,000 a few months later, but the competition price swung about R1,000. This time the upset price has been raised to R3,200, but perhaps the public sales will prove that it, too, errs on the side of moderation. In view of these facts a new arrangement to sell opium to consuming Governments at a low price will lack justification. My Lord, in this matter of opium the people have cause enough to be nervous. The past history shows that, without any regard for the wishes of the people here or the financial needs of this Government, India was deprived of a steady annual revenue of £5 million and more, a revenue that would by itself have almost wholly covered the annual sterling liability entailed by our war contribution. If we cannot undo the past, let us be careful about the future.

"The public would likewise wish to have fuller information about the form, composition and distribution of the Paper Currency Reserve. A statement on the subject similar to that regarding the Gold Standard Reserve should be included in the *Finance and Revenue Accounts of the Government of India*, and this statement should be brought up to date in the Explanatory Memorandum accompanying the annual Financial Statement, care being taken to show the notes held by Government in the Reserve Treasuries.

"My Lord, the Hon'ble the Finance Member has discussed fully the possibilities of additional taxation in view of the extra financial needs of Government. One would have felt more grateful to him if he had scrutinised with his characteristic vigour the possibilities of retrenchment in Civil Expenditure. It is time this matter should be thoroughly investigated. That there is scope for retrenchment, is widely believed. The larger employment in the higher ranks of indigenous agency wherever practicable will surely result in greater economy. An authoritative statement by the Hon'ble the Finance Member based upon careful investigation, would help the people materially to judge correctly of the steady growth in expenditure under the two heads 'Salaries and Expenses of Civil Departments' and 'Miscellaneous Civil Charges,' as also of the possibilities of the future.

"The special recurring grant of £200,000 for the improvement of the training and pay of teachers in primary and secondary schools is beyond question the most agreeable feature of the Budget under review. We note with grati-

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tude Your Excellency's personal influence in it, and only hope it will be an expansive grant in succeeding years.

"One word more: My Lord, we are all now anxious about the position of India in the reorganised British Empire. The pronouncements of high authorities in England, Lord Milner's recent address at the British Empire Producers' Association among them, are the least calculated to allay our anxiety. Whatever may be the fate of the already famous memorandum of the 19 members, this much is plain, that any confederation of the different units of the British Empire which does not secure to India, not only a position of dignity and trust, but power proportionate to her population and importance, will be viewed with the keenest disappointment. We certainly cannot reconcile ourselves to the position of administrative and fiscal subordination to the Dominions. The people look to Your Excellency for securing to them that justice and generous treatment to which they have earned an indefeasible title by their conduct during this crisis."

The Hon'ble Mr. Bray:—"My Lord, I want to make one or two 11-30 A.M. remarks on the Budget, but I feel that I stand between the proverbial devil and the deep sea, for in the Hon'ble Member's Financial Statement the other day there were certain words which seemed to me very pertinent, and words which should be borne in mind by all would-be critics—they were these 'in regard to this and other alleged shortcomings our critics have not been in a position to take into account the various factors of a complicated situation.' That is my devil.

"Last year the Hon'ble Member said: 'I do not mean that there have not been criticisms on this point or on that, it would show an almost unhealthy state of unanimity if there were none such'. That is my deep sea.

"Now the last thing I want to do is to make unjustifiable criticisms or in fact to criticise at all in times like these, when the least one can do is to refrain from anything that may make even more difficult than they are the tasks of those in high places, but, on the other hand, I should not like to be accused of unhealthy unanimity, and I hope in the brief remarks I propose to make that I may be able to steer a course between the two and not strike anything that may be considered a discordant note.

"Criticism of actual war measures appears to me out of place, but in so far as those measures affect the future after the war, I think that criticism, if not perhaps necessary, is at least intelligible and not unreasonable, and there are two points in the Budget that I propose to refer to in their bearing on the future.

"The first is the position of the railways. In her railways, India possesses a very fine paying asset, and it behoves her to maintain that asset at the very highest pitch of efficiency and to develop it continually. Now, as things are, what is the position of that asset? My Lord, it is a wasting asset. One of nature's unalterable laws is that you cannot go on taking out without putting something back, whether it be land or anything else that produces.

"What has been taken last year from the railways? Practically the whole of their magnificent profits. Where have they gone? It is hard to say. One might pick out several heads of expenditure and say here or there, but if I may use a vulgar expression, the Hon'ble Member has practically 'blued the lot.'

"What has been put back? Almost nothing, and why? Because it has been impossible to purchase material for renewals and repairs. Quite so. But is that an unassailable reason why money that could not be spent should not have been set aside to purchase later on?

"I believe I am correct in saying that Railway finance does not favour as a rule reserves on account of depreciation, etc., the theory being that a railway does not depreciate, but is maintained in a constant state of efficiency out of revenue, but when material is lacking to maintain that state of efficiency, and money is available, is it not the proper thing then to make a reserve?"

" Perhaps the Hon'ble Member will say, ' but see what I have allotted for 1917-18.' I would say the allotment, whether it is sufficient or not, is for next year, what about the arrears of last year and perhaps the year before that ? I would prefer cash. Allotments are slippery things, they have a way of being cut down ; they have to become grants and grants again get cut down and lapse through inability to spend. Or perhaps the Hon'ble Member will say that he has really only borrowed the money that should have gone in maintenance and that it will be forthcoming when it can be spent. My Lord, is not that the old, old story ? The perfectly honest man uses money that belongs to some one else in the full belief that he will be able to return it when required. When the time comes, and he cannot do so, what does the law call it ?

" I have no doubt that the Hon'ble Member fully intends to give the railways all they require when they can spend it, but I must confess to very grave doubts as to whether in the midst of claims for education, claims for industrial development and what not, he will be able to fulfil his intentions. I am ready to believe that the Hon'ble Member had no choice but to take this money ; that, had I been in his place, I should have done the same : in times like these we cannot be choosers and the theft by a mother to feed her starving child comes as near being justifiable as any theft can be.

" What has been done cannot be undone, but I would ask the Hon'ble Member if he cannot find some means of making sure that he will be able to put that money back before the day comes when it will be required of him. He has taken steps to provide a reserve against depreciation in the investments on behalf of the Paper Currency Reserve ; would not similar steps be more than justified in the case of railways ? I would sooner have seen some of the railway earnings invested in war loans and definitely earmarked as belonging to the railways, even if it meant further taxation, than face the possibility, to me I fear the probability, of the railways being starved in the years to come. Financially for years past they have not had fair treatment nor opportunities for full development, and they never will have, I fear, until their finances are definitely separated out from those of the Government of India. As long as there is one common purse which swallows their receipts and grudgingly, owing to the many calls made upon it, makes their disbursements, I fear their claims will not receive the consideration they deserve and development will proceed much more slowly than it ought.

" And now, My Lord, let me turn to the super-tax. A few days ago I stood here and assured Your Lordship that our services were at your disposal. I can now only add that those services included money. I do not think that anyone in criticising the new Act has meant that he had any objection to *paying*. If he had, then certainly he will not get much sympathy here or anywhere else, but objection has been taken to the method adopted of raising the required revenue, on the ground that it is not necessarily only a war measure, but may continue after that and have a very bad effect on the financial policy of companies, in that it offers to those in control a direct inducement to avoid the tax by distributing profits up to the hilt and not putting a fair proportion of profits to reserve. That this is not an idle objection the Hon'ble Member has admitted by since making a concession of 10 per cent. in addition to the usual depreciation allowance.

" It is objected that this is not enough. Well that may be so or not, but if the fears expressed prove well founded, I have no doubt that the proposed general revision of the Income-tax Act will afford the Hon'ble Member an opportunity for putting things right. That he will be ready and anxious to find a remedy, if one is required, I feel assured by his attitude on the questions that came up in Select Committee which was as sympathetic as anyone could wish. The Hon'ble Member had to raise the money : in view of what has been done at home, an obvious source to tap was the large profits known to have been made by certain companies, firms and persons last year in India. The Hon'ble Member devised a method of doing this which I do not suppose he considers an ideal method, but which he gave us as the best he had been able to devise, and as I have not heard anyone suggest a better or been able myself

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to think of one that would not have been open to equal or greater objection, that best is good enough for me.

"No method of taxing operates with absolute fairness or even satisfies everyone; to have devised a method of getting in so much more revenue without causing more grumbling is an achievement that is a testimony both to the skill of the Hon'ble Member and the readiness to pay of those concerned.

"Taking the Budget as a whole, I think that any who feel disposed to grumble expected really to have a good deal more to grumble at, and that the general verdict is that the new burdens have been, as the Hon'ble Member claims, imposed on the shoulders of those best able to bear them, or at any rate on some of those best able to bear them.

"I cannot sit down without a word about the war loan. It is said that it should be necessary to offer special inducements to the subjects of the Empire to lend their money to the Empire in time of need, but it is no good moralising on that point. The special inducements have been offered, and it seems to me that any money which is available for investment in the war loan and is deliberately withheld becomes, so to speak, blood-money, and should and probably will bring bad luck if not worse to him who so withholds it."

The Hon'ble Maharaja Manindra Chandra Nandi of Kasim Bazar:—"My Lord, on behalf of myself and the constituency which I have the privilege to represent in this Council, I offer Your Lordship our sincere congratulation on the Budget which Sir William Meyer has prepared with such foresight and wisdom and which was presented to us only a couple of days ago. This first Budget of your Viceroyalty promises to be one of the most epoch-making events in the history of Indian finance for its courage as well as for its virtues of omission and commission. In spite of the imposition of several taxes, it has many features which commend themselves highly to the consideration of the people. Not many years ago, Sir Guy Fleetwood Wilson pronounced one of his annual Financial Statements to be a Swadeshi Budget, because circumstances had permitted him to make very large grants for education and sanitation. The present Budget of Sir William Meyer can, in a similar spirit, be called 'the people's Budget,' not so much for its positive benefactions as for its negative virtues. It avoids any imposition of taxes upon the agricultural masses of our people: it does not increase the income-tax; it does not tax the necessities of Indian life.

11-50 A.M.

"It is a matter of considerable satisfaction that Sir William Meyer has refused to increase the duty on salt which would have certainly meant greater hardship to our agricultural population and their still poorer cattle. I hope for the best interests of India, as well as for the good name of our Government, that, however dark the fiscal situation may be in the future, the duty on salt shall never again be increased, and that an early opportunity should be availed of to reduce it as soon and as much as possible.

"I also congratulate the Finance Member for his having avoided a further increase of the land-tax in India. Sir William, however, has declared that 'while we refrain on the present occasion from imposing additional Government taxation on agricultural incomes, we can give no pledge that we shall refrain from doing so hereafter, should future necessities oblige us to take this course'. I again hope in the best interests of my country and for the good name of our Government that such a necessity should never arise, and, if it should ever arise at all, the Government should not go back upon the promises and pledges contained in the Permanent Settlement of Bengal and the enactments connected therewith, though the Council may be aware that with the Public Works Cess and the Road Cess there has been a violation, in the words of Sir Frederick Currie, of 'the positive statutory engagement' made by the Government with the zamindars of Bengal.

"As regards the new taxes imposed this year, I have got a few words to address to Your Lordship. I find that the burdens have been put on the right shoulders and equitably distributed. I have no exception to take to the export

[*Maharaja Manindra Chandro Nandi of Kasimbazar.*] [23RD MARCH, 1917]

duty on jute, though I think that a surcharge on railway goods will ultimately recoil upon the Indian consumer and hamper a bit our nascent and infant industries. As for the super-tax on all but agricultural incomes, I hope Indian finance will admit of its being revised at no distant future. The easy passage of these fiscal measures in the present Council is due very largely to a general feeling of public spirit which desires to help the Empire at this time of need.

"The whole of India rejoices to-day that the Government have seen their way to increase the import duties on cotton from 3½ per cent to 7½ per cent, without, at the same time, increasing the countervailing excise duties on Indian cottons. Everyone in this Council is aware of the fact how Lancashire has resented this treatment, and how the Government of India has had to face the music both in and out of Parliament. It does one's heart good to see the stand made by Mr. Austen Chamberlain on behalf of India in regard to this matter. Lord Hardinge, speaking on this point in his last Budget speech in this Chamber last year, asked the people of India 'to await the future with patience and confidence'. Mr. Chamberlain in his reply to the Lancashire Deputation has not tried to mince matters or to hold out hopes for the alteration of the arrangements now arrived at in connection with these duties. The countervailing excise duties, first imposed in 1894 and reduced to their present scale in 1896, have been looked upon with a deep and rankling sense of injustice and injury by our people as, in the words of Mr. Austen Chamberlain, this excise has not only been a 'hateful tax,' but 'it seems to me there has been protection hitherto, but there has not been equality hitherto, and that the protection has been on the side of Lancashire'. Sir William Meyer deserves our warmest thanks for having removed this open sore and increased the import duties on cotton to what they were from the year 1864 down to 1875. Every well-wisher of India hopes that no false ideal of imperial responsibility and obligation should ever oblige the Government to reverse the decision which it has already taken in the matter.

"Having said all that I intended to say on the new taxes, I will come to the war loan. Though the amount of one hundred million pounds sterling is practically equivalent to the permanent rupee debt in India, and seems to be large enough for the resources of the Empire, it is practically nothing compared to the need of the Allies. It is not a fact that India has not tried to do her best to help the Empire with men and money, and it is a pity that many of our critics and candid friends should not have considered our contributions enough. I will not mention at this place the number of troops that India has sent out to the various theatres of war, but I only beg to remind the Council that India, since the outbreak of the present war, has contributed indirectly rather large sums of money to meet the financial responsibilities of the Empire. Sir William Meyer, in the Budget under discussion, has given us the figures by which we can see how the Indian army expenditure has mounted up during the last three years. In the year now budgetted for, we find our military expenditure, apart from our marine contribution, running to over 25 million pounds sterling. Indirectly, a large portion of it must be taken as a part of our contribution towards the war. And if, on the top of this, we have come forward to pay to the Home Government 100 million pounds sterling directly for the war, we think India will not have done badly on her part, I only hope that the bulk of this loan will be raised in this country, for in that case the interest on this money will come back to our pockets instead of going out of India. This is a matter which should be pressed very much upon the attention of all educated and patriotic men in this country.

"The Government seems to be at its wit's end in the matter of raising more revenue in this country, particularly at a time when money is so badly wanted on all sides. It appears to me a great pity that the Government has not so far cared to encourage the development of Indian industries, for it is an economic truism that an agricultural population can never contribute so handsomely to the State as a manufacturing and industrial population can. If India had been more advanced to-day than it actually is on manufacturing and industrial lines, it certainly could have

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come to the rescue of the Empire far more readily. I think it ought to be the first duty of the Government to encourage the development of industries in every direction, not only for the purpose of making India more rich and prosperous, but also to prevent the exploitation of our markets by different countries of the world. The Government should even be prepared to face English competition boldly, for Indian industries have got to be developed, competition with England notwithstanding. In this connection, I cannot do better than quote the following eloquent words of our Secretary of State: 'There will be more industries in India which will compete with our own. There must be. It is a political necessity for India. It is an industrial necessity for India. It is a social necessity for India.'

"In connection with the question of raising more revenue in India, I do not see why the Government of India should not again try to have as much revenue from opium as it can.

"I now turn to the expenditure side of the Indian Budget. It seems to me to be a matter for some regret that sufficient money is not spent under the head of irrigation in my province of Bengal. It may be, and it still is, true to some extent that Bengal is covered with a network of waterways, and that cultivation there depends more on the annual rainfall than on irrigation canals. I will take this opportunity to inform the Council that, for some reasons or other, the Bengal rivers are drying up, and that they are proving a source of double danger to the people of my province. The silting up of many of these rivers is causing malaria to spread far and wide and making navigation throughout the year impossible—thus hampering not to a small extent the development of commerce and the facilities of communications. If the Bengal rivers are well looked after, dredged and trained they should not only provide the people with the greatest facilities for cultivation, and the cheapest transport conceivable, but would also supply them with good and wholesome drinking water which they want so badly and at the same time prove an insurance against malaria.

"I quite feel that this is not the time for any of us to ask the Government for more grants for education and sanitation, though I am glad to find both Sir William Meyer and Sir Sankaran Nair willing to grant adequate sums of money for these primary demands of the people as soon as the war is over. In spite of the difficulties of the situation, it is gratifying to see Sir William Meyer giving a recurring grant of 30 lakhs of rupees a year to Sir Sankaran Nair to increase the efficiency of the teachers of primary schools. This is all the more welcome in view of the fact that not an inconsiderable portion of the money granted for primary education has hitherto been spent only on bricks and mortar and inspecting staff. I have no doubt that this recurring grant for the improvement of teachers of primary schools will prove a very healthy and notable departure.

"Speaking of education, I would beg of the Government to give their most serious consideration to three important matters. In the first place, Bengal badly needs an agricultural college; for Bengal, we are told in the last official report on the 'Progress of Agriculture in India,' has 'suffered severely in respect of systematic agricultural development.' If such a college has got to be established, Dacca would not be a bad place for it, as there is a big agricultural demonstration farm there already. At present, the college at Sabour, in Bhagalpore, is shared between the Bengal and Bihar Governments, and, being so far away from the centre of the Bengali-speaking people, it fails to draw many Bengali students. The second thing wanted is a grant for vernacular medical education in the different provinces of India, on which a Resolution was accepted by this Council not many months ago. The third thing that I would urge upon Your Lordship's consideration is, that a portion of the grant on education should be ear-marked for the purpose of building hostels and boarding houses for students of the backward or untouchable classes, who, in many parts of the country, do not find accommodation in existing hostels on account of caste and religious prejudices.

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"I am glad that Sir William Meyer has introduced a new sub-head in his present Budget in consequence of a promise made by him last year in this Council. This year sanitation is not included in the Budget under head No. '24—Medical,' but figures as a separate sub-head. This seems to be a due recognition of the claims of sanitation, and I hope this will soon prove to be one of the most expanding items of our public expenditure.

"I will now address Your Lordship very briefly on some questions of policy and principle apart from the Budget. I would invite the Government in the first place to give the new Munitions Board full powers to grant subsidies to Indian firms for the manufacture of all things necessary for the war. I would also ask the Government to do its best to revive the manufacture of salt in Bengal, Bihar and Orissa.

"I desire to thank the Government of India for the recent orders prohibiting Indian emigration.

"Your Lordship also deserves special thanks at our hands for the representation which you have succeeded in securing for India in the Imperial Conference that is to meet in London in a few days' time. As Your Lordship very pointedly observed in your opening speech at this Session of the Council, it is the first step that counts. We have no doubt that this will open out a new Chapter in our relation with England and the self-governing Colonies and Dominions, and will form the basis of a true partnership which will ultimately be a source of great strength to India, as well as to the other parts of the Empire.

"There is another matter to which I feel called upon to draw your attention. The Indian army have been much to the fore in the present war, and—irrespective of any considerations, pecuniary or otherwise—have shed their blood freely on the battle-fields of Europe, Africa and Asia. These men deserve to be treated by the Government with greater consideration than has hitherto been accorded to them. The question of the improvement of the status, position and prospects of the Indian officers and men of the Indian army is one that should have the immediate attention of Your Lordship's Government, and I hope, in this case at least, it will not be one of deferred hope making the heart sick.

"My Lord, at the conclusion of the last Session of the Council at Simla, I had the privilege and honour of heading the list of signatories to a memorandum which we felt bound to submit to Your Lordship on some post-war reforms. I will not anticipate the decision of the Government of India or of the Secretary of State in this matter, but I will remind the Government of India, in the pregnant words of Lord Hardinge, that 'it is only by the study of the welfare of the people and by the reconciliation of the administration with their awakening and legitimate aspirations that the foundations of British rule in India can be broadened and solidified."

12-7 P.M.

The Hon'ble Raja Sir Rampal Singh :—"My Lord, it would be presumptuous on my part to pronounce an opinion upon the Imperial Budget—the first of its kind that has come up for discussion as far as I am concerned—by diving into its complicated and somewhat perplexing figures which, but for the lucid and exhaustive statement made by the Hon'ble the Finance Member, might have remained unintelligible to me in several portions. On this account only, if on no other, he is fully entitled to our gratitude which being uppermost in our hearts cannot but seek expression in words. The masterly manner in which he has grasped the situation, overcome the difficulties and managed the finances of the country during the current year, is worthy of high praise. These are most extraordinary times, and I consider in all sincerity that it is our good luck that we have in him such an able and sympathetic financier at the helm to guide our financial affairs. I know he has received encomiums and congratulations from every side, and I am sure he will receive many more on the present occasion too, yet I feel I would be wanting in my duty if I failed to join in offering the meed of praise which he so richly deserves.

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“My Lord, the exigencies of the abnormal situation resulting as a natural consequence from the gigantic war which Germany has unscrupulously waged not only against our beloved Sovereign, but also against all the well-established principles of morality and humanity demand very great sacrifices on our part, and we the people of India with one heart are willing unflinchingly to undergo them with the rest of the Empire. This is in India's own interest, and all sensible men fully realise it from the bottom of their hearts. I may assure Your Excellency, if any assurance be needed, that the most sincere love and devotion which we bear for our King-Emperor and the confidence and reliance which he reposes in us shall go in increasing manner to give us strength, fortitude and will to meet still greater hardships in the cause of the Empire till Germany is crushed and a victorious peace is restored to the glory of him whose subjects we take a pride to be. Signs are not wanting, the day does not appear to be far distant when the consummation of this end which India so passionately desires shall become an accomplished fact.

“My Lord, without in the least meaning to cavil at the new taxes that have been very judiciously imposed this year, I take the liberty to say that it is a matter of no small concern to us, specially the new Members of the Council, as it must be to Your Excellency, to have to pass in the very first year of our incumbency in this Council a Budget on fresh taxation basis. In a sense it is unfortunate. But, My Lord, that concern is not only assuaged but a feeling of satisfaction takes its place when we look upon the object in the interest of which fresh taxation has been resorted to. Taxation by itself is an evil, and no one will be inclined to give one's acquiescence to such a measure unless compelled by the justness of the object for which it is levied. It is the object which divests it from its evil aspect and makes it assume a beneficent character of becoming a source of permanent good to mankind in all their vital interests. What could be nobler, what could be better than the object the Government of India have in view in enhancing the taxes upon the country? It is nothing less than to provide for the liquidation of a debt which India impelled by a deep sense of duty is incurring in order to take a share in the war expenses of the Empire. It is in that light that the whole country has received the measure of enhanced taxation without any murmur or grumble. It is the making of our contribution that will soften the sting of taxation imposed and lighten its burden though not materially yet, to be sure, morally. No doubt it is a big contribution for poor India to make, but her duty towards the Empire and its people is also equally great, and so she offers it with a cheerful heart and shall endure the burden resulting therefrom with perfect equanimity.

“My Lord, I would wish that with the contribution a message of India should also go to our beloved Sovereign and the English people to assure them that though poor is the contribution—barely sufficient for fifteen days of war expenses—yet this is the most which she could with great sacrifice arrange to pay at the present juncture. Her heart is with them—in full sympathy and the services of her sons are at their disposal.

“My Lord, there is one more redeeming feature in the taxation, and this is the increase in the import duty on cotton goods as incorporated in the Tariff Amendment Act. I hope similar steps will be taken for the protection and development of other industries as well. As for super-income-tax, I have my own doubts as to the justice of the high graduated scale of assessment that has been adopted and as to its effect on the Joint Stock Companies and the investment of capital in other industries, because capital is believed to be shy of coming out in this country. However, perhaps, that was the best form of taxation that could be thought out for imposition with a minimum of hardship and resistance. Your Excellency's Government have very justly afforded much relief by exempting 10 per cent. of taxable income from the operation of this Act.

“My Lord, we are very thankful to Your Excellency's Government and to Sir William Meyer for having refrained from imposing any extra tax upon land, but there are some ominous words in paragraph 60 of the Budget

Statement which give rise to some grave apprehensions in the minds of the land-holding classes of India, specially of those parts where unfortunately they are still liable to periodical enhancements of land-revenue. This is not the time to give expression to any protest, or to question the justice of the observations made therein. But, My Lord, it would not be out of place to invite consideration to a few facts which have a close relevancy and bearing on the import of the paragraph referred to. It is the land-owners who are maintaining and supporting many an educational and charitable institution in the country. It is they, My Lord, who always voluntarily come forward with such means as they command to take the most important share (I emphasise the word *the*) in financing all movements whether they be for the amelioration of the condition of the country or in the discharge of any duty that is imposed or devolves upon her whether in connection with famine, war or anything else. They have besides very important social, moral and religious obligations also which they cannot dispense with even at the cost of their properties over which their forefathers had shed not a little amount of blood in former times. Already heavily taxed, both directly and indirectly, and liable to periodical enhancements of land-revenue in some unfortunate provinces, and being the most loyal and devoted subjects of the Crown, I simply ask, would it be fair even at some future date to open the question of adding any more burden on a class that is rendering so many services to the Country and the Crown ?

“ My Lord, it has given us very great satisfaction and we are sincerely grateful to Your Excellency's Government for having allotted the profits that have accrued from the sale of wheat to different provinces for the improvement of agriculture. It is the most important industry of India, and without minimising the economic usefulness of other industries which as compared with it must occupy a secondary place, I cannot lay too much stress upon its development. We are under a deep debt of gratitude to the Agricultural Departments, both Imperial and Local, for what they are doing in this direction. We are not ignorant of the difficulties which they have to encounter in impressing upon an illiterate mass of cultivators the utility of replacing the old orthodox system of cultivation by new improved scientific methods. The improvement can only be gradual and slow, and any impatience is liable to cause wastage. In order to further stimulate its development the need of the hour is to open at suitable places as an experimental measure some agricultural vernacular schools with demonstration farms attached to them for imparting instruction and training in primary and secondary stages of Agriculture. But, My Lord, no real progress will be achieved till periodical settlements will not be done away with and permanency in revenue demand will not be vouchsafed to the Provinces still not enjoying it, but this is a controversial matter and I refrain from saying anything more upon it. Your Excellency's speech on the occasion of the opening of the last Session of this Council at Simla has filled our hearts with great hopes for the future of the Agricultural industry of this country, and I beg to assure Your Excellency that the Taluqdars of Oudh and the Zemindars of Agra will do their best to co-operate with the Government in their most laudable efforts in this direction.

“ My Lord, the solicitude which Your Excellency's Government have shown towards education by the allotment of Rupees 30 lakhs in a year when economy is the outstanding feature in most items of expenditure, is very gratifying, and shows that education shall never be relegated to secondary importance during Your Excellency's régime. This is not the time, My Lord, to bring before you the needs and requirements of the Province I represent, but I may be allowed to observe in passing that my Province is still very backward in education as compared with others.

“ My Lord, it is a matter of considerable surprise that even after the testimony and recognition of responsible ministers and high functionaries the services of India in this war have been belittled in certain quarters. We Indians derive more consolation and delight in discharging the obligations than in enumerating our services with a view to get a reward for them. The battle-fields of Flanders, East Africa, Mesopotamia and others will tell what India

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has done in this respect. The war funds and numerous other contributions are not to be overlooked, and over and above all these some other important services shall never see the light of day.

“My Lord, I take the liberty to say that the landed aristocracy is at present helpless to serve the Crown by enlisting in the army because our youths cannot get commissioned ranks in it. The removal of invidious distinction that at present exists will not only give satisfaction, but will also impart an impetus to general recruitment as such enlistment conforms with the old traditions of India.”

The Hon'ble Rai Sita Nath Ray Bahadur.—“My Lord, I listened with rapt attention and bated breath to the excellent speech the Hon'ble the Finance Member made the other day in presenting the Financial Statement before this Council; and I take this opportunity to congratulate him on the statesmanlike way in which he has steered the financial barque during this period of storm and stress. I may add that I have nothing but admiration for the alluring schemes he has prepared for raising the war loan. I wish I could also congratulate him on all the other provisions of the Budget. But it was not Sir William Meyer's fault that he has proposed to place a heavy burden on the shoulders of the people. He has always been true to the interests of the country of his adoption, and nothing but unavoidable necessity would have promoted him to make the proposals he has put forward. It is in fact the extraordinary character of the situation which has rendered necessary the imposition of fresh taxes and an addition to the public debt of India. 12-20 P.M.

“The outstanding feature of this year's Budget is the contribution of £100 millions to the Home Government for the purpose of the war. The British Empire is now engaged in a life and death struggle, the like of which has never been witnessed before. It has entailed upon Great Britain huge sacrifices in blood and treasure, and India, as an integral part of the Empire, would have been lamentably lacking in a sense of duty if she had failed to realise the gravity of the situation and to participate in these sacrifices. Happily, India, at the very beginning of this struggle, stood firmly by Great Britain, and has ever since shewn by word and deed her determination to assist, so far as it might lie in her power, in pushing the war to a successful termination.

“Soon after the commencement of hostilities and at a time when the European situation was full of imminent danger, India promptly sent an army to France which helped in no small measure to stem the tide of Teutonic invasion. The Indian forces have since shown their courage on the battle-fields of Gallipoli and Mesopotamia. In addition to this sacrifice of her best blood, she has twice expressed, through her representatives in this Council, her willingness to bear her fair share of the financial burden of the war. The Hon'ble the Finance Member dealt in his first speech with the subject of India's financial contribution to the war during the last two years and a half. This includes the cost of the Expeditionary Forces sent to France, Egypt and Mesopotamia, a large expenditure incurred on account of the political situation in Persia created by the war, and a considerable additional outlay for the defence of the frontiers of India. Further, India had to strain her resources very seriously and to impose prejudicial limitations on legitimate trade activities, in order to finance very heavy charges in this country on account of the British Government, while she lent the latter large sums of money out of her Paper Currency and Gold Standard Reserves. To have a correct idea of India's financial contribution to the war, however, we must add to the expenditure incurred by the Indian Government and the monies lent by it to the Home Government, the voluntary contributions made by the princes which have been really princely, as well as by the people to the various Relief and War Funds, the total of which would reach a high figure exceeding many millions sterling.

“ We are now called upon to make a further contribution, and we do not grudge it. This contribution has necessitated the raising of a loan and the imposition of additional taxes which cannot but press heavily on the people. There are critics who are inclined to regard the amount of contribution as small, but they conveniently forget the fact that India is a very poor country. As Sir William Meyer has pointed out, the £100 million we are contributing amounts to nearly double our total Imperial revenue as it stood before the war, and in view of the fact that Indian taxation has practically reached its highest limits, the amount of contribution must be regarded as a large one. To go beyond it would be to impose a burden much heavier than would be possible for the country to bear. In normal times the proposal to impose such a burden would have raised a howl of protest from one end of the country to the other, but on this occasion the people have acquiesced in it almost without a murmur.

“ As for the different schemes of raising money, while we have accepted in the main the proposals of the Finance Member, we have thought it our duty to take exception to some of the details. The addition of 4 per cent to the existing duty on imported cotton goods has been hailed with satisfaction throughout the country. Although it will mean some slight addition to the poor man's burden, it will have a very salutary effect in stimulating the textile industry of Bombay and Central India, and it is to be hoped that the Government will preserve a firm attitude in the face of the agitation of Lancashire mill-owners. The doubling of the export tax on jute, which is an Indian monopoly, is not only economically defensible but is an eminently fair and wise measure. Although I am not in favour of a surcharge on railway goods traffic which is likely to increase the prices of many articles of household consumption and will hamper the growth of mill industries situated at a distance from coal areas, I would not in view of the present situation hesitate to accept it. But I cannot help taking serious objection to the novel method of levying the super-tax. Section 5, sub-clause (7) of the Income-tax Act, 1886, provides that the whole income of a company or firm is liable to the payment of the income-tax, while the individual shareholders or partners are exempt. The Super-tax Act reverses this method of realisation, virtually exempting the companies and firms from payment of the super-tax and making only the individual shareholders and partners liable. The levying of a large war profits tax has generally been considered as very appropriate to present conditions and it was, if I am not mistaken, at one time seriously proposed to levy such a tax on the joint-stock companies which have made fabulous profits by reason of the present war. But the provisions of the Super-tax Act will have the effect of exempting much the greater portion of the profits of such companies, thus throwing the entire burden of the super-tax on the individuals who have not in any way profited by the war. I cannot regard this arrangement as equitable, and I fail to understand why the Finance Member, while closely following the principles of raising money which prevail in England, should have departed from them in this one respect. If the super-tax had been levied at the source instead of at the destination, much smaller rates than mentioned in the Schedule to the Act would have been sufficient to yield the required revenue. It is my honest belief that a combined super-and-income-tax rate of less than two annas in the rupee would have raised one and a half millions, and would have avoided the necessity of levying a tax at the exceedingly high rate of four annas in the rupee, which, I humbly submit, will sorely press on particular individuals. I gave notice of two amendments at the time of the passing of the Act, but as I did not want to embarrass the Government, I eventually withdrew them. I may now be permitted to express the hope that the matter will be carefully and sympathetically reconsidered next year.

“ I am thankful to the Hon'ble the Finance Member for omitting land from further taxation. But there are some ominous words in his speech which indicate the possibility of land being taxed on a future occasion. I consider it my duty to tell the Government that any proposal to put a tax on land

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will create great discontent, and such discontent will be all the greater if a burden is placed over and above the heavy burden of the super-tax.

“To impose a super-tax and then again to subject landed property to additional taxation in violation of the Permanent Settlement would be the height of unwisdom.

“The war loan arrangements announced by the Hon'ble the Finance Member have received our whole-hearted support. Both the long-term loan at Rs. 95 with an interest at 5 per cent. and the short-term bonds carrying an income-tax-free rate of $5\frac{1}{2}$ per cent. are very alluring offers. I have always advocated a raising of the rate of interest of Government pro-notes. I have none but words of high commendation for the very tempting scheme of conversion which will go far towards reviving the drooping spirits of many holders of the $3\frac{1}{2}$ per cent. Government papers. The post-office cash certificates will be very much appreciated by the small investors, especially those living in rural areas. I have no doubt there will be a large-response to each of the three offers.

“My Lord, Your Excellency has advised us not to raise controversial issues at a juncture like the present, and we have loyally accepted the advice. But I should be wanting in my duty to my country if, at the time of the discussion of the Budget, I omitted to mention some of the most urgent needs of the country. These in my opinion are education, sanitation, agricultural improvement, and the development of industries. I am glad to find that it is proposed to make a recurring appropriation from Imperial revenues of Rs. 30 lakhs from the year 1917-18 for expenditure on the improvement of the pay and training of teachers. This is very good so far as it goes; but the extension of primary education is a need which is more pressing than any other; and for this purpose much larger grants than have been proposed to be made are required. The country has now for many years past demanded almost with one voice the introduction of a universal system of primary education. Lord Minto's Government informed us that a scheme of universal primary education was in preparation, but the public are unaware why this scheme was shelved. His Majesty, the King-Emperor, on the occasion of his memorable visit to this country, expressed his desire that every Indian home may be brightened by the lamp of knowledge, and it is the duty of the Government to fulfil this desire in spirit and to the letter.

“The question of sanitation ought, in my opinion, to receive greater attention from the Government than it has hitherto done. In some parts of the country, the villages have become so unhealthy that they are hardly fit for people to live in. This is specially the case in Bengal, where the ravages of malaria have turned flourishing villages into jungles. The Census of 1911 shows that the longevity of Indian life has progressively declined during the last three decades. This is a serious state of things which calls for immediate action. The sanitary policy of the Government has so far been one of tinkering, and their activities in this direction have been mainly confined to towns. What we now want is the adoption of large measures, such as the proper draining of water-logged areas, the supply of pure drinking water in rural areas and the reclamation of silted rivers.

“Agriculture and industry are subjects which vitally concern the people, and which should, as such, claim the earnest attention of the Government. 68 per cent. of the people of India are engaged in agriculture, and no less than 90 per cent. are directly or indirectly connected with it. But very little has yet been done by Government to improve agriculture. It is true that agricultural colleges and demonstration farms have been established in different parts of India; but these have failed to prove of much benefit to the people. To be useful, agricultural education should be such as may be taken advantage of by the actual farmer, and the work of the demonstration farms should be brought to the notice of the cultivator in a way which will be understood by him. The best kinds of seeds should be distributed broadcast among cultivators, and they should be encouraged to take to more valuable crops in preference to less paying ones.

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“Although agriculture is now the mainstay of the people of India, yet the fact that it is dependent on the extremely uncertain factor of rainfall renders it imperative on the Government to diversify the occupations of the people as much as possible. The Government has, it is true, a Department of Industry and Commerce, but I am sorry to say that it has yet done very little to assist the development of Indian industries. Apart from the necessity of industrial growth for the solution of the poverty problem of India, the present war has clearly demonstrated the importance of local industries from the standpoint of national safety, and I hope the subject will receive immediate consideration at the hands of the Government.

“Before concluding, I regret to have to point out that even at this time of financial stress, the expenditure under the head of General Administration shows a steady upward movement. I may be permitted in this connection to raise my voice against the increase of expenditure proposed to be incurred by the Government of Bengal in partitioning districts and that against the wishes of the people concerned. This is a time when the strictest economy should be observed on every side, and I hope Government will not indulge in any expenditure which can be avoided.”

12-37 P.M.

The Hon'ble Captain Ajab Khan:—“My Lord, availing myself of this opportunity, when Members of this Council are accorded the privilege of speaking on all matters of public interest, I beg to thank Your Excellency from the bottom of my heart for having nominated me to this Council. My Lord, I am fully aware of the fact that I did not personally deserve this high honour and dignity of a seat in Your Excellency's Legislative Council, but in nominating me Your Lordship has paid a fine and well-deserved compliment to the loyalty and prowess of His Imperial Majesty's Indian Soldiers, who have ungrudgingly and cheerfully fought and shed their blood in every theatre of this present world-wide war. Therefore, on behalf of the Indian Army, I ask Your Excellency to accept the grateful thanks for the conferment of this unique honour on one of them. I hope that this direct representation, so wisely inaugurated by Your Excellency in the Supreme Legislative Council, will be permanently maintained.

“It is my pleasant duty also to thank Your Excellency and His Excellency the Commander-in-Chief jointly for having seen your way to enhance the pay of the Indian Officers and also allowing free rations to all ranks. Though these concessions to the Indian Army are not adequate enough, yet I shall be failing in my duty, if I did not express to Your Excellency and Your Excellency's Government our grateful thanks for what has been done, considering the period of stress and financial stringency through which we are passing. Here I may say that the thanks of the Indian Army are due to the Hon'ble Sir William Meyer all the more when one remembers how difficult it is in these times to get even a small sum from that vigilant guard of the Indian finances.

“My Lord, as a representative of the Indian Army, I will now take the liberty of making a few brief suggestions. The accommodation of the Indian Army, I must frankly say, is far from being satisfactory, and when normal times return, I shall ask that the huts which accommodate the Indian units in most stations should no longer be allowed to exist and be replaced by well-lighted and comfortably furnished pucca barracks, with paved floors, suitable verandahs and ablution rooms.

“My Lord, next I come to the most important question of promoting Indian officers without distinction to higher and more responsible posts. I do not wish to go into larger aspects of this question at present; but will certainly ask for prompt reward in the shape of promotion for meritorious services of those officers who are in the service, and who have either conspicuously distinguished themselves in the field or have secured a good record of service, and are fit for advancement. From my life-long experience of the Indian Army, I can safely say that a good many Indian officers are capable of doing much more and exercising larger powers with credit than those with

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which they are entrusted under the existing system. The Indian Army is the oldest and the foremost of all the other services of the Indian Empire; but in matter of reforms and privileges, I am sorry to say, is last of all. It has done its part gloriously in the present war in the midst of civilised nations, and its elevation to the status of civilised army in all its details is only just and fair.

“ My Lord, the position of India must change and is changing, and I therefore suggest, for the serious consideration of the Government, the formation of a territorial Army, Navy and Air-Service.

“ My Lord, the farmers of India make the Indian Army, and those among them who are not fit for military service take to the cultivation of the soil and pay the land-revenue, which is the chief source of income to Government. So in India although the peasantry form the most important class for the benefit of the country and the Government as soldiers and tax-payers yet they have a very little share in the blessings that Government can confer on them, such as the light of knowledge, share in Government posts, extended terms of land settlement and so forth. I hope special attention will be paid by the Government to these matters for the betterment of this class.”

The Hon'ble Rai Bahadur Bishan Dutt Shukul:—“ My Lord, I desire to express on behalf of myself and my constituents my warmest congratulations to the Hon'ble the Finance Member for presenting a decent Budget. 12-48 P.M.

“ More than two years and a half have elapsed and the Empire is still unfortunately in the throes of a world-wide war. All of us realise fully the magnitude of this deadly struggle. We know this is a fight against a most desperate foe, and that victory cannot be achieved without stupendous efforts and sacrifices on our part, of which Your Excellency may fully rest assured. The recent progress made by the Indian Expeditionary Forces in the fight in Mesopotamia and their gallant entry into the city of Baghdad, has not only filled our hearts with joy and pride, but has also inspired us with hopes that the final triumph is not far remote.

“ My Lord, the present year's budget is like its predecessor a War-Budget, and the measures proposed have, under the exceptional circumstances, received full acquiescence in this Council and the country at large. Its most conspicuous feature is India's contribution to England of £100 millions. I am perfectly conscious of the serious responsibilities the Members of Your Excellency's Government are incurring, by committing this poor country to the huge burden of 100 million pounds, a burden which, as we all know, will tell heavily upon the limited resources of the tax-payers, and which will result in the indefinite postponements of several urgent reforms, which the country badly stands in need of. But under the present circumstances, this is unavoidable. Hence, India has ungrudgingly taken her share in the heavy burden imposed upon the finances of the United Kingdom by this unhappy war. The announcement of the new Indian war loan has been welcomed by the whole Indian public, as a fresh opportunity afforded to them for discharging their duties towards their Sovereign and the country.

“ My Lord, with regard to the imposition of the additional taxation, I must say that the raising of the import duty on cotton-goods from 3½ to 7½ per cent. has removed a long standing grievance. The indigenous industries will receive thereby an impetus which, I am sure, the country will not fail to take advantage of. I hope that as soon as circumstances will permit, the question of the abolition of the countervailing excise duty on cotton will be fully considered and the duty be abolished ultimately. (The unsympathetic and uncompromising attitude taken by the Lancashire representatives and their supporters in the British Parliament has evoked a feeling of deep regret and keen disappointment in this country. / We are obliged to the Home Government, and especially to the Secretary of State, for the firm stand made by them in the face of such a powerful opposition, on behalf of the interests of India, and it is earnestly hoped that when the whole fiscal policy of the British Empire and

[*Rai Bahadur Bishan Dutt Shukul.*] [23RD MARCH, 1917.]

its constituent parts will come up for reconsideration, this attitude will be firmly maintained.

" My Lord, the military expenditure shows a very large increase, and in view of the gravity of the present situation, it is quite justifiable. It has been found necessary to constitute a large force for the safety and defence of the Indian Empire. The very first year of Your Excellency's Viceroyalty will ever remain memorable for having conferred upon Indians the special privileges to enlist themselves as volunteers, and regular recruits in the Defence Force of the Empire. The introduction of this reform in the military policy of the Government has been hailed with joy by the whole country, as an additional tribute to the loyalty and heroism displayed by Indians in the cause of the Empire at this crisis. It will not be unreasonable to entertain the hope that the claims of Indians of approved merit and respectability to obtain commissioned ranks in His Majesty's army would be received with sympathetic and immediate consideration by the Government of India. This will certainly give an impetus to the youths of aristocratic classes to join the army, as suggested by our Hon'ble colleague, Raja Rampal Singh.

" My Lord, it is a matter of no small satisfaction and pride to us all that the services hitherto rendered by this country to the very best of its humble powers and limited opportunities have received the appreciation of His Gracious Majesty, the King-Emperor, and his Ministers. We are specially indebted to His Majesty's Government for having given opportunities to Indian representatives to assist the Right Hon'ble the Secretary of State in the deliberations of the Imperial War Cabinet, which is now holding its sittings in London. It would be permissible to express the hope that India's position in the Empire after the war would be such as to meet her legitimate aspirations and that she will be given a more direct and potent voice in the Council of the Empire befitting a position of dignity and trust.

" Although the needs of my provinces, My Lord, are many and pressing at the same time, and more money is required to meet them than the present allotments made, yet I would not like to weary this Council by making any lengthy remarks on the Budget and its details, as it is evident that this is not the proper time to press for larger allotments for any specific purpose. Of course, I note with pleasure and satisfaction that sanitation has been allotted a separate head for itself in the Budget. It was but meet and proper that sanitation and agriculture should have been treated under separate heads long ago. These two departments are very important indeed, as theirs is the most onerous task of improving the general conditions of the masses, upon whose prosperity depends a good deal, the prosperity of the whole country. It will now be possible to see at one glance how much money is spent on them, and what progress they respectively make. I am sure that, when the war terminates, these departments will receive more attention from the Government of India, and that larger sums will accordingly be provided for strengthening their resources. I am very grateful to our Hon'ble colleague Sir Claude Hill, who happily presides over the Department of Agriculture, especially for his having expressed a desire to convene a Conference consisting of officials and non-officials to discuss and decide the line of action on which the Agricultural Department should hereafter proceed. I hope the outcome of the deliberations of this Conference will be a forward agricultural policy to be adopted by the Government of India, without which it would be futile to expect any substantial results to be achieved by the Agricultural Department in this country.

" My Lord, there is one particular remark in the Financial Statement to which exception could be taken, and to which attention has already been drawn by speakers more than one. I mean, the statement relating to land assessments, in paragraph 60, namely, that the 'Government do not in any way admit that any land-revenue assessments are other than most moderate.' This statement, I am afraid, will create much uneasiness in the minds of the land-holding classes especially, as they take it to be quite the other way. In their opinion, the pressure of land-revenue assessments in this country,

[23RD MARCH, 1917.] [*Raj Bahadur Bishan Dutt Shukul; Raja Rajendra Narayan Bhanja Deo of Kanika.*]

whether considered in the light of their incidence on population or cultivated acreage is unduly excessive. I do not wish to dwell at length upon this question and raise any controversy. I shall simply say that it is quite unfortunate that there should be such a wide divergence of opinion on this important point between the Government, on the one side, and the people directly affected by it, on the other.

"My Lord, it would be in conformity with the general wishes of the people if some sort of fixity could be given to the Government demand on land, by embodying the main principles of assessment in the land-revenue code of the various provinces, as recommended by the Royal Commission upon Decentralization. It is a matter of regret that the recommendations of the Commission have not been accepted by the Government of India, as is evident from their Despatch, dated 30th June 1910, addressed to the Right Hon'ble the Secretary of State on this subject which has been lately published, and has aroused a feeling of keen disappointment. This is a matter, My Lord, which, I submit most respectfully, deserves reconsideration. Unless this is done, the Local Governments' discretion in the matter of land-revenue legislation will always remain fettered. It is only lately that the Central Provinces Land Revenue Bill was on the legislative anvil. Various representations were submitted to the Local Government by the different public bodies praying for the incorporation of the principles of assessment in the Bill. The non-official Members of the Council urged strongly for the same. But the Local Government seemed to have had no help, and the legislation had to be carried through in the teeth of opposition.

"My Lord, we the landholders are specially indebted to the Government of India, and the Hon'ble the Finance Member for not imposing any additional taxation on agricultural incomes for the time being. But the statement that the Government cannot give any pledge to refrain from doing so hereafter has made the land-holding classes rather nervous, as has just been pointed out by my esteemed colleagues, the Hon'ble Maharaja of Kasimbazar, and the Hon'ble Rai Sitanath Bahadur. This statement has already given rise to some unpleasant controversy in the permanently settled tracts of the country. Speaking particularly about the Central Provinces, which I have the honour to represent in this Council, and which is not endowed with the benefits of permanent settlement as yet, the economic conditions of the agricultural classes is pitiable. The struggling cultivator with his resources all but exhausted, and heavily indebted, is hardly able to make both ends meet. It is well known how the general poverty of the agriculturists has been a great obstacle in the way of the general progress of our country. In view of this, any attempt made in the future, to levy fresh taxes upon agricultural incomes would, I am afraid, cause much hardship, and would also prejudice the cause of advanced agriculture in which the people have just begun to take interest.

"My Lord, before I conclude I take this opportunity to express to Your Excellency our gratitude for having restricted emigration of labour from India by amending the Defence of India Act, as a war measure. I take this to be an earnest of Your Excellency's sincere desire to abolish the indentured emigration altogether for which the whole country is so eager."

The Hon'ble Raja Rajendra Narayan Bhanja Deo of Kanika :—My Lord, in the first place I desire to compliment the Hon'ble the Finance Member on the eminently satisfactory way in which he has discharged his highly difficult task of framing this year what is essentially a War Budget. From a glance at the proceedings of last year's Council in connection with the Budget, I notice that at that time some Members claimed that last year's Budget was a War Budget. But I do not think it necessary to emphasise in the least the point, that compared with the Budget of this year, that of last year was not abnormal in any sense. In that respect the Budget of the year 1917-18, will, I venture to think, for a long time to come continue to be one of

[*Raja Rajendra Narayan Bhanja Deo of Kanika*] [23RD MARCH, 1917.]

the landmarks in the financial history of this country. The two most outstanding features of this year's Budget to my mind are the proposed contribution of £100 millions by India to the general cost of the war in which the Empire is engaged, and the determination by the Hon'ble Sir William Meyer of the ways and means by which the recurring cost of the contribution is proposed to be met. Another important feature of the Budget of this year, which strikes me, is the sudden increase in the figures both on the Revenue and Expenditure sides of the Budget, so that henceforth our Budget figures, which were in the neighbourhood of 80 millions sterling only in 1915-16, now by a leap come almost up to £100 millions in 1917-18.

"Now, My Lord, I shall offer a few observations on some of the outstanding features of the Budget of this year, and shall conclude my remarks with a few further observations on some leading questions of the day.

"My Lord, the first and foremost thought which arises to the mind of every Indian on reading the Financial Statement of this year will be a feeling of supreme satisfaction at the splendid direct contribution of £100 millions which India is going to offer this year to the cost of the titanic struggle which is still convulsing the world, and in which struggle India is as vitally interested as any other part of the great British Empire. My Lord, there have been critics both here and in England who have never failed to express their disapprobation at what they termed, the 'niggardly part,' India was playing in this war. But, I trust, the Hon'ble Sir William Meyer has disposed of the captious criticisms of these arm-chair critics most effectively, and has been further able to prove to the satisfaction of all reasonable people that so long India has not failed to do her 'bit' and with the improvement in her financial outlook, she proposes this year to contribute that by no means inconsiderable sum, not forgetting, of course, India's very limited resources, of 100 millions sterling as her direct financial contribution to the cost of the war in which the Empire is engaged. Apart from this proposed direct contribution, the Hon'ble Sir William Meyer has most convincingly shewn, while dealing with the subject of India's financial contribution to the war in the body of the Financial Statement, in what other ways India has been of very great help to England in her hour of need. My Lord, speaking for myself, I will say this—that this contribution by India of 100 millions sterling towards the cost of the war, though it will entail a permanent recurring charge of £6 millions every year on the revenues of India, and though it has already resulted in enhanced taxation, will, in spite of our increased burdens and obligations, still be hailed by all classes with feelings of satisfaction for having done our duty by the Empire to the best of our ability.

"While on this part of the Budget, I take this opportunity of expressing my entire approval of the arrangements for the new War Loan. I can only hope that with such attractive features to recommend it, combined with the enthusiastic patriotism of the people to prove their loyalty in some practical form, this year's loan will not only be a huge success that it deserves to be, but will at the same time be somewhat of an epoch-making event in the financial history of the country.

"Next, turning to the new scheme of taxation, I may say at once that the general features of this new taxation have been acceptable to the people at large. My Lord, we must all congratulate the Hon'ble the Finance Member on his having realised the wisdom of not adding considerably to the burdens of the poor.

"My Lord, I must say that we are all sincerely glad that the poor man's burden has not been increased in the shape of a further increase in the Salt tax.

"My Lord, while on this part of the Budget, I cannot refrain from offering a few observations in respect of the warning which the Hon'ble Sir William Meyer has held out to all connected with land in India. It cannot be supposed that I, as the representative of the Landholders of the Province of Bihar and Orissa, should at this juncture fail to acquaint Your Excellency's Government

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with what we, the representatives of the lauded interests in this Council, seriously think of the threatened cess on land. The land-owning classes and the cultivators of the soil all over the country have been given to understand in no uncertain terms that their turn may be coming next. My Lord, before any further step in this direction is taken, I would most earnestly ask Your Excellency's Government to think of the consequences such action may entail. It is not denied, My Lord, that land-revenue assessments in all the temporarily settled areas have already reached a limit beyond which they cannot legitimately be pushed without trenching on the cost of living of the cultivators. With regard to the permanently settled areas, we have the plighted word given under the most solemn conditions of the British Government that the assessment on the lands in such areas are fixed in perpetuity. In view of such a solemn pledge given at the time of the permanent settlement, I cannot see how the Government can afford to talk lightly of imposing fresh cesses on land in the permanently settled areas also. I, therefore, hope and trust that Your Excellency's Government, having regard to the very wide and far-reaching issues at stake, will be impressed with the extreme inadvisability of further enhancing the existing burdens on the land. My Lord, in this connection may I suggest a rather handy and useful source of income to the Finance Member, weary as he is with his vain exploration after tapping further sources of revenue ?

" A very useful and at the same time effective method of securing a respectable amount of revenue, to my mind, lies in the imposition of a suitable export duty on all the raw cotton that is taken out of India. It will have the desired effect of securing a much welcome addition to the revenues of India, besides affording an appreciable assistance to the cotton industry of India.

" My Lord, the question of indentured labour is just now agitating the public mind of India. I shall be failing in my duty if I also did not join in this chorus of condemnation against its continuance. It is to Your Excellency that we look up to do away with this system, which, it has been so convincingly proved, is fraught with so many moral evils. This pernicious system should be done away with by the civilised British Government without the slightest hesitation, if on no other grounds, at least, on the ground of the moral evils that it engenders.

" My Lord, one word more, and I shall have done. I cannot conclude my remarks without expressing my fervent hope that the new Indian Army, which is being raised under the recent Defence Force Act, will come up to the expectations of the authorities, and that patriotic Indians will offer themselves in their thousands in this hour of need of the Empire. But at the same time we cannot but hope that Government will not fail to attract Indians to this new army by reposing their trust in them and by conferring commissioned ranks on proper and eligible Indian youths."

The Hon'ble Khan Bahadur Mian Mohammad Shafi :—

1-5 P.M.

" My Lord, it must naturally be a source of great gratification to Your Excellency that, on the conclusion of the first year of your high office, the Hon'ble the Finance Member has, in spite of the abnormal conditions created by an unparalleled world-conflagration, been able to present to this Council a revised Financial Statement for 1916-17, with a balance amounting to £5,988,700. The causes which have brought about this increase in the last year's surplus to an amount exceeding over six times the estimated figure were fully explained by the Hon'ble Sir William Meyer, and speak well not only of the financial stability of India, but also of the efficiency of our Administration. And the Budget for the ensuing year furnishes an additional proof of Sir William Meyer's skilful handling of our financial resources, providing as it does not only for the ever-increasing needs and requirements of the vast Indian Empire, but also for the payment of interest on, and a sinking fund for, the great Indian War Loan

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through a wise scheme of taxation, the incidence of which falls mainly on the wealthier classes who can well afford to bear it. The enhanced tax imposed upon imported cotton goods has been universally acclaimed in India, and it is not surprising that the little Englander attitude adopted towards it by the Lancashire representatives in the House of Commons has been emphatically condemned by all shades of public opinion, Indian and Anglo-Indian, in this country. As was rightly observed by the Right Hon'ble the Secretary of State, for whose strenuous advocacy of India's just rights we are deeply grateful, the position hitherto accorded to cotton was a great injustice to India. This selfish and unjustifiably over-anxious solicitude of the Lancashire clique for safeguarding the trade interests of a few towns in entire disregard of the wider interests of the Empire displays a narrow-minded craze for self-aggrandisement entirely inconsistent with the new spirit of imperial patriotism which is awakening new impulses and strengthening the imperial bonds in all the outlying dominions/of His Majesty, the King-Emperor. The enactment in question has already become a part and parcel of our Statute-book, and I am perfectly confident that Your Excellency's Government, as trustees of India's interests, will resist any efforts that may be made hereafter for the restoration of a state of things which was not based upon any principles of justice and constituted an unjustifiable interference with the industrial development of this country.

"My Lord, the one outstanding feature of the Financial Statement is, of course, the announcement of the offer, made by our Government, of India's War contribution amounting to 100 millions and its acceptance by His Majesty's Government. Doubts have been expressed, in a certain quarter, of the legality of the offer made on behalf of this country, but a careful perusal of sections 20 and 22 of the Government of India Act leaves, in my mind, no manner of doubt whatever that the action taken by Your Excellency's Government is perfectly within the letter as well as the spirit of the Statute; and it is abundantly clear that an almost universal chorus of enthusiastic approval of this contribution has been heard in every nook and corner of India. The community which I have the honour to represent has, through a Resolution adopted unanimously at a general meeting of the Punjab Muslim League, acclaimed the action taken by the Government of India. Indeed, proud as the Indian peoples are of our country being an integral part of the great British Empire, they not only sincerely appreciate, in their true significance, the manifold privileges of British citizenship, but are also ready and willing to take up the corresponding burden of responsibilities they may be called upon to bear. In this world-crisis, when the Empire has espoused the cause of righteousness and civilization, when a militant race athirst for world-dominion has crushed weaker nations under its iron heels and trampled ruthlessly upon all laws of humanity, India is as ready to put her shoulders to the wheel as any other part of the Empire in order to bring this terrible war to a successful end. Your Excellency may rest assured that, comparatively poor though it may be, the Punjab will bear its share of the financial sacrifice which India is called upon to make in the same willing spirit in which it has already contributed to the man-power of the Empire in its gigantic effort to crush an unrighteous militarism that has brought untold suffering and misery upon millions of human beings in all parts of the globe.

"My Lord, eighteen months ago during the Simla Session of 1915, I had the honour of moving, in this Council, a Resolution advocating India's participation in the Imperial Conference which was, at the time, accepted by His Excellency Lord Hardinge's Government, and received the promise of careful consideration from His Majesty's Government in England. It is naturally a source of profound satisfaction to me that the claim, then put forward on behalf of my country, has now been finally recognised by His Majesty's Government as well as by the various self-governing colonies. As I said on that occasion, 'the comradeship on the battlefields of three Continents between the British, Colonial and Indian soldiers has not only removed groundless misconceptions and brought about mutual confidence and understanding, but has sealed with blood

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for all time this renewed compact of fellow-citizenship of a great and glorious Empire.' That renewed compact of fellow-citizenship has now been formally sealed. India has, at last, been admitted into the Imperial Federation, and I am deeply thankful to have rendered this humble service to my Motherland.

"My Lord, the galaxy of nations and countries constituting the Empire of Greater Britain may well be likened to a joint family in which Great Britain occupies the position of a *Karta*. This great family has, no doubt, its domestic problems requiring satisfactory solution; its members have their individual grievances calling for early redress. In our own country we have not only our Indian problems, but also our provincial questions, a proper settlement of which, if faced in a spirit of broadminded statesmanship, is calculated to strengthen the permanence and stability of the British Rule in India. But, My Lord, is it wise, is it right for the members of such a family to waste their time and energy in the discussion of their domestic differences when a band of dacoits is hammering at the gates of the family mansion and trying to scale its walls for the purposes of massacre and plunder? This is not the time for the discussion of vital problems, constitutional and administrative; this is not the period for embarrassing Government in their all-absorbing efforts to bring the war to a successful issue, to guard the frontiers of India against foreign aggression, and to maintain law and order in the country itself. Indeed, we have our Indian and provincial problems to solve; we have our legitimate aspirations and needs to place before the Government; but the time for their discussion is not yet. When the Teutonic Powers have been brought to their knees and the clash of arms is hushed, there will be time enough to turn our attention to the solution of our domestic problems. Till then it behoves us to sink our differences, to hush the voice of discord, and to unite with the Government in carrying out successfully the one gigantic task that lies before us. My Lord, it is in this spirit that I refrain from a discussion of our internal political problems to-day. Far away above the distant horizon I see the bright glimmering of a glorious dawn which, with the complete annihilation of German militarism, is sure to be the harbinger not only of international peace and good-will, but also of a firmer and more compact solidarity of the greatest Empire known to history."

The Council adjourned for lunch till 2-30 P.M.

The Hon'ble Mir Asad Ali, Khan Bahadur:—"My Lord, I 2-30 P.M. should like to join my Hon'ble colleagues in heartily congratulating the Hon'ble the Finance Member upon the remarkably satisfactory Budget he has presented to the Council. Without raising such additional taxation as may fall heavily on the vast hulk of the Indian population, he has steered his way clear through the Financial Statement for 1917-18, and presented a War Budget that has already met with the general approval of the country.

"We are still passing through a grave international crisis. We feel and realise more and more the burden of the greatest war of modern times. The war has not only paralysed our industrial and commercial activities, but affected in some ways the peaceful progress of the country. We are at one with the Government in the firm determination to see the war through to a successful and glorious end. Like the burning wick that emits a bright flame before its final extinction, the enemy's last efforts seem to be formidable. But fortune has smiled on the Allies who are now within sight of ultimate victory. India, My Lord, I need hardly assure Your Excellency, is still willing and prepared to render to the British Empire all possible loyal assistance in men, material and money, and earnestly prays for the complete success of the British arms in this world struggle.

"The Defence of India Bill, though it be a temporary measure, is an enactment of far-reaching importance. It is an epoch-making event. A beginning, and a right beginning, My Lord, has been made. Military Service is now thrown open, particularly to respectable classes and educated Indians:

who are desirous of proving their loyalty on the battle-field. Indian volunteering, too, of which so much has been said on the public platform and written in the press, has by a stroke of the pen become a reality. It affords an excellent military training, at any rate during the war, for our spirited young men and patriotic citizens. Both on my behalf and on behalf of the Moslem community whom I have the honour to represent in this Council, I beg to offer Your Excellency and Your Excellency's Government our deep and grateful thanks for the timely introduction of this noble measure. I do hope and trust that commissioned ranks will soon be thrown open to Indians, and that the Defence of India Act will after its short duration become a permanent measure to adorn the Indian Statute-book.

"I do not venture to discuss the War Budget, nor can I possibly digest the Financial Secretary's able memorandum in a couple of days. I may, however, be permitted to make a few observations more or less pertaining to the Budget.

"The War Loan has been well received throughout the country. It might have been made more attractive in order to catch popular imagination, either by the institution of prizes as the *Madras Mail* suggests or by some such means. Besides, India's war gift of a hundred million pounds to His Majesty's Government, small as it may seem, is yet another indication of India's readiness to bear cheerfully the burden of the Empire. To those ignorant and carping critics who are not quite satisfied with the part India has played in this great war, I need only refer to the Budget speeches of the Hon'ble the Finance Member, and the recent speech in the Council of my esteemed friend, the Hon'ble Pandit Madan Mohan Malaviya. In fact, India's gift of £100,000,000 is really worth about twenty times what it actually is. Is not the average income of a Britisher getting £40 per annum twenty times more than that of an Indian who gets less than £2 per annum? That a poor country like India should have already rendered so much aid in men, material and money is in itself an unmistakeable proof of India's desire to play her part as well and worthily as the self-governing Dominions, and of India's hope to deserve an equal and honourable treatment in the Councils of the Empire.

"It is indeed satisfactory to note the progress during last year of education in general and Moslem education in particular. We are deeply thankful to Government for making a special recurring grant of £200,000 for improving the training and pay of teachers in primary and secondary schools. But for the war education, the crying need of India, might have made still greater progress during the last two years. My Lord, education and sanitation should continue to receive the same attention as during your predecessor's regime.

"As for the new taxation proposals, they have been well thought out, so that the burden of taxation falls upon the classes who can bear it best. At the same time it cannot be forgotten that the poorer classes too contribute their own quota to the raising of additional revenue. The enhancement by 25 per cent. of the duty on salt last year and the surcharge on railway goods traffic this year at the rate of one pie per maund on coal, coke and firewood, and two pies per maund on other articles, though sitting lightly on the poor, are also well-devised expedients to get their share. The raising of duty on imported cotton goods and in respect of jute exports is welcome. But the continuance of the cotton excise duty will no longer be tolerated, especially in view of the attitude of Lancashire manufacturers as was evident in their recent deputation. (A handful of Lancashire politicians in the House of Commons evidently want to control the fiscal policy of India.) In this connection, I desire to express our heartiest thanks to the Secretary of State for India for his staunch advocacy of India's cause and able defence of India's case. It is high time, My Lord, that Indian public opinion should express itself in strong and unmistakeable terms against the impost of the cotton excise duty, and urge the Government to abolish it as soon as the war is over.

"While the war lasts the growing public expenditure, especially military expenditure, has to be met with from the revenues of the country. The announcement in the Financial Statement of the probable imposition

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of additional taxation on agricultural incomes, if future necessities demand it, is likely to create apprehensions in the minds of the agricultural classes. Instead of taxing agricultural incomes, our import tariff rates may be revised further and enhanced for the benefit of India. I may also suggest in the event of absolute necessity the desirability of raising the postage commission on money orders, and charges of telegraphic messages. Besides, if the Hon'ble the Financial Member believes in a policy of retrenchment, he ought to be able to show less public expenditure. While he is too cautious or over cautious in estimating figures on the revenue side, his caution on the expenditure side tends perhaps towards increased expenditure. As I suggested last year, economy may be introduced under the heads of 'Salaries and Expenses of Civil Departments' and 'Miscellaneous Civil Charges.' In these and other ways sufficient additional revenue can be raised without interfering with agricultural incomes, except perhaps in permanently settled tracts.

"The recent announcement of the temporary prohibition during the war of Indian indentured labour emigration to the Colonies and other parts of the Empire has filled the public mind of India with no small satisfaction. Our grateful thanks are due to Your Excellency's Government for this statesmanly act. The thorny question of Indian indentured labour has long engaged the serious attention of both the Government and people. Public opinion in this country and elsewhere has strongly condemned the ruinous system of indentured labour accompanied by degradation, immorality and vice. The time has come, My Lord, when this wicked trade should cease to exist. This temporary measure, I sincerely hope, is but the forerunner of the eventual prohibition altogether of the indenture system.

"The war has given India a splendid opportunity for improving her economic and industrial condition. But the Indian market has unfortunately been allowed to be captured either by neutrals or Allies, so much so India is unable to withstand the undesirable entry of foreign exploitation and compete fairly with foreign trade, even as regards the articles of manufacture formerly imported from the enemy countries. Had the Government of India been more on the alert and more determined, they would have pursued a truly liberal and sympathetic policy towards the industrial regeneration of India. The future greatness of this country depends to a very large extent upon her industrial and commercial expansion without which the country can never hope to thrive or prosper in the modern sense of the term. To wait till the labours of the Industries Commission are finished and till their final report sees the light of day is to miss a golden opportunity to create an industrial India. The Government will therefore do well to take early steps to devise workable plans for starting and aiding indigenous industries, and establish technical and industrial schools at important centres. My countrymen hope that, if the war be over this year, Your Excellency's regime will be associated with large industrial schemes forming the main item on the administrative programme. A prosperous India, My Lord, will be a valuable asset to the British Empire."

The Hon'ble Mr. Kamini Kumar Chanda :—"My Lord, taxation being inevitable in view of the heavy charge of the war contribution, the Hon'ble the Finance Minister has earned the gratitude of the country by trying to make it as inoppressive as possible. He has not knocked at the poor man's cottage and asked for his cowries, but called at the mansion of the rich and demanded his gold. There was undoubted temptation to him to have further added to the poor man's burden by taxing his salt which is a prime necessary of life and to quote Professor Fawcett, should really be as free as the air we breathe and the water we drink, but which nevertheless is at present heavily taxed. We really feel grateful to Sir William Meyer that he turned a deaf ear to the incessant suggestions that were made to him to further tax salt; we also feel grateful to him that he has by increasing the import duties on cotton goods tried to satisfy a demand which has long been made on behalf of

India to afford some protection to the Indian cotton trade. Although the Excise duties on Indian cotton goods are still there and it can hardly be claimed that any real protection has been afforded still the imported article being more heavily taxed than the home-made one if there were other favourable conditions it would go some way to protect the latter and for this tardy act of justice we feel grateful. We must not overlook the fact, however, that unless this apparent preferential treatment of the Indian cotton industry forms part of a well-considered and definite fiscal policy of protecting the Indian trade, such piecemeal tariff legislation would not in any appreciable degree benefit it. If, on the other hand, it is resorted to, simply because it is demanded by fiscal exigencies, it would merely be an indirect tax on the consumer on whom it would ultimately fall and result in an immediate enhancement of the price. One would willingly pay more for an imported article to-day if this leads to a development of his country's trade as he would derive a greater benefit in the future. He would in fact be paying a premium of insurance in favour of the infant industry. This pre-supposes that there will be facilities in the country for the home trade, that as regards the cotton industry there will be a sufficient quantity of raw cotton available. But there is no export duty on raw cotton and as it is impossible to get any machinery now and coal is becoming dearer and dearer, and there is a decrease in the import of long-staple cotton and bleaching articles and unless therefore an export duty be put on raw cotton, the Indian mills cannot derive full benefit of the enhanced import duty on cotton goods. To give real protection to Indian trade there must not only be an export duty on cotton, but the excise duty on Indian cotton goods should be removed in so far as it is not required for fiscal purposes. This would mean the adoption by the Government of India of a definite protective fiscal policy which we trust will be done. If instead of this, however, there is any disposition to remove the extra import duty after the war as the extraordinary selfish demand of Manchester recently put forward makes us apprehend, it will be a grievous and double wrong to India. It is necessary to sound a timely warning. Great is Manchester, My Lord. Manchester is the real author of the mandate theory which has deprived the official Member of the freedom of his judgment in voting. We have serious misgivings as to what will happen in this matter after the termination of the war. The short-sighted and unpatriotic selfishness of Lancashire members has succeeded in inducing the Parliament to accept the addendum of Mr. Asquith to reconsider the question of this additional import duty after the termination of the war. My Lord, it will really be disastrous if as a result of this there is any attempt to remove extra duty on any pretext. Loopholes there will be many, for instance there can be no doubt that the Budget errs on the side of over caution, and that receipts have been underestimated—excess receipts over estimates may thus furnish a loophole. But if this really comes about, there will be the strongest indignation in this country and the non-official Members are bound to receive a mandate from the people to have the whole question of India's war contribution re-opened. This contribution of £100 million and the provision therefor made in the Budget in the shape of receipts from the new taxes are inter-dependent on each other as the Secretary of State has shown in his reply to the Lancashire deputation for which we are deeply grateful to Mr. Chamberlain. People in England cannot realise, My Lord, the sacrifices which India has made for the war. It is the colossal ignorance of the English people about the real facts that is the cause of all tall talk of sacrifices made by the Colonies as compared to India. It is forgotten that the rich colonies have given out of their superfluities, that they have in fact merely parted with a fraction of the huge profits they have made out of the war, while poor India has given out of her necessities and has now by her latest contribution in the shape of this money gift absolutely crippled her resources for more than one generation.

“It seems to be ignored that India has throughout maintained 75,000 British troops at a huge cost in addition to Indian troops. What has been the cost of this army? It is no less than £21,000,000 against £1½ million spent by Canada for an army of 3,000 men and £1½ million spent by Australia in

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maintaining an army of 2,500 men. Then, again, India has given £50,000,000 in stores, service and supplies and has lent from her reserves £27,000,000. India has paid for training of English soldiers enabling Great Britain to hold large reserves of men, no less than 400,000 of these men having been trained at the cost of India. It is not in a spirit of bragging that I recount all this, nor with the object of protesting against the contribution or the amount thereof, but only to expose the misrepresentations about India published in the English Press. We have willingly agreed to the contribution which the Government offered on our behalf and in our name to England, though this means that our resources will for years to come be absolutely crippled. We feel that our duty to the Empire requires it. It is our utmost that we have given and may under circumstances be beyond our capacity to bear. But at the supreme moment in the crisis in the history of the Empire all other considerations must be laid aside. We must shed our last drop of blood, and we have given proof of that in a practical shape in the huge money-contribution we have now made. It is in no spirit of bargain, not in expectation of gaining something that we have given it. It was possible for us to have done so by being enabled to adjust our finances to meet it by the taxation that has been imposed. We in fact see therein an earnest of some fiscal control being vested in us—so as to be able to adjust our financial obligations. Justice as well as political expediency requires that we should have thus a dominating voice in the financial control and should be enabled to adjust our revenue and expenditure so as to lighten the burden as far as possible.

“Coming to the super-tax although it is only a wealthy community that is going to be taxed, and though it will thus be not so oppressive as it would be if it comprised the less well-to-do, we feel that it need not have been resorted to in the first instance. All considerations of justice and equity demanded that those who have pecuniarily profited by the war should be called upon to part with a portion of such gains. I would respectfully submit that the reasons which the Hon'ble the Finance Minister has given for not taxing such profits are not very convincing. Where would be the difficulty to find the staff who could be trusted to make the necessary calculations? Could not an indent be made to England if necessary? In a recent issue of the *Capital* we find statistics of thirty jute companies showing profits they have made in 1914, 1915 and 1916, respectively. Could not similar statistics be obtained of other concerns who made such profits from war. The list of the profits of the jute companies is given below—

The following statement of Bengal jute mill profits will, we are sure, be found very interesting. We are indebted for the same to *Capital* :—

	1914.	1915.	1916.
	Rs.	Rs.	Rs.
Barnagore	37,515	11,59,860	16,50,870
Kinnison	9,15,892	26,89,250	41,12,964
Reliance	1,35,376	11,94,862	20,79,067
Albion	6,40,309	9,45,965	13,72,256
Budge-Budge	8,57,916	14,04,929	22,82,962
National	5,21,488	16,07,804	23,18,149
30TH NOVEMBER.			
Auckland Loss	1,43,133	8,25,454	14,22,666
Caledonian . . . . .	...	...	5,38,743
Delta	6,49,614	15,79,842	19,62,393
Fort Gloster	1,22,849	21,47,731	34,91,067

	1914.	1915.	1916.
	Rs.	Rs.	Rs.
31st December.			
Alexandra	12,061	2,53,552	10,64,053
Belvedere	2,35,516	9,75,933	15,02,377
Dalhousie	1,16,157	14,30,529	22,57,375
Empire	2,75,648	10,75,765	12,72,304
Gondolpara	1,11,508	10,30,081	9,77,080
Gouaspore	2,62,044	27,11,272	20,92,277
Howrah Low	2,75,296	21,55,224	24,71,242
Kamarhatti	6,32,208	21,61,020	42,72,881
Kanknarrah	12,11,599	22,00,260	48,61,724
Kelvin	4,97,702	16,44,222	19,22,297
Khariyah	9,81,079	20,22,922	26,67,600
Lansdowne Low	69,622	14,49,010	8,70,575
Lawrence	1,92,526	12,72,622	21,97,070
New Central . . . . .	...	...	19,66,581
Naihati	2,15,522	8,07,759	11,29,620
Northbrook	26,228	10,05,616	17,24,027
Soorah	91,227	2,01,101	2,22,900
Standard Low	19,424	12,96,047	24,24,722
Union	1,01,742	20,12,724	20,64,022

Is it very difficult to find out what portions of these profits represent war profits. It would be interesting to inquire how many share-holders of these companies will be touched by the super tax, for all whose dividends are below Rs. 50,000 will escape. Could any share-holder reasonably complain if, say, even half the extra dividends he got owing to war profits were appropriated by the State seeing that they would not be earned but for the war? Lastly, granting that the tax on the war profits would be *nil* at the termination of the war, why are the profits during the continuance of the war to go scot-free? Would there be any difficulty to have fresh taxation at the termination of the war to make up any deficit?

"Coming to the expenditure side of the Budget, it will not of course be right to expect that our ordinary expectation can fully be met in a war Budget; but we cannot but regret that more could not be granted for sanitation and education. We are grateful to the Government for the grant of 30 lakhs for improving the position of teachers of primary and secondary schools; but this is not enough. Extension of education is if anything more urgently called for and makes an imperative demand on the revenue. Much time has already gone by and we cannot afford to waste further time before strenuous efforts are made to reduce—if not altogether remove—the deplorable amount of illiteracy from the country. How long shall we appear before other nations as illiterate people? Why should the Government of India be hesitating while the whole of the civilised world accepts the task of educating the people as a sacred duty? The demands of sanitation are equally insistent. I am aware that these complaints have for years and years been made and that there is nothing new in them. But, My Lord, it is not our fault that we are repeating the complaint year after year. It lies with the Government to remove the cause of these complaints. It may no doubt be contended that there would be

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no funds this time to devote to education and sanitation. My submission would be that money will be available by suitable adjustment of the Budget. Why for instance should there be 40 lakhs for Delhi? It is surely an extravagant sum simply 'to carry on.' There is surely no urgency in the matter. I confess I could not follow the Hon'ble the Finance Member's explanation. Why should there be any difficulty even if that involves the disbanding of establishments. Cannot the requisite staff be available for reappointment when the work would require it, or cannot the staff be deputed to Mesopotamia to be usefully employed now? Why should again the collection of stones and manufacture of bricks go on now when they will not be required for some time to come? Why should bricks and stones again rot and deteriorate? Could not 40 lakhs be easily cut down from the Delhi project and the money be made available for sanitation and education?

" If there is one subject more than any other which to-day is agitating the Indian mind with almost feverish anxiety it is the question as to the position of India in the re-adjustment of the Empire that is surely going to take place presently. Is she to continue as a mere dependency as at present, or will she be admitted to a partnership with the self-governing Dominions over-seas in the Empire, that is being discussed everywhere. We, 19 out of 22 selected Indian Members of this Council who were present at Simla at the time, submitted a note to Your Excellency in September. The Members who did not sign it at the time have, it is well known, directly or indirectly practically endorsed it since then. There is no doubt that the whole country has earnestly confirmed it. Both the National Indian Congress and the Moslem League have passed Resolutions embodying the demands we made in it. The whole country is keenly expecting a favourable response at the hands of Your Excellency's Government.

" One of our demands in the said memorandum was the granting of King's commissions to Indians in the Army. This demand has now received prominence owing to special circumstances. The recent announcement made by the Secretary of State in Parliament that Your Excellency has informed him that commissions in the Army under the Indian Army Act would be given to Indians have filled them with high hopes, and they refuse to accept the restricted interpretation which is placed on it. Indians are now being admitted to these commissions as jemadar, subadar, and subadar-major, and if these only were meant where would be the necessity of making the announcement? There is also the pronouncement made by Lord Islington in July last before a Conference of Parliamentary representatives which at any rate leaves no room for doubt. 'He anticipated and most hopefully anticipated that one of the outcomes of the war would be that at an early date we should display our confidence in Indian military loyalty by promoting to commissioned ranks as officers in the Army some of those qualified for the position'. It is certain, My Lord, that the appointment of another Indian to the Executive Council will not meet with that enthusiastic reception to-day which the appointment of an Indian Captain would. It will be unjust to India, My Lord, and politically dangerous to further delay giving effect to hopes which have been raised in the Indian mind. I would associate myself in this connection with the following remarks which a retired military officer, Colonel A. M. Murray, C.B., has recently made:—

' Spirit of Comradeship.

' As long as we treat India as a conquered country unrest will spread *pari passu* with the spread of education. Comradeship makes for contentment, and takes the wind out of the sails of agitators. We want Indians to feel that their cause is our cause, and that they have equal rights of Imperial citizenship with ourselves and overseas Dominions. We cannot do everything at once, but we can begin with the Army. The Army of India, like the Government of India, is organised on bureaucratic, not democratic, lines, and this is what requires to be undone. Soldiers will oppose the proposal for fusion, because by force of habit and tradition they oppose all reforms; but statesmen will understand what Indians want, and if they are wise they will give it them. Difficulties will occur to both Europeans and Indians in carrying out this proposal, but in the opinion of a distinguished Anglo-Indian statesman whom the writer has consulted they are not insuperable.'

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" Let not the enthusiasm which has been aroused in India by the decision of Your Excellency's Government throwing military service open to educated Indians be damped by irritating differences of treatment between Indians and Europeans. Let also the short-sighted policy of working the Defence of India Act arbitrarily and without any justification in gagging Indians of influence be reviewed. It is apparently not realised what mischief the recent orders passed against Mr. Tilak, Babu Bipinchandra Pal and Mrs. Besant has done.

" We are deeply grateful to Your Excellency's Government for having stopped emigration of Indians to the Colonies, and we sincerely trust that the prohibition will take shape of a permanent injunction."

2-42 P.M.

The Hon'ble Dr. Tej Bahadur Sapru:—" My Lord, the Session of the Council which is drawing to a close to-day has been an eventful one. Indeed some of the events which have happened during the last two months within the four walls of this Council Chamber have been of such far-reaching consequences, that it seems to me that their effect will be felt not only by the present generation of Indians, but also by the succeeding generations of our country-men. Not the least important of these events has been the Budget which has been presented by the Hon'ble Sir William Meyer. What, I may be permitted to ask, are the leading features of this Budget? If I were asked to sum them up, I would say that the Budget shows in a remarkable degree a combination of foresight, resourcefulness and equity. My Lord, we are passing through extraordinary times, and there are extraordinary calls on the public purse. Money had to be found, and I do not think that it would have been possible to find more money in a more satisfactory manner than has been done by the Hon'ble Sir William Meyer in the present Budget. There is, on the one hand, the Super-tax, and I do not see any reason why those who make most should at all complain, when they are called upon by the Exchequer, to pay most; on the other hand, you have the export duty on jute raised and a surcharge on railway goods. No doubt, exception has been taken to the surcharge on railway goods in certain quarters, but I expect that as time goes on and as our finances acquire a state of equilibrium, this will be revised. But not the least important of the taxes which have been imposed is that which relates to the cotton duties. My Lord, the excise duties in India have been a sore point with us for nearly a quarter of a century, and it did certainly require a certain amount of courage on the part of the Hon'ble the Finance Member to raise import duties on cotton, and the events which have happened recently in England undoubtedly bear testimony to the remarkable courage which the Hon'ble the Finance Member has shown in this matter. When one sees the spectacle of India willingly contribute her mite in the defence of the common Empire, when one bears in mind the poverty and the limited character of her resources and the extent of the financial help which we have rendered at this particular juncture, when, at the same time, one remembers the prosperous condition of Lancashire and the little-mindedness which they have shown on an occasion like this, one is tempted to proclaim 'look at that picture and look at this.' My Lord, I sincerely hope the courage which has characterised the Finance Member on this particular occasion will not fail the Government of India in future, and when the time comes for a revision of our financial position, the Government of India will stick to the arrangement as strongly and as firmly as they have done on the present occasion. My Lord, I think it is only fair that we should express our gratitude to the Right Hon'ble the Secretary of State for the bold and courageous attitude that he has taken in regard to this matter. It is nothing but bare justice which has been done to India, and let those of our critics who have been finding fault in the Press here and elsewhere in regard to the manner in which we have been financially rendering help to England, remember the spirit which has been shown by the Members of Your Lordship's Council and by the general public in India, and contrast it with the spirit which has been shown in Lancashire. But I may be permitted to observe that the Hon'ble the Finance Member has been particularly good to the people of this country in so far as he made it possible for the people, I mean

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the masses, to avoid any further incidence of taxation. Salt has not been tapped again, and although there are indications in the Hon'ble the Finance Member's speech of the agricultural incomes being tapped, I sincerely hope and pray that it may not be found possible next year to tap these resources.

" My Lord, coming to the expenditure side, it is gratifying to note that in spite of the various calls which have been made upon the purse of the Indian Exchequer, the Government have found it possible to contribute 30 lakhs to the cause of education. My Lord, my friend the Hon'ble Mr. Sastri, raised a debate on this question only a few weeks ago, in the course of which he laid stress upon the fact that, while money has been granted for the improvement of teachers, no money has been granted for the extension of education, and he then took opportunity to remind the Council that a battle-royal has been waging in this country for many years past between the theory of efficiency on one side and the theory of the extension of education on the other side. My Lord, I think personally that the improvement of teachers is by no means inconsistent with the extension of primary education. I wish it had been found possible by the Government of India to give something for the extension of primary education. But, My Lord, taking things as they are, I must say that I am not free from certain doubts as to the justice of the distribution of that grant. I find that the Hon'ble Sir Sankaran Nair proposes to give nine lakhs of rupees to Bengal, whereas my province gets only two lakhs and fifty thousand. I believe he has proceeded on the principle that he who has much is entitled to more, and he who has little is entitled to less. Well, My Lord, my Hon'ble friend Mr. Basu has during this Session earned a reputation, I would say an enviable reputation, for 'sweet reasonableness.' I will put it to him and ask him whether it is at all reasonable that Bengal which always claims to be in the vanguard of education, and which always chaffs my province for being at the bottom of educational progress, should have nine lakhs, while we should remain content with the paltry sum of two lakhs and fifty thousand? I am sure the Hon'ble Mr. Jennings would be quite happy to share a considerable portion of the nine lakhs with my province, which was also his province a few years ago, and I am also sure my Hon'ble friend Mr. Basu in his anxiety to preserve his reputation for 'sweet reasonableness' will not oppose my suggestion.

" My Lord, it is my pleasing duty now to offer Your Lordship my personal thanks and the thanks of my province for the courageous step which Your Lordship has been pleased to take in behalf of indentured labour. My Lord, it has been a crying evil. The entire country has been thrown into a state of excitement over this question, and year by year the conviction has grown deeper in our minds that what cannot be mended must be ended.

" My Lord, the moral evils of this pernicious system are too patent, and no one has recognised them more frankly than the Government of India themselves in their Despatches to the Secretary of State. Your Lordship and Your Lordship's Government must be aware of the excitement that has existed in the country during the last few months over this question, and nowhere more has public feeling been excited on this particular question than in the Province which I have the honour to represent. My Province has suffered most because it is from my Province that a very considerable portion of labour is recruited, and I rejoice to think that Your Lordship has exercised your discretion under the Defence of India Act and abolished it for the time being. My Lord, I trust it is not abolished only for the time being, I hope it is dead and dead for ever. My Lord, I certainly did not know the potentialities for good of the Defence of India Act, and I am encouraged to think that if Your Lordship can introduce such a beneficent reform under the Defence of India Act, Your Lordship may introduce under that Act certain other reforms for which the country is crying. And I can assure Your Lordship that if Your Lordship does it, you will not find stronger supporters of Your Lordship's Government or of that Act than the present Members of this Council. But, My Lord, I do not wish to say more on this subject. I have yet another grievance, and that is also of a provincial character. I refer to the question, to the old, old question of a Governor in

Council for my Province. My Lord, I had the honour of moving a Resolution on this subject only a couple of weeks ago, and then Sir Reginald Craddock uttered language which I did not realise was something of a prophecy. He said that if we could not get sixteen annas, we should be satisfied with eight annas. Well the eight annas has yet to come, meanwhile there is some cause for us to pause. The announcement of the appointment of Sir Harcourt Butler in place of Sir James Meston is a matter of reflection for us all. We ask, is this question going to be shelved and postponed for another five years? My Lord, nobody can accuse my Province of want of patience. We have been patient for over 80 years, and I trust, My Lord, you will not make a further demand on our patience in this particular respect, but certainly I may be permitted to ask whether the appointment of Sir Harcourt Butler in this Province is only a stop-gap arrangement during the time of the war, or whether it is proposed to elevate Sir Harcourt Butler himself to the position of a Governor after the war is over? My Lord, I have nothing particular to say with regard to the appointment of Sir Harcourt Butler; he is a Member of the Civil Service of our own Province, he knows the Province intimately, and if we have to go content with a Lieutenant-Governor for the next five years, I have nothing more to say against that appointment, but I hope and trust that behind the apparent announcement, there is some policy which it is not considered expedient to announce at the present moment.

"Now, My Lord, there are one or two questions which I would, with Your Lordship's permission, just touch upon and then resume my seat. My Lord, my friend the Hon'ble Mr. Shafi has reminded us very solemnly that it is not right for us to embarrass the Government by raising any questions of a constitutional character. I am perfectly alive, My Lord, to the obligation that rests upon us all that we should refrain from embarrassing the Government on any particular question during the time of the war, but, My Lord, may I remind my friend that putting before the Government what the country feels is not embarrassing the Government, but helping the Government. My Lord, Your Lordship was pleased to refer to a Despatch which the Government of India have sent to the Secretary of State on the question of *post-war* reforms in the speech which you delivered on the opening day of this Council. My Lord, some of us who are interested in those questions have ventured to put forward our views before Your Lordship in a memorandum submitted at Simla. Since then the country has from its two public platforms also expressed opinions on these questions, and I do not think I shall be justified in going into the details of any of these questions and discussing them on this particular occasion. But the fact remains that new aspirations have arisen, and it is for the Government to regulate and satisfy those aspirations and not shut their eyes to or suppress those aspirations. I am glad that the Government is not oblivious of those aspirations, and that the Government have themselves sent up a representation on those questions to the Secretary of State. But, My Lord, may I be permitted to express the hope that, whatever may be the decision which Your Lordship's Government or the Government in England may be inclined to take in regard to these constitutional questions, Your Lordship will be pleased to give the country a chance of expressing its views on those particular decisions. This was done in the case of the Minto-Morley reforms, and I see absolutely no reason why the country should be deprived of any chance of expressing its views on reforms on which the Government of India and the Government in England are agreed.

"My Lord, my Hon'ble friend, Captain Ajab Khan, whom we all cordially welcome in this Council as representative of the Indian Army, referred to the aspirations of the Indian Army to-day. I can assure Captain Ajab Khan that he has with him the support of the entire country. My Lord, it has been our grievance for years past that we are not admitted into the higher ranks of the Army, and I am glad that the gallant representative of the Indian Army, on this occasion has, with the authority with which he can claim to speak on this question, put forward his views so eloquently before Your Lordship to-day.

"My Lord, my learned friend, the Hon'ble Pandit Madan Mohan Malaviya, moved the other day a Resolution with regard to the Public Services question. I do

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not wish again to raise any question of detail with regard to that matter. But I will be absolutely frank and say one or two things with regard to that matter. If it is thought by the Government here or in England that the aspirations of this country are going to be satisfied by the recruitment of nine men in this country, My Lord, all that I can say to Your Lordship with all the sincerity I can command is that the Government is very much mistaken. The report of the Public Services Commission is an extremely disappointing document, and I should like those who wish to go ahead with the reforms suggested by the Public Services Commission to ask themselves just one or two questions. Does the Report of the majority of the Commission satisfy the intellect of India? Does it satisfy the heart of India? Does it satisfy the aspirations of the present generation, or will it satisfy the aspirations of the generation which will arise in the next thirty years? My Lord, whatever may be the steps which Your Lordship is prepared to take in the light of the Public Services Commission's Report, I certainly hope and pray that Your Lordship will not accept the suggestion of the Public Services Commission which assumes that India's aspirations can be satisfied with the recruitment of nine men in India.

"My Lord, I must also thank Your Lordship for sending representatives of the Government of India to the Imperial Conference which is about to take place in England. But I think, My Lord, I owe it to Your Lordship to say that the country would certainly have been more pleased and more satisfied if this Council had been allowed to select a representative of its own. I know, My Lord, that the Dominions have sent up their Ministers, but there is this vital difference between the Dominions and India, that the Ministers who have gone to England to take part in that Conference have the vote of their country behind them, whereas our representatives have not. My Lord, I have nothing more to say."

The Hon'ble Rao Bahadur B. N. Sarma:—"My Lord, we rejoice at the success of the allied arms in the west, of the British Imperial arms in the east, and at the discomfiture of our enemies. We rejoice that the people of Russia have risen equal to the occasion and are determined to win the war. New forces are being created, the democratic spirit is abroad, and there is every hope that we may look forward to an early and lasting peace. I realise that we are in the midst of abnormal conditions, and that the ordinary canons of criticism do not apply to this year's Budget, an essentially War Budget. There has been a class of critics during recent times which regretted that the war has not been brought home to the minds of Indians in the way in which it ought to have been, India being an integral part of the British Empire. They may rest assured that it will be remembered for at least a generation if not more, and that India has never shrunk, and will never shrink, from sacrifices which she can bear, provided she is really treated as an integral part for all purposes. The country will always remember with gratitude the Hon'ble Sir William Meyer's bold championing of the Indian cause, and he will permit us to believe, even in spite of his Budget speech, that overwhelming forces over which neither he nor perhaps the Government of India had absolute control, are responsible for the presentation of the Budget in its present form. But may I be permitted, My Lord, to congratulate Sir William Meyer and Your Excellency's Government on the skilful manner in which the burdens have been adjusted, under circumstances which permitted no alternative.

3 P.M.

"The Budget is an orthodox Budget, but for the introduction of two principles, namely, the discrimination of the rich as being specially bound to bear State burdens out of their abundance, and that India has the right to adjust her tariffs for fiscal purposes. I have always felt that the Government of India were never deterred from imposing burdens for the maintenance and increase of armies, it may be partially for Imperial purposes, and for administrative improvements, but have always hesitated, owing to the bogey of popular discontent, from initiating any large measure involving expenditure calculated to improve the condition of the

people, such as their education, sanitation and vital well-being. The history of fiscal legislation in the past and at present fully justifies my remark, for is there any indication that any schemes are under contemplation which would enable the people to bear the new burdens without detriment to their well-being. Mr. Gokhale asked for a revision of the tariff for educational advancement; it was not to be. There seems to be no constructive statesmanship discernible.

"The Hon'ble the Finance Minister's speech indicates the possibility of being faced with the need to look to land and salt for general burdens in the near future, and the contingency may not be so remote, if certain strong influences whose force and vigour we have witnessed during the last few days obtain ascendancy when the pressure of the war is over. It is sad to contemplate the general economic condition of the country, the new taxation and the possibilities of the immediate future. Turning to the figures quoted in Mr. Dutta's report, page 58, paragraphs 145 and 146, and even taking them with the comments of the Government of India, the position is not very cheering. Whereas there has been a growth of population between 1890-91 and 1911-12 of 8.4 per cent. in the area inquired into, the increase in the area under cultivation has been but 6 per cent., in the area under food grains 3 per cent. and in the production of food grains but 9 per cent. The new area under cultivation, including the canal-fed land since added, can by no means be said to keep pace with the further growth of population, say, about 2½ per cent. since 1911-12, and making full allowance for deficient statistics, low crop returns, etc., the position is by no means encouraging when we remember that the highest average income per head has been computed to be but £2, and statements in which, assuming there is exaggeration, a partial truth must be admitted, that more than 40 millions go without a full meal a day.

"The total capital of the Joint Stock Companies was estimated in 1913-14 to be 76 crores, and the rupee loan held by Indians was in 1911-12 about 69 crores, or a total of 145 crores, a sum less than the 100 millions for which provision has been made, and even including the Savings Banks deposits, the fresh loans and capital in new companies, the figures are not very much higher. The proportion of the public debt held by Indians was in 1901-04 50 crores and in 1911-12 69 crores, or an increase of 2½th crores per annum. The capital sunk in the new companies during recent years does not exceed on the average three or four crores, and taking the Post Office Savings Bank deposits, the growth between 1904-05 to 1911-12 to be from 13 to 18, the aggregate annual total, at any rate of people inclined to utilise their resources, falls far below the nine crores a year, the interest and sinking fund charges provided. The super-tax and the drain of capital from the country are factors of a very disquieting character. Let us also remember that if only 35 millions could be raised, 9½ millions of new acres of irrigated area could be brought under the plough; and we are shrinking from undertaking the programme partly for want of capital.

"Taxation under heads which are considered taxation proper, excluding railways, irrigation, etc., has increased from 3s. 2½d. in 1907 to a little over 4s. 7d. in 1917-18, roughly an increase of 43 per cent. within ten years. The increase in the gross revenue has been from 81.1 actuals in 1914-15 to 98.8 the Budget figure for the current year or 22 per cent. in three years.

"But we rejoice in that we have as a partner the wealthy United Kingdom. The capital of the United Kingdom was estimated by Sir Robert Giffen in 1903 at £15,000 millions and the annual income at £1,750 millions. The 'Economist' quoted at page 81 states that the amount invested abroad in Mulhall, was 3,050 millions, which is estimated to represent 20 per cent. of the total capital of the United Kingdom, and this was several years ago. The total amount of securities on the stock exchange at present, I believe, is more than 11,000 millions, of which 6,000 millions is invested abroad, and a large portion thereof is British capital. Viscount Haldane in 1915 said—'the growth of national annual resources has been from 850 millions in 1868 to 2,400 millions.' Viscount Middleton, speaking in the House of

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Lords in 1915, said 'the Chancellor of the Exchequer said the other day that the savings of the country had now reached, according to statisticians, between £300 and 400 millions a year, but that we have made pretty good inroads upon these savings' Mr. McKenna, the Chancellor of the Exchequer, said in April 1916---' I have given our revenue of a possibly permanent nature at £123,000,000 which leaves a surplus on the basis of increased expenditure, after another year of war and all its expenses, at £85 millions. I give these figures under great reserve, many of the factors cannot be definitely estimated, but I think the figures are enough to shew that, by the present scale of taxation, we are making ample provision for the service of the war, and that when peace comes we shall have a considerable margin for the remission of taxation.' The total indebtedness of the country was 3,440 millions, the advances were 860 millions and the debt charge annually was 145 millions. Mr. Chamberlain, speaking in the House of Commons in May 1916, stated that the position in England was not very discouraging. Revenue exceeded the estimates by £3,500,000 in 1913-14, by £17,500,000 in 1914-15 and by £32,000,000 in 1915-16, and after saying that they were not overstraining their resources which would have resulted in small returns, he added 'I have not the least doubt that this money which we are taking from the hands of our countrymen could be used to greater advantage if there were no war than it is now being used in the interests of the war by the Chancellor of the Exchequer. We are using up capital, we cannot help it. In one form or another we are bound to do it. We are using up capital for purposes of the war. We are laying by less capital than in ordinary circumstances would be done for the development of business, for keeping business up to date and for providing us with the means to meet our competitors' So the position in England is not so gloomy as is sometimes depicted, and I have not the least doubt that the principle of reciprocity would lead to abundant good results in the future.

"The position in the Colonies also is not bad. Their annual income per head is 53, 52, 100 and so on, and the amounts in the savings banks are also large. Consequently, we may reasonably and naturally expect the rest of the Empire, after the war is over, to undertake, if necessary, fiscal sacrifices with a view to bring up less fortunately situated India, if not quite up to the level of their economic prosperity, at least to a position where her people can possess and enjoy the normal comforts of civilized existence. This reminds me of a story in the Puranas of a poor Brahmin named Kuchela, in dismay, looking round for something in the house which he could present as an offering on a visit to his friend, King and God, Sri Krishna, when the housewife came to the rescue and gave him a few handfuls of beaten rice which she preserved as a provision against undesirable contingencies. Sri Krishna accepted the gift with great pleasure and was dissuaded by Lakshmi from eating the whole lest inconvenient results of a complete transference of riches might take place. Contemplative India, like Kuchela, never does a duty expecting a return; but the Lancashire Lakshmi may dissuade the better mind of Great Britain from doing justice, let alone generous deeds, and the housewife out here might well wish that the beaten rice had not left her house.

"The Government of India have made the offer in view of the place they desire her to hold in the Empire, and we echo the wish, the desire, the expectation, that that place should be one of perfect equality with the rest of the Empire, one of comradeship. It is but justice to expect that after the war the whole financial position, the question of fiscal independence, contributions and relative status will be reviewed together; and it may be that the indemnity to which the Empire may be entitled will enable her to ease the financial burdens of India.

"With great respect to the Finance Minister and with great humility and deference, I beg to remark that underestimating the revenue has been a fruitful cause of hardship to the taxpayer. The Royal Commission on Currency was compelled to remark, after weighty consideration, with reference to Indian Budget framing: 'Caution is justifiable in framing Budgets in India, but has been carried rather further than was necessary in recent years.' The

figures from 1898-99 to 1917-18 fully bear out my remark. The only years of exception were 1908-09, the year of a great monetary crisis, and 1914-15, the year of the war. Justice to the taxpayer requires the adoption of a system of meeting deficits by loans in exceptional circumstances. There was a surplus of 4 millions in 1915-16. Taxation was imposed in 1916-17, and there was underbudgeting, with the result that the financial position and taxable capacity were made to present an exaggerated picture, with the consequences we have seen in the current year.

" Orthodox doctrines with regard to gold currency, paper currency have received a rude shock. The Royal Commission, over which Mr. Chamberlain so worthily presided, laid down that of the gold currency reserve minimum of 30 millions, there ought to be at least 15 millions held in gold. We have now the spectacle of that minimum exceeding 30 millions, with 24.748 invested in London and 6 at short notice. We had 29.37 million pounds of actual gold in India on 31st March 1913 in the paper currency reserve, and we have but 12.22 millions now though the currency has enormously developed. Gold which India is entitled to get is being ruthlessly intercepted. I do not complain of this being done during the war. These are necessary measures and I have not the slightest hesitation in saying that the Government of India acted in the interests of the Empire. Gold is however being ruthlessly intercepted as a matter of deliberate policy, but I sincerely hope that when peace is restored the whole matter will be taken into consideration and revised at a very early date. I hope the Government of India will consider seriously, before further silver coining is undertaken, as to how it will affect prices, and also consider whether it would not take us further away from attaining a gold standard.

" The course of the war has demonstrated fully the folly of complete dependence on foreign shipping. We are grateful to the Navy for the protection afforded, but the protection would have been still more invaluable if we had manufactured products to export on a larger scale, or ships of our own to carry them to further foreign countries. As it is, raw products are bought at our own door, and the exporting countries protect their articles of export by their flags. It must also be remembered that most of the trade of India, and especially of Madras, has been affected by lack of shipping facilities during recent times; and I hope Your Excellency's Government will consider, if possible, the possibility of increasing these facilities, although there is not much hope of that in the immediate future.

" In this connection the observation is generally made that we have not undertaken a sufficient burden with regard to the Navy. May I respectfully point out that it is recognised that we have in the past maintained a larger army than was necessary, and in view of the expenditure on the Navy in England, we have been bearing a portion of the cost.

" My Lord, I associate myself with those friends who have asked the Government to consider whether expenditure cannot be retrenched. Especially under the head of Civil Service charges, there has been a remarkable growth, and there seems to be no indication of a check in the immediate future.

" Then I associate myself with those Hon'ble friends who have applauded the action of the Government of India in respect of their emigration policy. The people of India are extremely grateful to the Government and to Your Lordship for the steps that have been taken, and I am sure they will endorse everything that has been done.

" In regard to the War Loan, people do recognise that, apart from the interests of the Empire, in their own interests, the War Loan should be as large as possible, so that the money may remain in the country; and I hope that, to show the gratitude of India and her earnest desire to help in the actual prosecution of the war, as much money as can be raised will be raised in the shape of these War Loans.

" My Lord, I hope that ere long it will be the proud privilege of Your Excellency to accede to our humble request in respect of throwing open the commissioned ranks of the Indian Army to Indians. The Hon'ble Captain

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Ajab Khan, who so worthily represents the Indian Army here, has voiced in no mistakable terms the desire of the soldiers in the field. With one unanimous voice the country has long been engaged in asking for that privilege, and I hope it will be possible to announce the decision at a very early date.

“Speaking for Madras, I hope the Hon’ble Sir Claude Hill will be able to see his way to carry out the Kistna-Cauvery projects as soon as peace returns and financial conditions permit. We have been contributing to the Imperial revenues a considerable amount in the shape of irrigation revenue, not to speak of the general revenue, and I hope that will be taken into account when the Madras case comes under consideration.

“With the e words, My Lord, I will resume my seat.”

The Hon’ble Mr. Bhupendra Nath Basu :—“My Lord, on an occasion like this I find that we are placed in a somewhat disadvantageous position. The question has been raised, My Lord, as to whether, having regard to the facilities that we have already got of bringing public questions to the notice of Government, a free debate should be allowed on the Budget day, and the Budget debate should be considered as a Speech Day. Well, My Lord, I cannot say that I do not altogether sympathise with that sentiment. I can well realise, My Lord, that our speeches may strike you like the moaning of the sea, incessant and rolling. But I believe the moaning of the sea may be of some use to our official friends with jaded and overstrained nerves. However that may be, My Lord, though we have latitude on this occasion to speak on questions like holidays or leave for saying our prayers to the grievances of railway passengers, sometimes we may say things which may bear fruit. The seed may be carried by the idle wind and it may be lost on the barren wastes of life. But sometimes it lodges in a sympathetic soil and it sprouts. So may it be, My Lord, that out of the many things that we say on this occasion something may be utilised. My Lord, ten good men and true would have saved in ancient times a sinful city. I do not—far be it from me to say so—compare the Government of India to a sinful city; but, My Lord, a few words may save a Government from an inconvenient situation. Our friend, the inexorable Vice-President, was for choking us off altogether, sweeping us off the board. Well, inexorable though he is, he had ultimately to yield to our joint entreaty to get along in our old way. But, My Lord, that is not enough; it is not enough that on this occasion we should feel somehow or other that we were having the latitude of a prize day in school. We have also something else to think of. I, for one, bear in mind Your Lordship’s earnest appeal to avoid controversial subjects on this occasion; and My Lord, I was racking my brain, like a poet of very high reputation who was looking for a hero, for a theme which would be devoid of controversy; and I lighted upon one. Unfortunately circumstances prevented me from bringing it up on the occasion on which it should have been brought up, for which I offer my sincere apologies to the Council. My theme was the building of the new city of Delhi. I do not honestly think that there can be any controversy about it. My Lord, I may complain and justly complain, coming as I do from the green and waving fields of Bengal ‘why have you brought us out of the land of Egypt into the wilderness?’ And I am quite sure that my official friends must be casting longing, lingering looks behind. They must be hankering after the flesh-pots of Egypt. Well, My Lord, I was given an opportunity of having from one of those small watchtowers that are being built, a view of the promised land. A friend of mine associated with our architects was with pardonable pride dilating upon the beauties of Delhi to be. My Lord, I am a humble tax-payer, not probably of the class to whom the super-tax would apply, and therefore I am not much in sympathy with those mourning gentlemen who have uttered their complaint against that tax, but nevertheless I felt like this: I felt as if I was carrying on board a vessel bags of gold, and suddenly on the 3-20 P.M.

way I am seized by a corsair who gets hold of my bags of gold and throws them into the sea and says ' Do not despair, for after all the sea has a bottom and your gold bags will gradually rise to the surface. And though you see only the foundations of the Viceregal Palace and of the Secretariat buildings and of the Council Chamber in which your great-grandsons will hold forth as you are holding forth to-day, though you see them just resting on the soil or below the soil, the day will come when they will rise to their full proportions.' Well, My Lord, my mind was full of despair. Why, My Lord, seek the proximity of ruins that proclaim the instability of human fortunes? Is it the old feeling of having always with you the *memento mori*? Are we coming to adopt the old Hindu practice that, lest we forget in the vanity of our daily life what is due from us, we should every morning visit the crematorium that we may not forget? And is it for that purpose that the great and mighty Government of India are building up or trying to build up their future capital amidst ruins which remind us of the past, so that that may be a warning for the future? I do not think, My Lord, that there can be that feeling. It is not for me to raise in this debate and on this occasion the question of the policy which dictated the transfer of the capital to Delhi. But, My Lord, wisdom may come, even if it does come late; and the word of the King may not be sacrosanct, for the King only speaks through his Ministers, and he can always undo what he has done if advised by his Ministers. There is this to be said, My Lord, that having undertaken a venture, which is the better course to adopt? That the Delhi of the future should go as other Delhis have gone and proclaim the mutability of human fortunes? Or that those foundations of the buildings to be should be left in their entirety to proclaim to future generations that after all there was one Government which had the courage to see its mistake, and the courage to undo it? My Lord, which is better? I will not dwell much longer on this subject and ruffle the feelings of my friend opposite, Sir Claude Hill, who probably wants to keep things going as they are. But, My Lord, seriously and earnestly, in this time of stress and strain and of difficulty through which we are all passing in every part of the Empire from the shores of the Atlantic to the Pacific, is it desirable that we should incur expenditure for a project which may never take shape and which, if it ever does take shape, will never realise the expectations of those who entered into it so lightly? As I said, I do not for a moment put forward the claim of my native city, but I ask my friends opposite seriously to consider if something may not be done to stop this idle waste of money. My Lord, proceeding to other subjects which are non-controversial, for my part I offer my best congratulations to Sir Reginald Craddock for the elevation which Your Lordship has been able to give him at the close of his career. I was one of those who were in Your Lordship's Council when Sir Reginald Craddock for the first time came into the innermost ring of the Indian Cabinet. Hopes and fears always arise when we find a new man come to take a position in that most important portfolio which has been in his keeping. We may have had our differences, where are there men who do not have honest differences of opinion? For the last five years, during an exceptional period of storm and stress, he has managed the affairs of his Department with exceptional ability; and now, My Lord, that he is going to a sphere away from fields in which he has worked, I hope he will not be completely weaned away from us by the seductive charms of Burma, and that he will bear in mind the claims of his early love. We all wish a bright future and a higher career for my friend in his new sphere of activities and duties. And, My Lord, I do not think I shall be doing my duty if I do not express to Your Lordship and to this Council the high appreciation which all Indians entertain of the great services rendered to our country at this critical juncture by Sir William Meyer. I shall come to his Budget later on if Your Lordship will give me time, but before I do so I feel bound to express to Your Lordship and to this Council that his administration of our financial affairs has secured for him the unbounded admiration of all my countrymen; for, My Lord, it is an open secret that enormous pressure was put on the Government to squeeze as much as

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possible out of the finances of India; not that we would grudge the money but there should naturally be a limit to it. We have always felt, down in the plains where we work and pass our daily lives that Sir William Meyer was like a solitary helmsman holding fast to a tiny boat, tossed by the angry waves, and that he was trying to steer it into a safe harbour. My Lord, he has succeeded. I am not one of those who would carp and cavil on this occasion at any sacrifice if it was needed, but, My Lord, I feel as strongly as you feel, though I am of a different hue, that I form a component part, a living part, of the great Empire to which you and I jointly belong; I feel it lies as much in me as in you that the honour, safety and prestige of that Empire should be maintained; I feel that no sacrifice on our part if required necessary should be grudgingly made on an occasion like this. Therefore, I do not conceal from Your Lordship that I feel that this contribution of £100,000, though probably in ordinary circumstances it would be considered a heavy burden and a strain upon the resources of India, I feel that if the cause demanded it, this contribution whatever the sacrifice should be made. My Lord, the presence of Sir William Meyer and his consent to this contribution give us the assurance that less should not have been given and more could not be expected. Passing from the contribution, My Lord, I am bound to felicitate my friend, the Finance Member, on the ways and means he has found to meet the contribution. My friends to whom the super-tax would apply may feel for a time the wrench that we all feel when money is taken away from our purses, but may I remind them in the words of the Scripture that 'to whom much is given of him much is expected' and that they should not flinch because in this hour of dire necessity they are called upon to pay out of the superfluities of their means. But, My Lord, if the sacrifice has been accepted by the country, it is no use concealing from Your Lordship and from our friends, the responsible Members of Your Lordship's Government, that for many years it will mean a heavy handicap to Indian progress and to Indian aspirations. I think it is fair to give warning that if in England people revise the methods which Sir William Meyer has devised to meet this contribution in any sense injurious to Indian interests, they will be making a great mistake and seeing that the greatest asset to the Empire is the willing and loyal acquiescence of India to bear her share in the great struggle now going on, I hope that that mistake will never be made. I am sure that as head of the Government, with the Council you have as your responsible advisers, you will not allow that mistake to be made.

"But, My Lord, coming from that position—"

His Excellency the President :—"I am afraid I must ask the Hon'ble Member to come to his peroration."

The Hon'ble Mr. Bhupendranath Basu :—"I am obliged to Your Lordship for that reminder."

"My Lord, there are many things which come to my mind at the present moment. You and I shall not meet again for six months to come, and we shall not have an opportunity of talking face to face. But, My Lord, I would ask you to bear in mind the fact that, when the time comes as soon as the war is over and a new adjustment has to be made in regard to our financial position and in regard to our economic requirements, the great claims that the country has upon Your Lordship's consideration for education, for sanitation and other necessary purposes, should not be overlooked.

"My Lord, before I conclude, I would point out that it has been said of old that men do not live by bread alone. We all realise and acknowledge that you have given us internal peace and freedom from external aggression. I stand at Your Lordship's bar. Give us, My Lord, what you are fighting to achieve in European countries; give us self-respect in our own land; give our young men elbow-room, give them some of that aspiration which Your Lordship yourself must have felt when as a little boy at Peterhoff, that one day you might be the ruler of India. Give the dreaming youth of Bengal that aspiration, nay to the youth of India—why Bengal alone,—that vision. Let them feel that one day

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they can be like my friend Sir Charles Munro, the saviour of the situation at the Dardanelles, who has helped to banish for ever from the 'whispering galleries of the East,' the lingering echoes of the greatest reverse that the British army was ever threatened with on the battle-fields of Asia. Let them feel that they may one day be rulers of great provinces and leaders of men, and then, My Lord, you put aside for ever your Defence of India Act, and your regulations, and you may rule over a contented and loyal country in peace and prosperity. Then surely, My Lord, discontent will disappear as mist before the rising day."

3-44 P.M.

The Hon'ble Mr. Abdur Rahim :—" My Lord, I beg to associate myself with my Hon'ble Colleagues who have offered their congratulations to the Hon'ble the Finance Member for the consummate skill he has shown in handling our financial resources even under the extraordinary conditions resulting from this unparalleled war. He has presented to this Council a Budget which provides for almost all the internal needs of our country's administrations, as well as for the annual charges resulting from the war contribution which Your Excellency's Government has made on behalf of this country in a manner which is undoubtedly satisfactory from every point of view. The Mohammedans of Bengal, whom I have the honour to represent, fully approve of the action taken by Your Excellency's Government, and are always ready to give their loyal support to the British cause.

"The British Government is very naturally occupied with the gigantic task of crushing an aggressive Militarism which has involved the civilised world into a terrible war unknown in previous history. Realising that this is not the time to enter into a discussion of any controversial nature, I content myself with assuring Your Excellency of the whole-hearted support of my community in bringing this war to a successful end."

3-45 P.M.

The Hon'ble Mr. Srinivasa Sastri.—" My Lord, the Hon'ble Mr. Basu said he felt like a school boy on a prize-giving day. I wish as a school master to return the compliment and to say that I feel rather like a lawyer on a law dinner day when a practitioner may get up and quote over-ruled decisions, ask all kinds of irrelevant questions and perhaps also attribute profound ignorance to the learned brothers on the Bench. He has shown the example on the Budget day of speaking as little as possible on the Budget. The few remarks that he made connected with the Budget, I propose to make at the beginning.

"I associate myself, My Lord, with the sentiments expressed hitherto as to the war gift that India has made to the British Empire. It is no doubt a great sacrifice for India; it is burdensome; and because it is a great sacrifice and burdensome, it is, if I may venture to use that homely expression, a dear gift that we make to the British Empire out of our hearts, and I hope and trust that that will eventually prove to be the means of consolidating the interests that bind England and India together.

"I must congratulate, like my Hon'ble colleagues, the Hon'ble Sir William Meyer on the manner in which he has adjusted the burdens that arise from this war-gift. Those that are able to bear have been made to bear the taxation, and those that are unable to bear the burden have been so far spared. But I would have the Council to remember that nearly every item of taxation imposed on account of this great gift has been attacked from one side or another. The railway tax has been attacked; so has the super-tax been; so unfortunately has been the increase in the import duties on cotton. Now, if as a consequence of these attacks the burden has got to be re-adjusted, I much fear that the threat contained in one of the paragraphs of Sir William Meyer's speech will have to be carried out. Land and salt, so far happily exempted, may have to come under the hammer of taxation, and if that took place, the feature of the Budget on which we are now able to congratulate him will have disappeared, and the burden of taxation will be then resting on those that are least able to bear it, while those that are most able will escape. I would remind the Council that there is a very

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[*Mr. Srinivasa Sastri.*]

strong school of thought in this country opposed to one of the statements made in the Financial Statement that land is comparatively lightly taxed. I am one of those who believe that it is taxed almost up to the bearable limit. If hereafter it is to be made, as I hope it will not be made, to bear additional burdens, it must be, as the Hon'ble Sir William Meyer has pointed out, for the purpose of such great and beneficent objects as education, sanitation, medical relief and so on. Let me express the hope of this Council and of the country in general that salt and land will be kept sacred hereafter from additional taxation, sacred only to those objects of immediate local interest.

"One great feature of this Budget, My Lord, is the import duty on cotton. For the first time we are feeling that a great injustice has been removed, and we are hoping that further steps in the same direction will be taken for the general relief of the tax-payer. This is in the direction of the fiscal autonomy which has been the pole-star of commercial and economic aspiration in this country for two generations. We feel that we are subservient economically to outsiders, that we cannot develop our resources to the full to our own advantage, and as on this occasion we rejoice that we have taken the first step, so it would be a calamity indeed if this step had to be retraced owing to the pressure of Lancashire.

"The debate in the House of Commons has fully disclosed the existence of a danger against which we desire to forearm ourselves. It is, My Lord, a matter of particular gratification that the Secretary of State has seized the essence of the point and put it in forcible language which we cannot improve upon. This impost on cotton goods is a social necessity for India, it is a political necessity for India, it is an industrial necessity for India. I am glad to acknowledge that I have noticed the spirit of anger and indignation with which not merely Indians but even Englishmen in this country have read the report of the proceedings in the House of Commons. They feel that, even when bare justice is, under the inexorable necessity of war, done to India, there are a class of people in England whose selfishness drives them to raise an untimely word of protest. As I said it has been bear justice—I take the leave of the Council to go another step and affirm that it is now, after the immense war gift we have made to England and the additional taxation that we are for that purpose bearing, that it is after this an obligation that England owes to us to set us free to stand upon our own legs in the matter of fiscal development. For after all I do not mind how much we pay out of the available and hoarded wealth of the country, let our accumulations, let our disposable goods be all taken, provided we have the power of creating wealth again, so that we can use such resources as we have to the fullest advantage of this country. Fiscal autonomy then has become not merely justice to be pleaded for, but a necessity that England cannot any more withhold. I wish Your Excellency's Government to make this matter clear as the unanimous wish of this Council to the representatives of our Government at Home.

"The next point to which, My Lord, I wish to refer is a matter concerning education arising out of a question that I raised a little while ago in this Council. I was then pleading, after expressing gratification at the thirty lakhs granted for the improvement of the pay and prospects of teachers, I was contending that some more money might be given for the purpose of extending elementary education, and I had then ventured to state what had not been affirmed openly anywhere, that Local Governments were looking to the Imperial Government for annual recurring grants for the purpose of financing all extension of elementary education. Only two days elapsed and over the wire came the news from Madras that the Director of Public Instruction of that Province in the Legislative Council there stated the identical thing that I had stated, that for expansion the Imperial Government must be pressed, Local Governments were unequal to the task. Well that is a confirmation of my view which I did not expect to come so quickly, but it is a confirmation of which I hope the lesson will not be lost on the Government of India. It is, I venture to remind Your Excellency, one of the great questions which should be grappled with immediately, it cannot be put off. May I be permitted at this stage, Your Excellency, to make a personal

observation personal to Your Excellency, but not entirely, because it arises out of your exalted position in this country. At the time that Your Excellency assumed office, we did not hear, I do not remember at all events and I do not think any one here remembers hearing, of an announcement mentioning any labours of a heroic character to which Your Lordship was going to address yourself, whether it reached the herculean number of 12 or another it did not matter. We remember a historic occasion on which 12 labours were undertaken by one of your predecessors. Well, God gives proof that even in exalted spheres the virtues of humility and of reserve will not go unrewarded. Within twelve months of Your Excellency's assumption of office, it has been possible for Your Lordship to confer on this country three great blessings. The first I would mention is the suspension of indentured labour during the period of the war, which I hope will be converted into complete abolition of that iniquitous institution. The next I would mention is the organisation of the Defence of India force. Lastly, I will mention—well, I forget the third achievement for the moment, but I will pass on—I do not know how many still remain to be achieved by Your Excellency, but there are two which I must take the leave of the Council to mention as those which I would like to see Your Excellency's regime be marked by. One is the enactment, on however humble a scale, of the principle of compulsion in the sphere of elementary education. The other is the inauguration of a scheme of political reforms before Your Excellency lays down office. On the contrary I expect that, long before that time comes perhaps, we shall be enjoying the fruits of the new scheme which I am sure is being framed between the Government of India and the Government in England. It has been pointed out, My Lord, several times that at this time of war we ought not to embarrass the Government with any suggestions of ours. I do not know that this thought of what should be done in India to satisfy the growing ambitions of the country is not present night and day to those who have charge of responsible interests either here or in England. We know as a matter of fact the thought is forever present in your minds, in the minds of those with whom you are in daily association in the work of Government in India. If we at this time throw in our counsel so that you may take that into consideration also in settling matters, it is rather hard for us to be accused of seeking to embarrass the Government with our ideas at this time. It is too little realised, I fear in official circles, or if realised it is conveniently forgotten how intense are the feelings of young India in the matter of realising the great hopes that have been held out from time to time. It is somewhat strange that decades ago when public life was rather low in this country and public demands had not risen to any high pitch, it was left to English administrators and statesmen to lay down in clear and generous terms the policy of continuous improvement which was to end in the final emancipation in a political and economic sense of the people of this country.

“Now that during the last few years public opinion has become articulate and people are asking for one thing and another, it is astonishing to think, it is saddening to think, that officials should seem to stand aghast and scared at the coming prospect. What is it that is happening in this country, they seem to say to themselves? My Lord, no one of us, at least no one of us who has thought of the affairs of India in a serious way, desires any catastrophic changes. Far, far be that from our minds. But let me frankly tell Your Excellency and Your Excellency's Government that (we do look forward to large, substantial and satisfying items of reform consistently with their being stable and lasting. The only things that we hear amid the official reserve and the official silence in regard to these matters are the views of retired pro-consuls like Lord Sydenham, whose distrust of educated Indians, I venture to state from this place, is fast becoming a menace to the peace and welfare of this country.) My Lord, it was only a few days ago that the Premier of England, referring to the catastrophic change that has come over Russia, spoke of it in terms to which I would venture to draw the attention of the Council. He referred to it with his characteristic insight as ‘events marking a world epoch and as the first great triumph of the principles for which we entered the war,’ i.e., the dethronement of autocracy and the establishment on a sure footing, let

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us hope, of popular freedom. We ask for the identical thing in this country. Shall it be said that India was the last country in the world to obtain this great triumph of the principles for which England and India alike are making terrible sacrifices? Let it not be. Let it not be said that any school of English politicians stood deliberately in the way of according to India that popular freedom which they hail in the case of Russia, even when it is inaugurated in that catastrophic manner of which we have heard. We want peaceful progress; we want constitutional and ordered progress; we want, however, at the same time that it should be declared clearly to Indians that they shall one day be free. It is necessary in my opinion also to state how soon. Shall it be said twenty or thirty years hence that, at a time when the world was passing through a terrible crisis and the nations stood facing each other, some in friendly co-operation, some in the bitterest hostility, the Indians asked for freedom, but that they were told to 'wait, wait, wait.'

"Your Excellency, it is now time that we were told definitely what it is that we are to expect. I make no doubt whatever that Your Excellency is already contemplating the announcement to India at a seasonable time no doubt of the goal towards which India politically will evolve under the fostering care of the British Government. It strikes me that the hour has long come when that should be made perfectly clear. While there are many authorities, high and low, in the country ready to deprecate and discourage, ready to intern and exclude, there is none—sad thought—high or low, to speak a word of hope, to hold out to the coming generations the promise of freedom for which England has always stood, for which she is striving to-day, and for which both England and India together are striving with one mind and one heart.

"Your Excellency, with these words I wish to resume my seat, expressing once more the hope that to Your Excellency will be reserved the proud distinction of having been able to initiate a large and substantial, though certainly not a catastrophic, scheme of reform."

The Hon'ble Mr. D. E. Wacha:—"My Lord, though we are permitted on this occasion within the time-limit to speak on all subjects, in fact to roam wide from China to Peru, or from the Arctic to the Antarctic, I for one will not venture on or risk taking such a journey, even were I to be borne on the wings of the wind. The subject is so large that, if I were to dwell as several of my friends who have preceded me have done, on a variety of subjects—on political reform, on self-government, on economics, on currency, on railways and many other etceteras—I think, My Lord, that the time-limit of 20 minutes would have to be extended to 300 minutes. But where is the time? We are to finish to-day at 5 o'clock and here it is 10 minutes past 4. Therefore, My Lord, it is really futile on this occasion to avail ourselves of this opportunity to speak on any subject except finance, which is really the subject proper before the Council to-day. I will, My Lord, make one preliminary observation before I proceed to speak on the subject, and it is this. Several of my friends, and particularly my friend, the Hon'ble Mr. Sastri, have appealed to Your Lordship that the problem of self-government might be considered, and that at some very recent date you might make an announcement on the subject. When that is the question and when that is the appeal made to Your Lordship, I in my turn would like to make another appeal, not only to my friend, the Hon'ble Mr. Sastri, but to all assembled here, including officials. My appeal is this. Are we or are we not a self-governing body here? What is this Council, this Imperial Council, this Council of India, but a self-governing body? And if it is a self-governing body, are we not prepared to have what you call reforms at our own door? Reforms for the country are different, but reforms are necessary at our very door, in this very Council. What are those reforms? We all know, My Lord, that for the governance of our own little self-governing body, a kind of *imperium in imperio*, we have rules and regulations which I confess I have found, ever since I joined the Council, to be such as to handicap a free and healthy discussion of any kind of subject. That is the thing. Are we or are we not going to reform our rules so that we may have that healthier discussion which everybody yearns for but

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which nobody can get because of the limited time in which we are obliged to speak on a subject. Therefore, My Lord, I appeal to my friends and ask them whether they ought not now to take time by the forelock and see what rules and regulations might be amended. The foremost consideration or reform is this, that the time has come when we should really discontinue the form of speeches that are made. I refer to those manuscript speeches which are read to irksome lengths, and which take up the valuable time of the Council. That being so, I will say this, that looking backward to the time when this Council was young, say some twenty years ago, in the early days when the Council was expanded, what happened? There was a very keen critic of the Council and on-looker in the person of Mr. Arnold White. Having visited the Council on a particular day, he gave his impressions to the world at large. What did he say of the Council? This, that the Council was one of impressive silence—'impressive silence' in this sense: just as there was impressive silence among those grave Senators who sat in their senate hall on the Capitoline Hill when the gods thundered in Imperial Rome. That was the silence that the early Councils had. Others have said differently; but between that time and now much water has gone under the bridge. The pendulum has now swung from one extreme to the other. From impressive silence we have come to depressing manuscript eloquence, and I for one wish to see, My Lord, that this depressing manuscript eloquence might be discontinued for ever, buried in the limbo of oblivion. Let us turn over a new page, and go forward if our Council is really to be a useful Council for the purposes of healthy debate and discussion. What happens now, My Lord? Supposing there were another Arnold White looking on at this Council at this very hour, like a 'chiel among us taking notes,' what would he say? He would say—'I see before me a Council of grown-up schoolboys who, at the beck and call of their great Guru and authority there, rise in their places and read the products of the midnight oil, consumed for the purpose of preparing those foolscap sheets of paper.' We are grown-up schoolboys simply trying to read speeches prepared beforehand without rhyme or reason. I may perhaps offend some of my friends, but I feel very keenly on the subject, and I frankly confess that the time has come when we should reform our own Council. Begin at the beginning. Begin your self-government in this very Council and when you have reformed your Council here, you can reform the country at large.

"Having said so much, My Lord, on this matter, I now turn to that part of the Financial Statement in regard to which the Hon'ble Members, those stalwart Members sitting opposite me, one after the other gave us the other day their explanatory accounts covering a variety of subjects embraced in the Financial Statement. My old and valued friend, the Hon'ble Sir Claude Hill, who is at the head of Agriculture and other departments, gave us a very encouraging and very promising account of what his Department was doing for agriculture. Now, My Lord, more than self-government, I consider that the question of the improvement of agriculture is the question of questions, because upon agriculture everything depends, and unless we go on improving our agricultural industry, nothing will be done. The economic conditions to which many of my friends have referred will continue to be the same. I was glad to hear the other day from the Hon'ble Sir Claude Hill that he is going to improve things in many respects; improve our forests in order to get more timber which may be commercially exploited; have more agricultural departments, and so on. All these are concomitant and contributory means towards the improvement of agriculture generally which will eventually improve the desperate condition of the Indian peasant. The question of agriculture is the most important of all. I consider, My Lord, that where one grain of corn, or one ear of wheat grows to-day, or where there is one leaf of tobacco or cotton, there should grow to-morrow two grains, two blades, two leaves. Then, My Lord, the condition of the country will be changed. Then only, My Lord, will prosperity come. Then, My Lord, we shall be able to bear even greater economic burdens than we are at present undergoing.

"My friend, the Hon'ble Sir Claude Hill, referred to what the Government has been lately doing with reference to the stimulation of long staple

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cotton. This is a very welcome announcement though not a new announcement. For, My Lord, looking back on the history of cotton during the last 75 years you will find that the Government has been spasmodically trying to do its duty in that respect, namely, to grow long staple cotton which will go a great way to enable mill-owners and manufacturers to weave finer classes of goods which may compete successfully in healthy competition with Lancashire. But all those spasmodic efforts hitherto have failed. I consider, My Lord, that the time has now come when the Hon'ble Sir Claude Hill should earnestly take up this question of the cultivation of long staple cotton in the country. I am sure, My Lord, he will earn the gratitude not only of mill-owners but of the country generally.

"Then as to other questions of agriculture, it should be remembered that our agricultural products are the wealth of the country; they are the fundamental wealth of the country. After of course keeping to ourselves all the articles and agricultural products which we may want for our domestic consumption, all the surplus exports that go out of the country are a source of the greatest wealth, and the greater the surplus exports of this kind the greater will be the wealth of the country, the greater wealth being not only of the State but of the people. After all, My Lord, it is finance that governs the country. As John Bright once said 'Tell me what are the finances of a country and I will tell you the condition of its people, the condition of its State.' A good Government must have good finance, and if you are to go on progressing you must have good finance, increasing finance. Then, My Lord, the agricultural industry is the first industry to which we must give our attention, and I am glad, My Lord, that my friend the Hon'ble Sir Claude Hill referred to it.

"Turning now to another subject, my old Madras friend, who has been a worker with me in the Indian National Congress, and who is now in charge of the Education Department, told us that the prospects of teachers have been improved. He also spoke on the question of sanitation. On the question of sanitation, there seems to be a bifurcation. A part of sanitation is under my friend the Hon'ble Sir Sankaran Nair, and another part, which is called Medical, is under the charge of Surgeon-General Sir Pardey Lukis. I was very glad to hear from the Hon'ble Sir Pardey Lukis the other day that he has as a trial instituted some establishments at Lucknow where granaries are improved with the purpose of giving better sanitation and destroying the rats, which with the fleas carry plague, which is such a great pest to the whole of India and which has already swept away something like twenty millions in the last twenty years. As to sanitation, I would appeal to my Hon'ble friend Sir Sankaran Nair for one thing. Sanitation in India is in a very rudimentary stage. We have only been giving attention to it for the last fifteen or twenty years, and it is still very rudimentary. Village, like town sanitation, is not very satisfactory. Therefore, My Lord, whatever is done in the future, I really hope that whenever the finances permit and whenever the Finance Minister does not sit on the Education and Sanitation Department, but liberally provides the money that the Education Minister wants,—I really hope that greater progress will be made in sanitation. For this reason—apart from education—the greater the sanitation, the greater will be the vitality. Your standard of vitality will be increased. Look at the enormous death-rate which we have had here for years together. I know as a matter of fact that for some years past the death-rate has been reduced, but still it is very high, something like 30 to 32 per thousand. Our birth-rate is on the whole very fair; but if we give an increased standard of vitality by a variety of sanitary and other measures, particularly for the working-classes who live in insanitary areas and have within their small wages to do many things which they are unable to do, then there would be some progress. Vital statistics are also important to the State. The larger the number of people living, the larger the number of people who are employed in industries, the larger the wages they can earn, the greater the well-being of the whole country.

"Then, coming to my friend, Sir George Barnes, who also said something about post-offices and trade, he said that the trade was very satisfactory. I also endorse his opinion that the trade in India has been satisfactory. But why? Look at the two-and-a-half years of this terrible war; look at

the immense sacrifices England is making to keep the trade routes safe notwithstanding all the terrible submarining that has been going on everywhere. Why? Because there at the very door of the enemy, the gallant British navy, the invincible British navy I should call it, is keeping watch and ward safeguarding all the trade routes like the Warden of the Marches. That is the reason why our trade has flourished, and that is the reason why India has been very little disturbed as far as trade is concerned. No doubt our imports have decreased, but our exports have increased, and that is another point to which I would draw the attention of Members, because it will be seen that during the last two-and-a-half years the balance of trade is in our favour to a very large extent. We are complaining of the burden put upon us; we forget the other side, and I think those who are intellectually honest and politically honest should not forget that part of it, that the balance of exports is in our favour and that balance is a cause of wealth to the country. It is from that wealth that we are going partly to offer the hundred millions. This is considered a burden and a sacrifice. A burden and sacrifice it is for every patriotic country of course when it has to defend itself. Are we not to undergo any sacrifices at all? Of course we are told that India is poor. But what does the poor man do when his wife or children fall sick? He may not have a pie in his pocket, yet what does he do? He goes and borrows. What are we doing? We are borrowing, but we understand the depth of the sacrifice we are making for the future protection of the world and for the future protection of British India, and for that purpose I consider that any sacrifices will not be too great, and I think those are mistaken who talk of this sacrifice as a burden which poor India cannot bear. Poor India has been doing her duty manfully, generously, courageously and liberally. If we can do what all the rest of the Colonies and other people are doing, and if we can save an integral part of the British Empire, then any sacrifice that we may have to make even in the future—and I think we shall have to if the war goes on—should be cheerfully borne by us, and there should be no more criticism on the subject.

“ Another little point to which Sir George Baines referred to was in connection with the postal service. That service has been doing very well. I have been a student of all sorts of statistics, postal and telegraphic, and I may say that if any service in the whole of India has given rupee for rupee to the tax-payer it is the post office. I have always had the greatest admiration for the post office; I have even greater admiration for the post office now that it is increasing its utility, and I say, therefore, that the post office service is really one of the most useful services where we get rupee for rupee. I cannot say that about the class that one would call tax-eaters. When I come to the tax-eaters, I must say that the spending departments are spending too much even in this time when we want economy, and I would particularly refer to my friend, Sir Reginald Craddock, here who is in charge of the Home Department, I must say that the Civil Service charges are increasing day by day; they are increasing at even greater ratio than the growth of revenue. The principle of taxation, the revenue which we in the first instance take from our land-revenue, and the taxation that has been put on the railways—I will speak on the railways a little later on—

His Excellency the President:—“ I am afraid not, Mr. Wacha; not to-day. I am afraid your time is up already.”

The Hon'ble Mr. D. E. Wacha:—“ I admit, My Lord, that my mind is full of all these things, and therefore I cannot speak more; but as I said I will once more congratulate my friend, Sir William Meyer, on the very able way in which he has of course discharged his duties as Finance Minister. No Finance Minister, I will say, for the last sixty years since the Budget system was introduced, has had to deal with such a difficult question at such difficult times as Sir William Meyer; and it is to his credit that he has so courageously and successfully performed his duties. With these words I sit down.”

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The Hon'ble Sardar Bahadur Sundar Singh Majithia:—

“ My Lord, allow me to offer to the Hon'ble the Finance Member my sincerest congratulations for the successful handling of the resources of the country in the present circumstances of the great war in which His Imperial Majesty's Government is engaged to safeguard the interests of, and to uphold the existence of, the weaker nations from being absorbed or crushed out of existence by the stronger. It is a matter of sincere congratulation that Sir William Meyer has been very considerate so far as new taxes are concerned. He has tapped the resources which are better able to bear the extra burden. It was extremely wise on the part of the Hon'ble Member to leave alone the land-revenue question. The taxation on land is already fairly high, and to make it heavier would have been injudicious. To explain more clearly, I would invite attention to the fact that the policy of land-revenue is based on taking up to half the nett profits of land. If a landowner has an income of, say, Rs. 1,000 a year, he is expected to pay into the State coffers Rs. 400 to Rs. 500 of the amount, while in the case of a person having an income from sources other than land of Rs. 999, he has not to pay a pie, and in case of his earning Rs. 1,000 he has to pay comparatively a very insignificant figure of Rs. 20 as income-tax. Some people say that a person liable to income-tax has to earn his money by the sweat of his brow. It may be true in his case, but in the case of a zemindar, tiller of the soil, My Lord, it is literally true. The prices of the produce of land have no doubt gone up considerably, but along with this it must be conceded that the cost of labour has more than trebled. The village kamins who used to help in the cultivation of land find it more paying to go to foreign countries, and even in India they can command higher and more paying wages than they could hope to get from their service in the fields. On the other hand, in many a home plague has wrought its ravages. It is, therefore, becoming extremely difficult for the zemindar to bring his harvest home. The holdings in the Punjab are not big enough to encourage a landholder to employ modern machinery to solve his difficulty. Its use, in a way, is prohibitive to the zemindar owing to its cost. Besides the above, My Lord, you have to consider that in case of a calamity befalling a zemindar by the death of his agricultural cattle the poor man has, unless he is fortunate enough to obtain Government help in the shape of taccavi, to go to the village bunia, and once in his clutches it is hard for him to get out. I do not mean to be hard on the village banker. He is in his way a useful member of the village community; but facts are facts, and they could not be denied. Government had to come to the rescue of the agriculturist and placed on the Statute-book of India the Land Alienation Act, and thus saved him from losing his paternal holdings. I, therefore, consider it very generous of the Hon'ble the Finance Member that he has not touched the incidence of the land tax, and may I venture to hope that Government would be generous enough not to add to the burdens of the tillers of the soil. The generous treatment of the most favoured Province in India—I refer, My Lord, to Bengal—enables it to head the list of the new war loan. It may be that Calcutta is a big commercial centre, but I trust I may not be very wrong if I attribute this success to the big zemindars of Bengal being well-to-do to be thus able to lay out their money in this profitable investment, which, according to a Punjabi proverb of ‘ Pun Nale Phaban,’ both helps the Empire in its time of need and gives the monied man a chance of investing his savings to advantage. While on this topic it brings me to the needs of the agricultural community. India, My Lord, is pre-eminently an agricultural country, and nearly one-fourth of the revenues of the Government of India are derived from the land; but the methods of tilling the land are yet in their primitive stage. People have not yet taken to improved methods of agriculture, and Government also has become alive to the necessity of doing something in the matter only of late years. The foremost duty that a civilized Government has to discharge is to use the resources of a country, pre-eminently an agricultural one, to protect it from the inclemencies of the weather, and it is a matter of congratulation that irrigation works have had their proper share from the resources of the country. The Punjab is proud of its canal system—one of the finest in the world—and the Hon'ble Mr. Rose, who has given us his best in this line, I am sure, must be

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g'lad that his labours in the Punjab are bearing such rich harvests. But, My Lord, the agricultural education of the masses has not yet received its full share of the Government attention, and a good deal has yet to be done, and with the sympathies of the head of the Department of Revenue and Agriculture, I have every hope that the needs of the zemindars will receive their due care and consideration. In every village we must have a model farm, and the young agriculturists must be practically taught to improve their old methods by giving up obsolete implements of agriculture and adopting more improved ones, now more easily obtainable in the country. Cotton, oil seeds and sugarcane have great fields before them. In the case of the latter, Government should put the zemindar in a position to compete with the bounty-fed sugar of the foreign countries largely imported into India. It is a pity that India should not be able to supply its own wants in this direction, and I am afraid, My Lord, this will not be possible with the primitive *kohls* which the villager still plies leisurely. Large tracts of land should be given in suitable parts of the country and cane crushing and sugar manufacturing factories be established and helped to make the industry pay. I am glad that Government raised the duty on imported sugar and thus gave a sort of help to the local manufacture. In our primitive methods of sugar manufacture there is a good deal of waste, and improved machinery alone can save this. Another necessary factor to make the industry pay is to utilize the bye-products. So, unless the agriculturists are able to see and realize the advantages of improved methods, much cannot be done. I have every hope that the matter will receive the kind consideration of Your Excellency's Government.

“ This brings me, My Lord, to the general education of the masses. I am an advocate of this. I claim to have spent some years of my life in the service of the community to which I have the honour to belong; the general masses are ignorant. They ought at least to know the three R's. The question of elementary education is engaging the attention of Government, and I am glad to find that Government is providing thirty lakhs for the improvement of the pay and training of teachers. But there is no doubt the question is bristling with difficulties. We Sikhs have started late in the field. Your Excellency will shortly be paying a visit to the home of the Sikhs, and I am sure Your Lordship will be glad to see that under the sympathetic care of the head of our Province, we are making a headway in this direction, and I have every hope that the education of the masses will receive Your Excellency's most gracious attention. We can only educate the masses through the medium of the mother tongue of the people. I am afraid, My Lord, in my Province the question of the medium of instruction has not received the attention that it deserved. It is not due to the fact that the Government was not alive to the question, but unfortunately the instruction so far imparted has been through a language which has had to be learnt by the youngsters first. When the question is considered from a broader standpoint, I am sure the Punjabis will give up their petty jealousies and prejudices on this vital question and give Punjabi—the mother tongue of the Punjab—its rightful place in the schools as a medium of instruction. Then and then alone real progress would be made. On the other hand, the question of making elementary education free and compulsory is beset with difficulties. There need not be much difficulty to make it free; it is a matter of the loss of a small revenue, but when we have to consider compulsion, the question is there. Punjabis in the villages are yet not in a frame of mind to take it quietly though the question has the support of every well-wisher of the country, but we in the Punjab must take cautious steps in this direction. Big towns must be the first to try the experiment, and profiting by experience gained the system of compulsion may be extended by degrees.

“ My Lord, the great war has brought in sharp prominence the need of having an efficient army. Some time back the cry was in India for reduction of the Army expenditure and to give more for Education and Sanitation. These are admirable things in themselves and very necessary, too, but, My Lord, the necessity, and the foremost necessity, of a country is that the hearths and

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homes of the people be protected. To do so we require men who are willing to fight for their King and country. I would, therefore, say with all the emphasis that I can command that we must put this question in the forefront of the needs of the Empire. So far the pay and prospects in the Army were very small. In fact it was notorious that a common labourer was earning more than a soldier. It is no wonder then that it was becoming difficult to get recruits for the Army, and that we were able to get them was mostly for the love of the sport, as they say, and an inherent idea of respect that service in the Army carried. But, My Lord, we cannot shut our eyes to the financial aspect of the question. We must make it worth the while of the men who are, so to speak, ready to shed their life-blood in the service of the Empire. In India, the higher ranks in the Army are not yet open to the children of the soil. There are no training institutions where officers could be trained. When so much is being asked for the education of the masses, is it not right to demand that India should be self-contained in this respect? I mean, My Lord, the necessity of the establishment of military colleges in the country. We must have military colleges, and the sons of the gentry and aristocracy should be trained to take their proper place in the service of the Empire and the defence of their country, which is proud to be a jewel of the first water in the diadem of His Imperial Majesty, the King-Emperor. I do not in any way decry the excellent leadership of the military officers. They have led us in many a field of battle bravely and victoriously, but it is the duty of the Government to train us to reach the higher rungs of the ladder. Our native officers have done splendid services. They, too, must have a chance of proving their merits in the higher fields of service; they must, however, have the necessary training. In this connection, I would bring to the notice of His Excellency the Commander-in-Chief that we, who belong to the gentry of the country, look with great disappointment to the, so to speak, closing of the door to direct commissions in the army. You cannot, My Lord, expect the young men of good families to start as common soldiers. It may be an excellent idea to make a man start as a common soldier, but it has no attraction for those who have socially a higher place in life. So, My Lord, the greater the need for the starting of some sort of military college for the regular training of youths of good families to fit them for direct King-Emperor's commissions in the army, I therefore hope that the matter would receive the consideration it deserves. It is most gratifying that Government have recognized the necessity and have given rations and kit free to the men in the army and have also raised the pensions. It was the just due of the men in the army. While on this subject I may be permitted to mention the New Defence of India Force Act. Government have made it compulsory for Europeans and voluntary for Indians. A step forward has been taken, but I wish Government had gone a step further and allowed Indians to volunteer for local service. No doubt His Excellency the Commander-in-Chief explained that he wanted men for actual defence of the Empire, and perhaps there were some difficulties in the way of being able to train and equip a very large number of men, but, My Lord, while I quite admit the force of this argument, it would have afforded us greater chances to serve the Empire, and, for aught I know, may have proved a less costly field of service for our young men, who may thus have been able to prosecute their ordinary college or school studies and have had an opportunity of getting the military discipline training necessary to fit them for the service of the Empire. In this respect the services of the retired Indian officers, recruiting officers and reservists may have been carefully employed and after the necessary training the military authorities may have been better able to pick up duly trained and qualified men for service in the regular army. My Lord, the call must be made in an Imperial spirit, and I am sanguine that India would respond to the call to duty. I can safely say of my Province that it has not lagged behind in the service of the Empire, and will not be found wanting in this respect. Start a home Militia for India, My Lord, and you will be equipping the man-power of India to be able to defend the Empire and incidentally their hearths and homes.

[*Sardar Bahadur Sunder Singh Mejitkha.*] [23RD MARCH, 1917.]

While dealing with the agricultural needs of the country, I made a mention about the sugar industry, and I trust I may be pardoned for saying a few words about other industries. Before this gigantic war the markets of the country were run over with cheap German products; even toys for children were imported from that country. Now Japan is in the field and is sweeping the markets with cheap goods. The railway train services in India had to be cut down because rolling-stock could not be imported. The stoppage of goods trains has dislocated trade seriously. Why? Because parts necessary to replace the wear and tear of the rolling-stock could not be had in India. You can thus see, My Lord, the helplessness of the country. We have no industries. Cheap motor cars are imported from America, and there has not come into existence a concern which could be a pioneer in this direction. Take another case—the industrial and agricultural machinery must be imported, and in this war it has become an impossibility. Fortunately the Tata Iron Works are coming in so handy and they have supplied a good deal of the wants of Government. Similarly, if we had other industries, they could have not only helped to retain the wealth of the country from enriching the coffers of the Germans, but India would have been able to give much more than it has done so far in the present gigantic war. India should not and does not grudge free trade with the United Kingdom and the Colonies, which form part of the Empire, but I think she should be protected from the overflowing of her markets with cheap stuffs of foreign countries. Perhaps I am venturing upon a wider field, and I would at once admit that it is beyond my power to adequately deal with it; but I do feel that Government should protect, nourish and encourage the local industries to a greater extent, and make them able to take their proper place in the products of the Empire, if not of the World.

“I am glad that from this year the sanitation of the country claims a separate head of account in the Budget. In the villages, My Lord, a good deal has yet to be done. I must admit, on the other hand, that in this respect a great deal depends on the people themselves. Indians have naturally clean habits, but they have not got cleaner habitations. The school text-books should have lessons on the subject, and when once the young students imbibe these habits they would become second nature. We cannot force the pace in this respect, but there is a hopeful change, and people are taking more kindly to the matter, and though no doubt the education in this line should commence from the homes, if text-books in schools contained lessons on hygiene and the advantages of living in cleaner dwellings the young men would acquire a necessary habit which will stand them in good stead in their after lives. A good deal of public money flows to big towns for sanitary improvements and cleaner surroundings and streets, but I would strongly urge that villages, the inhabitants of which no doubt subscribe to the cesses, should have a greater claim on the bounty of the sarkar. The insanitary surroundings of the villages are affecting the physique of the coming generations. The pastures which were the necessary features of the villages of old have been brought under the plough. This has been unfortunate, as thereby these natural play-grounds of the juvenile inhabitants of the villages have disappeared. In older times youngsters of two adjoining villages used to play cheap village games after meals till 11 or 12 in the night, and these used to keep them healthy. These pastures further afforded the milk-giving cattle of the village necessary grazing grounds and milk and ghee were plentiful. With the rise in the prices of these commodities and the transformation of pastures into green fields, the keeping of milk cattle has become a matter of costly luxury, and what with the adulterated stuff that we get in the bazars there is no wonder that the physique has deteriorated. I hope I will be borne out in this by the military authorities as the present-day recruits do not bear comparison with old ones in this respect. I therefore hope, My Lord, that for the sake of the general health of the village folk and the physique of the country, some steps may be taken to give the villages pasturages and incidentally the necessary play-grounds to the young men.

“Forests are the natural wealth of a country. These, too, would have disappeared but for the timely efforts of Government. They are being conserved

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to advantage, and are helpful in retaining the moisture of the soil in it and attract more rain—a dire necessity of an agricultural country. Greater attention is being paid to the forest products and the policy that the country is not denuded of forests must have fullest support. In the Punjab the resin industry at Jallo is a paying concern to the Government, and there are vast fields for improvement in these directions. The scarcity of paper, which has forced Government also to use cheaper stuff for their publications, requires the ingenuity of the forest chemists and the forest officer to produce material for providing necessary paper pulp to meet the pressing demands of the country.

“Before concluding my remarks, I cannot help alluding to the topic of the war, which engages the attention of everyone. It is the duty of the Empire to do its utmost to bring this gigantic struggle to a successful issue. The services of India in this war were most ably enumerated by the Hon'ble the Finance Member, and it was only befitting that our resources should further be at the disposal of His Majesty's Government for the successful prosecution of the war. I was extremely sorry to read of a Resolution of my Hon'ble friend, Pandit M. M. Malaviya. I was myself unable to be present that day. I was, however, gratified to learn that he withdrew it after delivering a speech. I wish he had spared us the speech and the Resolution. I for one cannot have any sympathy with it. We must be true to our professions, and no sacrifice in the present struggle should be grudged. I may remind my Hon'ble friend of the peace that reigns in the country. I am sure he would not wish that it may be disturbed. While on this point, I am reminded of an old historical four-line piece of Punjabi poetry descriptive of a time when India used to be overrun with invasions. The lines are to this effect, and I trust I will be pardoned in reproducing it. It runs:—

‘Aya nadir kal kure
Paiye kapahin phul kure
Ranan char paharin gayain
Mardan male chul kure.’

It eloquently describes the invasion of Nadir. A young woman addresses another saying:—

‘Nadir has come, my sister, at the time of the flowering of the cotton plant.

‘We women have been sent away to the hills and men have taken our places at the chulha to cook their food.’

“My Hon'ble friend and the people generally have been spared these inconveniences and they must be thankful for the peace that, in spite of the biggest war that the world has ever seen, reigns in the country. It is this peace that enables my Hon'ble friend and every one of us to be here to-day to discuss the Budget of the country. The Army and Navy of the Empire—thanks to their service—have staved off that unpleasant contingency, and one would be very unwise to begrudge any help that could be given to the Empire in crushing down Prussian militarism so that peace may abide in the country to enable the people and Government to launch out and promote schemes for the advancement and the well-being of the country. The Punjab does not grudge the contribution. No sacrifice must be spared in the present juncture, and though praying sincerely for the speedy and successful termination of the war, I can assure Your Lordship, and through Your Excellency, His Imperial Majesty, the King-Emperor, that our services in men, money and means are at the disposal of the Empire, and that Indians will not be wanting in their duty to the Empire in the present gigantic struggle. Our services are not for any rewards, our loyalty could not be bartered. We are part and parcel of the Empire and are proud to belong to it, and as such we are ever ready to shed our life-blood in the safety and defence of the Empire. The destiny of England and India is united and we rise or fall with it.”

4-23 P.M.

The Hon'ble Pandit Madan Mohan Malaviya :—" My Lord, I agree with my friend, the Hon'ble Mr. Wacha, that it is not desirable to have manuscript eloquence in this Council; but I fear that he has been a great deal too severe on those of our colleagues who have to resort to it because they have to speak in a tongue which is not their mother-tongue, and the mastery of which is a very very difficult task. I think, My Lord, that in view of the fact that many Members of Council find it necessary at present to read their speeches, the present practice should not be changed at least in the near future.

" Before I proceed to say anything about the Budget, I should like to associate myself with those of my friends who have already tendered to Your Excellency the thanks of the country for having abolished indentured labour. We also thank Sir George Barnes and the other Members of your government, and also Mr. Austen Chamberlain, nor can we omit on this occasion to express our gratitude to your noble predecessor, who sounded the death-knell of the system last year. We feel deeply grateful that this accursed system in which so much wickedness and unhappiness was involved has been abolished. The order prohibiting it is, it is true, a temporary order—indeed I have no doubt—but I hope and trust that the indentured system is dead and dead for ever, and that it will never again be revived to be the means of unhappiness and wickedness in any part of the British Empire.

" I do not think I need repeat what many of my friends have said in appreciation of the manner in which the Hon'ble Sir William Meyer has met the situation in which he found himself, and I would rather confine myself to certain larger aspects of the Budget which arise from the discussion that has taken place to-day and on other days. The detailed discussion of the Budget has been so limited this year because of the fact that it is a War Budget, and we have had little fault to find with the disposition of the funds that have been raised. But, My Lord, there are two facts arising out of the Budget discussion of this year which call for consideration, namely, the fiscal position of the Government of India, the fiscal power and the general position of the Members of this Council. In regard to the first, I regret to think that the Government of India is really not in India but in London. I mean no disrespect to Your Excellency or your Colleagues in the Government of India, but I am sorry to say that not you but His Majesty's Secretary of State, is the Government of India, because it is an open secret, we all know it to our regret, that every matter of importance relating to the revenues of India must be decided by the Secretary of State for India. A few minutes ago my Hon'ble friend, Mr. Wacha, asked whether we were not a self-governing body; I honestly wish we were; but I regret to say we are not, because in all matters of importance the fiscal policy of the Government of India is laid down by the Secretary of State. The influences to which he is subjected decide for the time being what particular course is to be taken on any question. To-day it may be those who denounce the evil of supplying opium to China; to-morrow it may be the Lancashire merchants who do not want to lose any of their profits; the day after it may be the War Office which thinks that certain burdens should be cast upon India. The Government of India may protest; I gratefully recognise that they have protested on many occasions; but their protests have been in vain on too many occasions. Now, that being the position of the Government of India, I hope after the war is over, this will be one of the most important questions that will be taken up, and that the Government of India will be really established in India and removed from London. The second point is the constitutional position of this Council. I have already entered my protest against the manner in which the offer of £100,000 was settled. I do not mean any disrespect to the Government of India, but I feel it my duty to them and to His Majesty's Government, and also to my country, to say that while the Council is in existence, the decision on such a question by the Executive Government of the country is not a right thing. It shows as if this Council exists in name only and has really no fiscal power except to legalize taxation. Lastly, as regards the general position of the Members of this Council, While we feel grateful that His Majesty's

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Government have invited representatives from India to assist the Secretary of State at the War Conference; we cannot conceal the feeling that, as it was on our recommendation that His Majesty's Government agreed to invite Indians to represent India at the Conference, it was due to us that we should have been consulted before the nominations were made. The Government would have lost nothing if that courtesy had been shown to the Council; on the contrary, there would have been a real feeling of satisfaction. We feel that we who offer our humble services free to the Government and who have a certain recognised status, as the chosen representatives of the people, should not be passed over when a question like that in which we have shown an interest is to be decided.

"These considerations lead me naturally to the larger question raised by my Hon'ble friend, Mr. Sastri and other Members of post-war reforms. We have been advised by some gentlemen that we should not refer to these matters. Those who offer such advice do not realise that Your Excellency told us in the opening speech of the Session that from May to October, that is before the Session, Your Excellency's Government were engaged in producing the memorandum to which you have referred and also the Despatch sent to the Secretary of State for India. That clearly shows that Your Excellency's Government realise that problems will arise at the conclusion of the war of considerable importance. With that statement of Your Excellency before us I feel that I am bound to refer to this matter. I do so particularly because as the Hon'ble Mr. Basu has said, this Council will not meet again till September. We are hoping that this war, this accursed war, will have come to an end and that His Majesty, the King-Emperor, will have been able to proclaim a glorious peace before that time. In that view it is not improbable that this question of post-war reforms will be taken up for consideration before we meet again. Your Excellency's Government has spent six months over the Despatch you have sent to the Secretary of State, and we, the elected additional Members of your Council, have submitted to you a Memorandum over which we spent a great deal of time and thought. The Indian National Congress and the Moslem League have also put forward a carefully considered scheme of reforms. There is thus no doubt much material before the Government to help it to come to a decision on the reforms. But, My Lord, we do not know what proposals Your Excellency's Government has made on the subject, and we request that you may be pleased, in fairness to the Members of this Council, to publish those proposals in order that we may submit our criticisms on them with a view to help the Government to arrive at a correct conclusion. I need hardly say that the question of post-war reforms is a much larger one now than it was before the war. As Mr. Lloyd-George said the other day, the war has changed us very much. It has changed the angle of vision in India as well as in England. I venture to say that the war has put the clock of time fifty years forward, and I hope and trust that India will achieve in the next few years, what she might not have done in fifty years. Some persons are frightened at the use of certain expressions; some dislike the use of the term 'home rule,' some cannot bear to hear even of 'self-government on colonial lines.' But all will have to recognise that the reforms after the war will have to be such as will meet the requirements of the India of to-day, and of to-morrow, such as will satisfy the aspirations of her people. My Lord, among these reforms one of the most important forcibly suggested by the discussion on the Budget to-day is that India should enjoy a measure of fiscal autonomy, and that its Legislative Council, which is constituted by law, should be able to determine what taxes are to be raised and how the money raised should be spent. The action that has recently been taken by the Lancashire party in England, with reference to the increase made in the import duties on cotton goods, throws a lurid light on the need of having fiscal autonomy conferred on India. As regards the general question, we rejoice to think that His Majesty's Government is engaged in a righteous war, in the cause of liberty and justice, and the freedom of nations, small and great. From the beginning of the war we have offered our allegiance and have prayed for the success of His Majesty's arms. Before this war we admired England

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because she loved liberty and had helped other nations to acquire freedom. We offered willing allegiance to England's King, because we had long read of—

'The England that rejoiced to see,
Hellas unbound, Italy one and free ;
The England that had tears for Poland' doom,
And in her heart for all the world made room ;

Accounting her all living lands above,
In justice, and in mercy and in love.'

But the tremendous sacrifices which England has made in the present war, the sacrifices which have saved France from going down before such a deadly foe as Germany, the sacrifices which have helped Russia to continue to keep up a noble fight,—the sacrifices which her manhood and womanhood have made to re-establish the independence of many small nations, lead us to look forward with hope that the constitutional changes which will be brought about in India after the war will make Indians realise that the cause of liberty is as dear to Englishmen in the case of India as it is in the case of Russia, of Belgium, of Poland, and other parts of the world. My Hon'ble friend, Mr. Sastri, has already referred to the rapturous feeling with which the news of the recent revolution in Russia has been received here. (Of all systems of government, we, Indians, have a great predilection for the constitutional monarchy of England, and we rejoice to think that His Majesty, the King of England, should be the King-Emperor of India. But we desire that Indians should stand shoulder to shoulder with Englishmen as equal fellow-subjects, and that they should enjoy equality before the law and have an equality of opportunity for service in their own country, as Englishmen enjoy in theirs.) Even so erratic and unfriendly a critic as Lord Sydenham whose articles have created some resentment in this country, has admitted that 'British rule in India can be justified only, if in addition to the maintenance of law, order and equal justice, it is directed to leading the people always onward and upward, bridging over the innumerable rifts which divide them, and smoothing the path to nationhood and self-government'. It is a noble task, says he, and so say I. But if the task is to be achieved, it is one that should be discussed between the Indian public and members of the English community. We trust Your Excellency and your colleagues will solve the question in a satisfactory manner.

" My Lord, it does not behove any one who is familiar with the conditions of India to say that Indians are not fit for self-government. It is my conviction that every people is fit for self-government, and that we, Indians, are most certainly fit for self-government to-day. If we do not ask for complete self-government to-day, it is because we have to satisfy our English friends also that we are fit for it. With one-third of India being still under the happy rule of Indian Princes, with 60 millions of the population being still successfully ruled by them, it seems very wrong for anybody to say that Indians have not the capacity for self-government. Secondly, we have now been under British rule for more than 150 years. We have had the benefit of English education, we have had the benefit of association with Englishmen, who have been nurtured in the free institutions of the West, and I submit, My Lord, that this is a sufficiently long period to further qualify us for being entrusted with self-government. Japan took a much shorter time to so qualify herself. In 1853 Japan was as helpless before a handful of Americans as were the Incas when Pizarro assailed them with two hundred men. They were islanders without a fleet, warriors without an army. Their condition was in every way unsatisfactory. In 1863, one of their cities was bombarded by a combined British, French, Dutch and American fleet. They could not then oppose the Westerners by force. In 1868, they put an end to their system of divided Government and restored their Emperor to undivided power and authority ; and entered earnestly upon a course of reform and improvement. What happened ? In the course of 25 years, by adopting the right system of Government, by making education compulsory throughout the country, by

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making military conscription universal, by employing the best foreigners to train their youth for the most responsible positions in the State, Civil and Military, they were able, in the year 1895, to establish in the Chinese War their right to be regarded as one of the world powers. And a few years later earned greater distinction and glory in their war with Russia. I feel, My Lord, that if the Japanese who were so backward in 1853 were able in the course of 25 years to give such an excellent account of themselves, we, Indians, should be able to move similarly forward under the Government of His Majesty, our King-Emperor. The question of reforms has to be looked at from this point of view. Of course, this is not the time to discuss the proposals in detail. But I do trust that, in submitting proposals for reform to His Majesty's Government, Your Excellency will be pleased to fully bring to their notice the Indian view of the question, so that the solution that may be arrived at should be such as would satisfy the legitimate national aspirations of the people of India and redound to the glory of England.

"I will not detain the Council any more, My Lord, except to make one suggestion, and that is that this question of reforms which are to be introduced after the war, may be discussed in this Council in the September Session, and that a report of the discussion may be submitted to His Majesty's Government and the Secretary of State before they arrive at a final decision in the matter. It will serve to show them how strong is the feeling in this country, in favour of the reforms which we have recommended, and it will also show them what differences, if any, exist regarding them. If this suggestion commends itself to Your Excellency and your advisers, and is acted upon, it will give universal satisfaction throughout India, because the people will feel that in a matter of momentous importance to them, a decision was arrived at after giving their representatives a full opportunity to place their views before the Government."

The Hon'ble Mr. Mohammad Ali Jinnah.—"My Lord, it has been said that some of the Members instead of discussing the Budget strictly have diverted from it and discussed all sorts of other matters of public interest. But, My Lord, I have tried to understand the position of a non-official Member in this Council. Under our procedure, the Financial Statement is presented in the first instance by the Hon'ble the Finance Member, which was done on this occasion on the 1st of March. After that Financial Statement is presented, no discussion is allowed with regard to the general financial policy of the Government. But those Members who have followed the rules—and I have no doubt that most of the Hon'ble Members have followed them—do find that you can bring in Resolutions with regard to certain matters only, but you cannot possibly discuss in this Council the general financial policy of the Government of India, but that occasion arises after the event, so to say. Therefore, to discuss the Budget at this juncture, it seems to me, will be really flogging the dead horse because not a single item, not a rupee or pie, as far as I understand, can be changed now so far as the Budget is concerned. It does not matter what arguments, what reasons or grounds you advance. Therefore, My Lord, it seems to me that not much good will result by one taking up the Budget at this juncture and discussing it. But I would like to say this for this reason, that when this Financial Statement was introduced by the Hon'ble the Finance Member, I paid as much attention to it as I could, and personally I came to the conclusion that it was a well-balanced Budget. I think the Hon'ble the Finance Member has received so many congratulations and so many expressions of gratitude that he might well dispense with any such expression from me. But I do say this, that it was a scientific Budget, and what I feel, My Lord, is this, that as we go on the Budget will have to be prepared more and more on scientific principles and not in the orthodox way, as one of the Members was pleased to describe it.

"Now, with regard to the hundred millions which India has agreed to contribute, I take this view, My Lord, that, if I, as a component part of the British Empire, as a citizen of the British Empire, if I can stand here and urge upon the Government that the rights and privileges of a British citizen should be

given to me, I think I ought equally to be ready to bear the burden of the Empire. There may be differences of opinion on certain matters; and therefore, My Lord, I can tell you this, that on behalf of the people of Bombay, heavy as this burden is, it has been equitably distributed. Of course my friend, Mr. Wacha has said that we must not talk about sacrifices; but, My Lord, we are not talking about the sacrifices and the heavy burden in any grudging spirit, but in this spirit that the sacrifice is a heavy thing, that is to say, a person who can afford to pay four thousand million can pay four thousand million and suffer less than another person who cannot afford to pay a hundred million. Therefore, when we talk of India's burden and sacrifice, it is only really in that spirit that we speak and in no other spirit, and I am sure that the Government realise it, and I am quite sure that the people in England realise it.

"Then, My Lord, with regard to the sources of taxation that have been tapped as I said, we were not in a position to suggest any improvements in the Budget; we were not consulted really on the Budget, and it requires really very, very careful consideration before one can say that you can improve upon this Budget. I dare say it can be improved. But what I would suggest, My Lord, is this, that if there was some such system—a small committee may be formed—we have for instance in Bombay a Finance Committee with a view to discuss the policy of the Budget before the Financial Statement is prepared. I have no doubt that Government will receive a certain amount of help and that the Hon'ble the Finance Member will benefit by it.

"Well then, My Lord, that is so far as the Budget itself is concerned, but I must say that on this occasion it will be impossible really, as I said, to discuss the Budget only, and the reason, My Lord, that I want to address the Council at this late stage is this. I am fully aware that most of the Members must be thoroughly tired and so is Your Lordship, but there are, My Lord, one or two points which I want to bring to the notice of this Council. The first point, My Lord, is this in regard to the Indian Defence Force Act. The Indian Defence Force Act has become law; it is now more than three weeks, nearly a month, and when it was introduced and when it went through various stages and eventually it was passed, it has raised, as Your Lordship must have observed, very great hopes in the minds of the people all over the country, and it seems to me, My Lord, that the question is being neglected. First of all, all that we now know is that any one who wants to enlist himself can fill up the form, send it to the District Magistrate and it will be sent up in due course to the military authorities and they will do what is required. Now, My Lord, if we are really in earnest, if this door is going to be thrown open to the people of India, and if really the Government of India desire recruits, then I say, My Lord, we shall have to resort to more business-like methods than I can see up to the present moment. I would, therefore, suggest that the Commander-in-Chief, or whoever is responsible for this, should lose no time, because if you raise the hopes very high and then this measure is misunderstood and it is found that your intention was different from what we understood, there will be bitter disappointment which will be undesirable. Therefore, My Lord, if you are really in earnest, if you really want recruits, and I venture to say you can get recruits by the thousand, thousands, provided two or three matters are made clear. It might be said that I am speaking in a spirit of bargaining as it was said the other day. My Lord, any member or anybody who uses that word bargaining, I must say with due respect to him, that he does not realise the true meaning of the word bargaining. All that we urge upon the Government of India is this, there is at the present moment a bar to the people of India so far as the commissioned ranks are concerned. Is it bargaining, consistently with my self-respect as King's equal subject in my own country, to tell my Government face to face that this bar must be removed? Is it bargaining, My Lord, to say that in my own country I should be put on the same footing as the European British subjects? Is that bargaining? And I say, My Lord, that the sooner this question is taken up the better. There is a very, very strong feeling on this point and if this is put right, I can assure you, My Lord, that you will get thousands of young, educated men who will be willing to come forward in the service of their country and the Empire. As I say, My Lord, if that is made

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clear and if we are in earnest, bureaus must be established in various centres in each Presidency, and we must be told authoritatively how many thousand men you want, and I assure you, My Lord, you shall have them. And when you have these various bureaus established in various centres, appoint some responsible men as the committees, because you will have applicants coming in. I do not wish, My Lord, to strike a note of an offensive character against that service which, in its own way is doing useful work, namely, the Police and the Criminal Intelligence Department, but, My Lord, as far as possible, that agency should be avoided, and the Police and the Criminal Intelligence Department should have nothing to do with the question of who should be accepted and who should not be accepted.

“Then, My Lord, there is one other matter that I wish to refer to and that is this. I was really grieved to hear my Hon'ble friend, Mr. Shafi, say that if we discuss or ask for any constitutional reforms, that will be embarrassing the Government. What surprises me, My Lord, is this, that my own countrymen should feel more as to what would embarrass the Government and what would not embarrass the Government than the Government themselves. Why does Mr. Shafi say that respectfully pointing out in this Council that such and such things should be done, is going to embarrass the Government? My Lord, Your Lordship was good enough to refer to that memorandum which I venture to say, as I was one of the signatories, was a well considered and well thought out memorandum, and Your Lordship was pleased to say that it would receive sympathetic consideration. My Lord, to that extent I personally say that at the present moment you cannot expect anything more. But, My Lord, this is the fear we have and I want to bring it to the notice of the Government and of Your Lordship. The fear we have is this. The Despatch from the Government of India has gone to the Secretary of State. We do not know what that Despatch contains; we have not the faintest idea. Is the decision going to be arrived at *ex parte*? That is what we are afraid of, and we urge upon you, My Lord, not to arrive at a decision *ex parte*, give us the opportunity of discussing this matter, and I would suggest (it is only a suggestion just as the Hon'ble Pandit Madan Mohan Malaviya suggested), I would suggest, My Lord, that, whatever reply may be given to that Despatch before you finally decide on this most vital question, give sufficient opportunity to at least allow the representatives of the people to confer with you at a round table before you finally come to any decision, and also give the public an opportunity to criticise it. Is that, My Lord, asking too much, that we should have our representatives consulted with regard to what reforms are going to be introduced? Is that asking for too much? Is it fair that the Government of India in their secret chambers at Simla or Delhi should form their own opinions and submit a Despatch to the Secretary of State for India, and that the whole question of the post-war reforms should be decided *ex parte* without anybody on the part of the people of India being represented or being heard by them. If, My Lord, those reforms are going to be real reforms, I take it that it is a very ordinary proposition that any statesman who wants to introduce any reforms will at least provide for a quarter of a century or half a century, because you cannot go on tinkering with your constitution every five or every ten years. Therefore, My Lord, it is a matter of the most vital importance to India that these questions ought to be considered most seriously and most carefully.

“Then, My Lord, there is only one more point while I am talking about reforms, of which Your Lordship must be aware because it has been repeatedly expressed in the papers, and that is, that if there is going to be an Imperial Council or an Imperial Parliament, India's place in that Imperial Parliament must be adequately represented. You will ask me perhaps what I mean by adequately represented. My Lord, that is a question which requires detailed consideration, but I can say this at least at once that India's representation in this Imperial Parliament or Imperial Council should certainly be no less than any of the Dominions.

“Then, My Lord, there is only one more thing that I want to point out, and that is this. You have been thanked, My Lord, and I entirely join in

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these thanks to Your Excellency, for taking the steps that you have under the Defence of India Act for stopping indentured labour. I do not wish, My Lord, to repeat what the other Members have said, but I can tell Your Lordship this that it has given the utmost satisfaction throughout the country; and the people of India do not feel more with regard to any other question than the question of this indentured labour for the simple reason that it was degrading, that it was a system not only in itself saturated with evils, but it helped to dishonour a civilised country like India that we should have such a system as the indentured labour system. That, My Lord, was the feeling which really was at the bottom of this strong agitation which Your Excellency must have observed.

"In conclusion, My Lord, I will say this, that the stand made by the Secretary of State for India with regard to the cotton duties has created one impression on my mind, and I believe that is the impression created on the minds of a very large section of the thoughtful educated people of this country, namely, that our battle was fought by the Secretary of State for India, who, although he had no knowledge or experience of this country, although an Englishman by birth, in spirit fought for us as our Government. And this is what is wanted. The personnel of the Government of this country, as Mr. Gokhale said very often, is foreign. It does not require any argument to establish that. But, My Lord, if you want India to care for your Government, to stand by you, to co-operate with you, what you want is that the spirit of the Government should be Indian, and that on occasions when the interests of India are likely to suffer and any injustice is going to be done our Government and those who are at the head of the Government should stand up for us and speak for us as any Indian would do. And, My Lord, Mr. Chamberlain did that, and, therefore, we find this feeling of profound satisfaction. This, My Lord, is all that I have to say and I would urge again upon Your Excellency most earnestly and most sincerely that, with regard to the Indian Defence Force Act, Your Excellency will bear it in mind. I say that, if the Government are in earnest, we are in earnest. We are ready, My Lord, but treat us as the King's equal subjects."

5-7 P.M.

The Hon'ble Rai Bahadur Krishna Sahay:—"My Lord, I associate myself with the observation which has just been made by the Hon'ble Mr. Jinnah as regards the rules under which the discussion of the general aspects of the Financial Statement is permitted only at the far end of the Session. It seems to me that the natural order of things under which this discussion should take place, if I may venture to say so, is after the Financial Statement is presented on the 1st of March and before the stage of discussion when Resolutions are brought forward. As it is we are to-day discussing a Budget which has already been settled in all its details, and nothing that we can say can make any alteration in it. I venture to put forward a suggestion for Your Excellency's consideration as regards the amendment of the rules for the discussion of the Budget, because it is shared not only by me, but amongst many of my friends in this Council

"To return to the Budget itself, if I were to characterise the Budget which the genius of the Hon'ble Sir William Meyer has placed before us, I would say that it constituted an irreproachable title-deed of India in the concerns of the British Empire. It will ever remain memorable for the contribution of one million sterling which India makes towards the general cost of the war, a contribution which is in addition to several other contributions in different directions which India has already made. It furnishes a proof of the share which this country is willing to bear in the burdens of the Empire, a share which is by no means inconsiderable if we bear in mind that India contributes something over 21 millions sterling towards the maintenance of an Army which has so often been employed for Imperial purposes.

"The Hon'ble Sir William Meyer has been the happy recipient of felicitations even on that hated aspect of the Budget, namely, taxation, not only for

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what he has not done, but also for what he has done. He has been congratulated by more Members than one in this Council for not refraining from tapping sources from which money would have flowed easily, while at the same time tapping those sources from which money could flow without those sources being very much exhausted, in other words imposing taxation on those persons who are quite able to bear it.

"As regards general questions, it seems to me that the one which at the present moment emerges into importance is the reform in the Army to which eloquent expression has been given to-day by the Hon'ble Sardar Bahadur Captain Ajab Khan, who can speak upon this question with an authority which we of course lack. It seems to me that Your Excellency's Government may well take into consideration the reform in the Army which the whole country has placed before your Government on more platforms than one and in the public press; and I believe that the present is the psychological moment when the reform can be adopted with the greatest effect.

"Next to that, I will place the question of indentured labour. It is with profound satisfaction that Your Excellency's announcement has been received by the entire Press of India. I refer to the announcement prohibiting indentured labour in all Colonies, except in Ceylon and the Malay States. There exists great warmth of feeling on this matter. The system, My Lord, is so rotten that nothing short of abolition will do. It is inconsistent with the self-respect of the people of India that it should still continue here, and Your Lordship will earn the gratitude of the people of this country if at the earliest opportunity Your Lordship will abolish the system altogether.

"My Lord, so far as my province is concerned, I have no particular matter to place before Your Lordship, and in that respect I am in a happier position than the Hon'ble Mr. Sapru, who complained of the lot of his province."

The Hon'ble Sir William Meyer:—"My Lord, it is a source of great pleasure and pride to me, both as a Member of the Government and personally, that the proposals in the Budget, involving a great war contribution from India to our Sovereign Lord, the King-Emperor, have been received with such cordial appreciation in this Council and in the country. The Budget has hinged, of course, on this great contribution of £100 million, which has been gratefully accepted by His Majesty's Government and has, I am sure, made a profound impression all over the Empire. It is, as I have shown, when introducing the Financial Statement, the crown of patient endeavours we have made to help His Majesty's Government throughout the war. We could not have made such an offering before this without dislocating our finances to an extent which would have involved the most drastic measures in the shape of taxation, and would have entirely failed to secure the practical unanimity we have now obtained. Even as it is, our contribution has involved a very material increase in taxation, and enhancement of taxation is much more difficult in a country like India, as regards carrying it out equitably and without undue friction, than it would be in western lands. It is, therefore, the more satisfactory to us that there has been such general recognition of the fact that the burdens we have had to impose have been laid upon the shoulders best able to bear them. It would be Utopian of course to expect absolute unanimity in respect of fresh taxation, especially on the part of those who have to bear the brunt of it. But allowing for such inevitable grumbles, I do claim that we have ample evidence, which has been confirmed by the speeches made here to-day, that we have moved in the right directions. I think a remark made by my friend, the Hon'ble Mr. Bray, on the subject of the super-tax puts the matter in a nut-shell. He said—and I entirely agree with him—that my plan is not an absolutely ideal one, but it is the best I could devise, and as Mr. Bray has not been able to improve on it, or find anyone who could improve on it—why, he accepts the inevitable. That, I think, is the right way of looking at things. As to the apprehended effects of the operation of the tax in encouraging an unwholesome distribution of profits,

5-13 P.M

I do not myself apprehend any such after-effects; but if they should occur, then, as the Hon'ble Mr. Bray himself indicated, there is always the possibility of reconsidering things later on.

"It is particularly gratifying to me to have had a material part in satisfying a long-cherished wish of the people of India by raising the duty on imported cotton goods to our general tariff level, and I am sure that in the country generally there will be an echo of the gratitude that has been voiced in previous speeches for the support we have received from His Majesty's Government in this matter, and for the stout stand in defence of India's interests lately made by the Secretary of State.

"It is also extremely gratifying to us to find that our War Loan has started so well. As I said the other day, I have now every hope it may bring in a good deal more than the ten million pounds which I assumed for Ways and Means purposes in our Budget calculations. I hope my friends from Bombay will not be satisfied till they have caught up Calcutta, and that Calcutta in her turn will not allow them to catch her up. I want similar rivalries between the various less important centres. I am sorry to have to confess that my own Province of Madras has disappointed me, but I trust when my non-official colleagues from that Province go down there they will considerably improve matters, and that the Hon'ble Mr. Sarma especially will win for Madras the proud position which he claimed for her a little time ago.

"I should like, My Lord, to acknowledge very cordially the attitude of my non-official colleagues in respect of the details of the Budget proposals. There were many matters in regard to which, in ordinary times, it would have been quite legitimate for Hon'ble Members to move amendments on the Taxation Bills, or to put forward Resolutions on the Financial Statement. There has, however, been a most praise-worthy and patriotic recognition that this is a time when it is desirable that the hands of Government should be strengthened and not weakened, and our fiscal Bills have passed into law practically without opposition. There has indeed been a complete absence of acrimonious discussion and criticism; and the speeches to-day afford a further and most gratifying testimony to the attitude of our non-official colleagues. Their appreciation has been so cordial that I do not find it necessary to take up time, and stand between Your Excellency and the Council, in regard to more than one or two points.

"My Hon'ble friend, Mr. Bray, accused me of stealing the Railway profits. He said, it is true, that in my place he would have done the same and perhaps more also; so it is a great comfort to me to know that if I had to go to gaol I should be in the same boat—or I should rather say, in the same cell as my Hon'ble friend.

"But I can assure the Council that things are not so bad as that, and that there is no case of theft, either legal or moral. The Railway receipts are not a separate fund of which we are merely trustees, and which is quite apart from our ordinary revenues, such as the Paper Currency Reserve or the Gold Standard Reserve. They are an integral part of our general revenues, just as much as our receipts from Forests or Post Office, or any other commercial or quasi-commercial activities of Government, and we are entitled to use the receipts for ordinary purposes, just as in the old days, when the railways were producing a loss instead of a profit, general revenues had to make that loss good. I say then that even if we did apply the railway receipts very largely to ordinary purposes, we should not be doing anything wrong. I may remind my Hon'ble friend that the Prussian railways have always been extremely well managed, and yet the railway revenues there have contributed a great deal to the general administration of the country. However, although, as I have said, we might have done that, we have not done so. Not so very long ago I looked up the statistics on the subject, and I found that, taking the period 1899-1900 to 1913-1914, the last complete year before the war, we put more money into railways from general revenues, that is, in contributions to the railway capital programme, than those revenues derived from railways. Taking the period as a whole, general revenues paid into railways about £13 millions more than they received from them. So

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it is not a question of plundering the railways for the sake of general revenues. Some purists might indeed say that we have put more than is necessary from general revenues into railways. During the war, things have of course been different. We have had large railway profits and we have not been able to put them all back into the railways. But I can assure the Hon'ble Mr. Bray that I do not look upon this as a matter for satisfaction. It is due to causes beyond our control not merely owing to the London market, from which we used to obtain most of our capital resources, being closed to us, but owing to lack of material. We cannot do more than we have been doing, and I quite agree with my Hon'ble friend that after the war there will be a great deal of ground to make up.

"We must do our best then, though I cannot of course commit myself in advance to the precise way of raising the money which I am sure my friend Sir George Barnes will be asking for.

"I must take friendly exception to my friend Mr. Basu's having described our expenditure on Delhi as an idle waste of money. As I explained the other day, we are just spending enough to keep things going, to keep the scheme alive. That scheme is one which was brought into effect by the *fiat* of the King-Emperor, and it is the deliberate policy of the Government of India and of His Majesty's Government at Home. My friend was not in the Council two or three years ago; but if he had been, he would have had a striking exhibition of the way in which Honourable Members from other parts of India endorsed the project of the New City. My friend was led into scriptural allusions drawn from the history of the children of Israel. I will only remark that, if he had studied the story in the right spirit, he would have seen that the future rested not with those who hankered after the flesh-pots of Egypt; not with those whose hearts fainted in the wilderness—though why my Hon'ble friend should liken this pleasant temporary abode of ours to a wilderness I know not; but with those who persevered, who went on and attained the promised land and the holy city. I would suggest to my Hon'ble friend that he should temper his materialism with a little faith.

"Then my friend, Mr. Dadabhoj, was solicitous about the opium arrangements with the Straits Settlements and other countries. I cannot divulge the secrets of these arrangements, but I can assure my Hon'ble friend that I drove good bargains, and that we are not throwing away money. Of course he will understand that when you get an agreement for, say, five years with a country to take a certain amount of opium from you year by year, you naturally give it at a reduction in price as compared with what might be obtained at auction sales to-day, but which might not be obtained in another year. I think an analogous arrangement is not unknown in my friend's profession. I have heard of, for instance, distinguished lawyers who contract themselves, if I may use the word to a Company, undertaking to take a fixed sum as consulting lawyers, whereas they might on occasion charge higher fees if they had not made this definite agreement.

"My Lord, I am most grateful to Hon'ble Members for the kindly references which have been made to myself throughout this debate. The Budget embodies, of course, the policy of the Government as a whole, but it has always been recognised that where there is hostile criticism the Finance Member must come in for a special share of it, and so it is perhaps not unfair that when there is eulogy he should come in prominently for that too. But I should like to pass on some of the bouquets which have been thrown at me, if I may use a stage metaphor, to Your Excellency and my Colleagues in the Council and, not least, to my friend Mr. Lowndes, who gave me most invaluable assistance in regard to the framing of the necessary legislation.

"I also want to acknowledge emphatically that for such successes as have been achieved, I am deeply indebted to the loyal and assiduous help I have received from the officers of the Finance Department. No Member of Council, for example, has ever had a more able and loyal lieutenant than it has been my good fortune to possess in the person of my friend, Mr. Brunyate, who has worked most assiduously by my side during a period of great stress and

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difficulty. I could say much in regard to the constant help I have received from him, but I will spare his blushes, for his modesty is as great as his ability. Mr. Fell too has been a tower of strength to the military side of our Department and has carried out his difficult duties with tact and success which have elicited the warm appreciation of the late and present Commander-in-Chief, as well as my own. Mr. Gubbay has done yeoman's service for us in matters with which he has to deal as Controller of Currency; while I have had two most admirable Indian helpers in the persons of Mr. Mitra, the Controller of Accounts and Mr. Aiyar, my Assistant Secretary, who takes a very prominent part in the Budget work. I will not mention more individual names, but I should like the Council to understand that the officers and clerks of the Finance Department have given the State of their best. Speaking of clerks, I should like to tell the Council a little story. As I mentioned in my speech on the Financial Statement, there has been a great deal of accounting to be done with the War Office in respect of the settlement of details of what India has to pay and what His Majesty's Government has to pay under the Resolutions of the Houses of Parliament. The War Office was naturally anxious to have the accounts as soon as possible; but it was a most difficult task to evolve from a vast mass of documents clear, concise and convincing statements, and as I said the other day, Mr. Mitra's work in this connection, and the work of his office, have obtained most deserved recognition. But it was very hard work indeed, especially at the early stages. Well, on one occasion certain accounts had been promised to the War Office by the mail leaving Bombay on a particular date. Mr. Mitra and his men worked day and night, but unfortunately the difficulties were greater than had been expected, and the papers were got out a little too late to catch the last train from Simla connecting with the mail at Bombay. Some of the Indian subordinates consulted together and spontaneously resolved, in order to prevent the face of the Department being blackened, to hire a special train and to meet the charges out of their scanty pay. They made no boast of the matter, and it only came to notice accidentally. I need hardly say that as soon as I heard of it I gave instructions that the money should be repaid to them by the State. But that does not detract in the least from the merit of these humble clerks, and I am proud to be at the head of a Department which shows such a spirit among its rank and file."

5-30 P.M.

His Excellency the President:—"This has been a notable Session and Hon'ble Members have, I think, every reason to be gratified with it. They have signified in no uncertain manner their desire to associate India with the sacrifices which our Empire has had to make in connection with this war, and I am glad to think that the Government of India, in making their offer of £100 millions to the Imperial Government, did not misinterpret the wishes of the Council. Some of you may have felt that the initiation of this policy, by the Government reduced the subsequent legislative proceedings to little more than a formality, but this, believe me, is a superficial view. I can assure you that, as regards the grave issues which this Budget has raised, we do feel our real dependence on your support. We have acted in your name and on the strength of the mandate which you gave us in your loyal Resolutions of the 8th September 1914, and the 24th February 1915; and we desired an endorsement of our actions which should go beyond the passing of the Bills necessary to give them legal validity. It was therefore with the highest satisfaction that I found you to be in practically unanimous accord with the Government in supporting the proposals we laid before you.

"I think you would all wish me to congratulate Sir W. Meyer on the skill with which he framed his Budget, on the lucidity with which he expounded it, and on the reception which it has received throughout the country. I do not minimise for one moment the heavy responsibilities which this Budget has placed upon us. There will be a sacrifice, not of luxuries, not of the frills and trimmings of civilisation, but a sacrifice in large measure of the necessities of ordered government, and one result must be arrested progress in education, in sanitation, in public works, and kindred subjects, which are in other countries the touchstone of civilised life. But we must not despair. Indian revenues for the last twenty

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years have shown remarkable powers of recuperation and growth, and we have every hope that, once the war is ended, we shall find ourselves after no great interval with a substantial margin of funds for further social progress. Again, this very sacrifice—and mind you, it is a trifling one compared with the sacrifices endured by other countries and nations in this war—should stimulate us all in the direction of recuperative effort, especially in respect of industrial and agricultural development, so that we may not only, by increased production repair the ravages of this hideous war, but also meet the extra burdens which it has laid upon us. This war has made us realise as never before how we in India have been passing our great resources by. Thrown back on ourselves we have already increased our output of industrial products in several directions a hundred-fold, and this war will have proved a blessing in disguise if, through its teaching, we shall have learnt how great a field of enterprise lies open to us in the industrial and agricultural spheres, and how necessary it is to organise ourselves industrially. I verily believe, then, however conscious we may be at this moment of the extra burden which we have taken upon ourselves, that it lies in our own power to cope with it, and that some day, in consequence of our efforts, we shall look back to this war as the date of India's industrial birth. Time will show whether I am oversanguine in these views, but with all the earnestness in my power, I would ask Hon'ble Members to think them over and decide whether they do not see their way clear to co-operating with the Government of India in bringing about such a consummation. We have during this past Session had the benefit of your co-operation and advice in many matters. The Hon'ble Members for Commerce and Industry and Revenue and Agriculture have held informal but most useful Conferences with some of you on matters relating to their Departments, and I know that the Hon'ble the Law Member has designs upon some of our legal Members between now and the Simla Session. I see unlimited possibilities of usefulness in this direction and, as Hon'ble Members are, I think, aware, I am always personally grateful for any suggestions or advice which they can offer me. We are all members one of another and in the great task which is set before us, we can only succeed if we work together in the closest co-operation.

“ It still remains for me to impress on you that it is our duty, the duty of each one of us, to secure the maximum response to India's war loan. In the first place, let us remember that every million that comes from India eases not merely the exchange difficulty which we are experiencing here, but through it, the exchange difficulty with which His Majesty's Government are confronted at home. Next, let none of us think that we have done enough until we have made the question of how much we can manage a matter of real thought and anxious contrivance. We are not asked to give outright, but to lend the largest amount which we can make available. Lastly, we want all to subscribe to the loan, and we can only get the countless millions to join in, if the duty and advantage of subscribing are fully brought home to them. And for this we want propaganda work, and the more unofficial that propaganda work is, the more satisfactory will be its results.

“ I turn to the Indian Defence Force Act. Again, here, I see great possibilities, and I would ask Hon'ble Members to dismiss from their minds the suspicions which seem to be entertained by some with regard to the attitude of the Government of India in this matter. The Act is confessedly a war measure and therefore temporary, but it will prove a most invaluable experiment. We shall have—it is no secret, for he who runs may read—to re-organise our Indian Army after this war, and some form of second line force will probably be required. In the Indian Defence Force, raised temporarily under stress of war, there may lie the germ of such new second line. Do not ask us at such a moment as this to give answers to problems which will have to be solved at a time when there is more leisure. When that time arrives, then criticise, as you will, the Government in respect of its policy. But for the moment I would assure you that all the subjects of your criticism are engaging our most sympathetic consideration, and I would ask your co-operation in making this present scheme a success, but do not let it be marred on the ground that it does not contain all that you would desire.

“ And is not the imposition of an extra duty on cotton goods, thus raising the import rate to our general tariff level, an event which of itself makes this Budget and this Session memorable? A grievance has thus been removed which has been for a long time a standing source of irritation. You will have noticed from the report of the proceedings in the House of Commons that the question of the Indian cotton duties will be considered afresh when the fiscal arrangements of the various parts of the Empire come to be reviewed as a whole after the war. I am sure that Hon'ble Members will agree that His Majesty's Government could not in the existing circumstances have gone further than they have done to meet India's wishes, and that none of you will question the desirability of the fiscal problems of the Empire being fully examined after the war in the light of the experience gained. The history of this recent incident in Parliament is highly encouraging to India. It has given you proof—if proof were needed—that India has true and staunch friends. It should give you confidence that, when the review of the Empire's fiscal system takes place, Indian interests will not be overlooked, but will be stoutly defended.

“ Hon'ble Members will have noticed the communiqué which appeared in the Press stating that on military grounds recruitment of labour, except in certain cases, for places outside India will not be permitted, and the necessary rules under the Defence of India Act have been promulgated to secure this end. Incidentally, as a consequence, recruitment for indentured labour to Fiji, Trinidad and other West Indian Islands has come to an end. It is difficult to conceive that a traffic of this sort once ended can be revived. The Government of India welcome this result as much as Hon'ble Members, and I think we can all congratulate ourselves on the situation thus arrived at. In this matter we have had the benefit of consultation with many non-official Members, and I much appreciate the help and advice which they have been able to give us.

“ The rate of progress which we were making in educational projects before the commencement of the war has necessarily been retarded by the present financial stringency—but the progress itself continues, and we have been able, in spite of the financial difficulties, to provide a substantial sum, 30 lakhs per annum, for the improvement of the pay and training of teachers, a subject to which I myself attribute great importance, and I hope that the sum thus granted will be productive of much direct benefit to education in this country. I wish, however, that we had been able to make greater progress in the two University projects which were sanctioned by the Secretary of State in the time of my predecessor, namely, the projects for Universities at Patna and Dacca.

“ In the case of the Patna University, the Bill introduced last September has been discussed in Select Committee. There is a very strong local opinion in favour of the new University, and I had hoped that we might have passed the measure this Session, but we had decided that we could only pass it if it could be passed substantially without controversy, and it was only on Monday last that the Select Committee was able to come to a unanimous conclusion regarding the provisions of the Bill, so that it will now be necessary to defer its consideration until the September Session.

“ As regards Dacca, I observe from a Resolution brought forward in the Council on Tuesday last that some apprehension has been expressed as regards the possible abandonment of the scheme for a University. These apprehensions were met by Sir Sankaran Nair with a clear affirmation of the intention of Government to adhere to the original intention of instituting a University at Dacca, and I desire to take this opportunity of confirming in the most distinct and unequivocal manner the promise made by Lord Hardinge that a University would be founded there. I can quite appreciate the anxiety of those interested in the scheme and their wish to obtain some concrete expression of Government's intentions in the form of a Bill before the Council. You have heard the promise given by the Education Member that he would be prepared to consider the possibility of introducing such a Bill next Session, but you have also heard the weighty reasons which he has given—reasons to which I personally attach

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considerable importance—for thinking that it may be found advisable to delay legislation until we obtain the views of the proposed Calcutta Commission.

“ The Commission will, I hope, begin its labours next November. Its exact size and constitution has not yet been settled, but I am glad to be able to tell you that I have secured as its President the distinguished educationist, Dr. Michael Sadler, the Vice-Chancellor of Leeds University. As those of you who are interested in education are aware, Dr. Sadler was for many years Director of Special Enquiries and Reports in the English Education Department and held till lately the Chair for the History and Administration of Education at the Victoria University of Manchester. In him we have obtained a first-class authority with an immense fund of information on educational problems, and a practical knowledge of their working in large cities under modern conditions. We may look forward confidently to securing under his guidance a careful study of University questions in Bengal and useful suggestions for improvement.

“ Coincident with this Session has come the triumphant progress of our gallant troops in Mesopotamia. We have all admired the military skill and determination which has marked the leadership of our Army in the field, and we cannot forget the gallantry and endurance of the troops throughout the operations which have taken place under the most trying conditions. We need not worry over the question to whom, apart from the Generals and Army in the field, the credit of those operations is due, but I should be doing less than justice to India if I did not briefly touch upon the history of the past year. The fall of Kut marked the nadir of our fortunes. The Indian Army had been bled white in providing troops and equipment for four fronts. The breakdown on the medical side in Mesopotamia had brought a storm of obloquy on Indian administration. The hardships of a summer in Mesopotamia had decimated and sapped the strength of our troops. The sick pouring into India had placed a strain on our hospital resources, which were frankly insufficient. All this had to be remedied. It is not easy for men to concentrate attention on work when criticism, some true, much of it based on the flimsiest grounds, is showering down upon their heads. But the fact remains that the work has been done, and, so far as our resources have enabled us, I believe we have made up the deficiencies of a year ago. Am I going beyond the mark when I say that we ought to pay a tribute to the labours by which the late and the present Commanders-in-Chief and Army Headquarters have accomplished this and enabled General Maude and his heroic companions-in-arms to achieve the success over which we are rejoicing to-day? History will some day record its verdict on these events, and we are too near to them ourselves to be sure of our judgment, but three stages seem to stand clearly out—

The first in which India threw all she had, and far more than had ever been contemplated, into the great struggle.

The second, the inevitable breakdown, due in part to the exhaustion of our military resources, in part to adverse fortune.

The third, the patient building up again of the forces which has made our recent operations possible.

It is easy to be wise after the event, and we to-day can see how things might have been ordered differently. We hope we have profited by our failures, and have atoned for them and made provision against their recurrence.

“ And now it is my privilege and pleasure to thank Hon'ble Members for their attendance and help during this last Session. We shall meet again, God willing, in Simla, but we shall miss when we re-assemble one familiar face. The Hon'ble the Home Member hands over his office, as you know, to Sir William Vincent next month. I think Hon'ble Members would wish me to offer him Godspeed and every good fortune in the high office which he will assume towards the end of the year. Hon'ble Members have from time to time found themselves in disagreement with the Home Member during the past few years, but none, I am sure, will deny to him admiration for his great administrative ability and experience, and his sterling integrity of purpose. It is one of

the pleasant features of political life—and I have never known it absent—that men, whatever their opinions, can recognise and acknowledge, when the dust and sound of strife have subsided, the virtues of those with whom they may have profoundly disagreed. I feel then I am voicing you as well as myself when I wish Sir Reginald Godspeed and good-luck.

“And now for ourselves. *Pereunt et imputantur*,—the hours pass and are laid to our account. Our Session is past and over. I trust and hope it will be accounted to us for righteousness.

“Before I sit down, let me read to you a message which reached me yesterday from the Hon’ble Mr. Lloyd-George—

‘I wish, on behalf of the British Government, to express to the Government and the people of India our most sincere gratitude for the magnificent contribution which India has just made to financing of the war. Coming in addition to the enthusiasm and loyalty manifested throughout India on the outbreak of war and to the invaluable military services since rendered by the Indian army, this gift is to us a moving proof that India shares whole-heartedly with the other subjects of the Crown in the ideals for which we are fighting in this war. That India should come forward of her own accord at this crisis and render such real and opportune assistance is not only a source of sincere satisfaction to His Majesty’s Government, but must produce a better mutual understanding among all the races and peoples under the British Crown.’ ”

The Council adjourned *sine die*.

A. P. MUDDIMAN,

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

DELHI :

The 29th March, 1917.

11	Date of demand.	12	Whether security deposited or press closed down.	13	Whether securities referred to in columns 4, 7 or 10 forfeited under section 4.	14	Date of forfeiture.	15	Whether the press closed down as a result of the forfeiture under section 4.	16	Amount of security demanded under section 5 after forfeiture of securities under section 4.	17	Date of demand.	18	Whether security deposited or press closed down.	19	Whether security referred to in column 16 was forfeited under section 6.	20	Date of forfeiture.	21	Whether the press closed down as a result of the forfeiture under section 6.
18-9-12	Deposited.									R											
4-7-12	Not deposited within time fixed. The keeper was prosecuted under section 23 (1) of the Press Act.																				
4-7-12	Deposited.																				
...	...		Forfeited.				Not stated.				1,500		...	Deposited.							
11-6-16	Not deposited. Press closed down																				