

INDIA

IN THE YEARS

1917-1918



CALCUTTA
SUPERINTENDENT GOVERNMENT PRINTING, 1919

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I N D I A
IN THE YEARS
1917—1918

**A Report prepared for presentation to
Parliament in accordance with the
requirements of the 26th Section of the
Government of India Act
(5 & 6 Geo. V., Chap. 61)**

BY

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FOREWORD.

IN this Report an attempt is made to outline some of the more important problems, political, social, and economic, which confront the Administration of India, as well as some of the methods by which these problems are being attacked. The period under review extends from April 1917 to December 1918, the months falling between the end of the financial year (March 31st) and the end of the calendar year (December 31st) having been included with the object of minimising the interval which necessarily elapses between the latest occurrences described in a Report and the date upon which that Report becomes available to the public.

Alike in the spheres of foreign politics, of constitutional reform, and of economic development, this period has been full of interest. It has seen the last desperate effort of the Central Powers: the threatened approach of the war to the borders of India: the rally of the country's resources to the Prime Minister's call. It has witnessed much constitutional activity, both preceding and following the declaration of August 20th, perhaps the most momentous announcement of policy ever made by Great Britain to India. It has seen considerable industrial and commercial activity, side by side with rising prices entailing distress to the poorer classes. Both on account of the magnitude of the changes which it has witnessed, and the importance of the events by which it has been characterised, it will probably rank among the most notable years in the history of the connection between Great Britain and India.

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(Mostly Annual.)

General.

Statistical Abstract relating to British India (Parliamentary paper).
Statistics of British India :—

Vol. I.—Commercial.

Vol. II.—Financial.

Vol. III.—Public Health.

Vol. IV.—Administrative and Judicial.

Vol. V.—Educational.

Census Reports (Decennial), India, Provincial, and Native States.

Administration Reports : Madras, Bombay, United Provinces, Punjab, Bengal, Central Provinces and Berar, Burma, Bihar and Orissa, Assam, North-West Frontier Province, Delhi, Coorg, Andaman and Nicobar Islands, Civil and Military Station of Bangalore, Ajmer-Merwara, Baluchistan Agency.

Legislation.

Acts of the Imperial and Provincial Legislative Councils.

Justice and Police.

Report on the Administration of Civil Justice for each Province.

Report on the Administration of Criminal Justice for each Province.

Report on Jails for each Province.

Reports on Police for each Province, and for Bombay Town and Island, Calcutta, and Rangoon.

Finance.

Finance and Revenue Accounts of the Government of India.

East India Financial Statement (Parliamentary Paper).

Return of Net Income and Expenditure for eleven years (Parliamentary Paper).

Accounts and Estimates : Explanatory Memorandum (Parliamentary Paper).

Home Accounts (Parliamentary Paper).

Loans raised in England (Half-yearly Parliamentary Paper).

Loans raised in India (Half-yearly Parliamentary Paper).

Mint Reports for Calcutta and Bombay.

Paper Currency Department Reports, India and Bombay.

Statistics compiled from the Finance and Revenue Accounts.

Land Revenue, etc.

Land Revenue Administration : Provincial Reports for Lower Provinces (Bengal), Bihar and Orissa, Assam, United Provinces, Bombay Presidency (including Sind), Punjab, Central Provinces and Berar, Burma, and Madras.

Report on Land Revenue Administration, Land Records, Settlement Operations, Alienation of Land Act, etc., for North-West Frontier Province.

Madras Survey, Settlement and Land Records Department Report.

Reports of Land Records Departments for Bombay, Burma, Bengal, United Provinces, and Punjab.

Report on Settlement Operations, Punjab.

Reports on Survey and Settlement Operations, Bengal, Bihar and Orissa, and Assam.

Reports on Operations of the Land Records and Settlement Departments, Central Provinces and Berar.

Report of the Talukdari Settlement Officer, Bombay.

Provincial Reports on the Administration of Estates under the Court of Wards.

Report on the Punjab Canal Colonies.

Separate Revenue (Salt, Excise, etc.)

Salt Department Reports : Northern India, Madras, Bombay, Sind, Bengal, Burma, Bihar and Orissa.

Excise Report for each Province.

Report on the Operations of the Opium Department.

Stamp Department Report for each Province.

Registration Department Report for each Province.

Income Tax Report for each Province.

Agriculture and Veterinary.

Report on the Progress of Agriculture in India.

Report of the Agricultural Research Institute and College, Pusa.

Bulletins of the Agricultural Research Institute, Pusa, and of the Provincial Departments of Agriculture.

- Memoirs of the Department of Agriculture.
- Proceedings of the Board of Agriculture.
- Agricultural Journal of India (quarterly).
- Reports of the Department of Agriculture for each Province.
- Reports on Agricultural Stations, Experimental Farms, and Botanic Gardens for each Province.
- Season and Crop Report for each Province.
- Agricultural Statistics of India.
- Area and Yield of certain Principal Crops.
- Report on Production of Tea in India.
- Report on Tea Culture in Assam.
- Reports of the Civil Veterinary Departments for each Province.
- Statistics compiled from the Reports of the Provincial Civil Veterinary Departments.
- Report of the Camel Specialist.
- Report of the Imperial Bacteriologist (Veterinary).

Co-operative Societies.

- Statements showing Progress of the Co-operative Movement in India.
- Reports on Co-operative Societies for each Province.
- Reports of Conferences of Registrars of Co-operative Societies, India and Provincial.

Forests.

- Annual Return of Statistics relating to Forest Administration in British India.
- Report on Forest Administration for each Province.
- Reports of the Forest Research Institute and the Imperial Forest College, Dehra Dun.
- Quinquennial Forest Review.
- Indian Forest Memoirs.
- Indian Forest Records.
- Forest Bulletins.

Mineral Production and Inspection of Mines.

- Review of Mineral Production (in Records of Geological Survey).
- Report on Production and Consumption of Coal in India.
- Report of the Chief Inspector of Mines.

Trade and Manufactures.

- Annual Statements of Sea-borne Trade and Navigation, India and Provincial (Madras, Bombay, Sind, Bengal, Bihar and Orissa, Burma).
- Review of the Trade of India (Parliamentary Paper).
- Tables of the Trade of India (Parliamentary Paper).

Provincial Reports on Maritime Trade and Customs (including working of Merchandise Marks Act) for Bengal, Bihar and Orissa, Bombay, Sind Madras, and Burma.

Accounts relating to the Sea-borne Trade and Navigation of British India (monthly and for calendar year).

Accounts relating to the Trade by Land of British India with Foreign Countries (monthly).

Annual Statement of Coasting Trade of British India.

Report on the Trade and Navigation of Aden.

Accounts of Trade carried by Rail and River in India.

Report on Inland, Rail-borne, or Rail-and-River-borne Trade for each Province.

External Land Trade Reports for Bengal, Bihar and Orissa, Assam, Burma, United Provinces, Punjab, North-West Frontier Province, Sind, and British Baluchistan.

Indian Trade Journal (weekly).

Statistics relating to Joint-Stock Companies in British India and Mysore.

Report on the working of the Indian Companies Act for each Province.

Report on the working of the Indian Factories Act for each Province.

Report of the Chief Inspector of Explosives.

Public Works.

Administration Report on Railways.

Reports on Public Works (Buildings and Roads) for Madras, Bombay, Punjab, North-West Frontier Province, and Burma.

Review of Irrigation.

Report on Irrigation Revenue for each Province (except Madras).

Administrative Reports on Irrigation, Madras and Bombay.

Report on Architectural Work in India.

Posts and Telegraphs.

Report on the Posts and Telegraphs of India.

Report of Indo-European Telegraph Department.

Scientific Departments.

Report on the Operations of the Survey of India.

Records of the Survey of India.

Records and Memoirs of the Geological Survey of India.

Report of the Indian Meteorological Department.

Indian Weather Review, Annual Summary.

Rainfall Data of India.

Memoirs of the Indian Meteorological Department.

Report of the Meteorologist, Calcutta.

Report of the Director-General of Observatories.
 Memoirs and Bulletins of the Kodaikanal Observatory.
 Report of the Board of Scientific Advice.
 Report of the Archæological Survey of India, and Provincial Reports.
 Report and Records of the Botanical Survey.

Education.

Education Reports for India and each Province.
 Quinquennial Review of Education (Parliamentary Paper).

Local Self-Government.

Reports on Municipalities for each Province and for Calcutta, Bombay City, Madras City, and Rangoon.
 Reports on District and Local Boards or Local Funds for each Province.
 Reports of Port Trusts of Calcutta, Bombay, Madras, Rangoon, Karachi, and Aden.

Medical, Sanitary, and Vital Statistics.

Report of the Sanitary Commissioner with the Government of India.
 Report on Sanitary Measures in India (Parliamentary Paper).
 Report of the Sanitary Commissioner for each Province.
 Vaccination Report for each Province.
 Report on Civil Hospitals and Dispensaries for each Province.
 Report on Lunatic Asylums for each Province.
 Report of the Chemical Examiner and Bacteriologist for each Province.
 Scientific Memoirs by Officers of the Medical and Sanitary Departments.
 Reports of the All-India Sanitary Conferences.
 Reports of the Imperial Malaria Conferences.
 Indian Journal of Medical Research (Quarterly).

Emigration and Immigration.

Calcutta Port Emigration Report.
 Bengal Inland Emigration Report.
 Assam Immigration Report.

Prices and Wages.

Prices and Wages in India.
 Variations in Indian Price Levels.
 Reports of Provincial Wage Censuses

APPENDIX II.

The Montagu-Chelmsford proposals for Indian Constitutional Reform.

A.—LOCAL SELF-GOVERNMENT.

Local self-government does not really fall within the scope of these proposals at all, since the aim of Government is to place the institutions connected with it entirely under popular control. As is universally recognised, the growth of local self-government is intimately connected with educational extension and educational reform. It is part of the contemplated political advance that the direction of Indian education should be increasingly transferred to Indian hands. Progress all along the line must depend upon the growth of electorates and the intelligent exercise of their powers; and men will be immensely helped to become competent electors by acquiring such education as will enable them to judge of candidates for their votes, and of the business done in the Councils. The reformed Councils contemplated in this Report will be in a position to take up and carry forward boldly proposals for advance along the lines both of local self-government and of education. •

B.—PROVINCIAL GOVERNMENTS.

The object of the proposals is the progressive realisation of responsible government. Responsible government implies two conditions, first, that the members of the executive government should be responsible to their constituents, and secondly that these constituents should exercise their power through the agency of their representatives in the Assembly. These two conditions entail first, that there exist constituencies based on a franchise broad enough to represent the interests of the population generally, and capable of selecting representatives intelligently; secondly that there is recognised the constitutional practice that the executive government cannot retain office unless it commands the support of a majority in the Assembly. In India, these conditions are not realised. There must be a period of political education which can only be achieved through the gradually expanding exercise of responsibility. Practical considerations make the immediate handing over of complete responsibility impossible. Accordingly, the principle is adopted of transferring

responsibility for certain functions of government while reserving control over others, *while at the same time establishing substantial provincial autonomy.*

FINANCIAL DEVOLUTION.

(a) *Separation of revenues.*

Since substantial provincial autonomy is to be a reality, the provinces must not be dependent on the Indian Government for the means of provincial development. The general idea of the proposals on this matter is that an estimate should first be made of the scale of expenditure required for the upkeep and development of the services which clearly appertain to the Indian sphere: that resources with which to meet this expenditure should be secured to the Indian Government: and that all other revenues should then be handed over to the provincial Governments which will thenceforth be held wholly responsible for the development of all provincial services. The principal change in detail will be the abolition of divided heads of revenue. Indian and provincial heads of revenue are to be retained as at present: but to the former income-tax and general stamps are to be added, and to the latter land-revenue, irrigation, excise and judicial stamps. It follows that expenditure on famine relief and protective irrigation works will fall upon the provinces, though in the matter of famine relief, the Indian Government could never wholly renounce responsibility in the case of any failure on the part of the provinces.

This arrangement will leave the Government of India with a large deficit. In order to supplement this, it is proposed to assess the contribution from each province to the Government of India as a percentage of the difference between the gross provincial revenue and the gross provincial expenditure.

On the basis of the figures taken by the framers of the proposals this percentage works out at the figure of 87, and would constitute the first charge upon the provincial revenues. The figure may be open to revision hereafter, but not subject to change for a period of, say, six years. And in the event of sudden emergency it must be open for the Central Government to make a special supplementary levy upon the provinces.

(b) *Provincial taxation.*

It is proposed that a schedule of taxation should be drawn up in consultation between the Government of India and the provincial Governments. In this schedule certain subjects of taxation are to be reserved for the provinces, the residuary powers being retained with the Government of India. A tax falling within the schedule would not require the Government of India's previous sanction to the legislation required for its imposition, but the Bill should be forwarded to the Government of

India, in sufficient time for the latter to satisfy itself that the Bill is not open to objection as trenching upon the Central Government's field.

(c) *Provincial borrowing.*

In order to avoid harmful competition, it is recommended that provincial Governments continue to do their borrowing through the Government of India. But if the Government of India find itself unable to raise the money in any one year which a province requires, or if there is good reason to believe that a provincial project would attract money not to be elicited by a Government of India loan, it is proposed that the provincial Government might have recourse to the Indian market.

LEGISLATIVE DEVOLUTION.

While the above proposals will give provincial Governments the liberty of financial action which is indispensable, these Governments must also be secured against unnecessary interference by the Government of India in the spheres of legislative and administrative business. Accordingly, while the Government of India is to retain a general overriding power of legislation, for the general protection of all the interests for which it is responsible, the provincial legislatures are to exercise the sole legislative power in the spheres marked off for provincial legislative control. It is suggested that it might be recognised as a matter of constitutional practice that the Central Government will not interfere with the operation of the provincial legislatures unless the interests for which it is itself responsible are directly affected.

EXECUTIVE GOVERNMENT IN THE PROVINCES.

(a) *Structure of the Executive.*

In all the provinces, there is to be collective administration, the system of a Governor in Council. At the head of the executive will be the Governor, with an executive council of two members, one Englishman and one Indian both nominated by the Governor. Associated with the Executive Council as part of the Government will be one or more Ministers chosen by the Governor from among the elected members of the legislative council and holding office for the life of the council.

(b) *Work of the Executive.*

Complete responsibility for the Government cannot be given immediately without inviting a breakdown. Some responsibility must, however, be given at once. Accordingly, the plan is adopted of making a division of the functions of the provincial Government, between those which may be made over to popular control and those which for the present must remain in official hands. How the division is to be made

is explained below. These functions may be called "transferred" and "reserved" respectively. It is proposed that in the provincial executive constituted as explained above the Governor in Council would have charge of the "reserved" subjects. This would be one part of the executive. The other part of the executive would consist of the Governor and Minister or Ministers and would deal with the "transferred" subjects. As a general rule the executive would deliberate as a whole, although there would necessarily be occasions upon which the Governor would prefer to discuss a particular question with that part of the Government directly responsible. The decision upon a transferred subject and on the supply for it in the provincial budget would be taken after general discussion by the Governor and his Ministers; the decision on a reserved subject would be taken after similar discussion by the Governor and the members of his executive council.

(c) *Relation of the Governor to his Ministers.*

The Ministers would not hold office at the will of the legislature but at the will of their constituents. Their salary while they were in office would be secured to them and not be at the pleasure of the legislative council. They, together with the Governor, would form the administration for the transferred subjects. It is not intended that the Governor should from the first be bound to accept the decision of his Ministers, because he will himself be generally responsible for the administration. But it is also not intended that he should be in a position to refuse assent at discretion to all his Ministers' proposals. The intention is rather that the Ministers should avail themselves of the Governor's trained advice upon administrative questions, while he on his part would be willing to meet their wishes to the furthest possible extent, in cases where he realises they have the support of popular opinion.

(d) *Additional members without portfolio, and other appointments.*

Where the Governor himself has no official experience of Indian conditions he may desire to add one or two additional members from among his officials as members without portfolio, for the purpose of consultation and advice. It is proposed that he should be allowed to do this. Also where the pressure of work is heavy it may be desirable to appoint some members of the legislative council to positions analogous to that of parliamentary Under Secretary in Great Britain, for the purpose of assisting members of the Executive in their departmental duties and of representing them in the legislative council.

PROVINCIAL LEGISLATURES.

(a) *Composition.*

In each province, it is proposed to establish an enlarged Legislative Council, differing in size and composition from province to province,

with a substantial elected majority elected by direct election on a broad franchise, with such communal and special representation as may be necessary. The breadth of the franchise is all-important : it is the foundation upon which the edifice of self-government must be raised. The exact composition of the Council in each province will be determined by the Secretary of State in Council on the recommendation of the Government of India, as a result of an investigation into subjects connected with the franchise, the constituencies and the nominated element. It is proposed that this investigation should be undertaken by a Committee consisting of a Chairman chosen from outside India, two experienced officials and two Indians of high standing and repute. The Committee would visit each province in turn in order to investigate local conditions, and in each province one civilian officer and one Indian appointed by the provincial Government would join and assist it with their local knowledge.

(b) *Communal electorates.*

It is proposed that the communal electorates though constituting an obstacle to the realisation of responsible government, should be retained for the Muhammadan community. Communal electorates are to be extended to the Sikhs, now everywhere in a minority and virtually unrepresented. For the representation of other minorities, nomination is proposed.

(c) *Official members.*

The exact number of official members will be for the Committee mentioned above, to consider. Members of the Executive Council should be *ex-officio* members of the Legislative Council, and there should be enough official members to provide the Government with first-hand knowledge of the matters likely to be discussed both in Council and in Committee. It is suggested that a convention might be established that official members should refrain from voting upon transferred subjects.

(d) *Standing Committees.*

It is proposed that to each department or group of departments whether under a Minister or under a member of the Executive Council there should be attached a Standing Committee elected by the Legislative Council from among their own members. The functions of the members of the Standing Committee would be advisory : they should see, discuss, and record their opinion upon, all questions of policy, all new schemes involving expenditure above a fixed limit, and all annual reports upon the working of the departments. The member or Minister in charge of the departments concerned should preside.

(e) *Effect of resolutions.*

It is not proposed that resolutions, whether on reserved or transferred subjects, should be binding : but the Council will influence the

conduct of all reserved subjects and effectively control the policy in all transferred subjects. If a member of the Legislative Council wishes Government to be constrained to act in a certain way, it will often be open to him to bring in a Bill to effect his purpose: and when Ministers become, as it is intended that they should, accountable to the Legislative Council, the Council will have full means of controlling their administration by refusing their supplies or by carrying votes of censure. Subject to the sanction of the Governor, the Council will have the power of modifying the rules of business: all members will have the right of asking supplementary questions.

DIVISION OF THE FUNCTIONS OF GOVERNMENT.

It being assumed that the entire field of provincial administration is marked off from that of the Government of India, it is suggested that in each province certain definite subjects should be transferred for the purpose of administration by Ministers. All subjects not so transferred would remain in the hands of the Governor in Council. The list of transferred subjects would vary from province to province, and would naturally be susceptible to modification at subsequent stages. It is suggested that the work of division be done by a Committee similar in composition to the one described above, with which it would work in close co-operation, since the extent to which responsibility can be transferred is related to the nature and extent of the provincial electorates. Having first marked off the field of provincial administration the Committee would proceed to determine which of the provincial subjects could be transferred. Their guiding principles should be to include in the transferred list those departments which afford most opportunity for local knowledge and social service, those in which Indians have shown themselves to be keenly interested, those which stand in most need of development. Such is the process of division. The Departments naturally lending themselves to classification as transferred subjects are taxation for provincial purposes, local self-government: education: public works: agriculture: excise: and local industries.

In cases where it is subsequently open to doubt in which category a subject falls the matter should be considered by the entire Government but the final decision should lie definitely with the Governor.

In cases of matters made over to non-official control, there should in emergency be the possibility of re-entry either to the official executive government of the province or to the Government of India.

AFFIRMATIVE POWER OF LEGISLATION.

Assuming that the Legislative Councils have been reconstituted with elective majorities, and that the reserved and transferred subjects have been duly demarcated, we have now to consider how the executive government is to secure the passage of such legislation as it considers

necessary for carrying on its business. The King's Government must go on. The process to be followed is this. For the purpose of enabling the provincial Government to carry legislation on reserved subjects it is proposed that the Head of the Government should have power to certify that a particular Bill is "essential to the discharge of his responsibility for the peace or tranquillity of the province or of any part thereof, or for the discharge of his responsibility for the reserved subjects." Such a certificate would not be given without strong reason and the Council might by a majority vote request the Governor to refer to the Government of India, whose decision would be final, the question whether the Bill dealt with a reserved subject. If no reference was made, or if the Government of India decided that the Bill was properly certificated, the Bill would then be automatically referred to a Grand Committee of the Legislative Council.

The Grand Committee in every Council would comprise 40 to 50 per cent. of its strength and would be chosen for each Bill, partly by ballot and partly by nomination. The Governor would have power to nominate a bare majority, exclusive of himself, and of the members so nominated, not more than two-thirds should be officials. The elected members would be elected *ad hoc* by the elected members of Council. The Bill would be debated in Grand Committee, and if passed by that body, would be reported to the whole Council, which might discuss, but could not reject or amend it except on the motion of a member of the Executive Council. The Governor would appoint a time-limit within which a Bill might be debated, and after the expiry of the time-limit the Bill would pass automatically. If the Bill were not passed by the Grand Committee it would drop.

MIXED LEGISLATION.

Should a Bill on a transferred subject trespass on the reserved field of legislation, it should be open to a member of the Executive Council to challenge the whole Bill or any clause of it on its first introduction, or any amendment as soon as such amendment is moved, on the ground of infringement of the reserved sphere. The Bill, clause, or amendment would be then referred to the Governor, who might allow it to proceed or certify it, in accordance with the procedure described above.

POWER OF DISSOLUTION.

The Governor of a Province should have power to dissolve the Legislative Council.

ASSENT TO LEGISLATION.

The assent of the Governor, the Governor-General, and the Crown, through the Secretary of State, will remain necessary for all provincial legislation, whether certified or not.

BUDGET PROCEDURE.

It is suggested that budget procedure be as follows: The provincial budget should be framed by the executive government as a whole. The first charge upon the provincial revenues will be the contribution to the Government of India. Next will come the supply for the reserved subjects. So far as the transferred subjects are concerned, the allocation of supply will be decided by the Ministers; and if the revenue available is insufficient for their needs, the question of additional taxation will be decided by the Governor and the Ministers. The budget will then be laid before the Council, which will discuss it and vote by resolution. The budget would be altered in accordance with the resolutions of the Council except in the following case. If the Council reject or modify the allotment of reserved subjects, it would be in the Governor's power to certify its necessity, in the terms mentioned above and to insist upon the retention of the allotment which he declares essential for the discharge of his own responsibilities.

SAFEGUARDS.

A great safeguard to the working of the system is the proposal that a periodic Commission shall review proceedings. Both the government on one hand and the legislative council on the other, will decide their course of action in the knowledge that their conduct will in due course come under review by a Commission. Before this Commission there will be an opportunity of arguing, on the one hand, that the reserved subjects have been extravagantly administered, or that the Governor in Council has unnecessarily disregarded the wishes of the Legislative Council, or on the other hand, that the attitude of the Legislative Council with regard to expenditure upon reserved subjects has been so unreasonable as to make it unsafe to transfer further powers.

It is suggested that ten years after the meeting of the new Councils, a Commission should be appointed to review the whole working of these institutions in order to determine whether it would be possible to improve in any way the existing machinery or to advance further towards the goal of complete responsible government in any province or provinces. This Commission should be authoritative, deriving its authority from Parliament itself; and the names of the commissioners should be submitted by the Secretary of State to both Houses for approval. The functions of the Commission will, indeed, be of the utmost importance: it will represent a revival of the process by which the affairs of India were subjected to periodical examination by investigating bodies appointed with the approval of Parliament. It is proposed that the further course of constitutional development in the country shall be investigated at intervals of twelve years.

The Commission should also consider the progress made in admitting Indians to the higher ranks of the Public Service: the adjustment of

the financial burden between the provinces: the development of education: the working of local self-government: the constitution of electorates: the working of the franchise: and similar matters.

DEVELOPMENT IN THE PROVINCES.

The proposal is that as the popular element of the government acquires strength and experience, subjects will be taken from the reserved list and placed upon the transferred list, until at length the reserved subjects disappear and the goal of complete responsibility is attained. It is suggested that after five years from the first meeting of the new Councils, the Government of India should hear applications from the provincial Governments or the provincial council for the modification of the reserved and transferred lists of the province: and that after hearing the evidence they should recommend to the Secretary of State such changes as may seem desirable.

It is desirable also to complete the responsibility of Ministers for the transferred subjects. It should be open for the Government of India when hearing such applications, to direct that the Ministers' salaries, instead of being secured to them for their period of office should be specifically voted year by year by the legislative council; and it should be open to the legislative council to demand a resolution that Ministers' salaries should be so voted. This would result in the Ministers becoming Ministers in the Parliamentary sense, dependent upon a majority in the legislature.

C.—GOVERNMENT OF INDIA.

General.

The general idea of the proposals is to create an enlarged legislative assembly with an elected majority: to reserve to the decision of a new Council of State, in which Government will have a bare majority, only those measures which it must retain power to carry in discharge of its continued responsibility for the good government of the land: to restrict the official *bloc* to the smallest dimensions compatible with the same principle: to institute a Privy Council: and to admit a second Indian Member into the innermost counsels of the Indian Government.

Responsibility.

Pending the development of responsible government in the provinces, the Government of India must remain responsible only to Parliament, and saving that responsibility, must retain indisputable power in matters which it judges to be essential to the fulfilment of its obligations for the maintenance of peace, order and good government.

THE EXECUTIVE COUNCIL.

(a) General.

It is recommended that the existing statutory restrictions in respect of the appointment of members should be abolished to give greater elasticity in the size of the government and the distribution of work.

(b) Increase in the Indian element.

It is recommended that another Indian member be appointed as soon as may be.

THE LEGISLATURE.

(a) General.

It is proposed that the strength of the Legislative Council to be known henceforth as the Legislative Assembly of India, should be raised to a total strength of about 100 members. Two-thirds of this total should be returned by election; one-third to be nominated by the Governor General and of this third not less than a third again should be non-officials representing minorities or special interests, such as European and Indian commerce, and the large landlords. The normal duration of an Assembly to be three years.

(b) Electorates and constituencies.

Electorates and constituencies for the Indian Legislative Assembly should be determined by the same Committee entrusted with the investigation of electorates and constituencies for the provincial Councils.

(c) Nomination of non-official members.

The power of nomination of non-official members is to be regarded as a reserve in the hands of the Governor General enabling him to adjust inequalities and supplement defects in representation. Nominations should not be made until the results of the elections are known and should be made after informal consultation with the Heads of Provinces.

(d) Nomination of official members.

The maximum number of nominated officials will be two-ninths, and it will rest with the Governor General to determine whether he requires to appoint up to the maximum. Official members of the Assembly other than members of the Executive Government, should be allowed a free right of speech and vote except when Government decides their support is necessary.

(e) Special appointments.

Members of the Assembly, not necessarily elected or non-official, may be appointed to positions analogous to those of Parliamentary Under

Secretaries in England. The President of the Legislative Assembly should be nominated by the Governor General.

AFFIRMATIVE POWER OF LEGISLATION.

(a) *The Council of State.*

During the transitional period, the capacity of the Government of India to obtain its will in essential matters necessary for the good government of the land is to be secured by the creation of a second chamber known as the Council of State, which shall take its part in ordinary legislative business and shall be the final legislative authority in matters which the Government regards as essential. The object is to make assent by both bodies the normal condition of legislation: but to establish the principle that in the case of legislation certified by the Governor-General as essential to the interests of peace, order and good government, the will of the Council of State should prevail.

(b) *Composition of the Council of State.*

The Council of State is to be composed of 50 members exclusive of the Governor General who would be President. Not more than 25 members including the members of the Executive Council would be officials and four would be non-officials nominated by the Governor General. There would be 21 elected members returned by non-official members of the provincial legislative councils, each council returning two members with the exception of Burma, the Central Provinces and Assam which would return one member each. The remaining 6 elected members are to supplement the representation of the Muhammadans and the landed classes and to provide for the representation of the Chambers of Commerce. The Council of State is to possess senatorial character and the qualifications of candidates for election should be so framed as to secure men of the status and position worthy of the dignity of a revising chamber. Five years would be the normal duration of a Council of State.

LEGISLATIVE PROCEDURE.

(a) *Government Bills.*

Ordinarily a Government Bill would be introduced into the Legislative Assembly and after being carried through the usual stages there would go to the Council of State. If there amended in a way which the Assembly is not willing to accept it would be referred to a joint session of both houses by whose decision its fate would be decided. But if the amendments introduced by the Council of State were in the view of Government essential to the purpose for which the Bill was originally introduced, the Governor General in Council would certify them to be essential to the interest of peace, order or good government. The Assembly

would then have no power to reject or modify the amendments nor would they be open to revision by a joint session.

(b) *Private members' Bills.*

A private Member's Bill would be introduced into whichever of the two houses the mover sat, and after passing through the usual stages would be taken to the other chamber, and carried through that. In the case of a difference of opinion, the Bill would be submitted to a joint session, by which its final fate would be determined. But if the Governor General in Council were prepared to give a certificate in the terms already stated that the form of the Bill was prejudicial to peace, order, and good government, the Bill would go, or go back, to the Council of State, and only become law in the form there finally given to it.

(c) *General Principles of legislative procedure.*

The general principles of the legislative procedure proposed are that, in the case of all save certificated legislation, the will of the non-official members of both chambers taken together should prevail, while in the case of certificated legislation, the Council of State should be the final authority.

(d) *Power of Dissolution and of Assent, Disallowance, etc.*

The Governor General should have power at any time to dissolve the Legislative Assembly, the Council of State or both bodies. The Governor General and the Secretary of State naturally retain their existing powers of assent, reservation and disallowance to all Acts of the Indian legislature.

(e) *Fiscal legislation.*

Fiscal legislation will be subject to the procedure recommended in respect of Government Bills. The budget will be introduced into the Assembly, but the Assembly will not vote it. Resolutions upon budget matters and upon all other questions whether moved in the Assembly or in the Council of State will continue to be advisory in character.

(f) *Standing Committees.*

Standing Committees, drawn jointly from the Assembly and from the Council of State, should play, so far as possible under the circumstances, a similar part to that suggested in the case of the Standing Committees in the provincial legislatures.

(g) *Questions.*

Any member of either House might be entitled to ask supplementary questions. The Governor General should not disallow a question

on the ground that it cannot be answered consistently with the public interest, but power is still to be retained to disallow a question on the ground that the putting of it is inconsistent with the public interest.

THE PRIVY COUNCIL.

His Majesty may be asked to be pleased to approve the institution of a Privy Council in India. Appointments to be made by His Majesty for life; and such appointments to be confined to those, whether officials or non-officials, from British India and from the Native States, who had won real distinction, or occupied the higher offices. The Privy Council's office would be to advise the Governor General when he saw fit to consult it, on matters of policy and administration.

Future Progress.

Equally with the Provincial Machinery the Central Machinery will be subjected to periodical revision by the Commission approved by Parliament.

D.—THE INDIA OFFICE.

General.

Since His Majesty's Government have declared their policy of developing responsible institutions in India, Parliament must be asked to set certain bounds to its own responsibility for the internal administration of the country.

(a) In transferred matters.

It should be laid down broadly that in respect of all matters in which responsibility is entrusted to representative bodies in India, Parliament must be prepared to forego the exercise of its own powers of control, and this process must continue as responsibility in the provinces, and eventually in the Government of India itself, gradually develops. Parliament cannot retain the control of matters which it has deliberately delegated to representative bodies in India.

(b) In reserved matters.

While in reserved subjects there cannot be any abandonment by Parliament of ultimate powers of control, there should be such delegation of financial and administrative authority as will leave the Government of India free, and enable it to leave the provincial Governments free, to work with the expedition that is desirable. A wider discretion should be left to the Governor General in Council: and certain matters now referred home for sanction might in future merely be referred to the Secretary of State for information. It is hoped that Parliament will authorise the Secretary of State to divest himself of the control over the Government of India in certain matters, even though these continue to be the concern of official governments.

ORGANIZATION OF THE INDIA OFFICE.

A Committee should be appointed forthwith to reconsider the organization of the India Office, with a view to providing for the material alteration of functions involved by these proposals, and for the more rapid discharge of its business.

SECRETARY OF STATE.

The Secretary of State's salary should be defrayed from home revenues and voted annually. This would enable any live questions of Indian administration to be discussed by the House of Commons in Committee of Supply.

SELECT COMMITTEE.

In order to provide for informed criticism and discussion of questions connected with India, it is proposed that the House of Commons should be asked to appoint a Select Committee on Indian affairs. It would inform itself upon Indian questions, and report to the House before the annual debate on the Indian estimates. By means of interrogations of the Secretary of State and requisitions for papers the members of the Committee would keep themselves informed on Indian affairs and to them Indian Bills might be referred upon second reading.

E.—THE INDIAN STATES.

General.

In view of the fact that the contemplated constitutional changes in British India may react in an important manner on the Indian States it is necessary to assure the Princes, in the fullest and freest manner, that no constitutional changes which may take place will impair the rights, dignities and privileges secured to them by treaties, sanads and engagements, or by established practice. Further all important States should be placed in direct communication with the Central Government as an aid to good understanding and the speedy conduct of business.

THE COUNCIL OF PRINCES.

(a) Functions, etc.

It is recommended that a Council of Princes be called into existence as a permanent consultative body, ordinarily meeting once a year to discuss agenda approved by the Viceroy, who should be President. The opinion of such a body would be of the utmost value upon questions affecting the States generally or British India and the States in common.

(b) Standing Committee of the Council.

The Council of Princes should be invited annually to appoint a small Standing Committee to which the Viceroy or the Political Department might refer matters of custom and usage affecting the States.

COMMISSIONS OF ENQUIRY.

Should dispute arise between two or more States, or between a State and Government, the Viceroy might appoint a Commission of enquiry to report upon the matter in dispute. Such a Commission might be composed of a judicial officer of rank not less than a High Court Judge, and one nominee of each of the parties concerned.

In the case of misconduct, matters might be referred by the Viceroy to a Commission appointed to advise him. Such a Commission should ordinarily consist of five members, including a High Court Judge, and two Ruling Princes.

JOINT DELIBERATIONS.

With the establishment of a Council of Princes, of a Council of State, and of a Privy Council, the machinery will exist for bringing the senatorial institutions of British India more closely into touch with Rulers of the Indian States. The Viceroy, when he thought fit, might arrange for joint deliberation and discussion between the Council of State and the Council of Princes, and might invite members of the Council of Princes to serve on Committees of the Privy Council.

F.—THE PUBLIC SERVICES.

General.

The policy of the increasing association of Indians in every branch of the administration was placed in the forefront of the announcement of August 20. The characteristics which have enabled the services to confer benefits upon India in the past, must be adequately maintained in the future; and the solution lies in recruiting year by year such a number of Indians as the existing members of the services will be able to train in an adequate manner and inspire with the spirit of the whole.

Appointments are to be made to all branches of the public service without racial distinction.

For all public services, for which there is a system of recruitment in England open to Indians and Europeans alike, there must be a system of appointment in India.

THE CIVIL SERVICE.

It is suggested that thirty-three per cent. of the superior posts should be recruited for in India, and that this percentage should be

increased by one and a half per cent. annually, until the periodic commission is appointed which will re-examine the whole subject. A re-adjustment of the rates of pay and pension is recommended.

OTHER SERVICES.

There should be a fixed percentage increasing annually of recruitment in India. This percentage will not be uniform for all services as the particular figures must depend upon their distinctive characteristics and functions. As in the case of the Civil Service, a re-adjustment of the rates of pay and pension is recommended.

THE ARMY.

The granting of a considerable number of King's Commissions to Indians is recommended. Race should no more constitute a bar to promotions in the Army than it does in the Civil Service.

G.—INDUSTRIES AND TARIFFS.

The proposals lay stress upon the necessity for Government action in developing the resources of the country, and for the recognition by Government of the necessity for a forward industrial policy. The extent and form of State assistance will doubtless be determined by the reformed Governments of the future, having the advice of the Industrial Commission before them, and with due reference to Imperial interests.

H.—CONCLUDING NOTE.

The general principle kept in mind in framing these proposals has been the progressive realisation of responsible government. The arrangements contemplated by these proposals are admittedly transitional. They are to be open to revision. The proposals themselves are tentative. They are now open to discussion.

APPENDIX III.

The Indian Industrial Commission.

ITS REPORT SUMMARISED.

The Report of the Industrial Commission, which has been sitting for the last two years under the Chairmanship of Sir Thomas Holland, K.C.S.I., has been issued. Before summarising the Report it is important to note that the constructive proposals depend on the acceptance of two principles :—(1) that in future Government must play an active part in the industrial development of the country, with the aim of making India more self-contained in respect of men and material, and (2) that it is impossible for Government to undertake that part, unless provided with adequate administrative equipment and forearmed with reliable scientific and technical advice.

With these principles in mind, it will be convenient first to glance at the administrative machinery which the Commission proposes and then to examine the work which it is intended to do. The administrative proposals include the creation of Imperial and Provincial departments of Industries and of an Imperial Industrial Service. The Imperial department would be in charge of a member of the Viceroy's Executive Council, assisted by a Board of three members entitled the Indian Industries Board, and be responsible for the industrial policy of Government and the inauguration and carrying out of a uniform programme of industrial development throughout the country. The actual administrative work would be almost entirely decentralised and would devolve on Local Governments. The performance of these duties would necessitate the employment of a large staff of officers whose qualifications would primarily depend upon a knowledge of mechanical engineering ; and the formation of an Imperial Industrial Service is suggested in order to safeguard Government against the dangers and difficulties of casual recruiting. This service would consist mainly of mechanical engineers and engineering technologists, the majority of whom would be employed under the Local Governments. The headquarters of the Department and of the Board should be with the Government of India.

The provincial departments would be administered by Directors of Industries, assisted by specialists and technical advisers who would usually be seconded from imperial services for work under the Local Government. A provincial Director would thus be able to develop the industries of his province with the help of competent engineers and scientists. He would

be advised by a provincial Board of Industries, composed mainly of non-officials; and he should hold the post of a Secretary to Government to secure expeditious and effective despatch of work.

It now remains to consider the work which this organisation is to carry out and the conditions of India which render essential a policy of active intervention on the part of Government in the industrial affairs of the country. The first chapters of the Report deal with India as an industrial country, her present position and her potentialities. They show how little the march of modern industry has affected the great bulk of the Indian population, which remains engrossed in agriculture, winning a bare subsistence from the soil by antiquated methods of cultivation. Such changes as have been wrought in rural areas are the effects of economic rather than of industrial evolution. In certain centres the progress of western industrial methods is discernible; and a number of these are described in order to present a picture of the conditions under which industries are carried on, attention being drawn to the shortage and to the general inefficiency of Indian labour and to the lack of an indigenous supervising agency. Proposals are made for the better exploitation of the forests and fisheries. In discussing the industrial deficiencies of India, the Report shows how unequal the development of our industrial system has been. Money has been invested in commerce rather than industries, and only those industries have been taken up which appeared to offer safe and easy profits. Previous to the war, too ready reliance was placed on imports from overseas, and this habit was fostered by the Government practice of purchasing stores in England. India produces nearly all the raw materials necessary for the requirements of a modern community; but is unable to manufacture many of the articles and materials essential alike in times of peace and war. For instance, her great textile industries are dependent upon supplies of imported machinery and would have to shut down if command of the seas were lost. It is vital, therefore, for Government to ensure the establishment in India of those industries whose absence exposes us to grave danger in event of war. The Report advocates the introduction of modern methods of agriculture, and in particular of labour-saving machinery. Greater efficiency in cultivation and in preparing produce for the market would follow, labour now wastefully employed would be set free for industries, and the establishment of shops for the manufacture and repair of machinery would lead to the growth of a huge engineering industry. After examining the resources for generating power, the Report says the coal of India is generally of a poor quality and the radius within which it can be economically used is accordingly limited. Moreover, the extension of metallurgical industries already started involves a severe attack on our visible supplies of coking coal. The Commission recommends a special survey of the coal position in India. The oil fields of Burma are being rapidly drained and no others of equal value have been proved. Wind power is too intermittent for industrial use. Attention should be directed to more

economical methods of using wood fuel, and new materials for industrial alcohol should be investigated. The harnessing of water power appears, however, to afford a more reliable source of energy, especially with a view to the development of thermo-electric industries; and Government is urgently enjoined to undertake a hydrographic survey in order to determine the places which offer possibilities for the establishment of hydro-electric installations.

The next chapters deal with "The Indian in Industries." They discuss measures designed to improve the efficiency of the Indian artisan and to encourage the educated Indian to take part in industrial enterprise. It is shown that the relative lowness of wages paid to Indian labour is counter-balanced by the comparative inefficiency of the individual Indian workman. The Commission assigns three causes for this inefficiency, viz., the absence of education, the prevailing low standard of comfort and the effects of preventable disease. The Commission expresses itself in favour of universal primary education, but considers that it would be unfair and unjust to impose upon employers this duty, which devolves rather upon the State and local authorities. But education of a technical kind is also required, and the method of instruction to be followed will vary for workers in organised and for workers in cottage industries, the latter of whom, it may be remarked, considerably exceed the former in numbers. For cottage industries the Commission proposes an efficient system of education in industrial schools administered by head masters with practical knowledge of the industries taught, and controlled by the Departments of Industries. The extension of marketing facilities must go hand in hand with the teaching of improved processes. In the case of organised industries mechanical engineering is taken as a typical instance, and the proposals include the establishment of a system of organised apprenticeship for a period of four or five years, with practical training in the workshops and theoretical instruction in attached teaching institutions.

The Commission places better housing in the forefront of its recommendations to raise the standard of comfort of the Indian artisan. Subject to certain safeguards, Government should use its powers under the Land Acquisition Act to acquire sites for industrial dwellings, and land so acquired should be leased to employers on easy terms. Special remedies are proposed in the case of Bombay, where the problems of congestion are unique. General measures of welfare work among factory employes are also suggested, and special attention should be paid to the improvement of public health. The elimination of such diseases as hookworm, and malaria, which are prevalent almost everywhere in India, would add enormously to the productive capacity of the Indian labourer.

The general aversion from industrial pursuits of the educated Indian is ascribed to hereditary predisposition accentuated by an unpractical system of education. A complete revolution in the existing methods of

training is proposed. For manipulative industries, such as mechanical engineering, an apprenticeship system similar to that suggested for artisans should be adopted. The youth who aspires to become a foreman or an engineer, must learn to take off his coat at the start and should serve a term of apprenticeship in the workshops, supplemented by courses of theoretical instruction. At the conclusion of this period of training he may be allowed to specialise in particular subjects. For non-manipulative or operative industries, on the other hand, the teaching institution should be the main training ground, though practical experience is also necessary. Special proposals are made for commercial and mining education; and the future establishment of two imperial colleges is adumbrated, one for the highest grade of engineering and the other for metallurgy. To ensure the maintenance of close relations between the training institutions and the world of industry, the general control of technical education should be transferred to the Department of Industries.

The remaining chapters of the Report deal more specifically with Government intervention in industries. Government clung long to the tradition of *laissez faire* in industrial matters; but when in recent years it attempted to play a more active part in industrial development, its efforts were rendered futile by the absence of scientific and technical advice to assist it in estimating the value of industrial propositions and by the lack of any suitable agency to carry out approved proposals. To remedy the first of these defects, a reorganization of the existing scientific services is advocated, in such a way as to unite in imperial services, classified according to science subjects, all the scattered workers now engaged in the provinces on isolated tasks. Rules are suggested to govern the relations between the members of these services and private industrialists seeking advice. The situation of research institutes and the conditions and terms of employment of these services are questions for the decision of which the Commission considers that the appointment of a special committee is necessary.

The administrative machinery with which Government must be equipped and some of the functions which that machinery will enable it to perform have already been described; but there are many other directions in which the development of industries can be stimulated. Useful and up-to-date information on commercial and industrial matters is essential both for Government and for private merchants and industrialists. A scheme is propounded for collecting such information and for making it available to the public through officers of the Department of Industries. The purchase of Government stores in the past has been conducted in such a way as to handicap Indian manufacturers in competing for orders and to retard industrial development in India. The Commission proposes that the Department of Industries should be in charge of this work and that orders should not be placed with the Stores Department of the India Office until the manufacturing capabilities of India have first been

exhausted. A chapter is concerned with the law of land acquisition and enunciates principles in accordance with which Government might compulsorily acquire sites for industrial undertakings; in another, the various methods by which Government might render direct technical aid to industries are explained. The Commission considers that ordinarily Government itself should undertake manufacturing operations only for the production of lethal munitions. The administration of the Boiler Acts, the Mining Rules and the Electricity Act, the employment of jail labour, the prevention of adulteration, patents and the registration of business names, of trade marks and of partnerships, are matters which are specifically dealt with. In the opinion of the Commission the compulsory registration of partnerships is practicable, and the question should be examined by Government with a view to legislation.

Industrial co-operation is discussed with reference to small and cottage industries; and the vexed question of the effects of railway rates on industries is considered. The Commission thinks that reduced rates to and from ports have been prejudicial to industrial development and that the position requires careful examination with a view to the removal of existing anomalies. In particular it should be possible to increase the rates on raw produce for export and on imports other than machinery and stores for industrial use. The addition of a commercial member to the Railway Board and the better representation of commercial and industrial interests at the Railway Conference would help to secure a more equitable system of rating. The improvement of waterways and the formation of a Waterways Trust at Calcutta are also proposed.

The Commission lays emphasis on the disorganisation of Indian capital and its shyness in coming forward for industrial development. There is no lack of money in the country, yet the industrialist cannot obtain the use of it except on terms so exorbitant as to devour a large part of his profits. There is a crying necessity for the extension of banking facilities in the mofussil. The Commission is disposed to favour the establishment of an industrial bank or banks; but it considers that the appointment of an expert committee is necessary to deal with this subject and asks Government to take action at an early date. As an 'interim' measure, a scheme is propounded for the provision of current finance to middle-class industrialists, by which the banks would open cash credits in favour of applicants approved by the Department of Industries on the guarantee of Government. Various other methods of financial assistance by Government are suggested, in particular the provision of plant for small and cottage industries on the hire-purchase system.

To sum up, the Commission finds that India is a country rich in raw materials and in industrial possibilities, but poor in manufacturing accomplishment. The deficiencies in her industrial system are such as to render her liable to foreign penetration in time of peace and to serious dangers in time of war. Her labour is inefficient, but for this reason capable of

vast improvement. She relies almost entirely on foreign sources for foremen and supervisors ; and her *intelligentsia* have yet to develop a right tradition of industrialism. Her stores of money lie inert and idle. The necessity of securing the economic safety of the country and the inability of the people to secure it without the co-operation and stimulation of Government impose, therefore, on Government a policy of energetic intervention in industrial affairs ; and to discharge the multifarious activities which this policy demands, Government must be provided with a suitable industrial equipment in the form of imperial and provincial departments of Industries.

The recurring cost of the proposals is estimated at £570,000 ; they involve a capital expenditure of £1 million, mainly on educational institutions, and a further capital outlay of £444,000 is anticipated for future developments. The Commission considers that this expenditure may be worked up to at the end of a period of 7 years.

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