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ABSTRACT OF THE PROCEEDINGS  
OF  
THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA,  
ASSEMBLED FOR THE PURPOSE OF MAKING  
LAWS AND REGULATIONS,  
1900.

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WITH INDEX.  
VOLUME XXXIX.



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OFFICE OF THE SUPERINTENDENT OF GOVERNMENT PRINTING, INDIA,  
8, RAJLINGS STREET.

*Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 ( 24 & 25 Vict.; c. 67, and 55 & 56 Vict. c 12).*

The Council met at Government House, Calcutta, on Friday, the 5th January, 1900.

PRESENT :

His Excellency Baron Curzon of Kedleston, P C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.

His Honour Sir John Woodburn, K.C.S.I., Lieutenant-Governor of Bengal.

The Hon'ble Major-General Sir E. H. H. Collen, K.C.I.E., C B.

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

The Hon'ble Mr. C. E. Dawkins.

The Hon'ble Mr. T. Raleigh.

The Hon'ble Mr. Denzil Ibbetson, C.S.I.

The Hon'ble Mr. P. M. Mehta, C.I.E.

The Hon'ble Nawab Mumtaz-ud-daula Muhammad Farvaz Ali Khan.

The Hon'ble Mr. J. K. Spence, C.S.I.

The Hon'ble Mr. G. Toynbee.

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

The Hon'ble Mr. J. D. Rees, C.I.E.

The Hon'ble Maharaja Rameshwara Singh Bahadur of Darbhanga.

The Hon'ble Nawab Bahadur Sir Khwaja Ahsanullah, K.C.I.E.

The Hon'ble Kunwar Sir Harnam Singh Ahluwalia, K.C.I.E., of Kapurthala.

The Hon'ble Mr. J. T. Woodroffe.

The Hon'ble Mr. J. Buckingham, C.I.E.

The Hon'ble Mr. H. F. Evans, C.S.I.

The Hon'ble Rai Bahadur B. K. Bose, C.I.E.

The Hon'ble Mr. Allan Arthur.

NEW MEMBER.

THE Hon'ble MR. ALLAN ARTHUR took his seat as an Additional Member of Council.

QUESTION AND ANSWER.

The Hon'ble MR. ALLAN ARTHUR asked:—“In view of the great public importance of the questions discussed at the recent conference between the

## QUESTION AND ANSWER.

[Mr. Allan Arthur; Mr. Dawkins.] [5TH JANUARY, 1900.]

Finance Department, the Secretaries of the three Presidency Banks and representatives of certain Chambers of Commerce, *vis.*, the possibility of relaxing certain restrictions placed on the business in which the Presidency Banks may engage, and the sufficiency or insufficiency of their capital for such an extension of their operations, together with other questions consequent thereon, and in view of the close attention with which this discussion is being followed by the Banking and Mercantile communities throughout India, I desire to ask if any indication can be furnished of the results of the recent conference, and any intimation given of the policy which the Hon'ble the Financial Member is prepared to recommend to the Government of India in the matter.

"I would also enquire, if the proposed new Bank is formed, what restrictions will be placed on the Bank as regards its operations in Exchange."

The Hon'ble MR. DAWKINS replied:—"I am glad to have the opportunity given to me by the Hon'ble Member's question to offer some general explanation, and if my answer assumes the form of a statement of some length, the importance of the subject and the desirability of taking the public into our confidence in the matter may, I hope, be regarded as a sufficient excuse. I must commence by a brief reference to the history of the subject touched on in the question. Several of the witnesses before the recent Currency Committee expressed apprehension whether the banking resources of India had kept pace with the growing requirements of the country, and a separate Minute was appended to the Report of that Committee by Mr. Hambro, advocating the establishment of a strong central bank in India. The Secretary of State, in introducing the Budget in Parliament, associated himself with Mr. Hambro's recommendation, and expressed a decided opinion that the export trade of India was being financed on too narrow a basis. I may perhaps be permitted to quote his words. "Undoubtedly banking in India has not kept pace with the growth of trade and commerce. The Presidency Banks do their work very well, but their capital is small; and, as regards their available cash balances, these are almost entirely supplied by one account, namely, that of the Government. The Government account forms a very much larger proportion of the cash balances of the Presidency Banks in India than is the case here, for at times the Bank of England could almost dispense with the Government account and still carry on their business, and it must be remembered that the cash balances of the Presidency Banks in India form a far more important banking factor there than do the Bank of England cash balances here, and that the flow and movement of cash in India is very much slower than is the case in England

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[Mr. Dawkins]

I have certainly come to the conclusion from my experience, that we are endeavouring to finance the export commerce and trade of India on too narrow a cash basis.

"The *ex*-Secretary of State and Chairman of the Currency Committee, Sir Henry Fowler, took the same line, and explained that he himself would have signed Mr. Hambro's recommendation, had his position as Chairman not precluded him from so doing.

"It was obviously due to such high authorities that their views should be examined with the greatest attention in India. Moreover, the receipt of these views synchronized with a request from the Banks of Bengal and Madras for a relaxation of the restrictions placed on the class of business they may transact. They desired authority to extend their operations beyond the securities of Guaranteed Railways, to securities of Assisted Railways and District Boards, and, as regards Railways, the request made by the Banks found a powerful advocate in the Acting Public Works Member of Council, Colonel Gardiner, who held strongly that the existing restrictions have seriously hampered railway development.

"The Government of India therefore proceeded to consult the Chambers of Commerce and the Presidency Banks on these important questions, and answers have been received from the three Presidency Banks, the Presidency Chambers of Commerce, and the Upper India Chamber of Commerce, containing valuable information and suggestions. But any one reading these papers would be struck by the fact that certain of the suggestions require further elucidation, and still more by the fact that several of the opinions expressed are conditional in their character. It was therefore arranged, with the authority of His Excellency, that an informal and free discussion should take place between the Finance Department and the Chambers and Banks, with the object of an interchange of views and explanations.

"My Hon'ble Colleague, Mr. Allan Arthur, representing the Bengal Chamber, the Secretaries of the Banks of Bengal and Bombay and Madras, the latter in the double capacity of representative of the Chamber and of the Bank of Madras, met Mr. Finlay, Mr. O'Connor and myself. The Bombay Chamber, I am sorry to say, was unable, owing to the shortness of the notice, to send a representative.

"I think my Hon'ble Colleague would bear me out if I say that the discussion was of great utility, and enabled those who took part in it to arrive

[*Mr. Dawkins.*]

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at a better understanding of the questions involved, and also at a very much greater degree of agreement than had previously seemed possible.

“With regard to the first question, that of relaxing existing restrictions in certain directions, the Chambers and Banks are unanimous in considering that the extension of the Banks’ operations to the securities of Assisted Railway and District Boards is desirable. But the Bank of Bengal accompanied their expression of opinion with a note of caution. Their letter states, ‘My Directors are of opinion that these restrictions might be withdrawn with safety and advantage without, in ordinary circumstances, overtaxing the resources of the Banks.’

“I may say that the Government of India have also regarded the question with caution. Personally, I am in entire sympathy with the demand for relaxation, if that can be accomplished without risk, and I look at the demand much more from the point of view of the general development of the country than from the special standpoint of the Banks. But—and on this point I may speak for the Government of India as a whole—however much existing restrictions may hamper development, no proposal could be entertained, which might lead to locking up the resources of the Banks in securities not easily realizable, unless those resources can be shown to be amply sufficient in both dull and busy seasons. The disadvantage of the existing restrictions, as matters now stand, would be less serious than the risk of creating difficulties for the existing volume of business.

“To come to the second question. The letters received reveal, and the discussion accentuated, a general consensus that, though the Banks find it difficult to employ their existing capital in the dead season, yet in times of pressure in the busy season it is often inadequate, and that some means of temporarily expanding resources—some final banking resort—is absolutely necessary if the stringencies of the last few years are not to recur, and if the extreme and violent variations in the rate of discount—the very worst enemy to sound and progressive business—are to be avoided. I may quote from the letters of the Madras Chamber of Commerce and Bengal Chamber of Commerce. In the Madras letter I find that ‘the Chamber is specially impressed with the urgent need for legislation which will enable the Presidency Banks to expand their supply of loanable funds in time of pressure.’ The Committee of the Bengal Chamber ‘are convinced that in the busy season the banking facilities in India are not sufficient for the trade, and the satisfactory development of the country, and at times of pressure the existing arrangements for giving relief seem to them quite inadequate.’ But if the resources of the Banks are often inadequate for



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existing business, if the ordinary requirements of trade and commerce can only be met *on the average*, where is the margin for financing railways, and municipal and district enterprizes, to say nothing of new industrial enterprizes, proposed on all sides?

“ Three means of expanding resources in time of pressure were suggested.

“ The first was that the Government should definitely undertake to make advances to the Banks in time of pressure. I lay stress upon the word “ definite,” and I may quote a passage from the letter of the Madras Chamber of Commerce, ‘ It is absolutely necessary,’ writes the Chamber, ‘ that any arrangement of this kind should be definite, so that the Banks could obtain funds when necessary, at a moment’s notice.’

“ The Madras letter hits the nail on the head, but—and I need not labour the point which was unanimously recognized in our discussion last week—it is simply impossible for the Government to pledge themselves by any definite assurance, and to give the Banks an open credit to operate upon. When pressure occurs in India, it is usually general and extends to the Government, and the Government might very well find itself absolutely unable to provide loans. The limits of Government action in this direction have, moreover, recently been laid down by the Secretary of State, and it is within these limits that Government assistance must necessarily be confined.

“ An alternative remedy has been proposed by the Bank of Bengal, that Government should undertake, when the Bank rate rises to a certain height, to give loans from the coin reserve of the Paper Currency Reserve. The proposal is open in my mind to fatal objections. It is the duty of Government to keep a coin reserve sufficient to ensure the convertibility of its notes. If the proportion of coin to securities in its total reserve is large enough to allow of loans being made, then that proportion is unnecessarily large. In such a case securities should be substituted for superfluous coin, and the general tax-payer, not any particular section of the tax-payers like the Banks, should benefit thereby. The coin reserve should be exclusively devoted to ensuring convertibility, should be limited to what is necessary for that purpose, and should be held sacred. The answer was made last week in the course of our discussion that the German system—now so generally, and, in my opinion, rightly, held up to admiration—of issuing uncovered notes on payment of a tax, implied possible resort to the currency reserve for cashing such notes. This may be admitted. But the difference is that in Germany the notes circulate freely

as currency, whereas it is very doubtful whether this would be the case in India, where the demand is for hard cash. The mere existence of this doubt, which was, I think, admitted by every one who took part in the discussion, makes an enormous difference, and, moreover, if Berlin or Paris want reinforcements of gold, they can procure it in a few hours from neighbouring centres. India is cut off and isolated, and must proceed with great caution. Her cash reserve must be regarded with the utmost jealousy.

“The third remedy proposed was that the Banks should be given access to London—in other words, should be allowed to pledge securities and raise money in London. It was argued that the permission to pledge and borrow in India, which had been extracted from the Secretary of State in 1878, after years of correspondence, had remained a dead letter, owing to the peculiar circumstances of India. The objection taken by the Secretary of State to extending this permission to the London market, the risk that the Banks might engage in exchange business into which, owing to the great uncertainty of exchange, a large element of speculation entered, may also, it was urged, and I certainly believe, be considered to have disappeared. But I was obliged to point out that the Secretary of State had founded his refusal not only on the question of exchange, but had no less strongly objected to the risk of the resources of the Banks being locked up in London. Nothing had happened since 1878 to meet that particular objection. On the contrary, the trade and needs of India have largely increased, and banking resources have scarcely increased *pari passu*. I was also compelled to draw attention once more to the relation of the Government deposit to the Banks' cash balance in the busy season, and to cite Sir J. Westland's well known criticism. That criticism has been a good deal disputed. It has been said that the cash balance is not derived principally from one account, but is made up from all accounts. I am perfectly certain that Sir J. Westland would be the first to admit this obvious truism. It has also been said that the Government would not deplete its balance with the Banks of, say, 1½ crores, exclusively and primarily, but would draw upon its general balance of eight to ten crores, of which the balance with the Banks only forms a part. This is an equally obvious truism, and it is absurd to suppose that my predecessor had not reckoned with it. But Sir James Westland's criticism is really unshaken, inasmuch as he insisted that a situation is unsound when one depositor—and that depositor a depositor peculiarly exposed to sudden calls and contingencies—is placed in a position in which he could, and, indeed, might be obliged, very suddenly, to deplete the cash balance to a serious extent.

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“Indeed, on looking closely into the figures, I find that there have been months in which the Government deposit exceeded the whole cash balance of the Banks. Not long ago, at one Bank the Government deposits exceeded the cash balance by 17 per cent.

Nowhere is such a position so unsound as in India—where, as the Secretary of State has pointed out, the cash balance is so important a banking factor. The Banks have excellent reserves, but could their securities be converted into liquid cash in India at a moment's notice? The Bank of England is far more fortunately situated, but the Bank of England, nevertheless, keeps the proportion of the exchequer balance to the cash balance within such limits that the sudden total withdrawal of the exchequer balance would hardly affect the Bank.

“I am, therefore, compelled to the conclusion that it would be out of the question for the Banks to press this proposal, greatly advantageous as its concession would be, unless they propose it under circumstances that may allow of its being entertained with safety, and couple it with the prospect of some increase in capital. That an increase of capital should be expected to go straight away into a cash balance and reinforce it for any period is, of course, absurd. I only mention this, because the imputation has been made that misapprehension exists on this point. But an increase of shareholders' capital, which would obviously find employment in the busy season at any rate, would involve a corresponding increase in the cash balance, and would relegate the Government deposits to a position of less dangerous importance.

“Another objection to the proposal of the Banks under existing circumstances would, I think, be the consideration that, though access to London might conceivably be granted to one strong Indian Bank connected with Government, the question would wear another aspect if three Banks are to seek for access. The Government could follow and, if necessary, perhaps influence the operations of one Bank. It would not be so easy to do this with three Banks, and the possibility of three Presidency Banks, each connected with Government, competitively pledging Indian securities against each other in London, could scarcely be viewed with favour.

“It seems, therefore, that if access to London is of paramount importance, and it would appear to be so, as I am convinced of the absolute necessity of the Banks having a last resort, the fusion of the Banks and an increase of their capital are conditions that are inevitably precedent. I may say that if those

conditions were complied with, access to the London market for the purposes indicated by the Banks would undoubtedly seem to be highly desirable and strongly to be recommended.

“Another point which was discussed at our meeting last week, that of the desirability or otherwise of transferring the note issue to the Banks, immediately confronted us again with the question of their fusion and expansion. A transfer which might be advantageous and feasible if made to one central Bank would probably be impracticable and attended rather with disadvantage than otherwise if three Banks were concerned. The conditions of a transfer of the note issue that were discussed were that the existing note issue should be made over to a single Bank, Government retaining the profit on the present currency investment, but indemnifying the Bank for the cost thereof from the sum now allotted for that purpose. And, as regards any further issue of notes, the Bank would be obliged to keep a reserve, partly in coin and partly in securities, and would gain the profit on this investment after defraying the cost of the additional notes. Whether a Central Bank should or should not undertake to cash its notes without discount at the three Presidency Capitals, is to my mind a matter for further examination. It would be much to the public advantage if this could be done, and possibly the expenditure involved in such a liability could be made up to the Bank in one form or another.

“To recapitulate, I may now say that it seems to me most desirable in the interest of the general development of India, and of railway construction and municipal enterprise in particular, that the class of business in which the Banks may engage should be extended. It is even more important that an ultimate banking resort should be afforded to the Banks, and that access to London should be authorized. I am therefore prepared to press these questions earnestly upon the Government of India, provided that the conditions are forthcoming, which would justify and render practical such important changes, namely, that the Presidency Banks should amalgamate and should undertake some increase of their capital. It would also, I think, be to the general advantage to transfer the note issue to a Bank, but this question is not so essential, although I should be ready to support such a measure. I may perhaps before concluding advert to some objections that have been made to any scheme of this kind. It has been stated that the Banks would be sacrificed to some financial Moloch in London. As the existing shareholders, I imagine, would have some prior right to subscribing to new capital,—as much of this capital, I hope, would be subscribed in India,—it seems to me that this apprehension melts into thin air, so long as we deal with a scheme based upon amalgamation.

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Moreover, I take it that the interests of existing shareholders would assuredly not be prejudiced. It is to be surmised that they would receive new shares equivalent to the average market value of the old shares that would be cancelled, while, at the same time, they would participate in the prospects and advantages opened out to a larger institution.

"It has also been objected that local requirements would receive less attention, and that union would mean subordination of one or two Presidencies to a third. I cannot conceive for a moment that the Government of India would tolerate any scheme of fusion involving the subordination of one Presidency to another, or the neglect of local requirements. I would certainly, Your Excellency, never have the hardihood to bring a proposal of this nature before you. The amalgamated Banks in my view would have the advantage of an expert direction in London particularly conversant with both the English and Indian money-markets, elected by and responsible to the shareholders who would be mainly in India. In India itself there would be a central management apportioning its time and energies between the various centres, and in close relation to local directorates at the Presidency-towns. Nothing would be more unwise for such a Bank, as I have ventured to foreshadow, than to deprive itself of the valuable local knowledge, skill and experience of the existing directorates and managements of the Presidency Banks. Nothing would better safeguard local interests, wants and requirements than a continuance in a new form of existing local experience.

"In so roughly summing up the policy which may be recommended to the Government of India, a last objection appears to be entertained in some quarters outside the Presidency Banks themselves—and is specifically touched upon in my Hon'ble Colleague's question—the objection that a Bank formed from the union of the three Presidency Banks would monopolize exchange business of all kinds. I would remind those who may be apprehensive on this point that, when the Presidency Banks in 1877 addressed the Government of India upon the question of borrowing in London, they themselves proposed restrictions which would confine them to raising money by pledge of assets and to making remittances in payment of stock or other authorized investments, and in repayment of loans. I see no reason why these restrictions should not be maintained.

"I am painfully aware that in so rough a sketch and in so rapid a survey of a matter of this magnitude and importance many details have been omitted, and many points passed over, which require explanation. But if the policy I have attempted to indicate should find favour, I believe that with the able co-operation

10      **QUESTION AND ANSWER: INDIAN REGISTRATION OF  
SHIPS; TELEGRAPHIC PRESS MESSAGES.**

[5TH JANUARY, 1900.] [*Mr. Dawkins; Mr. Raleigh; Mr. Ibbetson.*]

of the Chambers of Commerce and of the Banks, these details could be filled in, and any outstanding differences could be adjusted. That co-operation, I know, is always willingly given to the Government of India, and perhaps I may express the sincere hope that Your Excellency's Viceroyalty may see the establishment of the gold standard followed by a comprehensive measure which will give India the full advantage, through access to London, of the new currency upon which she has embarked, and will remedy a situation which is on all hands admitted to be wholly unsatisfactory, to be daily becoming more unsatisfactory, and to be gravely prejudicial to the development of the country."

**INDIAN REGISTRATION OF SHIPS BILL.**

The Hon'ble MR. RALEIGH moved that the Bill to make better provision for the Registration of British Ships in British India be referred to a Select Committee consisting of the Hon'ble Mr. Dawkins, the Hon'ble Mr. Mehta, the Hon'ble Mr. Smeaton, the Hon'ble Mr. Allan Arthur and the mover.

The motion was put and agreed to.

**TELEGRAPHIC PRESS MESSAGES BILL.**

The Hon'ble MR. IBBETSON moved that he be substituted for the Hon'ble Mr. Rivaz as a Member of the Select Committee on the Bill to provide for the protection of certain telegraphic press messages, and that the Hon'ble Mr. Mehta, the Hon'ble Maharaja of Darbhanga, the Hon'ble Mr. Evans and the Hon'ble Mr. Allan Arthur be added to the Committee. He said—"MY LORD,—Hon'ble Members are aware that the Telegraphic Press Messages Bill was referred to a small Select Committee at the end of last July, with instructions to report after one month. It was found, however, that the Bill attracted a considerable body of comment, and, in some quarters, of criticism; and it was therefore thought advisable to postpone its further consideration, as being one of those measures which can more properly and effectively be discussed in full session of the Council.

"Meanwhile, the opinions which have been received from Local Governments and from the representative bodies which have been consulted, as well as the discussions which have taken place in the Press, have rendered it desirable that the Bill should be examined by a Select Committee of a wider and more representative character than that which was at first constituted.

"Under these circumstances, the Government of India propose to add to the Committee the four Hon'ble Members whose names I have submitted to

the Council. It will also be convenient that I should take the place of the Hon'ble Mr. Rivas, whose duties I am at present discharging."

The motion was put and agreed to.

### LOWER BURMA COURTS BILL.

The Hon'ble MR. IBBETSON moved for leave to introduce a Bill to consolidate and amend the law relating to the Courts in Lower Burma. He said:—  
 "MY LORD,—As long ago as 1880 the judicial system in force in Lower Burma was found to be defective, and it was proposed to remedy its defects by constituting a High Court at Rangoon. In 1887 a Bill with that object was actually introduced in this Council; but the proposal was presently abandoned, as being too costly, and in advance of the immediate necessities of the Province, and a Bill of a less ambitious character was substituted, which is still in force as the Lower Burma Courts Act of 1889.

"While that Act effected many improvements in the judicial system of the Province, it practically left untouched the complex and unsatisfactory constitution of the superior Courts. I need not trouble the Council with a description of what is a somewhat complicated system. It will be enough to say that the existing arrangements are open to two serious objections. In the first place, it is, in very many cases, necessary to incur the expense and inconvenience of a reference to Calcutta, in order to obtain a final decision; and in the second place, appeals are heard by a Court of only two Judges, one of whom is the Judge whose order is being appealed against.

"It is obvious that such a system could only be temporary; and, apart from the increase of work, which has grown too heavy for the existing machinery, the Government of India have decided, with the full concurrence of the Local Government and the approval of the Secretary of State, that in view of the growing importance of Rangoon as a centre of commerce, of the geographical separation of Burma from peninsular India, of the recent erection of the Province into a Lieutenant-Governorship, and of the constitution of a Provincial legislature, the time has come to provide Lower Burma with a Chief Court which shall be empowered to give final orders, and to speak with the authority of an ultimate tribunal.

"It is not proposed, at present, to extend the jurisdiction of the new Chief Court to Upper Burma. In that Province the civil administration has only recently been organized; the law, both statutory and indigenous, and the local conditions, differ substantially from those obtaining in the Lower Province; the people

[*Mr. Ibbetson.*]

regard Mandalay as their capital, and would feel it a hardship if they were compelled to carry their appeals to Rangoon; and the circumstances of Upper Burma are in many respects better provided for by its present judicial system than they would be by a Chief Court, for which the Province is not yet ripe.

"The Bill has been framed upon the most recent legislative models, and the opportunity has been taken of making certain minor modifications in the present law. The details are fully explained in the Statement of Objects and Reasons and I need not refer to them now. There is one point only upon which I wish to give a word of explanation—and that is, the law of second appeal as contained in section 30 of the Bill. Under the law as it at present stands, the Judicial Commissioner may receive a second appeal upon the facts, in every case in which the first appellate Court has reversed or modified the original order, however trifling or unimportant the nature of the suit may be. It is agreed that the liberty of appeal thus given is too wide, and the precise manner in which it should be restricted, has formed the subject of discussion between the Government of India and the Government of Burma. We are awaiting an expression of the views of the Secretary of State on the matter, in a despatch which is now on its way from England. But it is most important to pass the Bill into law during the present session, and, for this purpose, it is necessary to introduce it immediately. The present provisions, therefore, which restrict the existing right of second appeal by excluding suits of the less important classes and of trifling value, are inserted tentatively and subject to further consideration."

The motion was put and agreed to.

The Hon'ble MR. IBBETSON introduced the Bill.

The Hon'ble MR. IBBETSON moved that the Bill and Statement of Objects and Reasons be published in the Gazette of India in English and in the Burma Gazette in English and in such other languages as the Local Government thinks fit.

The motion was put and agreed to.

The Council adjourned to Friday, the 19th January, 1900.

CALCUTTA ;  
The 5th January, 1900. }

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



*Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 & 1892 (24 & 25 Vict. c. 67, and 53 & 56 Vict., c. 14).*

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The Council met at Government House, Calcutta, on Friday, the 19th January, 1900.

PRESENT :

His Excellency Baron Curzon of Kedleston, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.

His Honour Sir John Woodburn, K.C.S.I., Lieutenant-Governor of Bengal.

His Excellency General Sir W. S. A. Lockhart, G.C.B., K.C.S.I., Commander-in-Chief in India.

The Hon'ble Major-General Sir E. H. H. Collen, K.C.I.E., C.B.

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

The Hon'ble Mr. C. E. Dawkins.

The Hon'ble Mr. T. Raleigh.

The Hon'ble Mr. Denzil Ibbetson, C.S.I.

The Hon'ble Mr. P. M. Mehta, C.I.E.

The Hon'ble Nawab Mumtaz-ud-daula Muhammad Faiyaz Ali Khan.

The Hon'ble Mr. J. K. Spence, C.S.I.

The Hon'ble Mr. G. Toynbee.

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

The Hon'ble Mr. J. D. Rees, C.I.E.

The Hon'ble Nawab Bahadur Sir Khwaja Ahsanullah, K.C.I.E.

The Hon'ble M. R. Ry. Panappakkam Ananda Charlu, Vidia Vinodha Avargal, Rai Bahadur, C.I.E.

The Hon'ble Kunwar Sir Harnam Singh Ahluwalia, K.C.I.E., of Kapurthala.

The Hon'ble Mr. J. T. Woodroffe.

The Hon'ble Mr. J. Buckingham, C.I.E.

The Hon'ble Mr. H. F. Evans, C.S.I.

The Hon'ble Rai Bahadur B. K. Bose, C.I.E.

The Hon'ble Mr. Allan Arthur.

NEW MEMBER.

The Hon'ble RAI BAHADUR P. ANANDA CHARLU took his seat as an Additional Member of Council.

14 *INDIAN MINES; INDIAN COMPANIES (BRANCH REGISTERS);  
TRANSFER OF PROPERTY; PRISONERS; ASSAM LABOUR  
AND EMIGRATION; ASSAM EMIGRANTS' HEALTH.*

[*Mr. Ibbetson; Mr. Dawkins; Mr. Raleigh.*] [19TH JANUARY, 1900.]

INDIAN MINES BILL.

The Hon'ble MR. IBBETSON moved that the Bill to provide for the Regulation and Inspection of Mines be referred to a Select Committee consisting of the Hon'ble Mr. Raleigh, the Hon'ble Mr. Rees, the Hon'ble Sir Khwaja Ahsanullah, the Hon'ble Mr. Evans, the Hon'ble Rai Bahadur B. K. Bose, the Hon'ble Mr. Allan Arthur and the mover.

The motion was put and agreed to

INDIAN COMPANIES (BRANCH REGISTERS) BILL.

The Hon'ble MR. DAWKINS moved that the Bill to authorize certain companies registered under the Indian Companies Act, 1882, to keep branch registers of their members in the United Kingdom be referred to a Select Committee consisting of the Hon'ble Mr. Raleigh, the Hon'ble Sir Harnam Singh, the Hon'ble Mr. Buckingham, the Hon'ble Mr. Allan Arthur and the mover.

The motion was put and agreed to.

TRANSFER OF PROPERTY BILL.

The Hon'ble MR. RALEIGH presented the Report of the Select Committee on the Bill to amend the Transfer of Property Act, 1882.

PRISONERS BILL.

The Hon'ble MR. RALEIGH presented the Report of the Select Committee on the Bill to consolidate the law relating to Prisoners confined by order of a Court.

ASSAM LABOUR AND EMIGRATION BILL.

The Hon'ble MR. IBBETSON moved that the Bill to consolidate and amend the law relating to Emigration to the labour-districts of Assam be referred to a Select Committee consisting of the Hon'ble Mr. Raleigh, the Hon'ble Mr. Toynbee, the Hon'ble Mr. Rees, the Hon'ble Maharaja of Darbhanga, the Hon'ble Mr. Buckingham, the Hon'ble Mr. Allan Arthur and the mover.

The motion was put and agreed to.

ASSAM EMIGRANTS' HEALTH BILL.

The Hon'ble MR. IBBETSON moved that the Bill to make better provision for the health, supervision and control of Emigrants proceeding to or from

*ASSAM EMIGRANTS' HEALTH; AMENDMENT OF INDIAN ARTICLES OF WAR; AGRICULTURAL PROSPECTS.* 75

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the labour-districts of Assam be referred to a Select Committee consisting of the Hon'ble Mr. Raleigh, the Hon'ble Mr. Toynbee, the Hon'ble Mr. Rees, the Hon'ble Maharaja of Darbhanga, the Hon'ble Mr. Buckingham, the Hon'ble Mr. Allan Arthur and the mover.

The motion was put and agreed to.

INDIAN ARTICLES OF WAR AMENDMENT BILL.

The Hon'ble MAJOR-GENERAL SIR EDWIN COLLEN moved that the Bill to amend the Indian Articles of War be taken into consideration.

The motion was put and agreed to.

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

The motion was put and agreed to.

AGRICULTURAL PROSPECTS.

The Hon'ble MR. IBBETSON said —“At the last meeting of this Council held in Simla, the Hon'ble Mr. Rivaz made a statement regarding the probable character and extent of the famine which was then threatening large portions of the country, and the measures which were being taken to combat it. That statement was based on information supplied by the several Local Governments and political officers concerning the situation as it stood on the 15th of September. At that time the fate of the autumn crops was not finally determined; while much depended in Southern India on a good North-East monsoon in November, and in Central and Upper India, on early and abundant winter rains. These uncertain factors in the situation were allowed due weight in the statement, and while the Governor General in Council was not without hope that the fortune of the year might turn, he recognised that if the North-East monsoon should fail in the south, or the cold weather months in Central and Upper India should pass without rain, the area of distress would be widened, and the estimate of expenditure on relief operations largely exceeded.

“The normal time for winter rains has now passed by, and His Excellency in Council thinks it well to review the position and to place before the public a revised estimate of the extent and severity of the drought and of the probable cost of relief operations. Unfortunately every factor that was doubtful in the

situation as it presented itself in October has, in the event, turned out unfavourably. On the east coast the usual rains of November and December, which are termed the North-East monsoon but in reality attend the withdrawal of the monsoon current from the Bay of Bengal, failed to a very great extent. Elsewhere throughout India abnormally high day temperatures and a scorching sun were accompanied by an absence of the usual dews at night, while the cold weather has been extraordinarily rainless, insomuch that only during the last few days have there been any signs of the usual winter showers. These conditions have still further injured the autumn crops, and contracted the area and diminished the prospects of the spring harvest, and have thereby greatly enlarged the affected area, and have intensified distress and increased the demand for relief in the tracts that were originally affected.

"In the forecast presented to this Council last October, the several provinces and native states of India were divided into three large groups. In the first group were placed those areas which were considered to afford no cause for anxiety. The second group comprised those provinces, districts, or states, where prospects were poor, though marked failure of crops or general distress was not anticipated. The third group comprised those seriously affected areas in which scarcity or famine conditions either existed or were to be expected. It will now be convenient to show how the unfavourable circumstances already mentioned have modified this grouping, or affected the agricultural outlook in the several groups. In the first group were placed the whole of Bengal and Burma and the greater portion of the North-Western Provinces and Oudh. Of these thickly populated areas it was said that the rain crops were good or fair, and the prospects of the cold weather crops promising. To them were added the province of Madras and the Mysore State, where rain had fallen widely and most opportunely, and the canal protected areas of Sindh and the South-West Punjab. This group remains on the whole substantially unchanged. The rice crop of Burma and Bengal has fully realised expectations, and constitutes a great food reserve for the rest of India. The North-Western Provinces and Oudh have successfully sown their winter crops, which have greatly benefited from the rain of the past week. In Madras and Mysore the abrupt disappearance of the monsoon was a great disappointment, and the harvests will be indifferent over large areas. But, except perhaps in a few places, no distress requiring relief is anticipated. In the irrigated or inundated tracts of Sindh and the South-West Punjab the crops will be somewhat short owing to the contracted area of inundation by the Indus and its tributaries, and to the diminished volume of water in the canals. But the shortness will be comparative only, and these tracts will, as in former years,

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yield food in excess of local requirements, and will profit from the misfortunes of their neighbours. Broadly speaking, therefore, the October forecast holds good as regards the first of the three groups.

"The same, however, cannot be said of the second group. In it were placed the South Mahratta and South Deccan districts of the Bombay Presidency, and a large part of the Nizam's Dominions and of the Central India Agency. The greater part of these areas must now be transferred to the third or famine-stricken group. The second group, as described in October last included also the western half of the North-Western Provinces and the northern and sub-montane districts of the Punjab. The failure of winter rains has been very injurious to these tracts; but owing to the exceptional facilities for irrigation which many of them enjoy, to a full demand for labour of all kinds, and to the general prosperity of the people, relief measures on an extensive scale will probably not be required, though the failure of crops has been serious. In the Punjab, as a whole, the autumn harvest of 1899 was the worst on record for many years, while the present spring harvest on unirrigated land occupies little more than half the area sown in either of the last two years.

"The third or famine-stricken group has been enlarged by the addition to it of large areas in the Bombay Presidency, of the greater part of the Nizam's Dominions, and of much of Central India. Moreover, in the tracts originally comprised in this group, famine conditions have been greatly intensified by the extraordinary duration and intensity of the drought. The failure of crops, the destruction of cattle, and the resultant distress, are far greater than the Government at first saw reason to anticipate. In the Bombay Presidency there is now no district, with the single exception of Kanara, in which it will not be necessary to relieve distress at the expense of the State; and there is no previous record of so extensive and total a failure of the crops. In the Central Provinces the Chief Commissioner reports that a failure so severe and widespread has never been experienced before. The rice crop, which is the main-stay of the eastern portion of those provinces, is more completely lost than in 1896, the millets of the southern districts have fared but little better, and the cold weather crops of the west and north will probably be worse than those of 1897. In the fertile Berars the cotton crop has been almost wholly lost, and all other crops have practically failed entirely. No such calamity has ever before befallen this part of India. Similarly, throughout Rajputana, the South-East Punjab, and the western half of the States of Central India, the present drought is without parallel in extent and intensity. In a large portion of the area affected it follows close upon a famine of great severity; it

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is accompanied by an unprecedented scarcity of fodder and water, and there seems reason to fear that in many places (to quote the words of the Bombay Government) 'destitution has reached, or will reach, a higher stratum of society than has ever been affected before since the country came under British rule.'

"In October last the famine area was estimated to comprise about 100,000 square miles in British territory with a population of 15 millions, and about 250,000 square miles in native territory with a population also of about 15 millions.) Revised estimates now show the famine area in British territory as not less than 140,000 square miles with a population of 22 millions. In a further area of about 10,000 square miles with a population of about  $2\frac{1}{2}$  millions, scarcity and distress prevail of a sufficiently general character to require the opening of test works and the other preliminary measures of the Famine Codes. In a further area of about 65,000 square miles with a population of about 10 millions, scarcity exists which may hereafter require relief, though at present there is fortunately neither general nor pronounced distress. In native territory the famine area (including tracts where conditions of severe scarcity approximating to famine prevail) may be approximately put at 230,000 square miles with a population of 27 millions. The acutely distressed or true famine area in native territory may be roughly taken to be about 150,000 or 160,000 square miles with a population of about 18 millions. The aggregate famine area in British India and Native States will thus be about 300,000 square miles with a population of 40 millions. And there is a further area of about 145,000 square miles with a population of 21 millions in which more or less general scarcity and distress prevail, and where relief is already being given in a tentative form, or will probably have to be given before the advent of the next monsoon.

"Thus the area and population affected by the drought are larger, both in British territory and native states, than was anticipated in October last. The cost of famine relief in British India within the current financial year will also correspondingly exceed the estimate of 1 to  $1\frac{1}{2}$  crores of rupees which was then tentatively adopted. The direct outlay on famine relief up to the 31st March may now be put at between 3 and 4 crores of rupees. For the ensuing financial year it is not thought advisable at the present time to attempt any estimate.

"The famine expenditure which will fall on native states is heavy, and it falls at a time when the ordinary sources of revenue are very injuriously affected. The Governor General in Council has assisted a number of States in Rajputana, Kathiawar and elsewhere by loans for relief expenditure and

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for the general purposes of administration, while in Central India His Highness the Maharaja of Gwalior has given similar assistance. With this financial aid His Excellency in Council is convinced that the several chiefs will succeed in carrying their people through this year of drought without the mortality and extreme suffering which have attended the great droughts of former years in Rajputana and Central India. The readiness with which the chiefs have recognised the necessities of the situation, and the energy which they are showing in the prosecution of relief measures are noted with great satisfaction by His Excellency in Council. The personal attention which His Highness the Maharaja of Gwalior and His Highness the Maharaja of Bikaner have paid to the organisation of relief in their respective States is not only highly creditable to themselves as rulers, but is also contributing largely to the success which has attended that organisation.

"In the October statement an opinion was expressed that the extreme limit of prices had probably been reached, and that the stocks of food in the country would prove sufficient for its requirements. The Governor General in Council sees no reason to modify that opinion. Prices on the whole are somewhat lower than they were in December last, and as there is now hope of a good spring harvest throughout Behar and the greater part of the North-Western Provinces and Oudh, a considerable accession to existing food stocks may be expected in April next. Grain has already been imported by local traders on a very large scale into the worst tracts, and no apprehension anywhere exists that private enterprise will prove inadequate to the occasion.

"The provision of sufficient public works of size and permanent utility for the employment of famine labour has proved a matter of great difficulty, as in many districts affected by famine the road programme was exhausted in the famine of 1896-97, and no other large projects are possible. Under these circumstances the Government of India have allowed the earthwork of proposed railway lines to be undertaken whenever the alignment had been or could be settled in time, and there was any reasonable likelihood of the line being made hereafter. A great deal of earthwork and ballast collection for railway purposes will thus be accomplished before the famine is over, and it is hoped that it may be found possible to utilize them at no very distant date.

"The provision of engineering and other superior famine establishments has also been a matter of much difficulty. The Government of India have done all that lay in their power to provide engineer officers and subordinates for the provinces most requiring them, and have also lent the services of a large number

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of Staff Corps officers as relief Superintendents. It is no longer possible for them to give any further assistance in these directions, and the Governor General in Council is reluctantly obliged to advise the Local Governments that they must do the best they can with their present establishments, supplementing them, so far as is practicable, by temporary local engagements.

"The rapid increase in the numbers on relief in the several provinces, and the very high ratios which those numbers bear in many districts to the total population, have caused the Governor General in Council to impress strongly upon Local Governments the necessity for insisting on the strict enforcement of prescribed tests and precautions in the administration of relief. It is as yet too early to say what effect these instructions may have upon the numbers on relief, or upon the estimates of expenditure which have been submitted by Local Governments. Such information as has come before this Government since the issue of the instructions, points to the conclusion that while the need for relief is more widespread and in the worst tracts probably more acute than in 1896-97, the reluctance of the people to avail themselves of public charity as soon as it is offered to them is far less marked than it has been on any previous occasion. This is the natural result of one famine following another in the same area after an interval of only two years, and of State relief being offered to a population which has been taught by recent experience to expect it, and has become accustomed to accept it without hesitation. If the undoubted severity of the present famine makes it imperative to provide relief on a scale of unprecedented magnitude, this change in the popular attitude makes it more than ever necessary to insist on the relief being accompanied by proper tests of necessity, and restricted to what is required to maintain life and health. This is no new principle. It is the basis on which the scheme of State famine relief recommended by the Famine Commission of 1878 has been elaborated, and it is the only condition upon which obligations of such magnitude could possibly be accepted by the Government."

His Excellency THE PRESIDENT said — "Those Hon'ble Members who were present at the last meeting of this Council in the Simla Session on 20th October last, when statements were made upon the approaching famine by Mr Rivaz and myself, will remember that even then the Government of India were seriously impressed with the gravity of the situation, and that our speeches were coloured with a profound anxiety as to what might yet be in store for us. Nothing that I saw in my ensuing tour, in the course of which I visited many of the suffering areas, in any way relieved that anxiety. On the contrary it was already evident, from the number of persons in receipt of relief or engaged upon relief works, from the stream of humanity pouring in upon



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them daily from all quarters of the country, and from the complete disappearance, that was almost universally reported to me, of the old-fashioned reluctance entertained by the Indian peasant to the acceptance, except in the last resort, of charitable relief, that we were likely, as time passed by, and if no rain were to fall in the winter months to be confronted with a calamity as great as, if not greater than has ever befallen this country, so used, in consequence of the immense numbers of the population, to calamity on a large scale, so inured, from previous experience, to this particular aspect of human suffering.

“The statement which has just been made on behalf of the Government of India by Mr. Ibbetson will have shown you that these gloomy anticipations have been more than fulfilled; that the area of visitation has expanded to a degree that has even surpassed our worst fears; that except in certain favoured provinces and localities every condition of nature and climate appears during the past three months to have fought against us, and that we are now face to face with a famine, of water, of food, of cattle, which in the particular areas affected is unprecedented in character and intensity. These are no rash words. From Bombay, from Rajputana, from the Central Provinces, in the reports that reach me, I continually come across the same idea, the same regretful confession, the same melancholy phrase. When, exactly three years ago, on January 14, 1897, Lord Elgin presided over a great public meeting held in Calcutta to consider the then famine, he observed that  $1\frac{1}{2}$  millions of persons were already on relief, and that the occasion had no parallel. In the present week of January 1900 there are nearly  $3\frac{1}{2}$  millions of persons on relief, and the parallel has come and, alas! has been left far behind.

“There is another respect in which the conditions are entirely different now. At that time the attention of England, and one might almost say of Europe, was turned upon suffering India. Hundreds of thousands of pounds were contributed and sent out by generous hearts and eager hands. The whole external world seemed to share our sorrow, and in the different forms open to it contributed to the alleviation of Indian distress. Now we have to suffer and to struggle alone. It is not that England, or the British Empire, or humanity at large, has become less sympathetic or more niggardly. Our troubles, in so far as they are known in England, will excite just as genuine and poignant emotions as on the previous occasion. But, as we all know, the whole thoughts of England, and of almost every Englishman throughout the world, are fixed upon the war in South Africa, and upon that alone. Even in this country we feel the patriotic excitement and the nervous strain, whether we be Europeans or Natives; and how much more must it be so in England, where the honour and prestige of the old country are felt to be at stake,

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and where almost every hearth has given some near or dear one to danger. And equally, if the war absorbs all interest, so does it exhaust the national generosity. I am afraid it is too much to expect that England can again come to our rescue this time, as she did so splendidly in 1897, or that, so far as can at present be judged, we can anywhere outside of this country expect a more than passive sympathy with our misfortunes.

“It is clear then that we must fight our own battles with our own means. Speaking for the officers of Government, I am sure that the last thing that they desire is any public advertisement, whilst if we cannot look for financial help from the outside, our own back must be broad enough to bear the burden. With patience and fortitude we must pursue our task conscious that though we are not engaged in stirring deeds which affect the fate of empires, we are yet performing our duty, an English duty and an Indian duty, and that we are trying to do what no war on the face of it does, *viz.*, to save from death many millions of human lives.

“Some notice has been excited by the fact that the Government of India has recently issued a circular letter to the Local Governments calling their attention to the exceptional circumstances of the present situation and suggesting a greater stringency in the tests to be henceforward applied. I have seen this circular described in the native press, of which I may say in passing that I am a not inattentive student, as disastrous and inhuman. Such a criticism can surely not be based upon any knowledge of the facts. I accept on behalf of the Government of India the full responsibility for that letter. It expressed the deliberate opinions of my colleagues and myself. I am the last person in the world to prefer the mere interests of economy to those of humanity, and I acknowledge to the utmost the obligation of Government to spend its last rupee in the saving of human life and in the mitigation of extreme human suffering. But the Government of India must necessarily take a broader outlook, while it manifestly profits by a wider knowledge, than its critics. We are acquainted by the reports that we receive from our officers with what is passing, not in one district alone, but in all parts of the country. We are the custodians of the interests of the tax-payers of India. We have to look to what may happen in future famines—and recent experience does not encourage us to regard famine as the rare and isolated phenomenon which it has hitherto been held to be. Above all, it is our duty jealously to watch and to conserve the character of the people. In my judgment any Government which imperilled the financial position of India in the interests of a prodigal

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philanthropy would be open to serious criticism. But any Government which, by indiscriminate alms-giving, weakened the fibre and demoralised the self-reliance of the population, would be guilty of a public crime.

“Let me then mention a few of the considerations that led us to think that such dangers were not altogether remote. I lay it down as an initial proposition that the obligation upon Government in times of famine is to save human life and to prevent starvation or extremity of suffering that may be dangerous to life. No Government can undertake, at such a time, any more than it does at other times, to prevent all suffering or to become a universal alms-giver to the poor. (Indiscriminate private charity is mistaken, because it is as a rule misapplied, but indiscriminate Government charity is worse, because it saps the foundations of national character.) What then did we find? I have seen it stated that no one goes on to relief works who is not threatened with actual starvation. Such is most emphatically not the case. I have myself seen hundreds—I might say thousands—of persons upon relief works who were in no such state of necessity or destitution. I have heard of persons accepting relief whose credit would easily have tided them over to better times. I know of cases in which men in receipt of famine relief have admitted that they have saved a portion of their famine wages, and in which families proceeding together on to the works have earned more than they would have done in the ordinary circumstances of life. Remember that by Rule 67 of the Famine Code no application for relief can be refused and that the criterion of acceptance has ceased therefore to be the judgment of the managing official, and has become the self-respect of the applicant. That the old standards in this respect are breaking down is evident from the information that reaches me from every direction. I hear in some quarters of village labourers going on to the works simply to fill the slack time until the cultivation of the fields begins in the spring. I hear in others of wages fixed under the Famine Commission scale which exceed the prevailing market rates. In the Khandesh District of the Bombay Presidency it had been found necessary, before our circular issued, to make a reduction of 25 per cent. in the minimum wage, because the great bulk of the people found no inducement to work at all, as long as the ordinary minimum was observed. In the Sholapur District of Bombay, a class of land owners has accepted relief, which has never previously done so; 100,000 out of a population of 750,000 are already in receipt of relief, and if the present conditions continue until the summer, it is likely that 300,000 persons will be in receipt of alms, or 40 per cent. of the entire population—a proportion which I venture to say has never before been in receipt of Government

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relief, either in India or in any other country in the world. On the other hand, that our tests are not too severe is proved by the low rate of mortality and by the generally satisfactory condition of the famine-stricken population. From all these considerations it must, I think, be obvious not merely that the present famine is abnormal in character, but that the need for close supervision and control on the part of Government is exceptionally great. I am not one of those who regard Famine Relief as an exact science. Reports of Commissions and Codes have a great value, in so far as they are the results of previous experience. But they are not immaculate. Neither are they laws of the Medes and Persians. Poor Law Administration in every country in the world, in England itself, is still in an experimental stage: no country and no Government has hit the ideal mean between philanthropy and justice, between necessary relief and pauperisation. I contend that in India we are still engaged in the same process of working out our own salvation, and that each fresh crisis must be met by its own rules. Let those rules be based upon previous experience, and let them not err—if they do err at all—on the side of severity. But never let them ignore the obligatory relations upon which society is based—the duty of the landlord to the tenant, of the tenant to the labourer, of the community to its items, of the father to his family, of a man to himself. If for all these relations, at any period of emergency, you hastily substitute the duty of the State to its subjects, you extinguish all sense of personal responsibility and you destroy the economic basis of agrarian society.

“I have only two further remarks to make. I should like to recognize the generosity with which Native States—and I am alluding more particularly to some of the States of Rajputana and Central India—have accepted from the Government of India an interpretation of their obligations in respect of scarcity and famine more liberal and more exacting than has ever before, at any rate in those States, been applied. We have done our best to help them by the loan of officers, and by the offer of expert advice. But the Chiefs or Durbars have also helped themselves, and have worthily proved their right to the affection of their people. Secondly, and lastly, I should like to ask the public and the press of this country to remember, when they are in a critical mood, that to relieve the Indian poor from starvation and to save their lives, British officers freely sacrifice their own. When I was at Jubbulpore, and again at Nagpur, I saw the modest tombstones of English officers who had perished in the last famine of 1896-97. These men did not die on the battlefield. No decoration shone upon their breasts, no fanfare proclaimed their departure. They simply and silently laid down their lives, broken to pieces in the service of the poor and the suffering among the Indian people, and not in this world but in another will they have their reward.

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Only last week there was admitted to a Calcutta hospital an English officer, shattered in health and paralyzed in his limbs, who had done nothing but wear himself out in famine work in the Central Provinces. I do not desire to exaggerate these sacrifices. Englishmen are ready to perform them everywhere and unflinchingly, and the Government of India is not behind its subordinates in its alacrity and zeal. But let not our efforts be weakened by any ungenerous or discordant note. The crisis is one which, not less than an Imperial War, demands the loyal and enthusiastic co-operation of all who love India. To that co-operation in the months of trial that lie before us, on behalf of the Government of India, I unhesitatingly appeal."

The Council adjourned to Friday, the 2nd February, 1900.

CALCUTTA ;  
*The 19th January, 1900.* }

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

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

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The Council met at Government House, Calcutta, on Friday, the 2nd February, 1900.

PRESENT :

HIS Excellency Baron Curzon of Kedleston, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.

The Hon'ble Major-General Sir E. H. H. Collen; K.C.I.E., C.B.

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

The Hon'ble Mr. C. E. Dawkins.

The Hon'ble Mr. T. Raleigh.

The Hon'ble Mr. Denzil Ibbetson, C.S.I.

The Hon'ble Mr. P. M. Mehta, C.I.E.

The Hon'ble Nawab Mumtaz-ud-daula Muhammad Faiyaz Ali Khan.

The Hon'ble Mr. J. K. Spence, C.S.I.

The Hon'ble Mr. G. Toynbee.

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

The Hon'ble Mr. J. D. Rees, C.I.E.

The Hon'ble Maharaja Rameshwara Singh Bahadur of Darbhanga.

The Hon'ble M. R. Ry. Panappakkam Ananda Charlu, Vidya Vinodha Avargal, Rai Bahadur, C.I.E.

The Hon'ble Kunwar Sir Harnam Singh Ahluwalia, K.C.I.E., of Kapurthala.

The Hon'ble Mr. J. T. Woodroffe.

The Hon'ble Mr. J. Buckingham, C.I.E.

The Hon'ble Mr. H. F. Evans, C.S.I.

The Hon'ble Rai Bahadur B. K. Bose, C.I.E.

The Hon'ble Mr. Allan Arthur.

QUESTION AND ANSWER.

The Hon'ble MR. SMEATON asked:—"Has the attention of the Government of India been called to great delays in deferred telegraphic traffic between India and Burma? If so, what is the cause, and what, if any, steps are being taken to remove it, and to accelerate the telegraphic service between India and Burma?"

[Sir Arthur Trevor.] [2ND FEBRUARY, 1900.]

The Hon'ble SIR ARTHUR TREVOR replied —“The attention of Government has been drawn to the delays referred to in the Hon'ble Member's question. The longest delays occurred between the 26th September and 10th October and again between the 25th December and 1st of January, and were primarily due to a great and sudden increase in this class of traffic all over India due to grain speculation. During the former period it unfortunately happened that the direct route, *i.e.*, *via* Chittagong and Akyab, was the only one available, the alternative route *via* Assam and Mandalay having been interrupted by the partial failure of the cables across the Ganges and Brahmaputra.

“There is no part of India with which it is so difficult to maintain telegraphic communication as with Burma, owing to the physical difficulties to be encountered in the shape of large and shifting rivers, hills and dense jungle, and although urgent and ordinary messages are exchanged between India and Burma in a reasonable time, it has not always been possible to cope satisfactorily with sudden and unexpected increases in the deferred traffic. Measures have, however, been taken to increase the efficiency of the present routes. An additional wire is now under erection between Akyab and Prome, which will be completed before the end of March, and Wheatstone's automatic quick working instruments, which have never hitherto been used in India, have been lately introduced on this route, and commenced working on 22nd January. A new copper wire has also been lately erected between Calcutta and Madras, and similar wires will shortly be completed between Calcutta and Bombay and Bombay-Madras, which will greatly improve the means of communication between India and Burma. Arrangements have also been made for completing another through route from Calcutta to Upper Burma *via* Manipur, which will provide an alternative line by a third route for a considerable distance. It is believed that these and other measures which have either been carried out or sanctioned, including a considerable increase in the signalling establishment, will enable the Department to cope successfully in future with all demands due to the growth of the deferred telegraph traffic.

“There has been a great increase in deferred as compared with ordinary and urgent traffic since the introduction of a system of hand delivery, the proportion of deferred messages to the whole traffic being over 66 per cent. in 1898-99, while it averaged less than 55 per cent. in the five years ending 1897-98. The public must not, however, forget, when resorting more freely to deferred messages, that they are still, what the name implies, messages which can only be sent through after the wires have been cleared of the urgent and ordinary traffic, that is, usually during the night or after ordinary business hours. The Telegraph

*QUESTION AND ANSWER; WHIPPING; INDIAN COMPANIES 29  
(BRANCH REGISTERS); TELEGRAPHIC PRESS MES-  
SAGES, TRANSFER OF PROPERTY.*

[2ND FEBRUARY, 1900.] [*Sir Arthur Trevor; Mr. Ibbetson; Mr. Dawkins;  
Mr. Raleigh*]

Department aims at the delivery of all deferred messages before business hours begin on the day following that in which the messages are tendered, or say before 10 A.M. If deferred messages are frequently delayed beyond this hour there is an indication that additional measures are required for coping with this traffic, but if the sender of a message desires earlier delivery he would do well to send it at the ordinary rate."

**WHIPPING BILL.**

The Hon'ble MR. IBBETSON presented the Report of the Select Committee on the Bill further to amend the Whipping Act, 1864.

**INDIAN COMPANIES (BRANCH REGISTERS) BILL.**

The Hon'ble MR. DAWKINS presented the Report of the Select Committee on the Bill to authorize certain Companies registered under the Indian Companies Act, 1882, to keep branch registers of their members in the United Kingdom.

**TELEGRAPHIC PRESS MESSAGES BILL.**

The Hon'ble MR. IBBETSON presented the Report of the Select Committee on the Bill to provide for the protection of certain telegraphic press messages. He said.—"We do not recommend that the Bill be republished, but I propose to wait a month before I ask the Council to consider our report, in order that the Press, which is so closely concerned, may have ample time to examine the considerable alterations which have been made in the Bill."

**TRANSFER OF PROPERTY BILL.**

The Hon'ble MR. RALEIGH moved that the Report of the Select Committee on the Bill to amend the Transfer of Property Act, 1882, be taken into consideration.

The motion was put and agreed to.

The Hon'ble MR. RALEIGH said:—"In introducing this Bill I called attention to the difficulties which the Courts had found in interpreting the provisions of Chapter VIII of the Transfer of Property Act. It was hoped that by a re-drafting of the chapter as it stood those difficulties might be met, but in consequence of the able note of the Chief Justice of Bombay



[*Mr. Raleigh ; Mr. Woodroffe, The President*] [2ND FEBRUARY, 1900.]

we found ourselves compelled to go more thoroughly into the question and to re-draft not only the chapter in the Act, but to consider generally the law relating to actionable claims. The Bill on which the Select Committee reported is explained in the report, and before I move that it be passed, I have to propose only two amendments which, I hope the Council will take it from the learned Advocate-General and myself, are of a formal character. I beg to move in the first place that, in section 132, the latter part of the section be amended, and that the words which now run—'the liabilities and equities entitled to priority over the right of the transferor' should run 'the liabilities and equities to which the transferor was subject'."

The Hon'ble MR. WOODROFFE said :—"I beg to second this amendment. The words 'entitled to priority' were doubtless apt, and fit in this section as the Bill stood when originally introduced into Council, but by the adoption in Committee of the more general expression 'liabilities and equities', the words which the Hon'ble Legal Member has moved to omit, have, as I think, been rendered unnecessary, and ought not to be retained. The section will, by their omission, be, in my opinion, freed from some ambiguity."

HIS EXCELLENCY THE PRESIDENT said :—"The question is that in section 132 of the Transfer of Property Act as amended by the Bill the words 'entitled to priority over the right of the transferor' be omitted, and that for the word 'he' the words 'the transferor' be substituted."

The motion was put and agreed to.

The Hon'ble MR. RALEIGH said :—"The other amendment I have to propose refers to sections 136 and 137 of the Transfer of Property Act. Section 136 runs 'No judge, pleader, mukhtár, clerk, bailiff or other officer connected with Courts of Justice can buy any actionable claim falling under the jurisdiction of the Court in which he exercises his functions.' And then section 137 proceeds to deal with the important subject of the traffic in actionable claims by Judges, legal practitioners and officers of the Court, etc. I propose that these two sections should be transposed, so that the provisions of section 136 will apply to section 137."

The Hon'ble MR. WOODROFFE said :—"I beg to second the amendment which has just been moved by the Hon'ble Legal Member. The question has arisen in this way: it has been suggested that regard being had to the language of the present section 137, no legal practitioner could take a cheque in pay-

[2ND FEBRUARY, 1900.] [*Mr. Woodroffe; The President; Mr. Raleigh.*]

ment of his fees, a result which would, of course, be a serious matter for any member of the profession to which I have the honour to belong, and that by placing section 136 after 137 which exempts from the application of this Act negotiable instruments, such as a cheque, the difficulty would be overcome."

His Excellency THE PRESIDENT said:—"The question is that sections 136 and 137 of the Transfer of Property Act as amended by the Bill be transposed, and be renumbered accordingly."

The motion was put and agreed to.

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

The Hon'ble MR. WOODROFFE said:—"As one of the members of the Select Committee to which the Bill was referred, it may, perhaps, not be out of place were I to offer a few observations to the Council upon the principles which guided our consideration in Committee and the more salient amendments which were there introduced.

"The Transfer of Property Act is divided into chapters each purporting to deal exhaustively with its own subject-matter, and having thus dealt with transfers of property by act of parties in one chapter, sales of immovable property in another, mortgages and charges of such property in a third, and leases of immovable property, as also exchanges and gifts of property generally, in subsequent chapters, Chapter VIII deals with the transfer of actionable claims. So considering the Act it appeared to us unreasonable to suppose that the Legislature intended to deal in Chapter VIII with any of the matters for which that Act had already made specific provision, or to suppose that actionable claims were intended to cover every claim for which an action would lie in our Courts so as to include claims arising out of sales, gifts, mortgages, or leases of immovable property or exchanges or gifts of moveable or immovable property within its provisions. Unhappily the term 'actionable claim,' which found no place in the original Bill as laid before the Law Commissioners in 1879, had not been defined, and section 130 having from the generality of its terms occasioned considerable difficulty in determining what was the true nature of the property dealt with in that chapter, we thought that the term should be so defined as to make it clear that actionable claims were property of the description known to English lawyers as 'choses in action,' and as such dealt with in England by the Supreme Court of Judicature Act of 1873. The definition arrived at by the Committee may, I

venture to think, be taken to be a fairly correct description of that kind of property; and seeing that the term 'actionable claim' occurred elsewhere in that Act, the Committee placed the definition in the interpretation clause.

"One other and more salient matter has been the removal from the Transfer of Property Act, of section 135. The origin of that section will be found in the Roman Law, and was there known as *Lex Anastasiana*. It was intended to provide for cases of unfair sale. In an appeal from British Guiana, the only other part of Her Majesty's dominions in which that law found a place, the Privy Council declared that it could not, consistently with the ordinary principles which regulate the administration of justice in England, apply that law to cases where there was no taint of unfairness. The clause, moreover, was of this character, that while it pressed, or might press, harshly against the honest transferee of a book-debt for which he had paid less than the amount of that debt, regard being had either to the risk or delay of recovery, he might find himself, when he sued to recover it, obliged to take such debt less the cost which he had really paid for that risk. On the other hand, it afforded no protection against dishonest dealing, and did not apply to cases of gift at all. It was, therefore, open to any person who desired to deal dishonestly either to put forward the case of a transfer of an actionable claim as a gift or as a sale for a sum of money which he had not really paid. Moreover, the Courts of this country were at hopeless variance with one another upon this matter. The Courts of Allahabad and Madras took one view: Bombay agreed in part with Madras and in part with Calcutta. For these reasons it appeared desirable to omit this section altogether.

"The only other remaining section on which any observation appears to me needful is that which is now numbered 136, and to which there has been a considerable extension by the amendments introduced. As the section stood before such amendment, it was limited to such persons as were therein mentioned buying or trafficking in such claims in the Courts in which they were for the time being employed, but having regard to the fact that there are constant changes of Judges as well as officers, and that legal practitioners from all parts of the country may, from time to time, plead and appear in any Court, it seemed to be desirable to make the prohibition absolute as regards them all."

The motion was put and agreed to.

[2ND FEBRUARY, 1900.] [Mr. Raleigh; Mr. Woodroffe.]

## PRISONERS BILL.

The Hon'ble MR. RALEIGH moved that the Report of the Select Committee on the Bill to consolidate the law relating to Prisoners confined by order of a Court be taken into consideration.

The motion was put and agreed to.

The Hon'ble MR. RALEIGH moved that the Bill as amended be passed. He said :—" Your Lordship will remember that this Bill was introduced as a consolidation Bill, making no change in the substance of the law. The Committee conceived that though the Bill was accepted as a consolidation Bill, they were not precluded from considering amendments to remove obvious defects and inconsistencies discovered in the process of re-arranging the subject-matter of the law. After the Committee had reported, the Hon'ble the learned Advocate-General favoured me with a number of suggestions for the improvement of the law. Some of those suggestions were such as might have been considered by the Committee in accordance with the principle which I have just endeavoured to state, but others were amendments which perhaps made changes in the substance of the law and which ought to be circulated for opinion before they were adopted. I, therefore, asked the Hon'ble the learned Advocate-General to allow the Bill to pass in its present form on the understanding that an amending Bill will be taken in hand as soon as the state of our legislative business will admit, and on that understanding I now ask that the Bill as amended be passed."

The Hon'ble MR. WOODROFFE said :—" Strictly speaking and as indicated in the remarks of the Hon'ble Legal Member, the title of the Bill is a misnomer, and the preamble is incorrect. The Bill is not, as it left the Committee, a Bill merely to consolidate the existing law. It is a Bill that both consolidates and amends. There have been important amendments introduced, particularly in sections 19 and 20 of the Act as introduced into Council. There have also been other important changes made. Most of these, as far as I can judge, are not only material but salutary. There were, however, other matters which, as I ventured to think when my attention was invited to this Bill by the Hon'ble Legal Member, ought to have been taken into consideration. It is admitted that some of my suggested amendments are worthy of consideration. Some of these I would indicate now if it may be of any assistance hereafter in the Bill which I understand will be introduced for the purpose of amending this Bill. There are provisions in this Bill which seem to me to be in conflict with those of the law relative to the examination of witnesses

either by the Civil or Criminal Courts. The Civil Procedure Code and the Criminal Procedure Code alike contain clauses for the examination of witnesses. There is no distinction drawn in these Codes as to witnesses who are in prison and witnesses who are not in prison, and there seems to be—apart from those considerations which would guide the executive as provided for by section 42 of the present Bill—no reason why all persons should not be liable to be examined, either directly or under commission, in the manner provided for by the Codes. I venture to think also that in section 40 of the present Bill the position of a High Court is not exactly that which it ought to be. Under that section the High Court is to apply to the Local Government, but it seems to me more desirable that the High Court should certify and on such certificate the parties should apply. I merely indicate these points, and resting upon the assurance which has been given that there will be a Bill brought in to amend this Act, I abstain from moving any amendments; though it is, I think, to be regretted that the Legislature should be in the position of bringing in a Bill in one session for the consolidation of the existing law, and then in a session or two later of bringing in another Bill to amend the Act which has been passed.”

The motion was put and agreed to.

The Council adjourned to Friday, the 16th February, 1900.

CALCUTTA;  
The 7th February, 1900. }

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

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

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The Council met at Government House, Calcutta, on Friday, the 16th February, 1900.

PRESENT :

His Excellency Baron Curzon of Kedleston, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.

His Honour Sir John Woodburn, K.C.S.I., Lieutenant-Governor of Bengal.

The Hon'ble Major-General Sir E. H. H. Collen, K.C.I.E., C.B.

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

The Hon'ble Mr. C. E. Dawkins.

The Hon'ble Mr. T. Raleigh.

The Hon'ble Mr. Denzil Ibbetson, C.S.I.

The Hon'ble Mr. P. M. Mehta, C.I.E.

The Hon'ble Nawab Mumtaz-ud-daula Muhammad Faiyaz Ali Khan.

The Hon'ble Mr. J. K. Spence, C.S.I.

The Hon'ble Mr. G. Toynbee.

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

The Hon'ble Mr. J. D. Rees, C.I.E.

The Hon'ble Maharaja Rameshwara Singh Bahadur of Darbhanga.

The Hon'ble M. R. Ry. Panappakkam Ananda Charlu, Vidya Vinodha Avargal, Rai Bahadur, C.I.E.

The Hon'ble Kunwar Sir Harnam Singh Ahluwalia, K.C.I.E., of Kapurthala.

The Hon'ble Mr. J. T. Woodroffe.

The Hon'ble Mr. J. Buckingham, C.I.E.

The Hon'ble Mr. H. F. Evans, C.S.I.

The Hon'ble Rai Bahadur B. K. Bose, C.I.E.

The Hon'ble Mr. Allan Arthur.

QUESTIONS AND ANSWERS.

The Hon'ble RAI BAHADUR B. K. BOSE asked :—

“Will the Government be pleased to lay on the table a return giving such information as the Director of Land Records and Agriculture, Central Provinces, may be able to give, without any reference to the district officers, on the points

[*Mr. Denzil Ibbetson; Rai Bahadur Ananda Charlu.* [16TH FEBRUARY, 1900.]  
*Charlu.*]

noted below, regarding districts where the assessment of land-revenue as made under the new settlement is already in force, or has been announced to come into force from the next agricultural year :—

I.—Under the old settlement known as the proprietary settlement—

- (a) Village assets as per settlement records.
- (b) Land-revenue assessment.
- (c) Amount of cesses including the Patwari cess, if any, payable under the terms of the Settlement Engagement.

II.—Village assets as realizable by the malguzars in or about the agricultural year preceding the fixation of rents and other village profits by the Settlement Officer for the purposes of assessment under the new settlement.

III.—Under the new settlement—

- (a) Village assets as fixed by the Settlement Officer.
- (b) Land-revenue assessment.
- (c) Amount of cesses including the Patwari cess."

The Hon'ble MR. DENZIL IBBETSON replied :—“The Chief Commissioner has been requested to supply the information asked for, and it will be laid on the table as soon as received. I wish cordially to acknowledge the consideration which my hon'ble friend Mr. Bose has shown in abstaining from making any demand upon district officers in the Central Provinces at the present juncture.”

The Hon'ble RAI BAHADUR ANANDA CHARLU asked :—

“1. Will the Government be pleased to state whether the Reuter's Agency supplies the Government of India and the several Local Governments with copies of the telegrams it supplies to the newspapers in India ?

“2. Will the Government be pleased to state whether the said Agency supplies such copies (in case they are so supplied) free of charge or on payment for the same? If the latter is the case, will the Government be pleased to state what is the rate or amount of such payment ?

“3. Will the Government be pleased to state whether the said Agency is given, by reason of such messages being supplied, any further concession than is accorded to Press messages generally? If so, will the Government be pleased to state what such further concession is, if any ?

[*Raj Bahadur Ananda Charlu ; Mr. Denzil Ibbetson,* 16TH FEBRUARY, 1900.]

"4. Will the Government be pleased to state whether any, and, if so, what, insuperable difficulty exists to preclude the Government from placing before the public, as official communiqués, the telegraphic messages supplied by the said Agency or the substance thereof?

"5. Will the Government be pleased to state whether, apart from, and prior to the dates of, the papers furnished to the members of the Legislative Council, there was any, and, if so, what, correspondence suggestive of, and leading to, the introduction of the Telegraphic Press Messages Bill, now pending before the Council?

"6. Will the Government be pleased to place the said correspondence, if any, on the table, or state what objection, if any, exists to preclude their doing so?"

The Hon'ble MR. DENZIL IBBETSON replied —

"1. The answer to the first question is in the affirmative.

"2. A payment of Rs. 1,200 per mensem, is made by Government to the Agency on account of the messages supplied to the Government of India and the several Local Governments.

"3. The Agency's messages to Press subscribers are transmitted inland at deferred press rates, although treated as urgent. This concession was made in 1895 on the general grounds of the great importance of foreign telegraphic news, both to Government and to the public, and in return for an engagement on the part of Reuter that the amount of news provided should not fall below 57,600 words in the year, as compared with the number of 28,800 which had been stipulated in the previous contract. This arrangement has no direct connection with the system under which the Agency supplies messages to the Government of India and Local Governments.

"4. The telegraphic messages supplied by Reuter's Agency to Government are supplied on the condition that the officers receiving them shall not publish them, either by circulating them or posting them up in any place of public resort or in any other way, and the Government of India are therefore precluded from placing them, as official communiqués, before the public. The messages are not, in fact, the property of Government, as the question seems to infer. The Government merely pays a certain annual sum for the early receipt of the messages under specified conditions.



[16TH FEBRUARY, 1900] [Mr. Ibbetson; The President; Mr. Woodroffe.]

"5 and 6. The introduction of every Bill must necessarily be preceded by correspondence, since, except under very special circumstances, the previous sanction of the Secretary of State is obtained to its introduction. But it is the established practice of the Government of India to treat all correspondence prior to the introduction of a Bill as confidential, and to depart from this rule, in the present instance, would create a precedent for which there does not, in the circumstances of the case, appear to be any sufficient justification. All the correspondence that has taken place since the Bill was introduced has already been communicated to the Council."

#### WHIPPING BILL.

The Hon'ble MR. IBBETSON moved that the Report of the Select Committee on the Bill further to amend the Whipping Act, 1864, be taken into consideration.

The motion was put and agreed to.

The Hon'ble MR. WOODROFFE said:—"Before moving the amendment which stands in my name, I ask permission to omit from that amendment the words 'or attempt to commit' in the fifth line."

HIS EXCELLENCY THE PRESIDENT said:—"The Hon'ble Mr. Woodroffe asks for permission to omit certain words from the amendment which he proposes to move. If Hon'ble Members have no objection to make, I have none to make myself."

The Hon'ble MR. WOODROFFE then moved that after clause 1 of the Bill, as amended by the Select Committee, the following clause be inserted and the subsequent clauses be renumbered:—

VI of 1864.  
111 of 1895. "2. After section 4 of the Whipping Act, 1864, as amended by the Indian Criminal Law Amendment Act, 1895, the following shall be added, namely:—

'4A Whenever any Local Government has, with the previous sanction of the Governor General in Council, by notification in the local official Gazette, declared the provisions of this section to be in force in any local area within its province, any person in that local area, who, being a member of an assembly of two or more persons, the common object of which assembly is to commit rape as defined in section 375 of the Indian Penal Code, abets, commits or attempts to commit such offence, may be punished with whipping in addition to any other punishment to which, for such abetment, offence or attempt, he may be liable under the said Code''

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He said:—"The punishment of whipping—I do not speak of correction with a birch rod or cane properly administered to youthful delinquents—the most ignomi-

nious perhaps now in existence in any civilized state, should, I venture to think, be inflicted only upon offenders, upon whom whipping while acting as a deterrent, one of the objects of punishment, should not subject them to such an amount of degradation as would destroy every chance of reformation, another and more important object of punishment. To satisfy this condition the offender who can with propriety be whipped must have committed offences of great moral turpitude, offences which by their very nature mark out the offence as one devoid of all the nobler qualities of manhood, one whom whipping cannot degrade.

"Of such a character is the offence proposed to be dealt with in the proposed new section when committed under the circumstances therein described. So committed the offence is of a peculiarly brutal and inhuman character, wanting, in many instances, even the poor palliation of overmastering desire, and presenting, in its most loathsome, its most despicable aspect, the tyranny of numbers over a weak and defenceless woman to her utter and irreparable injury. Entertaining these opinions I need hardly say how completely I agreed with the recommendations of the Hon'ble the Chief Justice of Bengal and such of the Hon'ble Judges, his colleagues, as with him concurred in the minute of Mr. Justice Wilkins upon the advisability of extending the provision of this Act to what is known as gang-rape. Among the learned Judges who concurred in his recommendation I note especially Justices Ghose and Banerji, Judges of wide experience and, from their knowledge of the people of this country, competent to assist the Legislature in providing a remedy for this growing and most grievous offence.

"From Mr. Justice Wilkins' minute I read the following extract :—

'There is one offence which I think certainly calls for an extension of the provisions of section 2 of the Act (VI of 1864); I refer to what may be called 'gang-rape,' when a number of men join together to violate a woman. The offence is prevalent only in certain districts of Eastern Bengal—notably in Mymensing, and I think that any of the Judges of this Court who has sat on the Criminal Bench during the last three years, will support me in my assertion that it is an offence committed in a peculiarly brutal and inhuman manner. The perpetrators, in the cases which have come before me, have always been Mahomedans of the lower classes; their victim is generally a young married girl; they wait till she is left unprotected by the absence of her husband or her parents; and they then attack her and forcibly carry her off. The motive is not always the same; at times, it is revenge; at times merely the gratification of their own passions. But the consequences to their victim are, of course, terrible and irreparable. The crime is, apparently, not on the decrease, and seems to have sprung into existence of late years. It would very probably be at once suppressed, as 'garrotting' was in England, if one or more of the guilty parties were to be subjected to a well-deserved, if severe, flogging.'

[16TH FEBRUARY, 1900.] [*Mr. Woodroffe; Mr. Ibbetson; Rai Bahadur Ananda Charlu.*]

"The minutes of the Hon'ble Judges to which I have referred are not unnaturally confined to the commission of the offence in Bengal where, I am relieved to find it stated, it is more or less restricted to the Eastern districts of that province. A recent trial in Burma has, however, disclosed the fact that this offence is not unknown in other parts of this Empire, and that, with shame be it confessed, offenders of the inhuman and brutal type proposed to be dealt with, may perhaps be found even in the ranks of the British Army.

"The proposed section leaves it open to the Local Governments to extend its provisions, with the previous sanction of the Governor General in Council, to any local area within these provinces. In view of the deliberate opinion of so many of the Judges of the High Court at Calcutta, I venture to express the hope that His Honour the Lieutenant-Governor of Bengal will be among the first to use the powers, which, if the proposed new section is approved of by this Council, will be placed in his hands."

The Hon'ble MR. IBBETSON said :—"My Lord, I support this amendment. The general suggestion, backed by the weighty authority of several Judges of the Calcutta High Court, was one of those which were considered by the Select Committee, and are referred to in paragraph 5 of their report. They did not feel themselves able to act upon it, partly because they regarded it as not falling within the scope of the Bill as referred to them, and, partly because they were of opinion that it was unsafe to accept the suggestion without consulting the Local Governments. Our experience in the matter of the 'rioting' section which has now been expunged from the present Bill, shows how exceedingly necessary such consultation is, even in so apparently small a matter as that before us; and I should have been unable to accept any proposal to add the offence which is defined in the amendment to the list of offences punishable with whipping throughout India, without allowing to Local Governments the opportunity of expressing an opinion upon it. But the addition of the first three lines of the amendment, which the honourable and learned Mover has accepted, entirely meets this objection. I agree that no more brutal or inhuman crime than that described by the Hon'ble Mr. Woodroffe can well be imagined, and I heartily support the motion."

The Hon'ble RAI BAHADUR ANANDA CHARLU said :—"I am no believer in the rod as an instrument of good. Its use is degrading and humiliating, and it destroys all sensitiveness to shame and all sense of self-respect, no less in the juvenile than in the adult. But the classes to whom the amendment relates are beasts in human shape. To them my remarks do not apply. As to them,

[*Rai Bahadur Ananda Charu ; Mr. Rees ;* [16TH FEBRUARY, 1900.]  
*The President ; The Lieutenant-Governor.*]

therefore, I cordially support the Hon'ble Advocate General's amendment as to what I may call gang-rape."

The Hon'ble MR. REES asked :—" Do we speak to the amendment now and to the principle of the Bill afterwards ? "

His Excellency THE PRESIDENT replied :—" Yes, speeches can be directed only to this amendment now, and speeches on the principle of the Bill can be made on the motion that the Bill be passed."

The Hon'ble MR. REES said :—" My Lord, the section proposed by my hon'ble friend Mr. Woodroffe is permissive, and can thus be applied by any Local Government, with the previous sanction of your Excellency in Council, to the locality in which this crime is prevalent. For I hope and believe for the credit of India that it is peculiar to Mymensing. Since the amendment is moved, no one is likely to vote against its adoption. Certainly, I would not. But there are others of equal importance. The Select Committee advisedly limited the present Bill to the matters with which it deals, though it obviously recognized the necessity for other amendments. When Mr. Justice Prinsep was a member of this Council, he used to urge the inconvenience of these piecemeal legislative patches, and once he drew up a list of enactments, showing what a very large proportion were mere amendments. I do not know that periodical amendment is less admirable in a Legislature than in an individual, but Sir Henry Prinsep preferred to find a place for a more comprehensive, and, therefore, a more glorious, repentance, in a revising and consolidating statute. I hope such revision and consolidation of the Whipping Act will not be long deferred, and meanwhile vote for this amendment, as it deals with one matter, but not, I think, with one of the most pressing matters, which call for action. I understood the hon'ble and learned Advocate General to express the same opinion I now express in his speech, when we last met, upon the Transfer of Property Act, and I believe he has only departed from the sound position he then took up, owing to his indignation at the horrible character of the crime of gang-rape."

His Honour THE LIEUTENANT-GOVERNOR said :—" My Lord, I had not had the advantage of seeing the opinion of the High Court, when I was called upon to submit my own opinions on this Bill to the Government of India. But the suggestion to which effect is given in this amendment had been presented to me, and I refrained from proposing this addition to the penalty that is prescribed for rape. The penalty which is prescribed by the Penal Code

[16TH FEBRUARY, 1900.] *The Lieutenant-Governor ; Mr. Woodroffe ; The President.*]

for rape is the heaviest penalty that is imposed on any offence that is short of actual murder. The penalty for rape is transportation for life. I had no doubt, and I have no doubt, that the Hon'ble High Court and the Sessions Judges who are subordinate to it, will avail themselves of all the discretion that is given them by the law in inflicting exemplary punishments, whenever and wherever the state of crime calls for it. Our difficulty in dealing with this particular class of crime, in Bengal at least, lies not in the inadequacy of the punishment but in the inadequacy of the evidence that is brought to prove the alleged crime. The cases, I am informed, are unfortunately extremely frequent in which the charge of rape is brought simply to cover and conceal detected adultery, and the cases are often of great difficulty and doubt. These were the reasons which led me to hesitate as to whether the addition to the already heavy punishment prescribed for rape was necessary or expedient, but I admit that the Hon'ble Judges of the High Court have had far longer and more minute opportunities of judging of these cases than I have, and in deference to their authority, which no one will admit more readily than I to be of the highest, I offer no objection to the amendment."

The Hon'ble MR. WOODROFFE said :—" Though I confined my observations to this particular amendment, it is not to be understood that I am not largely in accord with the opinions expressed by the Hon'ble Mr. Rees. It does seem to me that there exists a necessity to consolidate and amend the whole law of whipping. The original Act has almost disappeared from the Statute Book. Even the preamble has been altered and sections have, from time to time, been changed till it is more difficult to find out what the law is than to administer it when found out. In strictness the Whipping Act of 1864, as amended from time to time forms part of the Penal Code, and my hope is that, this amendment, which I have proposed, may hereafter find its proper place, in some amending and consolidating Act, if not in an amendment or consolidation of the Penal Code which, I understand, is before the Council."

His Excellency THE PRESIDENT said :—" In putting the new clause I would remind Hon'ble Members that the words 'or attempt to commit' in the 5th line have already, on the motion of the Hon'ble Mr. Woodroffe, which has been accepted by this Council, been expunged."

The motion was put and agreed to.

The Hon'ble MR. MEHTA moved that for clause (b) of section 5 of the Whipping Act, 1864, as proposed to be substituted by clause 2 of the Bill, as amended by the Select Committee, the following be substituted, namely :—

“ Any offence punishable under any other law with imprisonment, which the Governor General in Council may, by notification in the Gazette of India, specify in this behalf ;”

and that the proviso to the said section be omitted. He said :—“ The amendment which I propose is calculated to achieve the very same object as the section now stands. The only difference will be that that object will be attained not in a wholesale and indiscriminate fashion but with care and deliberation. It has been pointed out by the experienced Indian Judges of the High Court of Calcutta that, according to native sentiment, whipping is a far more degrading and hardening punishment than that of imprisonment. I think they have described the native sentiment in this respect correctly. At the same time, I am bound to confess that there is a great deal of force in the argument that it was much better not to subject juvenile offenders to the demoralising influences of a jail life. It is therefore most important, taking both these arguments into consideration, that the way in which we proceed in this matter should be as deliberate as possible. The section as it now stands is capable of doing one thing more than is generally supposed. It is said that no Magistrate would inflict whipping unless he was prepared to inflict imprisonment in its stead. But, my Lord, it seems possible that Magistrates will sometimes go beyond that ; where they could possibly have inflicted a fine, they might in its place inflict whipping. I would put a concrete instance, suggested by the papers submitted to the Select Committee, as illustrating what I say. There is a very common offence known in this country as commission of nuisances. It is possible no Magistrate would inflict imprisonment if the juvenile offender is convicted on that section, but it is very possible that he would inflict whipping in lieu of fine, under the belief that, so far as the juvenile offender himself is concerned, he would not be punished by a fine which his friends would pay. If we remember the state of native society, and the common practice of parents to send children on to the street, the result would be that, not only will the children be punished for the sins of their parents, but the parents themselves would escape scot-free, because they have escaped the fine which they would otherwise have paid. It is not at all improbable that cases of whipping of that character will occur, and it therefore seems to me that we should proceed with care and deliberation in saying what offences only should be brought under clause (b). That there are cases which ought to be excluded from the purview of clause (b) is apparent from the

[16TH FEBRUARY, 1900.] [*Mr. Mehta, Mr. Ibbetson.*]

admission involved in the proviso which has been appended to that clause, which gives power to the Governor General in Council to exclude such offences as he may think not fit to be included in the operation of that clause. It seems to me the safer course will therefore be to ask the Governor General to go carefully through the infinite variety of local and special laws, which, so far as moral turpitude is concerned, many of them are only conventional offences, than that the door should be shut after the mischief is done. As the clause now stands in the amended Bill, it is only after the mischief is done that the local or special law may be excluded."

The Hon'ble MR. IBBETSON said:—"My Lord, I feel bound to oppose this amendment, because it seems to me to conflict with the general principle upon which the law regarding the whipping of juveniles is based. I think that the Hon'ble Mover has failed to distinguish between the principle upon which we whip an adult and the principle upon which we whip a juvenile. In the case of the adult our object is to inflict upon a hardened or degraded criminal what is probably the only punishment which he really dreads—to impose upon him a penalty more severe than that of imprisonment. We regard the offence committed as an index to the character of the offender, and select certain offences as proper to be punished by whipping. The case of the juvenile is widely different. Here our object is to save him from the contamination of prison life—to impose a penalty which is less severe and less injurious to him than that of imprisonment. We are concerned with the age rather than with the character of the offender, and we regard, not the offence which he has committed, but the punishment which is to be inflicted upon him. To attain our object, therefore, it is necessary to legalise whipping as a possible alternative to imprisonment in the case of all offences for which imprisonment may be inflicted. The Bill, indeed, in the proviso to the amended section 5, empowers the Governor General in Council to exclude any offences which he may think fit from the operation of the section. But the rule, to which exceptions are thus allowed, is to be that if an offence is properly punishable with imprisonment, it is, in the case of a juvenile, still more properly punishable with whipping. The motion before us would reverse this order, and make what is now the rule, the exception.

"It is not proposed to make whipping compulsory for any offence. The words of the Bill are "may be punished," not "shall be punished." There are, no doubt, numerous individual cases in which a juvenile offender becomes liable to imprisonment under the Criminal law, but in which it would obviously be improper to whip him. But in such cases it would generally be still more improper to imprison him. We already trust to the discretion of our Magis-

[*Mr. Ibbetson, Mr. Woodroffe.*] [16TH FEBRUARY, 1900.]

trates in the matter of imprisonment, and I think we may safely do so in the matter of whipping also. As a fact, the general experience is that they are not too ready, but too unwilling to inflict corporal punishment."

The Hon'ble MR. WOODROFFE said:—"I support the amendment of the Hon'ble Mr. Mehta. I do not think the Hon'ble Mr. Ibbetson's reasons for opposing this amendment touch the matter of the Mover's speech at all. It is distinctly admitted that the whipping which is administered to juvenile offenders is punishment not correction, punishment of a peral character inflicted, no doubt, with less severity upon them than upon adults. My Lord, clause 2 of the Bill as amended leads us into a wilderness of law, where it is difficult to ascertain, amidst the vast mass of these various legislative enactments, those under which whipping is an appropriate punishment. It has been pointed out by one of the Hon'ble Judges of the Madras Court that in the vast majority of offences under special and local laws punishable with imprisonment it is not advisable that sentences of whipping should be passed. It is stated, in the papers that have been circulated to Council from Hyderabad, that:—

'There are, no doubt, many offences under special or local laws in which the sentence of whipping may be administered to juvenile offenders. But there are many more in which the sentence of whipping would be improper. If a young boy of 15 who has inherited from his father a gun, for which the father held a license, does not renew the license after the father's death, he becomes guilty under clause (f), section 19 of the Arms Act, XI of 1878. The offence is punishable with imprisonment. It would be unjust to punish the young man with whipping. Similarly, if a boy, having cattle in his possession, allows them to trespass into a reserved forest, he is guilty of an offence under section 25 of the Forest Act, VII of 1878, punishable with imprisonment. Instead of making by law all offences punishable with whipping and leaving it to the Executive Government to determine in what cases such punishment may not be awarded, the proper procedure on well recognized principles is, in my opinion, for the Legislature itself to determine in what cases such punishment may be allowed. The proposed addition to section 5, therefore, requires to be differently drawn'

"The Hon'ble Mover of the amendment does not go to the full length of the writer of this minute, because, as I understand him, he proposes to leave it to the Executive Government to determine, by notification in the first instance, what offences should be punishable with whipping among those other laws. For myself I should have preferred those offences determined by the Legislature. But if this is not to be, let us have at least a notification now specifying the offences under these other laws punishable with whipping rather than several notifications hereafter specifying offences not so punishable. The sentence of whipping is irremediable. Once done, it cannot be undone. The conviction may be reversed, the whipping cannot, and having in view the numberless cases in which—one



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is mentioned, for instance, in the papers which have been submitted from the Assam Government—juvenile offenders have been improperly whipped, it appears to me sufficient to show that it is eminently desirable that the offences which are to be punished by whipping should in the first instance be examined into and publicly notified by the Governor General in Council. The case there mentioned is a case, known to the Chief Commissioner, in which the officer who had witnessed the offence, one of a trivial character, himself not only arrested, tried and convicted the offender, but also inflicted the corporal punishment with his own hand. Among the reports of the Calcutta cases I find another instance of the like improper procedure. There in a summary trial, held by a Magistrate, who was himself the principal witness, time to adduce evidence for the defence was refused, and a non-appealable sentence including stripes, which were inflicted, passed. The High Court set the whole conviction aside. Of course, the punishment of whipping could not be undone.

“ There would be no difficulty, it seems to me, if action were taken by the Executive in the manner in which it is proposed by the Hon'ble Mover of this amendment. Among these various laws, my Lord, there are the Post Office Act, the Telegraph Act, the Railways Act, the Arms Act, the Forests Act, the Excise Act and the Christian Marriage Act. It has been said by the Hon'ble Mr. Ibbetson, that we do not say he “ shall ” be whipped, but that he “ may ” be whipped. Is it desirable that this large option should be left to the magistracy of this country—many of them, no doubt, distinguished by integrity, by learning and by a sense of justice, but amongst whose numbers, unfortunately, there are to be found many who are wanting—I will not say in law, but even in the prime necessity of common sense—and who punish, without rhyme or reason, ignorantly and sometimes even improperly? Is it advisable to permit them to wander without a guide amidst this maze of “ other laws ”, to give them, without a note of comment on all these divers laws, the power of inflicting thereunder a punishment which cannot be undone? It is, I submit, better that the door should be shut before the horse is stolen, and that it is no use to say that we should let these Magistrates exercise their own free and uncontrolled discretion as to whether they shall, or shall not, whip; and that when there comes an outcry against some glaring instance of wrong, the Executive shall then step in and declare that it shall no longer be done. That, my Lord, will not heal the wounds of those who have been punished injudiciously or improperly. It is always a question whether whipping is a punishment appropriate to the offence, and there are here a variety of offences for which certainly whipping is not appropriate. But being punishable by imprisonment if

[*Mr. Woodroffe ; Mr. Bose ; Mr. Evans.*] [16TH FEBRUARY, 1900.]

the law passes as it stands at present, each and every one of those persons may be whipped, and whipped, without redress. For these reasons I have great pleasure in supporting the Hon'ble Mr. Mehta's amendment."

The Hon'ble MR. BOSE said :—" The law as it now stands does not contemplate the suspension of the sentence of whipping pending an appeal, so that an acquittal in appeal is nugatory so far as the carrying out of the sentence is concerned. The degradation and marks of infamy resulting from the punishment abide, even though the person punished be ultimately found innocent. Such being the case, this mode of punishment should not be extended to any new class of offences, except after fullest consideration. As the clause stands, an indefinite class of offences is brought within the Act, without any previous examination of the propriety of such an inclusion. The existence of the proviso involves an admission that there may be certain offences covered by the clause, which should not be so covered. It is but reasonable that the necessary discrimination between those offences which are proper subjects for inclusion and those which are not, should be made before the law is made to apply to any particular class of offences. Speaking generally, the Governor General in Council will not exercise the power of exemption under the proviso unless moved by the Local Government, which again in its turn will not take any action unless moved by the district officers. These latter would only act, when some case of exceptional hardship would arrest their attention or be brought to their notice. Thus it will be long before effect will be given to the proviso. In the meantime, the Act will continue to operate in cases where its application may ultimately be found to be improper. Such cases could easily be mentioned, as, for instance, offences provided for by the Cattle Trespass Act and the Acts intended to protect the public revenues. These offences need not necessarily involve any moral turpitude. I beg therefore to support the amendment."

The Hon'ble Mr EVANS said :—" To appreciate rightly the question raised by the amendment before the Council, it is necessary to bear in mind the clear distinction in the manner in which the Whipping Act in its present form deals with adult offenders from that in which it treats juvenile offenders. Not only is the punishment of whipping inflicted on an adult very different to the whipping of a juvenile offender but with regard to adult offenders it is recognised that to determine whether whipping is a suitable punishment, it is to the nature and character of the offence that regard must primarily be had, and for this reason certain offences were selected as properly punishable with whipping, and power was given to the Courts to inflict that punishment

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if they should think it advisable in any instance. In regard to juvenile offenders, the case is altogether different. Section 5 of the Act prescribes whipping as an alternative punishment for juvenile offenders, not for certain selected offences, but for all offences under the Penal Code—making no distinction in regard to the offences: because it was held that whipping would be, for many reasons, in many instances, a more suitable punishment than imprisonment for juvenile offenders, whatever was the offence committed. The proviso attached to clause (b) of the new section 5 is based on the assumption that *prima facie* all offences punishable with imprisonment should be made punishable with whipping in lieu of imprisonment, and this assumption seems to me the only one consistent with the principle on which the law as it at present stands is based.

“The Hon'ble Member who has moved the amendment is of opinion that the large number and diversified character of the special and local laws renders it inadvisable to make offences by juvenile offenders under them generally punishable with whipping: and the Hon'ble Member is apparently apprehensive that whipping will be inflicted as a punishment for offences which it would be an obviously inappropriate penalty. But in the case of juvenile offenders, as was felt by the framers of the Whipping Act, it is not so much the character of the offence as the circumstances of the offender, such as his age, previous history, social rank, which determine, in each instance, the question whether whipping should be substituted for imprisonment as less injurious to the offender's moral character. It is not thus by the exclusion of offences under this or that special law that sound judgment in passing sentences of whipping can be secured. For that we must look to the Courts. The majority of the Criminal Courts are presided over by gentlemen who are natives of the country, and as such in the best position to distinguish cases in which whipping would be an unsuitable punishment. In spite of the opinion expressed by the Hon'ble Mr. Woodroffe, I venture to say that the experience of the 35 years during which the Whipping Act has been in force, warrants us in looking with confidence to the same judgment and discrimination on their part in dealing with offences under other laws as they have shown in dealing with offences under the Penal Code.

“For these reasons, I am of opinion that it is quite sufficient that power should be issued for the Governor General in Council to exclude from the application of clause (b) such offences as experience will show call for such exceptional treatment. I am therefore unable to support the amendment.”

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The Hon'ble MR. WOODROFFE said.—“May I ask Your Excellency's permission to add one matter by way of explanation of my reference to the Railways Act, which I accidentally omitted from my previous remarks.”

His Excellency THE PRESIDENT said:—“I see that under the rules an Hon'ble Member may, with my permission, speak once again after a previous speech by way of explanation. If the Hon'ble Member desires to speak again in this sense, I can permit him to do so.”

The Hon'ble MR. WOODROFFE said:—“I referred, my Lord, to the Railways Act, as one of the other laws under which punishment of whipping can be inflicted, and I desire to explain that under that law the punishment of whipping can only be given to a juvenile under the age of 12. If the amendment be not carried, there will, in fact, be an alteration of the Railways Act by this Act by extending the age of juveniles from 12 to 16.”

The Hon'ble SIR HARNAM SINGH said —“My Lord, although I am glad to gather from the Select Committee's report that the most objectionable provision regarding riots is removed from the Bill, still the Bill as it stands is open to objection.

“My opinion is adverse to this form of punishment of juveniles for attempting or abetting to commit an offence under the Penal Code. The punishment of whipping is regarded in this country as being of a very degrading character. A boy under 16 years of age is a juvenile and is hardly conscious of the gravity of the offence he abets or attempts to commit. Considering his immaturity of judgment, the degrading character of the punishment, and the ruinous effect it will have on his future career, I believe that the proposed punishment in such a case is undesirable.

“I have to make the same remarks about making offences by juveniles against laws other than the Penal Code punishable by whipping. Having regard to the fact that such offences do not generally involve the same degree of moral turpitude as those under the Penal Code, it is undesirable to punish them with whipping, which is regarded by the people as a more degrading form of punishment than even imprisonment. Prison contamination is bad enough, but the degrading and hardening effect of the punishment of whipping would be worse, as pointed out by the Indian Judges of the Calcutta High Court. The Chief Commissioner of Assam has known a case in which a Magistrate, who saw

[16TH FEBRUARY, 1900] [*Sir Harnam Singh; Rai Bahadur Ananda Charlu; Mr. Rees.*]

children playing with fireworks on the highway, caused them to be locked up for the night, convicted them himself on his own evidence the next day, and then inflicted corporal punishment on them with his own hands. This is the kind of thing which may be expected to occur if the punishment of whipping is extended to such cases, and I agree with the Chief Commissioner in deprecating any extension of whipping powers to petty offences, such as may be committed under laws other than the Penal Code.

“ My Lord, I think flogging is not calculated to reform the character of a boy, and I do not see the necessity of going beyond what is already provided for in the Indian Penal Code. In these circumstances and as my hon'ble colleague Mr. Mehta's amendment tends to limit the number of cases in which this punishment can be inflicted, I feel it my duty to accord it my support.”

The Hon'ble RAI BAHADUR ANANDA CHARLU said —“ The real issue before us is, Should any case be permitted to occur in which the skin might be ripped open, when it should not be? There can be but one answer to it, and that the negative.”

The Hon'ble MR. REES said :—“ I agree with the Hon'ble Member who moves the amendment that it is better that the Government should notify, from time to time, to what offences under laws other than the Penal Code, the new section 5 of the Whipping Act should apply, than that the section should embrace all such offences punishable with imprisonment, unless the Governor General in Council otherwise directs, but I oppose the amendment, because I think it is the function of the Legislature to decide, when passing a law, what specific offences are punishable with different kinds of punishment.

“ More than one learned Judge, who has been consulted by Local Governments, has arrived at the same conclusion.

“ I should prefer that the offences to which the new section 5 (b) is to apply should be specified in the Bill. Either it is, or it is not, desirable that a certain offence should be punishable with whipping. That is a matter which could be decided now, once and for all, and circumstances will not change so as to make whipping a proper punishment in the future for an offence in respect of which it is at present an unsuitable correction.

“ Much advantage would result from the law being definitely laid down in this behalf. I was much struck with the same two cases as those selected by the Hon'ble Advocate General. A boy under 16 years of age, in charge of cattle

[Mr. Rees; Mr. Toynbee.] [16TH FEBRUARY, 1900.]

which strayed into a forest reserve, would be liable to be whipped, or a youth of the same age who succeeded to the possession of his father's gun, and did not renew the license. These boys may be heads of families corresponding with yeomen in England and in their little world, they would be degraded, having committed no serious offence. Never since the time of Robin Hood has the breach of forest laws, however necessary such laws may be, been looked on as an offence involving disgrace and loss of character, and as the Magistrate of a district, I should have much regretted the infliction of whipping in such cases as these. An estimable youth, cultivating on the margin of a jungle, and keeping a gun for the purpose of co-operating with the agriculturists' firmest friend, the tiger, in keeping down the head of deer, might, without any bad intention, omit to renew his license.

"Whipping would not be a suitable punishment in such cases, and, indeed, the feeling of the inhabitants of India upon, and their attitude towards, this subject are not, I think, altogether similar to those of Europeans.

"I remember that the commotion consequent upon the infliction of very moderate corporal punishment by a schoolmaster, gave a sharp shock to a well known educational institution.

"Again, at any time it may happen that the whipped boy is a married man—at such an early age do striplings in this country take upon themselves the pains and pleasures of manhood. The higher the caste, the earlier the marriage—and the less suitable corporal chastisement for a culprit whose offence very possibly may not argue great moral turpitude.

"The amendment would prevent the infliction of this punishment in any case to which it had not been made specially applicable, but I think that the offences should be specified in the Bill, as those offences are specified in the Whipping Act, that both the section and the amendment are open to equal objection, and that the latter should be rejected and the Whipping Act revised."

The Hon'ble MR. TOYNBEE said:—"My Lord, I think that there is great force in the arguments which the Hon'ble Mr. Mehta has given for the amendment which he has moved. If the question is raised before a Court as to whether or not the punishment of whipping is applicable to a juvenile offender who has committed an offence under some law other than the Penal Code, it would undoubtedly be safer to solve the question by the production of a *Gazette of India* notification specifying the laws under which whipping

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may be inflicted, than to produce a similar notification specifying laws under which it may not. The former, which I may call the *positive* method, seems to me to be safer and simpler than the latter, or *negative*, method, because in the first case the whipping could not be legally inflicted unless the law concerned was found to be specified, whereas in the second case the Court would have, as it were, to prove a negative, and might illegally inflict a sentence of whipping by reason of its not being able to find a prohibitive notification which actually existed. As a prohibitive notification seems to me to run a greater risk of being overlooked than a permissive one does, I support Mr. Mehta's amendment. There seems to be considerable misapprehension, my Lord, as to the alleged degrading nature of a whipping inflicted on a juvenile offender. But it need in no case be of such a nature; for section 392 of the Code of Criminal Procedure says:—'In the case of a person under 16 years of age it shall be inflicted in such mode, and on such part of the person; and with such instrument, as the Local Government directs'. And section 390 of the same Code says:—'the sentence shall be executed at such place and time as the Court may direct'. The whipping need not, therefore, be inflicted in public, and at least one Local Government, that of Bengal, has directed that it should be inflicted 'in the manner of school discipline'."

The Hon'ble MR. RALEIGH said:—"The case in support of this amendment turns a good deal upon the general statement that the people of this country regard whipping as a hardening and degrading punishment. I wish to deal very considerably with a feeling of that kind, but it seems to me that in the case of a boy, the question whether whipping is more or less degrading than imprisonment, turns entirely on the circumstances of the case, and that, if advantage is taken of the provisions that the law gives, if the whipping be administered without undue publicity and severity, it is far less hardening to a boy, especially to a boy not belonging to the criminal classes, than a sentence of imprisonment would be. The case made by the Advocate General turns a good deal upon this, that if we make merely a general provision that whipping may be substituted for imprisonment for boys, that general provision may be abused. May I point out to my hon'ble friend that, if the word *may* is to be used in this argument, it is possible to make a case against any existing law whatever. Every criminal law operates for good or for mischief, according to the judgment with which it is applied, and if it be assumed that a Magistrate inflicts whipping when the case is clearly one that ought not to be brought under the criminal law at all, or where the offence is one unsuitable for that penalty, that would be an act on the part of the

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Magistrate proving him more or less unfit for his position and rendering him liable to censure. Then it is argued that the sentence of whipping is irreparable. I think perhaps that argument has been pushed a little too far, considering that the effects of whipping (it is a sharp and summary punishment) are not of very long duration, and to say that the effects of whipping are more irreparable than the effects of detention in imprisonment upon a boy, appears to me to be rather an exaggerated way of stating the case. And let me point out this, that if we take the course which the Hon'ble Mr. Mehta proposes and my hon'ble and learned friend supports, and we empower the Governor General to specify the offences, or if we go the whole length of what has been suggested by my hon'ble friend Mr. Rees and put the offences into an Act of this Legislature, we shall still, from my hon'ble friend Mr. Woodroffe's point of view, not be very much better off than we were before, because we shall have to specify a large number of offences where the choice between whipping and imprisonment will still call for the exercise of magisterial discretion, where mistakes of the kind described by the Advocate General may be made, and where the effects of the mistake will be just as serious as in the case of those offences which we should leave out. Whilst therefore I support any proposal that we should make a general provision that whipping may be substituted for imprisonment in the case of juvenile offenders, we should trust to the discretion of the Magistrate, under the supervision to which Magistrates are subjected in this country, to determine which are the offences to which they ought to apply the general rule."

The Hon'ble MR. MEHTA said:—"I should like to say one word in reply. All that the Hon'ble Mr. Rees says in opposition to my amendment is that I do not go far enough. He is prepared to go very much further, but, as I am not able to go all the way, he won't accompany me even part of the way. With regard to what has fallen from the Hon'ble Mr. Ibbetson and the other Hon'ble Members who have spoken in support of the original section, it seems to me they have not met the case which I have put before the Council. Their case is that Magistrates, under the section as it stands, will inflict whipping in lieu of imprisonment, but it has to be remembered that the section does not only include offences which are punishable with imprisonment only. It includes also offences which are punishable with fine or imprisonment, and all those cases would be included under clause (b); so that Magistrates would have the right to inflict whipping in lieu of fine also. That, I submit, would be an intolerable state of things, and when it is remembered that there is no appeal from a



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sentence of whipping and that whipping once inflicted is irreparable, the necessity for proceeding with caution and discrimination is extremely urgent."

The Council divided:—

*Ayes—9.*

The Hon'ble Mr. Allan Arthur.  
 The Hon'ble Rai Bahadur B. K. Bose.  
 The Hon'ble Mr. J. T. Woodroffe.  
 The Hon'ble Kunwar Sir Harnam Singh.  
 The Hon'ble Rai Bahadur P. Ananda  
 Charla.  
 The Hon'ble Maharaja of Darbhanga.  
 The Hon'ble Mr. D. M. Smeaton.  
 The Hon'ble Mr G. Toynbee.  
 The Hon'ble Mr. P. M. Mehta.

*Noes—11.*

The Hon'ble Mr. H. F. Evans.  
 The Hon'ble Mr. J. Buckingham.  
 The Hon'ble Mr. J. D. Rees  
 The Hon'ble Mr. J. K. Spence.  
 The Hon'ble Nawab Faiyaz Ali Khan.  
 The Hon'ble Mr. Denzil Ibbetson  
 The Hon'ble Mr. T. Raleigh,  
 The Hon'ble Mr. C. E. Dawkins.  
 The Hon'ble Sir A. C. Trevor.  
 The Hon'ble Major-General Sir E. H.  
 H. Collen  
 His Honour the Lieutenant-Governor  
 of Bengal.

So the motion was negatived.

The Hon'ble MR. WOODROFFE moved that the words "after making such enquiry (if any) as may be deemed necessary" and the words "the finding of the Court in all cases being final and conclusive" in the Explanation to section 5 of the Whipping Act, 1864, as proposed to be substituted by clause 2 of the Bill, as amended by the Select Committee, be omitted. He said:—"Among the papers circulated by the Government of India with this Bill will be found the remarks of the Judicial Commissioner of Sindh, to which special attention has been drawn by the Bombay Government. In those remarks it is pointed out that the proviso, in the opinion of the Court, should be final and conclusive on the point of age is properly speaking a legislative direction and cannot appropriately be included in a mere explanation. This proviso found no place in Act VI of 1864. It was first introduced by section 6 of Act III of 1895. Beyond the suggestion that it was sometimes found difficult to determine a boy's age and that it was thought desirable that the opinion of the Court of first instance should be taken as final, Sir Alexander Miller, in moving that the Report on the Bill should be taken into consideration by the Council, made no case for this strange addition to the law. For upwards of 30 years the law had stood unaltered. It had been declared by the High Court of Bombay very shortly after the Act of 1864 was passed that unless an accused person was found to be under the age of 16 he could not be punished under Act VI of 1864. It was not suggested then, nor is it

suggested now, that there had or have occurred cases in which there had been any failure of justice owing to the supposed difficulty of ascertaining a boy's age. It was not suggested then, and it is not suggested now, that it is more difficult to determine whether a boy is under 16 than a man is over 45; yet under section 393 of the Criminal Procedure Code no male person can be whipped if the Court considers him to be more than 45, and that section, be it observed, further contains, and that rightly, no such legislative direction as is appended to the explanation now under consideration, though it would in the vast majority of cases be, I think, more difficult to determine whether a man is over 45 than whether a boy is under 16. Moreover, as the law now stands, no appeal can be preferred by a convicted person in cases in which the Court of Session or the District Magistrate or other Magistrate of the first class passes a sentence of whipping only. See section 413 of the Criminal Procedure Code. There is therefore no such difficulty to be encountered as that which was suggested by the Hon'ble the then Legal Member in moving the introduction of this clause in 1895 nor, except in a certain limited class of cases, any question as to the finality of the decision of the Court of first instance. This being so, it appears to me in the highest degree desirable that there should appear upon our Statute Book nothing which can in any way throw doubt upon the necessity for the exercise of the duty of determining judicially whether the delinquent does or does not come within the provisions of the law. The determination of the sentence is, I venture to think, no less important than the determination of the commission of the offence. Moreover, a sentence of whipping is irreparable, and I am hardly prepared to go so far as the Hon'ble Legal Member (Mr. Raleigh) does when he says that the memory of it quickly passes away. That very much depends upon the hand which has laid it on, and even though the punishment of whipping a juvenile offender be conducted as it may be conducted under circumstances not involving the publicity of the whipping, yet the fact that that person has been whipped is a fact which cannot be concealed, and Members of Council will remember that in this country a juvenile offender means and includes a man who has probably two or three children. You are extending the punishment of whipping very far, and are, as a matter of fact, making persons punishable under this section, who are not in any true or real sense of the term juvenile offenders. It is, I venture to think, also in the case of juvenile offenders even more necessary perhaps than in the case of adults to see that no such brand should be fixed upon them. They are not old, hardened, or habitual offenders, and the disgrace attendant upon a whipping in this country is not looked upon in the light of a tunding at

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Winchester or similar punishment at our public schools. We have to deal with the people of this country and their feelings in estimating the propriety of the punishment which should be meted out. I venture to think, further, from another point of view, that it is most desirable that all Magistrates, especially those from whose decisions there does lie an appeal, should be bound to exercise their functions judicially. There are far too many cases, unfortunately, to be found in our reports of sentences of whipping improperly passed and carried into immediate execution, to render it in any degree proper for a Magistrate to pass a sentence of whipping without making due enquiry. The nature and extent of that enquiry must, of course, vary with the circumstances of each particular case, but should it go forth that it rests with the Magistrate to determine whether he will make any enquiry or not, there will, I very much fear, be very many more instances in which whipping will be inflicted upon persons not liable to be so punished than at present. In my opinion, the changes that have been introduced into the explanation in the Select Committee, so far from indicating, as in the Report it appears to be thought, to the Courts the necessity of making an enquiry in cases in which an enquiry is necessary, confers upon them the arbitrary power of determining, and that finally, whether any enquiry is necessary or not. For my part, I would very much have preferred that, if that explanation were to stand, it should stand as it did in the Bill as originally reported on. The words "if any" introduced in the explanation seem to me to forebode mischief, and it is wholly unexplained why there should be a different language introduced into our law in the case of the whipping of juveniles and whipping of adults. The law as regards adults provides that 'if it considers him to be above 45.' Why not in precisely the same language 'considers him or thinks him to be over 16'? I would therefore suggest that at least our law should be consistent, and that there is no reason why juveniles should be treated differently from adults. The Court considers the matter and arrives at its conclusion only upon evidence. By the adoption of the proposed amendment, whether there lies an appeal or not, Magistrates will understand that there is a duty laid upon them, the breach of which will subject them to the animadversion of the High Court."

The Hon'ble MR. IBBETSON said:—"I find myself unable to accept this amendment. I take the second part of the proposal first, namely, to strike out the provision that the finding of the Court as to the age of a juvenile offender shall be final and conclusive. I have listened most attentively to all that has fallen from the lips of the hon'ble and learned Advocate General, and I am still wholly unable to realize what practical effect he proposes to

himself as likely to flow from his amendment. I understand the suggestion underlying the proposal to be that, under the law as it stands, Magistrates are careless in coming to a conclusion in the matter of age. I confess that I cannot see how the excision of the words in question will make them more careful. If the Magistrate is a 1st class Magistrate, there is no appeal from his decision, and his finding is final and conclusive, whether the Whipping Act says so or not, and he knows it. If he is not a 1st class Magistrate, an appeal lies. But since sentences of whipping only, which are the sole sentences that can be passed under the section, are carried out at once, the appeal is practically from the conviction only, which is not affected by the question of age. Thus, I do not think that the amendment will attain the object with which it is proposed.

“On the other hand, there seem to me to be positive objections to the proposal. There are numerous 2nd class Magistrates, specially empowered to pass sentences of whipping, from whose decision an appeal lies. (I am taking, for the present, the law as it stands, without reference to the Hon'ble Sir Harnam Singh's amendment.) Now it may be fair enough that the accused should have an appeal from the conviction, so as, if possible, to clear his character by proving his innocence of the charge. But there is nothing to be gained by allowing him to appeal also on the question of age, which affects, not his guilt or his innocence, but merely the legality of a punishment which has already been inflicted. We all know how greatly the liberty of appeal is already abused in India. The proposed amendment will simply give a new opening to the petition-writer or to the unscrupulous pleader; and we shall have the money of the people and the time of the Courts wasted upon the question, whether the age of a native lad, who has already had his whipping, is 15½ years or 16½. The provision in question has been part of the law of India for the past five years, and I see no necessity whatever to alter it.

“As for the other proposal, to omit the words ‘after making such inquiry (if any) as may be deemed necessary’, the suggestion to insert these words emanated, I think, from my hon'ble friend Mr. Mehta. It struck me, and I think the other members of the Select Committee also, as an eminently reasonable and proper suggestion. The words ‘if any’ were inserted to make it clear that no inquiry need be made in the case, say, of a boy of 12 years, who was obviously and undoubtedly under 16 years of age. It seems to me that the law, as it stands in the Bill, is exactly what is wanted. It provides for a final decision upon a point which must be settled on the spot, after a summary inquiry when there is any room for doubt, by the Magistrate who has the lad before him, and who is really the only person

[16TH FEBRUARY, 1900.] [*Mr. Ibbetson; Mr. Rees; Sir Harnam Singh*]

capable of deciding. It is notoriously impossible to ascertain exactly the age of a native of the poorer classes. And if a lad whose age cannot be ascertained exactly is so developed physically that he looks as if he were 16, it surely is only reasonable that he should be treated as if he really was 16; for the probability is that his mind and character will have developed together with his body."

The Hon'ble MR. REES said—"My Lord, I cannot see that because it is difficult to decide whether a man is over 45, an attempt should not be made to deal with the question whether a boy is under 16, and it is not so long since I exercised the functions of a Magistrate that I cannot remember how the time of that unfortunate functionary is wasted, whenever the law gives the opportunity. The fact is, in regard to the man and the boy the decision is pure guess work. This seems to me to be an additional reason why all the offences for which whipping can be administered should be stated in the Act. I would oppose this amendment."

The motion was put and negatived.

The Hon'ble SIR HARNAM SINGH moved that the following clause be added between clauses 2 and 3 of the Bill, as amended by the Select Committee, and that the present clause 3 be renumbered clause 4:—

"3. (1) Notwithstanding anything in the Code of Criminal Procedure, 1898, an appeal shall lie in every case in which a juvenile offender has been sentenced to whipping, and no such sentence shall be executed until a period of fifteen days has elapsed from the date of sentence, or, if an appeal is made within that time, until the sentence is confirmed by the Appellate Court.

"(2) The Judge or Magistrate who has passed any such sentence shall have all such powers of admitting any such juvenile offender to bail as are conferred on Appellate Courts by section 426 of the Code of Criminal Procedure, 1898:

"Provided that, if no application for bail is made at the time when such sentence is passed, the sentence shall, notwithstanding anything in sub-section (1), be carried out forthwith at such place and time as the Court may direct."

He said—"As it has been practically decided to extend the Whipping Act to offences punishable by laws other than the Penal Code, I would suggest that whipping be lightly administered in the form of school discipline, as provided in the Criminal Procedure Code, in the presence of a District Magistrate or a Magistrate having 1st class powers, and that the punishment be inflicted in a place not exposed to public view, and as marked a difference as possible be made between the whipping of a juvenile offender and the whipping of an adult. I would also suggest that a right of appeal be given, and the

[*Sir Harnam Singh ; Mr. Ibbetson.*] [16TH FEBRUARY, 1900.]

juvenile offender be released on bail till the result of the appeal is known. It does not seem equitable that a juvenile offender, who, if he were sentenced to a term of imprisonment, would have, in most cases under the Code, a right of appeal, should, simply because a different form of punishment is arbitrarily substituted for that term of imprisonment, lose his right to have the question of his sentence and conviction reconsidered, and I therefore beg to move the amendment of the Bill which stands in my name."

The Hon'ble MR. IBBETSON said :—" I am unable to accept the proposal to allow an appeal in the case of all sentences of whipping which are passed upon juveniles. It is not desirable to add to the liberty of appeal which is already enjoyed except on grounds of the clearest necessity. And this seems to me to be pre-eminently a case in which it is not advisable to allow an appeal. If a lad is to receive 5 or 10 strokes by way of school discipline, he should receive them at once, and have done with it. I cannot conceive why he should have a right of appeal which is denied to an adult who is to receive 30 stripes that may perhaps mark him for life. And what strikes me most forcibly about the proposal is, its cruelty to the boy himself. For the sake of the one boy in a hundred, whose conviction will be upset, the other 99 are to be kept waiting for a fortnight, and for as much longer as the Appellate Court may take to decide the appeal, with the whipping hanging over their heads, in terrified apprehension, which is infinitely worse than the reality. Surely, if there ever was a case which it is desirable to dispose of promptly, it is that of the whipping of a juvenile.

" Apart from the merits of the proposal, moreover, there are other grounds on which it seems to me to be open to strong objection. If the amendment is carried a Magistrate will turn to section 413 of the Criminal Procedure Code and find the following :—

' Notwithstanding anything hereinbefore contained, there shall be no appeal by a convicted person in cases in which a Court of Session or the District Magistrate or other Magistrate of the 1st class passes a sentence of \* \* \* \* \* whipping only.'

" He will then turn to the Whipping Act,—and it must be remembered that under that Act a sentence of whipping passed upon a juvenile offender as such must be a sentence of whipping only,—and he will find the following :—

' Notwithstanding anything in the Code of Criminal Procedure, 1898, an appeal shall lie in every case in which a juvenile offender has been sentenced to whipping.'

[16TH FEBRUARY, 1900.] [*Mr. Ibbetson; Rai Bahadur Ananda Charlu; Mr. Rees.*]

"The fact is that the proposal is really one to amend, not the Whipping Act, but the Code of Criminal Procedure. It is not yet two years since that Code was passed in its present form, after full discussion, and I think that it would require far stronger grounds than have been shown in the present instance to justify the virtual repeal of one of its provisions."

The Hon'ble RAI BAHADUR ANANDA CHARLU said:—"In 1889 or 1890 two cases occurred in this Presidency, with which every one in Calcutta must be familiar. In the first of those cases, a Magistrate inflicted the sentence of whipping and immediately carried it out. The matter went up before the High Court, and that Court set aside the conviction and passed severe remarks on the impropriety of the sentence having been carried out. Before the same Magistrate, and soon after, another case came up similar in nature. The Magistrate had the perversity again to inflict the sentence of whipping and to carry it out, setting the admonitions of the High Court deliberately at naught. The High Court handed the Magistrate up to the Government, and the result was, that he was placed in a situation in which he could not exercise the powers conferred upon him by the Whipping Act. But I am told, facetiously I hope, that the officer was promoted in consequence.

"Reference was made to the fact that the Criminal Procedure Code was only amended so recently as in 1895, and it is too soon to meddle with it. But it so happens, and that more recently still, *i. e.*, so lately as June or July, 1899, that another Magistrate was found to do exactly the same thing, and the High Court, in setting aside the conviction, could do nothing more than regret at the whipping having been administered. This shows how the necessity for staying the sentence till the appeal is disposed of is extremely urgent. Certain reasons were assigned by the Hon'ble Mr. Ibbetson in support of his position. The very same reasons I claim in support of the amendment before us. He says that there will be a delay in the disposal of the appeal and that the sentence of whipping would be hanging over the head of the culprit in the interval. I think that when an inconsiderate juvenile offender has this interval, after knowing what punishment the error he had drifted into brought upon him, he will very probably reflect and repent of it and avoid becoming callous in consequence of undergoing the penalty in that spirit. The effect of delay may thus only prove salutary and not harmful."

The Hon'ble MR. REES said:—"My Lord, my hon'ble friend Mr. Ananda Charlu and I, in the last five years, have generally presented the spectacle of

[*Mr. Rees ; Mr. Raleigh.*] [16TH FEBRUARY, 1900.]

a united family from Madras. On this occasion I regret that I cannot agree with him. I would oppose the proposed interpolation of a wholly new and vital section between clauses 2 and 3 of the Bill. I would myself prefer that every offence for which whipping may be awarded should be stated in the Bill, as I said in speaking on the first motion, but I cannot think it desirable to provide on this occasion a system of bail and appeal for the whole law relating to the whipping of juvenile offenders. It is contrary to the conception of providing a different class of procedure for juveniles, and it seems to me that either the law should enact that a boy convicted of a certain offence, for which the Legislature had deliberately decided whipping should be inflicted, should be sentenced and whipped outright, or that in regard to such an offence, the ordinary procedure which obtains in respect of adults should apply. To release a boy on bail, and then after a long interval to call him up to be judicially whipped, seems to me to convert the homely birchen rod into a sword of Damocles, and to give a solemnity to personal correction, which is, in fact, somewhat foreign to the inherent character of corporal castigation.

"As it is evident from what I said in speaking to the first motion that I am opposed to the wholesale application of the rod to the backs of our younger fellow subjects, I have therefore the less scruple in opposing this amendment. If it is fated to become law, at least Local Governments should express their opinions of it and a Select Committee should sit upon it, for I hope and believe that Select Committees have not in India become, as a leading journal said yesterday morning of Select Committees elsewhere, 'instruments of insincerity, procrastination and oblivion.' My Lord, I trust this amendment will not slip through without undergoing that careful and prolonged examination which should be the prelude to all legislation. This matter should be taken up, I think, when a revising and consolidating Act is undertaken.

"I ask Your Excellency's leave to refer to what my hon'ble friend Mr Mehta said, *vis.*, that I would go the whole way with him but not half way. Surely, if an Hon'ble Member thinks that offences punishable with whipping should be specified in the Act, Mr. Mehta's amendment, equally with the section, is open to objection and should be rejected. On the other hand, to object to one section as it stands is no sufficient ground for rejecting the whole Bill."

The Hon'ble MR. RALEIGH said:—"The main part of the hon'ble and learned Member's contention in favour of the amendment is the same argument as that used with regard to the hard cases, which I have already described as rather misleading in reference to another amendment proposed by my hon'ble



[16TH FEBRUARY, 1900.] [Mr. Raleigh; Mr. Ibbetson.]

friend the Advocate General. Mr. Charlu thinks that the delay which the Bill involves will have an excellent moral effect, because it will give the offender time for repentance. It appears to me that that effect of delay in the execution of a sentence is, to say the least, a little uncertain. There is another effect of delay, which is almost certain, and this is the consideration which I wish to suggest to Council. If you allow a longer delay for appeal, it becomes objectionable to carry out the sentence at all, and there is a certain cruelty in saying to a boy 'you can go away now, and after three months you will be brought back, and then you will be whipped' I think the ordinary feeling would be against that, and I have not the least doubt that, if we allow an appeal, the effect would be largely to hamper and pervert the operation of the law. For these reasons I vote against the amendment."

The motion was put and negatived.

The Hon'ble MR. IBBETSON moved that the Bill as now amended be passed. He said—"My Lord, I gather from the question that was asked of Your Lordship at an early stage in the course of the debate, that some remarks may possibly be made upon the general principle on which the Bill is based, and I may therefore be allowed to say a very few words in support of it. It is no new principle. It was affirmed 34 years ago, when the Whipping Act of 1864 was passed, that whipping is often the most suitable form of punishment for a juvenile and the present Bill simply extends that same principle to offences which have, for the most part, been created since the Act of 1864 became law—extends it, indeed, in a restricted form, since it does not authorize whipping for any offence which is punishable with fine only.

"I confess myself unable to understand the assertion that a moderate whipping, inflicted upon a young lad under proper conditions, must necessarily harden and degrade him. It would not do so if inflicted by his father, or by his schoolmaster, and I fail to see why it should do so, merely because it is inflicted by the order of a Magistrate. At any rate, association, for ever a short time, with the class of juvenile criminals which are too often to be found in our jails, may do him an irreparable injury, while the disgrace of incarceration in jail seems to me, to say the least of it, to be as great as that of whipping. I fully realize that the feelings of the natives of India on the subject of corporal punishment are very different from our own. I have often had reason to regret this fact in connection with the management of schools. We are, however, bound, in legislation such as this, to give the fullest weight to those feelings as they exist. But if the effects of whipping young lads were really so disastrous as we are told, surely, during the 35 years for

which the Act has been in operation and during which many thousands of lads must have been whipped, we should have had some more tangible evidence of the evil effects of our legislation than has so far been put before us."

The motion was put and agreed to.

### INDIAN COMPANIES (BRANCH REGISTERS) BILL.

The Hon'ble MR. DAWKINS moved that the Report of the Select Committee on the Bill to authorize certain Companies registered under the Indian Companies Act, 1882, to keep branch registers of their members in the United Kingdom, be taken into consideration. He said:—"I would like to draw attention to one modification introduced by the Select Committee into the original draft Bill. In the original draft authorization to Indian Companies to establish branch registers in the United Kingdom was limited to Companies having a capital of not less than Rupees twenty lakhs and having existed for three years. These limitations do not exist in the case of the Companies Colonial Registers Act, which we have been following, and in view of the almost unanimous representations of the Chambers of Commerce that these restrictions would tend to minimise the utility of the Act, the Select Committee decided to withdraw them. I may also ask leave to call attention to the notifications which have been placed upon the table, conveying exemption from Indian stamp and probate duty of shares of Indian Companies liable to payment of such duties in the United Kingdom, owing to their inscription on the branch register in London. After the Bill had left the Select Committee, my learned friend the Hon'ble the Advocate General suggested that these exemptions, which were promised in the Statement of Objects and Reasons, should be incorporated in the Bill itself. It was, however, felt to be inexpedient to modify two existing Acts by a third Act and to take power for giving exemptions when such power was already existing and vested in the Governor General in Council under the Indian Stamp Act and Court-fees Act. It was, therefore, decided to meet the practical difficulty pointed out by my learned friend the Hon'ble the Advocate General, namely, that the Act as it stands would not acquaint an investor with the fact that this exemption existed, by an undertaking that the notifications to issue under the Stamp and Court-fees Acts should be bound up in the pamphlet form in which the new Act will be sold to the public. These are the notifications which lie on the table."

The motion was put and agreed to.

64 INDIAN COMPANIES (BRANCH REGISTERS); LOWER BURMA COURTS.

[16TH FEBRUARY, 1900.] [Mr. Rees; Mr. Dawkins; Mr. Ibbetson.]

The Hon'ble MR. REES moved that after the word "discontinued", in clause 3, sub-clause (2), of the Bill, as amended by the Select Committee, the words "and the Registrar shall record such notice" be added. He said—"My Lord, in clause 3, sub-clause (2), no provision is made for recording the notice of situation of the British register. It is not to be supposed that the Registrar of Joint Stock Companies will consign such notices to his waste-paper basket, but the recording of the notice is a judicial act, and it is expressly provided by section 64 of the Indian Companies Act that the Registrar shall record the notice of situation of the registered office in India. A similar provision should apparently be made in respect of notice of situation of the British register, since the Bill is, under clause 3, to be construed as one with the Indian Companies Act. It happens, moreover, that in some provinces Registrars are under existing rules forbidden to record, upon receipt of a fee, anything the record of which is not expressly enjoined by the Companies Act"

The Hon'ble MR. DAWKINS said.—"I think that we should be well advised in accepting this amendment. As the Act stands, the Registrar would probably not deposit any notice given to him in the waste-paper basket, but, at any rate, the amendment will provide that he shall not do so under any circumstances, and it will certainly render the Bill more complete."

The motion was put and agreed to.

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

The motion was put and agreed to.

LOWER BURMA COURTS BILL.

The Hon'ble MR. IBBETSON moved that the Bill to consolidate and amend the law relating to the Courts in Lower Burma be referred to a Select Committee consisting of the Hon'ble Mr. Raleigh, the Hon'ble Mr. Smeaton, the Hon'ble Rai Bahadur Ananda Charlu, the Hon'ble Mr. Woodroffe and the mover.

The motion was put and agreed to.

The Council adjourned to Friday, the 2nd March, 1900.

CALCUTTA; } J. M. MACPHERSON,  
The 16th February, 1900. } Secretary to the Government of India,  
Legislative Department.

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

The Council met at Government House, Calcutta, on Friday, the 2nd March, 1900.

PRESENT :

- His Excellency Baron Curzon of Kedleston, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.
- His Honour Sir John Woodburn, K.C.S.I., Lieutenant-Governor of Bengal.
- The Hon'ble Major-General Sir E. H. Colten, K.C.I.E., C.B.
- The Hon'ble Sir A. C. Trevor, K.C.S.I.
- The Hon'ble Mr. C. E. Dawkins.
- The Hon'ble Mr. T. Raleigh.
- The Hon'ble Mr. Desai Ibbetson, C.S.I.
- The Hon'ble Mr. P. M. Mehta, C.I.E.
- The Hon'ble Nawab Mumtaz-ud-daula Muhammad Faiyaz Ali Khan.
- The Hon'ble Mr. J. K. Spence, C.S.M.
- The Hon'ble Mr. G. Toynbee.
- The Hon'ble Mr. D. M. Smeaton, C.S.I.
- The Hon'ble Mr. J. D. Rees, C.I.E.
- The Hon'ble Maharaja Rameshwara Singh Bahadur of Darbhanga.
- The Hon'ble M. R. Ry. Panappakkam Ananda Charlu, Vaida Vinodha Avargal, Rai Bahadur, C.I.E.
- The Hon'ble Kunwar Sir Harnam Singh Ahluwalia, K.C.I.E., of Kapurthala.
- The Hon'ble Mr. H. F. Evans, C.S.I.
- The Hon'ble Rai Bahadur B. K. Bose, C.I.E.
- The Hon'ble Mr. Allan Arthur.

QUESTIONS AND ANSWER.

The Hon'ble RAI BAHADUR ANANDA CHARLU asked :—

"1. Will the Government be pleased to state whether, apart from what is supplied by Reuter's Agency to the Government and the newspapers alike, the Government obtains any foreign telegraphic messages of like import, either regularly or otherwise? If so, will the Government be pleased to state the source, means, machinery or agency (if any) from which such messages are

66 QUESTIONS AND ANSWER; INDIAN MINES; TELEGRAPHIC  
PRESS MESSAGES.

[Rai Bahadur Ananda Charlu; Mr. Denzil Ibbetson.] [2ND MARCH, 1900.]

obtained and the annual amount of cost incurred by the Government in that behalf (if any)?

“a. Will the Government be pleased to state if any and what objection exists to preclude the Government from publishing, as official *communiqués*, the substance of such foreign telegraphic messages, in so far as they do not involve matters which the Government find it expedient to treat as confidential?”

The Hon'ble MR. DENZIL IBBETSON replied —

“The answer to the first part of the first question, *vis.*, whether the Government obtains, either regularly or otherwise, any foreign telegraphic messages apart from, and of like import to, those supplied by Reuter's agency to the Government and the newspapers alike, is in the negative. In these circumstances the second part of the first question and the second question require no answer”

INDIAN MINES BILL.

The Hon'ble MR. IBBETSON presented the Report of the Select Committee on the Bill to provide for the Regulation and Inspection of Mines. He said —“We have made material and important alterations in the Bill as introduced, and we recommend that the Bill, as now revised, be republished.”

TELEGRAPHIC PRESS MESSAGES BILL.

The Hon'ble MR. IBBETSON asked leave to postpone his motion that the Report of the Select Committee on the Bill to provide for the protection of certain telegraphic press messages be taken into consideration. He said :—“My Lord, since that motion was placed upon the notice-paper, we have received a memorial signed by the representatives of no fewer than nine newspapers in different parts of India, and of Reuter's Telegram Company, asking for a material alteration in the lines on which the Bill, as revised by the Select Committee, is framed. This memorial reached me only on Tuesday evening, and probably reached some Hon'ble Members still later. Moreover, notice of twelve amendments has been given, five of them affecting a single section of the Bill, of which, while some conflict because they propose to attain conflicting objects, others conflict because they propose to attain the same object in different ways.

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[2ND MARCH, 1900.] [*Mr. Ibbetson ; The President.*]

“ Under these circumstances, it is desirable that further time should be given for consideration. The decision of the Select Committee on the Mines Bill to recommend that the Bill be republished, sets free a day which it would otherwise have been necessary to reserve for the consideration of their Report, and thus renders a postponement possible. And I think it will be more convenient, both to Hon’ble Members and to the Government, that the consideration of the Telegraphic Press Messages Bill should be deferred till the next meeting of Council at which Your Excellency will preside.”

Leave was granted.

HIS EXCELLENCY THE PRESIDENT said :—“ The Council will adjourn till next Friday, the 9th March, and the meeting to which the Hon’ble Member has alluded—the next meeting at which I shall have the opportunity of taking the chair—will be held on Friday, March 16th.”

The Council adjourned accordingly to Friday, the 9th March, 1900.

CALCUTTA ;  
The 2nd March, 1900. }

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

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

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The Council met at Government House, Calcutta, on Friday, the 9th March, 1900.

PRESENT :

The Hon'ble Major-General Sir E. H. H. Colten, K.C.I.E., C.B., *presiding*.

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

The Hon'ble Mr. C. E. Dawkins.

The Hon'ble Mr. T. Raleigh.

The Hon'ble Mr. Denzil Ibbetson, C.S.I.

The Hon'ble Mr. P. M. Mehta, C.I.E.

The Hon'ble Nawab Mumtaz-ud-daula Muhammad Faiyaz Ali Khan.

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

The Hon'ble M. R. Ry. Panappakkam Ananda Charlu, Vidya Vinodha, Avargal, Rai Bahadur, C.I.E.

The Hon'ble Kunwar Sir Harnam Singh Ahluwalia, K.C.I.E., of Kapurthala.

The Hon'ble Mr. J. T. Woodroffe.

The Hon'ble Rai Bahadur B. K. Bose, C.I.E.

The Hon'ble Mr. Allan Arthur.

LOWER BURMA COURTS BILL.

The Hon'ble MR. IBBETSON presented the Report of the Select Committee on the Bill to consolidate and amend the law relating to the Courts in Lower Burma.

CURRENCY CONVERSION (ARMY ANNUAL) ACT, 1899, CONTINUANCE BILL.

The Hon'ble MAJOR-GENERAL SIR EDWIN COLLEN moved for leave to introduce a Bill to amend and provide for the further continuance of the Currency Conversion (Army Annual) Act, 1899. He said.—“In introducing, on the 14th July last year, the Bill to provide for the conversion into British Indian currency of sums expressed in British currency in the Army Act, I explained the reasons for proposing the measure, and I need not repeat them now. The Act was passed on the 28th July, and was to continue in force until the 31st March

70 CURRENCY CONVERSION (ARMY ANNUAL) ACT, 1899, CONTINUANCE BILL

[Major-General Sir Edwin Colten.] [9TH MARCH, 1900.]

this year. Instead, however, of renewing the Act annually it is considered advisable, for reasons which are explained in the statement annexed to the present Bill, to continue it as a permanent measure."

The motion was put and agreed to

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

The Hon'ble MAJOR-GENERAL SIR EDWIN COLLEN moved that the Bill and Statement of Objects and Reasons be published in the Gazette of India and in the local official Gazettes in English.

The motion was put and agreed to

The Council adjourned to Friday, the 16th March, 1900.

CALCUTTA ;	}	J. M. MACPHERSON,
<i>The 9th March, 1900.</i>		<i>Secretary to the Government of India,</i> <i>Legislative Department.</i>



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

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His Honour Sir John Woodburn, K.C.S.I., Lieutenant-Governor of Bengal.

The Hon'ble Major-General Sir E. H. H. Collen, K.C.I.E., C.B.

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

The Hon'ble Mr. C. E. Dawkins.

The Hon'ble Mr. T. Raleigh.

The Hon'ble Mr. Denzil Ibbetson, C.S.I.

The Hon'ble Mr. P. M. Mehta, C.I.E.

The Hon'ble Nawab Mumtaz-ud-daula Muhammad Faiyaz Ali Khan.

The Hon'ble Mr. J. K. Spence, C.S.I.

The Hon'ble Mr. G. Toynbee.

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

The Hon'ble Mr. J. D. Rees, C.I.E.

The Hon'ble Maharaja Rameshwara Singh Bahadur of Darbhanga.

The Hon'ble M. R. Ry. Panappakkam Ananda Charlu, Vidya Vinodha, Avargal, Rai Bahadur, C.I.E.

The Hon'ble Kunwar Sir Harnam Singh Ahluwalia, K.C.I.E., of Kapurthala.

The Hon'ble Mr. J. T. Woodroffe.

The Hon'ble Mr. H. F. Evans, C.S.I.

The Hon'ble Rai Bahadur B. K. Bose, C.I.E.

The Hon'ble Mr. Allan Arthur.

INDIAN REGISTRATION OF SHIPS BILL.

The Hon'ble MR. RALEIGH presented a preliminary Report of the Select Committee on the Bill to make better provision for the Registration of British Ships in British India. He said:—"Your Lordship will observe that it is merely a preliminary Report. In the course of our deliberations we discovered that by making the ships which are registered at British Indian ports British ships within

[*Mr. Raleigh; The President.*] [16TH MARCH, 1900.]

the meaning of the Imperial Act we had to face the large question of the application of the Imperial Act to ships manned chiefly by lascars, and plying in Eastern waters. It appeared to us that some of the provisions of the Imperial Act were unsuitable for ships of that class, and we could not be sure that the proposals in this matter, which appeared to us to be reasonable, would be approved by the authorities in England. We therefore thought it better to ask that the consideration of the Bill might be postponed. I am much afraid, my Lord, that the law of Merchant Shipping will become distasteful to the Council by reason of the long time occupied in dealing with it. Successive Committees have devoted a great deal of labour to the subject, and for that labour we have as yet no result to show, but it is better to endure a little further delay if by doing so we can come to a better understanding with the authorities in England and secure those rules which we think are suitable for application to our own ships."

#### TELEGRAPHIC PRESS MESSAGES BILL.

HIS EXCELLENCY THE PRESIDENT said :—

"The Government of India have decided to withdraw this Bill during the present Session and to postpone its consideration until a later date. The reasons which have impelled us to take this step are as follows —

"The groundwork of the proposed legislation was, firstly, a desire to protect a large number of newspapers in this country from the theft of their foreign telegrams by those who had not paid for them, but who, in respect of local publication, were enabled not merely to pirate, but even, when at a distance from the place of issue, to anticipate the original purveyor of the news; and, secondly, to lend a desirable stimulus to the expansion of the foreign news service provided in India.

"Now, the first condition in such legislation, if it is to attain its object, should clearly be the unanimity of those in whose legitimate interest the protection is offered and the Bill introduced. The correspondence which has been published with Local Governments and other parties, shows that even at an earlier stage dissentient voices of no small weight were raised. These objections it was hoped by my hon'ble friend, who has been in charge of the Bill, to minimise, if not to remove, by the changes which he persuaded the Select Committee to introduce into the Bill. But it would appear that these changes, though satisfactory to some, have alienated the support, or, at any rate, not excited the approval, of the majority, while the state of the Agenda paper reveals

a considerable and contradictory variety of opinion on the part of the various sections and interests represented in this Council, that leads me to doubt whether, in the present condition of affairs, there is a sufficient consensus of authority and approval behind the Bill to justify the Government of India in passing it at the present moment into law. There are circumstances in which the Government, convinced of the urgency of a case, or of the indispensable necessity of a proposed remedy, is justified in overriding opposition, and in using its full powers to place a measure upon the Statute Book. But this case scarcely appears to fall within that category. I am about the last person to use previous delay in settling a matter as a plea for further procrastination. At the same time, a case cannot truthfully be represented as urgent, which has been continuously discussed and invariably postponed for a period of 30 years; whilst even the advocates of this Bill will, I think, admit that, strong as, in their opinion, is the case for reform, the case would be much stronger if they were all agreed as to the particular shape which that reform should take, and if it could be said with truth that the protection of legitimate interests was not likely to be attended with some injury to the interests of others. That we have not succeeded in reaching a stage of even general or substantial concurrence is demonstrated by the fact that, whereas the original Bill, and those Local Governments and parties who advocated it, contemplated a protection of 36 hours all round, the Select Committee was so much impressed by the arguments directed against that position, that they substituted a double period of protection, 36 hours in one case, and 18 in another; whereupon a large number of papers which had supported the original Bill withdrew their adherence, denounced the compromise effected by the Select Committee, and appealed for a single term of 24 hours, with the remarkable reservation in one case that the signatory party would prefer to substitute 18 hours, and in another that he would prefer to substitute 36. Meanwhile, the Native Press have, as we all know, maintained an attitude of uncompromising, and not unintelligible, hostility from the start. In these circumstances, I fail to find any sufficient cohesion of opinion, or argument, to justify the Government of India in pressing through the Bill. If the supporters of the measure had been able to present a united front, I think that they would have been in a better position. As it is, their individual disagreements have weakened their collective force.

“ But there are two other reasons that induce me to think that postponement is desirable. The first of these, to which I attach minor importance, is this. I am revealing no secret when I say that the main ground which has hitherto dissuaded the Government of India from undertaking legislation of this description

[16TH MARCH, 1900.]

[*The President*]

has been the desire to have the benefit of English experience and guidance in the matter. I am far from laying down the general proposition that we should, in all cases, or even in the majority of cases, take our cue from the Imperial Parliament at Westminster. But where legislation of a somewhat experimental character is involved, entailing the acceptance of principles not hitherto universally accepted, and affecting a form of enterprise which, so far from being Indian in character or conception, is of Western origin, and was introduced in the first place into India from England, then I think that the example of the British Parliament is of value, and may with advantage be followed; whilst an English precedent is manifestly of superior value and authority to a Colonial precedent, upon which alone we can at present rely. Whether legislation for the protection of copyright in foreign telegrams is likely to be undertaken at an early date in England I have no means of knowing. But at least we do know that since this Bill was introduced here, a Committee of the House of Lords which was examining into the subject has reported, and has recommended legislation upon definite lines. Now I do not say that we are bound to sit still here and twiddle our thumbs until some Government at home acts upon the recommendation of that Committee; but at least there seems to be good ground for suspending action here for a while in order to see what view is taken of the matter by the British Government and the British Parliament, which, on the whole, are better able to set an example to us than we are to them. Should they fail to do so, it will, at any time, be possible for us to exercise our own initiative and to resume the discussion of the matter without waiting for their lead.

“The second reason, to which I attach even greater weight, is the following. One of the main grounds for which this Bill has been advocated is the stimulus that its passing into law will give to newspaper enterprise in this country. I am not sure that I attach to this argument the full value that its supporters do; for I am a little sceptical of the extent to which newspapers in India are at present retarded from extending their foreign telegraphic correspondence, because the telegrams are liable to be filched as soon as they arrive. The same drawback in England does not appear to crush enterprise or to frighten off competition; and I suspect that in any country the paper which in the long run will secure the best market is the paper that will give the best news and doubtless pay the most for doing so, whether that news is, or is not, liable to be lifted by the predatory energies of rival organs. However that may be, I agree with those who hold that a surer encouragement to journalistic enterprise in India is likely to be found in a substantial diminution in the rates for telegraphic

transmission from Europe than in the protection of already existing enterprise our here. Nearly a year ago, in the Budget Debate, I indicated the strong opinion that I entertained about the reasonableness, and even necessity, of such a reduction. A despatch was sent home by the Government of India as far back as last May stating our views, and arguing our case with such force as we could command. Since then there has been a good deal of discussion on the matter; and it is likely that before long definite negotiations with the Companies will be undertaken. That they will result in a very material reduction of rates I cannot for a moment doubt; and that such a reduction will throw into entirely different perspective the question of Press telegrams and foreign intelligence in this country seems to me highly probable. Enterprise and expenditure, instead of being confined to a few, will become the characteristic of the many, and I will even go further and anticipate a time at which the number of those requiring protection may be so largely increased that instead of the demand being presented, as now, by one class of paper, and resented by another class, it may come with approximate unanimity from the great majority of high class journals in India, both Native and European.

“ I would sooner wait to give legislative protection until the great mass of opinion is united in our favour than I would proceed with public opinion divided as at present, some for and some against, and those who are for and those who are against arguing on different and mutually destructive grounds; and I would sooner pause to see what consequences a reduced telegraphic tariff will produce than legislate under conditions which are doomed at no distant date to disappear.

“ These are the reasons for which the Government of India have decided not, at the present moment, to proceed further with this Bill.”

The Council adjourned to Wednesday, the 21st March, 1900.

CALCUTTA; }  
The 16th March, 1900.

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

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

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The Council met at Government House, Calcutta, on Wednesday, the 21st, March, 1900.

PRESENT :

- His Excellency Baron Curzon of Kedleston, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.
- His Honour Sir John Woodburn, K.C.S.I., Lieutenant-Governor of Bengal.
- The Hon'ble Major-General Sir E. H. Collen, K.C.I.E., C.B.
- The Hon'ble Sir A. C. Trevor, K.C.S.I.
- The Hon'ble Mr. C. E. Dawkins.
- The Hon'ble Mr. T. Raleigh.
- The Hon'ble Mr. Denzil Ibbetson, C.S.I.
- The Hon'ble Mr. P. M. Mehta, C.I.E.
- The Hon'ble Nawab Mumtaz-ud-daula Muhammad Faiyaz Ali Khan.
- The Hon'ble Mr. J. K. Spence, C.S.I.
- The Hon'ble Mr. G. Toynbee.
- The Hon'ble Mr. D. M. Smeaton, C.S.I.
- The Hon'ble Mr. J. D. Rees, C.I.E.
- The Hon'ble Maharaja Rameshwara Singh Bahadur of Darbhanga.
- The Hon'ble M. R. Ry. Panappakkam Ananda Charlu, Vidya Vinodha, Avargal, Rai Bahadur, C.I.E.
- The Hon'ble Kunwar Sir Harnan Singh Ahluwalia, K.C.I.E., of Kapurthala.
- The Hon'ble Mr. J. T. Woodroffe.
- The Hon'ble Mr. H. F. Evans, C.S.I.
- The Hon'ble Rai Bahadur F. K. Bose, C.I.E.
- The Hon'ble Mr. Allan Arthur.

THE LATE SIR WILLIAM LOCKHART.

His Excellency THE PRESIDENT addressed the Council as follows —

“ Before we proceed to the business of the sitting, I must say a few words concerning the sorrowful fatality which has robbed us, since our last meeting, of

[The President; Rai Bahadur Ananda [21ST MARCH, 1900.]  
Charlu.]

one of the most distinguished Members of this Council. The late Commander-in-Chief, Sir William Lockhart, had only been for less than a year and a half a Member of this body. So far as I remember, he never once spoke here, and I dare say, had his life been spared to the full limit of his term of office, would never have spoken. He did not care for speech-making; and his keenest interest did not lie in administration. He was essentially a man of action, whose character had ripened, and whose reputation had been won, on the battle-field and in the camp. It was among the wild tribes of the frontier, and amid the soldiers of the Army, whom he loved and led to so many victories, that the gift of leadership, which he combined with a singular gentleness of disposition, was best seen, and was most widely known. By force of this ascendancy, he rose to the great position of Commander-in-Chief of the Army in India, an office which he filled not merely by titular appointment, but in an equal degree by popular acclaim. He has not lived to continue to the Army in his exalted station the services which he had already rendered to it in so many campaigns. In the prime of life, and in the plenitude of his powers, an inscrutable destiny has struck him down. But he leaves a record of combined gallantry and judgment in the field, and of the power of inspiration over his followers, which are among the attributes of great Commanders, and which entitle him to a high place in the illustrious roll of Indian Captains. It may be permitted to myself, who had known him for many years, long before a happy fortune made me his Colleague in the Government of India, to add that, by his premature death, we have lost not only a brave officer and gifted General, but a chivalrous and noble minded gentleman, and a most lovable man."

#### QUESTIONS AND ANSWERS.

The Hon'ble RAI BAHADUR ANANDA CHARLU asked —

"1. Will the Government be pleased to state whether, since the brief discussion in March last in the Council, they have received any memorial or representation from, or on behalf of, the Native Christian Community of Madras complaining of hardships entailed on them in the shape of succession duties, etc., by and under the Indian Court-fees Act?

"2. Will the Government be pleased to state whether the Government, in recognition of the said hardships, either wholly or partially, contemplate any legislation to remedy the same?

QUESTIONS AND ANSWERS; CENTRAL PROVINCES 79  
SETTLEMENTS.

[*Rai Bahadur Ananda Charlu ; Mr. Denzil Ibbetson ;* [21ST MARCH, 1900.]  
*Mr. Allan Arthur ; Mr. Dawkins* ]

" 3. Will the Government be pleased to state whether, in case legislation is contemplated in that behalf, it will be convenient so to arrange as to admit of the same being discussed and passed at the next cold weather session at Calcutta?"

The Hon'ble MR. DENZIL IBBETSON, replied:—

" In July, August and September last the Government of India received through the Government of Madras several memorials from Native Christian Communities in that Presidency regarding the hardship caused to them by the incidence of the succession duties.

" 2. The Local Governments and Administrations have been consulted upon various suggestions which have been put forward for the alteration of the law. Until their replies have been received and considered, the Governor General in Council is not prepared to make any announcement as to the course which will be pursued."

The Hon'ble MR. ALLAN ARTHUR asked:—

" Will the Government of India be pleased to state whether it is their intention to pass an Act having for its object the renewal, on its expiry on 20th July next, of Act II of 1898, commonly called the Gold Note Act?"

The Hon'ble MR. DAWKINS replied:—

" Yes, it is the intention of Government to prolong Act II of 1898, which expires in July next, for a further period of two years from that date. But it must be distinctly understood that this prolongation implies no undertaking on the part of the Secretary of State to sell remittances under the Act at any specified rate."

CENTRAL PROVINCES SETTLEMENTS.

The Hon'ble MR. IBBETSON said —" I beg to lay upon the table information regarding<sup>1</sup> settlements of the Central Provinces, which the Hon'ble Mr. Bose asked for on the 16th February last."

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<sup>1</sup> See Appendix attached.



[2:ST MARCH, 1900.]

[*Mr. Dawkins.*]

## FINANCIAL STATEMENT FOR 1900-1901.

The Hon'ble MR. DAWKINS introduced and explained the Financial Statement for 1900-1901. He said:—

## "PART I.

## "INTRODUCTION.

"1. In introducing the Financial Statement last year my predecessor dwelt with cautious satisfaction on the rapid recovery of the country from the effects of famine. It was generally hoped, and not without reason, that the two years of good harvests which had contributed to this recovery, were ushering in a period of agricultural prosperity, and that the word famine would not be on men's lips again for some time. That hope was doomed to cruel disappointment. While the ravages of plague continue, India has once more been afflicted by a visitation of famine nearly as widespread as the greatest famines of the century, and, in many respects, unprecedented in intensity. The significance, therefore, of the figures which I have to submit to this Council will very largely relate to the agricultural situation.

"2. The Indian Financial Statement has to deal with three years. In the first year of the present triad, 1898-99, the total revenue was £67,595,815 and the expenditure charged against Revenue was £64,954,942. The accounts therefore yield a surplus of £2,640,873, a surplus due to the abundant harvests of 1897 and 1898. The results of those good harvests continued to make themselves felt in the earlier months of the year now passing away, 1899-1900. My predecessor had estimated a surplus of £2,621,800. He had, moreover, taken exchange at a very prudent figure, and it was anticipated that this surplus would be considerably exceeded. It has been slightly reduced. The Revised Estimates for 1899-1900 show a Revenue of £68,532,400 and an Expenditure of £65,979,600, while the surplus works out at £2,552,800. It is needless to say that famine, in the closing months of the year, has caused the disappointment. If the crops had not failed the year would have closed with a surplus in the neighbourhood of £4,500,000 or of 6 to 7 crores. Without famine, again, the year upon which we are shortly entering, 1900-1901, might have been expected to show an ample surplus. The Budget Estimates are—

	£
Revenue . . . . .	70,155,800
Expenditure . . . . .	69,995,500
	<hr/>
Surplus . . . . .	160,300
	<hr/>

[Mr. Dawkins.]

[21ST MARCH, 1900.]

## "Accounts of 1898-99.

"3. Turning now to the examination of the total results of each year, the differences between the Accounts of 1898-99, which were published two months ago, and the anticipations formed in March 1899, will be seen in the following table:—

REVENUE.		Revised Estimate	Accounts.	Accounts, better.	Accounts, worse	
India . . . . .	Rx	101,217,400	101,062,361		155,039	
England . . . . .	£	232,500	242,561	10,061	...	
Exchange . . . . .	Rx.	116,200	121,771	5,571	...	
TOTAL . . . . .		Rx	101,566,100	101,426,693		139,407
EXPENDITURE.						
India—						
Imperial, Provincial, and Local	Rx	71,603,300	71,510,267	93,033	...	
Adjustment of Provincial and Local						
Surplus or Deficit . . . . .	Rx	+1,417,900	+1,467,351	...	49,451	
NET . . . . .		Rx	73,021,200	72,977,618	43,582	...
England . . . . .	£	16,323,700	16,303,197	20,503	...	
Exchange . . . . .	Rx.	8,161,800	8,184,568	...	22,768	
TOTAL . . . . .		Rx.	97,506,700	97,465,383	41,317	...
SURPLUS . . . . .		Rx	4,059,400	3,961,310	...	98,090

"The differences are small and do not call for comment. It will be noticed that the figures in the above table are set forth in a different form from that adopted in the statements in the Appendices to this Budget Statement. The change in the form of the Appendices is the result of a decision to make an important change in the form of the Estimates and Accounts which I will now explain. The table in the preceding paragraph is the last place in which the now familiar but much misunderstood headings of "Rx." and "Exchange" will appear in this or in future Financial Statements.

## "Change in the Form of Accounts.

"4. The method in which our combined accounts of transactions in India and in England have hitherto been stated may be shortly described as follows. In respect of Revenue and Expenditure, including Expenditure not charged against Revenue, we had, first, columns showing the rupee transactions in India in tens of rupees, secondly, a column showing the sterling figures in pounds sterling; thirdly, a column headed "Exchange" showing the addition required to the sterling figures in order to convert them into rupees, or rather tens of rupees, this addition being the difference between the equivalent of the sterling at a conventional rate of exchange of 2s. the rupee and at the average rate obtained for Council Bills for the year, and, lastly, a column which gave the figures of the preceding columns added

[21ST MARCH, 1900.]

[*Mr. Dawkins.*]

together and exhibited the total of the rupee and sterling transactions in tens of rupees. These entries showed with absolute accuracy the figures for rupee and sterling transactions both separately in tens of rupees and in pounds sterling, respectively, and when combined, in tens of rupees, while the rupee equivalent of the sterling figures was readily ascertainable by adding together the columns for £ and "Exchange." Nevertheless the method of stating exchange in a separate column gave rise to misapprehension. The figures under the head Exchange, of great magnitude since exchange fell largely below the former rate of 2s. the rupee, were frequently confounded by the public with real losses by exchange. To prevent this misapprehension, the meaning of the word Exchange, as used in the Accounts and Estimates, was clearly explained in footnotes, but these did not suffice wholly to disabuse the public, or even English financial experts, of the erroneous impression. Footnotes are not always read. Moreover, the separation of a portion of the rupee equivalent of the sterling figures under the title of "Exchange" was often criticised on the ground that it was based on the assumption of a fictitious rate of exchange, namely, 2s. the rupee, and that the figures in the column did not really represent Rx. or indeed any other monetary unit. However, in the absence of any stable rate of exchange between India and England, it was not till now found practicable to devise a better method of converting and combining the rupee and sterling accounts. Next, in respect of the figures falling under the Debt and Deposit heads, the rupee figures were shown in one column headed "Rx." and the sterling figures in another headed "£", figures relating to exchange being shown in the "Rx." column, but not distributed over the separate heads, the sterling figures and the ten rupee figures, without any addition for exchange were, however, added together in the column for the total. These combined totals under the separate heads indicated no precise facts, for they represented neither a stated number of tens of rupees nor of pounds sterling, and in recognition of this the total column had no heading assigned to it. The Government of India had always recognised that this plan of stating the combined accounts was open to serious criticism, but they acquiesced in its continuance, because complications of this nature seemed inseparable from a system wherein transactions stated in two currencies having no stable relation in value are combined in one account.

"5. The adoption of a gold standard for India, on the basis of  $R15 = £1$ , having linked the Indian currency with that of Great Britain, and having given a stable rate of exchange that will only vary within the gold points on either side of 16d. to the rupee, it has been decided to remove the misapprehension connected with the present method of statement of exchange in our accounts, and to outflank the difficulty of stating the totals of the Debt and Deposit figures, by the simple expedient of stating the figures in fifteens of rupees instead of tens of rupees. This is equivalent

to converting the whole account of revenue and expenditure into sterling at the rate of 16*d.* the rupee, and the combined figures under the Debt and Deposit heads represent with close accuracy so many pounds sterling. Advantage of the opportunity has been taken to discontinue altogether the use of the symbol "Rx," with which the misapprehensions described above were undoubtedly connected.

"The main changes in the form of the estimates and accounts are—

- (1) The Imperial and Provincial-Local Revenue and Expenditure in India are shown in separate columns in rupees instead of in tens of rupees as formerly;
- (2) The totals under each head in the India columns are stated in £ at the rate of ₹15 to the £;
- (3) The column headed "Exchange" is omitted;
- (4) The "total" column is the sum of the Indian total column and the sterling column,
- (5) Any small differences connected with exchange caused by variations of the actual rates from the fifteen rupee standard are brought to account through the heads XXIV.—Exchange as Revenue, or 31.—Exchange as Expenditure, as the case may be.

"6. Having thus explained the reasons and nature of the change of form, I give in the new form the same comparison that was given in the old form in the table in paragraph 3:—

	Revised Estimate.	Accounts.	Accounts, better	Accounts, worse.
<b>REVENUE.</b>				
India . . . . .	£ 67,478,300	£ 67,353,254	£ ...	£ 125,046
England . . . . .	232,500	242,561	10,061	...
<b>TOTAL</b>	67,710,800	67,595,815	...	114,985
<b>EXPENDITURE.</b>				
India— Imperial, Provincial, and Local . . . . .	47,735,500	47,673,511	61,989	..
Adjustment of Provincial and Local Surplus or Deficit . . . . .	945,300	978,234	...	32,934
<b>NET</b>	48,680,800	48,651,745	29,055	...
England . . . . .	16,323,700	16,303,197	20,503	...
<b>TOTAL</b>	65,004,500	64,954,942	49,558	..
<b>SURPLUS</b>	2,706,300	2,640,873	.	65,427

[21ST MARCH, 1900.]

[*Mr. Dawkins.*]

"The final result is not of course affected by the change in form. The surpluses of £2,706,300 and £2,640,873 in the new form are the equivalents at 16*d.* the rupee of the surpluses of Rx. 4,059,400 and Rx. 3,961,310 in the old form. The same is true of the total Revenue and of the total Expenditure in any Accounts and Estimates in which the average rate of exchange is taken at exactly 16*d.* the rupee, but not in any in which the average rate differs from that standard. The rate was 16*d.* the rupee in the Revised Estimate of 1898-99, and the total Revenue shown in the new form, £67,710,800, is the equivalent at 16*d.* the rupee of the total Revenue shown in the old form, ₹1,01,56,61,000, and the total Expenditure, £65,004,500, the equivalent of ₹97,50,67,000. But in the Accounts the average rate of exchange slightly differed from the standard rate, being 15·9784578*d.* the rupee. The total Revenue in the new form, £67,595,815, converted into rupees at 16*d.* the rupee, is less than the total in the old form by ₹3,29,700; the total Expenditure, £64,954,942, similarly converted is less than the total in the old form, ₹97,46,53,830, by the same amount. These differences are caused by the alteration in the treatment of the difference in the equivalents of the sterling figures when converted at 16*d.* the rupee and at the actual average rate. That difference under the old form was distributed over the various heads of Revenue and Expenditure, and under the new form is not so distributed but brought to account through the head XXIV or 31.—Exchange.

#### "The Famine Relief and Insurance Entry.

"7. Before leaving these arid questions of Accounts, I should also like to draw attention to the change (in the Revised Estimates of 1899-1900 and the Budget Estimates of 1900-1901) in one entry, under the head of Famine Relief and Insurance, which may have escaped Honourable Members. The recent Famine Commission suggested that the full amount of one-and-a-half crores or £1,000,000 should be provided in the Estimates for the Famine Grant, a recommendation in which the Government entirely agreed. That is to say, the Famine Grant, or the unappropriated balance thereof, will, in ordinary years, when receipts exceed expenditure, be a surplus within the surplus. But the allocation of this first surplus in recent years has been obscured by the practice of charging against it expenditure on works which are not exclusively of a protective, *i.e.*, famine character. To make the situation clear it has now been decided that protective works, the cost of which may be charged against the Famine Grant, shall include only such works as may be sanctioned solely and exclusively in view of their value as a protection from famine. This is an extension to Railway works of a practice which has been uniformly followed in respect of Irrigation works. The programme of purely protective Railway works has been practically exhausted, and that of Irrigation works has been much reduced of late years, and, though the latter may be capable of some expansion, the expenditure on these works will not be large, while the

amount required to cover the loss on the Indian Midland and Bengal-Nagpur Railways, which it was specially decided to charge to the grant some years ago, will not usually exceed ₹30,00,000. There will therefore, now that the grant is relieved from charges for such Railways as the East Coast and South Indian, be a large balance in normal years when there is no direct expenditure on famine, a balance likely to increase as the loss on the Indian Midland and the Bengal-Nagpur lines diminishes. It has hitherto been the practice to show this unappropriated balance under the heading of Reduction of Debt, a heading which has puzzled people who ask how there can be a reduction of debt in a year when fresh loans are raised or in which no debt is discharged? We hope to clear up the difficulty by altering this heading to that of Reduction or Avoidance of Debt. It may lead people to grasp more readily what is actually happening in a normal year. In such a year the Indian Government raises more revenue than it actually requires to meet its ordinary charges against revenue by the amount of the unappropriated balance of the Famine Grant. This amount is devoted to expenditure on public works which would otherwise have to be provided by loan. For instance, in a normal year, in which ordinary revenue and expenditure balanced, the Government of India instead of raising a loan of three crores for public works would be able to reduce the three crores by the unappropriated balance, say a crore, of the Famine Grant. Less debt would be incurred in normal years and the credit of Government would be higher, when it was compelled to borrow.

#### “Part I and Part II.

“8. Another change is introduced into the Financial Statement this year. Honourable Members are aware that Part I of the Financial Statement is the only part which is actually inflicted on their suffering ears. Part II, Details of Accounts and Estimates—on which no doubt they fling themselves eagerly when this meeting terminates—was separated off from the main statement some ten years ago, in order to release the main statement (Part I) from being overloaded. Sir David Barbour, a master of clear exposition, effected the separation. Since that time Part II has always been compiled by the Financial Secretary but has issued under the signature of the Finance Member. I think sufficient experience has been obtained to show that the permanent relegation of the Details of Accounts and Estimates to a second chapter or part is useful. It is proposed to continue this practice and to publish Part II with Part I. But as Part II is prepared by the Financial Secretary, it should bear his signature, and its relation to Part I should be explained.

#### “Revised Estimates of 1899-1900.

“9. It has already been stated that the surplus of £2,621,800 taken last year, which there was so much reason to think would be exceeded, has remained practically the same, being £2,552,800. Receipts improved by £607,400, but the expenditure

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increased by £676,400, reducing the anticipated surplus by £69,000. The principal differences will be seen in the following statement:—

## "Estimates of 1899-1900.

Principal Heads of Revenue.	REVENUE.		
	Budget Estimate.	Revised Estimate.	Difference, + Better - Worse
	£	£	£
Land Revenue . . . . .	18,427,900	17,240,800	-1,187,100
Opium . . . . .	4,002,500	4,403,800	+ 401,300
Salt . . . . .	5,838,100	5,879,100	+ 41,000
Stamps . . . . .	3,264,700	3,231,700	-33,000
Excise . . . . .	3,852,200	3,860,600	+ 8,400
Customs . . . . .	3,099,100	3,153,300	+ 54,200
Other Heads . . . . .	6,060,200	5,959,700	-100,600
<b>TOTAL PRINCIPAL HEADS</b>	<b>44,544,800</b>	<b>43,729,000</b>	<b>-815,800</b>
Interest . . . . .	619,000	604,600	-14,400
Post Office, Telegraph, and Mint . . . . .	2,043,400	2,466,300	+ 422,900
Receipts by Civil Departments . . . . .	1,183,700	1,175,300	-8,400
Miscellaneous . . . . .	322,200	545,300	+ 223,100
Railways . . . . .	15,640,600	16,464,300	+ 823,700
Irrigation . . . . .	2,300,700	2,415,200	+ 114,500
Buildings and Roads . . . . .	458,800	441,800	-17,000
Receipts by Military Departments . . . . .	611,800	690,600	+ 78,800
<b>TOTAL REVENUE</b>	<b>67,925,000</b>	<b>68,532,400</b>	<b>+ 607,400</b>
	EXPENDITURE.		
	Budget Estimate.	Revised Estimate.	Difference, + Better - Worse
	£	£	£
Direct Demands on Revenue . . . . .	7,568,300	7,467,500	+ 100,800
Interest . . . . .	1,964,400	1,954,500	+ 9,900
Post Office, Telegraph, and Mint . . . . .	1,985,100	1,972,100	+ 13,000
Salaries and Expenses of Civil Departments . . . . .	10,913,400	10,782,200	+ 131,200
Miscellaneous Civil Charges . . . . .	4,072,400	4,051,900	+ 20,500
Famine Relief and Insurance . . . . .	753,100	2,072,900	-1,319,800
Construction of Railways (charged against Revenue in addition to that under Famine Insurance) . . . . .	2,400	2,400	Nil.
Railway Revenue Account . . . . .	16,133,400	16,472,700	-339,300
Irrigation . . . . .	2,223,200	2,241,800	-18,600
Buildings and Roads . . . . .	4,536,000	4,130,800	+ 405,200
Army Services . . . . .	15,768,000	15,029,600	+ 738,400
Special Defence Work . . . . .		200	-200
<b>TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL</b>	<b>65,919,700</b>	<b>66,178,600</b>	<b>-258,900</b>
Add—Provincial Surpluses . . . . .	...	247,000	-247,000
Deduct—Provincial Deficits . . . . .	616,500	446,000	-170,500
<b>TOTAL EXPENDITURE CHARGED AGAINST REVENUE</b>	<b>65,303,200</b>	<b>65,979,600</b>	<b>-676,400</b>
Surplus . . . . .	2,621,800	2,552,800	-69,000

"10. Revenue shows a falling-off of £1,187,100 or 178 lakhs under the head of Land Revenue. This is mainly due to shorter collections and to remissions rendered necessary by famine. The principal losses occurred in the Central Provinces 35 lakhs, Punjab 37 lakhs, and in Bombay 84 lakhs. The collections in Madras also fall short of the Budget Estimate by about 19 lakhs owing to scanty crops. Opium, however, has come to the rescue with 60 lakhs owing to Bengal Opium fetching better prices. Customs show an increase of over 8 lakhs; a loss in the excise duty on cotton goods on the Bombay side and in the export duties on Burma rice diverted to India, is more than counterbalanced by the new countervailing duty on beet sugar and a larger import of spirits. Receipts from Post Office, Telegraph, and Mint improved by £422,900 or over 63 lakhs. The Mint brought in over 45 lakhs, 32 lakhs came from the profit on new silver coinage, and the remainder was derived from profits on a large coinage of copper coin required for famine relief, and on an increased dollar coinage for the Far East. An increase of 13½ lakhs occurred also under the Telegraph earnings, due to the great number of telegrams relating to the war in South Africa and to transactions in grain, many of them speculative. The famine was also largely responsible for an increase in gross receipts of nearly £820,000 or nearly a crore-and-a-quarter under Railway receipts. The real increase from this cause was even larger than this figure would make it appear, for the Railway earnings had fallen off in the earlier months of the year, and there was a good deal of lee-way to be made up in the autumn. The Railways that contributed principally to this result, taking the difference between the Budget and Revised Estimates of their net earnings, were the—

	Lakhs.
Rajputana-Malwa with a net improvement of . . . . .	30
East Indian                   "                   " . . . . .	26
Bengal-Nagpur               "               " . . . . .	16
Oudh and Rohilkhund       "               " . . . . .	12
Indian Midland               "               " . . . . .	7

"On the other hand, the check in the export trade to our western seaboard, due to plague and famine, resulted in a net loss on the Great Indian Peninsula of 30 lakhs and on the North-Western of 13 lakhs. The net increase in the total Railway receipts, in spite of the large increase in gross receipts, did not exceed 73 lakhs or £484,400. There was also a net improvement under Irrigation of over 14 lakhs, largely owing to the failure of rain in the Punjab.

"11. There is not much to arrest the attention of any one running his eye down the comparative column in the Expenditure figures, until the entry of Famine Relief and Insurance is reached, except a satisfactory reduction under Salaries and Expenses of Civil Departments of about 20 lakhs, due almost entirely to the fact that the reserve for Plague expenditure was scarcely trenched upon, the Provincial Governments



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having generally kept the expenditure on plague within their Provincial grants. The difference shown in the statement above in the entries in the Budget and Revised Estimates under Famine Relief and Insurance is £1,319,800 or nearly two crores. This is, of course, the difference under that entry. But, with reference to my previous explanation, I may point out that the entry under Famine Relief and Insurance does not show the whole of the Famine Grant. To any critic who might ask where, then, in the Budget Estimate is your total crore-and-a-half, the answer is that part of the Famine Grant is shown in the Railway Revenue Account. It may be well to clear up this matter, once for all, since there has been some misunderstanding about it, by running through the total provision for famine purposes made in the Budget and Revised Estimates. Last March the total Famine Insurance Grant, £1,000,000 or one-and-a-half crores, was appropriated as follows 113 lakhs to Famine Relief and Insurance, including Famine Protective Works and Avoidance of Debt, while 37 lakhs was taken in the Railway Revenue Account to cover the net loss on the Bengal-Nagpur and Indian Midland Railways. The total provision made for famine purposes in the Revised Estimate is £2,162,400 or 324 lakhs. Of this, £2,054,800 or 308 lakhs will, it is expected, be devoted to direct famine relief in British districts. A small sum of £18,000 or 2¼ lakhs will also be applied to certain Protective Irrigation Works. Both of these sums are charged under Famine Relief and Insurance. An amount of £89,500 or 13½ lakhs taken in the Railway Revenue Accounts will suffice to make good the interest on the Bengal-Nagpur and Indian Midland Railways owing to the improved earnings, mainly on the former Railway. Of the expenditure on direct famine relief the Central Provinces, where the famine made itself earliest felt, absorb 154 lakhs, Bombay takes 110 lakhs, the Punjab accounts for 22 lakhs, Ajmere 17 lakhs, and other Provinces 4 lakhs.

“ I may also mention here that loans have also been made to Native States to the amount of 48 lakhs, but these are, of course, not charged against Revenue.

“ The increase of £339,300 in the Expenditure chargeable to the Railway Revenue Account was required to earn the larger Revenue. The large saving of £405,200 in the grants for Buildings and Roads represents the usual lapses from the grants for Civil Works which were especially large this year owing to the exigencies of famine requiring greater attention to relief works and to economies in ordinary expenditure. Army expenditure shows a reduction of £738,400 owing chiefly to the despatch of troops to South Africa, Ceylon, and Singapore, the cost of which will be borne

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by Her Majesty's Imperial Government, and a considerable decrease in the payments for Ordnance stores in England also contributed to the result. The correcting entries after "Total Expenditure, Imperial and Provincial," relate to the net improvement in the Provincial Accounts as compared with the Budget Grants. The Famine expenditure has been mainly Imperial, and certain Provinces, principally Burma and Bengal, exempt from famine, have participated in the general improvement that, apart from famine, has taken place, to the extent of some 70 lakhs.

"Before dismissing the fiscal history of the passing year, it may be noted with satisfaction that we were not obliged to have recourse to a loan. My predecessor left me with high balances, and it was decided last March to husband the anticipated surplus of the year in view of the pending report of the Currency Committee. We have not found it necessary to use a single rupee of the surplus for the purposes of our currency reforms, and it was therefore available and sufficed for all our other purposes.

#### "Rate of Exchange.

"12. The rate of exchange taken for the Budget Estimate last March was  $15\frac{1}{4}d$ . I think Sir James Westland would be the first to admit that he caused some surprise by taking so modest a figure. However that may be, the average rate during the first six months of the year was  $16\ 002d$ , but the average rate up to February 28 was  $16\ 069d$ . The expectation is that this year will exemplify the oscillation of the rate in future, that is to say, that in the slack season it will be lower and may approximate to  $1s\ 3\frac{1}{8}d$ , and in the busy season it will be steady at  $1s\ 4\frac{1}{8}d$ . We expect, when this year closes, to have remitted by Council Bills, including those issued against gold received in London, £19,000,000 equal to 2,837 lakhs of rupees.

I need hardly say that for next year we have taken  $1s\ 4d$  as the rate, and with this remark I may pass to the Budget Estimate.

#### "Budget Estimate.

"13. It has already been stated that the Budget Estimate for 1900-1901 gives £70,155,800 as the Revenue, £69,995,500 as the Expenditure, and £160,300 or 24 lakhs of rupees as the Surplus. Following the usual practice I may now run through the various heads, illustrating them by comparison with the same heads in the Revised

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Estimate of the year which is still with us. The statement below will make the comparison easy:—

"Budget Estimates of 1900-1901 compared with the Revised Estimates of 1899-1900.

	Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.	Difference, + Better — Worse.
<b>Revenue—</b>			
Principal Heads of Revenue—			
Land Revenue	£ 17,240,800	£ 18,078,700	+ 837,900
Opium	4,403,800	4,559,800	+ 156,000
Salt	5,879,100	5,845,100	—34,000
Stamps	3,231,700	3,267,400	+ 35,700
Excise	3,860,600	3,819,300	—41,300
Customs	3,153,300	3,134,200	—19,100
Other Heads	5,959,700	6,019,000	+ 59,300
<b>TOTAL PRINCIPAL HEADS</b>	<b>43,729,000</b>	<b>44,723,500</b>	<b>+ 994,500</b>
Interest	604,000	627,300	+ 22,700
Post Office, Telegraph, and Mint	2,466,300	2,397,500	—68,800
Receipts by Civil Departments	1,175,300	1,177,500	+ 2,200
Miscellaneous	545,300	544,200	—1,100
Railways	16,464,300	17,131,500	+ 667,200
Irrigation	2,415,200	2,406,200	—9,000
Buildings and Roads	441,800	443,900	+ 2,100
Receipts by Military Department	690,600	704,200	+ 13,600
<b>TOTAL REVENUE</b>	<b>68,534,400</b>	<b>70,155,800</b>	<b>+ 1,623,400</b>
<b>Expenditure—</b>			
Direct Demands on the Revenues	7,167,500	7,657,100	—189,600
Interest	1,954,500	1,961,800	—7,300
Post Office, Telegraph, and Mint	1,972,100	2,111,100	—139,000
Salaries and Expenses of Civil Departments	10,782,200	11,089,600	—307,400
Miscellaneous Civil Charges	4,051,900	3,934,100	+ 117,800
Famine Relief and Insurance	2,072,900	3,368,300	—1,295,400
Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	2,400	85,200	—82,800
Railway Revenue Account	16,472,700	17,616,900	—1,144,200
Irrigation	2,241,800	2,300,400	—58,600
Buildings and Roads	4,130,800	4,162,800	—32,000
Army Services	15,029,600	16,258,800	—1,229,200
Special Defence Works	200	...	+ 200
<b>TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL</b>	<b>66,178,600</b>	<b>70,546,100</b>	<b>—4,367,500</b>
<i>Add</i> —Provincial Surpluses: that is, portion of Allotments to Provincial Governments not spent by them in the year	247,000	...	+ 247,000
<i>Deduct</i> —Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial balances	446,000	550,600	+ 104,600
<b>TOTAL EXPENDITURE CHARGED AGAINST REVENUE</b>	<b>65,979,600</b>	<b>69,005,500</b>	<b>—4,015,900</b>
<b>SURPLUS</b>	<b>2,554,800</b>	<b>160,300</b>	<b>—2,392,500</b>

" 14. Land Revenue, it will be seen, has been taken at £837,900 or one crore and a quarter higher in the Budget than in the Revised Estimate. It is hoped that famine will have disappeared by the end of next September. The increases in the different Provinces are, Bombay 67 lakhs, Madras 31 lakhs, and Punjab 27 lakhs. There is not much that calls for comment under the other Principal Heads. We have taken Opium at £4,559,800 or 684 lakhs. It is very difficult to forecast the course of prices. But the average price this year has been ₹1,221 a chest, and recent prices have been so good as to warrant us taking an average price of ₹1,200 a chest next year. The small decreases under other Principal Heads are due to famine. Passing further down the columns there is a decrease of £68,800 or over 10 lakhs under Post Office, Telegraph, and Mint. It will be remembered that there was an item of 32 lakhs in the Revised Estimates, profits on silver coinage. To what extent we may have to issue fresh silver coinage next year, after the very large additions that have been made to the volume of our rupee currency this year (this subject will be gone into more fully in another place), is uncertain. But meanwhile we are equipping ourselves with a further half million pounds worth of silver. The Secretary of State has bought this amount, which we expect to receive in April. The profit on coining it is taken at 32 lakhs, the same amount as this year. Profits from copper coinage, however, are not likely to be as large as this year, and we take 3 lakhs less under Telegraph revenue. The anticipated receipts from Railways require some explanation, and it is necessary to cast a glance down to the Railway Revenue Account entry below under Expenditure. A great part of the increase in the receipts is only nominal, because in the last nine months of the year the Great Indian Peninsula will be a State Railway. In the case of a Guaranteed Railway, which the Great Indian Peninsula will continue to be for the first three months, the net receipts only are shown on the Revenue side of the account, and the working expenses are not shown in our expenditure. In the case of a State Railway, gross receipts, of course, are shown on the Revenue side, and working expenses on the Expenditure side. The acquisition of the Great Indian Peninsula, therefore, means a larger addition to either side of the account. Apart from this change in accounting, the Railway Revenue for the year is 53 lakhs less than the Revised Estimates, but we hope that grain traffic will not again be stimulated by famine.

" 15. To pass to Expenditure, under Direct Demands on Revenue there is an increase of 28 lakhs, 18 lakhs of which occur under Land Revenue mainly owing to Famine establishments. The increase of £139,000 or 21 lakhs under Post Office, Telegraph, and Mint is attributable to the normal growth of the first two Departments. Any increase under Salaries is usually jealously noticed. The increase of 46 lakhs in respect

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of Civil Departments is due to a variety of causes. Eight lakhs under Jails are due to Famine, *i.e.*, high prices of food grains; 15 lakhs under Police are largely due to the same cause, Scientific and Minor Departments get 14 lakhs, of which 7 lakhs will go to Census, and the increased expenses of Law Courts will take over 7 lakhs. The striking item in the expenditure columns is, unfortunately, famine relief. I have explained how the total expenditure of £2,162,400 or 324 lakhs in the Revised Estimate is arrived at. The total expenditure for famine purposes of all kinds next year will be £3,505,400 or 526 lakhs, of which all but 5 lakhs will go to direct famine relief in British India, while 20½ lakhs will be provided to make up the loss on the Indian Midland and Bengal-Nagpur Railways. Bombay alone requires over 248 lakhs and Central Provinces 180 lakhs. The Punjab demands 37 lakhs; Ajmer will want 16 lakhs, and other Provinces, chiefly Madras, will want 19½ lakhs. We are meeting the demands of the Provincial Governments in full. We are also assisting the Native States by loans to the amount of nearly 75 lakhs. Grants under the head of Buildings and Roads have been generally reduced in the Provinces owing to famine, but Burma, where the Provincial finances are prosperous, proposes to spend an additional 21½ lakhs out of its wealth on these objects. Military Works expenditure has once more been confined within 115 lakhs. Army Services show an increase of £1,229,200 or 184 lakhs. Of this amount, 37 lakhs must be put down to higher prices of food supplies for men and animals, 22 lakhs are on account of replacement of additional horses sent to South Africa which will be eventually recovered from Her Majesty's Government, and 13 lakhs are on account of the Troopship Service, the cost of which was abnormally low this year owing to the partial suspension of the Home reliefs. Eliminating these items, I may state the increase to Military Estimates at 112 lakhs, of which the re-armament of the Native Army absorbs more than a third. The increase in the Military Estimates is, of course, a payment towards National Insurance. The Military Estimates, and their bearing on our Military policy, are explained by the Honourable Military Member in his Memorandum.

### “Railway Construction.

“16. Under existing arrangements it is the practice of the Government of India to prepare triennial programmes of Railway Construction embracing all Capital expenditure for which Government undertakes any financial responsibility or gives any direct guarantee. The figures for any year included in the triennial programme are also examined in October or November of the preceding year, and the programme of expenditure of the ensuing year is then finally settled in communication with the Secretary of State with reference to immediate requirements for expenditure and to the general Ways and Means of Government.

" 17. The last triennial programme of Capital outlay on Railways was prepared in November 1898 and contemplated an expenditure of just over 20 crores in the three years from 1899-1900 to 1901-1902 distributed as follows :—

		₹	
1899-1900	. . .	₹4,515,100	equivalent to 6,77,27,000
1900-1901	. . .	₹4,485,600	" " 6,72,84,000
1901-1902	. . .	₹4,547,300	" " 6,82,10,000
		13,548,000	20,32,21,000

For reasons already explained by Sir J. Westland last year, it was decided in 1899-1900 to add to the amount originally contemplated, a considerable amount which, as he said, might 'be regarded as arrears of the old programme handed on to the new one' and the grant announced in the Budget Statement was for ₹8,82,27,000. But this increased grant has been exceeded, and we found ourselves obliged to make additional grants of 46 lakhs during the year to meet expenditure beyond their allotments in which the East Indian and the Assam-Bengal Railways had involved themselves.

" 18. The expenditure of ₹6,72,84,000 proposed for the year 1900-1901 in the triennial programme adopted in November 1898 included 1½ crores for new projects. But when, in October last, we resurveyed the programme in the light of the situation at that date, it was found impossible to restrict the expenditure on open line Capital, and on projects already begun, to the amounts contemplated in November 1898. It would have been necessary, in order to meet this class of demand, and also to provide for the new projects set down for the year, to increase the total expenditure on Railway Construction to ₹8,22,84,000. The enormous demands for famine which were looming on the near horizon, prevented any thought of expansion. All new projects had, to our great regret, to be swept aside, and even outlay on works in progress did not escape some reduction. Instead of increasing the figure of ₹6,72,84,000 we reduced it in October to ₹6,54,00,000, but special additional provision has been made for the Assam-Bengal Railway since October, and the final figure for next year will be ₹7,30,84,000 or ₹4,872,300. The totals, ₹6,188,500 or ₹9,28,27,000 in the Revised Estimates and ₹4,872,300 or ₹7,30,84,000 in the Budget, are distributed as follows —

	Revised, 1899-1900.	Budget, 1900-1901
	₹	₹
I. State lines managed by the State or Companies . . . . .	5,25,29,000	3,80,14,000
II Lines of Old Guaranteed Companies and extensions . . . . .	1,00,86,000	49,96,000
III. Lines of other Guaranteed or Assisted Companies . . . . .	2,87,32,000	2,96,24,000
IV. Branch lines on firm guarantee . . . . .	14,80,000	4,50,000
TOTAL . . . . .	9,28,27,000	7,30,84,000

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### "Capital Expenditure on Irrigation.

"19. For some years it has been the practice to provide a fixed grant of 75 lakhs a year for Capital expenditure on Irrigation Works. In the Budget Estimate of the current year the grant was raised to 85 lakhs. We desired to raise the grant substantially during the year, but our necessities curtailed the proposed increase to some 5 lakhs which, moreover, the Department undertook to spend on works providing labour in famine districts. This year's grant will, therefore, absorb about 90 lakhs. Looking to the very remunerative character of the greater part of our Irrigation outlay, and to the immense value in times of scarcity of the food supplies which can be relied upon with confidence to come from the irrigated areas, the Government of India has resolved to spare no effort to make ample provision for irrigation. In pursuance of this policy it has been decided, in spite of our difficulties, to raise the irrigation grant in the Budget to a full crore.

"20. The following are the details of the estimates :—

	Revised, 1899-1900. R	Budget, 1900-1901. R
Mandalay Canal . . . . .	11,00,000	9,00,000
Lower Ganges Canal (including Fatehpur Branch)	9,45,000	4,16,000
Chenab Canal . . . . .	9,15,000	7,90,000
Jhelum Canal . . . . .	26,86,000	34,14,000
Jamrao Canal . . . . .	12,07,000	7,51,000
Other Projects . . . . .	21,20,000	37,29,000
<b>TOTAL</b> . . . . .	<b>89,73,000</b>	<b>1,00,00,000</b>

### "Remittance and Debt.

"21. The following are the usual details of the requirements of the Secretary of State:—

	Revised, 1899-1900. £	Budget, 1900-1901. £
<i>Requirements on Government Account—</i>		
Excess of expenditure on Revenue Account . . . . .	16,249,700	17,071,500
Expenditure not charged to Revenue . . . . .	644,000	6,835,900
Net payments on Remittance Account, etc. . . . .	—419,700	330,000
<b>Total Requirements</b>	<b>16,474,000</b>	<b>24,237,400</b>
<i>Transactions of Railway Companies—</i>		
Net receipts on account of Capital . . . . .	1,606,300	3,413,500
Payments for Stores, etc. . . . .	3,054,400	2,740,600
<b>Net Outgoings</b> . . . . .	<b>1,448,100</b>	<b>—672,900</b>
<b>Net Funds required</b> . . . . .	<b>17,922,100</b>	<b>23,564,500</b>

"The following figures show how the above requirements will be met:—

	(B)	Revised, 1899-1900.	Budget, 1900-1901.
		£	£
By sale of Council Bills . . . . .		19,000,000	16,440,000
Transfer of gold to or from Currency under Act II of 1898 . . . . .		—1,500,000	500,000
Purchase of silver for coinage . . . . .		—500,000	—
By addition to Permanent Debt . . . . .		...	5,922,400
Increase of Temporary Debt . . . . .		...	500,000
Reduction of Cash Balance . . . . .		922,100	202,100
		17,922,100	23,564,500
		17,922,100	23,564,500

"According to the programme announced in the last Financial Statement the Secretary of State intended to renew £4,500,000 Temporary Debt on the security of India Bills, and no addition to the Permanent Debt of Government was intended. This intention has been carried out, but the amount of Temporary Debt created and discharged has been £6,500,000 owing to some of the India Bills having been issued for six months and having consequently to be replaced twice within the year.

"22. The heavy trade demands for remittances during the year enabled the Secretary of State to raise his drawings on India from £17,000,000 to £19,000,000, but owing to the Famine expenditure, the treasury balances in India were not sufficient to meet the demand in full, and £1,500,000 out of the total drawings were met out of the Currency reserve, the gold being set apart in England under Act II of 1898. The Secretary of State has also employed £500,000 of the proceeds of Council Bills for the purchase of silver for coinage into rupees, the Government of India having decided that a further coinage of rupees, in addition to the coinage of the present year, is desirable. Thus the net addition to the Home Treasury balances by means of Council Bills in the year has been £17,000,000, the same amount as was entered in the Budget Estimate. A sum of £650,000 will be received from Her Majesty's Government in repayment of the disbursements in India in connection with the despatch of Troops to South Africa. With other insignificant differences the total reduction of cash balance during the year is now estimated at £922,100 against £1,487,100 taken in the Budget Estimate.

"23. It will be seen from Statement A in paragraph 21, that the gross requirements of the Secretary of State for 1900-1901 amount to £24,237,400. The first item is "Excess of Expenditure on Revenue Account" £17,071,500. The second item,



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£6,835,900 opposite "Expenditure not charged to Revenue," is exceptional in character. Part of this expenditure is, as usual, for stores, but the far greater part, £5,922,400, is really a book entry connected with the purchase of the Great Indian Peninsula Railway, and will be explained below. The gross requirements are reduced by the surplus of the money raised by Railway Companies over the issues to be made to them (that is, by £672,900). Therefore the net requirements become £23,564,500. Statement B will show how it is proposed to meet this net requirement. The Secretary of State's drawings will be limited to £16,440,000 to which are added £500,000 from an increase in Temporary Debt in the form of India Sterling Bills, while £202,100 will be taken from the Cash Balance in London. In addition, the Secretary of State will receive a further sum of £500,000 from gold forming part of the Currency Reserve, but held in London, on the payment of the equivalent in India into the Currency Reserve here from silver purchased this year for coinage in India. The entry opposite Permanent Debt of £5,922,400 completes the £23,564,500. It represents the Debentures and Debenture Stock of the Great Indian Peninsula Railway Company, which will be purchased on June 30. This is really no increase to the Permanent Debt, and no new liability, for, when the Great Indian Peninsula was a Guaranteed Railway, the Secretary of State was always ultimately liable. It is in fact a book entry and balances a book entry of a corresponding amount included under the item of £6,835,900 in the statement of the Secretary of State's gross requirements. Owing to the assistance procured in these various ways the Secretary of State avoids raising fresh Permanent Sterling Debt.

"We estimate that in India we shall have to borrow for Ways and Means up to three crores of rupees.

"24. These announcements, both as regards the amount of Council Bills and as regards loans in England and in India, are made with the usual reservation of entire liberty to the Secretary of State and the Government of India to vary the amounts as may be found convenient.

#### "Financial Changes in 1899-1900.

"25. In turning to the financial changes of the year, it must be premised that under the pressure of famine Government can do little more than cope with immediate difficulties, and mark time so far as the fiscal system is concerned. Nevertheless, this year has witnessed the working of new economic legislation destined, perhaps, to be far-reaching in its effects. I refer to the Tariff Amendment Act whereby countervailing duties were imposed on bounty-fed beet sugar. The Act received the assent of the Governor General on March 20, 1899, but, as it did not apply to sugar in transit, its actual operation dates from the current financial year. Responsibility for the

actual introduction of a more momentous measure belongs exclusively to the twelve-month now terminating. India has at length emerged from a period of transition in her currency, has reached the goal to which she has been struggling for years, has established a gold standard and a gold currency, and has attained that practical fixity in exchange which has brought a relief alike to the private individual and to the Government finances. Yet, it is not only as regards currency that India has been called upon to set her house in order. Her equipment as regards banking is admittedly unsatisfactory and retards her development. There is, indeed, unanimous agreement on this point, although, as is natural, in a matter of extreme intricacy and where divergent, or apparently divergent, interests are concerned, there are various opinions as to the really weak places in the equipment, and as to the remedies to be applied. The outgoing year has witnessed no legislation on this important subject, but there have been discussions which, I venture to think, have contributed to clear up some of the issues involved, and the Secretary of State has the views of the Government of India now under consideration. I may perhaps beg the indulgence of Council if I proceed to touch in some detail on these three important events which distinguish the year, countervailing duties, currency legislation, and the examination of our banking position.

#### “ Countervailing Duties.

“ 26. The countervailing duties on bounty-fed beet sugar came into force, as I have said, in the current year, practically not until May. We have, therefore, the experience of less than a year to guide us, and indeed the figures from May 1899 to January 1900 are all that are now available. It is most unfortunate that trade was conducted under abnormal conditions of plague, or of plague and famine, during this period, and we cannot, in consequence, even look to these months as throwing light on the effect of the measure under normal conditions. Nevertheless, the figures will have considerable interest for Council, though I should myself like further experience, under more normal conditions, before drawing any final conclusion. Austria is our great purveyor of beet sugar. The total exports of beet sugar from Austria-Hungary to all the world are worth about £5,500,000, and constitute one-twelfth part of that empire's entire exportations, Austria-Hungary is therefore likely to fight hard for this trade. The total amount 498,484 cwt. received by India from Austria during the nine months I have taken was 26 per cent. less than the amount in the corresponding period of 1898-99 and 25 per cent. less than that of 1897-98. German beet sugar, which had been largely displaced by its Austrian rival before our legislation was undertaken, dwindled from 300,604 cwt. in the nine months of 1898-99 to 31,138 cwt. in the nine months ending last January. The total imports of beet sugar, 530,705 cwt., the additional duties on which are expected to yield in the whole year some 7 lakhs, were accordingly 44.6 per cent. less than in the corresponding months of 1898-99 and 63.5 per

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cent. *less* than in the corresponding months of 1897-98, but they were 63·3 per cent. *more* than the average in the same months of the five preceding years. The fluctuating character of the importation is very noticeable. Nevertheless, the diminution in the imports this year compared with the last two years is striking, and taken by itself the decline might be held to indicate that the import of beet sugar had been arrested; but, at the same time, it must be remembered that there was a quite sudden and abnormal expansion of imports in 1897-98, that stocks were unusually large in Bombay in 1898, and that the entire decline in the imports of beet sugar has occurred in Bombay and Karachi, indicating also, I am afraid, that the purchasing power of the people on our Western sea-board has been sadly reduced by their accumulated disasters. The total import of sugar into India during the nine months was beet sugar and cane sugar together, an aggregate of 2,308,432 cwt. or 11·7 per cent. less than in the previous corresponding nine months, 22 per cent. less than in the same months of 1897-98. The value in sterling was £1,681,138. The decline in beet has been in part made up for by larger imports of cane sugar. As regards these, I find that the imports from Mauritius are smaller than last year but larger than the year before; those from Java and China rose considerably. Passing to the influence of the Act upon prices, it is notable that prices rose immediately after the Act, though they are now tending to decline, and the rise in prices may, I think, be assigned principally to the measure. Producers of cane sugar in China and Java have profited by the rise in price. How far it has benefited Indian producers it is impossible as yet to say. We are awaiting replies from the Local Governments on this point, and are not yet able to say whether native refining industries have received any stimulus.

#### “Trade and the 1s. 4d. Rate.

“27. Before proceeding to the second event, which distinguishes the financial year, the introduction of the gold standard and gold currency, I would, as a preliminary, invite attention to the volume of trade in the past ten months. Special reason exists for looking closely into these figures both with regard to the trade balance on which India depends to meet her foreign obligations, and with regard to the sterling rate fixed for the rupee. Strong objections were taken to stereotyping the rupee at 1s. 4d. on the ground that the trade of 1898-99 was altogether unprecedented and abnormal, that such a volume of trade was unlikely to recur, and that the normal volume of trade required a rupee at a lower sterling ratio. It was further urged that a rupee appreciated to 1s. 4d. would check exports, and would, in particular, exercise an evil influence on our opium revenue and trade with China. How far have these objections been supported by facts, how far do the figures of the year indicate what is the normal volume of Indian trade? The answer to these questions will, I think, dispel any apprehensions that may still linger as a consequence of the objections mentioned. It might, indeed, have

been expected that our trade would not have kept at the level of 1898-99. It has been carried out under conditions which have certainly checked anything like a normal rate of growth. Plague has been with us the whole time, the failure of the rains and famine came early, and the cotton-spinning and weaving industry has been more or less in a critical condition owing, I think, to over-production in relation to the Chinese market. In spite of these adverse conditions the total volume of our trade, excluding Government transactions, measured in sterling compares as follows with the trade of the corresponding ten months of preceding years :—

First Ten Months.	Imports.	Exports	Total Trade.
	£	£	£
1897-98 . . .	48,932,487	55,976,774	104,909,261
1898-99 . . .	44,252,991	65,045,099	109,298,090
1899-1900 . . .	50,367,975	64,993,058	115,361,033

The import trade completely recovered from its depression, at any rate as far as the earlier months of the year were concerned. Some part in this increase is due to fresh capital coming out to India, and the imports of gold, in sovereigns from Australia and in gold yen from Japan, play a large part. But it was the effect of the 1s. 4d. rupee on the export trade that was chiefly dreaded, and it was in respect of exports that 1898-99 was declared to be an unprecedented year. The figures do not bear this out, although there has been a serious decline in the export of wheat and in the export of rice, owing, as regards the latter, to the rice, which would otherwise have been exported to foreign countries, being diverted to the famine districts in India. Nevertheless, in spite of this, the decline in the whole value of the exports is a very small fraction. Whether February and March, with the continued diversion of rice to India, and the failure of cotton and oil-seeds in Western India owing to the drought, will yield results on the same scale as the months under review, is doubtful. But I think it is clear that our exports, even under the depressing circumstances of this year, show that 1898-99 was in no sense an exceptional year, and that their expansion in happier times may confidently be counted upon. I have alluded to the diversion of Burma rice to India. The extent to which Burma is becoming the food reservoir of India is remarkable, as the following figures will show :—

First Ten Months,	Total quantity of Burma rice produced Tons.	Quantity of rice sent to India Tons.	Value of Burma rice crop [ based on Rangoon prices in the rice season ] £
1896-97 . . . . .	2,384,000	168,500	12,800,000
1897-98 . . . . .	2,611,000	500,300	12,400,000
1898-99 . . . . .	2,243,000	259,000	10,650,000
1899-1900 . . . . .	2,790,000	427,700	14,100,000

Rice indeed is our premier export crop. The hopes that were once founded upon wheat have been disappointed. In the last six years the average annual value of the

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wheat trade has been about £2,700,000, that of the rice trade over £8,500,000. Wheat in India is a very uncertain crop, and the demand for it hardly exists except when crops are short elsewhere. But Lower Burma has never known a failure of the rice-crop, the demand for Burma rice is constant, and the Burma crop is a dominating factor in the markets of Europe, Asia and South America. Looking further into the figures of our exports it is notable that the export of food grains is about £5,050,000 less than last year, but other articles have come to the rescue, including, amongst many others, tea, raw sugar, wool, jute and its manufactures, coffee, hides, opium. The increase in the last item but one, hides, is not, however, a matter for congratulation, as it is largely due to the mortality among cattle in consequence of drought. But the statistics for opium do not support the allegation that the enhancement of the rupee, and the fall in the China exchange on India, would check the opium revenue. The demand in China has been brisker, and the average price ₹1,221 realized per chest is higher than the average prices ₹1,023 and ₹1,055 in 1897-98 and in 1898-99. I trust that this examination of our trade will be considered sufficient to allow me now to pass to the gold standard without further discussion of the sterling rate adopted for the rupee.

#### “Gold Legal Tender.

“28 The measure passed on the 15th September to make gold legal tender in India was the outcome of the Indian Currency Committee's Report. Clear and convincing as the Report was, and desirable as it seemed to give immediate effect to its recommendations, the Government was subjected to considerable pressure to defer action when the Report appeared. We received urgent representations from several important quarters to hold our hands. It was contended that in making the sovereign legal tender Government abandoned the advantages which the monopoly position of the rupee gave for attracting gold, that the moment the sovereign was legal tender, it would cease to reach Government, it would be absorbed, would disappear like rain into the sea, etc., so that the gradual accumulation of gold would be arrested, and that Government would be driven into borrowing for its stock of gold. We considered these objections carefully, but decided that the case for postponing action was not made out, and believed that exchange would tend to settle, at any rate in the busy season, at the maximum level possible under our policy, and that gold would not be deflected but would still reach us. The result is well known. The alarmist predictions of our friends have not been verified. Instead of gold ceasing to reach us we have almost been swamped with gold. Difficulties, of a temporary character, it is true, have arisen from its plethora, not from its scarcity, so true is it that the unexpected always happens.

“29 I do not venture to claim for one moment that Government foresaw the enormous inrush of gold which has been brought about by the withdrawals of silver up-

country on account of famine relief by unusual movements of grain, and by the requirements of an exceptionally large rice crop in Burma and also by capital coming out to India. But it is not unfair to claim that the reasons which decided Government to take instant action have proved sound, and that, independently of the abnormal causes to which I have alluded, the operation of other causes on which Government relied has not disappointed us. As I have said, we have been nearly swamped (temporarily) by gold. The amount in our currency reserve on April 1, 1899, was £2,030,000. It stood on March 7, 1900, at £7,069,800; the amount accumulated in London under Act II of 1898 stood at £1,500,000 making the aggregate £8,569,800. The difficulty has been that of meeting the demand for rupees in exchange for notes or gold tendered to us. To meet this demand we could rely in the first place upon the silver liberated from the currency reserve by the gold taking its place. But it is obvious that a certain number of rupees must be kept to meet the needs of the public, and that the stock of rupees must not, therefore, be unduly reduced, while the amount of gold that can conveniently be kept in the actual currency reserve in India must depend partly on the extent to which gold will pass into circulation. It has been decided as a tentative measure to hold £5,000,000 in our reserve in times of low balances, though this normal amount may be increased in the time of high balances, and to pay out any gold in excess of the £5,000,000 minimum reserve. Now, if we had only paid out silver up to the extent of five millions of gold, we should of course have released  $7\frac{1}{2}$  crores of rupees. But the gold which has been passed into us for silver in India amounted up to the 10th of March to £7,208,000 and has drawn out from us 10 crores and 81 lakhs of rupees. In addition there was the amount paid out on account of gold received in London, so that our balance of coin in silver rupees began to run low. We decided, therefore, to re-coin some uncurrent silver we had by us and also to buy new silver for coinage. Our new rupee coinage will amount to about  $2\frac{1}{2}$  crores. We neither propose to add more rupees than are necessary of new coinage to the circulation, nor to hamper trade by refusing rupees for gold or notes presented.

“ To sum up, before the beginning of the present year we had added 305 lakhs from our reserve to the volume of silver circulation in exchange for gold presented to us. In this year we have added 776 lakhs in exchange for gold presented in India, and 225 lakhs in exchange for gold paid in at home, a total for the year of 10 crores 1 lakh. To enable us to make these additions we have had to coin new rupees, amounting to about  $1\frac{1}{2}$  crores, and to ensure our meeting further demands we have decided upon supplementary coinage to the extent of 1 crore, a total, as stated above, of  $2\frac{1}{2}$  crores.

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## "The Rupee, Currency.

"30. This brings us to the important question of the relation of the silver currency of India to the functions which it has to perform. Perhaps it is not rash to assume that in 1893, the silver currency was redundant. It is impossible to arrive at mathematical accuracy on this subject; but its importance is extreme, and although I am aware that I shall be treading on controversial ground, it is not right to pass by on one side. There are such enormous deductions to be made from the quantitative theory in western countries, amply equipped with credit money, with progressive transport, and with constant reductions in the number of hands employed in given industries, that the theory virtually disappears from sight, and that the quantity of standard coin offering in the market probably operates only in so far as Bank reserves may be concerned. But in India where these deductions cannot be largely made, and where other conditions do not change rapidly, the quantity of currency being supplied and offering in the market must have a very material effect in regulating its value in exchange with other commodities. Therefore the relation between the volume of the currency, and the duty that is thrown upon it, is very important in India, not only as regards rupee prices in the country, but as regards exchange through the influence of rupee prices on exchange. I am not of course denying that exchange also depends upon the relation between our exports and imports, but it must not be forgotten that the volume of currency as influencing rupee prices is another material factor. To put it in an extreme form, could it be denied that if the quantity of currency offering in the country was suddenly doubled, other things being equal, that is to say, other conditions remaining unchanged, prices would not also tend to double, and exchange to fall in a corresponding ratio? Therefore our currency policy, as a whole, must be affected by the relation between the volume of currency and the number of transactions, and it is essential that the currency should adapt itself automatically to the requirements of trade. Looking to the events of this passing year my own impression is that the redundancy or superfluity of the silver currency that formerly existed has been absorbed. At the same time the normal march of affairs has been complicated by unusual factors, such as the famine and drain of silver to relief works, and there is need for caution. We shall be in a much better position to form a sound opinion as to the sufficiency or otherwise of our silver currency when silver coin flows back to trade centres from famine districts, and when we have had the experience of contracted trade in the summer months. The influence of the return of this silver and of the after-effects of famine must be awaited with some anxiety on the part of Government—an anxiety which, however, will be mitigated by the fact that the accumulation of gold, available for foreign remittance, has been much larger than we could have reasonably expected. I say the after-effects of famine because I believe, though it may seem paradoxical, that famine stimulates exchange. Or, rather, that this is the immediate effect of famine owing to the withdrawal

of rupees from trade centres and the consequent greater demand for the rupees left in those centres, while the curtailment in exports resulting from shorter crops does not influence exchange until some months after famine has made its appearance and after the expenditure on famine relief has begun. However, under our present system the volume of the silver currency may be fairly regarded—under normal circumstances, for I must except famine demands—as adjusting itself automatically to the duty thrown upon it; in other words, to the demands for it. I should indeed shudder if it were left to the Government to determine, with nothing to guide it, whether the currency was or was not redundant, and to take action accordingly. It would be more than difficult to steer a middle course between the Scylla of stringency with lowering of prices and the Charybdis of dilution of the currency with depression of exchange. But henceforward the Government will be guided by the trade demand for our silver-circulating medium, for our notes printed on silver as we may really regard our rupees as being, the trade demand expressing itself in the presentation of gold. As long as Government refrains from coining rupees, except upon the demand of trade, there can be no dilution of the currency. There can be no contraction, as long as trade, if it needs rupees, has only to tender a sovereign to obtain silver coin in exchange, coin already in our balances or new silver coin if the balances will not suffice. The only difficulty will consist in closely watching the times and seasons so that the supply may be there to meet the demand and not be forestalled, as rupees take time to coin. But experience will soon supply indications for the future. It has already been stated that we are in process of equipping ourselves with additional silver to the value of one million sterling. The only other intervention of Government that I can foresee will possibly be recourse to shipping surplus gold to Europe as a temporary corrective in abnormal times, ~~to be~~ as upon the return from up-country of silver coins after a famine. It might, under such circumstances, be desirable to restrict Council Bills temporarily. But the inflow and outflow of gold through private agency, according as the demand varies in either direction, is expected to become a regular factor in Indian business.

#### “Gold in Circulation.

“31. Having thus dealt with the general question of our currency, I may now turn to an interesting point: how far gold coins are passing and are likely to pass to general circulation? It has been said that we resolved when our gold reserve exceeded the fixed minimum of £5,000,000 to pay out gold. We began to give out gold on January 15. I may perhaps explain that Government has no intention of forcing gold upon a reluctant public, although, now that the public has spontaneously taken a certain number of sovereigns, we thought it was not unjustifiable to familiarize people more widely with gold by cashing Postal Orders in Presidency-towns of the value of Rs 15 or £1 in gold coins, and we also propose to pay certain salaries in gold



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in the Presidency-towns. Recipients of these gold coins can, of course, always get silver for them, if they really desire silver, by tendering them at the Currency Offices. The amount of gold taken out from the Currency Offices voluntarily by presenters of notes from January 15 to March 10 has been £130,700. Calcutta easily ranks first on the list of towns that are taking to the use of gold. Calcutta has absorbed £84,309. I believe that the rate at which gold is taken is likely to increase slowly, and that gold will pass gradually into general circulation in our sea-ports and large towns. No expectation was ever formed, nor is there any reason to desire, that gold would penetrate into the interior, or that the large mass of transactions in the country would ever be conducted except through the medium of silver and copper. Gold is behaving very much as we anticipated. We have been frequently told, and with perfect justice, that we could never claim to have a true gold standard in India until we were prepared to exchange gold for rupees as well as rupees for gold. By being prepared to exchange I do not mean that we should accept a legal liability to give gold for rupees, but that in practice, as for example in France, anybody who wanted gold for internal purposes should be able to obtain gold freely, without let or hindrance. Theorists, indeed, argue that neither France nor the United States possess a gold standard in the full and complete sense of the words. But I think no one will dispute that if we can advance to the same position as France we shall have attained a gold standard for all practical purposes. A year ago it seemed that we should probably have to sit for a long while under the reproach of our critics, and put up with what has been termed an 'exchange standard.' It then appeared impossible that in twelve months we should be paying out gold to anybody who asked for it. We are doing so now. Whether we shall be able to continue to do so without check or interruption, whether now we have once started giving gold for rupees we may not have to suspend temporarily, is not a matter about which confident prediction can be made. But it would be reasonable to say that the auguries are not unfavourable for our being able to pursue the path on which we have entered. Our position in respect of gold is strong. In India and in London we have accumulated nearly £8,600,000. We have, as I have explained, set aside £5,000,000 for the present as our minimum reserve against eventualities, against the contingency of the Secretary of State's being obliged to restrict or curtail his drawings and to ask us to ship home gold to enable him to meet his obligations. Any gold received in excess of this minimum, or of such minimum gold reserve as may, with further experience, be established, we shall be ready to pay out as we are paying it out. But the probability is that the gold reserve, ultimately available for foreign remittance, will continue to exceed the minimum experimental reserve. Gold is still coming in, though the inflow is expected to slacken, and may, with confidence, be expected to reach us at least in every busy season. And in addition to the gold received from abroad, we may reckon upon the gold mined in India. It has been decided to constitute a branch of the Royal Mint

at the Bombay Mint for the coinage of gold. The terms of the proclamation to be issued under the Imperial Coinage Act have been settled, and we are merely awaiting now until the Royal Mint has satisfied itself as regards the Mint premises and appliances at Bombay. A representative of the Royal Mint is starting this week for Bombay to report. The gold from the Mysore mines is, indeed, already reaching us in anticipation of coinage, and we count upon receiving an annual increment to our stock of gold of from one-and-a-half to two millions from this source. And may I perhaps express satisfaction in passing that we have been able to assist the Indian gold mining industry by saving it the freight and charges incidental to the transmission of its gold to London?

### “Exchange and Telegraphic Transfers.

“32. It is but a few years ago, since a Finance Member exclaimed at this season ‘Exchange is still the only burden of my song,’ and on looking back through the Financial Statements and discussions of the last twenty years exchange is writ large, very large, on every page. There is little to be said about exchange this year. The object of the Government, a stable exchange between the gold points, *i.e.*, an exchange varying between 1s. 3½d. and 1s. 4½d. or, in the case of telegraphic transfers, 1s. 4½nds, has been maintained. Indeed there would be nothing to be said about exchange, were it not for the fact that for a brief period, and for exceptional reasons, exchange advanced above 1s. 4½nds. I refer to the action of the Secretary of State in deciding in January to limit telegraphic transfers under Act II of 1898, whereby silver can be obtained from the currency reserve against the deposit of gold in London: to limit them, I should explain, by progressively enhancing the price for such accommodation. The situation that dictated such action was to some extent caused by the Exchange Banks, who, as profitable employment for money existed in London, had not brought out money to India at the beginning of the season. Indeed the Exchange Banks in December urged that any loans which Government might be able to make to the public should be made to them as well as to the Presidency Banks, or failing this, if the loans were made through the Presidency Banks, they demanded to have a first refusal of this money to the exclusion of merchants, European and Native. The request was refused.

“33 The season opened, therefore, without the assistance of the money that is usually brought out before Christmas by the Exchange Banks. But after Christmas, when rates grew easier in England, there was a sudden demand for transfers to obtain money here, while at the same time there were unprecedented demands for coin to move a record rice crop in Burma, together with an increasing drain of silver to the famine districts, and an inflow of gold exceeding expectations. The silver coin reserve of Government in consequence rapidly neared a point at which it was impossible to continue to meet unlimited transfers. Therefore the Secretary of

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State decided to limit the demands by gradually raising the rate, thus meeting the most urgent demands, and weeding out the less urgent, while warning those whose demands were not so urgent to ship gold to India. No other course was practical. The liability of the Secretary of State to keep the tap turned on indefinitely at 1s 4½d. has been asserted. But I cannot see that any positive liability exists, and I wonder if those who assert its existence would have preferred that the stability of our currency (whose situation they were well able to appreciate and follow) should have been affected by the reserve of rupees being dangerously reduced? There is another observation to be made, though I am afraid it may be resented in certain quarters because it is inconveniently true. The incident exemplifies the difficulties which Indian trade is likely to run into, if the Banks and merchants trust to Government always meeting their demands from its resources instead of supplying themselves with funds.

#### “Banking Discussion.

“34. I have already stated that the current year has been marked by much discussion on the banking situation in India. It was inevitable that this discussion should arise. Recent years in India have abounded in periods of stringency, and more than one exceptional measure, such as the reduction of the silver in the currency reserve, has been taken to deal with an imminent crisis. It has long been clear that something is amiss, if not actually rotten, in the State of Denmark. Writing in December last the Bengal Chamber recorded a deliberate opinion that its members ‘are convinced that in the busy season the banking facilities of India are not sufficient for the trade and satisfactory development of the country, and at times of pressure the existing arrangements for giving relief seem to them to be quite inadequate.’ These are grave words. That discussion indeed has not supervened earlier may be attributed to the existence of general hesitation while India was passing through the transitional stage immediately following the closure of the Mints. But the moment India emerged from that stage the subject pressed for consideration, and this is an answer to the somewhat wild statement that Government has forced on this question, because the establishment of a gold standard was not proceeding fast enough in its judgment, in order to hasten this desired consummation. In so far as the establishment of a gold standard (which has perhaps proceeded even faster than our desires) has had any influence on the matter it is this. We have been told to expect with a stable exchange that British capital will more readily seek investment in India, and indeed there are more than indications that reasonable expectations will not be disappointed, for a not inconsiderable amount of capital has come out. The tide has turned. But if capital seeks India more readily, investments will no doubt be made in mines, railways and industrial enterprise generally, and there will arise a demand for banking facilities in connection with these investments. The revision of our banking situation was, therefore, in nowise part of a design to hurry

on the gold standard, but followed upon the initiation of that standard. The matter was brought to a head by a request, and a very natural request from the Presidency Banks, for the extension of their statutory powers. We thoroughly sympathized with that request; not so much in the interests of the Banks, as in the interests of the development of India. But a doubt existed, and had previously found expression, how far, in view of their capital and resources, it was prudent to extend the operations of Banks which are the custodians of the public balances, and in whose cash balances the Government account bulks so largely. The Bank of Bengal stated in a letter of the 2nd of December last that the Directors were of opinion that the restrictions imposed on their operations might be 'withdrawn with safety and advantage without *in ordinary times* overtaxing the resources of the Banks,' and added that they 'would not be disposed to countenance any great extension of the Bank's investments in securities which might not be easily realizable.' But we have to legislate for extraordinary as well as for ordinary times, and the securities of Assisted Railways and District Boards will probably not be easily realizable for some time to come. The discussion of the banking situation to my mind has been of great utility, and I cannot believe that the discussion, to which valuable suggestions have been contributed from many quarters, and in which the public has taken so much interest, will not, sooner or later, result in some important improvement. The Government of India for its part carefully considered the various representations and arguments that have been made, and has submitted comprehensive recommendations to the Secretary of State. No answer has yet been received, nor, considering the importance of the subject and the shortness of the time, could an answer have been received. As anything which can elucidate the subject is not amiss, I may perhaps before leaving the question offer one explanation. Considerable criticism has been directed against the proposed project of a 'State Bank.' It was not unnatural perhaps that some misconceptions should arise until the exact recommendations of the Government are made public. But, on the other hand, nothing has been stated by the Government, nothing was said by myself, when I had the honour to explain in Council, in answer to the Honourable Mr. Arthur, the suggestions I should make to Government, on which an allegation could be founded that the creation of a State Bank was contemplated. It is right to say this to remove the apprehensions that have been expressed in certain quarters of State intervention, State competition and other unspeakable horrors. What I then said I would suggest to Government for consideration was that a Central Bank of India, with branches possessing large local autonomy, might be formed by the amalgamation of the three Presidency Banks; that this Bank might, under certain conditions and restrictions, have access to London, and that to this Bank, as to an Agent, might (though this is not an essential condition) be entrusted the management of the Paper Currency. The arrangement as regards the note issue would be analogous to that which obtains in England. As regards its banking side,

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the Bank would have, as the Presidency Banks have now and as the Bank of England has now, the custody, at any rate to a large extent, of the public balances; and as in the case of the Bank of England, the profit derivable from the Government balances would be considered in fixing the remuneration of the Bank for doing the public business. If anybody cares to call a Bank framed on these lines, a Bank in which the Government holds no shares, on whose Board it has no Director, in whose banking profits it has no interest—if there is anybody who desires to term such an institution a State Bank, and to detect behind it the gruesome spectre of State competition, of course he is at liberty to do so. But he must then be equally prepared to call the Bank of England a State Bank, which it notoriously is not in the accepted meaning of language.

#### “ Government Balances.

“ 35. There is yet another question at which I beg leave to glance in connection with the history of the year. I mean the utilisation of the Government balances in the busy season. It may be as well, perhaps, though the matter has been frequently discussed and explained of late, to go over the ground once more. Government keeps its working balance in the Government Treasuries, the Reserve Treasuries and the Presidency Banks. Government Treasuries are maintained where there are no Presidency Banks or their branches. The Reserve Treasuries were instituted by Lord Northbrook to give Government control over a certain sum of money for emergencies, Government having been resisted and hampered on two occasions when it required to withdraw its own funds from the Banks for pressing needs. As regards the Presidency Banks, Government keeps a balance at their Head Offices maintained at a fairly constant figure, and this balance may, in fact, in so far as it exceeds what is really required for treasury purposes, be considered as additional to the real working balance of Government. But there are seasons when the Government receipts exceed the amount required for its working balances and for the constant balance at the Banks. It might be supposed that this excess should naturally go into the balances at the Presidency Banks, and that the Government balance should shrink or expand according to the receipts or outgoings of Government. It has, however, been the arrangement, and a deputation from the Bengal Chamber of Commerce in 1898 recognised that it was advantageous, to have a fairly constant balance with the Presidency Banks, while the excess receipts of which I have been speaking flow into the Reserve Treasuries which, rather than the Banks, are thereby primarily exposed to the sudden and fluctuating demands which war and famine and all the exigencies of a great Government may entail. So far, therefore, as the Government balances in the Presidency Banks do not, as might be expected, mount up in the busy season, which is also the season of revenue collections, the Government is not open to the reproach of locking up its balances. I do not see that the arrangement could be changed under present circumstances,

and Government could hardly move in the matter except at the request of the business community who were a party to it. Whether it would be not more natural to pass in all the Government receipts if the Banks had a larger capital, and larger resources, and the Government could always count on getting its own money without serious disturbance, and whether the Reserve Treasuries are not an anomaly, but a disagreeable necessity, due to existing circumstances, are other and larger questions. If the Reserve Treasuries did not exist, if there was a Bank powerful enough to ensure Government obtaining any money it called for, a larger part of the money collected by Government would be returned into ordinary channels and be available for trade. The real gist, however, of the accusation that Government locks up its balances is concerned with the granting or refusal of temporary loans in the busy season from those funds which I have described above as the receipts in excess of our working balance. That was a subject which was gone into last year, and the Secretary of State has laid down and made public the conditions under which such loans may be granted. There is no unreadiness to make loans under those conditions, but the history of this year enforces the danger of relying on such loans. We had one application this year for a loan for 30 lakhs to Bombay to avert, so we were assured, a most imminent crisis. We were not in a position to make the loan; and moreover those who principally urged us to make the loan, who were representatives of the Exchange Banks, could always have procured funds for their customers through the Secretary of State's telegraphic transfers. Indeed this was admitted: but it was urged that transfers at the rate at which the Secretary of State was then selling were to be boycotted. The crisis was conjured without our assistance: but I refer to it as showing the danger of relying upon Government assistance and indicating doubts as to the sufficiency of banking strength in Bombay. To have a crisis threatened in an Imperial City of the importance of Bombay for want of ₹30 lakhs points to a very narrow margin.

#### “ Conclusion.

“ 36 Famine has left a deep impress upon the financial history of this year, and will make an even deeper impress upon the year we are shortly entering. But looking back on the past twelvemonth we may congratulate ourselves, at least, on having passed to a gold standard through the continued closure of the Mints and the ordinary operations of trade without having added to the indebtedness of India. The uncertainties in both public and private finance owing to a fluctuating and falling exchange have, it may be hoped, become a thing of the past. In the year now passing away India has been able not only to relieve the suffering population in her midst, but to invest revenue in productive public works. She will not be able to escape borrowing in the coming year. But the difficulties will be chiefly those of Ways and Means. Nevertheless, after providing for famine and after making a substantial addition to the payment for national insurance, the Indian Government can count upon a surplus with reasonable confidence.”

[21ST MARCH, 1900.] [Mr. Ibbetson; Mr. Woodroffe]

## LOWER BURMA COURTS BILL.

The Hon'ble MR. IBBETSON moved that the Report of the Select Committee on the Bill to consolidate and amend the law relating to the Courts in Lower Burma be taken into consideration.

The Hon'ble MR. WOODROFFE said:—"When this Bill was before the Select Committee a representation was made by the Chamber of Commerce of Rangoon setting forth that, in order to avoid the necessity of appeals from a Judge of the Chief Court to another Bench of that Court, it was desirable that there should be a clause inserted in the Bill empowering the Chief Court to direct the trial of important cases by a Bench of two Judges in the Chief Court and thus give an appeal direct to Her Majesty in Council. I believe I may say that the desirability of avoiding such appeals commended itself to my Hon'ble Colleagues no less than to myself, and I desire to explain that the reason why we did not need to insert any special provision to that effect in the Bill was because it seemed to us that what the Chamber of Commerce desired can be obtained under the Bill as it stands. By clause 9 of the Bill it is provided that the jurisdiction of the Chief Court may be exercised by a single Judge of the Court subject to any Rules made under this Act and by section 14 provision is made for the hearing of an appeal from a single Judge of the Chief Court. There is no right of appeal from a Bench consisting of two or more Judges. If therefore under the power given in clause 9 of the Bill the Chief Court shall, on any particular occasion on which it may seem to it desirable to do so, direct that a Bench shall be formed of two Judges to hear any important case, an appeal will lie direct to Her Majesty in Council. In this way the object which the Chamber of Commerce had in view will be attained. That, my Lord, is the practice which obtains in the High Court at Calcutta. In any important case the Chief Justice is moved to appoint a Bench of two Judges to sit upon the Original Side, and if those two Judges agree, there is no further appeal in India. The appeal lies direct to Her Majesty in Council. I desire, my Lord, to make these few observations in order that the Chamber of Commerce may not be under the impression that the very desirable suggestion, so far as it was in substance made by them, had not been taken into consideration. It is in fact attained by the Bill as it stands. Subject to the notes of dissent recorded by the Hon'ble Mr. Smeaton and myself I venture to think that this Bill is one which may well be passed by this Council."

The motion was put and agreed to.

The Hon'ble MR. WOODROFFE moved that the word "ordinarily" in clause 5 of the Bill, as amended by the Select Committee, be omitted. He

[Mr. Woodroffe.]

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said:—"The word to which I take exception is, it is true, to be found in Punjab Chief Court Act, but of the great and growing importance of Burma there can be no doubt and it is a province of the Empire in which a condition of things exists as markedly different from those that prevail in the Punjab as north is from south. In Burma we have great centres of commercial activity. The country is a largely exporting country. As we have just heard the rice trade of Burma forms one of the most important items of Indian export and there are therefore constantly arising in the great commercial centres of Burma, and notably in Rangoon, a class of cases requiring that knowledge and experience which is obtainable only, or mainly at least, in the Courts. It therefore seems to be desirable that this 5th clause should provide that two at least of the Judges of the Chief Court should be Barristers of not less than five years' standing and that the people of Burma should have the security of knowing that two Judges of the Chief Court will always be Barristers. I do not put forward this amendment solely or even mainly in the interest of the profession to which I have the honour to belong. It is true that the Bar in Burma represented the desirability of securing that there should always be at least two Barristers on the Bench of the Court. Such a representation, had it stood alone, might naturally have been received with some distrust, but with the Bar memorial there was also placed before the Select Committee that which struck me at least as of far greater importance than the representation of the Bar—the representation of the Chamber of Commerce to the identical effect of the proposition which was put forward by the Bar. Indeed with the Burma Bar, I should have liked to have had it secured that not less than one half of the Judges should be Barristers. It was represented, however, to us that if the Chief Court should consist of five Judges, that might unnecessarily hamper the Government, who under such a clause would be bound to appoint three Barrister Judges. Yielding to that argument I have limited my amendment to the extent in which it now appears. The Select Committee have observed in their Report that it is clear that the term 'barristers' is meant to denote practising lawyers and not merely titular members of the legal profession. The general public, I have no doubt, attach some occult and mysterious influence to that which is known in my profession as 'eating dinners.' I venture to assure them that there is no necessary connection between eating dinners and learning law, and to re-assert the unanimously expressed opinion of the Select Committee that these Barrister Judges should be appointed only from those who have actually practised their profession, either here or 'at home, in one of the Supreme Courts. With these observations I beg leave to move that the word 'ordinarily' be omitted from this section so as to secure that there shall always



[21ST MARCH, 1900.] [Mr. Woodroffe; Mr. Ibbetson.]

be at least two Barrister Judges in that Court. I may add, my Lord, that there is another reason which occurs to me for accepting this amendment, namely, that until this Bill shall become law an appeal lies in most cases from the Courts in Burma to the High Court in Calcutta. There was thus secured to the people of Burma the advantage of having cases of any considerable magnitude tried and determined by a Bench of the High Court in Calcutta, on which in most cases coming from Burma, as involving questions of Commercial law, it is almost invariably the practice of the Chief Justice to place a considerable number of Barrister Judges. I think that the people of Burma, if they are not to have an appeal to the High Court in Calcutta, ought to have in the Chief Court, which is now about to be constituted, the advantage of having that professional assistance in the decision of their cases which my amendment involves."

The Hon'ble MR. IBBETSON said:—"My Lord, I cannot advise the Council to accept this amendment. I fully recognise the great importance, on the broadest possible grounds, of that special knowledge and experience to which the Hon'ble and learned Advocate General has alluded being fully represented on the Bench of the Chief Court at Rangoon. Section 5 of the Bill provides that of the four Judges of the Court, two shall be Barristers of not less than five years' standing. That is the intention of the law and that is the intention of the Government. But instead of providing, as the Hon'ble Mr. Woodroffe would have it provide, that the two Judges shall be *always*, it provides that they shall be *ordinarily*, Barristers of not less than five years' standing. Now the word 'ordinarily' was deliberately inserted in the section, not with any idea of leaving a loophole by which the plain intention of the law might be evaded, but in order to provide for difficulties which have been felt elsewhere, in respect of temporary vacancies. Chief Court Judges, like other hard-worked men, occasionally require short leave. Now there are obvious objections, which I think will be patent to all, to a member of the local bar ascending the Bench for three or four months, and then resuming his pleadings before the Court of which he was but recently a member. On the other hand, it is not always possible to persuade a competent Barrister to leave Calcutta, or Madras, or wherever his avocations may lie, and to move to Rangoon for the sake of officiating for a few months only as a Judge of the Chief Court. And if the Council accept this amendment, the practical result will too often be, I fear, to make it impossible for the Barrister Judges to take leave at all, because of the difficulty of replacing them.

"It is true that the difficulty might often be surmounted by appointing what the Select Committee call a 'titular' Barrister—that is, one who is a Barrister

[*Mr. Ibbetson ; Mr. Mehta ; Mr. Smeaton.*] [21ST MARCH, 1900.]

in name only. But in the first place, even a titular Barrister may not always be available for the temporary vacancy. And in the second place, the Government of India would rather not be compelled to adopt a course which is at best a merely nominal compliance with the law. They would prefer to recognise the fact, honestly and openly, that it is occasionally impossible to procure a suitable practising Barrister to fill a temporary vacancy, and to reserve to themselves a certain discretion to meet this difficulty. In that preference, I believe the Council will support them."

The Hon'ble MR. MEHTA said :—" I beg to support the amendment of the Hon'ble the Advocate General. I confess I have always a very great dread of the use of such loose words like ' ordinarily ' in a legislative Act, because they can be easily made to mean anything but ordinarily. My learned friend, the Hon'ble Member in charge of the Bill, says that the power is intended only for exceptional cases, but there is nothing in the section which would limit the operation of the word ' ordinarily ' to such exceptional cases, and we find that it is not at all uncommon that advantage is taken of the use of a loose word like ' ordinarily ' to do something which is not ordinary."

The Hon'ble MR. SMEATON said :—" This matter was discussed in considerable detail by the Select Committee, and I found myself obliged with some reluctance to enter a note of dissent with regard to the word ' ordinarily. ' I feel myself bound, from my knowledge of the different conditions of Burma from those of the Punjab, on the model of whose Chief Court Act this Bill has been framed, to adhere to the dissent which I have recorded, and to support the amendment which has been proposed by the learned Advocate General. The intention seems to me, both from the text of the clause and from such of the correspondence as has been available, to have been that there shall always be two Barrister Judges, and I cannot see why, if that be the intention, there should be any word or phrase in the section which would cause a misunderstanding. In my opinion there should always be two Barrister Judges on the Bench of the Chief Court in Lower Burma in view of the circumstances of Rangoon and the ports which are, as Your Excellency knows, widely different to those of the Punjab. The difficulty about an officiating vacancy I confess I can hardly think is likely to be greater than in the case of a corresponding officiating vacancy in the ordinary revenue or judicial administration. Both classes of work require experts, and I fail to see that there is any lack of competent men from whom to choose, either from the Bar or, as I can understand has not unusually been the case elsewhere, from the Bench of the Small Cause Court. No one, my Lord, esteems and admires

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the qualities of the members of my own service more than I do, but I am free to admit that officers who in Burma are charged with three or four different classes of functions, as Revenue Officers, Executive Officers, Judicial Officers, Police Magistrates, and so forth—I certainly should not be surprised to find that these busy and often overworked officers if suddenly confronted with an officiating vacancy in the Chief Court of Burma would find extreme difficulty in disposing of the very thorny shipping, and delivery, and other contract disputes which constantly arise in Rangoon and in other large ports of Burma—disputes arising on arbitrations under the rules of the Chamber of Commerce—of a highly technical character—disputes as to freight and Insurance, Insolvency and Admiralty business, etc. I should not be surprised if an overworked and overloaded member of the Civil Service should find himself in extreme difficulty in dealing with matters of this kind. These to my mind, and I think the Council will agree with me, need a trained practitioner to deal expeditiously with them, and a long officiating appointment of a civilian layman might very seriously retard work, and as we are all aware the law's delays has been very grievously complained of in Rangoon for the past 10 or 12 years. But besides these grounds on which I support the amendment of the Hon'ble the Advocate General, I find a Statute of 1867, No. 16, which was enacted to remove doubts as to the power of the Governor General in Council to appoint persons to act temporarily as Judges. The Act runs as follows:—'In every case in which the Governor General in Council or the Local Government, as the case may be, has power under any Act or Regulation to appoint a Judge of any Court in British India, such power shall be held to include the power to appoint any person capable of being appointed a permanent Judge of the said Court to act as a Judge of the same Court for such time as the Governor General in Council or the Local Government, as the case may be, shall direct.' This, subject to the better opinion of the Hon'ble the Legal Member, appears to me to indicate that officiating appointments to the two Barrister Judgeships should be of Barristers only because, as I take it, only they, that is, Barristers, can be held to be capable of being appointed permanent Judges on these two reserved places. If this interpretation is correct—and I say so with some diffidence—then it seems to me that the word 'ordinarily' is in conflict with the law of 1867, which law I understand is still in full force. With these remarks, my Lord, I support the amendment moved by the Hon'ble the Advocate General."

THE HON'BLE RAI BAHADUR ANANDA CHARLU said:—"I had, and still have, no doubts on this point. At the Select Committee it was my vote that

[*Rai Bahadur Ananda Charlu ; Mr. Raleigh ;* [21ST MARCH, 1900.]  
*The President.*]

settled the question. I have been talking the matter over with the Hon'ble the Advocate General, and I think it, on the whole, safe to support his amendment."

The Hon'ble MR. RALEIGH said :—"The object of requiring that two Judges in the new Chief Court should be Barristers is to have Judges who are qualified in point of experience to deal with important questions of mercantile law, which are likely to arise in such a centre as Rangoon. As to the importance of this provision of the Bill I entirely agree with every word that has been said by the Hon'ble the Advocate General and by the Hon'ble Mr. Smeaton. The object of inserting the particular word now in question is simply to give those who appoint the Judges a rather freer hand than they would have if the word were not there in supplying temporary vacancies. I think that if Mr. Ibbetson, who is in charge of the Bill, were to bring us some of the correspondence in his Department and to show the Council in detail what the difficulty of providing for these temporary appointments is, that the Council would be almost convinced that this word ought to stand. The difficulty of providing for the temporary appointment of a Barrister Judge is very great indeed. You are asked, perhaps, to appoint a member of the local Bar, and then you find the local objections are too strong to be overcome. You then try to get a competent member of the Bar of one of the High Courts, and you find that a short appointment is not sufficient to induce him to interrupt his work. You then perhaps fall back upon a Barrister Judge of one of the Small Cause Courts, and immediately you have a complaint that you are taking him away from important work which may fall into arrears, and that what he is doing is quite as important as the work you require him for. It is simply in consequence of these personal difficulties, often very serious, that it is thought desirable to have a certain freedom, if the necessity cannot be avoided, to appoint a Civilian for a short time to take the place of a Barrister Judge. It is not contemplated that a layman should be appointed for a long time to take the place of one of the Barrister Judges, still less is it intended that there should be a succession of temporary appointments. Any such succession of appointments would, I think, be an abuse of the Act, because it would deprive Rangoon for a considerable period of the very advantage which the clause intends to confer upon it, but simply in view of the extreme difficulty which has been found in making these temporary appointments, I think we are justified in asking the Council to allow the word 'ordinarily' to stand."

HIS EXCELLENCY THE PRESIDENT said :—"I should like only to add one word to this discussion. I hope I may regard myself as a reasonably impartial

[21ST MARCH, 1900.] [*The President; Mr. Ibbetson.*]

person in the matter, and, having listened without any previous prejudice or prepossession to the remarks made on both sides, I must say that the case as submitted by the Hon'ble the Advocate General, and supported by two or three Hon'ble Members, seems to me to rest in the main upon a vague suspicion of what the conduct of the Government may be in the future. An idea seems to linger in their minds, though I hope not born of previous experience, that the Government may, in future, endeavour to evade the ordinary application of the law, and in particular, the clearly defined import of this particular Bill. Such a suspicion on their part I regard as both ungenerous and unfounded. On the other hand, the Hon'ble Mr. Ibbetson, who is in charge of the Bill, has stated with the utmost clearness—and has been followed and supported in the same line by the Hon'ble Mr. Raleigh—what appears to me to be an unanswerable objection to the omission of the word 'ordinarily.' He has given the grounds on which that word has been introduced, and the reasons for which the Government cannot consent to its removal. To that statement on behalf of Mr. Ibbetson I must confess that I have not yet heard any reply on the part of the Members who have taken the opposite view, and in so far as I am entitled to give an opinion, I would, with the utmost confidence, recommend the Council to support the Hon'ble Mr. Ibbetson, and to reject the amendment that has been submitted."

The motion was put and negatived.

The Hon'ble MR. IBBETSON moved that the following amendments be made in clause 19 of the Bill, as amended by the Select Committee, namely:—

(1) that before sub-clause (a) the following sub-clause be inserted, namely:—

"(a) declaring what persons shall be permitted to practise as petition-writers in the Courts in Lower Burma, regulating the conduct of business of persons so practising, and determining the authority by which breaches of rules under this clause shall be tried"

and the present sub-clauses (a) to (h) be renumbered (b) to (i) respectively:

(2) that to the clause the following sub-clause be added, namely:—

"(2) Whoever commits a breach of any rule made under sub-section (1), clause (a), shall be punishable with fine which may extend to fifty rupees"

He said:—"As a matter of courtesy to my Hon'ble Colleagues on the Select Committee which considered the Bill, I must briefly explain the circumstances under which I bring forward this amendment. The provisions which I now

propose to insert formed part of the Bill as introduced. When they came under consideration in Committee I was in favour of retaining them. But I think I was alone in that view. At any rate, a majority was against me, including my hon'ble friend who specially represents the interests of Burma. The provisions in question were therefore omitted. When I found that the Report of the Select Committee put prominently forward views that were the exact opposite of those which I held, I felt obliged to qualify my signature by a few words of dissent; but there the matter ended, so far as I was concerned, and I never dreamed for one moment of pressing my opinions upon the Council, in opposition to those of my colleagues.

“On Sunday night, however, the Hon'ble Mr. Raleigh received a telegram from the Lieutenant-Governor of Burma to the effect that His Honour, the Recorder of Rangoon, the Judicial Commissioner of Lower Burma and the Government Advocate, were all of opinion that it was very desirable to re-insert these provisions if possible. He felt that, on what is after all mainly a matter of administrative detail, the wishes of the responsible head of the Province were entitled to the very greatest consideration. And he therefore suggested that I should submit the matter to the judgment of the Council by moving the amendment to which I am now speaking.

“As for the merits of the matter, the case, as I understand it, lies in a nut shell. In a very great part of the business even of the subordinate Courts, and still more in the miscellaneous transactions of the Government offices, there is no need whatever for the costly aid of the professional lawyer, and nothing could be more undesirable than that the villager should be compelled to resort to it. At the same time, he requires some assistance in preparing his written applications, and in complying with the technicalities of official procedure, and that assistance he receives, of a quite sufficiently skilful nature, and at a very reasonable charge, from the petition-writer. I fear I must admit that the character of the petition-writer is not always above suspicion, and that some of the fraternity are responsible for a good deal of the chicanery that goes on in the Courts of India, as in those of other countries. But on the whole he discharges very useful functions; and at any rate, he is absolutely indispensable and unavoidable.

“This being the case, the question is whether we should, or should not, take power to control his doings. The argument of the majority of the Select Committee is, that if the Chief Court does this, it creates (I use the words of the Report),—it ‘creates a class of practitioners, possessing no proper qualification, but enjoying a kind of professional status by reason of their being licensed

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by the Chief Court.' Now in the first place, it seems to me that it does not 'create' them. They are there already and cannot be got rid of. In the second place, the proposed power will enable the Chief Court to insist upon some moderate measure of 'qualification.' And if there are scoundrels among them, so much the more reason surely for enabling the authorities to get rid of, at any rate, the worst of them. The proposed power of regulation will apply only to those who habitually 'practise' as petition-writers; and it will still be open to every petitioner to write his petition himself, or have it written by a friend; though I am afraid the old adage will often hold good, that 'The man who is his own petition-writer, has a fool for his client.' At any rate, it seems to me that it is absurd for us to shut our eyes and pretend that we cannot see the petition-writer; to refuse to 'recognise' him, and by so doing, to deprive ourselves of the opportunity of keeping him in order. I am old enough to have seen both systems at work in the Punjab; and I have no hesitation in expressing my opinion that, while there are objections to each, the balance of advantage is strongly on the side of regulation."

The Hon'ble MR. WOODROFFE said:—"I would support the Bill as it last left the Select Committee. The clause of the Report of the Select Committee sets forth the circumstances of the case sufficiently aptly. It is there stated, 'Clause 19, sub-clause (1) (a), of the Bill referred to us gave power to the Chief Court, with the sanction of the Local Government, to declare what person should be permitted to practise as petition-writers and to regulate the conduct of business by such persons. It appears to us that the effect of such an enactment would be to create a class of practitioners, possessing no proper qualification, but enjoying a kind of professional status by reason of their being licensed by the Chief Court. The petition-writer is a familiar adjunct to the Courts in Burma and elsewhere; but we are disposed to think that litigants who deal with him should be left to make their own bargains.'

"I am not, my Lord, in the short observations that I propose to make, at all oblivious of the due weight which should be given to the recent representation of His Honour the Lieutenant-Governor of Burma, but this matter is one which probably has not come before His Honour in any such manner as to give him personally any experience of petition-writers. The Legal Practitioners Act deals with various classes of practitioners. There are advocates, vakils, and mukhtars. I venture to think, from an experience of many years, we have gone quite low enough. The Report speaks of the petition-writer as a familiar adjunct to the Court. There are, unfortunately, about the Courts in India unclean animals of every sort,

[*Mr. Woodroffe; Rai Bahadur Ananda Charlu.*] [21ST MARCH, 1900]

and I know hardly any more unclean, certainly none that tend more to bring the administration of justice into disrepute than such persons as are here intended to be provided for. We know them not in the High Court of Bengal. They now, I think, find a place in the definition of the word 'tout,' in the Legal Practitioners Act. They are, I believe, to be found in the purlieus of the Police Courts of this city. The slightest acquaintance with the character of these persons would, I think, be sufficient to satisfy Members of Council that the Select Committee acted most wisely in saying that they would not give these gentry any sort of professional status whatever. There is no necessity whatever for doing so, and it is open to anybody who desires to present a petition, and who does not desire to avail himself of what the Hon'ble Member in charge of the Bill describes as rosy professional assistance, to get any of his friends, or neighbours even, to draw up his petition; but why we should go to the extent of giving persons of this kind a professional status in the Chief Court of Burma I cannot conceive. In this matter the Hon'ble Member in charge of the Bill has correctly stated that he was alone in his view, and the condemnation of that class of persons was effected by the otherwise unanimous vote of the Select Committee, including the Hon'ble the Legal Member."

The Hon'ble RAI BAHADUR ANANDA CHARLU said:—"The motive of this amendment is unexceptionable, but its utility or its remedial capacity is more than questionable. There can be no such class as practising petition-writers: and it is not easy to see what qualifications can be laid down as proof of fitness. All that a petition-writer has to do is to put the facts and arguments, relied on by a petitioner, into decent English or Vernacular. This measure of ability is possessed by some who—underpaid in their respective callings—earn a few pence by writing petitions. It is inadvisable to discourage men of this sort; for they are likely to be cheaper and better qualified than such as may set up for professional petition-writers. This latter class is doomed as such, and it is everywhere else dwindling in numbers and status. To recognise it—even for the purpose of chastening it—will, too surely, be to give it a lease of life, which will not belong to it in the natural course of things. The legal profession is ramifying all round, and may sooner or later—sooner than later I think—put an end to the proscribed class. The better ones will get absorbed by the profession as assistants, clerks, etc., while the incapables will die out. So long as we cannot take power—and I do not see how we could—to authorise rejection of petitions, emanating from others than those we recognise, I fail to perceive how any good can be sensibly wrought. The petition-writer does



[21ST MARCH, 1900.] [*Ras Bahadur Ananda Charlu; Mr. Rees; Mr. Smeaton.*]

not sign, and some one else's caligraphy might be utilised. The game we wish to go after will keep out of the Court or Cutcherry precincts and will virtually degenerate into creatures of high subordinates and will both elude our grasp and evade our laws. Nothing so satisfactory as leaving such things to laws as to natural selection and as to the survival of the fittest."

The Hon'ble MR. REES said :—"My Lord, considerable prejudice against petition-writers is common to Judges and Magistrates, both of the Barrister and Civilian class. Certainly I share it, whether coming under the former class, or that which 'has eaten dinners,' a process which I regret to hear the learned Advocate General say argues the possession of no legal knowledge whatever.

"I should have thought too that in Burma, more than elsewhere, in a happy land with no undenominational education, where everyone can read and write, the Courts could have done without the amateur vakil, which is what the petition-writer practically is.

"I would therefore have voted for leaving this Bill as the Select Committee left it, though in 1896 I ventured to say, when the Touts Bill was before Council, that I did not think the whole class was quite so outrageously bad elsewhere, as it was represented to be, and as the Advocate General represents it to-day to be in Bengal.

"I am, however, much impressed by the telegram received since the Select Committee reported the Bill, and am unwilling to vote against the consensus of the highest legal authority in Burma, backed by the Lieutenant-Governor, who must, it is presumed, have had the same opportunities as other public servants for forming an opinion of this class.

"It seems to me, moreover, that the argument that what is good for the Punjab may not be good for Burma, which was forcibly stated on the last amendment, is of equal application here, and that the experience of Bengal should not necessarily prevail in regard to the neighbouring Province across the Bay."

The Hon'ble MR. SMEATON said :—"The Hon'ble Mr. Ibbetson has very frankly stated the whole [of the *pros* and *cons* on this particular amendment. In the Select Committee I took the view of the *cons* for the reasons which he has so frankly stated, and which have been enlarged upon by the

[*Mr. Smeaton; Mr. Mehta; Mr. Raleigh; [21ST MARCH, 1900.]*  
*Mr. Ibbetson.*]

Hon'ble the Advocate General. To the view I then took I still adhere, but in the face of the remarkable consensus of official opinion telegraphed from Rangoon, and, in particular, the desire of the Lieutenant-Governor that the sub-clause be restored, I shall, with Your Excellency's permission, abstain from voting."

The Hon'ble MR. MEHTA said :—"The object of the amendment is no doubt excellent. But my hon'ble friend the mover has himself shown that the amendment will not succeed in accomplishing that object. He told us that it was not intended that parties should be precluded from drawing up their own petitions or taking the assistance of their friends to do so. In that case, the petition-writers have only to keep clear of the immediate purview of the Court to render the amendment absolutely nugatory."

The Hon'ble MR. RALEIGH said :—"On this particular question I voted against my hon'ble friend in charge of the Bill in Committee. It is usual for Members of the Executive Council to settle their domestic differences before appearing in public. But I ought to say a few words as to the history of the amendment. The sub-clause by which petition-writers were to be regulated was objected to by the body which represents the Bar at Rangoon, and I had a certain amount of professional sympathy with what they said. You require your legal practitioners to undergo certain examinations to prove themselves fit to practise and you reward them with a monopoly of recognition of the Courts. We all know that there are irregular legal assistants of various kinds, but so far as I am individually concerned I would have been perfectly content that the petition-writer should not be regulated by law. But the matter presents itself to my mind now in this way. Nobody can say that this question is a question of first importance. It is a matter in which we must all defer to local opinion, and when I find that the Lieutenant-Governor of the Province, the Judicial Commissioners, and the Recorder of Rangoon all ask for the inclusion of this sub-clause, I simply give way and vote for my hon'ble friend's amendment."

The motion was put and agreed to.

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

The Hon'ble MR. SMEATON said :—"My Lord, I think the Council have already had enough of the Burma Courts Bill. But after hearing the Hon'ble

[21ST MARCH, 1900.]

[*Mr. Smeaton.*]

Financial Member's pregnant remarks in his very interesting and instructive Financial Statement, in regard to the dominant character of Burma trade in the markets of this world perhaps I may claim a little indulgence from Hon'ble Members to make a few remarks on a Bill which is destined, indirectly, to have no small influence on the trade of the Province.

" Before it is finally passed into law I think I may, on behalf of the Province which I represent, express our gratitude and satisfaction with the result of the labours of the Select Committee on the Bill in the final shape in which it now stands before the Council. The task of the Select Committee has been by no means a light one, because it has had to produce for Burma, a Bill on the model of the Punjab Act, although these two Provinces are in many respects altogether dissimilar. It is perhaps impossible to satisfy everybody, but on the whole, I think, the Bill as it now stands fairly meets the claim of Lower Burma, for an efficient Chief Court. Upper Burma has, for the very sound reasons given by the Local Government, and which I need not here recapitulate, been wisely left out of the Bill and kept under its existing and very efficient judicial administration. The Chief Court has two functions: an appellate and revisional jurisdiction as well as control throughout Lower Burma, and an original jurisdiction in Rangoon. In respect of the first of these functions, I desire to emphasize two features of the Bill which are of paramount importance. The first will be found in sub-clause (2) of clause 18, which requires periodical personal visitation and inspection, by a Judge of the Chief Court, of the subordinate Courts, throughout the Province. There is, so far as I know, no such precise obligation imposed by law, on any High Court or Chief Court in India: but I entirely concur in the Hon'ble Mr. Ibbetson's declaration in Select Committee that there is no more important clause in the Bill than this. The necessity of such visitations and inspections [is fully recognised by all who have the interests of justice in Burma at heart. Unfortunately the reputation of many of the subordinate Courts in Lower Burma, at present, is far from what it should be, and complaints are rife. A faithful compliance with the requirements of the clause which I have just quoted, will, it is hoped, remedy this; and no doubt the Local Government will see to it, that the Rules made by the Chief Court under clause 19 (g) for the visitation and inspection] of the subordinate Courts, are adequate for the purpose, and punctually carried out. In Upper Burma, to my personal knowledge, the reputation and the work of the subordinate Courts at present compare not unfavourably with those of Lower Burma, although the Upper Province can only be said to have had a properly equipped judiciary for about ten years—whereas

Lower Burma has been under settled rule, and under a regular judicial system for nearly half a century. One, if not the chief, reason of this is that in Upper Burma the Judicial Commissioner has always kept up and still keeps up a periodical personal inspection of the subordinate Courts, and is in touch with every judicial officer. The second feature of the Bill which (in full agreement with the Hon'ble Member in charge of the Bill) I desire to emphasize is the wise latitude given by section 30 for second appeals on the facts in land suits, and in certain other unclassified suits which are of very great interest and importance to the people. Burma is not to be judged by Indian standards. The Burmese are not so litigious as the people of India, and their land suits properly so called are usually of small money value, though none the less of importance to the people themselves. There is no class of big landlords as in Bengal and in the North-Western Provinces; the holdings are all small, and mortgages, often of a doubtful and puzzling nature, and conditional sales, are frequent. The second appeal on the facts in these suits will be a guarantee that justice in respect of rights in land shall not miscarry.

"I would here however parenthetically point out that the subject of rights in land will hardly be adequately dealt with in the absence of a Tenancy law. At the present time there is no such law in Burma. There are hundreds of thousands of agricultural tenants, holding under petty landlords, but they have no legal status, and they are entirely at the mercy of their landlords, both as regards their rents and the occupation of their lands. A Bill however is I believe under consideration for remedying this state of things.

"Sub-clause (*b*) of the proviso to section 30 is a most useful and valuable provision, and will be appreciated by the Burmese, inasmuch as it allows a second appeal in suits connected with marriage, divorce and inheritance. These matters, which touch the most intimate domestic relations of the people are governed by the text of the Buddhist scriptures modified by custom. The customary law is only now slowly crystallizing, and it is of very great importance that the process should be aided by well-considered judgments of a competent Supreme Court on the various groups and kinds of facts brought before it.

"In respect of the second function to which I have referred, I think that the Court which the Bill establishes will be a good working tribunal for disposal of the somewhat intricate questions of commercial law and practice, which frequently arise in the rapidly growing commercial centre of the Province. With these remarks, my Lord, I beg to support the motion that the Bill be passed into law."

124 LOWER BURMA COURTS; CURRENCY CONVERSION (ARMY ANNUAL) ACT, 1899, CONTINUANCE.

[21ST MARCH, 1900.] [*Mr. Woodroffe; Major-General Sir Edwin Colten.*]

The Hon'ble MR. WOODROFFE said :—" Before this motion is put, I desire speaking for myself, to state that I absolutely disclaim the existence in my mind of any such unworthy suspicion as has been referred to by His Excellency the President. I trust this disclaimer may be accepted in the same frank manner as I make it."

The motion was put and agreed to.

CURRENCY CONVERSION (ARMY ANNUAL) ACT, 1899, CONTINUANCE BILL.

The Hon'ble MAJOR-GENERAL SIR EDWIN COLTEN moved that the Bill to amend and provide for the further continuance of the Currency Conversion (Army Annual) Act, 1899, be taken into consideration.

The motion was put and agreed to.

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

The motion was put and agreed to.

The Council adjourned to Wednesday, the 28th March, 1900.

CALCUTTA ;  
The 24th March, 1900. }

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

Statement showing the Assets and Revenue in the districts of the Central Provinces as they  
the revised

Districts.	At first regular settlement.			Prior to revision.		
	Assets.	Revenue.	Cases as fixed at settlement.	Assets.	Revenue.	
1	2	3	4	5	6	
	₹	₹	₹	₹	₹	
1. Saugor . . . . .	8,97,877	4,65,179	21,038	12,54,339	5,18,680	
2. Damoh . . . . .	5,20,843	2,77,992	12,509	7,48,616	2,80,524	
3. Jabalpur . . . . .	12,20,488	6,05,405	27,243	18,82,273	6,08,280	
4. Mandla . . . . .	1,16,737	62,967	2,838	2,05,375	65,610	
5. Seoni . . . . .	8,41,912	1,62,135	7,296	5,90,597	1,64,470	
6. Narsingpur . . . . .	8,76,031	4,29,526	19,328	12,34,325	4,30,291	
7. Hoshangabad . . . . .	9,46,359	4,46,837	20,107	16,44,533	4,70,947	
8. Nimar . . . . .	2,81,757	1,80,850	8,138	3,75,553	1,90,649	
9. Betul . . . . .	3,11,934	1,89,027	8,509	4,50,504	1,90,719	
10. Chhindwara . . . . .	3,29,084	2,14,466	9,651	5,01,007	2,17,699	
11. Wardha . . . . .	6,71,995	5,22,989	25,534	10,03,799	5,81,553	
12. Nagpur . . . . .	11,46,599	8,77,698	39,496	15,30,350	8,97,329	
13. Chanda . . . . .			Assessment in progress.			
14. Bhandara . . . . .	7,47,441	4,55,798	20,510	10,64,603	4,61,401	
15. Balaghat . . . . .	2,70,988	1,65,308	7,438	4,35,556	1,66,991	
16. Raipur	Khalsa . . . . .	9,91,904	5,32,226	23,950	14,54,927	5,31,955
	Zamindari . . . . .	97,789	21,860(b)	3,461	2,13,538	21,980 (b)
	Total . . . . .	10,89,693	5,54,086	27,411	16,68,465	5,53,935
17. Bilaspur	Khalsa . . . . .	4,43,136	2,52,039	11,341	8,07,264	2,51,737
	Zamindari . . . . .	74,098	23,875(b)	2,772	1,79,925	23,875(b)
	Total . . . . .	5,17,234	2,74,914	14,113	9,87,189	2,74,612
18. Sambalpur	Khalsa . . . . .	1,69,505	1,27,884	5,752	1,99,516	1,27,785
	Zamindari . . . . .	51,426	7,108(b)	320	74,350	7,108(b)
	Total . . . . .	1,20,931	1,34,992	6,072	2,73,866	1,34,893
TOTAL	1,05,07,703	60,20,239	2,75,221	1,53,51,255	61,58,893	

stood at the first regular Settlement, prior to the revision of settlement and as fixed at settlement.

UNDER REVISED SETTLEMENTS.			Realizable land revenue.	REMARKS.																							
Assets.	Revenue.	Cesses including patwari cess.																									
7	8	9	10	11																							
R	R	R	R																								
18,68,463	6,95,851	86,981	6,78,688	Since being abated on account of deterioration. Final details not available.																							
8,80,122	4,43,372	52,056	4,24,006																								
19,67,894	10,01,059	1,25,132	9,86,717																								
2,07,116	1,07,845	14,559	1,06,000	Being introduced progressively.																							
6,14,130	2,92,907	38,078	2,62,870																								
12,91,626	6,42,616	75,507	6,32,600	<i>Explanation regarding Cesses.</i>																							
17,21,419	8,88,070	92,187	7,67,762																								
4,65,724	2,89,054	39,022	2,92,590	<table border="1"> <thead> <tr> <th rowspan="2">Name of cess.</th> <th colspan="2">PERCENTAGE OF LAND REVENUE.</th> </tr> <tr> <th>First regular settlement.</th> <th>Revised settlement.</th> </tr> </thead> <tbody> <tr> <td>Road Cess . . .</td> <td>Per cent. 2</td> <td>Per cent. 3(c)</td> </tr> <tr> <td>School Cess . . .</td> <td>2</td> <td>3</td> </tr> <tr> <td>Post Office Cess . . .</td> <td>1</td> <td>1</td> </tr> <tr> <td>Patwari Cess(a) . . .</td> <td>...</td> <td>(d) 5 (average).</td> </tr> <tr> <td>Additional Rates(b)</td> <td>...</td> <td>2</td> </tr> <tr> <td></td> <td>4 1/2</td> <td>12 1/2</td> </tr> </tbody> </table>	Name of cess.	PERCENTAGE OF LAND REVENUE.		First regular settlement.	Revised settlement.	Road Cess . . .	Per cent. 2	Per cent. 3(c)	School Cess . . .	2	3	Post Office Cess . . .	1	1	Patwari Cess(a) . . .	...	(d) 5 (average).	Additional Rates(b)	...	2		4 1/2	12 1/2
Name of cess.	PERCENTAGE OF LAND REVENUE.																										
	First regular settlement.	Revised settlement.																									
Road Cess . . .	Per cent. 2	Per cent. 3(c)																									
School Cess . . .	2	3																									
Post Office Cess . . .	1	1																									
Patwari Cess(a) . . .	...	(d) 5 (average).																									
Additional Rates(b)	...	2																									
	4 1/2	12 1/2																									
5,09,136	2,76,495	35,944	2,75,720																								
5,43,980	2,97,432	38,868	2,91,656																								
11,14,512	6,68,885	76,341	6,82,598	Settlement not quite completed.																							
17,22,477	10,58,608	1,16,081	9,82,595																								
11,72,659	6,70,405(a)	77,096	8,48,398	(a) No patwari cess was levied at the last settlement, but the landlords were liable to pay the cost of the preparation of annual returns.																							
4,79,481	2,68,741(a)	32,967																									
15,37,552	8,17,780	1,10,393	5,11,379	(b) During the currency of the last settlement an additional rate of 1 per cent. (Act X of 1873) was imposed. to pay of it as he																							
2,18,538	55,589(b)	15,356																									
17,51,090	8,73,299	1,25,749	1,51,188	(c) Road-cess at 1 per cent. or rural eloquence of it has remained																							
8,77,963	4,74,678	64,081																									
1,79,925	56,310(b)	16,000	2,39,289	at 3 per cent. and an																							
10,57,888	5,30,988	5,30,988																									
74,350	17,710(a)	17,710	29,386	used settle- ment and an the Province																							
8,13,639	1,97,479	29,386																									
1,25,969	91,43,055	11,85,969																									

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

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The Council met at Government House, Calcutta, on Wednesday, the 28th March, 1900.

PRESENT :

- His Excellency Baron Curzon of Kedleston, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.
- His Honour Sir John Woodburn, K.C.S.I., Lieutenant-Governor of Bengal.
- The Hon'ble Major-General Sir E. H. H. Collen, K.C.I.E., C.B.
- The Hon'ble Sir A. C. Trevor, K.C.S.I.
- The Hon'ble Mr. C. E. Dawkins.
- The Hon'ble Mr. T. Raleigh.
- The Hon'ble Mr. Denzil Ibbetson, C.S.I.
- The Hon'ble Mr P. M. Mehta, C.I.E.
- The Hon'ble Nawab Mumtaz-ud-daula Muhammad Faiyaz Ali Khan.
- The Hon'ble Mr. J. K. Spence, C.S.I.
- The Hon'ble Mr. G. Toynbee.
- The Hon'ble Mr D M Smeaton, C.S.I.
- The Hon'ble Mr J. D. Rees, C.I.E.
- The Hon'ble Maharaja Rameshwara Singh Bahadur of Darbhanga.
- The Hon'ble M. R. Ry. Panappakkam Ananda Charlu, Vidya Vinodha, Avargal, Rai Bahadur, C.I.E.
- The Hon'ble Kunwar Sir Harnam Singh Ahluwalia, K.C.I.E., of Kapurthala.
- The Hon'ble Mr. H. F. Evans, C.S.I.
- The Hon'ble Rai Bahadur B. K. Bose, C.I.E.
- The Hon'ble Mr. Allan Arthur.

DISCUSSION OF THE FINANCIAL STATEMENT FOR 1900-1901.

His Excellency THE PRESIDENT said.—“It has been suggested to me by more than one Hon'ble Member that it may be a convenience, both to the Member concerned and to the rest of Council, if, in the case of his having a speech of great length to make, he be given permission to lay it upon the table, and to deliver only a summary of it, or such portion of it as he may think desirable. Whilst I have no wish to curb the natural eloquence of Hon'ble



[28TH MARCH, 1900.] [*The President; Mr. Dawkins; Mr. Allan Arthur.*]

Members, I think that this is an excellent suggestion, and, if any Hon'ble Member proposes to take advantage of it to-day, I will not stand in his way. The speech, even if not delivered here, will, of course, appear in its entirety in the Press, and will thus appeal to the wider audience for whom it is probably intended."

The Hon'ble MR. DAWKINS moved that the Financial Statement for 1900-1901 be taken into consideration. He said — "I do not propose to make any general remarks at this moment. I think it will be better to wait for the observations of Hon'ble Members and then to supply any information in answer to these observations, which it may be in my power to give. But there is one matter which perhaps I may call attention to. The Government has just concluded an arrangement with the State of Marwar for converting the local currency into British rupees. We have undertaken to convert up to two crores of local currency into British rupees, the Durbar engaging to deal with any excess that may be found to exist over that amount. The Government has had much satisfaction in making this arrangement although our finances derive no profit whatsoever from the transaction, but it will be of great assistance to the people of the State, whose difficulties in these days of famine have been much increased by the existence of this depreciated and depreciating currency. I venture to hope that the intelligent and public-spirited action of the Maharaja of Jodhpur may find imitators. Considerable difficulties, I believe, exist elsewhere owing to these depreciated currencies, but this is not a matter in which Government can take the initiative; that must be left for the Native States, though I think I can say that if any Native States care to approach the Government they will be sure of meeting with treatment as liberal as our duty to our own taxpayers permits us to afford."

The Hon'ble MR. ALLAN ARTHUR said — "My Lord, as junior member of Your Lordship's Council, it affords me much pleasure to congratulate the Government of India on the state of their finances as disclosed by the Budget. It has been pointed out by a leading newspaper that the Government have to thank certain fortuitous circumstances for the satisfactory position shown, but, when it is considered that a famine of unprecedented magnitude, following closely on another of great severity, has to be provided for in order to avert terrible disaster, it will be generally admitted that, given normal seasons, the finances of India are in a condition to enable the Government to resume expenditure, temporarily suspended, on Railways, Roads and other works, to the advantage of the country, and thereafter to show a handsome surplus. I should like to congratulate the Hon'ble Member

on the very interesting statement he has made in laying his figures before the Council, and to mention that the reception by the Mercantile community of his first statement is tinged with the regret that it is also his last. The innovation the Hon'ble Member has made in showing the various items of revenue and expenditure in pounds sterling is a welcome change to those who were puzzled by the mystical 'Rx.' It simplifies the Budget, and is to be welcomed as apparently the first indication the Government of India have given of their entire confidence in the success of their currency policy. The Government might further indicate this confidence by guaranteeing interest on Government Paper at 1-4 Exchange. The main objection would appear to be that the change would put a considerable profit into the pockets of present holders, but it would start a move in the direction of English investment and would simplify to an extraordinary degree the question of borrowing in rupees.

" My Lord, the question of the Gold Note Act is one which has a considerable interest for the Mercantile community, and my remarks upon it are of considerable length. I take advantage of Your Excellency's permission to lay on the table a note<sup>1</sup> on the subject. The Hon'ble the Financial Member may wish to make some remarks on points upon which I have touched and I would summarize them very shortly. With reference to a remark of his that the season opened without the assistance of the money that is usually brought out before X'mas by the Exchange Banks, I point out in fairness to these Banks that for the last three months of 1899 much heavier remittances were made from England than were made during the same period in the preceding five years. I then go on to show that the result of the Secretary of State's Notification in connection with the Gold Note Act was to force Exchange up to 1s. 4 $\frac{3}{4}$ d., and that owing to the over-financing, which the Notification caused, the rate has since declined to a point below 1s. 4d. to the disadvantage of the Government of India. I suggest that the refusal of the Secretary of State to have a maximum rate may be taken as a sign of weakness, and that a sudden retreat from a situation he had taken up cannot fail to constitute an unsolid foundation in the public view. I refer to certain remarks made by Your Excellency on the great advantages of attracting British capital to India, and on the necessity of Government doing everything in their power to minimize fluctuations in Exchange, so that capital may flow freely between England and India. I point out that, in order to prevent excessive fluctuations, Government should fix on a maximum rate of Exchange, beyond which the rupee must not be allowed to go, and that in order to make the Gold Note Act operative, the Government, seeing that they are responsible for the laws

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<sup>1</sup> Vide Appendix L.

[28TH MARCH, 1900.] [Mr. Allan Arthur.]

and regulations under which money can be imported from abroad or manufactured locally, should be prepared to give rupees in exchange for gold to an unlimited extent at the maximum rate fixed upon, which facility would only be availed of in times of pressure. And, finally, I suggest that Government should take power to purchase silver for coinage purposes against gold deposited under the Act, so that they may have no difficulty in meeting the demand for rupees, which they have recently experienced, and place the profit on such purchases to a special account for the maintenance of the Currency policy as recommended by the Indian Currency Committee.

“The concluding part of the note deals with the absence in India itself of a really effective last resort. The Bank of Bengal have advocated the desirability of the Presidency Banks being given access under certain restrictive terms to the Paper Currency Reserves in times of extreme pressure. I agree that there are difficulties as suggested by the Hon'ble Member, but think that the facility asked would be seldom, if ever, availed of, that the knowledge that there is a really effective last resort in India would be of immense assistance to those who are responsible for the financing of the internal trade of the country, that the difficulties the Hon'ble Member foresaw may not be so great as he anticipated, and that, as the facility asked for would be of great benefit to the internal trade of the country, the proposals of the Bank of Bengal should not be finally rejected.

“My Lord, there are two points in the Budget, which appear to me to be most satisfactory. They show a progressive spirit, and cannot fail to have the approval of those who believe in insurance against misfortunes. I refer first to the increased grant to Irrigation works. It has sometimes been said that the Government of India played with the important question of Irrigation, but this is a reproach which can no longer be levelled at them, and in this connection it is very satisfactory to learn that an officer of great experience is being put in charge of the Irrigation Department. The other point is in connection with Military expenditure, and the Military Department are to be congratulated on having prevailed on the Government to agree to re-arm the native army and the Volunteers with the Magazine rifle, to establish a cordite and a central gun carriage factory, to increase the number of officers with native regiments, and to ensure the greater mobility of the artillery. I notice that no mention is made in the Hon'ble the Military Member's interesting statement as to when the Volunteer re-armament is to take place, and I should like to point out that the arms issued to Volunteers are in many cases so worn out that it is most desirable to replace them with as little delay as possible. I should also like to draw

[*Mr. Allan Arthur, Rai Bahadur B. K. Bose.*] [28TH MARCH, 1900,]

attention to the fact that Calcutta with its thousands of Volunteers has most scanty and inconvenient accommodation in the matter of rifle ranges.

"My Lord, there is only one other matter I should like to touch upon, and that is the very handsome Revenue Surplus from the Telegraph Department. It is somewhat ungenerous to adversely criticize a Department which has done and does splendid service throughout the Indian Empire, but, when I know that a friend of mine, who despatched a deferred telegram from Simla at the same time as he left Simla himself and arrived at my house in Calcutta just three days before the telegram, which is only one of many similar instances that I could give, and when I see a surplus on Telegraph Revenue account of 49½ lakhs of rupees, I cannot help remarking, to quote from my hon'ble friend's Financial Statement, that there is something not altogether right in the State of Denmark. I notice that a deficit is budgetted for for next year in the Department, but that is after debiting Capital Expenditure to Revenue, and I trust that no erroneous idea that the deficit is a real deficit and that the Department is working at a loss will be allowed to stand in the way of money being spent on additions to the Signalling staff or whatever is required to ensure a deferred telegram being transmitted from one to another part of the country more quickly than a railway passenger."

The Hon'ble RAI BAHADUR B. K. BOSE said:—"My Lord, the remarks I am going to submit will be confined to matters relating to the Province I have the honour to represent.

"In explaining the Financial Statement for 1899-1900, Sir James Westland laid before the Council two statements showing the progress of Provincial Finance from 1892 to 1899. Regarding the Central Provinces the following remarks occur: 'Fairly continuous progress,—a small drop in 1894-95 due, as the details show, to failure of land revenue. Recovery in 1895-96. Then a serious loss of revenue in the two famine years, 1896-97 and 1897-98. But complete recovery in the early future is anticipated.' The hope that the Province was about to enter on an era of renewed prosperity has not unhappily been realised. The year opened with disappointment and threatens to end in disaster. 1893-94 was the last year when the Province enjoyed as a whole the blessings of a good harvest. The fairly unbroken progress made till then was, in my humble opinion, due to the far-seeing and generous policy of a long-term settlement coupled with an assessment which, on the whole, was moderate and in many districts exceptionally so, for the advantages accruing during the continuance of the settlement from extension of cultivation and rise in prices remained

[28TH MARCH, 1900.] [Rai Bahadur B. K. Bose.]

with the people As the official records of the period show, a contrary policy had brought the country to the verge of ruin. A succession of bad seasons has, however, undone to a great extent the good results of that generous policy. To add to the difficulties of the people, the cycle of bad years has synchronized with the period during which many of the enhanced assessments of the new settlement have come into force. The Budget for 1900-1901 shows under receipts a smaller sum as land revenue, though the basis of the estimate is the revenue as enhanced, temporary remissions and suspensions accounting for the decrease. The percentage of enhancement inclusive of the resulting enhancement in cesses, but exclusive of the increase in the rating of sir land from a low to

For details vide annexures A and B to the a full valuation, has been in one district note in Appendix II 111 per cent. on the old demand, 70 to 99 per cent. in seven, 50 to 61 per cent. in five, and below 35 per cent. in two districts. The last two are districts where the percentage of assets taken as revenue and cesses at the old settlement was as high as 80. The above enhancements are said to be warranted by the progress of cultivation and rise in prices since the old settlement. Admitting the full force of this statement, the question still arises whether, in view of the altered circumstances of the country, the policy which led to these enhancements should not now be reviewed. I beg to be permitted to lay on the table a note<sup>1</sup> dealing with this subject in some detail.

"Under the circumstances set forth in the note, I venture to hope that there will be a re-adjustment of both revenue and rent charges on land on a basis more in consonance with existing facts. In order that the agriculturists may reap the benefit of such a policy, if generously adopted, the next step needed is to relieve them of their present burden of debt. In some tracts they were so swamped with debt that no measure which did not bring about a settlement of their existing liabilities could save them from a position of virtual serfdom to their creditors. Mr. Commissioner Fuller, with the approval of the then Chief Commissioner, the Hon'ble Mr. Ibbetson, elaborated a scheme, which has been most successfully worked in some of the worst tracts. The scheme involved a settlement of debts through Panchayats working under control of Government officers. As would appear from the Government Resolution of November last, the creditors were found so reasonable that in one tract they gave up debts amounting to about 10 lakhs. In another tract out of debts aggregating about 40 lakhs and owed by about 15,000 tenants and 'pattidars' about 28 lakhs, a sum nearly equal to ten times the revenue, were remitted. The conspicuous success of the experiment would justify its

<sup>1</sup> Vide Appendix II.

wider application. The secret of success was that by working through the people, the local public opinion was enlisted in its favour. But there is always a small minority of creditors, who are not amenable to reason. It is these men who bring discredit on the whole class and who need looking after. Whether in selected localities, composition on a fair basis through conciliators acting under Government control should not be provided for by statute where the voluntary system fails, in the case of agriculturists whose debts exceed a certain number of times the rental, is a question worthy of consideration. I believe that worked with caution and with due regard to the interests of both debtors and creditors, such a measure for settlement of debts which are impossible of repayment and which injure the former without benefiting the latter, would do good to all.

“ The position of the agriculturist thus assured, the next step must be to provide him with loans for cultivation on fair terms. This was done in the case of those relieved under Mr Fuller's scheme, who needed such help, by ‘takkávi’ loans. ‘Takkávi’ operations have, much to the benefit of the country, largely increased within the last 12 years. In 1889 the sum loaned was under half a lakh. In 1897-98 it exceeded 10 lakhs. I am unable to make out how much has been put down for the next year. In the year following the last famine about 15 lakhs 70 thousand were advanced. Besides, 29 lakhs were given from the Charity Fund. I am afraid there will be greater need for similar help this time. One great objection to a wider application of ‘takkávi’ operations is that the State thereby incurs a responsibility which may result in loss to the public revenue. But I take leave to point out that the new Tenancy Act, as I read it, has made a change in the borrowing power of the tenant. While he cannot mortgage his holding to a private creditor, no such disability attaches to him as regards statutory loans. Except where a mortgage registered before the Act and valid under the old law exists, the land of the tenant would furnish adequate security for the sum he would ordinarily need for his cultivation. But at the same time it must be confessed that the State cannot take the place of the village Sowkar. How to provide the landholders with cheap banking facilities, so that they may borrow without hopeless and life-long embarrassment, is a question which it would be improper for me to discuss now. But all the same its importance cannot be overrated.

“ If only arrangements could be made to give the landholder what he actually needs for his land at a fair rate of interest, he cannot in the future get himself involved. For the new Tenancy Law has cut down his power

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of transfer. The fall in the Registration income during 1878-79 of 18 per cent., an income the lowest realized during the past seven years, is said to be partly due to this legislation, which has practically made the cultivating right in sir non-transferable when the village is ancestral property and has further made non-privileged tenant-right inalienable. In my humble opinion the fetters thus imposed on the power of transfer are in accordance with the spirit of the ancient usages and laws of the people. Power to transfer ancestral property, except for certain family purposes, did not exist under the old Mitāksharā Law. This salutary rule has, in the case of fathers, been rendered almost nugatory by recent judge-made law, and the new legislation in so far as it partially restricts the power of alienation and thus prevents to some extent dissipation of family property by the improvidence of individual members, is a step in the right direction. As a matter of fact, in pre-British days neither the mālguzār nor the tenant had any right to transfer, and even after the country became British, this power did not exist. In the case of the former, it was for the first time brought into existence as a free gift from the Crown at the proprietary settlement. As after experience has shown, this measure, though conceived in the best interest of the people, has resulted in the extinction of many old families, the natural leaders of the village communities. The law assumed in these cases an equality of advantages and intelligence, which did not as a matter of fact exist; and the rigid enforcement of the so-called doctrine of freedom of contract undid the good expected from the conferral of absolute proprietary right. It was found in 1888 that during the 20 odd years which had elapsed since the Settlement, over one-fifth of the mālguzārī area had changed hands. Since then the evil became accentuated. The partial withdrawal of the former unrestricted right of transfer is a tardy measure of protection to the old landholding class. I admit the new law makes a village a less profitable investment to the capitalist and thus works to his detriment; but the good of the country at large demands that his interest should in this case give way to the interest of the great agricultural community, on whose welfare the progress of the country must rest.

"In addition to these measures, if irrigational facilities be increased the position of the landholders will be much assured. Your Excellency was pleased to say last year, 'The subject of irrigation is one that appeals very closely to my concern. We are all familiar with the aphorism about the service of the statesman who can make two blades of grass to grow where only one grew before; and in India we need not be reminded of the

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direct and almost immediate benefit to the agrarian class that results from an increase in the area of cultivation.' One noteworthy fact, that has struck me in connection with irrigation expenditure is, that the Central Provinces do not appear to have participated in its benefit. Up to the end of 1896-97

	Rs.	
Productive . . . . .	31,25,29,486	the sum spent under the two main heads of productive and protective works was nearly 33 crores and a half, but as far as I can make out, the Central Provinces are conspicuous by their absence in the accounts relating to this expenditure. It may be
Protective . . . . .	21,09,92,530	
TOTAL . . . . .	52,35,22,016.	

that rivers which can serve as source of supply for canals are wanting, but what I am unable to make out is, why the question of having storage-tanks has never attracted attention. It cannot be said there is nothing in the country to suggest the utility of such works. We have many such tanks, made mainly in pre-British days, in what is known as the lake regions in the Central Provinces. Here an irrigation tank is an irregular sheet of water, its bank formed by hills and its dyke shaped out of spurs from them, thrown athwart the hollow. The largest of them has a circumference of 17 miles. By two short bunds, the waters of scores of hills have been impounded into a lovely lake, which spreads its fertilising streams over large areas of surrounding cultivation. Where the crude untrained village headman succeeded, British scientific skill is bound to attain greater success. In a question, like this I speak with great diffidence, but I believe that the tracts of high-lands and valleys, which abound in the Central Provinces, would, if looked into, furnish suitable sites for several such tanks. Two or three of them have been made of late years to supply drinking water to municipal towns, but their importance for irrigation does not appear to have received consideration. Probably the omission may be due to the fact that as enjoying the benefit of both the Bombay and Bengal monsoon current, agriculture in the Central Provinces was, until within recent years, considered immune. But now that this belief has been dispelled, I would respectfully draw attention to the importance of tank irrigation. As pointed out by the Famine Commission of 1880, the true value of these works should not be measured by their financial success but account must also be taken of the protection they give in years of drought, while in seasons of average rainfall they give certainty to agriculture, increase the crop-outturns and enable more valuable crops to be grown. In the Budget for 1900-1901 irrigation grant has been raised to a full crore, and I may be permitted to hope that the Central Provinces will not be forgotten when the distribution of this grant takes place. In connection with this subject, it is gratifying to find that



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more attention is being paid to irrigation-works as a measure of famine relief. These works show better results for the money spent than roads which are taken in hand merely to create employment for the people but which the country does not need, or which for want of repairs disappear in a few years after their construction.

"I cannot conclude without a word of reference to the famine which, for the time being, overshadows all other questions in my province. In replying to a municipal address, Mr. Fraser, our present Chief Commissioner, said with reference to the famine: 'But these feelings are mingled with deep anxiety and intense distress at the unprecedented calamities which have fallen upon the people. I am sustained in my anxiety and distress by the legacy which Mr. Ibbetson has left me in the elaborate instructions which, with his wonderful capacity for work, he has framed for all departments of famine administration. I am sustained by the knowledge that I am surrounded by officers not only of capacity but of high purpose. And I am also sustained by the knowledge that the officers of Government will receive from the leaders of the people generally hearty co-operation and support . . . The Government of India have declared their intention to help us in every possible way in our struggle.' It is somewhat early to speak of the success of the policy the key-note of which was struck in these words. But if a thorough grasp of the situation, if ceaseless watching of the pulse of the distressed districts and skill in combining all forms of relief on the part of the head of the Administration, and if loyal support, incessant toil and untiring devotion in the cause of humanity on the part of the local officers can command success, then is the success assured. The mortality returns are always most important guides in estimating the degree of success. An examination of these returns since the distress began discloses the gratifying fact that though overwhelmed by a calamity of even greater magnitude than that of 1896-97, when the death-rate at times went up as high as four times the normal in some tracts, the death-rate this time has not only gone beyond the normal, but has actually been sub-normal in some months in some districts. But the famine with all its sufferings will, as we hope and pray, soon be a thing of the past; but the memory of the heroic efforts that are being made and the devotion and self-sacrifice that are being shown to repair its terrible havoc, a grateful people will not willingly let die.' They are not given to noisy demonstrations, either of joy or grief; but whenever in the future, when prosperity will once more smile over the land,

Death-rates in December 1899—2 16.

Do. in December 1898—2 20.

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they will, after the day's toil is over, gather together of an evening at the temple of their village God and the talk would turn upon the dark days of the great famine, the kindly remembrance of all that was done for them will stir their innermost heart, and they will pronounce with the deepest veneration and gratitude the names of those who gave their life-blood to save them, and chief among these names will be that of Your Excellency."

The Hon'ble MR. EVANS said:—"Last year the late Finance Member found himself in the happy possession of a surplus of nearly four crores, and the question was raised whether the existence of that surplus called for or justified the remission of existing taxation. The soundness of the conclusion at which Your Excellency's Government arrived that any such step would be inadvisable, has been fully established by the events of the last 12 months; and Sir James Westland acted wisely in turning a deaf ear to the suggestions that were then made that he should avail himself of the opening which the prosperous condition of the finances seemed to give him of resorting to the popular step of taking off taxation. Of the two reasons then given for keeping a hold on the surplus, one has fortunately not taken practical shape, and I may be permitted to take this opportunity of adding my own congratulations to the many which Your Excellency will doubtless receive from my Hon'ble Colleagues on the complete success that has attended the introduction of a gold standard with the boon of a fixed exchange, the most important event that has taken place in the financial history of this country for many years. The second reason given by the late Finance Member for maintaining the existing taxation was based on the peculiar characteristic of the finances of this country which renders it unwise to be hasty in dealing with what may be only a temporary superfluity of funds as if it were necessarily permanent in character. Sir James Westland remarked that 'the Government of India regarded themselves as under an obligation in the face of the deficits of the preceding two years to recover their position by accumulating counterbalancing surpluses.' The revenue of this country is derived mainly from sources dependent on its agricultural wealth and prosperity. Recent years have given remarkable examples, some saddening, some cheering, of the extraordinary vicissitudes that affect the agriculture of this country. The failure of the seasonal rains in 1897 involved wide areas and a large population in the sufferings arising from scarcity and famine. Equally remarkable was the rapid recovery that occurred in 1898, in which year, speaking from my personal experience in the Province I have the honour of representing, it was difficult to believe that the country had but a few months previously gone through a crisis which had afflicted more or less seriously eight of the nine divisions of that

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[Mr. Evans.]

Province. It was this rapid revival of the resources of the country that gave the late Finance Member the large balance in his Budget. Had it been possible or prudent to regard that return of prosperity as certain to continue even for a short time, the case would have been different. That it would not have been prudent to take such a view has been proved to our sorrow by the return in an even more extensive character of agricultural disaster and distress. But while we may feel that the events of the last 18 months have taught us the wisdom of regarding with some distrust the promises of returning prosperity, we have also the consolation that rapid and unexpected as are the agricultural catastrophes that overwhelm this country, its recovery from those disasters has in times past been equally and as wonderfully rapid and complete. If then on the one hand it is rash to presume on a continuance of good seasons, we have learnt that we should not be led by the occurrence of such calamities to despair of an early return of prosperity, and we may join with some confidence in the hope expressed by the Finance Member that famine will have disappeared by the end of next September, to which anticipation practical effect has been given by estimating the land-revenue for the coming year at one crore and a quarter above the amount which it is expected will have been realized during the current year. Turning to the figures for that year, it is a remarkable and satisfactory feature in the revised estimates that the loss in land-revenue due to the failure of the rains will have been very largely recouped by gain in the revenue derived from Railways and Irrigation; and we may hope that whenever a disastrous agricultural season occurs, there will be some considerable compensation, from a financial point of view, in the additional receipts derived from these two sources. It is also a matter of congratulation that in spite of the unexpected excess of over  $1\frac{1}{2}$  million sterling expended on famine relief, the surplus at the end of the current year will be nearly if not quite as great as was estimated when no fears of such a disastrous season were entertained. On the other hand, that a considerable portion of the surplus is due to what may be fairly described as an accidental saving in military expenditure and the unfortunate, though necessary, reduction in the expenditure on Buildings and Roads, is a fact that cannot be ignored. One of the many lamentable effects of an unexpected deficiency in the funds at the disposal of the Government of India, whether that deficiency be due to famine or war, has always been the inevitable reduction made in the expenditure on that useful object; Roads and Buildings. The expenditure on Roads and Buildings presents few of the attractive features of the outlay on Railways and Irrigation, but the material wealth and comfort of the people are largely affected by it. It is then all the more satisfactory to note that the expenditure on Civil Works has risen from 447 lakhs in 1896-97 to 477 lakhs in the current year.

and to 494 lakhs, the estimated expenditure on this object in the present Budget.

"The repeated occurrence of failures in the seasonal rains and the calamitous and widespread results arising therefrom naturally suggest inquiry as to the extent to the which the Government of India proposes to devote its resources to the development of Railways and Irrigation, the two great weapons with which this country can strive to avert the attacks of famine, and mitigate their severity. Unmixed satisfaction must be felt by all that in spite of the difficulties arising from the demands on account of famine relief during the current year and the year before us, the outlay on Railways will, even making allowance for 'the arrears of the old programme handed on to the new one,' referred to by Sir James Westland, exceed the expenditure foreshadowed in the last triennial programme of capital outlay on Railways prepared in November, 1898.

"The North-West Provinces and Oudh are singularly favoured in the extent of their railway system, but there is admittedly still room for progress, and the Province has welcomed the construction of the line from Ghaziabad to Moradabad and looks forward to the early authorization of the commencement of work on the line from Shekohabad to Farrukhabad and the Agra and Delhi chord line. Still more gratifying is it to learn that Your Excellency's Government has resolved in spite of all difficulties to raise the grant for capital expenditure on Irrigation by one-third above the amount provided by the practice of recent years. The marvellous prosperity of a tract of country enjoying the benefits of irrigation when there has been a failure of the annual rains, as compared with the unhappy condition of other areas even in its immediate neighbourhood and subject to the same climatic conditions, which are not so fortunate, affords ample proof of the wisdom of making every effort to provide funds for this branch of expenditure. Amongst the projects mentioned in the programme of Irrigation Works to be undertaken in the coming year I am glad to find mentioned the completion of the Fatehpur Branch of the Lower Ganges Canal, which will give water to a tract that suffered severely from the want of it in 1897.

"My Lord, we have been informed that the heavy demands made by the various provinces for their support against the calamity of famine will be met in full and that a helping hand will be given to the Native States that are in the same difficulties. That Your Excellency's Government has been able to meet this strain on its resources without either calling on the tax-payers to assist by fresh contributions to the public treasury or asking for aid elsewhere must be a source of legitimate pride to all who feel an interest in the welfare of this great country."

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[Sir Harnam Singh.]

The Hon'ble KUNWAR SIR HARNAM SINGH said:—" My Lord, it is gratifying to observe that the Finance Member has been able to present to the Council a Financial Statement of the most remarkable character. It is remarkable in more than one sense. There is not only no deficit, but there is an actual surplus and we are led to expect a brighter future. The unique character of the statement would have been complete if some of the taxes which are pressing heavily on the people had been taken away. These would have been taken away I am sure, had it not been for the large famine expenditure which has been incurred. When it was announced that India was suffering from an unparalleled famine, people were apprehensive that there would be a heavy deficit ; but the financial gloom has been dissipated by the waving of the magic wand of the Finance Member, and despondency has been converted into hopefulness. People's anxiety has been greatly relieved and the conspicuous ability with which the Indian finances have been managed during the passing year has been keenly appreciated.

" I am glad to note that it has been pointed out that the unappropriated balance of the famine grant has in recent years been employed on works which are not exclusively of a protective, *i. e.*, famine character ; and that it has now been decided that protective works, the cost of which may be charged against the famine grant, shall include only such works as may be sanctioned solely and exclusively in view of their value as a protection from famine. This is a welcome departure, and the decision which has been arrived at will be calculated to remove a great deal of misapprehension which exists on the subject. In normal years there will be a large balance when there is no direct expenditure on famine. The Finance Member proposes to show this unappropriated balance under the heading of Reduction or Avoidance of debt. I do not clearly understand in what respect this would be an improvement upon the former heading of Reduction of Debt. The heading proposed will to my mind be as puzzling as the former one.

" We are told that in a normal year in which ordinary revenue and expenditure balanced, the Government of India instead of raising a loan of three crores for public works would be able to reduce the three crores by the unappropriated balance, say a crore, of the famine grant. Could not the same result be obtained by investing the unappropriated balance in a separate fund, which may be called the Famine Fund, and appropriating a certain definite portion, say one crore, in aid of public works if they are of a protective, *i. e.*, famine character ? The advantage of a separate fund would be, I venture to think, twofold. First, the practice pointed out by the Finance Member of charging against its expenditure which is not exclusively of a famine character, will be guarded against ; and

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second, after defraying expenditure for protective works, a balance, however small, will be left behind to form the nucleus of a permanent Famine Fund, which will increase from year to year, when there is no direct expenditure on famine, and the expenditure on protective work diminishes. In making this suggestion I bear in mind the fact that substantially there would be no difference as regards the appropriation of the surplus of the famine grant, but still the method I venture to suggest might be calculated to create a better understanding of the famine policy of the Government of India.

"It seems to me that in the Budget Estimate for the coming year a rather sanguine view has been taken of our sources of revenue. These sources do not appear to me to be so elastic as they are taken to be. I am rather doubtful as to whether these sources are capable of yielding the revenue which has been estimated. I will give an illustration of what I mean. Land revenue has been taken at one crore and a quarter higher in the budget than in the revised estimate. It is hoped that famine will have disappeared by the end of next September. The increases in the different provinces are, Bombay 67 lakhs, Madras 31 lakhs, and Punjab 27 lakhs. I have considerable misgivings as regards the estimated increase of revenue in the Punjab, the Province I have the honor to represent. In 1896-97 the total land revenue realisations on account of the demand of the year amounted to 2 crores and 32 lakhs. The collections were abnormally low in consequence of the suspensions of fixed land revenue allowed on account of drought. The realisations of the next year amounted to 2 crores 51 lakhs. In the following year, which was a year of comparative plenty, following a year of drought and famine, the realizations came up to 2 crores and 63 lakhs. I would call the attention of Your Excellency to the rate of increase of revenue during these three years. The first year was a year of drought, in the second year the pressure of famine had considerably diminished, but the Province had not recovered its normal condition; the third year was a year of plenty, the arrears of revenue were to a great extent realized and the Province showed a large increase of revenue. I find from the last Punjab Administration Report that the increase during that year was due partly to a rise in the income from fluctuating land revenue occasioned by favourable seasons and good canal working, and partly to large receipts on account of *nasarana* and sales of land on the Chenab Canal. In the second year there was an increase of about 18 lakhs, and in the third year, as compared with the previous year, there was an increase of about 12 lakhs. If the large receipts on account of *nasarana* and sales of land in the third year be taken away from these 12 lakhs, the increase shewn would be considerably diminished. I am inclined to think, my Lord,

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[*Sir Harnam Singh.*]

that the realizations of the third year were abnormal, and that the Budget estimate ought not to have been based on the collections of this year. In 1897 there was only an increase of 18 lakhs as compared with the previous year, and this increase might be taken as a standard, but then it must be considered that the produce of the land would be greatly diminished after a second famine within a period of three years. The mortality of the agricultural cattle will be considerable; those which were spared at the first famine would not be spared at the second and an adequate supply of fresh cattle would be difficult to be obtained in the coming year. Large tracts of land will be lying waste and revenue realizations are sure to be affected. It should also be borne in mind that low prices following on a plentiful harvest always reduce the receipts of cultivators and their decreased income naturally influences the revenue collections. It is these considerations which lead me to think that the increase of land revenue in the Punjab amounting to 27 lakhs is, in my humble opinion, overestimated. What I have said with regard to the Punjab applies *mutatis mutandis* to other Provinces affected with famine.

“ I note with satisfaction that rupees one crore has been allotted to canals and tanks for irrigation purposes.

“ There can be no question that the Tariff Amendment Act will be productive of the very best results. Few measures have ever passed through this Council, to quote Your Excellency's words, ‘with a greater weight of a qualified and homogeneous opinion behind them.’ The Act was passed with the object of relieving India from an external competition which was shown to have already produced serious consequences upon Indian agriculture and manufacture, and which if unarrested was likely to produce a continuous and dangerous decline. An industrial and agrarian grievance was redressed by the passing of this Act and sanguine hopes were entertained that the Act would encourage and stimulate the development of an important indigenous industry which was on the verge of being extinguished. Sufficient experience has not yet been obtained of the operation of the measure to enable the Government of India to form a correct estimate of its consequences. The countervailing duties on bounty-fed beet sugar came into force in the current year, practically not until May. It is true, as the Hon'ble Finance Minister says, that trade was conducted during the latter part of last year under abnormal conditions of plague, or of plague and famine, and it is impossible to look to this period as throwing light on the effect of the measure under normal conditions. But still as the figures from May 1899 to January 1900 are available, a rough idea might have been given with regard to the immediate results of the measure. It has been shown that prices have been influenced by the Act. The

rise in prices may have benefited China and Java, but it has not been, as it will be readily admitted, to the interest of Indian consumers. The question to determine is how far the Act has benefited Indian producers and what stimulus has been given to native refining industries. It is impossible, the Finance Minister tells us, to answer that question at present. Till that question is satisfactorily settled it would be idle to speculate on the benefits to be derived from the measure.

"I believe, my Lord, that the introduction of the gold standard and the gold currency will have far-reaching effects. It is quite true that India has at length reached the object which she is struggling for years to attain. By the introduction of this measure a practical fixity in exchange is expected to be obtained. This is certainly to the immense advantage of both the Government and the people. But, my Lord, permit me to say that this economic legislation is entirely new to the country. The people have been accustomed for centuries to the silver currency and it will take them some time to appreciate the advantages of the gold currency. The full effect of the measure passed on the 15th September to make gold legal tender in India has not yet been realized by the people. I am aware that Government has no intention of forcing gold upon a reluctant public, but still I take the liberty of saying that the recent notification issued with the object of familiarising people with gold currency by cashing postal orders in Presidency-towns of the value of Rs. 15 or £1 in gold coins, and the proposal to pay certain salaries in gold cannot but be viewed with misgivings. A sovereign is not sold for Rs. 15 in the bazar. The value varies with the current rate of exchange. The value of a sovereign will thus be sometimes more and sometimes less than Rs. 15. At present, after the issue of the Postal notification, a sovereign is sold in the bazar, I am told, with a *batta*, that is to say, its full value is not Rs. 15. The money-changers are shrewd men of business and they would on no account cash a sovereign, unless they see that some advantage is to be gained by paying the full value. Ordinary people have dealings with these money-changers and seldom or never go to the Currency Office to cash their sovereigns. When such is the situation, and when no absolute fixity of exchange has yet been obtained, would it not be expedient to take precautionary measures, and instead of pushing on gold currency, to introduce it gradually in the market after familiarising the people with its advantages? I have no doubt that the people will take to it after a time, but just now the experiment is novel and it is not looked upon with a favourable eye. There is another point in this connection to which I wish to draw the attention of the Council. There is a tendency for hoarding which will be encouraged and not checked by the present measure. I believe, however, that when sovereigns are freely and widely circulated and are easily sold in the bazar for their full value, this vicious habit will be eradicated.



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" My Lord, what has been observed by the Hon'ble Mr. Bose in regard to the Revenue Settlement in his Province deserves careful consideration by the Government of India. I am bound to admit that in my Province the Government has been very liberal; and no one can reasonably complain of heavy assessment. I am sure that in this the Hon'ble Mr. Ibbetson will bear me out. I would, however, point out in the interest of both landlord and tenants that it is desirable that the revenue settlement should be of at least thirty years' duration. I am strongly of opinion that when a district is properly surveyed, rights recorded, and lands classified, it should not be disturbed again with the view of increasing the revenue demand at the expiry of the settlement period, unless sufficient reasons, such as extension of cultivation and appreciable rise in prices of food grain, are shown. As to what trouble and harassment the people are subjected at the time of fresh settlement I would quote the words of Sir A. Colvin :—

' In 1874, twenty-six years will have elapsed from the date on which the two first of the districts now comprised in North-West Provinces were placed in the hands of a Settlement-officer. Others were begun twelve years ago and are not yet sanctioned ; one of these is not yet even completed. These facts are significant to those who know what the settlement of a district means, the value of property depreciated, until the exact amount of the new assessment is declared, credit affected, heart-burning and irritation between landlord and tenant, suspicion of the intentions of the Government, a host of official underlings scattered broadcast over the vexed villages. Nothing can equal the injury inflicted by a slow, uncertain settlement, dragging its length along, obstructed by conflicting orders and harassed by successive administrations, and finally threatened with annihilation at the moment when it seems to have nearly finished its course.—Little wonder that we hear of the land needing rest !'

" So far as I understand Government policy has of late been calculated to avoid these harassments to the people, but I venture to think, my Lord, that a definite declaration should be made on the subject by the Government.

" My Lord, it is a matter for congratulation that, notwithstanding the excessive expenditure entailed by famine, the Government of India has not found it necessary to resort to any fresh taxation. It cannot, however, be safely said that the finances of the Indian Empire are in a sound condition. No country would be justified in boasting that its finances are healthy and prosperous unless it can show that in time of emergency it can fall back upon a tax or taxes which would yield sufficient revenue to meet the deficit.

[*Sir Harnam Singh ; Rai Bahadur Ananda Charlu.*] [28TH MARCH, 1900.]

I cannot shut my eyes to the fact that India is heavily taxed and that any further taxation would be repulsive to the people.

“ Let us hope, however, that the country will soon emerge from plague and famine; and with the free and wide circulation of gold, the disappearance of fluctuations in exchange and the careful husbanding of the resources of the Empire, our financial stability will be fully established, and Your Excellency's Government will then be enabled to give relief to the people in the way of reducing taxation, *e.g.* the salt tax and the lower range of the income tax. Such a boon would be hailed by the whole country and would signalise Your Excellency's administration in the annals of India.”

The Hon'ble RAI BAHADUR ANANDA CHARLU said.—“ No man with a soul, not altogether dead to all finer sensibilities, will hesitate to give Your Excellency's Government the very highest praise for cheerfully and unreservedly taking upon your shoulders the entire burden of the famine expenditure in the present crisis. There are, indeed, in the Budget before us, some clear indications—I should say for the first time perhaps—of how the fund, originally designed solely as an insurance against famine and asserted year after year as applied to that object, was not always administered in *strict* adherence to principles initially declared. But, in the face of the hearty consecration, as it were, of the entire available resources of the State, by Your Excellency's Government, to safe-guard life in the present juncture and in the face of the no less colossal effort made by your predecessor's Government to seize the Indian Hydra by the throat and strangle it year before last, even the worst caviller will have no heart and no wish to quarrel with the past doings. There is further little use in crying over spilt milk. A word or two may not, however, be out of place in regard to the future treatment of famine grants. In this view I, for one, will summon up courage to enquire whether, in order to minimise such heroic resolves and such wholesale appropriation as in the present trial, Your Excellency's Government will not, once and for all, debar future possibilities of deflection, by constituting them into what in law is termed trust property, clothed with all the rights to be kept apart to be invested, to made to multiply, to be immune from all loss and to have all damage made good from funds, for the relief of which they have been drawn upon. A suggestion, somewhat of this kind, made when the fund was first created, was met with an outburst of temper and it was roundly denounced as amounting to a calumny; but the circumstance did not prevent the happening of precisely what had been feared. The process of laying unappropriated

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balances of famine grants under contribution for other than famine works, on the argument of avoidance of debt, is open to four salient objections. First, the sums so taken out do not revert *with interest or profits*. Secondly, the loss entailed by miscalculations or by other causes is made a charge on the fund. Thirdly, it virtually reduces the famine grant to the residue, *i.e.*, by so much as is drawn away from it. Lastly, by affording facilities to borrow without having to pay interest or profits, the usual unconscious increase in the readiness to borrow would follow—often by discounting fears which the absence of such facilities would inevitably accentuate. The best of men and the most calculating of men have not been proof against the insensate growth of this insidious tendency to be-little after-consequences in such circumstances, and it is best to reckon with this datum of wide-spread human nature.

“ Another point which is connected with famine and which famine brings into disagreeable prominence is that something must be radically wrong when the failure of rain means failure of irrigation even in extensive tracts set down as tank-fed tracts, which are therefore not solely dependent—*mana-vari* as we call them in our Presidency—on the fall of rain. Now that it is declared in the budget that the programme of purely protective Railway works has been practically exhausted, one big drain on the famine grant may be said to be at an end, and the prospects of irrigation may be taken vastly to brighten; for there has all along been a contrast, as it was bound to be, between the way the claims of the railway and the claims of irrigation were respectively met. I say ‘as it was bound to be,’ because the cause of railway is virtually the cause of enterprise, of commerce, of manufacture, of railway rolling stock and of ambitious engineering; and the representatives of each and all of these necessarily unite their lusty voices and focus their cultured and energetic intelligence on it—a species of advantage which the unlettered and enert peasantry can never hope to command.

“ The cause of the raiyat population must, of course, be the cause of the whole staff of executive Government, embracing all grades from the topmost to the lowest round in the ladder; and it augurs well for that population that, even in this year of sore and straitened circumstances, no less than a crore of rupees is granted for their special benefit, although large slices of it are earmarked for specific irrigation works and although only a small fraction is available this year for the creation, extension and the repairs of the vast number of tanks and reservoirs, which play no insignificant part in aggravating or diminishing the ill-consequences of absent rains. Let me take my

own Presidency for an example. There a large part, if not the major part, is dependent on tanks, reservoirs and similar contrivances to catch and collect water : and yet it is a mere toss-up whether they should be empty and bring on famine for want of rains as in the year before last or whether they are filled, partially at least, as this year and render scarcity scarce. Such instances cannot but prove that something more than the excavation of canals on a grand scale remains to be done and re-done continuously and at frequent cost. An indispensable condition precedent for realising the actual needs in this direction is the establishment of a system, under which every year statements, accessible to the raiyats concerned, shall be prepared for each tank or reservoir, irrespective of its size and irrespective of the obscurity of the village to which it belongs, showing (1) its traditional or recorded capacity to hold water, (2) the actual quantity it did hold, (3) if the actuals fall short of the traditional or recorded quantities, the reasons for the same and the suggestions for their remedy, and (4) whether it is in good repair and whether any improvement or extension is advantageously possible. Along with these statements, reports must also be called for as to the several places where facilities exist for a series of wells by way of a complement of irrigational contrivances, in order that, whenever the clouds play us false, we may penetrate beneath the soil and evoke the services of the water-supply available there. There is indeed the system known as *Varakam* under which individual raiyats, who choose to do so, might obtain from Government monetary help for sinking a well here and a well there. But instances of such solitary or isolated action can never suffice, and it is beset further with difficulties which either greatly discourage or effectually frustrate it. The thing is fully worthy of systematic or organised effort on the part of Government. To admit of the creation of a system of wells, in the requisite adequacy and in full efficiency, the statements and reports I have alluded to ought to be embodied in our Yellow Book in full detail and must form the basis of the estimates in respect of irrigation by the Government of India, which is the authority, and the sole authority, to provide funds for their execution. Unless I am greatly mistaken, materials in this amplitude and minuteness happen not to be within the reach of those who are the ultimate dispensers of the funds which must be forthcoming. It is time, high time, that the rapid recurrence of famine, which we are bitterly experiencing, should direct and concentrate the entire forces of the executive Government on how best to render irrigation as complete as there is room for rendering it so. If there is force in the remark that the raiyats should take the precaution to lay by a store of money or grain against the possible dearth of the ensuing year, there is no less force in holding that every year the purveyors of

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water for purposes of agriculture should be equally providential in the matter of supply, expected of them.

"As bearing on the same subject of famine, the question of a permanent settlement of the land assessment is of vital importance. It was mooted so long ago as within the first few years of this country passing under the direct rule of the Queen-Empress; and there was a perfect accord to the effect that a fixed rent, fixed in perpetuity, should alone be claimable by the Government. Amid much difference of opinion on a number of other points of no less weight, this one was, I thought, conceded on all hands—the only reason why the thing was not accomplished at once was that some years should elapse before the full rent-value of all tracts was ascertained, so as to form the safe basis of action. A period of over five and thirty years has since elapsed; but the subject has again passed into the arena of controversy. It is neither wise nor expedient that an expression of opinion in the shape of a final verdict should be sought in the present disputatious stage of it.

"But one thing must be stated unequivocally, *vis.*, that, so far as the classification of the soil and the Government share of the produce are concerned, a settlement should be finally and at once made and that all future revisions should solely depend on a manifest, steady and tangible rise in prices over a reasonable number of years so as to produce the conviction that the old order has substantially given place to the new. In my humble judgment, nothing short of this, as the minimum of lasting concession, would restore to the raiyat the benefits he once enjoyed of leaving fallow, for some years, land, impoverished by continual cultivation and of procuring at (to him) a heavy cost, grazing and fodder for cattle, and fuel, timber and other materials which he had been getting in former times without paying for them. So long as he is dependent on land alone, as he seems destined to do for a long time to come, and so long as he must look to land alone for all his comforts and conveniences—not to say, for living up to the standard almost forced upon him as a consequence of influences unknown to him in days gone by—*this is the least* to be assured and ensured to him and his children. I do not, of course, say that this will bring on the millennium, but I venture to say this, that there is little chance of happier days coming to him, unless and until this reform is wrought.

"There are some other points, my Lord, on which I would fain make a few remarks; but I desist as I fear that I have already exceeded the limits of indulgence in making my humble representations—I will not say my criticism—on the most absorbing topic of the moment."

The Hon'ble THE MAHARAJA OF DARBHANGA said:—" My Lord, in accordance with the practice which usage has sanctioned in this Council, I desire to take advantage of the opportunity afforded by the presentation of the Budget Statement to place before Your Excellency's Government certain observations in matters of domestic and internal policy, which may, I trust, meet with favourable consideration at your hands

" It may be that I shall be compelled to trespass for some little time upon Your Excellency's time, but I venture, by way of extenuation, to plead the importance of the subjects I am about to discuss, and I am still further encouraged to proceed by the invariable sympathy and support which Your Excellency has accorded to all questions concerning the development of the resources of the country.

" In the first place, I would ask permission, my Lord, to say a few words with regard to the question of Land Settlement, and I would direct my remarks more particularly to the Central Provinces and Assam. It has been a pleasure to me to listen to the interesting speech of my hon'ble friend, Mr. Bose, and if I may say so he has dealt with his subject in a masterly and exhaustive fashion. I fear that it cannot be denied that there is a strong feeling in certain quarters to the effect that the present policy stands in serious need of revision. † The cry is not for the extension to the other parts of India of a permanent settlement similar to that which prevails in Bengal. It is felt, even by those who are the strongest advocates of the zamindari system, that this is a question which has been once for all decided by the Secretary of State for India. ‡ No useful purpose can be served by a futile attempt to re-open it, but, on the other hand, it is submitted that concessions may be reasonably and fairly made by Government without in any way abandoning the position they have seen fit to take up. It is universally admitted, I venture to think, that the only paying fiscal policy is that which imposes the most moderate rate consistent with the conservation of the finances of the State. I do not dwell upon this or upon other points which occur to me, for they have all been most ably elaborated by my hon'ble friend who represents the Central Provinces. But I should like to recapitulate, as briefly as possible, in the form of heads, the suggestions which I would lay before Government in this connection.

" First, the period of settlement should, except in cases when waste land villages have been newly reclaimed, or when lands have been only recently opened up and brought into communication with the centres of trade, be definitely fixed at a period not less than 30 years.

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"Secondly, the revenue should in no case be enhanced by more than 50 per cent. over and above the existing demand at any revision of settlement.

"Thirdly, the land revenue should in no case be more than half the total assets of the village.

"Fourthly, the Government should not draw from the landholders more than 60 per cent. of the village income including cesses and rates of all kinds.

"All these, my Lord, are points with regard to which strong feeling has been expressed with reference to the Central Provinces. In Cachar also I have reason to believe that very strong feeling has been manifested with regard to the re-settlement recently sanctioned, and I find that the grounds of opposition are almost identical with those advanced by the inhabitants of the Central Provinces, allowance being of course made for the differences caused by local circumstances and conditions of tenure. Nor is this feeling of what I must call dissatisfaction confined in Cachar to the general landholding and agricultural population. My information goes that the Indian Tea Association, representing a most influential section of the community, have also grave objection to take to the excessive nature of the uniform assessment of eleven annas per bigha which has been sanctioned on tea lands as compared with the new rates on rice lands, which range from four to eleven annas per bigha. On the general question I will do no more than call attention to the criticisms of Mr. R. C. Dutt, whose knowledge of the country is on a par with his experience of revenue and settlement work; but it is hardly likely that his observations can be all exaggerated and beside the mark. There must be a mean, and I would submit that that mean can be arrived at without injury to the interests of the Government and without hardship to those whose lands are assessed. I would venture to suggest that the best method of settling the difference of opinion and of placing matters upon a satisfactory footing is the appointment of a Commission. It might be presided over by the Chief Commissioners of the Provinces concerned, or in their default by the local Directors of Land Records and Agriculture; and it might be composed of two European and two native members. The grievances, such as they are, may be enquired into, and a large amount of important information would probably be collected, which the Government would find of value in making resettlements in the future. At all events, I submit that no harm can be done by the appointment of such a Commission and I am confident that, on the contrary, a considerable amount of good will result.

"I now pass on to the question of railways which occupy as usual a very important place in the Budget Statement. I notice that the Government have decided

not to proceed with the construction of the Sakri-Joynagar line, but to leave it to the Bengal and North-Western Railway Company to complete. I have, of course, no objection to offer to the arrangement, but I would desire to make one suggestion in connection with it. In my opinion a limit of time should be assigned and the Railway Company should be informed that the work must be finished within that period. Unless this is done, the project will be hung up indefinitely and the development of a very promising tract of country may be needlessly delayed. If the Railway Company are unable to act up to the terms of the contract, I would suggest that the aid of the private capitalists should be invoked, and I make no doubt the Government would find that they had not to ask twice from such a source.

“ Before I leave the subject I should like to add that I have observed with much satisfaction that the demand of the Bengal Nagpur Railway upon the Famine Insurance Fund, towards meeting the charge of interest on its capital, has been reduced, owing to the improved traffic receipts and net earnings of the undertaking, to a payment of only Rs. 7,63,500 during the past year. The receipts of this Railway, it is to be hoped, will improve still further when the undertaking obtains free access on its own account to the Port of Calcutta. But it serves certain districts where cultivation is scanty and the population sparse, and it is doubtful whether the local traffic on many sections will be of much account. The question therefore arises, whether the Government should not endeavour, with the opening of the line to Calcutta, to obtain a through traffic to and from Bombay Presidency. Mineral is the traffic which at once suggest itself as likely to be of benefit to the undertaking and which, owing to the long lead, may possibly be carried at rates at which the Government regulations have hitherto prevented the Railway working, but which would be remunerative. I learn that it practically costs Rs. 11-3-0 to transport and handle a ton of coal between Assansol and Bombay *via* Calcutta. There is thereafter the haulage of the ghâts for distribution along the Great Indian Peninsula Railway, which must add another rupee at least, if not more, to the cost. But the obstruction that the management of the Great Indian Peninsula line have hitherto placed in the way of the traffic by the high rates of carriage they demand, stands a fair chance of removal after the 30th June, when the Government comes into possession of the Great Indian Peninsula Railway, and I would invite the Government with all respect to forthwith consider, on behalf of the European and native mining interests of Bengal, the advisability of adjusting rates so that the distribution of coal by the Railway system may come within the reach of the industry and promote the use of coal throughout the country. A transit charge of Rs. 11-3 per ton would



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be equal to about 1'15 of a pie per maund per mile on the land journey from Assansol to Bombay *via* Nagpur, and I venture to think this is a rate at which the Railway could work. I should regard it, my Lord, as one of the greatest reforms that could be brought about for the benefit of those engaged in agricultural pursuit, and for the exporters of produce, if we could induce and encourage agriculturists to restore cow manure to the soil instead of using it for fuel, and it appears to me that we could go far towards effecting this reform if we could arrange for a supply of cheap coal, or soft coke, from the coal-fields of Bengal, at a low rate of railway freight. The benefit derivable from the application of natural animal manure to the land needs no explanation, but I would direct the attention of those who may be in any way sceptical of the possibility of inducing agriculturists to change their system of disposing of cow manure, to the results that have been obtained at Poona, and to the system that the raiyats have adopted there.

“ These remarks on agricultural pursuits lead me to enquire whether the time has not come when the Agricultural Department of the Government of India, and of the Local Governments might not be enlarged into something more than a mere Statistical Bureau of Land Records. Cannot the Government undertake to establish a College on a larger scale, or a Department to which agriculturists and others interested in the industrial development of this country may look for scientific information and help? It has been repeatedly proved that the initiation of scientific and practical investigations and experiments is beyond the means of individuals or even of groups of individuals, and so fully has this been recognised on the continent of Europe that it may be said the sugar, chemical, artificial indigo and the other industries established there have been brought into their present prominent position under the careful nursing and tuition of the State. In a large country like India, where the forces of nature are responsible for so many calamities, it would seem to be particularly necessary that there should be some such organisation to enquire and deal with diseases and blights, and to investigate and suggest new industries, by the production of new crops, or by the better use of the resources available. In connection with the former we have dangers besetting the prosperity of indigo, sugar-cane, betel-nut, castor oil and other crops, making it most desirable that the errors that may have been committed in cultivation or production should be corrected before competition from other countries has secured the trade. I am fully aware, my Lord, of the good work that has been inaugurated and carried out by Dr. George Watt, Director of the Economic Museum in Calcutta, and I am glad of this opportunity of giving publicity to it. But working (as I understand he is doing) practically single handed, and compelled to scour the country for cases

for investigation in his laboratory, he can only do a limited amount of work. The marvel is the amount of work he has been able to undertake. Is it too ambitious an idea to picture a Bureau emerging from this most excellent foundation, having on its establishment a large staff of scientific professors and overseers, whose services might be placed at the disposal of Associations, or of individuals, and whose chief aim and existence would be to develop the agricultural and commercial pursuits of the country? I do not presume to do any more than touch this chord, for under Your Excellency's master hand, it is no difficult to conceive the foundation of a great institution of the kind, formed on the most modern principles, and resulting in far-reaching benefits. But there is no use in growing crops that cannot be transported from locality to locality, and to the sea-board, and therefore it is equally necessary, as I have already ventured to point out, that an adjustment of the railway rates should be taken in hand if the trade of the country is to be really adequately developed.

"As an advocate of an extension of the railway system throughout India, I confess my reluctance to check any railway enterprise; but when there seems to be a difficulty in undertaking new schemes until the settled programme which the Government of India has already laid down is fulfilled, would it not be reasonable to postpone those schemes which on further enquiry appear to be less desirable? I refer especially to the hill sections and northern section of the Assam-Bengal Railway, the cost of which is apparently very much heavier than the original estimate, and the usefulness of which, owing to the character of the country traversed, is now apparently exceedingly doubtful. I need not explain this in further detail, as Your Excellency has very fortunately only recently visited the province of Assam and travelled on a large part of this line of railway. But I would beg leave to point out that the money now being devoted to the construction of that line of railway might be much more profitably spent in bringing the Bengal-Nagpur Railway into immediate touch with the coal-fields of Jherria, and in constructing a local line by that undertaking to bring the mineral from Jherria and the Burrakar coal-fields direct to Calcutta

"I do not wish, my Lord, to venture at any length upon the treacherous ground of the currency question, but I would say that I approve of that part of the report of the Currency Commission in which the suggestion was made that profit to be derived from the coining of silver should be suspended in order to meet the cost of acquiring a gold reserve, but it does not, however, seem to me clear (if I may say so) in what way the Government of India will decide when it is necessary to add more rupees of new coinage to the circulation so as not to hamper trade by refusing rupees for gold and notes. The Hon'ble Member

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in charge of the Finances states that 10½ crores of rupees have been added to the circulation this year and he looks forward to a further addition during the coming year of a comparatively small amount. Who is to decide, and how is the decision to be arrived at, as to how and when the currency is to be increased? This seems to me to be one of the most important questions associated with our currency system, and to my mind it imposes upon the Government the necessity of maintaining close relations with the commercial community to avoid inconvenience if not a catastrophe to trade. How are these relations, I would ask, to be maintained! The explanation given by the Hon'ble Member in paragraphs 32 and 33 of his statement clearly explains the reasons which have led the Secretary of State to suspend operations under the Gold Note Act (II of 1898), and must disabuse the minds of his critics of any selfish intention on his part of any coercion from the city of London as has been suggested in some quarters. But it exhibits a danger to trade associated with a managed currency and emphasises the importance of the question I have just asked.

“ I have but little more to add. But I should be sorry to bring my remarks to an end without offering to Your Excellency the most sincere thanks of those whom I represent for the action of the Government in withdrawing the Telegraphic Press Messages Bill. We all know very well that if Your Excellency had insisted upon passing the Bill, the Bill would have been passed in spite of all objection and all protest and it is on that account that we are especially grateful for the concession made. Nothing could have been calculated to give more general satisfaction than Your Excellency's frank pronouncement: and there are no two opinions that the agitation for the cheapening of the overland telegraphic tariff, which Your Excellency is so powerfully aiding, will effect far more appropriately the object of the proposed legislation than the legislation itself could ever had done. I had not the opportunity upon a previous occasion of giving expression to these sentiments, but I think I should be wanting in my duty if I failed to do so now. It is not so much legislation of which the country is in need as a systematic encouragement of commercial projects. Development and expansion are the great wants of India and she is now to be congratulated upon having secured a ruler to whom both these objects are so deeply at heart.”

The Hon'ble MR. REES said:—“ My Lord, as the official representative from Madras, I may perhaps be permitted to regret that the pressure of famine charges this year has constrained the Government of India to prescribe a scale of provincial expenditure, which His Excellency the Governor of Madras in Council thinks will adversely affect the Local Administration. That regret I am sure is

shared to the fullest extent by Your Excellency's Government, while the necessity is loyally accepted by the Government of Fort St. George, which I see from the Financial Statement contributes to the Revised estimates increases under Salt and Customs Revenue, to the Budget estimates a large increase under Land Revenue, savings under Plague, and in expenditure under Land Revenue, at the expense of postponing improvements, while it maintains its lead in local enterprise to which Your Excellency publicly testified in on a recent occasion by proceeding with its Local Board Railway extensions.

"In every Budget Statement for these last five years I have seen similar proofs of the general prosperity, well being and good government of the Madras Presidency, and it was without any jealousy that I witnessed last Wednesday the evident glee of my hon'ble friend on my left, on hearing from the lips of the Finance Minister the praises of the young but prosperous province of Burma.

"The Railway programme is necessarily affected like everything else by the famine, but it is extremely satisfactory that the loss on the direct Railway account has been reduced to so small a sum as  $1\frac{1}{2}$  lakhs, and it must be admitted that the Railways, in spite of a regrettable deficiency of rolling stock, have again saved the situation so far as the famine campaign is concerned; while the programme of construction for the coming year is perhaps as ambitious as can be expected, seeing that it is to be carried out from funds to be borrowed in India.

"There are many items in this chapter in which Madras is closely concerned. That great undertaking, the East Coast Railway, being opened, and a suitable provision being made for the Godavery Bridge, it only remains to arrive at a satisfactory agreement as regards the working of the line, a matter still under consideration.

"The Madura-Pamban line is not, as might be inferred from the Hon'ble Public Works Member's Memorandum, to be deferred till 1901-1902, but a special grant of 10 lakhs is made for the coming year, and the lump grant of 25 lakhs for South Indian and Madras Railway (*i.e.*, Calcut-Cannanore) extensions is raised to  $27\frac{1}{2}$  lakhs. For the British Section of the Tinnevely-Travancore Railway a provision of 8 lakhs is made, while His Highness the Maharaja of Travancore has advanced 17 lakhs for the construction of the section within his territory, a sum to be recouped to the Durbar, as soon as the South Indian Railway shall have raised the contemplated debentures in the London market.

"His Highness the Raja of Cochin meanwhile is constructing at his own cost the line from the Madras Railway to his capital.

“ Thus by leading lives of equal dignity and simplicity amongst their own people, for whose benefit and not for their personal pleasures they expend their ample revenues, these admirable princes give practical proofs of their worthiness to be treated, in Your Excellency's happy phrase, as colleagues in the administration of the Empire.

“ Madras will learn with satisfaction that the earthwork of the Vizagapatam-Raipur Railway is to be taken in hand as a famine work in Raipur. As the Madras Chamber of Commerce observes, the completion of this connection is very necessary in order to offer what are practically the remotest localities in India the advantages of the really not far distant ports of the Coromandel Coast. Twenty-five years ago when we sent a regiment from Vizagapatam to deal with a little disturbance in Bustar, no one in those parts dreamt that within the century we should be commencing a railway through its fastnesses. I believe this line will pay without a guarantee.

“ The Madura tramways are delayed on account of a legal difficulty. As they will serve important agricultural and planting districts, no effort will, I am sure, be spared by the Government of India to overcome, what is apparently, a technical obstacle.

“ Hon'ble Members who have preceded me have dealt fully with the famine, from which it is unfortunately now clear that Madras will not be exempt, and with its effect on the finances of the Empire. I have had, and have taken, the opportunity to visit the worst centres of the great famines of 1876-77, 1896-97, and 1899-1900. Mysore, in the first, was indeed a scene of death, desolation, and despair. Certain portions of the Central Provinces, in the second, exhibited, owing to difficulties incident to the treatment for the first time by the British Government of a famine, among the backward races of this province, painful scenes, alongside active and on the whole successful efforts, to grant relief, while throughout the more advanced North-West Provinces the administration was able to cope with the problem set before it. The Central Provinces, again the most stricken part of India, in the third famine, while in certain districts not less than 33 per cent. of the whole population are on relief, an unprecedented figure, yet present a scene of such perfectly organized relief, that if a stranger without knowledge of the existence of a famine, suddenly visited the works, he would not know to what cause to attribute the activity in road-making, tank-digging and other operations of the like nature, upon which upwards of one-third of the population is employed.

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“ So perfect now is the system that the only doubt suggested is whether it is not too perfect. The greatest of all writers on agriculture said: ‘ The Father of Heaven willed that the way of cultivation should not be easy.’ The question is how far a Government which is the father and mother of the Indian people, as they freely allow, for their gratitude is hardly less than their benefits, and finds expression through the mouths of their press and their princes—how far that Government can declare that the way of cultivation shall, regardless of seasons, be easy. Of course there is apart from the all-powerful claim of humanity the practical asset, that generous relief recoups its cost in the speedy recovery of the people. We had proof of that in the last famine, and shall have it again.

“ My Lord, I was somewhat astonished to hear my hon’ble friend Mr. Bose dwell on the hardships of the Central Provinces settlement, which is the lightest in India. It is also the lightest taxed province all round, the proportion to Madras, for instance, being as 22 to 41 per head of the population. Those portions moreover which are most afflicted with famine are those which are the most lightly assessed of this lightly assessed province. It is well-known that high rents do not alone produce agricultural distress, which in fact is most common in lowly rented districts. A late member of this Council, Mr. Fuller, has after most careful enquiry affirmed that the Central Provinces are no exception to this rule. The fact is, it is in the interest of the *mālguzār* or landlord that this agitation is carried on, and not in that of the cultivator. The landlord in fact is very fortunate in the sixties to have been placed in the position he now occupies. I am confirmed in this belief that this is the fact when I hear my hon’ble friend on my right support Mr. Bose. The Maharaja’s benevolence and sympathy is of a catholic character. Last year I remember he made an excursion into the pushing little province of Assam. This year he makes a longer excursion into the Central Provinces. I do not mean that his sympathies are confined to the landlord class. No one has given more magnificent proof to the contrary. Still distress will never appeal to him in vain, and are not landlords a conspicuously distressed class all the world over.

“ As to the causes of famine, if we must go beyond the seasons, there can be no doubt that it is very difficult to get at the assessment question. It is recorded of the Duke of Wellington that on one occasion his references to a measure before the House of Lords moved the Chancellor to say that he feared His Grace had not understood the Bill, whereupon the Duke replied that he had read the Bill once, twice, and three times, and if he did not understand it, he must be a fool. I think many people might read official reports on this subject, and not be unworthy afterwards to be classed with the Duke of Wellington.

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"It would be very advantageous and acceptable to many seekers after information in India and in England if the Government of India would publish not a masterly or exhaustive report, but a brief, popular memorandum exhibiting the salient features of the settlements effected in different provinces. One thing is clear that assessments have enormously decreased, though collections are much more regular than in the good old times. At any rate assessments cannot be crushing, while the rental of irrigated land is three times that of unirrigated land twice its amount. Moreover, the most affected are the most lightly assessed portions of the Central Provinces, which as a whole are more lightly assessed and taxed than any other part of the empire.

"As to famines in the past, there were then no Indian Midland, and Bengal-Nagpur, protective, no Raipur to Dhuntari, and other feeder lines. In 1818 wheat sold at Jubbulpur for four seers a rupee, and in 1832 for eight seers at Nagpur. In 1868 one year's failure of crops produced a famine, and early in the 18th century grain more than once rose to 64 times its normal cost. The effects of famine then were lasting. Now they are temporary, and the total decrease in cultivation since the last famine in the Central Provinces is only 5 per cent.

"Yet there is room for general enlightenment, when a journal like the *Times* enquires whether the Government of India in restricting landlords in respect of raising rent, has laid upon itself a self-denying ordinance of equal obligation.

"My Lord, the status and functions of an Additional Member are somewhat elusive of definition, but it has often struck me on budget days that he might be described as one who proposes additional expenditure without suggesting additional income.

"On one occasion only do I remember an exception to this rule. It was, I think, in the Session of 1895-96—at any rate I see no survivor of the members of that day present, excepting only my hon'ble colleague from Madras—that an Additional Member did point out to the Finance Minister how he might make much money. It happened, however, as is not unusual in such cases, that a transfer from another source was suggested, and that source chanced to be situated in Bengal. Whereupon the Lieutenant-Governor, the predecessor of His Honour, rose in his wrath, and smote the Additional Member, and when he had pulverised him and pounded him to atoms, the Financial Minister, though he was the man to stand by a friend, was hardly at great pains to put his ally together again. With this example before his eyes it behoves an Addi-

tional Member to be very wary. Yet I venture to think that savings might be effected in buildings in the mufassal. It does not appear that any rule of practice exists, whereby Public Works budget makers allot a certain proportion of their grants to new buildings, but I cannot help thinking a few new buildings, however unlovely in themselves, are considered to embellish an engineer's budget. The present administration in Madras markedly prefers communications to buildings, but in that Presidency and elsewhere I have seen handsome offices in small towns, providing as many cubic feet of air per individual, as amount to an obnoxious draught in the opinion of the Indian officials concerned, and are indeed far in excess of what the people usually enjoy, or really need, and perhaps more than what in this city is inhaled by the helots of Chowringhee.

"Last year I ventured to say that any simplification of rules, delegation of authority, and relaxation of restrictions imposed in regard to mining applications, would greatly assist Local Governments in encouraging the introduction of foreign capital. I would now gratefully acknowledge certain important changes made in that direction indicated and would briefly refer to another matter.

"It is not often that a political officer has the honour to sit in this Council, but when a member has like myself a political charge, the fourth largest in point of population, and the fifth in revenue in India, he may perhaps be allowed to urge that as mining industries are largely developed in Native States, which are expected to adopt, and do adopt British laws and regulations in this behalf, ~~the~~ actual, if not immediate, effect of action taken in British India upon the mining interest in such States, should be carefully borne in mind.

"There are two subjects, my Lord, in regard to which I have asked for leave to bring in Bills, a permission which, at this stage, I cannot get. They are the Christian Converts Dissolution of Marriage Act, and the Protection of Wild Birds. I am aware that changes in the marriage laws, like holy matrimony itself, are not to be rashly or lightly undertaken; but the present procedure is so long and expensive, that converts to Christianity who, like the early Christians, are generally poor, suffer considerable hardships, and particularly Roman Catholic Christians, because they are, under the combined operation of the first-mentioned Act and of the Penal Code, deprived of the benefit of the Pauline dispensation. This privilege of the faith by the Canon law, and the immemorial usage of the Church, permitted the dissolution of a marriage subsisting between a convert and a spouse who refused to live with him or her, because of his or her conversion, by a simple process, outside the courts, lasting thirty days and costing nothing, whereas the present procedure is, to a poor fisherman for example,



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only less prohibitive than the private Act of Parliament for divorce procedure, which formerly obtained in England.

“With regard to the birds, the Government of India, and certain Local Governments, of whom Madras is one, desire to preserve from destruction during the breeding season, birds which are coveted for their dainty flesh, or brilliant plumage, and I hope the very moderate measure of protection suggested may be granted in order that these beautiful and useful creatures may obtain a temporary asylum outside their present only haven, the reserved Government forest. I venture to commend these two subjects to the sympathetic consideration of Your Excellency's Government.

“Turning to the more general features of the Budget I would express my personal obligations to the Hon'ble Finance Member for giving us a most interesting statement, for making matters of high finance as intelligible as may be to the weaker vessels, and for the elimination of that odious but till now inevitable financial fetish 'Rx'. I would express a satisfaction, in some quarters called unholy, at the recovery of the opium revenue, which showed dangerous symptoms of decline, upon the increased grant for irrigation, on the success, so far as may be judged, at this stage of the gold policy, to which Southern India makes a practical contribution from the Mysore Mines duly acknowledged by the Finance Minister.

“As to the Military Budget, it is well known that the hon'ble and gallant member in charge neither spends an unnecessary rupee if he can help it, nor takes less than a crore if he can get it, and if so large a sum is necessary to make efficient that army which is the insurance of a vast trade and of a population of a fifth of the inhabitants of the world, who pay for it per head around about eight annas. The most expensive thing we can keep is a badly armed army, and I rejoice to see a large provision for providing the Lee-Enfield rifle, which will be repeated in succeeding years. The provisions made for increasing the number of officers, and improving transport and commissariat arrangements are also eminently satisfactory, though more transport as well as more regimental officers are required.

“Already the Indian Government, unconscious itself of any extraordinary or supreme effort, can accomplish feats of rapid mobilisation, which extort the reluctant admiration of Europe.

“The subject of paragraph 15 of the hon'ble and gallant member's memorandum will attract universal attention—I mean the withdrawal of troops from

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certain advanced posts on the frontier as soon as militia and police corps, which are to be located at these posts, are organized. These withdrawals have commenced and have resulted in savings which will be largely increased, if this policy proves the permanent success, which is anticipated and hoped by all who have the interests of this country at heart."

The Hon'ble MR. SMEATON said :—" I desire to congratulate the Hon'ble Financial Member for such an interesting and lucid exposition of finance as is contained in the statement before us, and in particular to offer him my profound thanks for the abolition of the objectionable 'Rx.' This time-honoured symbol has been the cause of more headaches to students of Indian Finance than almost any part of the statements that have been submitted from year to year. I have a pleasant duty, my Lord, to perform in acknowledgment of a substantial concession which has been made to the mercantile community of Rangoon but I desire to postpone performance of this pleasant duty until I mention two or three matters which His Honour the Lieutenant-Governor of Burma has desired me to lay before Your Excellency in Council. The first of these matters is in regard to the Forest Administration Sir Frederick Fryer asks me to represent the inadequacy of the superior staff of the Forest Administration, and to point out, and I may say parenthetically that I entirely concur in the opinion which he expresses, that a little reinforcement of the Forest staff would vastly increase the annual resources and income of the Forest Department, that for every rupee spent in increasing the superior staff there would be many rupees obtained from the increased output of timber. I notice in the Hon'ble Financial Member's Statement that the Forest Administration made last year an increase of 12½ lakhs of rupees by means of an expenditure of ₹1,43,000. In other words, the expenditure was covered nine times over by the additional revenue derived. This, I think, tends to confirm the Lieutenant-Governor's opinion that a little increase of expenditure in the superior staff will amply repay the outlay. A remark has just been made by my hon'ble friend on my right (Mr. Rees) that an Additional Member's business is generally to recommend expenditure and propose no revenue to meet it, but, my Lord, I think perhaps I am a notable exception in this; I propose an expenditure of one rupee and on the Financial Member's own showing I may anticipate with some confidence a revenue of ₹9 in return. I hope therefore that Sir Frederick Fryer's recommendation may receive Your Excellency's early and favourable consideration.

" The second matter to which I am obliged to draw attention refers to the salt revenue, which I have had an opportunity of briefly mentioning to the Hon'ble

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Financial Member. This, my Lord, is rather a thorny subject. In Burma there is a considerable enterprise in manufacture of local salt, chiefly by evaporation. It is a very old industry in Burma, and it pervades most of the coast districts and is found also in the interior. This industry has been of late years very much restricted indeed. Under the very reasonable pressure of the Financial Department we have greatly reduced the area in which salt can be manufactured. We have diminished the number and very materially altered the capacity of the implements which are used in manufacture, and we have raised successively twice or thrice within my own personal knowledge the rates of composition, the object being, as explained by Your Excellency in Council, to endeavour to approach the rate of duty on imported salt, which in Burma is Rs 1 per maund of 82 pounds. If the two kinds of salt were on equal terms then nobody could find fault with the intention of imposing an equal duty on both, but at the instance of Sir Frederick Fryer, whose knowledge of the subject is unrivalled, I desire to point out that the local salt has 25 per cent. of water in it as against 8 or 10 per cent. of water in the imported salt. Therefore it is obvious that in the taxing of this salt — which is taxed in advance before it is made — you levy duty on a proportion of 25 per cent. of pure water whereas the duty on the imported article is altogether, or nearly so, on dry salt. But then again, my Lord, the Burma salt, as has been now proved by statistics and admitted by the importers of salt from England and Germany, costs exactly double to manufacture compared with the English or German salt. Now to impose on that local manufacture a rate equal to that levied on the imported article seems to be, on the face of it, inequitable; and to use Sir Frederick Fryer's words: 'Any immediate enhancement would probably cause a collapse of the local industry;' and in his own words again: 'The Local Government could not look with equanimity on the extinction of the industry, which that enhancement of duty would probably cause.' I would simply ask here, if Your Excellency sees fit and reasonable, that any contemplated immediate enhancement of duty on the local manufactured salt in Burma be postponed, and that, if possible, the figure at which the local salt can be fairly taxed be finally determined, at say, 8 annas or perhaps 9 annas, instead of one rupee a maund, and beyond that for the future do not let the composition duty go.

"The last matter to which I wish to make a brief reference is petroleum. My Lord, last year I had the somewhat unpleasant duty of suggesting postponement of a Bill — the Petroleum Amendment Bill — because there were certain parts of it which were not suitable for a Province where petroleum is

largely produced, and Your Excellency was good enough to express some sympathy with the representation which I then made. The Local Government has made proposals for amendment of the Act to meet the case of the Burma petroleum industry; and I understand that these proposed amendments have been also before the Hon'ble the Legal Member and the Hon'ble Member in charge of the Home Department, and as the effect of these amendments will be to increase the commerce in oil between Burma and the coast of India, and to help to develop this promising resource of Burma I hope that favourable consideration will be given by Your Excellency's Government to the proposed amendments of the Act. It is hoped that just as the Burma rice crop has proved, in the words of the Hon'ble Mr. Dawkins, to be a dominating factor in the markets of Europe and Asia and South America, so it is to be hoped that the Burma timber and the Burma oil may in their own respective spheres prove to be dominant factors in these markets over the same continents

"And now, my Lord, I have the pleasant part of my duty to perform. Last year I had occasion to invite Your Excellency's attention to certain difficulties connected with the financing of the rice trade in Burma. These difficulties, to put them in a very few words, were that the mercantile community, who are engaged in this important trade, were unable to obtain Telegraphic Transfers on Rangoon in Calcutta, and that this disability rendered the financing of the trade somewhat expensive and troublesome. I represented this, but there was no sound, no intimation given to me whatever of any likelihood of a favourable consideration of the proposal I had put forward. On the contrary, the Financial Member of that time, Sir James Westland, met me with something approaching a rebuff, and he told me and the Council that he had made an offer to the mercantile community of Rangoon, and that they had refused it. In the absence of Sir James Westland I do not wish to say anything in any way to compromise him, but I desire to repeat, what I then said, that the offer made was illusory, and I am only too glad to know that the Hon'ble Mr. Dawkins has been good enough to try with his habitual thoughtfulness to lighten the burdens and remove the difficulties of the Rangoon merchant. He has now offered what I consider an exceedingly favourable concession, namely, to allow Telegraphic Transfers in Calcutta on Rangoon at the rate of one quarter per cent. at any time, and to such an extent as may be required, provided that the tender be not less than two lakhs. I consider, my Lord, that the Hon'ble Member has made an important and valuable concession to the mercantile community of Burma for which, if they are not thankful, they ought to be. If I may make one suggestion it is that the privilege which has now

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been granted may be extended to Telegraphic Transfers in Bombay on Rangoon, and in respect of Council Bills I desire to ask, although I do so with great diffidence, if it would be possible hereafter, supposing the Rangoon mercantile community consented to accept half payment in gold and half in silver, on that basis to grant the issue of Council Bills in Rangoon. I make this suggestion in case possibly the Hon'ble Financial Member may be able to give it his consideration and because it is just possible that gold may prove a more popular medium of exchange in Burma than in India, in which case part payment of Council Bills in gold might be feasible and the claim of Rangoon to a share of Council issues might be realized."

The Hon'ble MR. TOYNEBEE said — "My Lord, there is one paragraph of the Financial Statement on which I wish to say a very few words. That paragraph is No 121 on page 36 It shows the Revenue from the Sale of Court-fee Stamps and Plain paper to have risen from 321 lakhs. of rupees in 1895-97, to 341 lakhs in 1900-1901, or at the rate of over 4 lakhs a year during the above quinquennial period. The above figures indicate, to my mind, a very serious drain on the resources of the people, and I therefore again venture to draw the attention of Your Excellency's Government to the importance of affording them some relief in the shape of increased facilities for the settling of their disputes out of Court. When the Arbitration Bill—which was passed into law last Session as Act IX of 1899—was before the Council, I expressed the hope that, as it only applied to the Presidency-towns, it might be looked upon as an instalment or precursor of a measure of a much wider and more far-reaching scope—i.e., one which would similarly benefit the great bulk of the population. In moving that the Bill be passed, the Legal Member, the Hon'ble Mr. Chalmers, admitted that the subject was one of great importance, and that every attention ought to be given to it. I fear, my Lord, that, owing to the existing pressure of work in the Legislative Department and also, perhaps, to the extra strain on the general administration entailed by famine and plague, there is not much hope of immediate legislation on the subject. But I do trust that it will not be lost sight of; and that an effort will be made, as early as practicable, to give the agricultural classes some increased facilities for settling their disputes in their own villages, and for so diverting to agricultural and material improvements, or for saving up for a rainy—or rather a rainless—day, a considerable portion of the large sums which they now spend on Court-fees for the purpose of litigation in our Courts."

The Hon'ble MR. SPENCE said — "It had not been my intention to say anything on the consideration of the Budget, but one point has come to my know-

[*Mr. Spence, Nawab Faiyaz Ali Khan.*] [28TH MARCH, 1900.]

ledge which I think I may as well place before the Council. Last year Sir James Westland was good enough to give us a résumé of the state of the Provincial balances. This year no such résumé has appeared in any part of the Budget, and therefore it is very difficult to know exactly the state in which the finances are as far as the Presidency which I have the honour to represent is concerned. There can, however, be no doubt of this in this matter. We have no money, and we have been living on the charity of the Government of India for the last two or three years, and I think that may go on for a considerable time to come. Famines in this country are supposed to recur at intervals of about 20 years, but I regret to say that during my service of nearly 35 years I have gone through two famines, and I am now going back to my Province to complete it by winding up, I hope, another famine. If famines come every 20 years it takes a certain period of time for the Province to recover from their effect. I can remember that when the 1866-67 famine took place it took about four or five years before the Presidency recovered its normal state. The present famine is one of such unprecedented severity that I imagine that even that period will be exceeded. If so, it is deplorable to contemplate the state to which we shall be reduced. Of course all establishments have been reduced to a condition which can hardly lead to efficiency all improvements have been stopped, and it will be a considerable time before we shall be able to emerge from our present embarrassments. I do not know what grant the Government of India have made to the Bombay Provincial funds, but I hope that it is liberal, and that in future they will treat us with the liberality which is due to misfortunes, which are in no way due to misgovernment or inefficiency, but which have been sent to us by Providence."

The Hon'ble NAWAB FAIYAZ ALI KHAN said:—"My Lord, when dealing with the Budget Estimate of the last year we had anticipated an era of financial success, and had expressed our satisfaction that all calamities that were overshadowing this country at that time would rapidly pass away, and that our treasury would again thrive and prosper. It was conjectured and not without cause, that the two years of good harvest were ushering in a period of agricultural prosperity and that the word 'famine' would not be heard by us at least for sometime to come. But that hope was doomed to cruel disappointment. While plague is making havoc in the country, poor India has once more been afflicted by a visitation of famine, which is nearly as intense, in many cases, as the greatest famines of the past ages. These combined divine visitations have so completely taken us by surprise that all our hopes for the amelioration of our financial position have been

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disappointed. But although we have been placed in such a critical position we should not lose heart. We should rather jointly and collectively be prepared to combat and conquer these unexpected and lamentable evils and banish them from our country for ever and for good. I may be permitted, my Lord, to say in this connection that the precautionary measures adopted by the Government to prevent the spread of plague in the uninfected parts of the country, are, in my humble opinion, the only effective measures that could be successfully adopted. I am glad to remark here that in many cases these measures have been crowned with success, and in particular to observe that the adoption of these vigorous and effective measures have enabled our Lieutenant-Governor, Sir Antony MacDonnell, to check and prevent successfully the spread of plague and famine in the territory under his wise administration.

“ My Lord, I feel that I cannot leave this subject without offering my grateful thanks, and those of my countrymen whom I have the honour to represent, to Your Excellency, who, prompted by an earnest sympathy and desire for the good of the people of this land, has lately taken so much trouble, even at the sacrifice of your own personal comfort, to visit so many plague-infected and famine-stricken areas of the country. We owe a sincere gratitude to a merciful Providence, which has placed us under the benign sovereignty of Her Majesty the Queen-Empress, who, though separated from us by thousands of miles, is always looking after us with her fostering care and attention and is ever ready to help us in our troubles. **It is also a matter of congratulation to find that India has been so fortunate as to have been placed under Your Excellency's wise and intelligent rule and kind administration.** )

“ My Lord, I congratulate our Hon'ble Finance Minister on his being able to bring forward an encouraging item of surplus in his Financial Statement. It is encouraging indeed when we take into account all the unforeseen and abnormal demands that our revenues had to meet with. Famine alone is responsible for a large portion of increased expenditure, not only in the shape of relief and charity, but also in the shape of Military expenses in India, as the cost of food supplies for men and animals in the Army has had to be taken Rs. 47,30,000 higher than in the budget estimate of the present year.

“ I shall pass on now to say a few words regarding Railways and Irrigation. Our experience, my Lord, has shown us the immense advantages that are obtained by the extension of railway and irrigation systems, as the two prominent factors and chief means of securing India from the effects of famine. As

regards the former it is gratifying to see that sufficient margin has been left in the Budget Estimate for extension. I find that a capital expenditure of £4,872,000 on railways has been estimated for the next year, *i. e.*, for 1900-1901. It also appears from the statement B prepared by my friend the Hon'ble Sir Arthur Trevor that from 1st April, 1899 to 31st March, 1900, about 711 miles of new railway have been authorized. The total length of open line on the 1st April, 1900 will, therefore, be 23,780 miles, a figure much larger than the estimate of the Famine Commission in 1880. The extension of this means of communication has enabled Government to save many lives during famine which would otherwise have been lost.

"My Lord, it affords me peculiar pleasure when I find that so ample provision is made in the Budget for the extension of Irrigation. It is with great satisfaction that I see that the Irrigation grant this year is raised to a full crore. The net earnings of these productive works are increasing day by day. I may be permitted to point out in this connection that the surplus of the revised budget estimate is mostly due to Railway and Irrigation work.

"One point more, my Lord, and I am done. It was anticipated in 1899 that our current year would be an era of marked improvement in the financial condition of the country. My pleasant duty, in view of a fairly large surplus, would then have been to draw the attention of Your Excellency's Government on behalf of the people whom I represent to the advisability of remitting at least some of the tax levied on landowners on account of famine insurance. But it is unfortunate that our hopes have not been realized this year, for the reason that famine and plague still hold their sway in various parts of the country. But it is fervently hoped that when the time comes that a strong and stable financial position is secured and a handsome surplus is realized, when plague and famine have disappeared from the face of India, the Government will find themselves in a position to reconsider this measure and relieve the landowners, of some portion at any rate, of this burden.

"My Lord, I will not take more of your valuable time by dwelling at length on the question of exchange and adoption of gold standard, and so I pass them over in silence.

"I may be allowed in conclusion to express the sincere gratitude of my countrymen to our Lieutenant-Governor, Sir Antony MacDonnell, for his assiduous exertions and untiring zeal for the welfare of his subjects. His Honour's earnestness in adopting effective measures for preventing plague and its colleague



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famine, from intruding and encroaching upon his territory, is a salient proof how sympathetic and compassionate His Honour is in advancing the welfare and better administration of that country. May I express a hope that the Government, considering his assiduous labour and wise administration of that country, will extend the term of his office in that Province for some years more. If this be done it would be a great blessing to the people of my province and also a gain to the Government.

“ I may also be allowed to express my sincere regret on the departure of the Financial Member of Your Lordship's Council, the Hon'ble Mr. Dawkins, who has conducted the affairs of his Département, during his year of office, with skill and success, and with an anxious regard for the interests of all classes of the community.

“ Lastly, my Lord, I should like to say a few words that relate personally to yourself. The people of this country have observed with appreciation your interest in their welfare and they cherish the hope that Your Excellency's term of office will be identified with large and statesmanlike measures of internal development and expansion. It is because I know that the public mind of my countrymen is much concerned at present with these topics, that I have tried, to the best of my ability, to represent their views, and I hope and trust that my efforts may meet with favourable consideration at the hands of Your Excellency's Government.”

The Hon'ble MR. MEHTA said :—“ My Lord, I hope my hon'ble friend the Financial Member will pardon me for saying that this is really too bad of him. He just gives us a foretaste of better things and then he bids us farewell—a long farewell! Hitherto the financial statements placed before this Council have been comparative accounts of realizations of income, and of growth or saving in expenditure for two previous years, and approximate estimates based upon them for the Budget year. But there was no attempt to go into the heart of things, to discuss the sources of income and heads of expenditure with special regard to the needs, conditions, and circumstances of the country and its varied populations, or to construct a budget, to use the words of a famous Finance Minister, moulded by art on principles of science. The only thing that enlivened the dull monotony of figures in these statements were deep curses at the vagaries of exchange, when there was a deficit, and sighs of relief on the elasticity of Indian revenues, when there was a surplus. The deeper causes of financial phenomena, or the far-reaching indirect effects of financial operations, were left severely to themselves. My Lord, I venture to say that dogmatism on the stability of Indian finance

can never be safely indulged till the complexity of the problem is thoroughly investigated and gauged. The several interesting discussions which irradiate my hon'ble friend's Financial statement of this year indicate what might have been fairly expected of him, if we had succeeded in impounding him for the full term of his office. As it is, he has only succeeded in giving us a taste of the sufferings of Tantalus. When listening to the terse paragraphs, clothed in apt *linguæ* and sounding almost like judicial summings up, in which he expounded the currency problems and the 16*d* rate of exchange, it was impossible not to wish that he had gone on to furnish us with his views as to whether the measures for securing a stable exchange had cost the country anything and what, whether the deficits owing to exchange were not turned into overflowing surpluses by the difference having come indirectly from the pockets of the people, whether it was not the indirect impoverishment caused by the stoppage of the mints which perhaps intensified the inability of the people to stand the strain of the present famine. These are problems which are not only interesting in themselves, but they demand solution before it is possible to come to any useful or positive opinion about the real character and solidity of the existing state and condition of Indian revenues. But the question, which I should have liked to have seen dealt with above all others, is the question whether the financial condition of the country can be regarded as safe if, as is sometimes alleged, land in large Provinces is unable to bear the burden that is imposed upon it. Is it true that the effects of famine are hastened and intensified by the decline of staying power in the riyat owing to over assessment? Of course nobody denies what is sometimes so passionately urged that the immediate cause of famines is failure or scarcity of rainfall. But surely it is possible to conceive that a failure of crops one year does not necessarily involve starvation, if there was some balance in hand of past years to tide over the calamity, just as a mercantile firm does not necessarily become insolvent because there have been heavy losses in one year. It is therefore a question of the most vital importance to ascertain whether it is true that there is this want of staying power, and if there is, if it is in any way due to faults in the existing systems of assessing or collecting revenue, if it is due to excess of assessment or rigidity of collection. On more than one occasion I have ventured to draw the attention of the Council to this important topic. That the riyat is deeply in debt, scarcely any one denies. With regard to the Bombay Presidency, Sir Theodore Hope admitted in this Council that 'to our revenue system must be ascribed some share in the indebtedness of the riyat.' The Dekkhan Agriculturists' Relief Act Commission emphasized this opinion by reporting there could be no question that the rigidity of the revenue assessment system was one of the main causes which leads the riyats of the Dekkhan into fresh debt.

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answering my contention on this point on the first occasion, Sir James Westland replied that the only opinion I could cite was the opinion of a very distinguished official who retired 18 years ago. When, on the next occasion, I pointed out that the still weightier and more matured opinion of the Commission was not 18 years' old, Sir James said 'that as the revenue-officers had admittedly powers of remission and suspension, it must be assumed that if they did not exercise them, there was no need to do so.' The answer to this is simple. These powers existed in Sir Theodore Hope's time, and when the Commission made its enquiries. And in spite of that, both these authorities, mostly official, arrived at the conclusion that rigidity of the revenue system was undoubtedly one of the causes of the raiyats' indebtedness. With regard to the question of over-assessment it must be remembered that it is not simply a question of absolute excess of assessment, but also whether the assessment leaves a sufficient margin for saving. As was pointed out by Mr Cotton, 'if a bare margin for subsistence alone remains, the result is that indebtedness extends year by year, and famines recur with ever increasing severity.' In one of Sir Louis Malet's minutes on Indian land revenue, he lays stress upon 'the marked absence of any adequate accumulation of capital upon the soil, and (as a consequence) of any sufficient appropriation of such capital to purposes of agricultural improvement, deficiency of stocks, of manures, often of seeds and implements,' as tending directly to a progressive pauperization of the raiyat. That these opinions cannot be altogether scornfully rejected is painfully brought home to every student of the question by a perusal of the Selections issued from time to time by Government of papers relating to the periodic surveys and settlements of talukas. It is evident that re-settlement is carried out in a most empirical fashion, without being regulated by well-ascertained and definite principles. A writer well acquainted with the matter has described the procedure of revision operations as follows. The Settlement-officer surveys the lands and generally discovers some under-measurements. A fallow piece of land here, or a rocky stretch there, or a marsh at another place, reclaimed at some cost and labour,—all such attract his attention, and the measurements are thus increased. Then he proceeds to register his reasons for enhancements. There is a railway newly built in the neighbourhood, there is an increase in the number of tiled houses and of cattle, there is a new bazar begun to be regularly held, there is a school and children, and so on and so on, till everything is included which by hook or crook can show that prosperity has increased. It is said that even sending delegates to the Indian National Congress has been used as an argument for an increase of the settlement. Then comes the mention of any canals or tanks selected by Government and of the fact, if it exists, of water being found at a certain

level by some raiyats who had been fools enough to dig wells. There is hardly an attempt to enquire whether the farmers themselves have shared in their outward prosperity. Then there is a speculative and perfunctory enquiry as to the general yield and the end of it is a recommendation for generally raising the assessment rate from 50 to 200 per cent. at one sweep. It will be thus seen that however conscientiously pursued, these operations are in their very nature empirical, uncertain, and indefinite. In making these remarks I do not mean to advocate a permanent settlement like that in Bengal. But it is well worth considering whether the scheme recommended by the Government of India in the time of Lord Ripon, under which assessments would be revised only in the case of a general rise of prices or of improvements made by the State at its own cost, does not deal with the question in a more reasonable and scientific manner. Under such a scheme, the 'unearned increment' would be saved to the State, but it would be automatically measured by the rise in prices which would include all the sources of its growth. My Lord, I am not putting forward these views as incapable of being controverted; on the contrary I think that they are sometimes pressed with intemperate exaggeration, and I also know that opposite views are stoutly and forcibly maintained. But, my Lord, the issues involved in a settlement of this vexed question are momentous, they involve the pressing problem of the perpetual indebtedness of the vast agricultural population of the country; they anxiously concern the grave fact admitted by the last Famine Commission that the condition of the immense majority of the agricultural labourers, who, it must be remembered, are not merely labourers, but who alternately labour for others as well as work fields on temporary leases, has seriously deteriorated; they may have a close connection with the increasing severity of recurring famines if assessments do not leave a sufficient margin for rainless days. It may be that the views of the pessimists may be erroneous; but I believe, my Lord, they are honestly and sincerely held, and there is a sufficiently large consensus of opinion in their support to prevent them from being scouted as utterly visionary or unfounded. Under these circumstances I respectfully venture to submit, for the serious consideration of Your Lordship, if it would not be an act of provident and sagacious statesmanship to take measures for a full and exhaustive investigation of these questions, by means of a Commission empowered to deal with them in all their varied aspects. I make this suggestion, my Lord, in a spirit of earnest and sincere loyalty, not less earnest and sincere perhaps than that of those who talk more of it.

"And now, my Lord, I have only to offer a few remarks on the details of this year's Budget. I felt very grateful to my hon'ble friend when he announced

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that all famine expenditure for the closing and coming years was undertaken by the Government of India, though indeed I do not know how otherwise the insolvent exchequer of the Bombay Presidency at least could have met the demand. But after this announcement, it was somewhat startling to be told that the Budget year was estimated to close with a surplus of 24 lakhs, small no doubt, but still a surplus. It was difficult not to feel that with the heavy calls, direct and indirect, entailed by the severe and widespread famine that has cast its dark shadow on the land, such a result was too good to be real. There are circumstances connected with the Budget estimates which are calculated to raise serious misgivings. Land revenue is estimated to fetch one crore and 30 lakhs more than in the revised estimates for last year, and within 30 lakhs for the accounts for 1898-99 and within 50 lakhs of the estimate of the Budget estimate for what was expected to turn out a most prosperous year, *vis.*, 1899-1900. Considering the severity of the famine and the enormous loss of cattle that has taken place, is not this too sanguine an estimate, and may it not be the indirect means of pressing hardly in the matter of remissions and suspensions? It may be said, how can arrears be recovered if the raiyats are not able to pay them? The answer is that this inability need not always be absolute but is often only relative, and without always involving immediate insolvency, may mean increased indebtedness, gradual impoverishment, and reduced staying power for the future. Then, again, I do not find anything either in the statement or accounts regarding plague expenditure for the closing year or the Budget year. Besides the imperial contribution on account of plague expenditure for 1898-99, I believe that provision to the extent of about 12½ lakhs was made, so far as the Bombay Presidency was concerned, for similar expenditure in 1899-1900. There is nothing to show what has become of that amount, whether it has been absorbed in the expenditure, or whether any portion of it is intended to be distributed to the different municipalities in the Presidency as was done last year. There is another circumstance which makes the estimated surplus of 24 lakhs still more unreal. In paragraph 75 of Mr. Finlay's memorandum, referring to reduction of expenditure on Civil Works for 1899-1900, he says that 'the Civil Works savings in the other Provinces (other than Assam and Burma), varying from Rs. 14,57,000 in Bombay to Rs. 5,62,000 in the Punjab, may all be taken as being the result of the efforts of the Local Governments to reduce ordinary expenditure, to provide funds for the famine and to a small extent for other provincial needs.' In paragraph 114, speaking of the Civil Works estimates for 1900-1901, he says 'large reductions have been made to help the Local Governments to secure equilibrium in the Provincial revenues, enumerating among others, Rs. 13,79,000 in Bombay,

Rs. 10,57,000 in the Punjab, and Rs. 5,31,000 in the Central Provinces. In speaking on last year's Budget in this Council, I deplored the grave consequences of reducing Bombay Civil Works expenditure from the moderate average of 36 lakhs to less than 27 lakhs in 1897-98, and to 29 lakhs in the Budget for 1898-99. And now, for 1899-1900 and 1900-1901, it is cut down at one stroke into absolutely one half of the amount. My Lord, I cannot help saying that the prospect before this sorely stricken Presidency is one not to be contemplated without dismay, and I cannot help thinking that the 24 lakhs would be better employed in going to the help of the Bombay exchequer than in figuring as a surplus.

"Gloomy as the situation thus is, I confess, my Lord, I feel some difficulty in reconciling myself to the suggestion that there might be a grant to India from the British treasury. The exchange of private charity between the subjects of Her Majesty in England and India can be open to no objection, on the contrary, it draws hearts closer together. India has gratefully appreciated the generosity of the British people in coming to the help of the afflicted by their liberal subscriptions during the famine of 1896-97 and during the present famine. But a public dole stands on a different footing and cannot fail to carry with it a sense of humiliation. In that way, India would fain appeal to England's sense of justice rather than of generosity. I never cease regretting that the Government of India had lost to the country a contribution from the British exchequer on account of the last Frontier war. It was a work of joint imperial concern, and a division of the cost would only have been just. There is still another way in which England can justly come to the help of India. While the Welby Commission is pending, I do not wish to speak of the vexed question of the appropriation of Military charges between England and India. But while the present system still flourishes, it is only just that the same principles which govern the War Office in levying charges for British soldiers from the Indian treasury from the moment of their recruitment should also govern the repayment of troops taken from India to serve abroad. It has been a matter of joy and pride to this country, as the remarkable outburst of feeling throughout the country has shown, to have been able to go to the help of England with such splendid soldiers as Your Lordship was able to despatch with such promptitude, and at the same time also to remember that the great general who is now leading them on from victory to victory belongs solely and entirely to this country. I know that both the ordinary and extraordinary cost of these troops is to be repaid out of the British exchequer. What I wish to point out, however, is that on the principles hitherto enforced against India, the cost which ought to be repaid is their entire cost from the recruiting depôt till

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now, except the cost of the period when they might have been engaged in actual fighting in India.

"There is one other way also in which England can justly come to the help of India, and that is, by guaranteeing her loans. My Lord, the fates of England and India are inextricably woven together, and nothing can be lost by recognizing so patent a fact by the formal seal of a guarantee. On the contrary, it would bring the two countries together in a bond still closer knit even than now."

The Hon'ble MR. IBBETSON said:—"With respect to the Hon'ble Mr. Smeaton's remarks regarding the need for additional Forest officers in Burma, I would remind him that it is only four years ago that the superior staff in that province was increased by nearly 50 per cent., and that at the present moment, supposing vacancies to be filled up, the nomination to which lies with His Honour the Lieutenant-Governor, the staff is actually above strength. We have now asked the Secretary of State to increase the annual recruitment, and hope shortly to be in a position to meet the Lieutenant-Governor's wishes. In view of the great importance of the Burma forests, every possible effort has been made to assist the Local Government, and it has, I believe, had even more than its strict share. But the fact is that every province is more or less shorthanded at the present moment. On the subject of petroleum, I need say no more than that the alterations to which the Hon'ble Mr. Smeaton has referred are at present under our consideration in consultation with the Local Government.

"My hon'ble friend the Financial Member will doubtless be gratified by the chorus of approval with which the announcement has been received that, even under financial conditions such as characterise the present year, it has been decided to increase the allotment for new irrigation works by 25 lakhs. The announcement is no doubt welcomed, not only as a provision of immediate funds, but also as an indication of future policy; and I may perhaps be allowed to say how heartily I share in the satisfaction which has been so generally expressed. As regards irrigation in the Central Provinces I may tell the Hon'ble Mr. Bose that we have recently placed the services of an expert at the disposal of the Chief Commissioner in order to examine the question with reference to Chattisgarh. I hear informally that he is not unhopeful of success; and if it should be found possible to work out a scheme that will stand professional scrutiny, I think I can promise that it will be sympathetically considered by the Government of India. It is the case, however, as the Hon'ble Mr. Charlu has reminded us, that no scheme of tank irrigation on any ordinary scale can ever afford complete pro-

tection, since tanks, unlike our great snow-fed rivers, are themselves dependent upon the annual rains for their supply. They are therefore apt to fail us when most needed, and it is by their utility during a fairly normal series of years that they must in the main be judged.

“ The Hon'ble Mr. Mehta has quite rightly laid great stress upon the very important question of elasticity in the assessment and collection of revenue. I believe there is hardly any question which has a more intimate bearing upon the prosperity of agriculture in India, and I can assure him that it has not been overlooked by the Government of India. It is one of the branches of that great subject of Agricultural Indebtedness which has been engaging their most earnest attention for some years past. During those years much has been done towards improving the law regarding Courts of Wards and the entail of landed estates, and a substantial beginning has been made in the matter of restricting alienation of land. I may remark in passing how gratifying it is to me to find that the Hon'ble Mr. Bose, speaking in the name of the people of the province which he represents, approves of the restrictions which have there been recently imposed upon the power of alienation.

“ The question of elasticity is next for consideration. The material has been collected, and is ready; but in matters of such magnitude and importance, we do well to hasten slowly. That the practical question has not been neglected on the present occasion is, I think, sufficiently apparent from the fact that the Revised estimates for the annual year are less than the Budget estimates, which were based on normal prospects, by 83 lakhs in Bombay, 35½ lakhs in the Central Provinces and 38 lakhs in the Punjab; while even the Budget estimates for next year, which again are based upon the anticipation of favourable seasons, show reductions of 16, 35 and 10 lakhs, respectively.

“ As for what has been said by the Hon'ble Mr. Ananda Charlu and the Hon'ble Mr. Mehta regarding the basis of assessment, I can assure them that the policy of the Government of India has for the past eighteen years steadily tended in the general direction which they indicate as desirable. But the Government of India have always declined, and must continue to decline, to tie its own hands, or those of Local Governments, by any hard and fast rules such as are suggested by the hon'ble gentlemen, or by the Hon'ble the Maharaja of Darbhanga, and so prevent them from remedying those inequalities which must almost inevitably arise during the currency of a long-term settlement, and which it is one of the main objects of a revision of settlement to remove, or



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hamper them in dealing with the infinite variety of conditions which affect the assessment of land revenue.

"I hail with pleasure the remarks of the Hon'ble the Maharaja of Darbhanga regarding the development of the Agricultural Department, and his appreciation of what has already been done with limited means. The policy which he advocates is the declared policy of the Government of India, declared in a set of resolutions which were published, I think, in 1897; and two obstacles alone have prevented its more vigorous prosecution—first the financial difficulties which have for some years affected both Imperial and Provincial finances, and secondly, our inability to discover a wholly suitable and competent person for the post of Inspector-General of Agriculture, the creation of which has received the sanction of the Secretary of State. To fill this important post worthily, its incumbent will require very special qualifications, and we prefer to wait a little till the right man turns up, rather than accept anybody who does not possess them in full.

"Finally, I turn to the remarks of my hon'ble friend Mr. Bose upon settlements in the Central Provinces. And first he must allow me to acknowledge the courtesy which led him to furnish me with a copy of them beforehand, and which has not only greatly facilitated my task in replying to them, but has also ensured to them more adequate consideration than it would otherwise have been possible to give them. He will not expect me to discuss them in detail on the present occasion, and I must not be understood to accept all his figures, or to agree with all his arguments or conclusions. The Central Provinces system of settlement has found an unexpected but able champion in the Hon'ble Mr. Rees. But I agree with the Hon'ble Mr. Bose that it would be difficult to exaggerate the nature and intensity of the calamities which have befallen the province which he represents, and especially certain portions of it, during the past few years. I agree also that it was unfortunate in the extreme that the cycle of lean years should have begun, just when the revised settlements were coming into force. Since then, some of those assessments have been subjected to a test under which any settlement, however reasonable and moderate, must inevitably have broken down.

"But I do not think that my hon'ble friend fully realises all that has already been done in the direction which he indicates. Before I made over charge of the province, the revision of settlement had been completed in one district, and begun in a second and a portion of a third. And the question whether still wider revision was necessary was under my consideration during

the autumn months of last year, and was only suspended when it became clear that famine was inevitable, because I felt that it would in any case have to be reconsidered as soon as the famine was over.

"As regards settlement operations which are now in progress, or have just been completed, it must be remembered that a revision of settlement means very much more than a mere enhancement or reduction of the total assessment. It means also the accurate ascertainment of facts as they are, and the redistribution upon the basis of those facts, of the burden of rent and revenue. During the term of a thirty, or even of a twenty years' settlement, the distribution of that burden becomes extraordinarily unequal, especially where protected tenants are numerous; and if, for instance, settlement operations result in the assessment of a normal revenue amounting to 125 per cent. of that previously paid, it would be far better for a district, however depressed, that the revised assessments should be announced, but reduced by one-fifth so as not to increase the total payments, rather than that the existing unequal payments should continue to be exacted. And this is especially the case, now that the recent revision of the Central Provinces Tenancy Act has for the first time empowered settlement-officers to reduce excessive rent. The severity of assessments in the Central Provinces, wherever they are severe, is mainly due to the short-sighted action of speculative and absentee landlords, and of those who have followed their example, in screwing up rents to a pitch which it is possible to pay, only under the most favourable conditions. Hitherto, the settlement-officer has been obliged to accept those rents, and to assess upon them. He is now, for the first time, in a position to correct them.

"As regards the reduction of agricultural debt, I will only say that I agree with the Hon'ble Mr. Bose in thinking that the conspicuous success of the experiment to which he alludes was mainly due to the fact that it was worked through the people, and that local public opinion was enlisted in its favour. I should be glad if it were found possible to repeat that experiment on a wider scale. But, I am inclined to believe that any attempt to make submission to conciliation compulsory, would at once alienate public sympathy, and destroy all hopes of success. An attempt to provide a simple insolvency law of which the agriculturist would readily avail himself, was made in the Dekkhan Agriculturists' Relief Act. But its provisions in this respect have virtually remained a dead-letter.

"The problem of providing agriculture in India with capital on reasonable terms is one of the most difficult that can be conceived. Some months ago Mr. Fuller worked out a scheme which seemed to me to suggest a possible step

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towards the partial solution of the difficulty. It is still under the Chief Commissioner's consideration, and will doubtless reach the Government of India in due time. If it should prove practicable and acceptable to the money-lending classes, it will, I believe, be a substantial advance towards the end in view.

"When I went to the Central Provinces in the middle of 1898, I felt that the task of nursing the province through its period of convalescence after the famine of 1897 constituted a revenue problem of no ordinary difficulty. It is needless to say how greatly the calamity of a second famine, following almost immediately upon the first, must have increased the difficulty of the task. My hon'ble friend will, however, agree with me that the matter could not be in more sympathetic or more competent hands; and his remarks, which I will take care to bring to the Chief Commissioner's notice, will no doubt assist in dealing with it. The people of the province may feel assured that, in all well-considered measures for their assistance in recovering from the calamity which has befallen them, the head of the administration will receive the most cordial support from the Supreme Government. They must remember, however, that there are two sides to this, as to most questions. And what I am going to say applies to a good deal that we have heard here to-day. On the one hand, a wise moderation—in the face of such a calamity as the present, I will say a generous leniency—is advisable, not only in the interests of the people, but also as conducing to the stability of the revenue. On the other hand, every rupee of rent that should be, but is not, imposed upon the cultivator, is so much shorn from the income of the landowner; and every rupee of revenue that should be, but is not, assessed upon the landowner, has to be made good by the general tax-payer. It is easy to win a cheap popularity by indiscriminate liberality at the expense of others; but it is not right.

"I would ask the Council to bear with me yet one moment while I cordially acknowledge the manner in which the Hon'ble Mr. Bose has referred to the efforts that are being made to save human life. I believe, with him, that the people themselves fully appreciate the splendid devotion with which Government officials and private workers, European and Native alike, are striving for their relief. I have heard the fact doubted. My Lord, I have spent a great part of my service in quiet country districts, and have always made a special point of mixing with the village population. And my firm conviction is, that though the Indian peasant is inarticulate, he is not ungrateful, and that in the depths of his dumb heart he realizes and appreciates all that is being done for him by those who are striving to save his life, not seldom at the risk of their own."

The Hon'ble SIR A. TREVOR said :—“ My Lord, my task on the present occasion is for the most part the easy and pleasant one of gratefully acknowledging the testimony which has been borne by those of the hon'ble members who have referred to the subject, to the success which has attended our efforts to prevent the interests of railways and irrigation from suffering more than was absolutely unavoidable from the financial difficulties of the year. But there are a few points to which I may briefly refer

“ My friend, the Hon'ble Mr. Allan Arthur, has referred to short comings in the deferred Telegram service and has pointed to the necessity for spending the surplus revenue of the Department on the improvement of the service. I am afraid it must be acknowledged that it has not always been found possible to work up to the standard the Department has set for itself, and that deferred telegrams are occasionally seriously delayed. But having regard to the conditions under which they are sent, that is not surprising when the ordinary and urgent traffic is as heavy as it sometimes is. If deferred telegrams cannot be got through in the night or before the urgent and ordinary messages of next day begin to come in, they have to stand aside till next night. Thus messages put in at 10 A.M. on Monday might not get over the wires until Tuesday night, being delivered on Wednesday morning. The surplus to which Mr. Arthur refers as shown in this year's revised estimates is the result of the same sudden expansion of traffic to which the delays of which he complains are attributable. It will all be spent, and something more, next year, on the object he has at heart, the improvement of the service by construction of additional lines, provision of new apparatus, increased establishment, etc. I should explain that the cost of new lines though it is treated as Capital expenditure, is met out of Revenue

“ I will leave it to His Excellency the Viceroy to deal with the question of our general irrigation policy, which has been referred to by my friends Messrs. Ananda Charlu and Faiyaz Ali. But in reference to Mr Ananda Charlu's remarks as to the importance of systematizing the maintenance and improvement of tank irrigation in Madras I may observe that there is already a tank-restoration survey in Madras, which has been going on for some years. The tanks along each river or main drainage here are systematically reported, the various data for each being put on permanent record in a book for each system. Improvements are suggested and taken up in regular order as money is available. In fact, the system he desires is already in force. It may be susceptible of improvement. But that is a question rather for the local authorities.

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"My friend the Hon'ble Maharaja of Darbhanga has referred to the postponement of the Sakri-Jainagad line. Some difficulty was experienced in finding the money for the line within our programme limits. But as I explained in the memorandum appended to the Financial Statement, the Bengal and North-Western Railway Board have come to the rescue, and have undertaken to find the money at a reasonable rate of interest, allowing it to rank as Government capital for division of profits on the combined company's and Government system which they work. This has been agreed to by the Government of India, and I hope that the line will shortly be put in hand

"He has also referred to the question of railway rates, especially for coal, as demanding attention. I may explain that Government fixes on all lines except a few of the old Guaranteed Companies Railways and such as are independent of Government aid, certain maxima and minima, within which Railway administrations are at liberty to vary their rates as may seem to them desirable in the interests of their lines. They are quite alive to the advantages of stimulating traffic, and the less they are interfered with the better, as a rule, the public will be served. As regards coal I may observe that neither the Companies who sell coal nor the public who buy it have so far complained of the rates. Their complaint has been more directed to the difficulty of moving the coal from the mines to the centres of trade and industry. The rates at which Railways can afford to carry depend also to some extent on the direction of other traffic. One-tenth of a pie per maund per mile is the prevailing rate. But that is sometimes reduced, with the sanction of Government if necessary, when, if not carrying coal, the wagons would be returned empty. I do not think that Government are at present called on to interfere."

The Hon'ble MAJOR-GENERAL SIR E. COLLEN said.—"In the memorandum which I laid upon the table last week I gave a full detail of the estimates with which I am specially concerned, the Indian military estimates, the Home (India) military estimates, the Military Works estimates, and the marine estimates. I do not think I need trouble the Council with any repetition of figures, but should like, if I may, to furnish the Council with an explanation regarding the increase in the budget of the coming year as compared with the budget estimate of the current year.

"The difficulty of arriving at the practical increase of military expenditure is because there are many factors in the estimates of both years which must be eliminated, in order to arrive at what may be called the permanent figure. We must take out the abnormal cost of food supplies, reduction by the

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absence of troops, and reduction of the provision for military operations and special services. It appears to me that the fairest way of stating the case is to say that provision has been made for improvements in the armament and organisation of the army to the extent of about 90 lakhs or £600,000, and that other increases, such as the messing allowance for the British Army, bring up the permanent increased expenditure to about one crore of rupees, or £666,666. Increases to army expenditure, comparing one estimate with another, may be classed under three heads, namely, what may be called temporary increases, which may not recur again; automatic increases, such as occur in connection with the volunteers; and special increases due to improvements in the army, in its organisation and armament, some of which must increase year by year up to a certain limit.

“The great increase to military expenditure was the effect, when fully felt, of the measures which were carried out in 1885-86-87 for augmenting the strength of the British and Native army, for the establishment of reserves, and for the creation of coast and frontier defences, the maintenance of which is now a yearly charge. Now this increase of expenditure was the result of the deliberate conclusion of the Government of the day in consequence of the modification of our military position in India. But besides this direct cause of increase, many matters have since caused additional military expenditure, the preparation of the field army for mobilisation, increase in transport, rise in prices and wages, the effect of expeditions and campaigns on the non-effective charges, the increased cost of, and additions to, equipment and war material generally, development of the volunteer movement, and additional sanitary measures; while three items alone, the increased pay to the native army, exchange compensation allowance, and the grant of messing allowance to the British army, account for over one crore of rupees, £666,666.

“I have more than once explained in this Council what the great items of military expenditure are, and if my hon'ble colleagues will turn to paragraph 29 of my memorandum, they will see, taking the Indian military estimates, how the expenditure stands under the different grants; and if they analyse these figures they will find that, in the effective services, out of say 15 crores of rupees, or £10,000,000, more than 14 crores of rupees, or a sum of considerably over nine millions sterling, is spent on paying, feeding and supplying, clothing, doctoring, and arming the army, while the difference is caused by the expenses of the staff and administration, attending to the education and spiritual wants of the army, and to the cost of the volunteer services.

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“As to the non-effective charges, there is practically no means of reducing these, and if we turn to paragraph 38 you will find that the Home (India) military estimates are made up, besides payments to the War Office, of pay in some form or other, transport of troops to and from India, stores required by the Army in India, and various non-effective charges, such as pensions.

“I think that we are sometimes reproached that we have no great reforms to bring forward. Some of our critics would have us abolish the post of Commander-in-Chief, others tell us to abolish the Military Member of Council, while yet again these wholesale abolitionists advise us to abolish the four Lieutenant-Generals Commanding the Forces, or to abolish some particular part of the army usually, I may say a part of the army to which the critics do not belong, then we are told that we ought to reduce the British Army in India; while some say salvation is to be found in re-distributing the army and having nothing but large cantonments,—a most excellent policy, which I should like to see carried out,—but which would involve an enormous expenditure on barracks and cantonments. Great reforms have been introduced into the Indian Army during the last twenty years. The cumbrous presidential system has been got rid of and a large number of measures of improvement have been carried out. Even in the financial year that is now passing we have done a good deal, and are preparing to do more. Within the last few days, we have received sanction for the introduction of the organisation of double companies in native infantry in place of wings—a most important improvement which many of us have pressed for, for a long time. Another very-considerable reform is the re-distribution of commands on the North-West Frontier which will be immediately carried out. The great reform to be accomplished is further and more complete decentralisation than has yet been effected.

“I said in my memorandum that I could not state the results of our labours to diminish clerical work and simplify our method of business in the army and its administration. But I rather forgot that we have already reduced the length of those useful documents, the military financial reviews, and since I wrote I have received a proof of the report on Ordnance Factories, and I find a reduction in bulk has been made of 67 per cent. I mention this, because it is the first fruits of part of a very great reform in which His Excellency the Viceroy is not only interested, but for which he has supplied the motive power of his energy. I have explained in my memorandum how the particular military measures we have brought forward came to be proposed, but I did not explain that

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these measures are only part of a permanent policy which we have for many years gradually, if slowly, developed—that policy being the preparation of a part of the Army of India for mobilization in any direction, either by land or sea; while the second part of the policy is the defence of the ports and frontiers by adequate works, and by carrying out measures to preserve the internal security of the country. Sometimes circumstances have obliged us to halt in this development. At other times, we have been able to carry it forward more rapidly, but the measures of special expenditure, the re-arming of the Native army and of the mountain batteries, the development of our manufacturing power, the addition of officers to the Native army, the re-organisation of horse, field, and mountain batteries, with a view to facilitate mobilisation, the conversion of existing heavy batteries into more powerful units, improvement of the transport—I am afraid I have dwelt upon the necessity, for this several times in this Council—and the provision of military light railways etc., form an important part of this continuous policy, and we feel that, when these improvements have been carried out, we shall have made a great step forward.

“ I should like to say one word as to what our mobilisation system is—it is the preparation of a force for movement, equipped in every possible detail. It means an immense amount of labour and an endeavour to foresee every kind of requirement. It is ten times more difficult than the mobilisation which continental nations are able to effect, because, not only have our troops to traverse long distances, but we are not able to distribute our troops rigidly and permanently in time of peace. One result of having a definite aim and standard is that we do possess large reserves, and manufacturing power for equipments and warlike stores. The possession of these equipments and reserves not only enabled us to send off at once the force for South Africa, but it has enabled us to meet large demands from the War Office.

“ A great deal has been said recently to the effect that the Government take no interest in the Volunteer Force in India, and that this force is, in fact, in the cold shade of officialism. I am concerned that there should be any feeling of this kind, for I can assure the Council it rests on no foundation. I know Your Excellency takes great interest in the volunteer force of India—a force which has contributed a small but effective contingent to the army in South Africa, and for myself I am one of a very small body of veteran volunteers, as I was a volunteer 40 years ago, beginning my military education in that post, and I have done everything in my power to foster the movement.



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“In the first place, I will deal with the question to which my hon'ble friend, Mr. Allan Arthur, alluded—the re-arming of the volunteers. The Government are most anxious that the volunteers should be re-armed, but we cannot do everything at once. It is, as will be readily understood, a matter of great importance that the Native troops of the field army should be re-armed with the magazine rifle, and this we shall now commence to do from our reserves, supplemented by the arms which are coming from home. The desire is to re-arm the volunteers, immediately after that portion of the Native army which is detailed for the field army has been armed with the magazine rifle, and I think that if the volunteers consider the question dispassionately, they would understand why this plan has to be followed. They will certainly be re-armed before the remainder of the garrison of India, which is not in the field army, receives the magazine rifle.

“I find that, in the last ten years many concessions have been made which have involved expenditure. An annual grant is given to assist volunteer corps in the construction of rifle ranges; reservists are allowed to count towards the authorised band allowance; mounted volunteers are allowed to purchase cast horses at a small price; an educational allowance is granted to schools for efficient cadets, money grants are made to volunteers in lieu of rations during camps of exercise; ammunition for match shooting is issued at cost price; the horses of mounted corps are rationed at the State expense during camps of exercise, instead of this being charged to the capitation grant. The grant for camps of exercise has been raised; an annual grant is made of ₹20,000 to help the volunteers in their field days; an annual grant of ₹30,000 is made for volunteer buildings, such as armouries, head-quarters, etc.; loans at a favourable rate of interest have been issued to volunteer corps; volunteers have been placed under more favourable conditions regarding the grant of wound pensions and widows' pensions. The capitation rate of ₹10 is passed to recruits who fail in their first year but qualify as reservists; outfit allowances are granted to volunteer officers on first appointment for the purchase of their swords and revolvers; an increased capitation of ₹10 is granted to mounted volunteers and the same to artillery volunteers, while infantry volunteers who are trained in gun drill receive an extra amount of ₹10. Volunteer officers are granted a decoration and volunteers long service medals; and the children of volunteers are admitted to the Lawrence Asylums. I venture to think that we can hardly be said to have entirely failed in our duty to the volunteers.

“I have had on previous occasions in this Council to defend military expenditure in India, although, indeed, to my mind it requires no defence, when we remember

that the military expenditure of India is only about 5 per cent. of the great trade of this country, which I venture to think is not an extravagant insurance. The criticism which has been passed has sometimes been full-bodied in its flavour, sometimes of a very mild character. On this occasion I confess I am glad to know that the continuity of hostile criticism has been broken, and that my colleagues approve of the military policy of the Government. The Hon'ble Mr. Mehta made a remark on the method pursued in respect to the charges on account of troops lent to the Imperial Government. Now I would ask his attention to the despatch of the Government of India of 1896, on the Suakin charges, which has been published as a blue book. In that despatch a full exposition was made of the view entertained by the Government of India, and for my part I can only say that I regard those views as equitable. I am given to understand that at last the report of Lord Welby's Commission is to be published, and I do not think I ought to forestall the opinion of that Commission by expressing my own. I think that is all I need say with reference to the observations which have been made on the subject of military expenditure by my Hon'ble Colleagues.

“ My Lord, when speaking in this Council, two years ago, of the frontier campaigns of 1897, I mentioned how the great chieftains of the Native States had vied with each other in placing their Imperial Service Troops at the disposal of the Government of India, and in offering their swords for service in the field. But still more remarkable has been the exhibition of the loyalty of the princes and people of this country, during the progress of the war in South Africa—a war which we feel assured that great Indian soldier, Lord Roberts, will conduct to a conclusion which will give that country lasting peace. All must appreciate the necessity for carefully thought out plans and preparation, but it is not only upon these, or upon the existing numbers of our Indian Army, that we rely for the security of India. We rely also on the resources of the empire at large, and we rely upon the enormous potential strength which we possess in the martial races of this country.

“ It was in the same speech that I alluded to the achievements of Sir William Lockhart. I was with him in the last act of the drama of the war of 1897, at the last jirga of the Afridis, and again at that remarkable scene at the Peshawar railway station when they came to bid him farewell, and I well recollect the impression it made on me when one of them stepped forward and said: ‘We have fought against you—the next time we shall be on your side, and your enemy shall be ours’ What can be more striking than that the Afridis should have offered their services for South Africa? What can be more touching than the message from ‘Your Afridis,’ which came to Sir William Lockhart

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in his last illness? No words of mine can express the loss which the Indian Army has suffered. I do not speak of personal sorrow, but of the withdrawal of the present and living influence of a great soldier, high-minded and chivalrous, experienced in war, to whom the whole army looked up with affectionate reverence. But, my Lord, the name of Lockhart will long be remembered in the Punjab and on the frontiers of India. May his bright example animate the younger men to follow in his footsteps,—and although we may have disappointments and the result may be slow of accomplishment—may his example teach them how the wild tribesmen can be led to look upon us as friends,—and thus add to the strength of the Indian Army. The martial strength of India—prepared at all points—lies in the loyal faith of her sons in their leaders—among whom history will afford a high place to the name of my friend of so many years, and our colleague in this Council.

“My Lord, death has laid his hand on another eminent soldier, the senior officer on the active list of the Indian Army, one who was formerly a member of this Council, and afterwards Commander-in-Chief in India. I speak of Field-Marshal Sir Donald Stewart. His distinguished career has ended, full of years and honour, but up to the last he was a power in the council of the empire. So long as the Indian Army produces such men as those who have just passed away, so long will it maintain its position as a potent factor in that greater Imperial Army which will, in the future, embrace still more closely all the constituents of military power in the wide-spread empire of our Sovereign.”

The Hon'ble MR. DAWKINS said.—“I will begin by addressing myself first to the observations of my friend the Hon'ble Mr. Allan Arthur, whose willingness to place his advice and knowledge at the disposal of Government I should like to take this opportunity of cordially acknowledging.

“In discussing the history of this season in the Financial Statement I remarked that the Exchange Banks had not brought out as much money as usual before Christmas to India, they having had profitable employment for their funds at home, and that this, together with other reasons, contributed to the rush for telegraphic transfers after the New Year, and the decision, which was in consequence forced upon the Secretary of State, to limit transfers by raising the rate. It has been essayed to qualify my remark by some figures supplied to the Hon'ble Mr. Allan Arthur to prove that the Exchange Banks brought out not less but more money than usual before Christmas. My hon'ble friend has had the courtesy to show me those figures. I have tried to have them checked, a

laborious task, from the registers of the Comptroller-General, and I only received the results last night, but I regret to say that I cannot accept the figures supplied to him as absolutely correct. And there are other elements to be taken into consideration, and other ways by which the Exchange Banks bring out money besides Council drafts, so that I doubt whether this form of comparison, even if I accepted the figures, would be conclusive. However, any discrepancies in these figures do not really matter much; nor could they invalidate my main argument, which was, and is, that, as the Exchange Banks very naturally and properly employ their money out of India when they can employ it out of India more profitably than in India, their assistance to Indian trade cannot be depended upon as an absolutely certain factor. This is a reason which contributes to the undue reliance of trade on Government, and indeed this year the Exchange Banks themselves wanted to have an assurance that they could borrow money from the Government, a demand that might reasonably be held to indicate that, even if the funds they were bringing out were equal in actual amount to those brought out in previous years, they were not proportionately sufficient with reference to the requirements of this year. Then, again, the insufficiency of funds here, when rates fell in London and set free money to seek employment in India, resulted in a rush for telegraphic transfers mainly on the part of the Banks which led to the Secretary of State's action in raising the rate. I do not think I need justify or explain the Secretary of State's action. His reasons, and they are convincing, are given in the Despatch published in last Saturday's *Gazette*. I must say, with all deference, that this incident seems to me to have been exaggerated out of all shape and proportion. My hon'ble friend still seems to hanker after the idea that the Secretary of State should bind himself down to a maximum rate. Why should the Secretary of State give an undertaking that may be illusory? If the circumstances of this year repeated themselves, would my hon'ble friend deny that it was the first duty of the Secretary of State to ensure the stability of our currency? That there will be a practical maximum, I think, with the experience of this year to guide us in future, is fairly certain. My hon'ble friend would like to fortify that certainty, and to provide for a regular automatic conversion of gold into rupees by so amending the Gold Note Act of 1898 when it is prolonged, as Government has undertaken to do, as to empower the Government of India to issue notes or rupees against silver in transit purchased by gold tendered in London under the Act. This would be definitely providing for the instant conversion of gold received into silver; for the more immediate supply of rupees for the present-

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ation of gold, which I may say, in answer to the Hon'ble Maharaja of Darbhanga, is the measure of the coinage of silver. I may say that, personally, I have much sympathy with my hon'ble friend's suggestion though, at the same time, there is something to be said against introducing any change into the Act until we have had somewhat longer experience of gold as legal tender. I think I ought also to beg my hon'ble friend not to dangle the profits on silver too conspicuously before the eyes even of a most virtuous Government. Once let these profits become a determining factor in your action, then good-bye stability. However, I am certain his valuable suggestion for amending the Act II in the direction I have described will receive every consideration at the hands of Government.

"My hon'ble friend has also referred to the question of giving the Banks access to the Paper Currency Reserve in India. He must excuse me if I do not go fully into a question which is now under the consideration of the Secretary of State. But I fear that personally I do see on this question eye to eye with him. Nor can I for one moment understand or accept his statement that the Presidency Banks are the only Central Banks in the world that receive no assistance from the Paper Currency, or that 'in all countries with the exception of England the Currency can be readily expanded by issuing fiduciary paper.' We all hear a good deal of German expansion in these days, but my hon'ble friend is really anticipating a colossal expansion, in seeing that exceptional institution, the Imperial Bank of Germany, which works under conditions that do not exist in India, painted generally over the globe.

"I am afraid the change in the entry under the Famine Insurance grant from Reduction or Avoidance of Debt has failed to commend itself to the Hon'ble Kunwar Sir Harnam Singh. Yet I submit it is quite clear and has a reason. If, *ex hypothesi*, we have to find three crores for Railway construction, and instead of borrowing three crores only borrow two crores and provide one from the unappropriated balance of the famine grant, surely we avoid debt. My hon'ble friend further suggests that an unappropriated balance should be invested in a separate fund, a suggestion in which I understand he is supported by the Hon'ble Mr. Ananda Charlu. I really cannot see the advantage of this. You would, on the one hand, invest a crore raised by taxation; and you would, with the other hand, borrow a crore, the interest accruing on your investment balancing the interest you pay on your loan. The only imaginable advantage of such a plan would be if, when famine came, Government could not find funds to meet famine expenditure,—an almost inconceivable state of

things This is not the case. My hon'ble friend also views with some misgiving the cashing of postal orders in Presidency-towns in gold among a people accustomed, for centuries, I understand him to say, to the exclusive use of silver coins. History hardly bears my hon'ble friend out in this latter assertion. Gold used to circulate till fifty years ago pretty freely in Southern India, and to some extent in Bengal. Indeed, when Lord Dalhousie demonetised gold, he received some earnest protests against his action, curious enough reading they are, from the native community. I think the notification need cause no misgiving. We did not issue it till people had themselves shown their desire for gold by voluntarily taking over £130,000. We are therefore proceeding gradually. Nor does my information tally with my hon'ble friend's as to sovereigns being sold in the bazaar with a batta. I have made a good many inquiries. I was told that this was the case at first, but has now ceased to be the case, and that sovereigns are passing freely. And the fact of their circulating freely is corroborated by the evidence of the Director-General of the Post Office. Very few complaints, and those only in the first three days, I think, were reported to the Director-General as being made to the payment of postal orders in sovereigns. Since the order came into force £34,000 have been paid out by Post Offices in Calcutta, £13,500 in Bombay, £3,500 in Madras and over £1,000 in Rangoon. The Currency Offices have also continued to pay out gold, though, as was to be expected, some gold, no doubt some of the gold paid out by the Post Offices, has been returned to them. The further issues of gold from Currency Offices since March 10th, when the amount was £130,700, to March 24th, have been £113,500, making a total of £244,200. The Presidency Banks have also issued gold in payment of Government cheques to the extent of, oddly enough, another £113,000. The issues to the public, as the Post Offices draw gold either from the Banks or Currency Offices, are represented by the sum of the last two figures, £358,000, taken by the public since we began to offer gold on January 15th.

"The Hon'ble Mr. Smeaton has raised two questions on behalf of his prosperous province of Burma. The first relates to the incidence of the duty on local salt, paid in the form of what is called composition on vessels used in its manufacture. There appears to be considerable diversity of view on this subject in Burma, and much doubt as to whether in any case the local industry is not doomed. The Financial Commissioner himself, I think, has expressed an opinion that the extinction of the industry, if gradual, would not do harm. But the position of the industry is complicated by the question of the Government fisheries, though I

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believe that any difficulties in this connection could be got over by adopting the Madras system of special issues of salt for fisheries at privileged rates. However, the Government has no intention of going about to compass the extinction of a local industry. But I am not sure that the question will not soon arise of raising the salt-tax in Burma to the same rate as in the rest of India. The problem before us now is so to raise and adjust the duty on local salt as to enable it to compete fairly with, but not to be protected against, imported salt paying a tax at one rupee per maund. For I think it must be recognized that the local duties are in some places too low. We have an instance of the composition duty in Bassein working out at five annas per maund. Well this gives an allowance for water with a vengeance. I cannot quite convince myself—I hope I do Burma no injustice—that if anything there is not a shadow of a desire there to give the duties just a little gentle protectionist turn in favour of their local salt. My hon'ble friend dissents. But my suspicions have been fortified by his desire to reduce or keep the duty low because the cost of production is high. Such a principle worked out to its logical conclusion would carry us very far. You could not vary the excise on cotton because one mill works cheaper or is nearer a railway than another. However, the subject is one still under the consideration of the Government of India.

“With regard to the second point, I am glad to learn from my hon'ble friend that the arrangement now made for giving telegraphic transfers in Calcutta or Rangoon at a fixed commission of  $\frac{1}{4}$  per cent. has given satisfaction. I believe Rangoon will find that the arrangements will satisfy all requirements. To grant Council Bills on Rangoon is impracticable; and I shrewdly suspect that the Hon'ble Mr. Smeaton's Rangoon clients know this but threw in this demand to make sure of getting the transfers. I am afraid the payment of Councils half in gold and half in silver would not get over the difficulty. My hon'ble friend desires to complete the facilities for Rangoon by giving transfers not only in Calcutta, but in Bombay. I doubt whether this will be found necessary in practice. But there is no reason against the extension of the arrangement, though the commission to be paid in Bombay may have to be somewhat higher than in Calcutta.

“The Hon'ble Mr. Mehta propounds certain interesting questions which certainly could not be exhausted in this debate. Mr. Mehta asks, if I heard him aright, whether 'deficits owing to exchange were not turned into overflowing surpluses by the differences coming from the pockets of the people,'—a somewhat cryptic sentence. I understand Mr. Mehta by this to suggest that

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though a declining exchange may have embarrassed Government, yet it may have increased the popular wealth. I think if Mr. Mehta will look at the annual trade returns he will find that the largest trade returns are by no means coincident with the lowest or with a falling exchange. In fact, it is difficult to establish any relation between a low exchange and large exports, and the people who urge the plausible theory of a depreciated rupee stimulating exports have a bad quarter of an hour when they come to look at statistics. Mr. Mehta also means, I think, that the enhancement of the rupee may operate to some extent as an indirect tax on producers by lowering prices. This is a most intricate and difficult question. The facts, as we know, seem to point to the enhancement having had little or almost no effect of the kind. But, assuming the appreciation of the rupee had had such an effect, that effect measured in rupees would certainly be much less than the direct taxation to which Government would have been obliged to resort if, for instance, we had an 11*d.* rupee to-day, and had to raise the same number of rupees as to-day.

“The Hon'ble Mr. Mehta is also disposed to challenge our small surplus of twenty-four lakhs as fictitious. He thinks we have taken land revenue too high next year, and so does the Hon'ble Sir Harnam Singh that we have not allowed sufficiently for the depression of the people, the loss of cattle, etc. This may be a matter of opinion. But I can assure my hon'ble friend that the estimates have been cautiously framed by the Revenue and Finance Departments in consultation with Local Governments, and with good rains next year we expect to see them justified. For his own Presidency we have accepted without any modification the estimates of the Local Government. Mr. Mehta asks for some figures of plague expenditure. He correctly states that in the Budget Estimate of 1899-1900 provision to the extent of about 12½ lakhs was made for direct expenditure on plague in Bombay, and asks what became of that amount, whether it was 'absorbed'. I don't know about its being absorbed, but it was duly spent, indeed more than this was spent, for the Imperial Government made a contribution to Provincial Revenues of 12½ lakhs for plague account, and in addition a special contribution of about a lakh, to cover the cost of the Research Laboratory. The distribution of this sum or otherwise among the Municipalities is a question for the Government of Bombay. I may with advantage lay on the



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table a statement showing the direct expenditure on plague in the Revised Estimate of 1899-1900, and the Budget Estimate of 1900-1901.—

*Direct expenditure for the prevention of plague.*

	Revised Estimate, 1899-1900 ₹	Budget Estimate, 1900-1901. ₹
India . . . . .	2,50,000	2,17,000
Central Provinces . . . . .	1,22,000	1,21,000
Assam . . . . .	12,000	15,000
Bengal . . . . .	5,42,000	3,75,000
North-Western Provinces and Oudh . . . . .	2,92,000	3,10,000
Punjab . . . . .	1,31,000	59,000
Madras . . . . .	5,87,000	3,73,000
Bombay . . . . .	15,72,000	15,38,000
TOTAL . . . . .	<u>35,08,000</u>	<u>30,08,000</u>

“It is also a complaint that Civil Works in Bombay have been cut down. I am afraid when famine and plague are raging you cannot carry on everything else on a normal scale. If you have heavy doctor's bills to pay in a private house, you are often reduced to curtail some customary expenditure. But Mr. Mehta has an absolutely dogged, rooted and radical objection to our small surplus. If he cannot make it disappear in some other way, he has, at any rate, one last way of polishing it off—a final Happy Despatch. Give it to Bombay, he cries. Now I have every sympathy for the sore trials—and very sore trials they are—of the Western Presidency, but assuredly, as the French say, the appetite does come by eating. Bombay is receiving from Imperial Funds 248 lakhs, all she asks for on account of famine, and over 34 lakhs for a general grant-in-aid, for other objects, including plague, some 283 lakhs in all. And Mr. Mehta wants to try her digestion further with our little surplus.

“The Hon'ble Mr. Spence has brought to notice that there is no account given in the Financial Statement of the Provincial balances. I am afraid I must confess this omission, but I can only say that the entry of the Provincial balances as regards very many of the Provinces have been so entirely fictitious that we thought it was hardly worth putting these entries in. I have no

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doubt that in another year, when this entry will become, as I hope it will become, less fictitious as regards my hon'ble friend's own province, it will be duly put in by the Department.

“ In conclusion, after conveying my thanks to my colleagues in this Council for their kind language in reference to myself, there remains one other pleasant duty before me, and that is to express my most sincere thanks to the Members of the Finance Department for the hearty co-operation and support accorded to me during this year. And above all my thanks are due to the Secretary, Mr. Finlay, whose loyalty, knowledge and zeal are above all recognition, and who has most ungrudgingly in every way given to me of his best.”

His Excellency THE PRESIDENT said:—“ I should like to thank Hon'ble Members for the readiness which they have shown to act upon the suggestion which I ventured to make at the beginning of this sitting, namely, that such parts of their proposed speeches as dealt with matters of a technical character, or were likely to extend to unusual length, should be taken as read, and should be laid upon the table for subsequent publication in the *Gazette*.

“ In closing this last debate of the present Session of Council, I am constrained to admit that it has not been a Session very prolific in legislation. It has not, for that reason, been, in my opinion, any the worse. On the contrary, I think that we opened the Session with too full a wallet. Our Session is, owing to the conditions of our life at Calcutta, necessarily limited in duration. All the stages of legislation, after the preliminary enquiries and introduction of the various Bills, have practically to be got through in the space of three months. In the case of small or uncontentious measures this is enough, and more than enough. In the case of an important measure, which has been long debated, and has probably only reached the stage of legislation after years of previous discussion, it may also be sufficient. But I doubt if it is sufficient in cases where several important measures may be simultaneously on the Agenda paper, and where, in the course of examination of the Bills themselves, acute difference of opinion may be developed, or alterations may be made in a Bill in Select Committee or elsewhere that radically affect its original character. In such cases I would sooner be charged with undue caution than with extravagant haste. We are free in India from the particular temptation that impels Governments to legislate at all hazards in the British Parliament, namely, the desire either to fulfil the promises sometimes rashly given upon platforms at a previous election, or to establish a better record than their political opponents for the purposes of the ensuing

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one Being free from these temptations, and having no standard of action beyond our own sense of responsibility, and of the public needs, I think that it behoves us to legislate sparingly, to look very closely to the quality, and not too much to the quantity, of our output, and, while very jealously guarding the duty of Government, which is to lead public opinion, and in no way to abrogate the supreme authority vested in us—at the same time not to push our measures through with undue precipitation, above all, not to give to any party or interest the idea that its views have been imperfectly considered, or contemptuously brushed aside.‡

“For these reasons we have, during the present Session, postponed the Assam Labour Bill, upon which we did not receive, until too late a date, all the replies that we had asked for, and the Coal Mines Bill, in which amendments so substantial were introduced in Select Committee, that we felt it desirable again to consult the Local Governments, before proceeding further with the Bill. It was on similar grounds that I announced the withdrawal of the Press Messages Bill ten days ago. Now there may be some people who may make this series of postponements a source of reproach, and may interpret them as a sign of weak or distracted counsels. I do not think that, at any rate in the present case, there would be the slightest justification for such a reproach. Speaking for the rest of my colleagues as well as myself, I can truthfully say that we have acted only after careful deliberation and in the public interest; and I believe that our decision has been ratified by public opinion, and has been acceptable to the majority of Hon'ble Members who sit upon this Council. For my own part, I say unhesitatingly that (in proportion as our Legislative machinery in India is prompt and powerful in its action, and is free from many of the clogs that impede legislation in England—so should it only be employed with much forethought and deliberation. That does not mean for a moment that Government must never pass unpopular Bills. All legislation is unpopular with somebody,) and I have seen enough of Parliamentary life to have heard the most salutary measures denounced as iniquitous at the time of their introduction, and to have seen Statesmen and Governments savagely abused for the passing of Acts which were afterwards extolled as their principal title to fame (I daresay, therefore, that this Council in my time will pass some Bills that will be stoutly resisted and roundly assailed.) All I hope is that we shall not be guilty of the particular vice of legislation in a hurry.

“Passing from these general considerations to the discussion in which we are at present engaged, it will, I am sure, be the opinion of all who heard the Hon'ble

Mr. Dawkins last Wednesday, that he placed before us a clear and even, luminous statement, dealing with a large variety of subjects, and a great mass of figures, with the easy confidence that betrays the hand of the master and wins the confidence of the pupil. I am sure that we all of us regret that we shall not listen to many more such statements from his lips, and that the Government of India will not profit in future years by Mr. Dawkins' wide experience and expert counsel. He is unfortunately leaving us, after a too brief period of Indian service. During that time he has had to contend with circumstances representing a transitional phase in our financial history, and he has further seen all prospect of a notable Budget, of a large surplus, of great schemes, of a sensible relief of taxation—in fact all the legitimate aspirations of a financier—stolen from him by the sad famine against which we are now struggling. One by one, therefore, his Spanish castles have been dissolved in thin air, and he has been compelled to present a curtailed programme and a stern business statement, in which, if there is nothing startling or sensational, it is yet a matter of sincere congratulation, not merely that equilibrium is maintained, but that a slight surplus is even estimated for the forthcoming year. Nevertheless, in his year of office Mr. Dawkins has not failed to leave his mark, and it will be found to be a durable mark, upon our financial history and system. He has successfully inaugurated the new era under which the sovereign has become legal tender in India, and stability in exchange has assumed what we hope may be a stereotyped form. This great change has been introduced in defiance of the vaticinations of all the prophets of evil, and more especially of the particular prophecy that we could not get gold to come to India, that we could not keep it in our hands if we got it here, but that it would slip so quickly through our fingers that we should even have to borrow to maintain the necessary supply. As a matter of fact, we are almost in the position of the mythological king, who prayed that all he touched might be turned into gold, and was then rather painfully surprised when he found that his food had been converted into the same somewhat indigestible material. So much gold, indeed, have we got, that we are now giving gold for rupees as well as rupees for gold, *i.e.*, we are really in the enjoyment of complete convertibility—a state of affairs which would have been derided as impossible by the experts a year ago. Mr. Dawkins has further introduced several useful reforms in the method of stating our accounts. That delusive column that appeared to represent Loss by Exchange has vanished. The dreadful and bewildering symbol of Rx. has been politely bowed out of existence. I remember last year, when still a newcomer from England, and before I had become accustomed to the multiplicity of Indian financial symbols, being considerably puzzled at the occurrence in the same statement of no less than five different methods of computation, *vis.*,

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Rupees, Tens of Rupees, Pounds Sterling, Lacs and Crores. Now, I have never myself understood why finance, because it is complex, need also be made obscure. But Mr. Dawkins is one of the few financiers whom I have found willing to subscribe to that elementary proposition. A useful step has also been taken by him by which the only public works that will in future be charged against the Annual Famine Grant, or as it is sometimes called, Famine Insurance Fund, of ₹ crores—will be works that are designed and executed exclusively as a protection against famine. This does not mean that such works can be brought up to the full margin of the grant, for protective public works are necessarily limited in number. What it does mean is that the allocation of the grant for such famine protective purposes as are available will be more easily traceable, the unappropriated balance being devoted as now to avoidance of debt. Perhaps in this respect we may be able to carry correct definition even further in the future. During his term of office Mr. Dawkins has further adopted a liberal policy in his attitude towards banking and other enterprise in this country; and if he has not been here long enough to carry to a final conclusion the important question of banking amalgamation or reform, he has appreciably expedited the solution of the problem, and has facilitated the labours of his successor by the free and fearless discussion which he has inaugurated, both in private conference and in public despatch, upon this momentous issue. Finally, in the reply to which we have just listened, Mr. Dawkins has shown an ability to meet the criticisms which have been passed upon his Budget in the course of this debate which renders it a cause of additional regret that this is the last occasion on which we shall listen to a similar performance from him.

“Such are some at any rate of the services which have been rendered by our retiring Finance Member. I now pass to an examination of certain features in the Budget, and of the observations that have fallen from some of my Hon'ble Colleagues this afternoon.

“It has been made abundantly clear that the main source of disturbance in the calculations, both of the past and the ensuing financial year, has been famine. But for famine Mr. Dawkins would have had a great surplus, and might have introduced what is generally known as a popular Budget. Let me endeavour to give you an idea of the extent to which this cyclonic disturbance has affected, and is still affecting, India. I put on one side for the moment the fact, which is known to you all from the weekly Gazette, that we are now engaged in relieving, in one form or another, nearly 5,000,000 persons, more than the entire population of many not inconsiderable States. Such a thing has

ever been heard of before in the history of India or indeed of any other famine. How greatly this famine transcends in importance its predecessor may be illustrated by the fact that in the Central Provinces, the centre of the deepest scarcity, both in the famine of 1897 and now, whereas at the height of the 1897 famine, *i.e.*, at the close of the month of May, less than 700,000 persons were in receipt of relief, on the present occasion, 1 $\frac{1}{4}$  million of persons are already receiving relief at the end of March. In one district alone, that of Raipur, over 50 per cent. of the whole population are upon relief, *i.e.*, 500,000 persons, out of a total of 1,600,000, are being supported by the State. In four districts of Bombay between 20 and 30 per cent. of the entire population, in three districts of Berar 20 per cent., and in the Ajmer-Merwara Division 20 per cent., are on relief.

“But let me represent the severity of the affliction to you from another point of view. I see it sometimes stated, and the critics of British rule in India are very fond of this argument, that the real causes of recurring famine are not the failure of rain, the exhaustion of the soil, or the loss of crops, but the pressure of land taxation and the drain upon the resources of the people. Now I cannot pause to-day to discuss the question of land assessments. We have listened to some interesting observations on the subject from Mr. Bose, the Maharaja of Darbhanga, and Mr. Mehta. What they have said will have the earnest attention of Government. But I may point out, in terms of pounds, shillings, and pence, exactly what a great Indian drought does involve in the destruction of agricultural wealth; and those who hear the figures may then judge how far any revision or modification of our revenue system, putting aside the question whether it be or be not desirable or feasible, would of itself alone enable an agricultural population to stand the shock of a calamity at once so sudden and so devastating.

“The wheat crop of India averages 6 million tons, worth at least £24,000,000. This year the estimates received from the provinces point to a crop of about 3,000,000 tons. Even if we allow that the money value of these 3,000,000 tons in a famine year is greater than in an ordinary year, we yet cannot put the losses of the Indian agriculturist on this one crop alone at less than from £8,000,000 to £10,000,000. Take another great staple crop—cotton. The Indian cotton crop averages in value £12,000,000 sterling. This year its outside value does not exceed £5,000,000, or a loss of £7,000,000 sterling. A third great crop is oilseed, namely, linseed and rapeseed. It ordinarily covers 18 millions of acres. In

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the present year this crop is practically non-existent outside of Bengal, the North-Western Provinces and Oudh.

"These losses, great as they are in relation to the annual produce of India as a whole, are still greater in relation to the produce of the famine region, to which they are practically confined. I will take the case of a single province. A very careful return of this year's harvests of food-grains has just been received from Bombay. On a very moderate computation, the loss to the cultivators in that Presidency, as compared with the value of the harvests in preceding years, has been £15,000,000. They have also lost about £4,000,000 on their cotton crop. What they have further lost in the matter of cattle it is impossible to conjecture, but the figures must be enormous.

"These facts appear to me to be sufficient of themselves to explain how it is that the present famine is so terrible, and the distress so great; and how impossible it would be for any Government to anticipate the consequences of a visitation of nature on so gigantic and ruinous a scale.

"Now let me turn to the financial aspect of the famine. The cost of famine to the Government of India is incurred in a number of different ways, in direct famine grants to the Local Governments, in the decrease of revenue arising from suspensions and remissions, in indirect expenditure, and in increase of prices. Summarising these heads, I find that the cost of the present famine, partly estimated, partly already incurred, will be somewhat as follows. Famine relief in the past year, 308½ lakhs, in the ensuing year, 500½ lakhs; loss of revenue in the past year, 236 lakhs, in the ensuing year, 121 lakhs; compensation for dearness of provisions and increase in cost of food-supplies in the past year, 37 lakhs, in the ensuing year, 71 lakhs, or a grand total of over 12½ crores, or nearly 8½ millions sterling. To this should be added the temporary cost of other direct charges, such as loans to Native States, amounting in the past year to 48 lakhs, in the ensuing year to 75 lakhs, and agricultural advances amounting to 37½ and 20 lakhs in the two years, respectively.

"So much for the financial aspect of famine. Perhaps the figures of cost, when viewed alongside of those of the numbers of persons affected, and the loss of crops involved, may give to the public some sort of idea what a great famine in India means. That to some extent its magnitude has already been realised in England is, I think, clear from the liberal contributions that are now pouring in upon us from British sources. I am confident that I shall not err if I take advantage of the present opportunity to express our united acknowledgments to

the Lord Mayor of London, in particular, and to the Lord Mayors and Mayors of other great towns in Great Britain and Ireland, for the patriotic readiness with which they have inaugurated the various relief funds, and also to the generous British public for the splendid manner in which, in the midst of all their distractions, they have remembered our sorrows, and are, weekly and daily, giving of their substance for India's relief. We have done our best for them in respect of their war; and they are nobly repaying the obligation in respect of our famine. Nor must we fail to include in our thanks those British Colonies in both hemispheres who are once again showing a most practical sympathy with our misfortunes, and whose union with the mother country and with her great Asiatic dependency, whether it be for the purpose of conducting a war, or for that of alleviating the suffering of the masses—strikes a harmonious and resounding note at the dawn of a new century, which will re-echo throughout the world.

“When in the month of December last a warning Circular was issued by the Government of India concerning relief tests and relief distribution, apprehension was expressed in some quarters that its purport might be misunderstood by the Local Governments, who might thereby be led to restrict relief to a dangerous degree, and to read into the cautious utterances of the Supreme Government, a hint that relief *must* be contracted, and expenditure curtailed, however urgent the requirements of the people. The Circular has now been in operation for three months. The numbers upon relief are in themselves sufficient to show how little ground there was for the apprehensions which I have quoted. On the other hand, we know from the replies of Local Governments that our insistence on the proper application of tests and precautions, and on the limitation of relief to the strict necessities of the case, was greatly needed, and that our warning has led to very desirable reforms. We are satisfied from the reports as to the health and general condition of the people in the distressed tracts which we constantly receive that sufficient relief is being given, and we also have the best of reasons for believing that, had not the conditions of relief been made more stringent, and had not additional precautions been applied, the State would now be engaged in the support of many who were by no means at the end of their resources.

“There remains one more test which I should like to apply to our famine-relief system. I refer to the test of the death-rate. I have called for the figures, and I have been astonished at the number of famine-stricken provinces and districts in which the mortality is scarcely at all in excess of the normal. In the Central Provinces, there is only a single district in which the excess is so



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marked as to attract attention I saw a letter a day or two ago from a visitor to the worst area in that province, and he reported that there was little to distinguish the persons upon relief-works from labourers engaged upon Government work in ordinary times. I understand the same impression to be borne out by the personal experience of Mr. Rees. Contrast these facts with the shocking mortality in the last famine. In some of the districts of Bombay, in Berar, and in Ajmere, where the death-rate has risen, the chief cause of the deaths attributed to privation is the enormous influx of destitute refugees from the neighbouring Native States, where the same perfection of relief-works, and the same care for the life of the people do not exist. I am afraid that in many of these States deaths from starvation are numerous. Jaipur is managing its own relief generously and well, but in January 1,250 deaths from starvation were reported, mostly wanderers from Marwar. In the same month, 250 starvation deaths were reported from Kotah. In Udaipur, which has been very backward, there were 1,100 starvation deaths in January, and 3,250 in February. I might quote other and similar cases. The problem in Native States is a difficult one, arising from the want of experience of the Durbars, the complete novelty to many of their number of the principle itself of State-relief, the lack of organisation, and the wild character of some of the hill tribes. Many of the Native princes have shown wonderful energy and public spirit. But the real efficacy of the system adopted by the Government of India is best shown by contrasting it with that which prevails in adjoining tracts not directly under British administration. The experience of such a famine as this is enough to extinguish for ever the fallacy that these visitations are less severe in their incidence, or less calamitous in their result in Native territory than they are in British India. The figures and facts prove irrefutably an entirely opposite condition of affairs.

“Now in connection with Famine, there are two classes of remedial or preventive measures frequently suggested to us, about which I should like, at this stage, to say a word. The employers of labour in India are in the habit of saying—‘Here we are in great straits for want of labour in our mines, our factories, or our mills. On the other hand, only a few hundred miles away are thousands of able-bodied persons, who are only being saved from starvation by the intervention, and at the cost, of Government. Why does not Government spare its own pocket, and at the same time help us, by moving these people from where they are not wanted to where they are? Nothing, indeed, can sound more simple on paper. But nothing is more difficult in practice. In the first place, human labour, and particularly native labour, is not like a cartload of bricks, or gravel, or stones,

which can be taken up here and dumped down there, wherever you please. In the second place, we and our officers have too much to do in time of famine to be able to convert Government into a sort of vast Emigration Bureau. For such a purpose is wanted a close enquiry into the conditions of labour, the organization of transport, protection of the labour when transported, and so on. If we undertake to move these large batches of men, we shall also, if the experiment proves a failure, be held responsible, and shall have to bring them back again. In all likelihood very many of them would die on the way. Now that is not primarily our business. It is emphatically a case in which capital should help itself, and should not shift its own responsibility on to Government. It is the business of Government to lend every assistance in its power, and that I would most gladly do. But I should like to see the employers of labour a little more willing to help themselves. I know that, if I were one of their number, and were in need of labour, I would have my agents out at once, travelling here, there, and everywhere, and picking out the stuff that I wanted in suitable provinces and localities.

“ The second suggestion that is frequently made to me, I admit as a rule from the outside of India, where I am afraid that a good deal of ignorance of the actual position prevails, is that the obvious method to stop famines is to introduce irrigation. Some of these writers seem to plume themselves upon the originality of the idea, and to be unaware that such a thing as irrigation has ever been heard of in India, or has been so much as attempted here. They do not seem to realise that irrigation has been going on in India for quite a considerable number of years, that about 19 millions of acres in India are already under irrigation, and that upon the works so undertaken has been spent a capital outlay of no less than 25½ millions sterling. Worthy people write me letters based upon the hypothesis that any Indian river which ultimately discharges its waters into the sea is really so much agricultural wealth gone astray, which somehow or other the Government of India ought to have got hold of at an earlier stage, and turned into crops and gardens. Now I have had a very careful estimate made out for me of the extent of *fresh* ground in the whole of India which we are likely to be able to bring under cultivation, either by new irrigation projects, or by extensions of existing systems. Under the head of Productive works, *i.e.*, works which may be expected to yield a net revenue that will more than cover the interest on the capital outlay, the estimated increment is about 3½ million acres, and the estimated outlay between 8 and 9 millions sterling. Under the head of Protective works, *i.e.*, works which will not pay, and which inasmuch as they constitute a permanent financial burden on the

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State, can only be undertaken in exceptional cases, and then as a rule do very little towards the prevention of famine, we contemplate spending about 10 lakhs a year, and shall probably in this way about double the area of 300,000 acres which is covered by that character of work at the present time. It seems therefore that the total practicable increase to the irrigable area of India under both heads will not amount to much more than 4,000,000 acres. This increase will, of course, be of value in its addition to the total food-supplying area of the country, in the employment of labour thereby given, and in its effect upon prices in time of famine. But I am afraid that it cannot be expected to secure immunity from drought to districts now liable to famine, or to help directly their suffering inhabitants. Indeed, when a desert tract is brought under cultivation, a stimulus is given to the growth of population, and more mouths have in time to be fed. The fact remains that the majority of the irrigation works that were most feasible, or most urgently required as protective measures against famine, have now been carried out, and that there is not in irrigation that prospect of quite indefinite expansion with which the popular idea sometimes credits it. At the same time, I am so much in agreement with the general proposition which has received a good deal of support from many quarters in the course of the present debate, that irrigation should be encouraged, both because of the extension thereby given to the growth of food-supplies in this country, and because, in the case of what are known as Productive works, of the extraordinarily remunerative character of the capital outlay, that I have inaugurated, since I came to India, a definite and, as I hope, a permanent extension (so long as we can find the works to undertake) of our Irrigation programme. In my predecessor's time, the annual Irrigation grant amounted to 75 lakhs. Last year I persuaded Sir James Westland to increase this; and in the financial year just expired we have spent 90 lakhs, some of it being directly applied to the provision of labour in famine districts; while during the forthcoming year, in spite of the general curtailment of our programme owing to famine, I have prevailed upon Mr. Dawkins to fix the Irrigation grant at 100 lakhs, or one crore of rupees. I am hopeful that generosity in this respect will not be a misplaced virtue, either in the direct returns that it will bring in, or in its general effect upon the prosperity of the country. For the reasons that I have named, I doubt whether irrigation can continue to do as much in the future as it has done in the past, owing to the gradual exhaustion of the majority of the big schemes. Still even if our sphere of action is less grandiose and spacious than in bygone days, I believe that, for a long time to come, and certainly during my day, we shall find more than enough to occupy our funds with smaller and less ambitious designs.

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"I pass to the question of military expenditure. The principal military incident of the past year has of course been the campaign in South Africa, to which we have lent a force of rather over 8,000 British officers and men from India, as well as some 3,000 Natives for non-combatant services. Now, I myself should have been glad if the British Government had seen their way to employ some of our gallant Native regiments, infantry, and perhaps still more cavalry, as well, and at an early stage in the war, I made the offer, on behalf of the Government of India, to send a large force. I should have been willing to send 10,000 men. I believe that had the offer been accepted, it would have provoked an outburst of the heartiest satisfaction in this country, where the manifestations of loyalty have been so wide-spread, and, in my opinion, so conspicuously genuine. You must not imagine for a moment that the Home Government were indifferent to the offer, or were unconscious of the great display of patriotism in India that would have more than justified its acceptance. They were as well aware of these facts, and as grateful for the spirit displayed, as has been Her Majesty the Queen-Empress, who, throughout the war has not ceased to press upon me her desire that I should lose no opportunity of testifying her admiration for the devoted loyalty of the Indian princes, the Indian army, and the Indian people. Nor did the refusal of the offer involve the slightest slur upon the Native army. It was refused for more reasons than one. It was thought undesirable to import any racial element into the contest. The British on one side were engaged in fighting the Boers on the other, and, had other combatants been engaged, it might not have stopped at Indian forces. There was the further consideration that, had Great Britain transferred a portion of her great Indian army to fight her battles in South Africa, an impression might have been produced that her own strength in white men was not sufficient for the strain of a second-class campaign; an impression which might have had unfortunate consequences in its effect upon a local population perpetually hovering on the verge of revolt. For these reasons the offer was declined.

"Now, it cannot be expected for one moment that a war so momentous—revolutionising all our ideas—and not ours alone, but those of the entire world—upon questions of armament, of tactics, and of the whole science and practice of warfare—should pass by without leaving a direct impress upon the military policy of India, as it will do upon that of every military power in the globe. A storm has taken place in the great ocean, the commotion caused by which will be felt thousands of miles away on every beach and shore. Here, as elsewhere, we shall require to set our own house in order, to overhaul our

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military machine, and to profit by the lessons learned. We have already set to work to do it. Do not imagine that these sorts of reforms can anywhere be undertaken without an additional outlay. The first result of the Transvaal war will, I firmly believe, be an increase to the budget of every military nation in the world. If two small republics, however rich in money and in guns, could stand up for four months against the main strength of the British army, and could put the British nation to an expenditure which, before the entire bill is paid, may be nearer to 100 millions than 50, are we to stint the annual expenditure that may be required to protect this vast Empire of India, as large as the whole of Europe without Russia, against the infinitely more formidable dangers by which it may one day be threatened? I venture to say, that no sterner critic, and no more uncompromising foe of extravagance, or of levity in military expenditure, has ever entered the offices of the Government of India than myself. But at the same time, as head of that Government, I know my responsibilities, and, if my colleagues and I are convinced that the military protection of India against the perils by which she may be menaced absolutely require that this or that expenditure should be incurred, we shall not flinch from undertaking it. My greatest ambition is to have a peaceful time in India, and to devote all my energies to the work of administrative and material development, in which there are so many reforms that cry aloud to be undertaken. I see no present reason why those aspirations should be interrupted or destroyed. But I do not wish or mean to place myself in a position in which later on, should the peril come, public opinion shall be able to turn round upon me and say, 'We trusted you; we would have given you what you asked for the legitimate defence of India. But you neither foresaw the future, nor gauged the present; and yours is the responsibility of failure, if failure there be'.

"I say then that I see no chance of a reduction in the military estimates for some time to come. There are many respects in which we can save, or in which expenditure can be overhauled, scrutinised, and cut down. In the present and following year we shall make a very considerable saving in consequence of the Frontier Policy which has been inaugurated during the past 12 months, and in the withdrawal of regular troops serving beyond our administrative frontier. There are many such fields of possible reduction. But the sum total of these economies is small in relation to the heavy items of expenditure that cannot possibly be escaped. Take re-armament alone. Sir E. Collen has told us in his Memorandum that the cost of re-arming the Native army and Volunteers in India with a magazine rifle will amount to 1½ crores by itself, and yet who would urge for a moment that the expenditure should not be undertaken, or

should be unduly delayed? If we are spending over 12 crores in two years, as I have remarked in an earlier part of my speech, in saving 50 millions of people from the peril of death by starvation, shall we grudge the crores that may be required to save 300 millions of people from the perils—almost worse than death—of disorder, and anarchy and chaos that might ensue were the British arms on or beyond the frontiers of India at any time to experience a serious disaster? Let not any one carry away the idea that because for a few months, or even for a year, we have been able to spare 8,000 of our British troops for Africa, the British garrison in India can be permanently reduced by that amount. There can be no more complete or foolish illusion. Because a man lends for a night the watchdog that guards his house to a neighbour who is being attacked by robbers, does it, therefore, follow that his own house will be able to get on in future without protection? There is always some risk in denuding India of any considerable portion of her garrison. That risk is greater or less according to the conditions of the time, and the attitude of neighbouring powers. It was present upon the present occasion, and the late Commander-in-Chief and I, in deciding to lend to Her Majesty's Government a certain number of troops for South Africa—and here let me remark in passing that the papers have been wrong in speaking of the demands or orders of Her Majesty's Government, seeing that the latter have never done, and could not do, more than ask us to lend what we might be willing to spare—took upon ourselves to run that risk. But because we are likely to surmount it successfully on this occasion, would it be statesmanship to make the risk permanent?

“I wonder if those persons who employ this curious argument would have said that, if we had been able to accept the offers of the various Native Princes who so loyally proffered their personal services to the campaign, it was a proof that India could get on permanently without those Chiefs, or supposing we had sent 10,000 or 20,000 Native troops to South Africa, that the Native army ought, therefore, in future, to be reduced by that number. Let no one, therefore, be taken in by this sort of argument. These are not days when the military strength of any empire is likely to be reduced. They are not days when the military strength of the Indian Empire can with safety be reduced. If Lord Dufferin could hold 14 years ago that the present armed strength of India, which was raised by him to its present total, was necessary for the preservation of order in this great country, for the fulfilment of our engagements, and for the protection of our boundaries, will any sensible man be found to tell me that anything has occurred since, whether it be in the experience of warfare in South Africa, or

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whether it be in the events that we hear of from day to day in Central Asia and on the borders of Afghanistan, to prove that we can now fulfil our obligations with less? No, there are two great duties of Imperial statesmanship in India. The first is to make all these millions of people, if possible, happier, more contented, more prosperous. The second is to keep them and their property safe. We are not going, for the sake of the one duty, to neglect the other. We would prefer to discharge our responsibility,—and it is no light one—in respect of both. With these remarks I will bring the present debate to a close, and will now adjourn this Council *sine die*.

CALCUTTA ;  
The 30th March, 1900. }

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

## APPENDIX I

*Notes by the Hon'ble MR. ALLAN ARTHUR.*

In paragraphs 32 and 33 of the Financial Statement, the Hon'ble Member gives certain reasons for the Secretary of State's notification stopping Telegraphic Remittances under the Gold Note Act, and among other matters mentions that the season opened without the assistance of the money that is usually brought out before Christmas by the Exchange Banks. Now it seems to me that the season opened with much heavier remittances from England than has been the case any time during the last six years, and I give the figures showing the sales of Council Bills during the three months October to December for these years —

	Rs
1894 . . . . .	5,46,26,000
1895 . . . . .	7,49,27,000
1896 . . . . .	3,88,30,000
1897 . . . . .	1,22,000 (Councils stopped).
1898 . . . . .	6,29,14,000
1899 . . . . .	8,02,65,000

The total Council Bills offered by the Secretary of State in December last amounted to Rs. 175 lakhs, of which the Exchange Banks took Rs. 157 lakhs, while the total tenders during December amounted to Rs. 9,92,87,000, the percentage given each week being 5%, 13%, 79% and 100%. In addition to Council Bills the Exchange Banks brought out money in the shape of sovereigns, and from the returns of the Paper Currency Department we find that between 22nd November and 22nd December last gold to the value of 94½ lakhs was tendered in exchange for notes or rupees, whereas no additions of the kind were made to the currency during the last month of the preceding five years.

In fairness to the Exchange Banks I feel bound to give these figures, but I do not think any good purpose would be served by discussing further the point as to whether the India Office were or were not justified in making the notification referred to. I think, however, that good might come if I were to point out what was the result of that notification as applied to Indian trade. So far as I can make out the figures from the market reports, the amount of gold and of sovereigns shipped in consequence of the action of the Secretary of State was over £500,000. This was more than the trade of the country required, and Government has suffered through this temporary over-financing by Exchange having declined to a point under 1s 4d. Had it not been for the action of the India Office, money would have come out only as required, and Exchange would probably have remained near import gold point, instead of having advanced as it did a short time ago to 1s. 4½d. and having declined as it has recently done to under 1s. 4d., to the great harassment of trade, and in complete opposition to the declared currency policy of the Government of India which the Hon'ble Member states to be the maintenance of Exchange between two given points, *viz.*, 1s. 4½d. and 1s. 8½d. The general idea here is that if the notification had not been made, Exchange would not have gone above gold import point, and the fact that the Secretary of State was able after his notification to sell telegraphic transfers freely seems to indicate that the notification was unnecessary.



It was with considerable regret that I was informed by the Hon'ble Member last week in reply to a question of mine that it must be distinctly understood that the prolongation of the Gold Note Act implies no undertaking on the part of the Secretary of State to sell remittances under the Act at any specified rate. In other words, there is no certainty that Exchange may not at some future period be again forced up to above gold import point, and I would suggest that the refusal of the Secretary of State to declare a maximum rate under the Gold Note Act may be taken as a sign of weakness, and that if the Government expect any efficacy for their currency measures any sudden retreat from the situation they have taken up cannot fail to constitute an unsolid foundation in the public view.

I cannot think that the Viceroy and the present Financial Member will be satisfied with a currency system that is not somewhat better than anything India has ever had before. On 23rd January of last year His Excellency said: "Relief from the financial uncertainty and the fluctuations which have so long hampered the Government and interfered with trade by a scheme of currency reform which shall give stability to our monetary system is, in my opinion, the first step, though I am far from saying the sole step, towards the economic and commercial revival of India."

and again on 12th February :—

"British capital is therefore a *sine qua non* to the national advancement. I believe it is sound policy to desire that India should become one of the chosen fields of investment, and that this great and expanding dominion should attract some portion of that wealth which appears to be equally at the disposal of petty venal Republics in the Western Hemisphere and of moribund kingdoms in the Eastern."

If British capital is to be attracted to India it seems to me that the Government of India should do everything in their power to minimize fluctuations in Exchange, so that capital may flow freely between England and India with the least possible risk of loss on the return operation. And I would submit that it will be entirely in the general interests if the announcement which was made last week by the Hon'ble Member in regard to the rate for transfers under the Gold Note Act be reconsidered, so that in the future we shall be spared from the unnecessary fluctuations of the past few months.

At the close of paragraph 33 of his statement the Hon'ble Member points to the difficulties which Indian trade is likely to run into if the Banks and Merchants trust to Government always to meet their demands from its resources instead of supplying themselves with funds. And the Secretary of State makes a similar remark in the last paragraph of his despatch of 1st instant. I agree with the Secretary of State and the Hon'ble Member so far as to say that it is only on special occasions and at prohibitive rates that assistance should be expected from State resources. But the Government of India should bear in mind that they are responsible for the laws and regulations under which money can be imported from abroad or manufactured locally, and, if the Government of India for reasons and objects admirable in themselves, place exceptional restrictions on the expansion of the currency and by their own action enlarge and reduce at times the local supply of money, then I think the Banking and Commercial communities have a right to expect that Government will be prepared to assist them temporarily to overcome the difficulties caused by exceptional legislation or State regulations. In

all countries, with the exception of England and India, the currency can be readily expanded to meet temporary requirements by the simple and cheap expedient of issuing fiduciary paper money. But in England and India Government has decreed that the currency can only be expanded against a deposit of gold; this exceptional restriction works fairly well in England because London can obtain gold without much delay from Paris or Berlin or New York, but in India 3 weeks or more must elapse before gold can be imported and in the absence of gold no fresh money can be issued except under the Gold Note Act. Council telegraphic transfers have saved India from many monetary panics, but they do not expand the currency. They merely transfer currency from the Government Treasuries to the money market. They are limited on the one side by the requirements of the Secretary of State and on the other by the amount spareable from the Government of India's cash balance for remittance to the Secretary of State. When the demand for money exceeds these limits or when the demand is for fresh currency it can only be met expeditiously by the Gold Note Act or some similar arrangement. I do not blame the Government of India for saying there shall be no expansion of the currency in the absence of a deposit of gold; although England is the only other country in the world where such a restriction exists, but I ask the Government of India to make allowance for the distance of India from the central markets for gold and to arrange to issue fresh currency in India on receipt of the gold in London as provided under the Gold Note Act, and, if the Gold Note Act is to be operative, I think it is highly necessary that there should be some maximum at which the Secretary of State will undertake to give rupees in exchange for gold to an unlimited extent, which facility, I take it, will only be availed of at times of extreme pressure.

To make the system work smoothly for Government, it would probably be well for them to take power to purchase silver for coinage purposes against gold paid in London under the Act, as otherwise they might have the difficulty they have lately experienced of not having sufficient rupees in the Paper Currency Reserves to meet all demands. If they had had this power recently it seems to me that it would have been quite unnecessary to have stopped Transfers under the Gold Note Act; the Government would have made a handsome profit on the purchase and coinage of the silver, and in accordance with the recommendations of the Indian Currency Committee could have placed the amount of that profit in gold to a special reserve account for the strengthening of their Currency Policy, and the gold would have been kept in London at a time when it was wanted there instead of being locked up at sea for 3 weeks or more, and locked up afterwards in the Indian Paper Currency Reserve.

So important is it in the interests of the trade of India and of the Government of India that an easy means of remittance from London to India, such as has been provided by the Gold Note Act during the last two years, should be provided permanently that I have ventured to give my views at some length. I should like to make further a few remarks on the kindred question of the inelasticity of the local central banking funds. Here again all that Government are asked to do is to afford relief from difficulties which they themselves create. In referring to the quantitative theory the Hon'ble Member says that although variations in the quantity of currency circulating may have little effect in Western countries amply equipped with credit money, the quantity of currency being supplied and offering in the Indian market must have an effect in regulating its value in exchange with other commodities, and I presume I may add that variations of the quantity of money in the loan market will have an equally great effect on the rate of interest. This being the case is it not a matter for great regret

that Government should withdraw from circulation and lock up a larger amount of money during the busy season when trade demands are heavy than during the slack season, and is it not desirable in the public interest that the scarcity of money thus caused should be relieved by an increase of the Government deposits with the Presidency Banks during the busy season, when this can be done without risk or inconvenience to the State? I understand that Rs 8 crores are considered an ample working balance with which to work the Treasuries and that a reserve of Rs 2 crores is deemed ample to meet emergent demands on Government, and all that is asked is that during the busy season the deposits in the Presidency Banks will be enhanced whenever the total cash balances exceed Rs 10 crores. Then again the Presidency Banks are the only Central Banks in the world which receive no assistance from the Paper Currency. The Presidency Banks hold a portion of the cash balances, but the Bank of England holds all the cash balances and in addition to this it has power to issue fiduciary notes to the extent of over £16 millions. This is a fixed issue, but all other Governments are still more generous to their central banks and give them power to expand their fiduciary issues freely in order to enable them to meet on easy terms all legitimate demands for local accommodation. The Government of India, for reasons which I approve of, have resolved to issue the Paper Currency themselves and to appropriate all the profit thereby obtained, but they must admit that by so doing they have deprived the central banks of the power that all other central banks, with the exception of the Bank of England, possess of expanding their resources easily and cheaply in order to meet exceptional demands for accommodation, and it is not surprising that under these circumstances the central banks of India ask for some support from the Paper Currency Reserve

The Bank of Bengal has advocated that the Presidency Banks should be given access to these Reserves upon certain restrictive terms in times of extreme pressure. The Hon'ble Member recently pointed out the difficulties that occurred to him in acceding to this suggestion, and while there is no doubt a great deal in what he said, I venture to think that the facility asked would be so seldom availed of, perhaps never at all, that the suggestion should not be finally rejected. The knowledge that there is an effective last resort in India would be an immense assistance to those who are responsible for the financing of the internal trade of the country, and with the additional Banking capital, which there is little doubt will come before long to the country, the dangers, which the Hon'ble Member foresaw if this facility were granted, may not really be so great as he anticipated.

*The 28th March 1900.*

## APPENDIX II.

### *A Note by the Hon'ble RAI BAHADUR B K. BOSE, on the Settlement in the Central Provinces.*

Of the two grounds for the enhancements referred to in my remarks on the Budget, the first, progress in cultivation, has received a serious check. I beg to be permitted to deal with the question in some detail in the form of a note. My excuse lies in its vital importance. For an enhancement, which might have been borne at some sacrifice of convenience had times been propitious, may, in the present condition of the people, prove oppressive. In 1867-68, when the old settlement was completed, the cropped area was 12 millions and 6 hundred thousand acres. Up till 1893-94, the progress was on the whole continuous. At this period the area under

12,621,893

16,316,904

crop stood at 16½ millions, giving an increase of 3 millions and 7 hundred thousand acres or about 29 per cent in 26 years. At this stage further progress was arrested. For fair comparison Sambalpur, which till the current year always had good harvests and was thus able to profit by others' misfortunes, has to be

15,684,165

14,607,767

(Vide Annexure C)

excluded. Excluding this district the cropped area in 1893-94 was a little over 15½ millions. In 1898-99 it was a little over 14½ millions, showing a shrinkage of little over a million or about 7 per cent. Thus at the commencement of the current season the advance in cultivation as compared with that of 1867-68 was (excluding Sambalpur) about 2½ millions, or an

The increase in population between the Census of 1866 and 1891 was about 28 \* per cent, or 8 per cent more than the increase in the cultivated area in 1898-99

(\* Vide para 11, Progress of the Central Provinces, by J B Fuller, Esq, c 12)

increase of about 20 per cent in 31 years. The fall in the area under plough does not, however, disclose the full extent of the deterioration in cultivation. Speaking generally, of the two crops, the kharif is of

importance as supplying the food of the majority of the people. But it is the more valuable rabi, which adds to their resources and staying power. In 1893-94 the ratio of rabi to the total cropped area was 44 per cent., whereas in 1897-98 it shrank to 30 per cent, the area placed under rabi being less than five million acres as against eight millions in 1893-94. The area under wheat, gram and linseed, the

4,282,007

three main rabi crops, in 1898-99 was a little over four million acres. Even as regard

the rabi, the less valuable gram largely took the place of the more valuable

The total average export of wheat for the five years ending 1892-93 was a little over seven million maunds. In 1897-98 it fell to a little less than three hundred thousand maunds. In 1898-99 it rose to a little over

7,024,734  
280,883  
2,555,868

2½ millions, which is only 35 per cent. of the average of 5 years ending 1892-93. There was a somewhat similar deterioration in rice by which the system known as broad-cast was substituted for the transplantation system, the yield of the latter being more than twice that of the former. Rice is the predominant crop in the Chhatisgarh. The export of rice, foreign and local, from it in 1894-95 was 37½ lakhs of maunds. In 1898-99 it was a little less than two thirds of this amount. Speaking of the enormous money-loss from the contraction of the wheat area

Revenue Administration Report for 1897-98.

the Commissioner of Jubbulpore, Mr. Fuller, has pointed out that the export of wheat during the four years 1894-95 to 1897-98 amounted to only four per cent. of the average for ten years preceding, to half a lakh of maunds against 13 lakhs. In the Nerbudda Division, comprising some of the best wheat lands in the Province, the average of the same four years was 14 per cent. of the decennial average. Mr. Fuller writes "But it is obvious that so great a decline in production is seriously crippling the people and must retard recovery. In particular it adds to the load of debt both by necessitating fresh borrowing and by the accumulation of interest on previous loans."

Regarding the other factor, rise in prices, when an agriculturist gets involved in debt and is forced to borrow his seed, his subsistence grain till the harvest and his cost of cultivation at a high rate of interest, or by agreeing to sell his expected crops in advance at a sacrifice, rise in prices cannot benefit him much. The keen and enterprising grain-dealers, Marwadis, Kuchchis, hatias and others, whose organization covers the whole country, intercept a considerable portion of the profits accruing from this cause; and against what is left for the actual tillers of the soil has to be set off the high prices they have to pay for many of the necessaries of life, the increased charges on account of cost and keep of plough bullocks and higher wages that have to be paid for such arm labour as they have to employ. How largely, in spite of favourable prices, the tenants have got into debt would appear from the fact stated in the Central Provinces Famine Report, that only a fourth of them were found to be prosperous and free from debt. Another fourth were deeply involved in debt, while the remaining half were in a constant state of indebtedness, carrying on their agriculture with borrowed capital. This was said in May, 1898. Another and a more disastrous season will now make matters worse and many will be dragged down from the first to the second or third class. How little benefit an impoverished tenant can derive from rise in prices, and what difficulties the málgúzárs now face in realizing rents as fixed at the settlement and which form the basis

of the new assessment, will appear from the statement of rent collections annexed to the Revenue Report for 1897-98. Complete figures are given for 11 out of 18 districts. Excluding Sambalpur, the rent collections on current dues in four districts did not exceed half the demand and in four others they ranged from 61 to 66 per cent, while in two only they reached the somewhat satisfactory figure 88. The total collections, both current and arrears, fell short of the total payment on account of public demands in six districts. (*Vide* annexures D and E.)

The impoverishment of the tenantry could not but tell on the proprietors, and the figures relating to the transfers of proprietary right show that this has been the case. In 1893-94 these transfers

• 428,356

† 605,365

‡ 625,327

covered an area of about  $4\frac{1}{2}$ \* lakhs of acres. Next year it went up to six lakhs,† or a rise of 50 per cent., which figure was more than maintained in the following year ‡

In the famine year (1896-97), the people were engrossed in the struggle for existence and had not much time to spare for business, but still the figure was

§ 486,637

|| 602,048

only a little less than five lakhs § The next year, however, it rose to six || lakhs again.

To add to the miseries of the agriculturists, the Province is deteriorating in another direction: cattle mortality has been increasing since the cycle of bad years began. Accurate records are available since 1896-1897 only.

In this year the plough cattle were returned at about 29 lakhs ¶

¶ 28,89,000

\*\* 27,37,000

In the following year the number went down to 27 lakhs\*\* and a third, showing a loss of about a lakh and a half in one year. As regards

previous years, trade statistics afford a fairly reliable basis to go upon. In 1893-1894 the export of hides and skins was about 55 thousand maunds. It has been steadily increasing since then. In 1894-1895 it rose to 90,000 maunds, in 1895-1896 it was a lakh, in 1896-1897 a lakh and a third, and in 1897-1898 a lakh and a quarter. There was a welcome drop in 1898-1899, when it was 70,000, showing that with the return of better times, mortality among cattle went down at once. Under the combined effects of a severe crop-failure and a failure of fodder and water-supply, what the mortality will be this time can well be imagined. As the neighbouring Province of Berar is equally unfortunate in these respects, it will be difficult to replace the heavy loss that is now inevitable, even for those who will be able to afford the money. Any way the loss will be severely felt, for the cost of a pair of plough bullocks is a heavy charge on a cultivator's resources. Thus even with a favourable monsoon next year, the paucity of plough bullocks will, apart from all other depressing causes, seriously

affect the area under crop. And as it will take time for the next generation of bullocks to grow up, it will be some years before normal conditions are restored.

The intervening years between the past and the present famine have not been such as to permit of the lost ground being recovered. In 1897-98 the kharif was specially good, but the rabi was seriously injured by want of dew and winter rains and in some of the northern districts by want of moisture at sowing time. The yield was generally below the average. The kharif of 1898 was not on the whole more than an average and the rabi of 1899 was distinctly poor. But despite these by no means favourable circumstances,—indifferent harvests, shrinkage of cropped area and substitution of less paying in place of more paying crops—the landholders were not backward in meeting their

Rs 90,28,538

Rs. 38,29,294

Rs 94,43,312

\* Taken from the Statement II-A, Revenue Administration Report for 1897-98.

† Taken from the Appropriation Report on Accounts for 1898-99.

liabilities to the State. The demand including cesses in 1897-98 was about ninety lakhs on current, and thirty eight lakhs on arrears, account, making a total of about a crore and a third. They \* paid over ninety-four lakhs, or the whole of the current

demand and four lakhs towards arrears. The collections during 1898-99 have been about one † crore (Rs. 99,93,000) which is about  $5\frac{1}{2}$  lakhs more than in the previous year. Statutory loans aggregating 13 lakhs (Rs. 13,04,449) were also paid back. Besides these payments to Government amounting to over two crores, the people must also have paid something to their private creditors. After meeting these liabilities and their private expenses, the agriculturists could not have begun the current season with any appreciable saving. Whatever it was, it must have been exhausted to a great extent in providing for seed and their own subsistence between sowing and the expected harvest. The mournful fact is now too well-known, that when the time came for them to seek a return for all they had spent on their lands, there was heavy disappointment. The kharif failed even more grievously than in 1856, and as regards the rabi such a serious loss has not taken place within living memory. It will thus appear that the end of the current agricultural year will find the landholding classes in a state of great exhaustion. In 1897 we had a noble charity fund to come to their rescue. About 29 lakhs of rupees were given from it to the broken down peasantry in the Central Provinces for seed and bullocks. With this timely help about  $1\frac{1}{2}$  millions of acres of land were brought under the plough. Thanks to the movement set on foot by Your Excellency, the cry of distress is once more stirring the hearts of the generous public, both here and in England, but owing to various causes, it is not to be expected that anything like the help given last time would be forthcoming on the present occasion. Thus want of seed-grain will operate in the same way as want of bullocks

to bring about a serious contraction of the cropped area in the coming season. Apart from the money difficulty, in the Chhatisgarh and in the Bhandara Districts there is an alarming depletion of local seed-stocks, and how to procure the necessary rice-seed is a matter which is seriously exercising the minds of the people and the local officers. It is feared that seed imported from Bengal and elsewhere may not germinate properly.

I respectfully submit that with such a radical change for the worse in the economic condition of the country, a change is called for in the principles which have hitherto regulated the re-settlement of the Land Revenue Demand. Almost the whole population depends, directly or indirectly, on agriculture. The only other important occupation of the people, weaving, is a decaying industry, and the mills we have give employment to a small fraction only. Thus agricultural profits constitute almost the sole funds from which any addition to the resources of the people can be effected. The question of assessment therefore is with them a question of life and death. The slightest excess beyond what they can pay with ease is sure to have disastrous after-consequences. For it is not possible that a people raising only coarse agricultural produce, possessed of no large capital, no resources for improved methods of cultivation, in fact the majority of whom are in debt, should be able to meet with ease a revenue enhanced even to a fraction of a degree beyond what their existing condition warrants, and should, under its continued strain, recover even with a succession of good years from the depressing effects of a series of bad seasons. In some distressed tracts, where the payment of the enhanced demand had almost become an impossibility, a change in the shape of an abatement has already been introduced. Liberal remissions have also been given. But something more than such makeshifts as temporary remissions or reductions is, I submit, now needed in the best interests of the country. A considerable surplus is expected when the famine is at an end. A portion of it may with great beneficial results be utilized in giving some relief to the landholding classes in the Central Provinces. In making this appeal, I only echo what has been suggested in some of the revenue reports for 1897-98. The Commissioner of Jubbulpore writes: "But the revenue management of certain tracts will require careful handling. In the Khurai Tahsil and in the open country of the Damoh District very liberal general remissions will be required this year, and a re-settlement will be necessary as soon as there are signs of an upward turn. The abatements granted last year have proved inadequate." Regarding Hoshungabad, a district once thought to be one of the richest in the province, the Deputy Commissioner writes that the tenants owe heavy arrears and large sums on account of takkavi in addition to their ordinary



debts, that a considerable area of land has become overgrown with "Kans" grass, which it is difficult and expensive to extirpate, and that the málguzárs have not been able to realise 50 per cent. of the current rental demand. His conclusions are tersely summarised in the words, "the district is bankrupt and requires at least two good crops to become solvent." The Deputy Commissioner of Balaghat remarks that a large percentage of tenants and málguzárs are heavily in debt, and that it is greatly to be regretted that a few years could not have been given to the district before the imposition of the new settlement to give time to the people to recover themselves and to prevent the transfer of málguzári rights to the money-lending classes. The Deputy Commissioner of Bilaspore points out that it would require at least 2 or 3 good harvests (perhaps more) before normal conditions would be restored. The Central Provinces Famire Report concludes with these weighty words: "But the ground lost during the past four years will not all be recovered in a season or two. It is a popular saying among cultivators that three good years are necessary to make up for one bad one. The saying may be tinged by the over-despondent tone which the farmer in all parts of the world uses in speaking of the prospects of his agriculture. But it is not unlikely that three years may pass before the province throws off the last signs of the greatest famine of the century." All this was said in 1868. Since then the country has been smitten with the full force of an even greater famine, and unless a liberal revenue policy, the benefits of which will permeate all classes, be adopted, it is difficult to see how the people will be able to recover themselves.

Within the last few months and while yet the province is in the throes of the famine, it has, I am told, been announced in the Bhandara District that the new assessment just completed there will come into force from the next year. The order will perhaps be reconsidered, but still its promulgation at this juncture is apt to make the people lose heart.

Proceedings with a view to a second new settlement are also in progress in Bilaspur and Raipur. These districts, especially the former, were very hard-hit during the last famine. They are no less so this time. They were both newly assessed only about 10 years ago. The enhancement in Bilaspur (Khalsa) was 102 per cent. in some groups and 105 per cent. in others. Including two

\* Additional rate and Patwari cess.

cesses\* introduced in the interval between the two settlements, the enhancement under the head of cesses was 8 per cent. in addition to the consequential enhancement from the enhancement of the land revenue. There was besides a full valuation on "sir" land as compared with the half assessment

New assessment at full all-round rate of 10 annas 10 pie	= Rs. 1,49,290
Old settlement assessment at half the full rate ( <i>vide</i> para. 302 of the report)	= Rs. 83,030
Difference	Rs. 66,260

of the old settlement. This process represented an increase in the assessable assets of about Rs. 66,000. The percentage of assets taken as land revenue at the new settlement was also higher. At the old settlement, the total assets including full valuation of "sír" was

Rs. 5,26,391 (para. 302 of the settlement report). The Government demand being Rs. 2,51,934, the proportion it bore to the total assets was thus about 48 per cent. As prospective profits from progress of cultivation and miscellaneous sources, for which there were large openings at the time, were not taxed, the burden of the Government demand became lighter year after year, until in the year preceding the new settlement it was only 40 per cent of the raiyati rents,

Found to be Rs. 6,09,940 by S. O

profits to be enjoyed by the málguzárs. At the new settlement, the total

assets were fixed at Rs. 8,77,950, and the Land Revenue at Rs. 4,74,648.

Thus the proportion which the latter bear to the former is 54 per cent, or 6 per cent more than at the old settlement. The large reduction in the profits hitherto enjoyed, which these operations involved, must have been keenly felt. At the new

#### DETAILS.

	Rs.
Existing rents . . . . .	6,09,940
Enhancement on above by S. O. . . . .	70,690
Full valuation of sír . . . . .	1,49,290
Miscellaneous profits . . . . .	48,030
TOTAL . . . . .	<u>8,77,950</u>

settlement the rise in prices from the opening of the Bengal-Nagpur Railway was presumably taken into account, the tenants' rents being raised by Rs. 70,000. Since then the district instead of prospering has distinctly deteriorated. It is difficult therefore to conceive on what ground a second new settlement can, under existing conditions, be justified so soon after the first. A new settlement, however carefully conducted, must unsettle men's minds, make them suspicious of the intentions of Government and subject them to the harassments inseparable from the visits of official underlings. I am afraid, even with a good season next year, in place of stimulus of hope, there will be discouragement of uncertainty, and this feeling will paralyze all exertions to recover from the effects of the famine.

## ANNEXURE A TO APPENDIX II.

*Statement showing enhancement of Land Revenue demand under the new Settlement :  
(taken from Statement VI, Revenue Administration Reports.)*

District	Percentage of enhancement on previous demand in various assessment groups in the District.
Saugor . . . . .	68, 42, 53, 48
Damoh . . . . .	55, 73
Jubbulpore . . . . .	50, 44, 62, 86, 64, 77
Mandla . . . . .	61, 66
Seoni . . . . .	95, 97, 55, 92, 50
Narsingpur . . . . .	57, 46
Hoshungabad . . . . .	69, 87, 96
Nimar . . . . .	58, 56
Betul . . . . .	55, 63, 8, 57, 37
Chindwara . . . . .	45, 55, 47, 25
Wardha . . . . .	26, 23
Nagpur . . . . .	20, 21, 28, 24
Bhandara . . . . .	40, 38, 30, 52
Balaghat . . . . .	48
Raipur . . . . .	82, 98
Bilaspur . . . . .	102, 105
Sambalpur . . . . .	34

*The 28th March, 1900.*

B. K. BOSE.

## ANNEXURE B TO APPENDIX II.

Statement showing average enhancement in the whole district on the previous demand.

District.	Enhancement under Land Revenue alone.	Enhancement under Land Revenue and cesses combined inclusive of additional rate and Patwarri cess imposed during the currency of the old settlement.
Saugor . . . . .	49 per cent	61 per cent.
Damoh . . . . .	60 "	70 "
Jabbulpore . . . . .	65 "	78 "
Mandla . . . . .	71 "	85 "
Seoni . . . . .	80 "	95 "
Narsinghpur . . . . .	50 "	60 "
Hoshangabad . . . . .	87 "	99 "
Nimar . . . . .	59 "	73 "
Betul . . . . .	46 "	57 "
Chhindwara . . . . .	38 "	50 "
Wardha . . . . .	26 "	35 "
Nagpur . . . . .	20.6 "	28 "
Raipur including zamindaris . . . . .	57 "	71.8 "
Bilaspur including zamindaris . . . . .	93 "	111 "
Sambalpur including zamindaris . . . . .	46 "	56 "

} Abated—  
details not  
known.

(Being in-  
troduced  
progress-  
sively.)

Note.—The settlement of Bhandara and Balaghat is not yet complete.

The 28th March, 1900.

B. K. BOSE.

## ANNEXURE C TO APPENDIX II.

Statement showing area under crop in the seventeen distressed districts in 1893-94 and 1898-99:—

Districts.	1893-94.	1898-99.	Decrease or Increase + in 1898-99 as compared with 1893-94.
	Acres.	Acres.	Acres.
Saugor . . . . .	1,015,570	697,711	-317,859
Damoh . . . . .	506,473	403,344	-153,129
Jubbulpore . . . . .	1,099,835	942,666	-157,169
Mandla . . . . .	547,995	483,027	-64,968
Seoni . . . . .	726,091	595,812	-130,279
Narsingpur . . . . .	634,376	539,723	-94,653
Hoshungabad . . . . .	1,053,126	857,342	-193,784
Nimar . . . . .	506,599	578,966	+72,367
Betal . . . . .	649,718	568,518	-81,200
Chhindwara . . . . .	701,400	720,544	+19,144
Wardha . . . . .	924,381	903,035	-21,346
Nagpur . . . . .	1,250,937	1,224,818	-26,119
Chandwa . . . . .	622,336	798,394	+176,058
Bhandara . . . . .	897,808	826,451	-71,357
Balaghat . . . . .	492,295	373,423	-118,872
Raipur . . . . .	2,532,283	2,486,231	-46,052
Bilaspur . . . . .	1,474,922	1,607,762	+132,840
<b>TOTAL</b>	<b>15,684,165</b>	<b>14,607,767</b>	<b>-1,076,398</b>

*Note.*—In 1898-99, there was a fall in cultivation in every district except Nimar, Chhindwara, Chanda and Bilaspur. As regards the last three of these four districts, the increase is, I believe, only nominal and is due to the fact that whereas the 1893-94 figure either does not include at all or only partially includes the zámindárí area, the figure for 1898-99 includes either the whole or a considerable portion of the zámindárís, the survey operations having progressed in the interval. The loss in the remaining thirteen districts is 1,476,907 acres or nearly one million and a half.

B. K. BOSE.

The 28th March, 1902.

## ANNEXURE D TO APPENDIX II.

Statement showing rental on tenant area on account of current demand and realization on account of the same for 1897-98 in 10 out of the 17 distressed districts for which alone figures are available.—

Districts,	Demand.	Collection.	Percentage of collection on demand.
Damoh . . . . .	545,767	336,030	62
Jubbulpore . . . . .	1,281,131	818,177	64
Mandla . . . . .	233,697	143,841	61
Seoni . . . . .	414,070	272,301	66
Narsingpur . . . . .	940,284	434,010	46
Hoshungabad . . . . .	1,134,208	558,593	50
Nimar . . . . .	223,752	109,494	50
Betul . . . . .	347,191	164,847	47
Wardha . . . . .	816,100	718,079	88
Nagpur . . . . .	1,213,369	10,741,591	88

The 28th March, 1900.

B. K. BOSE.

## ANNEXURE E TO APPENDIX II.

Statement showing total realizations from tenants on current and passed demands and total payment made to Government on current and passed demands on account of land revenue and cesses in 1897-98 in 10 out of the 17 distressed districts for which figures are available :—

Districts.	Realisation from tenants.	Payment to Government.	+ Excess or -deficiency of realization against payment.
Damoh . . . . .	337,280	377,901	-40,621
Jubbulpore . . . . .	1,055,114	1,162,818	-107,704
Mandla . . . . .	194,231	134,170	+60,061
Seoni . . . . .	313,231	224,987	+88,244
Narsingpur . . . . .	810,558	867,406	-56,848
Hoshungabad . . . . .	736,696	788,230	-51,534
Nimar . . . . .	110,001	243,384	-133,383
Betul . . . . .	176,742	215,492	-38,750
Wardha . . . . .	815,321	696,230	+119,091
Nagpur . . . . .	1,200,959	1,070,218	+130,741

*Note.*—In six districts the realizations from tenants fell short of the payments to Government by an aggregate sum of Rs 4,28,840. This sum was met from the profits of the *sis* and other sources.

The 25th March, 1900.

B. K. BOSE.

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

The Council met at the Viceregal Lodge, Simla, on Friday, the 22nd June, 1900.

**P R E S E N T :**

His Excellency Baron Curzon of Kedleston, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.

His Honour Sir W. Mackworth Young, K.C.S.I., Lieutenant-Governor of the Punjab.

The Hon'ble Major-General Sir E. H. H. Collen, K.C.I.E., C.B.

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

The Hon'ble Mr. C. M. Rivaz, C.S.I.

The Hon'ble Mr. T. Raleigh.

The Hon'ble Sir E. F.G. Law, K.C.M.G.

The Hon'ble Kunwar Sir Harnam Singh Ahluwalia, K.C.I.E., of Kapurthala.

The Hon'ble Mr. C. L. Tupper, C.S.I.

The Hon'ble Mr. H. C. Fanshawe, C.S.I.

**N E W M E M B E R S.**

The Hon'ble MR. TUPPER and the Hon'ble MR. FANSHAWE took their seats as Additional Members of Council.

**PUNJAB ALIENATION OF LAND BILL.**

The Hon'ble MR. RIVAZ moved that the Bill to amend the law relating to agricultural land in the Punjab be referred to a Select Committee consisting of the Hon'ble Sir Arthur Trevor, the Hon'ble Mr. Raleigh, the Hon'ble Sir Edward Law, the Hon'ble Sir Harnam Singh, the Hon'ble Mr. Tupper, the Hon'ble Mr. Fanshawe and the mover.

The Hon'ble KUNWAR SIR HARNAM SINGH said:—" My Lord, as I was not a Member of Your Excellency's Legislative Council when the Bill was introduced, and had not, therefore, an opportunity of stating my views on the subject, I would wish, with Your Lordship's permission, before the Bill is refer-



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red to a Select Committee, to submit to the consideration of the Council certain facts in connection with the measure which strike me as having an important bearing upon it, and which may, I venture to hope, induce the Council to postpone for the present, its further consideration.

"The object of the measure is to place certain restrictions on the transfer of agricultural land in the Punjab with a view to checking its alienation from the agricultural to the non-agricultural classes. It has been stated that expropriation of the hereditary agriculturist in many parts of the Province through the machinery of unrestricted sale and mortgage has been regarded for years past as a serious political danger. It is recognised that the danger is accompanied with bad economic results, that it is increasing, and that, if not arrested, it will grow to formidable dimensions.

"I am bound to say, my Lord, at the outset, that the whole country feels deeply grateful to the Government of India for the warm solicitude it evinces for the agricultural classes. There is no country in the world, as Your Excellency justly said, that is so dependent upon the prosperity of the agricultural classes as India. 'Our land-revenues,' Your Excellency was pleased to observe, 'are the staple of our income; upon the contentment and solvency of the millions who live upon the soil is based the security of our rule.' Any measure, therefore, which affects the agricultural interests of the country, and of this Province in particular, demands the most serious consideration of this Council.

"As I have said before, the Hon'ble Member in charge of the Bill observes in the Statement of Objects and Reasons that it is recognised that the political danger involved in the present state of affairs is accompanied with bad economic results. It has been pointed out by some of the officers of the Punjab Commission that, whatever may be said about the first part of the proposition regarding the so-called political danger, it cannot be rightly asserted that the existing arrangements are accompanied by bad economic results. Mr. D. C. Johnstone, Divisional Judge of Umballa, says that—

'These words, if they mean anything, mean a reduction in the wealth of the country or community, or a retardation of the natural increase of wealth, or a relegation of property capable of improvement to the hands of persons not able to effect improvements.' 'I do not deny,' he adds, 'that when a village-proprietor has been bought out by a money-lender, the former's means of subsistence become somewhat precarious. But this cannot be called in itself a bad economic result. The land is still there unimpaired in value and in the hands of another subject of the State it will grow the same crops as before and

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yield the same profits, and it has been transferred to a man presumably willing and able to make the most of it, and *from* a man whose resources were presumably unequal to the task of living and thriving on it.'

"Mr. J. M. Douie, Commissioner, Lahore Division, has shown that the transfers are more numerous in the most thriving tahsils than in the most depressed. This fact alone goes a long way to prove that the existing agricultural loans are in no way responsible for what are called 'bad economic results.'

"The main question which should engage the attention of the Council is whether the proposed measure will be calculated to prevent the indebtedness and avert the consequent ruin of the agricultural classes, and whether it will secure the contentment and well-being of the landholders. Mr. Justice Clark, Chief Judge, in his remarks on the measure, says that the Bill is admittedly of an exceptional nature, based on political considerations.

'Granting,' he adds, 'that the disease exists and that a remedy (if there be any) should be applied, still it is better that no remedy than a wrong one should be applied, and it seems to me that the proposed remedy would tend rather to aggravate than cure the disease. The ultimate result of keeping the land in the hands of the agriculturists and so securing a contented peasantry is the justification for the Bill, but if the Bill would produce increased sales and mortgages, and if the mortgagor when he came into his land at the end of fifteen years came in as a pauper, this result would not be obtained.'

"Mr. D. C. Johnstone, Judge of Umballa, with whose opinion the Chief Judge agrees in almost all he says, thus sums up his views on the proposed measure :—

- '(1) Sales will become more frequent than they are at present.
- '(2) This being so, it is very doubtful whether the fact that sales must ordinarily be to fellow-tribesmen of the same district, or to agriculturists of the same village, will leave the sellers who have become mere tenants or day-labourers any more contented or well-affected to Government than sales to money-lenders would.
- '(3) Loans will only be obtainable by agriculturists on terms much more onerous than at present.
- '(4) The new law will not only not save the zamindar from the consequences of his want of thrift, it will also make his ultimate ruin more certain and rapid when once he has started on his downward path.

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- '(5) The zamindar, already obliged to make unfavourable contracts with lenders, will in future be in a weaker position than ever, and will be obliged to accept terms more onerous than before.
- '(6) Where a zamindar now mortgages 10 bighas out of a holding of 40 bighas, he will in future for the same sum have to mortgage his whole estate for a term, leaving himself landless and dependent upon his labour alone.
- '(7) One temporary alienation will be followed by another, usually to the same alienee, until such a fresh necessity arises as will make a sale imperative, such sale being made at a price far below the natural market-value.'

"It is the new law and not the old, Mr. Johnstone justly says, that is calculated to produce bad economic results. The Judge of Umballa has drawn a woful picture, and every well-wisher of the agricultural classes may well pause before he endeavours to disturb the existing arrangements.

"As regards the popularity of the measure, says the highest authority on judicial questions in the Province,—

'it would of course be extremely unpopular with the banking class, as also with the official and well-to-do classes who like to invest their savings in land. As regards the agriculturist himself, it would limit his credit and restrain his powers, and this would naturally be distasteful to him, and for 15 years he would reap no benefit.'

"Thus the measure will not be popular with any class of the community, and especially with those for whose benefit it is ostensibly intended, and whose proprietary rights are going to be confiscated.

"It may very well be asked here in whose interests then the present proposal has been made? Surely it cannot be in the interests of those who are going to be deprived of their cherished rights. It is certainly more than human to expect those who are to be reduced to a great extent to nonentities in their own estates to acquiesce in the justice of the present proposal, and thus to kiss the rod that strikes them.

‡ "A great deal has been said about the land-hunger of the sahu-kars or money-lenders. I am no advocate of this much-maligned class of men, but I must say that these village-bankers are very useful members of the village-society. The government of a village would be at a standstill without their aid. Village-economy would be destroyed without their cordial co-operation. They perform most valuable work in the village social organization. The cultivators

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in their difficulties come to them for help. Whenever any difficulty is experienced in paying Government revenue, the cultivators are obliged to take the aid of the money-lenders to meet the demand. The money-lenders provide funds for marriage and funeral expenses. If there be any bad seasons, and if there be a failure of crops, it is the money-lenders who provide the cultivators with food. When the cultivators want to buy cattle to till their fields, it is the money-lenders who come to their aid. ¶ As a rule, the money-lenders do not want to take hold of the lands of their debtors; they simply want a proper interest on the money advanced. It is only when their money cannot be realized by other means that they seize upon the land. It may not be generally known what difficulty the creditors experience in realizing the amounts due to them under the decrees of Court. ¶ They more often come to grief than is generally supposed. It does sometimes happen, I admit, that there is a fraudulent manipulation of accounts against the cultivators; but such cases are rare, and dishonest money-lenders are shunned and lose their credit.

¶ "It has been said that agricultural banks should be established by the State to save improvident cultivators from the clutches of the village-bankers, but it is very questionable whether it is expedient for the Government to take up the position of a sahuکار. There are various reasons why such a position would be undesirable. Those who have any experience of zamindari affairs are well aware of the difficulty which the cultivators experience in paying off Government takkavi advances, and we can well imagine what additional pressure and hardship will be put upon the poor cultivators, if larger demands are made upon them by the Government, for granting additional loans to them. ¶ A sahuکار, even if he be harmed by a process of law, may be put off, but the State with its hard-and-fast rules will not be in a position to show consideration to its debtors. ¶ Under such circumstances, even if the new order of things prevail, the institution of money-lenders cannot be dispensed with.

¶ "If the present measure be passed into law, the relations between the cultivators and the money lenders will be considerably disturbed. Money-lenders are already tightening their purse-strings, and access to them now is not so easy as it was before the present Bill was introduced. ¶ Credit has already been reduced, and cultivators are already beginning to feel the pressure of the proposed measure. ¶ If the Bill be passed into law, the credit of the landholders, I repeat, will be destroyed, and it will be extremely difficult for them to follow even their ordinary avocations. In times of scarcity the curtailment of credit will

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simply mean ruin to the agricultural classes, and the proposed measure will be responsible for the impoverishment of millions of men living upon the soil. The remedy proposed, it will thus be seen, is a great deal worse than the disease.

“ My Lord, may I be permitted to enquire whether the evil complained of has really assumed such formidable proportions as it is represented to have done? Statistics I know have been collected to show the gravity of the situation. But figures, it is often said, are like potters’ clay obedient to our touch; they may be made to take any form we may be disposed to impress upon them. When I come to analyse the statistics which are available, I find that proprietary land, representing some 10 per cent. of the revenue, has been sold within the last 25 years. If this analysis be correct, it shows that the magnitude of the evil has not assumed such alarming dimensions as to necessitate the introduction of such a drastic measure. So far as I can see, the whole Province has not been affected by the evil to any appreciable extent. Even assuming that within the last 25 years land representing 10 per cent. of the revenue has been alienated as stated above, it will take at least a century before agricultural land, representing 50 per cent. of revenue, passes away from agriculturists to non-agriculturists. The agricultural conditions of the Province which may exist after a century may safely, I should think, be excluded from the purview of the present legislation. Many things within this period are likely to happen which will be calculated to counteract the apprehended evil. The economical conditions of the Punjab after the next century, it will be readily admitted, do not come, to use an English political phrase, within the range of practical politics, and the present legislation is thus uncalled for. It should also be borne in mind that a considerable portion of the alienations has been made to agriculturists, and not a very large portion has been in favour of non-agriculturists. If this be taken into consideration, the percentage of alienations, which is the subject of anxiety, will be considerably reduced, and the basis of the proposed legislation will consequently be greatly weakened.”

“ The proposed measure involves a very important principle, and, if this principle be followed, the proprietary rights of the landholders will be entirely extinguished. When the Punjab was annexed, the policy of the Supreme Government and that of the Local Government were entirely different from that which the present measure professes to follow. As far as I can understand, the policy of those days was to confirm the absolute proprietary rights which the landholders enjoyed before the annexation. This led to the improvement and

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progress which the Province has enjoyed within the last 50 years. It has been said that the landholders never enjoyed these proprietary rights before the annexation, and that it was the British Government which presented them with the 'fatal gift.' We have the highest authority for stating that such was not the case. We have the authority of Sir James Lyall, the late Lieutenant-Governor of the Punjab, for saying that 'full individual proprietary right with power to sell or mortgage was well established in many parts of the Punjab before the advent of British rule.' There can be little doubt, therefore, that voluntary transfers are not altogether the product of British rule.

"It has been abundantly shown that during the Muhammadan Government the people fully enjoyed proprietary rights, and that the Sikh Government confirmed the rights. Though the right of free disposal was not prohibited by the Sikh Government, it was not frequently and freely exercised by the people, for the simple reason that there was no solid ground for capitalists for investing their money in land. The Sikh Government could not give to the Province that stability and assurance which the British Government has given it. But such academic discussion, it seems to me, is not of any great value. It comes to the same thing, whether the British Government confirmed the proprietary rights of the people or conferred these rights upon them. These rights were recorded at the first revenue-settlement, and people have come to know what their rights are, and have been enjoying them freely and absolutely within the last 50 years. To deprive them now of such rights by one stroke of the pen seems to me, to say the least, a very questionable policy. It has been said that the gift of the British Government has proved 'fatal,' but I have shown above that no positive proof has been adduced that such has been the case.

"It is very doubtful, my Lord, whether tying down property will conduce to improvement and progress. It is necessary at times to get rid of indolent and thriftless cultivators, and to infuse energy and new blood into the agricultural classes; and it is necessary also to employ fresh capital to improve the land. If the free right of alienation be restricted, the slough of despond will continue to exist, and no improvement of the land can fairly be expected. The beneficial results of the measure, it is evident, will not be commensurate with those that are anticipated.

"There is a consensus of opinion that, if the proposed measure be carried out, the market-value of land will be considerably reduced. This itself is a calamity which ought to be averted. The decline in the capital value of

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land and its availability for the investment of capital will react on the accumulation of capital itself in the hands of the commercial classes and its increment will necessarily be much retarded. View the measure from what point we like, we are struck by the evil consequences which are sure to follow in its train. To restrict the freedom of contract is to doom the people to perpetual misery, to destroy their happiness and contentment, and to retard the progress of the Province for at least another 50 years.

"I am not one of those, my Lord, who would allow ignorant cultivators to have what is called 'ruinous credit'. If the phrase be properly defined, it will be seen that many elements are included in it which, if eliminated, would show that the phrase is based on misconception. If money is raised for paying the Government revenue or for meeting necessary and urgent domestic expenses, —such as birth, marriage, funeral expenses,—would it be reasonable to say that in taking loans for these purposes the cultivator is indulging in improvident habits and is taking advantage of 'ruinous credit' unchecked by law? Those who would venture to assert so would show a want of knowledge, I may say, of the social and economical conditions of the people. More than 70 per cent. of the loans of the cultivators are contracted to meet such necessary and urgent demands as have been referred to above.

"It has been asserted that the proposed measure will be the means of training the people to economical habits; that it will check extravagance and teach economy. This is an assertion which is not based on a correct knowledge of the social institutions of the people. So long as social institutions remain unaltered, the existing wants of the people cannot be curtailed; and, if they are not brought within the limits which the proposed measure would evidently prescribe, means must be found to properly meet the social responsibilities and obligations. It is a trite saying, my Lord, that social institutions cannot be made or altered by forced legislation. The growth of the laws of social evolution cannot be forced on by external legislation, but must be brought about by internal forces and by natural processes. External pressure in the shape of forced legislation will rather retard than promote the growth of social institutions. Social customs and social institutions can never change their character so long as public opinion, the sentiments, ideas and beliefs of the people remain unchanged. With the progress of education and the growth of enlightened ideas, the ignorance and prejudices of the people will disappear, and then alone will their customs and institutions undergo a marked change. Laws are sure to fail in their operation

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if they are not suited to social conditions. Violent changes will inevitably produce violent effects. The present legislation is admittedly of a revolutionary character and is not suited to present social conditions. It will *bouleverse* the existing social, political and economical institutions, will put back the hands on the dial, retard the progress of the country, steep the people in misery and discontent, and promote the very evil which it is the ostensible object of the measure to eradicate. The fundamental principle of a stable Government ought to be to avoid a violent disturbance of the existing state of things, and at the same time to slowly move onwards. The present measure will introduce a new order of things not based upon past history and experience. The very worst results, I submit, may be expected of the proposed measure if it is passed into law.

"The question may fairly be asked whether the condition of the cultivator will be improved by restricting his right of transfer within 15 years? The proposed law does not prevent him from remortgaging his holding after the lapse of 15 years. The effect will be that he and his successors will be mere tenants-at-will all their lives. In what respect then is his condition improved by restricting his freedom? I may also enquire here how is it expected that his condition would be improved, if his holding be transferred to one of his own tribe, and not to a non-agriculturist or an alien middleman? If the object of the present measure be to avoid middlemen, that object will not be attained by the provisions of the Bill. Agriculturist middlemen will be more hard and exacting than alien middlemen. An agriculturist middleman will not show the least mercy in ousting from his holding one of his own tribesmen, whereas an alien middleman, seeing that he cannot till his own fields, will never be able to dispense with the aid of the men of the agricultural class. If the middleman be not an agriculturist but an alien, he may be coerced by agriculturists to submit to their own terms. Thus it will be seen that it is more an advantage than otherwise to have an alien and not an agriculturist middleman.

"I have now to approach, my Lord, a very delicate question. (It has been said that there is political danger in the continuance of the present situation.) I confess my inability to comprehend the serious nature of the apprehended danger. Do those who perceive political danger in the existing arrangements mean to say that those indolent and thriftless men, who are obliged to alienate agricultural lands, would be disloyal and turn their arms against the British Government? Those who say so could not have studied the real character of the men who are compelled to part with their lands. Even Lord Lansdowne, dealing with the



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question as to the necessity of having on the Statute-book a measure of this kind, says 'the thing is no doubt wrong from a purely economical point of view, but we have to deal with a serious political danger and I see no way out of it but this.' I venture to say that, if all the facts of the case had been laid before His Lordship, his opinion about the necessity of such a measure would have been different. If in asking for the views, on the proposed Bill, of the officers of the Punjab Commission, who are well acquainted with the economical conditions of the Province and the thoughts and feelings of the people, a request had been made to discuss freely the principle of the measure, I feel sure that much valuable light would have been thrown on many dark points now enveloping the question, and the assertion about political danger would, I submit, have been shown to be entirely baseless.

"If we come to examine the real character of the alienations and the antecedents and nature of the men who are compelled to make them, we shall find that the apprehension about any political danger arising from these people is without any foundation. It has been officially ascertained that 'the larger number of transfers appears, as a rule, to be found among tribes such as the Rajputs, who are generally lacking in industry, or among tribes such as the Arains, whose holdings are excessively small, or among semi-commercial communities such as the Khatri's and Aroras, who are inclined to look on the land less as a heritage than as a marketable commodity.' With reference to these people Diwan Narendra Nath, Deputy Commissioner, a gentleman of great enlightenment and particularly high educational attainments, who is thoroughly acquainted with the habits, thoughts and feelings of the people, and has had exceptional opportunities of studying the life and history of the agricultural classes, says:—

'The people who have been completely expropriated are so small in number, and owing to their expropriation hold such an insignificant place in society, that the amount of their discontent and its potency for mischief must be measured with due regard to the position which these men occupy. I think that much has been done unconsciously in the way of awakening them to their interests by the sayings and writings of sympathetic Government officers actuated by the most benevolent motives. If the agriculturists had been left to themselves, the discontent would not have appeared in its present dimensions. The Khatris class in the Punjab is going down from day to day. The gentry of Maharaja Ranjit Singh's time has every reason to be discontented with its present condition. But very few Government officers have any sympathy with that class; very few apprehend that any political revolution is likely to come from their direction. The result is that the *Rikhs* have after all reconciled themselves to their present condition and have quietly submitted to their

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lot. The agriculturists would have perhaps submitted themselves to expropriation in a somewhat similar spirit.

'What is often said with regard to the possibility of discontent spreading amongst classes from which the Native Army is recruited is also subject to the remarks already made as to the partial inability of the agriculturists in India of forming any idea of a class interest, except where there is a difference of religion between the agriculturists and the money-lender. In addition to this it has been noticed that the man who enters the army seldom himself suffers expropriation. He earns money and makes remittances to his creditors. He often acquires more land and seldom parts with any that he has already got.'

"Mr. Fred. A. Robertson, the late Director of Land Records and Agriculture, Punjab, writing on the same subject, says :—

'I believe, in the first place, that the extent of the evil is not so great as some believe. A large portion of the transfers of which so much is made are sound commercial transactions. Many landowners engage in trade and still more in parts in carrying trade. These men raise money on their land before they start, and repay it when it suits them. Most of the Sikh soldiers in China, Burma and Africa mortgage their lands to the hilt before they go, leaving the produce to pay the interest. By this means they get money for outfit, etc., and they secure the land being well looked after. They remit large sums of money, but they do not redeem until they return, when they take back their land at once in most instances.'

"Lieutenant-Colonel J. B. Hutchinson, late Commissioner of the Lahore Division, writing in 1896, pointed out that many of the transfers, and generally those of the largest areas, did not, in his opinion, affect the question of political danger in any way at all. He referred to alienations by men of high families who had incurred enormous debts by dissolute lives and had in consequence been obliged to part with their estates. But there were other men of the real agricultural classes who, by careful living and good management of their estates, had been able gradually to purchase land not only from other indebted zamindars, but also from money-lenders.

"Hitherto I have referred to the apprehension of political danger arising from cultivators of the soil. But it may be said that there may be also political danger from middlemen of the non-agricultural classes. To my mind, if any political danger is to be apprehended from middlemen of these classes, it is as much to be apprehended from middlemen of the agricultural classes as from the former. I should think that brute force is more to be dreaded than the educated moneyed classes. The latter would, in their interest, if for nothing else, support a stable

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and powerful Government. In my humble opinion greater danger is to be apprehended from the reversal of the policy of Government regarding the right of alienations than from middlemen and expropriated cultivators. It appears to be strange that Government in its anxiety for safeguarding the interests of the agricultural classes entirely ignores the rights, thoughts and feelings and the attitude of other classes of the people connected with land. Political justice is as much due to them as to the cultivating classes. Their sense of wrong and discontentment would be as much a source of political mischief as the discontentment of the latter classes.

"I have referred already to the disapprobation with which the proposed measure would be looked upon by all classes of the people and particularly by the landholders in whose interest the measure has been initiated. I would repeat that, in the opinion of some of the most eminent members of the Punjab Commission, the restriction on transfer to the extent proposed would be viewed with the greatest disfavour by those in whose interest it is proposed.

'Such a measure,' writes an experienced officer, 'would elicit the strongest protest amongst those who were affected by it. They would never believe that it was done in their interest. The opposition of the moneyed classes to the measure would of course be great. They would see in it a measure directed against themselves, they would see the most secure investment of their capital taken from them, and they would be debarred from what is often a very fervent desire, the acquisition of land, and I am inclined to think that their power and influence and the danger of their opposition is far greater than is sometimes believed.'

"Mr. Douie, Commissioner, Lahore Division, writing on the same subject, observes that the question whether the legislation will be popular with the class for whose benefit it is intended is a very difficult one to answer. Mr. Maclagan, he says, agrees with Mr. Abbot that the measure will be unpopular at first, and doubts whether it will ever become popular, the necessity of curtailing expenditure being resented. 'My own impression,' Mr. Douie continues, 'from such enquiry as I have been able to make, is that the shrewder zamindars dislike the measure, and are alive to the difficulties which the stringency of credit will create.' Mr. Douie thinks that such men in the end will become reconciled to it, as it will in fact be specially advantageous to them. I am not able to agree with this conclusion of Mr. Douie. It is based upon a wrong premise. The measure restricting their absolute right is far from advantageous to the landholders, and their sense of advantage, therefore, accruing from the measure will simply be *nil*.

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“ My Lord, I cannot too strongly solicit Your Excellency’s attention to the fact that the feeling of the people of the whole Province is dead against the Bill. It can never be expected that the grantees, the military and others, will look with favour upon a measure which is calculated to considerably diminish the value of their land. In this connection I am bound to say that the proposal to ignore the interest of the proprietors of self-acquired property would create a strong feeling of resentment; it is against law and equity and the custom of the Province that any restriction should be placed upon the freedom of alienation of this class of property. Such restrictions would, in my humble judgment, be unjust and inexpedient.

“ From what I have said above, it will be seen that, if there can be any political danger, it will be quite in a different direction to that which has been pointed out by the advocates of the proposed measure. (The discontent of the agricultural classes who are going to be deprived of their long-cherished and absolute rights of alienation, and the discontent of the moneyed and cultured classes who are to be forcibly debarred from acquiring proprietary rights, will constitute a greater and more powerful source of political mischief than the fancied dissatisfaction of an insignificant class of expropriated proprietors. It is a well-known fact that gold and culture are both overwhelming forces, and when these two are combined their power is simply irresistible, and such a fact, therefore, should never be ignored.)

“ I should be the last person to deny that the evil complained of does exist to a considerable extent, in an acute form, in some of the tracts in this Province. If there be a special disease, a special remedy should certainly be applied. But those who are not affected by the disease ought not to be forced to swallow a remedy which they do not require. Speaking of a remedial measure, Sir Dennis Fitzpatrick, the late Lieutenant-Governor of the Punjab, observed :—

‘ A more momentous proposal, and one more bristling with difficulties of various kinds, it would be hard to conceive. It may, I think, be taken for granted that, if any law is to be passed to give effect to it, it will not be a law applying everywhere by its own vigour, but an enabling Act empowering the executive Government to apply its provisions to any tract where they may be shown to be necessary.’

“ This is a wise suggestion. If carried into effect, it is calculated to disarm criticism and silence opposition. The Hon’ble Member in charge of the Bill, in referring to the proposal of Sir Dennis Fitzpatrick, says :—

[*Kunwar Sir Harnam Singh.*] [22ND JUNE, 1900]

'In the first place, the remedy would not be tried till the disease was very largely beyond cure; and in the second place, if the restrictive measures were confined to scattered tracts throughout the Province, the agricultural population in those tracts would be placed at a very serious disadvantage. Their credit would be injuriously impaired, for the money-lenders, while able to look to the land for their security everywhere outside these special areas, would naturally avoid lending to men who were prohibited from giving such security. The agriculturists in these areas would thus stand apart as a proscribed class, and would naturally resent their position.'

"With due deference to the opinion of the Hon'ble Member in charge of the Bill, I may be permitted to say that, in the first place, the executive Government has always exceptional opportunities for learning when the remedy is necessary, and it cannot therefore be supposed that it would delay trying the remedy till the disease was very largely beyond cure. The argument about the curtailment of credit, in the next place, cuts both ways. It is the curtailment of credit which we all strongly deprecate. It is one of the principal grounds of opposition to the Bill, and I am glad to notice that the Hon'ble Member appreciates the difficulty. Credit will be curtailed, but that is an inevitable consequence of the application of the proposed remedy. I believe, however, that village-bankers, as a rule, can never afford to leave their place of business and set up in a strange place where they are unknown, and where they are sure to lose their custom. If such an Act as Sir Dennis Fitzpatrick proposed were applied only in places where the evil complained of has spread, the Government would have an opportunity of judging the effect of the measure and would gain experience, which would no doubt be very instructive in connection with the problem of undertaking further legislation on the same lines.

"From a careful study of the writings on the subject, I gather that His Honour the Lieutenant-Governor is not an enthusiastic admirer of the efficacy of the proposed measure. He simply said in his speech when the Bill was introduced in Council that 'the measure as now proposed is a compromise, arrived at after the fullest consideration between two sets of opinions, and, like most compromises, deliberately and thoughtfully adopted, probably represents the best counsels.'

"Your Excellency, in speaking of the merits of the Bill, was pleased to observe that 'the issues at stake are, in my judgment, as momentous as any that can attract the attention of the Government of India.' The issues at stake, my Lord, not only deeply concern the land policy of the Punjab,

[22ND JUNE, 1900.] [*Kunwar Sir Harnam Singh; Mr. Rivaz.*]

but intimately affect the agrarian policy of the whole empire. The decision which is deliberately arrived at with regard to the present Bill will eventually be followed throughout the country in determining the relations of landlords to agricultural lands. It seems, therefore, meet, my Lord, that the Bill should be discussed in full Council in the Calcutta session and not passed into law in the present session. It may be said that, as the non-official Members are not acquainted with the peculiar land policy of the Punjab, they will not be in a position to throw any strong light on the intricacies of the problem by their deliberations. I am of opinion that, when all the papers in connection with this subject are laid before them, they will be able to form a correct judgment on the subject. It may be said also that delay in passing the Bill is fraught with injurious consequences, and that the excitement caused by the introduction of the Bill into Council should be allayed as early as possible. My answer to this is that the proposed measure has been discussed for a number of years, people's minds have been already unsettled, and it will make but slight difference if the present state of feeling be continued for a few months longer. If the Bill be taken up in the Calcutta session, the people of this Province will have the satisfaction of knowing that the consideration of the question was submitted to the united wisdom of the Council.

“There is another point which I would beg leave to bring before Your Excellency for consideration. The whole Province rejoices that two highly experienced European officers of the Punjab Commission, who are well known for their generous sympathies for the people, have been appointed to Your Excellency's Council to assist in its deliberations regarding the Bill. Would it be transgressing the limits of propriety if a request were made, in case the Bill must be taken up in this session, that another Indian Member, well acquainted with the agricultural conditions of the Province, be appointed to assist in the deliberations of the Select Committee and to take part in discussions at all stages of progress of the measure? Such an appointment would give great satisfaction to the people of the Province who are interested in the decision of this momentous question.”

The Hon'ble MR. RIVAZ said:—“I do not purpose meeting my Hon'ble friend's lengthy and vigorous criticisms on the Bill at its present stage. When I introduced this Bill in this Council last autumn, I explained at some length the reasons which had actuated the Government of India in undertaking the proposed legislation. There is nothing new, I think I may say, in the arguments which my Hon'ble friend has just used, and the points he

[*Mr. Rivaz ; the President.*]

[2ND JUNE, 1900.]

has noticed were all very carefully considered before the Bill received its present shape. I am now asking leave to refer the Bill to a Select Committee on which my Hon'ble friend is being invited to serve. He will therefore have full opportunity for expressing his views and having them considered. If, when the Bill emerges from Committee, he still finds himself dissatisfied with any of its provisions, I will endeavour to reply to any objections he may then put forward.

"As regards my Hon'ble friend's specific proposal to defer the further consideration of the Bill till the next Calcutta session, I think that, on further reflection, he will see that this is not a reasonable request. I quite agree in my Hon'ble friend's estimate of the great importance of the Bill, but it is an enactment which, if passed, will apply only to the Punjab and affect the people of only that one Province. This being the case, Simla, where the Council have the advantage of including amongst its Members the Lieutenant-Governor and other high officials of the Province concerned, is surely the proper place for the consideration of the Bill ; not Calcutta, where this advantage would not be forthcoming. And I will remind my Hon'ble friend that, with one exception, all the important Acts connected with the Punjab, which have been passed by the Governor General's Council during the past thirty years and more, have been considered and passed at Simla. The Tenancy Acts of 1868 and 1887, the Land-revenue Acts of 1871 and 1887, the Courts Act of 1884 and its amending Act of last year, were all considered and passed here at Simla. The one exception is the Punjab Laws Act of 1872, which for some reason was passed in Calcutta. Why that one Act was so treated I cannot say straight off.

"My Hon'ble friend has also suggested that, if it is decided to proceed with the Bill here, it is desirable to have some further representation of the Punjab non-official community on the Council. This matter is not for me to deal with."

His Excellency THE PRESIDENT said :— "There are only two points in the Hon'ble Member's speech to which I will, at the present stage, allude.

"I cannot entertain a doubt that the Hon'ble Mr. Rivaz is quite right in the contention that Simla is a better place for the discussion of this Bill than Calcutta. Simla is under the Punjab Government, and has been the place where, as the Hon'ble Mr. Rivaz has pointed out, almost all the legislative measures

[22ND JUNE, 1900] [*The President ; the Lieutenant-Governor.*]

connected with the Punjab have hitherto been dealt with ; and whatever advantage might accrue from what the Hon'ble Sir Harnam Singh has described as the united wisdom of the Council of Calcutta, is, in my judgment, more than counterbalanced by the special advantages which we enjoy up here. These special advantages are the service of gentlemen, official or otherwise, belonging to the Punjab, who might not be able to place their time at our disposal at Calcutta, but upon whose services we have a lien throughout the summer session at Simla.

“ As regards the other point, namely, the additional Members from the Punjab who have been placed upon the Council to deal with this Bill, the facts are these : the Government of India consulted the Lieutenant-Governor as to the desirability of adding two names to the Council for the special purposes of this Bill, and he for very good reasons, which I have no doubt he will be prepared, if called upon, to explain, recommended the two gentlemen who are seated at this table, and whose nomination, I am glad to hear from Sir Harnam Singh, has met with so much approbation throughout the Province. These two gentlemen were nominated by him to the two official vacancies which at that time existed in this Council. However, there happens to be at the present moment a non-official vacancy, and, with regard to that, all I can say is that if the Lieutenant-Governor desires, after due reflection, and before this Bill proceeds to a further stage, to submit to me proposals for filling it, they will receive the most ample consideration from the Government of India.”

His Honour THE LIEUTENANT-GOVERNOR said :— “ My Lord, I cannot but think it satisfactory that the opposition which undoubtedly is entertained, intelligently or otherwise, to this most important measure, should have been voiced by my Hon'ble friend Sir Harnam Singh. The measure is one on which there is room for great differences of opinion. This is patent from the official literature on the subject but the public has not access to the whole of that literature, and is not fully informed of the steps by which the conclusion has been arrived at which is represented by the introduction of this Bill in the Council. They know from the speech of the Hon'ble Member last season, and also from Your Excellency's remarks, that the measure is one which has been very long in incubation ; also that it is one in regard to which the Government is aware that there are differences of opinion : and also they are aware that the Government did not then mean to hurry its progress through Council, but to give every opportunity for the free expression of opinion on a measure of such



[*The Lieutenant-Governor; Sir Edward Law*] [22ND JUNE, 1900.]

importance to the Province. But, as I have stated, the arguments against such drastic measures as are undoubtedly contained in the Bill, are embodied in documents which are not available to the public, and I think that the Hon'ble Member has performed a public service in placing upon record, in terms which I think very fairly represent the opinions of the opponents of the measure, the objections which are felt to it, and thus making it clear to the public that, if this Council proceeds to legislation on this subject, it is with a full knowledge of the opposition which I have mentioned, and with a full realisation of the difficulties of the question, and of the responsibility which it undertakes in initiating legislation of this kind.

"With reference to Your Excellency's remark about the nomination of Members to this Council, perhaps I may be permitted to say that from the public prints, as well as from the opinions received by the Punjab Government in connection with this measure, it was apparent to me that the most extraordinary misapprehensions existed in regard to the intentions of this Bill; that apparently, for some reason or other, the public had great difficulty in grasping its intentions and its principles; and, when I was invited by Your Excellency to submit the names of gentlemen for appointment to this Council, it seemed to me imperative that I should consider this fact, and that I should put forward the names of persons who are thoroughly competent, not only to understand the Bill, but also to understand the real objections which underlie the opinions which have been submitted to the Punjab Government, and which I feel sure the Select Committee will find to contain a very large amount of misapprehension."

The motion was put and agreed to.

#### INDIAN PAPER CURRENCY BILL.

The Hon'ble SIR EDWARD LAW moved for leave to introduce a Bill to amend the Indian Paper Currency Act, 1882, as amended by the Indian Paper Currency Act, 1898. He said:—"The Indian Paper Currency Act of 1898 expires on July 20th of this year. At a meeting of the Legislative Council in Calcutta on the 21st March, my predecessor, the Hon'ble Mr. Dawkins, made a declaration that the Government considered the prolongation of the Act advisable. It is proposed to-day to give effect to that declaration, and at the same time the opportunity is taken to obviate, by an amendment, the inconvenience

*INDIAN PAPER CURRENCY; AMENDMENT OF COURT-FEES 223  
ACT, 1870.*

[22ND JUNE, 1900.] [Sir Edward Law; Mr. Tupper.]

from which we have lately suffered under certain provisions of the Act of 1898. That inconvenience arises from the fact that it has been necessary, and may be necessary again, to add rupees to our coinage. The silver from which the rupees are to be coined for this purpose naturally has to be bought, and under the provisions of the existing Act the Secretary of State has been obliged to use his Treasury balances—resources outside the Paper Currency Reserve—for the purchase of that silver, and this has caused considerable difficulty. Being unable to touch the funds in the Paper Currency Reserve, we were obliged to find fresh money for our purchases, and the result was that we were locking up money in two different places at the same time for one and the same purpose. We were holding gold which, owing to the requirements of the Currency Reserve, we could not touch, and we were holding silver to be coined into rupees to be put, when coined, into the Currency Reserve in place of that gold. The proposals now made will enable us to consider silver bought for coinage as forming part of the Currency Reserve and will enable the Secretary of State to use the gold in the Currency Reserve for the purchase of silver.

“At the exact moment when the gold in the Currency Reserve is converted into silver, the silver bullion, which is equally in safe keeping, takes its place as part of the Currency Reserve, until it is made into rupees, and finally the actual rupees are paid into this Reserve, thus the gold, silver bullion and rupees take the place of one another successively without any change in the actual value of the Currency Reserve. This arrangement will be a great convenience and save us the necessity of finding money for the purchase of silver.”

The motion was put and agreed to.

The Hon'ble SIR EDWARD LAW introduced the Bill.

The Hon'ble SIR EDWARD LAW moved that the Bill and Statement of Objects and Reasons be published in English in the Gazette of India and in the local official Gazettes.

The motion was put and agreed to.

**COURT-FEES ACT, 1870, AMENDMENT BILL.**

The Hon'ble MR. TUPPER moved for leave to introduce a Bill to provide for the Court-fee payable on certain Applications to the Court of the Financial

[*Mr. Tupper.*]

[22ND JUNE, 1900.]

Commissioner of the Punjab. He said:—"The very small Bill, consisting of one section only, which I ask leave to introduce, affects but one Court in the Empire, and that happens to be the Court over which I have the honour to preside. When the Punjab Courts Act of 1884 was passed, it was enacted that the court-fee on an application to the Court of the Financial Commissioner of the Punjab for the exercise of its revisional jurisdiction should be the same as that on the like application to the Chief Court; that is to say, when the amount or value of the subject-matter in dispute did not exceed twenty-five rupees, the proper fee was two rupees; and in other cases the fee was that leviable on a memorandum of appeal, this fee being graduated on a sliding scale rising from Rs. 2-12 to considerable amounts. Such was the law till the revisional jurisdiction of the Chief Court was altered by the Punjab Courts Act, 1899, which came into force on the 13th October last. Under circumstances fully explained in the Statement of Objects and Reasons it was an unexpected consequence of the Act of 1899 that the fee on applications for revision made to the Court of the Financial Commissioner was reduced from the rates just mentioned to a fixed duty of one rupee only. The object of the proposed measure is to remedy this defect by restoring the scale of fees in force before last autumn.

"No doubt the undesigned alteration of the law, if not set right, would occasion some small pecuniary loss to Government. But this is neither the only reason nor the chief reason for moving the Legislature. On merely fiscal grounds it might perhaps have been hardly worth while to propose to Government, as in fact I did, that the omission in the Act of last year to include revision cases in my Court should be supplied by early legislation. The present proposal relates to revisions in what are known as Revenue Court cases exclusively. Applications for revision in revenue executive cases are mainly concerned with the appointments of, or penalties imposed upon, lambar-dars, zaildars and patwaris, and with partition and boundary disputes, for all of which the fixed fee of one rupee is considered appropriate. Revenue Court cases are cases between landlord and tenant under the Punjab Tenancy Act, and the average number of revision cases of this class decided by the Financial Commissioner during the last three years is 499 per annum only. The fiscal gain or loss in the regulation of the court-fee is therefore not very important.

"I estimate that, if the fixed fee of one rupee had been in force during the past three years, the loss to Government would have been Rs. 3,148 in that period. The sum, therefore, that the proposed legislation affects may be taken to be about one thousand rupees in the year.

[22ND JUNE, 1900.]

[Mr. Tupper.]

"The main reason for requiring a higher fee than one rupee in Revenue Court revision cases is the highly speculative or practically hopeless nature of many of the applications. A Commissioner or Collector may move the Financial Commissioner to exercise his revisional jurisdiction, but the mass of the applications is from the parties. In all these cases there must be the concurrent decision of two Courts below against the applicant before his application is made; and the Financial Commissioner's power of interference is restricted in the same way as the like power of the Chief Court. It follows that the prospect of success in these applications is very small, and I observe that last year only 15 per cent. of them were successful.

"Still many of the litigants desire to take their chance of some interference in their favour, and many make it in a way a point of honour or are led on by mere pertinacity to fight their cases up to the last Court. Now, if such a litigant is not prepared to stake more than one rupee on his chance of success, the probability is that his case does not deserve much consideration. A higher fee, and especially an *ad valorem* fee on the cases of greater value, has the effect of checking to some extent useless and merely pertinacious applications. It is for this reason that I desire to see the law set again upon its former footing. At the same time there is no reason to suppose that the scale of fees in force during the past sixteen years proved any undue tax on litigants. Cases between landlord and tenant are not, as a rule, of high value. The average court-fee per case on Revenue Court revisions before the Financial Commissioner was, during the past three years, Rs. 3-2-11—a sum which, though more than thrice the amount of the fixed fee proposed to be abolished, cannot be regarded as excessive

"With these remarks I beg to ask leave to introduce the Bill."

The motion was put and agreed to.

The Hon'ble MR. TUPPER introduced the Bill

The Hon'ble MR. TUPPER moved that the Bill and Statement of Objects and Reasons be published in English in the Gazette of India and in the Punjab Government Gazette.

The motion was put and agreed to.

The Council adjourned to Friday, the 29th June, 1900.

SIMLA;  
The 22nd June, 1900.

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

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

The Council met at the Viceregal Lodge, Simla, on Friday, the 29th June, 1900

P R E S E N T :

His Excellency Baron Curzon of Kedleston, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.

His Honour Sir W. Mackworth Young, K.C.S.I., Lieutenant-Governor of the Punjab.

The Hon'ble Major-General Sir E. H. H. Collen, K.C.I.E., C.B.

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

The Hon'ble Mr. C. M. Rivaz, C.S.A.

The Hon'ble Mr. T. Raleigh.

The Hon'ble Sir E. F. G. Law, K.C.M.G.

The Hon'ble Kunwar Sir Harnam Singh Ahluwalia, K.C.I.E., of Kapurthala.

The Hon'ble Mr. C. L. Tupper, C.S.I.

The Hon'ble Mr. H. C. Fanshawe, C.S.I.

INDIAN PAPER CURRENCY BILL.

The Hon'ble SIR EDWARD LAW moved that the Bill to amend the Indian Paper Currency Act, 1882, as amended by the Indian Paper Currency Act, 1898, be taken into consideration. He said :—“ I may mention that the Finance Department received a day or two ago a letter from the Bombay Chamber of Commerce, suggesting that when renewing the Currency Act a maximum rate should be fixed at which the Secretary of State would issue telegraphic transfers against gold paid into the Currency Reserve in London.

“ In the Currency Act of 1898, which we are now renewing, there was no mention of telegraphic transfers, and in the present proposed legislation we have desired merely to prolong the operation of the Act of 1898, making only the alteration embodied in the simple amendment which I explained at the last meeting of this Council. Further, I should say that it is not at present considered desirable that the hands of Government should be tied in so delicate a matter as the rate of exchange at which bills or transfers should be issued. I may do well to repeat

228 *INDIAN PAPER CURRENCY; AMENDMENT OF COURT-FEES  
ACT, 1870; INDIAN CENSUS.*

[*Sir Edward Law; Mr. Tupper; Mr. Rivas.*] [29TH JUNE, 1900.]

what my predecessor said in this Council on March 21st, that it must be distinctly understood that the present Bill implies no undertaking on the part of the Secretary of State to sell remittances at any specified rate.

"I trust it is fully understood that, if the Government of India refuses to accept proposals put forward in the interests of trade by the mercantile community, it does so with great regret; but Government have to consider not only questions of immediate facilities to trade, but also the more important bearing of any proposals that may be submitted on their general currency and financial policy. In view of these larger considerations, they have been obliged to decline the suggestions of the Bombay Chamber of Commerce."

The motion was put and agreed to.

\* The Hon'ble SIR EDWARD LAW moved that the Bill be passed.

The motion was put and agreed to.

COURT-FEES ACT, 1870, AMENDMENT BILL.

The Hon'ble MR. TUPPER moved that the Bill to provide for the Court-fee payable on certain Applications to the Court of the Financial Commissioner of the Punjab be taken into consideration. He said:—"At the last meeting of this Council I offered a full explanation of the reasons for the small measure of which I am in charge. I do not think it is necessary to detain the Council with any further remarks."

The motion was put and agreed to.

The Hon'ble MR. TUPPER moved that the Bill be passed.

The motion was put and agreed to.

INDIAN CENSUS BILL.

The Hon'ble MR. RIVAZ moved for leave to introduce a Bill to provide for certain matters in connection with the taking of the Census. He said:—"It is intended to take a census of India on the 1st March next; hence the necessity for the present Bill, which is framed very much on the lines of the two previous Census Acts of 1880 and 1890. The few amendments of the provisions of the

[29TH JUNE, 1900.]

[*Mr. Rivaz.*]

former Acts which have been embodied in the present Bill are unimportant and are explained in the Statement of Objects and Reasons, and I need not take up the time of the Council by repeating those explanations."

The motion was put and agreed to.

The Hon'ble MR. RIVAZ introduced the Bill.

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

The motion was put and agreed to.

The Council adjourned to Friday, the 20th July, 1900.

SIMLA;  
*The 29th June, 1900.* }

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

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

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The Council met at the Viceregal Lodge, Simla, on Friday, the 20th July, 1900.

P R E S E N T :

His Excellency Baron Curzon of Kedleston, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.

The Hon'ble Major-General Sir E. H. Collen, K.C.I.E., C.B.

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

The Hon'ble Mr. C. M. Rivaz, C.S.I.

The Hon'ble Mr. T. Raleigh.

The Hon'ble Sir E. F.G. Law, K.C.M.G.

The Hon'ble Kunwar Sir Harnam Singh Ahluwalia, K.C.I.E., of Kapurthala.

The Hon'ble Mr. C. L. Tupper, C.S.I.

The Hon'ble Mr. H. C. Fanshawe, C.S.I.

The Hon'ble Nawab Muhammad Hayat Khan, C.S.I.

N E W M E M B E R.

The Hon'ble NAWAB MUHAMMAD HAYAT KHAN took his seat as an Additional Member of Council.

PUNJAB ALIENATION OF LAND BILL.

The Hon'ble MR. RIVAZ moved that the Hon'ble Nawab Muhammad Hayat Khan be added to the Select Committee on the Bill to amend the law relating to agricultural land in the Punjab.

The motion was put and agreed to.

I N D I A N C E N S U S B I L L.

The Hon'ble MR. RIVAZ moved that the Bill to provide for certain matters in connection with the taking of the Census be referred to a Select Committee consisting of the Hon'ble Mr. Raleigh, the Hon'ble Sir Harnam Singh and the mover, with instructions to report within one month.

The motion was put and agreed to.



[Mr. Rivas; Mr. Raleigh.]

[20TH JULY, 1900.]

## INDIAN LIMITATION AMENDMENT BILL.

The Hon'ble MR. RIVAZ moved for leave to introduce a Bill further to amend the Indian Limitation Act, 1877. He said :—“ The object of this short Bill is to provide a special term of limitation in connection with encroachments on public roads and streets which are under the charge of District Boards, Municipal Committees or other local authorities. Encroachments on public highways which are under the management of a department or officer of Government can be contested by a suit brought by, or on behalf of, the Secretary of State for India in Council within sixty years from the time of the encroachment; but the Madras High Court has ruled that, when the Crown cedes its custodianship of any public street or road to a local body, this extended period of limitation does not apply, and the local authority can only sue in respect of an encroachment within the ordinary period of twelve years which applies to a private individual who may be dispossessed of immoveable property. The Government of India consider that in the public interest a longer period than twelve years should be allowed to a local body to contest encroachments on public roads or streets which have been made over to their custody, as such encroachments are usually gradual and insidious, and difficult to detect. At the same time, so long a period as sixty years which is allowed to the Crown is not considered necessary in the case of local bodies, and thirty years is proposed as a suitable term.”

The motion was put and agreed to.

The Hon'ble MR. RIVAZ introduced the Bill.

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

The motion was put and agreed to.

## BANKERS' BOOKS EVIDENCE BILL.

The Hon'ble MR. RALEIGH moved for leave to introduce a Bill to amend the Law of Evidence with respect to Bankers' Books. He said :—“ It is some time since the Imperial Parliament recognised the great inconvenience which is caused to bankers from their being required to produce their books in Courts of

[20TH JULY, 1900.]

[*Mr. Raleigh*]

Justice In the first place, these books are usually of great size and weight, and, in the second place, they are required for entering the daily transactions of the bank. Facilities were provided for proving the contents of bankers' books by means of certified copies, and in the year 1891 an Act was passed for British India upon the same lines. Unfortunately the definition of a company adopted in that Act was too narrow. It failed to provide for banking companies carrying on business in this country but registered or incorporated in the United Kingdom, and in a criminal case which was recently tried in Calcutta it was discovered that the entries in the books of the Delhi and London Bank could not be proved by copies. My learned friend the Advocate General immediately called attention to this defect in the law and suggested the draft of a Bill for removing it. I now beg leave to introduce a Bill widening the definition of company adopted in the Act of 1891.

"I may say that the Bengal Chamber of Commerce has asked us to consider the question of extending the definition so as to include all foreign banks in India; but, after carefully considering the question, the Government of India came to the conclusion that it would be better to leave these foreign banks to be admitted in particular cases one by one under the power of notification given by section 3 of the Act of 1891."

The motion was put and agreed to.

The Hon'ble MR. RALEIGH introduced the Bill.

The Hon'ble MR. RALEIGH moved that the Bill and Statement of Objects and Reasons be published in the Gazette of India and in the local official Gazettes in English.

The motion was put and agreed to.

The Council adjourned to Friday, the 10th August, 1900.

SIMLA;  
The 20th July, 1900. }

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

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

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The Council met at the Viceregal Lodge, Simla, on Friday, the 10th August, 1900.

P R E S E N T :

His Excellency Baron Curzon of Kedleston, P.C., G.M.S.I., G.M.I.E., Viceroy, and Governor General of India, *presiding*.

His Honour Sir W. Mackworth Young, K.C.S.I., Lieutenant-Governor of the Punjab.

The Hon'ble Major-General Sir E. H. H. Collen, K.C.I.E., C.B.

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

The Hon'ble Mr. C. M. Rivaz, C.S.I.

The Hon'ble Mr. T. Raleigh.

The Hon'ble Sir E. F.G. Law, K.C.M.G.

The Hon'ble Kunwar Sir Harnam Singh, Ahluwalia, K.C.I.E., of Kapurthala.

The Hon'ble Mr. C. L. Tupper, C.S.I.

The Hon'ble Mr. H. C. Fanshawe, C.S.I.

The Hon'ble Nawab Muhammad Hayat Khan, C.S.I.

PUNJAB ALIENATION OF LAND BILL.

The Hon'ble MR. RIVAZ presented the Report of the Select Committee on the Bill to amend the law relating to agricultural land in the Punjab. He said :—" I think it will be convenient if, in presenting the Report of the Select Committee on the Punjab Alienation of Land Bill, I explain somewhat fully the alterations which we propose to make in its main provisions.

" The Bill which I introduced in this Council last September imposed restrictions on permanent and temporary alienations of land in the following manner. In the first place, as regards permanent alienations, that is, by sale, gift or exchange, the proposal in this respect of the Committee of Punjab Revenue-officers which was convened by His Honour the Lieutenant-Governor in July, 1898, was that any permanent alienation of agricultural or pastoral land, as defined in the Punjab Tenancy Act, to a non-agriculturist, if

[Mr. Rivas.]

[10TH AUGUST, 1900.]

made without the sanction of the Deputy Commissioner of the district, should be void, but that otherwise there should be no restriction on sales or other permanent transfers. I explained, when introducing the Bill, that the Government of India were unable to accept this proposal in its entirety, because it seemed to them that to allow permanent alienations, free from all restrictions, between so-called agriculturists was open to objection on two grounds. Firstly, because the definition of 'agriculturist' as framed by the Punjab Committee, that is, 'any person who either in his own name or in the name of his agnate ancestor was recorded as an owner of land or as a hereditary tenant in any estate at the first regular settlement,' or any other practicable definition of the term, must necessarily include numerous classes of persons who, although landholders since the early years of British rule or even prior thereto, are primarily traders and money-lenders by nature and profession, and not true agriculturists in any proper sense of the term; and, secondly, because even the *bonâ fide* agriculturist is frequently also a money-lender, and it was desirable to retain power to prevent such men from buying up land in a village where they would come in as outsiders and constitute a foreign element in the village-community. In modification, therefore, of the proposals of the Punjab Committee on this all-important part of the scheme under consideration, the Bill, as introduced last September, provided that all permanent transfers must receive the previous sanction of a Revenue-officer, but that sanction should be given, as a matter of right, in cases in which the Revenue-officer was satisfied that the intending transferor was a person who was not a member of an agricultural tribe, or, in cases where the intending transferor was a member of an agricultural tribe, that the transfer was either to an agriculturist (as defined by the Punjab Committee) holding land as a proprietor or occupancy-tenant in the village in which the land sold or otherwise permanently alienated was situated, or to another member of the same agricultural tribe residing in the same district.

"Of these provisions we propose the following modifications. In the first place, in deference to a strong body of opinion on this point, we think that the sanction of a Revenue-officer need not be obtained in cases where such sanction must be given as a matter of right. This was only intended as a precautionary measure, and we agree, on the whole, with those who think that the advantage to be gained in this respect would be outweighed by the inconvenience which would be caused to those with whose free right of permanent alienation there is no necessity for interfering. In one respect, however, we propose to restrict the free right of alienation by members of non-agricultural tribes, namely, when a member

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[*Mr. Rivaz.*]

of such a tribe acquires land hereafter as an 'agriculturist' from a member of an agricultural tribe. We think it obviously necessary that a member of a non-agricultural tribe should not have the power to sell or otherwise permanently alienate without sanction any land acquired under such conditions except to another agriculturist in the same village, or to a member of an agricultural tribe, and we propose to make provision accordingly. Then, as regards permanent alienations by members of agricultural tribes, we have been unable to accept a suggestion which has been put forward that no restriction should be placed on such transfers between members of any agricultural tribe, because we think that the widening of the market of free transfer to this extent would be open to the second objection which I have mentioned as applying to unrestricted transfer between agriculturists, namely, that the door would thus be opened to the money-lender who belongs to an agricultural tribe buying up land in a village where he would come in as an outsider. At the same time, we recognize the force of the objection which has been taken that if free transfers are limited too strictly to within the same tribe, the market, in the case of some small tribes, will be undesirably narrowed. We propose therefore to meet this objection by empowering the Local Government, with the sanction of the Government of India, to group together, when thought advisable, small and what may be called cognate tribes in the same district or in a group of districts, and to allow permanent alienation without restriction within such groups.

"As regards permanent alienations, therefore, the scheme of the Bill, as amended by the Select Committee, now stands thus :

"Any member of a non-agricultural tribe may, without sanction, make a permanent alienation of land to any person, except in respect of any land which he acquires hereafter as an 'agriculturist' from a member of an agricultural tribe. In this one case he will only be able to alienate, except with the sanction of the Revenue-officer, to another 'agriculturist' in the same village or to a member of some agricultural tribe.

"A member of an agricultural tribe may, without sanction, make a permanent alienation of land to a member of the same agricultural tribe, or, in certain cases, to a member of any other agricultural tribe included in the same group as his own tribe in the same district, or, if so notified, in a group of districts. In all other cases, every permanent alienation of land by a member of an agricultural tribe will require the sanction of the Revenue-officer.

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" We have revised the definition of 'agriculturist' so as to enable the Local Government, in cases where the first regular settlement has been made within the past thirty years, to go back to the record of some previous settlement; we have amplified the definition of 'land;' we have included 'exchanges' in, but excluded gifts or bequests for religious or charitable purposes from, the definition of 'permanent alienation'; we have made clear that the right of unrestricted purchase allowed to an 'agriculturist' as such can only be exercised in the actual village or villages in which he has acquired such status; and we have also made clear that the action of a Revenue-officer, when granting or refusing sanction to a permanent alienation, is purely executive, and that any such order sanctioning an alienation is no bar to a suit on any question of title, or to any question relating to any reversionary right, or right of pre-emption, in a Civil Court.

" And, lastly, I may mention under this head that the Punjab Government has at present under consideration a Bill to amend the present law of pre-emption as contained in the Punjab Laws Act, and I hope that the Bill in question will shortly be introduced in the local Legislative Council.

" I come now to temporary alienations of land, that is, alienations by means of mortgage, lease or farm. The Bill as introduced allowed for the future only two forms of mortgage, namely, either a usufructuary mortgage, with delivery of possession to the mortgagee, for a maximum period of fifteen years, and on the condition that at the end of the period of mortgage the mortgaged land would revert to the mortgagor or his successor in interest with the mortgage-debt extinguished, or a collateral mortgage which, in certain circumstances, might be converted into a usufructuary mortgage of the nature just mentioned. These provisions were in accordance with the recommendations of the Punjab Committee, except that the maximum period of mortgage was reduced from twenty to fifteen years. Existing mortgages were not interfered with, except when any such mortgage was by way of conditional sale. In these cases, the mortgage was to be null and void, but the Revenue-officer was empowered, on the application of either party, to order the mortgagor to execute a fresh mortgage of the usufructuary nature just mentioned, for a period of fifteen years, or for such less term as the Revenue-officer might consider equitable. We now propose the following modifications of these provisions.

" In the first place, we think that, except as regards conditional sales, which ought, in our opinion, to be absolutely prohibited, there is no reason to impose any

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restrictions, whether as to form or period, on mortgages made by any member of a non-agricultural tribe to any person, or by a member of an agricultural tribe to a member of the same tribe or of a tribe in the same group. Then, in deference to the opinion expressed by a large number of the officers consulted on the Bill, we have extended the maximum term of usufructuary mortgage to twenty years, as was originally recommended by the Punjab Committee. We also propose, in adoption of a valuable suggestion made by Mr. Douie, the present Chief Secretary to the Punjab Government, and supported by the Lieutenant-Governor, to allow a third form of mortgage, whereby the mortgagor will retain an inalienable right of cultivating occupancy of the mortgaged land as the mortgagee's tenant, on payment of a fair rent which will be determined, in case of dispute, by a Revenue Court under the provisions of the Punjab Tenancy Act. A mortgage in this form may be made for any such term as may be agreed on, but the mortgagor will only be liable to ejectment from his cultivating occupancy if he uses the land in an improper manner, or, if his rent is payable in kind, if he wilfully fails to cultivate the land, or if a decree for an arrear of rent has been passed against him and remains unsatisfied; but, even if so ejected from his cultivating occupancy as a tenant, the mortgagor will retain the equity of redemption of his proprietary right on payment at any time of the original mortgage-debt. We also propose to give power to the Local Government to allow other forms of mortgage, at its discretion, in addition to the three forms just specified, so as to permit the use of any existing local kinds of mortgage which are of an unobjectionable nature. As regards conditional sales, we propose, as I have already mentioned, to absolutely prohibit the future use of this kind of mortgage in respect of land owned by any class of persons, and, as regards existing mortgages of this kind which have been made by any member of an agricultural tribe, we propose, in modification of the provision in this respect of the Bill as introduced, to allow the mortgagee to elect either to keep his present mortgage with this particular condition struck out, or to apply to the Revenue-officer to give him instead a usufructuary or collateral mortgage in one of the forms to be hereafter allowed by the Bill, on such conditions as to the amount of mortgage-debt and period of mortgage as the Revenue-officer may consider reasonable. Except in the cases which I have just specified, no existing mortgages will be interfered with in any respect.

"As regards mortgages, therefore, the scheme embodied in the Bill, as amended by the Select Committee, stands thus.

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" Any member of a non-agricultural tribe may mortgage his land in any form and on any conditions he pleases except by way of conditional sale. So may a member of an agricultural tribe when the mortgage is to a member of the same tribe, or of a tribe in the same group. But in all other cases a mortgage by a member of an agricultural tribe will have to be in one of the three forms which I have explained, or in some other form permitted by the Local Government.

" Existing mortgages will not be interfered with in any way, except when any mortgage which has been made by a member of an agricultural tribe contains a condition which is intended to operate by way of conditional sale. In this one class of cases the mortgage will be revised or altered in the manner I have described.

" The conditions which will apply to all mortgages made under our proposed enactment, and those which may be inserted by agreement between the parties, are specified in clauses 7 and 8 of the Bill. Some of these conditions I have already mentioned in explaining the forms of mortgage which will be permitted, and I need only say further under this head that, in the case of term-limited usufructuary mortgages, the mortgagor will be able to redeem his land at any time during the currency of the mortgage on payment of the mortgage-debt, or of such proportion of it as the Revenue-officer may consider to be equitable, and that in no case will the mortgagor be deemed to bind himself personally to repay the mortgage-money.

" As regards leases, we have amended the provisions under this head of the Bill as introduced by (1) including temporary alienations of the nature of a farm in the proposed restrictions; (2) extending the maximum period of a lease or farm to twenty years, and excising the condition that, if the alienor dies within this period, the lease or farm will terminate; (3) limiting the restrictions to cases where the lease or farm is by a member of an agricultural tribe to a person who is not a member of the same tribe or of a tribe in the same group. Thus the restrictions on leases and farms are brought into harmony with those on mortgages.

" We have made provision for allowing a person who has made a temporary alienation by mortgage, lease or farm for less than twenty years to make a further temporary alienation of the same land during the currency of the first transaction for a term not exceeding twenty years in all, but have retained the provision of the Bill as introduced which bars a further alienation of the same land during



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the currency of a mortgage, lease or farm, when the first temporary alienation has been made for the full term permitted.

“ We have retained the provision which enables the Revenue-officer, either of his own motion or on the application of the person entitled to possession, to eject a mortgagee, lessee or farmer who remains in possession after the expiry of the term for which he is entitled to hold under his mortgage, lease or farm.

“ We have also retained the provision of the Bill as introduced that a permanent alienation which requires sanction, but which is made without sanction, shall be treated as a usufructuary mortgage made in the first form prescribed by the Bill, and we have further provided that any mortgage made by a member of an agricultural tribe in any manner or form not permitted by the Bill shall be revised and altered by the Revenue-officer so as to bring it into accordance with such form of mortgage permitted by the Bill as the mortgagee may appear to be equitably entitled to claim, and that any lease or farm made by a member of an agricultural tribe to a person other than a member of the same tribe or of a tribe in the same group for a longer term than twenty years shall be deemed to have been made for only twenty years.

“ As regards the restrictions on hypothecations of agricultural produce by members of agricultural tribes which were included in the Bill as introduced, we have, in modification of the absolute prohibition of such transactions, proposed to allow alienations or charges of this description to be made for a period not exceeding one year, or in special cases for a longer period with the sanction of the Revenue-officer.

“ We have retained the provision which forbids the sale of land in execution of a decree or order, but have so far modified such provision as to make it applicable only to land belonging to a member of an agricultural tribe, and we have also made clear that the prohibition only applies to a decree or order of a Civil or Revenue Court. The prohibition as to sale will not of course extend to temporary alienations of land for satisfying a decree which are made by the Collector, when so authorized by the Civil Court, under section 326 of the Code of Civil Procedure.

“ We have retained but amplified the clause which prohibits the registration of any instrument contravening the provisions of the Bill; we propose to prescribe that transactions which require the sanction of a Revenue-officer shall not be

[*Mr. Rivas.*]

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entered in the record-of-rights or in the annual record under the Punjab Land-revenue Act until proof of such sanction is produced; and we have provided for the proceedings of Revenue-officers under the Bill being regulated by the procedure of the Punjab Land-revenue Act. We have also made clear that matters which the Local Government or Revenue-officers are empowered to dispose of under the Bill shall be excluded from the jurisdiction of the Civil Courts, and, in order that all proceedings before Revenue-officers under the Bill may be dealt with promptly and inexpensively, we propose to exclude legal practitioners from appearing in such cases.

"The last point which I need mention is that we propose no alteration in respect of the general application of the scheme embodied in the Bill, subject to any territorial or personal exemptions which the Government of India may from time to time make on the recommendation of the Local Government.

"I trust, my Lord, that I have succeeded in showing that, while the Select Committee have not altered the Bill which I introduced last September on any important point of principle, their proposed modifications of, and additions to, some of its provisions will have the effect of placing the scheme under consideration on a broader and more elastic basis. As regards the main object of the Bill, namely, the restriction of permanent and temporary alienations of land by the agricultural classes, the scheme, as it now stands, will, as regards sales and other permanent transfers, while adhering to the principle of limiting the market of unrestricted transfer to within the same village-community or agricultural tribe, enable the Local Government to meet the case of any tribes which are too small to provide any real market of sale within the tribe, by grouping them with other cognate tribes within the same district or a group of districts; and, as regards temporary alienations, the maximum period for which self-redeeming usufructuary mortgages and leases may be made has been extended from fifteen to twenty years, while another form of usufructuary mortgage is proposed under which the mortgagor may mortgage for any period he pleases, but on condition of retaining a cultivating right of occupancy in the mortgaged land on payment of a fair rent, and preserving his right to redeem the proprietary right whenever he may be able to do so.

"The amended Bill will now be republished, and the Select Committee will consider any opinions which may reach them before the 25th September. They will then present their final Report, and I hope that the Bill will be finally considered and passed before the end of the present legislative session."

[10TH AUGUST, 1900.]

[*Mr. Rivaz.*]

## INDIAN CENSUS BILL.

The Hon'ble MR. RIVAZ presented the Report of the Select Committee on the Bill to provide for certain matters in connection with the taking of the Census.

The Council adjourned to Friday, the 24th August, 1900.

SIMLA;  
*The 10th August, 1900.* }

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

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

The Council met at the Viceregal Lodge, Simla, on Friday, the 24th August, 1900.

P R E S E N T :

- His Excellency Baron Curzon of Kedleston, P C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.
- His Honour Sir W. Mackworth Young, K.C.S.I., Lieutenant-Governor of the Punjab.
- The Hon'ble Major-General Sir E. H. H. Collen, K.C.I.E., C.B.
- The Hon'ble Sir A. C. Trevor, K.C.S.I.
- The Hon'ble Mr. C. M. Rivaz, C.S.I.
- The Hon'ble Mr. T. Raleigh.
- The Hon'ble Kunwar Sir Harnam Singh, Ahluwalia, K.C.I.E., of Kapurthala.
- The Hon'ble Mr. C. L. Tupper, C.S.I.
- The Hon'ble Mr. H. C. Fanshawe, C.S.I.
- The Hon'ble Nawab Muhammad Hayat Khan, C.S.I.

QUESTION AND ANSWER.

The Hon'ble KUNWAR SIR HARNAM SINGH asked :— "With reference to the answer given by the Hon'ble Mr. Ibbetson to the question put by the Hon'ble Rai Bahadur Ananda Charlu at the meeting of the Legislative Council on the 21st of March last, regarding the succession-duties levied on Native Christians under the Court-fees Act, will the Government of India be pleased to state whether the replies of the Local Governments and Administrations have been received, and, if they have been received, what action the Government propose to take in the matter."

The Hon'ble MR. RIVAZ replied :— "The replies of the Local Governments and Administrations upon the various questions referred to by the Hon'ble Mr. Ibbetson on the 21st March last have been received and are under consideration. The Government of India hope to be able to formulate their conclusions thereon at an early date."

[*Mr. Rivaz.*]

[24TH AUGUST, 1900.]

### INDIAN CENSUS BILL.

The Hon'ble MR. RIVAZ moved that the Report of the Select Committee on the Bill to provide for certain matters in connection with the taking of the Census be taken into consideration. He said:—"The only point in this Bill which I need notice is as regards the power which is given to Local Governments by clause 14 to direct that the whole or any part of the expenses which may be incurred in connection with the taking of the coming census in any local area may be charged to municipal, local or village funds, as the case may be. This provision has been criticized in some quarters on two grounds, first, that rural and village funds are for the most part too poor to be able to meet such expenses, and, secondly, that the matter is one which ought to be left to the option of municipal and other local bodies. As regards the first of these objections, I need only remark that the power thus given to Local Governments is a purely discretionary one, and will of course only be exercised when circumstances permit. As regards the second objection, there is every reason to hope that, in the case of the more important local bodies, the question of what they should contribute towards the cost of the census will be amicably arranged by them with the Local Government. Still, as the census is a national undertaking, which will be of advantage to the whole country and all its component parts, both rural and urban, it is desirable to entrust Local Governments with the proposed power, and, should the necessity arise in any case for directing a local body to make a proper contribution towards the cost of its census, the Local Government may be trusted to exercise the power which is being given to it with discretion and moderation. The Select Committee have therefore proposed no alteration in this provision of the Bill."

The motion was put and agreed to.

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

The motion was put and agreed to.

### INDIAN LIMITATION AMENDMENT BILL.

The Hon'ble MR. RIVAZ moved that the Bill further to amend the Indian Limitation Act, 1877, be taken into consideration. He said:—"The Bill provides, as I mentioned when introducing it, a special term of limitation—thirty years—in connection with suits for contesting encroachments on public roads and streets which have been made over to the care of a local body or authority. The

[24TH AUGUST, 1900.] [Mr. Rivas; Mr. Raleigh.]

legislation thus proposed has been necessitated by a ruling of the Madras High Court that the period of sixty years which is allowed to the Crown does not apply when the custodianship of a public highway has been ceded to a local body."

The motion was put and agreed to.

The Hon'ble MR. RIVAZ moved that the Bill be passed.

\*The motion was put and agreed to.

### BANKERS' BOOKS EVIDENCE BILL.

The Hon'ble MR. RALEIGH moved that the Bill to amend the Law of Evidence with respect to Bankers' Books be taken into consideration. He said :—  
"The object of the principal Act is to enable bankers to prove entries in their books in Courts of Justice by means of certified copies. It was discovered in a case tried at Calcutta that the definition of 'company' was so narrow as to exclude certain banking companies carrying on business in India, and the object of this Bill is to widen the definition accordingly. The Bengal Chamber of Commerce has addressed a representation to the Government of India in regard to the case of agents of foreign banks, and a further representation on that subject only reached my hands this morning, when it was too late to consider it as carefully as it perhaps deserved. We were, and are still, under the impression that the agent of a foreign bank can obtain the benefit of the principal Act by a notification issued by the Local Government under section 3. Whether we were right in that impression or not, there can be no doubt that this Bill, which was and is in the form suggested by the Hon'ble and learned Advocate General, does effect an improvement in the law, and, after reading as carefully as time would permit the second letter of the Bengal Chamber of Commerce, I will take the responsibility of asking the Council to take this Bill into consideration now."

The motion was put and agreed to.

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

The motion was put and agreed to.

The Council adjourned to Friday, the 5th October, 1900.

SIMLA;  
The 24th August, 1900.

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

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

The Council met at the Viceregal Lodge, Simla, on Friday, the 5th October, 1900.

P R E S E N T :

- His Excellency Baron Curzon, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.  
His Honour Sir W. Mackworth Young, K.C.S.I., Lieutenant-Governor of the Punjab.  
The Hon'ble Major-General Sir E. H. H. Collett, K.C.I.E., C.B.  
The Hon'ble Sir A. C. Trevor, K.C.S.I.  
The Hon'ble Mr. C. M. Rivaz, C.S.I.  
The Hon'ble Mr. T. Raleigh.  
The Hon'ble Sir E. F. G. Law, K.C.M.G.  
The Hon'ble Kunwar Sir Harnam Singh, Ahluwalia, K.C.I.E., of Kapurthala.  
The Hon'ble Mr. C. L. Tupper, C.S.I.  
The Hon'ble Mr. H. C. Fanshawe, C.S.I.  
The Hon'ble Nawab Muhammad Hayat Khan, C.S.I.

QUESTIONS AND ANSWERS.

The Hon'ble NAWAB MUHAMMAD HAYAT KHAN asked :—

" 1. Whether the Government of India are aware of the extent of the dissatisfaction caused among Muhammadans in the North-Western Provinces and Oudh by the Resolution of the Local Government, dated 18th April, 1900, allowing the use of the Nagri character in Courts and rendering a knowledge of the Hindi language compulsory for ministerial appointments in all except the purely English offices ?

" 2. Whether the Government of India are prepared, having regard to the fact that the words 'petition' and 'complaint' as used in clause 1, section 4 of the Resolution referred to have been differently interpreted by the High Court at Allahabad and the Court of the Judicial Commissioner, Oudh, to restrict the permission to use the Nagri character to persons knowing nothing but Nagri and presenting their petitions without the intervention of legal practitioners ? "

[*Mr. Rivas.*]

[5TH OCTOBER,

The Hon'ble MR. RIVAZ replied :—

" 1. The Government of India are aware that a certain amount of dissatisfaction has been expressed with the orders in question, but they are informed by the Lieutenant-Governor that this feeling has been shown chiefly by Muhammadan members of the legal profession and hardly at all by the important and influential landlord or agricultural or industrial interests of the North-Western Provinces and Oudh."

" The orders merely recognize the permissive use in official documents of the Nagri character, which is the character best known by, and most acceptable to, the vast majority of the population of the North-Western Provinces and Oudh. The Government of India entirely concur with the Lieutenant-Governor, whose orders were issued with the full acquiescence of the High Court of the North-Western Provinces, the Judicial Commissioner of Oudh and the Board of Revenue, that it was no longer desirable to exclude the Nagri character from official recognition. The orders of the Local Government do not affect the *language* in use in the Courts, which remains unchanged; nor do they in any way restrict the free use of the Persian character by those who wish to employ it.

" Every civil officer from a naib-tahsildar upwards is required under existing rules to qualify in both Urdu and Hindi, which are the current vernacular languages of the North-Western Provinces and Oudh. The rule referred to in the last part of the first question merely extends this principle to all ministerial officers not employed in a purely English office. Some classes of documents written in the Hindi language have always been received by the Courts and offices in the North-Western Provinces and Oudh. A ministerial officer in a vernacular office who does not know Hindi is really incapable of properly discharging the duties which may ordinarily devolve upon him.

" 2. The Government of India are informed that the Government of the North-Western Provinces and Oudh is in communication with the High Court and the Judicial Commissioner, with a view to the establishment of a uniform rule of practice on the point raised in the second question. Obviously a uniform rule for both Provinces is necessary; but the Government of India are not prepared to limit the discretion of the Local Government, acting after consultations with the chief judicial authorities, by recommending it to adopt the restriction suggested in this question."



1900.]

[*Mr. Rivaz*]

## PUNJAB ALIENATION OF LAND BILL.

The Hon'ble MR. RIVAZ presented the further Report of the Select Committee on the Bill to amend the law relating to agricultural land in the Punjab. He said :—“ The few further amendments which the Select Committee propose to make in the Bill are explained in the Report which I now present. The only one of these amendments which I need notice is that which relates to the third form of mortgage which, as I stated when presenting the preliminary Report of the Select Committee on the 10th August last, had been added, on the recommendation of the Punjab Government, to the two forms allowed by the original Bill. As I then explained, the special features of this new form of mortgage were that the mortgagor might mortgage for any period he pleased, but on condition of retaining a cultivating right of occupancy in the mortgaged land on payment of a fair rent, and of preserving his right to redeem the proprietary right whenever he might be able to do so. The mortgagor under this form of mortgage was rendered liable, however, to ejection from his cultivating occupancy if he used the land in an improper manner, or, if his rent were payable in kind, if he should wilfully fail to cultivate the land, or if a decree for an arrear of rent had been passed against him and remained unsatisfied. These provisions have been criticized in some quarters on the ground that if the mortgagor were ejected from his cultivating occupancy on any of the grounds which I have specified, or voluntarily abandoned or relinquished the land in collusion with the mortgagee, he would in most cases never be able to redeem the proprietary right, and the mortgage would thus be practically converted into a permanent alienation. We have recognized the force of this objection and have accordingly provided that, although the mortgage under this form may be for an unlimited period so long as the mortgagor retains the cultivating occupancy, yet if he is ejected therefrom or relinquishes or abandons it, the mortgage shall thereupon be converted into a self-redeeming usufructuary mortgage for a term not exceeding twenty years.

“ We have also defined more precisely what we mean by a fair rent in this class of mortgages. It might be difficult in some cases to determine what the ‘ customary rate ’ really was, so we now propose to omit all reference to this standard and to allow the rent payable by the cultivating mortgagor to be fixed in each case by agreement between the parties, subject to a maximum. We have adopted the principle which is prescribed in the Punjab Tenancy Act for regulating the cash rents of occupancy-tenants, but have fixed the maximum at a somewhat higher rate than that which the Act provides for the least favoured classes of such tenants, namely, 16 annas per rupee of land-revenue instead of 12 annas. We are satisfied that the rent thus demandable will not be excessive even when the maximum rate is agreed to by the mortgagor.

[*Mr. Rivaz.*] [5TH OCTOBER, 1900.]

"I propose, with Your Excellency's permission, to ask the Council this day fortnight to take the two Reports of the Select Committee into consideration and to pass the Bill."

The Council adjourned to Friday, the 19th October, 1900.

SIMLA;  
The 5th October, 1900. }

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

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

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The Council met at the Viceregal Lodge, Simla, on Friday, the 19th October, 1900.

P R E S E N T .

His Excellency Baron Curzon, P C , G M S I , G.M.I.E., Viceroy and Governor General of India, *presiding*.

His Honour Sir W. Mackworth Young, K C.S I , Lieutenant-Governor of the Punjab

The Hon'ble Major-General Sir E. H. H. Collen, K C I E , C.B.

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

The Hon'ble Mr. C. M. Rivaz, C S I.

The Hon'ble Mr. T. Raleigh.

The Hon'ble Sir E. F.G Law, K C.M G.

The Hon'ble Kunwar Sir Harnam Singh, Ahluwalia, K C.I.E., of Kapurthala.

The Hon'ble Mr. C. L. Tupper, C.S.I.

The Hon'ble Mr. H. C. Fanshawe, C.S.I.

The Hon'ble Nawab Muhammad Hayat Khan, C.S I.

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Before proceeding with the business of the Council, His Excellency THE PRESIDENT made the following statement :—

STATEMENT ON FAMINE.

“ Exactly a year ago today I made a speech in this Council upon the then impending Famine. Throughout the twelve months that have intervened, (this Famine, which within the range of its incidence has been the severest that India has ever known, has been the main preoccupation of Government.) It has engrossed our whole attention, has placed a terrible strain both upon our resources and our officials, has disorganised our finances, and has addressed a perpetual and irresistible appeal to our individual humanity. Now that it is drawing to a close, it may not be inappropriate that I should attempt to sum up the results of the past year's experience; so that the public may realise within a short compass what the Great Famine of 1899-1900 has meant, how

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we have endeavoured to meet it, what a mark it has left, or will leave, upon the history of the country, and what is the teaching that may be derived from a study of its features.

“ We cannot, I think, be accused of having failed to anticipate or to provide for this great drought. Our anxiety as to the prospects dated from as far back as July, 1899. In the early autumn the Local Governments and ourselves were busily occupied in making preparations for the possible failure of the monsoon. When I spoke in October, relief-operations had-already commenced, and half a million persons were on relief. The numbers rapidly rose month by month, till in July last they touched the unprecedented total of considerably more than six millions of persons. Even now over two millions are still in receipt of relief; though we hope that, in the course of next month, the necessity may disappear, and that the whole of this number may be drafted away to their homes.

1 “ The main statistical features of the Famine are already sufficiently well known and may be briefly dismissed. It has affected an area of over 400,000 square miles, and a population of about 60 millions, of whom 25 millions belong to British India and the remainder to Native States. Within this area the Famine conditions have, during the greater part of the year, been intense. Outside it they have extended with a gradually dwindling radius over wide districts which have suffered much from loss of crops and cattle, if not from actual scarcity. (In a greater or less degree nearly one-fourth of the entire population of the Indian Continent have come within the range of relief-operations.) It is difficult to express in figures with any close degree of accuracy the loss occasioned by so widespread and severe a visitation. But it may be roughly put in this way. The annual agricultural production of India and Burma averages in value between 300 and 400 crores of rupees. On a very cautious estimate the production in 1899-1900 must have been at least one-quarter, if not one-third, below the average. At normal prices the loss was at least 75 crores, or fifty millions sterling. In this estimate India is treated as a whole. But in reality the loss fell on a portion only of the Continent, and ranged from almost total failure of crop in Guzarat, Berar, Chhattisgarh and Hissar, and in many of the Rajputana States to 20 and 30 per cent. in districts of the North-Western Provinces and Madras, which were not reckoned as falling within the Famine tract. If to this be added the value of some millions of cattle, some conception may be formed of the destruction of property which a great drought occasions. There have been many great droughts in India, but there has been no other of which such figures could be predicated as these.

“ It must further be remembered that, unlike previous Famines, that of 1900 was separated by the short space of only two years from a drought not greatly

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inferior to it in extent and scarcity. Some tracts which suffered in 1896-97 have been fortunate enough to escape in 1899-1900. But the most calamitous feature of the recent Famine has been that there were others which not only suffered again, but suffered in a worse degree. This was the case in the Central Provinces and in portions of Rajputana, Central India, the South-East Punjab, and the Bombay Dekkhan. Apart from this area of twofold distress, the centre of gravity tended on the present occasion to shift towards the west. The cluster of Native States lying between the Nerbudda, the Jumna and the Sutlej were swept into the area of scarcity. Finally, the fertile provinces of Guzarat and Kathiawar, whose rainfall is generally so abundant and so steady that they have been styled the Garden of India, were attacked; and there, in proportion as the immunity hitherto enjoyed has been the longest, so was the suffering the most widespread and enduring.

“ This was the situation with which we were confronted a year ago, and which has gradually developed since. It was not merely a crop failure, but a fodder Famine on an enormous scale, followed in many parts by a positive devastation of cattle—both plough cattle, buffaloes, and milch kine. In other words, it affected, and may almost be said to have annihilated, the working capital of the agricultural classes. It struck some of them when they were still down from the effects of the recent shock. It struck others who had never before known what calamity was, and who were crushed and shattered by the suddenness and directness of the blow. (It attacked Native States to whose Durbars had never previously been brought home the obligation of Famine relief on an extended scale and whose dearth of administrative staff was enhanced by the poverty of their financial resources.) It laid its hand upon primitive hill men, unused to discipline or restraint, impulsive, improvident, lazy, living in an almost barbarous state in wild and inaccessible jungles. It sharpened the lurking nomadic instinct of wandering tribes, and sent them aimlessly drifting about the country, a terror to the Famine-officer, and an incubus to the camps. (For a year it never left hold of its victims; and one half of the year had not elapsed before famine had brought its familiar attendant Furies in its train; and cholera, dysentery and fever had fallen upon an already exhausted and enfeebled population.) This is the picture of suffering that India has presented during the past year. Let us now examine the steps that have been taken to ameliorate it.

“ In such diverse circumstances the methods of relief, the difficulties encountered, and the degree of success attained, have varied greatly. The

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preceding Famine had bequeathed experiences and lessons of the utmost value, which were carefully gathered up by the Commission of 1898, and which have profoundly affected the policy of the present Famine. The stress laid by the Commission on the necessity for starting relief before the people have run down; their advocacy of more extensive gratuitous relief, especially in the form of kitchen relief, their recommendations concerning the special treatment of aboriginal and forest tribes; their approval of small or village relief-works in special circumstances in preference to large works,—these and other injunctions will be found to have influenced our measures and shaped our course throughout the Famine. The Commission's recommendations were generally in the direction of greater flexibility in relief methods and greater liberality of relief. The dangers of ill-regulated profusion are obvious; and, apart from all considerations of cost, it would be a national misfortune if relief were ever made so facile or so pleasant as to destroy the self-respect and self-reliance of the people. But the Commission were not unmindful of this danger; and their findings amounted to this, that they recognised that in the last Famine we had not succeeded in preventing great mortality and suffering, and that they thought better results might be attainable by a larger expenditure of money and a somewhat greater regard to the circumstances of special localities and classes. They said in effect that, if it was good policy to combat a Famine, it was good policy to combat it effectively. It is possible that in certain directions their recommendations erred on the side of over-liberality. Their wage-scale is an instance. It was tried in all provinces at the commencement of the present Famine, but was speedily reduced by the independent consent of all Local Governments. Again, their advocacy of gratuitous relief may be said by some to have led in the present Famine to a scale of alms-giving unprecedented in magnitude and likely to embarrass future Famine administration. This question I will discuss in a moment. I merely mention the matter now to show that, in the present Famine, we have broken new ground, and, acting upon the lessons of its predecessor, have accepted a higher standard of moral and financial obligation than has ever before been recognised or acted upon in this or any country.

“ If, indeed, a special characteristic should be attributed to our campaign of Famine relief in the past year, it has been its unprecedented liberality. There is no parallel in the history of India, or in that of any country in the world, to the total of over 6 million persons who, in British India and the Native States, have for weeks on end been dependent upon the charity of Government. / Let

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me compare these figures with those of the preceding Famine. In 1897, the high-water mark of relief was reached in the second fortnight of May, when there were nearly 4 million persons on relief in British India. Taking the affected population of 40 millions, the ratio of relief was 10 per cent. In one district of Madras, and in two districts of the North-Western Provinces, the ratio for some months was about 30 per cent. ; but these were exceptional cases. In the most distressed districts of the Central Provinces 15 or 16 per cent. was regarded in 1896-97 as a very-high standard of relief. Now, take the figures of the present year. For some weeks in June and July upwards of 4½ million persons were on relief in British India. Reckoned on a population of, say, 25 millions, the ratio of relief was 18 per cent. as compared with 10 per cent. in 1897. In many districts the proportion exceeded 20 per cent. In several it exceeded 30 per cent. In two districts it exceeded 40. per cent. In the small district of Merwara, where Famine has been present for two years, 75 per cent. of the population has been on relief. Nothing that I might say can intensify the simple eloquence of these figures.

“The next test that I apply is that of the number of officers whom we have lent, both to British districts and to Native States, to reinforce the overworked and, in many cases, undermanned local establishments. From the Army 84 Staff Corps officers, 17 Native officers, 10 British non-commissioned officers and privates, and 228 Native non-commissioned officers and privates, have been deputed, for periods of various length, to Famine duty in British India and Native States. They have done excellent work. Including the above, the total number of public officials deputed from civil and military employ to Famine duty has amounted to 637. Among these were 35 Assistant Surgeons and 141 Hospital Assistants, 44 Civil Engineers, 10 Royal Engineers and 24 Public Works subordinates. Large as these numbers were, we would gladly have sent more, had the men been forthcoming. Since the Famine began, I cannot recall ever having refused an application, if it was possible to grant it. We literally scoured the remaining provinces of India for the loan of men, and with great generosity, wherever practicable, their Governments responded to the appeal. After my return from Guzarat, we collected and sent down a large number of additional Hospital Assistants, of whom I had noted a regrettable paucity, to Bombay. Similarly in the Native States, as the Chiefs and Durbars have repeatedly acknowledged, it has only been owing to the administrative knowledge, the unflagging energy, and the devotion of the British officers whom we have lent to them, that they have escaped a disastrous breakdown.

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" My third test is that of financial outlay. The direct expenditure on Famine relief in British India and in Berar, from the commencement of relief-operations up to the end of August, has been 854 lakhs of rupees. We estimate a further expenditure of about 150 lakhs up to the 31st March next, making in all in round numbers about 10 crores of rupees. In loans and advances to land-holders and cultivators, we have expended Rs. 238 lakhs. We have made advances for plough-cattle and for agricultural operations this autumn free of interest, and on very easy terms as to eventual repayment; and our expectation is that not more than one-half will be recovered. In the matter of land-revenue, our latest estimate is that, of a demand of Rs. 392 lakhs in the Central Provinces and Bombay, Rs. 164 lakhs will be uncollected during the year. In the distressed districts of the Punjab, suspensions aggregating Rs. 41 lakhs are anticipated. With these figures I compare those for the Famine of 1896-97, calling attention, however, to the fact that, in 1896-97, the area and population in British India affected by Famine were considerably larger than in the present year. The total direct expenditure on Famine relief was 727 lakhs of rupees; 130 lakhs were advanced as *takkavi*; and land-revenue to the amount of about 2 crores was suspended. In this comparison, our further outlay in connection with relief in Native States has been omitted, for the reason that, in 1896-97, the calls upon us in that respect were insignificant. In the present Famine, our loans to Native States in Rajputana have amounted to 69 lakhs of rupees: to Native States in the Bombay Presidency we have lent 78 lakhs of rupees, besides guaranteeing the repayment of loans to the amount of 105 lakhs of rupees borrowed by other States in the market. We have also come to the assistance of the Nizam of Hyderabad, whose extensive dominions have suffered from severe drought. In all, our actual loans to Native rulers in connection with the present Famine amount in the aggregate to over 3½ crores. This is exclusive of the guaranteed loans. Without this assistance it may be safely said that the States would have been wholly unequal to the task of relieving their subjects, and even in some cases of carrying on the ordinary administration of their territories.

" I now pass to an examination of the methods of Famine-relief which we have adopted. In one respect they have differed materially from those of the preceding Famine. Profiting by its lessons, we have learned to apply a much more flexible system. Thus in 1897 the effective relief of the aboriginal races in the Central Provinces was regarded as an insoluble problem. They suffered and perished in their jungles. This year congenial work and extensive gratuitous relief were provided for them in the forests, and the Gonds and Baigas have survived with no exceptional mortality. Again, whereas in 1897 there was



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a terrible mortality in the Central Provinces when the rains set in, owing to the abrupt closing of relief-works without a simultaneous expansion of home or village relief, in the present year we have scattered broadcast over the country an extensive system of kitchen relief upon which, while no one disputes its general necessity or its success, the only criticism that has been passed is that it has erred on the side of liberality, and has been abused by able-bodied persons who preferred to be fed for nothing in the kitchens to earning their own livelihood in the fields. In 1897, the complaint was one of parsimony and lack of preparation. If we have now in some cases gone too far in the opposite direction, some allowance must be made for the natural recoil from earlier mistakes.

"Guzarat supplies another instance of the degree in which we have accentuated and added to the flexibility of the Famine Code. When the great outbreak of cholera had disorganized the large relief-works, and had driven the terrified workers away to their homes, and when extraordinarily high death-rates revealed the existence of very widespread destitution and suffering, the Government of India did not hesitate to advise the Bombay Government to meet the situation by enlarging the customary bounds of gratuitous relief, and by opening petty village-works to take the place of the deserted Public Works relief-camps. The effect of this policy was that, whereas in the middle of May the number of persons on gratuitous relief in the five districts of Guzarat was little more than 50,000, at the end of June it had risen to 150,000: at the end of July to 308,000: and by the middle of August to 385,000, the last figure representing more than 12 per cent. of the entire population of those districts. Before the present Famine, such a percentage would have been regarded as a flagrant abuse of Famine relief. We were, however, satisfied that a strict adherence to the labour-test principle would in June and July last have failed to meet the very special set of circumstances created by the cholera outbreak in Guzarat, and I have no doubt that the satisfactory decline in the death-rate was largely due to the policy adopted.

"In drawing attention, however, to the greater liberality of relief that has been practised, the question may be asked whether it was after all only due to the superior intensity of this year's Famine, or whether it has denoted greater efficiency and perfection of method, or has perhaps only been the result of promiscuous and thoughtless charity. Some part of it must no doubt be attributed to the greater severity of the recent distress which I have already demonstrated. Upon the second head we may safely claim to have profited by experience in the improvement of our relief-arrangements, and in their more

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accurate adaptation to the special circumstances of different districts, the special requirements of different classes, and the different seasons of the year. No critic would dispute this proposition. As regards the third point it is not without a smile that, while I now read in some quarters that the conditions of relief, notably in respect of kitchen relief in the Central Provinces, have been relaxed to a dangerous and demoralising degree, I remember that, nine months ago, the Government of India were being assailed for the alleged stringency and harshness of the warnings that they had given in the Circular of December, 1899. Looking back upon our entire experience, I have now no hesitation in saying that our warning note was well-timed and was wisely issued. Our enquiry was followed by a very salutary re-organization of relief-works in the Central Provinces and elsewhere, by large additions in all provinces to the superior Famine staff, and by considerable improvements in the supervision and conduct of relief-measures. One of its results was the exposure of inadequacy of the superior staff, and of the dangers which were certain to ensue if this were not rectified. It was in consequence of this discovery that we offered the substantial help, in respect of Staff Corps Officers, Medical Officers, Officers drafted from the Postal, Salt and Police Departments, and Engineers, of which I have already spoken.

"I should like to add that, in my opinion, there was no inconsistency between the position taken up by the Government of India in the first months of the Famine, and their subsequent attitude in permitting a vast expansion of gratuitous relief during the rains in the Central Provinces, and in counselling the Government of Bombay to relax the conditions of relief in Guzarat, when cholera had disorganized the large works. Conditions are radically different at the beginning and at the height of a Famine : and a degree of firmness at the outset is essential which would, at a later stage, be altogether out of place. If this be borne in mind, our policy will on examination prove to have been consistent throughout. ¶ On the one hand, we have set our face against indiscriminate and pauperising charity, and have endeavoured to insist on relief being administered with the care and method which we owe to the taxpayer and to the exchequer. On the other hand, we have been prepared to accept any expenditure of which it could be shown that it was required to save life or to mitigate genuine distress. The only intelligent and the only possible policy is based on these two principles. ¶ There is no contradiction between them. No Famine has ever been, or ever will be, successfully administered that does not exhibit, according to the point from which it is scrutinised, the opposite characteristics of strictness and leniency, or that is not open to the charge—if charges are to be brought—of being at different moments profuse and grudging.

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“ Nevertheless, we may still be asked whether we are quite satisfied that the abnormal mortality in Guzarat, the widespread misery described by competent observers, and the temporary breakdown of the relief-machinery in that part were not due to any fault in our initial instructions. That the mortality was very great cannot be denied. In Broach the monthly death-rate rose from 2·96 *per mille* in October, 1899, to 24·83 in May, 1900. In the Panch Mahals the death-rate for the same month of May was 46·60 *per mille*, in Kaira 21·07; in Ahmedabad 24. These rates include deaths from cholera, a most virulent wave of which swept over Guzarat in April; although it is impossible to distinguish accurately between the mortality for which cholera was directly responsible, and that which was due to other diseases, to debility, to privations, and to the temporary disorganisation of the camps. I have seen the report of a special enquiry which has just been conducted into the Guzarat mortality by the Sanitary Commissioner to the Bombay Government. He specifies no fewer than eight causes for the excessive death-rate in that district. They were insufficient and unwholesome food, resort to Rangoon rice and other unaccustomed grains; bad cooking and bad water; the physical softness of a people who had never previously experienced famine; the unwillingness of certain classes, such as the Bhils and herdsmen, to apply for relief; and the vagabond instincts of large sections of the population. Some of these causes were preventible or reducible; the majority were not. If a perfect relief-system is anywhere attainable, it is obvious that it is more likely to be realised in a district where the people are already acquainted with the principles of relief, and where they feel no natural reluctance to avail themselves of it. Neither of those conditions was present in Guzarat. The rapidity and completeness of the calamity took the people by surprise; the weakness and incapacity for resistance of the people took the Local Government by surprise. Had there been greater previous experience in either respect, the results might have been modified. The failure was certainly not due to any antecedent orders on the part of Government, or to any parsimony in the scheme of relief. On the contrary, the actual cost of relief per head in Bombay exceeded the cost in other parts of India. While, therefore, I feel that the excessive mortality in Guzarat is a phenomenon of which it is difficult to give a full explanation, and which may still call for further enquiry, I think that a good deal of weight should be attached, in a comparison, for instance, between Guzarat and the Central Provinces, to the different temperaments of the afflicted populations, and to their relative familiarity or unfamiliarity with relief methods.

“ If we examine the death-rate elsewhere, we shall find that, in the Central Provinces, it remained satisfactorily low until the concluding months of the

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Famine. Excluding epidemic disease, the provincial rate for April was only 3·25 *per mille*, and for May 3·42 *per mille*. These were the worst months in Guzarat. In June the rate (excluding cholera and small-pox, which carried off 23,000 persons) rose to 4 *per mille*, and in some parts was higher. In July it rose to 5·35 *per mille*, while some districts showed a local rate of from 7 to 10 *per mille*. In August the death-rate in one district rose to no less than 15·21 *per mille*. It is a curious fact, however, that this high mortality was not accompanied by any exterior evidence of starvation or even of emaciation. The people in fact did not die of want of food, but from the sudden change in climatic conditions, which occurs during and after the rains.

"In the Punjab, the mortality statistics exhibit much the same features as in the Central Provinces, though in a slightly less degree. In Hissar, where the death-rate has been highest, it has never exceeded 8 *per mille*, excluding cholera. The result of my examination has been to show that relief has been fully and sufficiently given in the Punjab, and that there has been no mortality from starvation, or even from direct privation, save in the case of wanderers from Native States, who arrived in too debilitated a condition to be saved.

"In Berar, the death-rate has been generally moderate, except in two districts adjoining the Nizam's Dominions, where there was much pauper emigration across the border. In the last weeks of the hot weather the mortality rose everywhere, especially in those two districts; but no one has been found to suggest that it was due to any deficiency of relief.

"I do not speak of the mortality in the Native States, which has in many cases been shocking, because the Government of India cannot be held responsible for a system which it does not control, and because my sole desire has been, while stating the best, and admitting the worst, that can be said about our own methods, to ascertain how far the latter have justified themselves, or are capable of amendment. Broadly speaking, it may be said that no endeavours which it is in the power of the most philanthropic or generous of Governments to put forward will avail to prevent an increase of mortality during a severe Famine. No relief-system in the world will counteract the effects of reduced food-supply, cessation of wages, high prices and break up of homes, among millions of people, or will prevent Famine from being attended by its twin sister, pestilence.

"When, however, I read the records of earlier Famines, and compare their results with this, I do feel some cause for satisfaction. We are sometimes told

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of the wonderful things that happened in India before the days of British rule, and are invited, in most unhistorical fashion, to regard it as a Saturnian age. I have looked up the statistics of the last great Famine that occurred in Bengal, while that province was still under Native administration. This was in the year 1770. I speak of local administration, because, although the Diwani of Bengal had been assumed by the Company a few years before, the latter had not yet taken over the civil administration, which remained in the hands of the former Native officers of the Delhi Government. Throughout the summer of that year it is on record that the husbandmen sold their cattle; they sold their implements of agriculture; they sold their sons and daughters, till at length no buyer of children could be found; they ate the leaves of trees and the grass of the field; and, when the height of the summer was reached, the living were feeding on the dead. The streets of the cities were blocked up with promiscuous heaps of the dead and dying; even the dogs and jackals could not accomplish their revolting work. Disease attacked the starving and shelterless survivors, and swept them off by hundreds of thousands. Before the end of May, 1770, one-third of the population was officially calculated to have disappeared; in June the deaths were returned as 6 is to 16 of the whole inhabitants: and it was estimated that one-half of the cultivators must perish. Two years later Warren Hastings, who had assumed the Government of Bengal on behalf of the British Power, stated the entire loss as at least one-third of the inhabitants, and subsequent calculations revealed that the failure of this single crop, in the single province of Bengal, had carried off within nine months no fewer than ten out of less than thirty millions of human beings.

"After this appalling record of what Famine meant in India a century ago, it was almost with a sense of relief that I read the other day in a manifesto issued by an English M. P. to his constituents, whom I may observe in passing that he no longer represents, that 'Lord George Hamilton and Lord Curzon have looked helplessly on, while two millions of human beings have perished of starvation and disease in India.' Had this statement been true, however damaging to the Secretary of State or to myself, it would yet have pointed an extraordinary contrast between the methods and results of 1500 and those of the eighteenth century. But that it is not true is known to every intelligent person in England and in this country. Every man, woman and child who has perished in India in the present Famine has been a burden upon my heart and upon that of Government. Their sufferings have never been absent from our thoughts. It cannot truthfully be said even by the most envenomed of opponents that we have looked helplessly on. On the contrary, I fearlessly claim, and I challenge

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contradiction, that there has never been a Famine when the general mortality has been less, when the distress has been more amply or swiftly relieved, or when Government and its officers have given themselves with a more whole-hearted devotion to the saving of life and the service of the people.

"What the actual mortality may have been it is impossible to tell with complete accuracy. At a later date the forthcoming Census will throw useful light upon the problem. At the same time, from a comparison of the normal death-rate of the famme-stricken districts in British India, with which alone, of course, I am competent to deal, with the death-rate throughout the twelve months' duration of the drought, we can ascertain that there has been an excess mortality of 750,000, or  $\frac{3}{4}$  million persons. But out of this total we also know that cholera and small-pox have accounted for a recorded mortality of 230,000, figures which are admitted to be below the mark. Making this deduction, therefore, we arrive at an excess mortality of half a million in British India, more or less attributable to the Famine conditions of the year. To say that the greater part of these have died of starvation, or even of destitution, would be an unjustifiable exaggeration; since we know that many other contributory causes have been at work, while the figures include the deaths of immigrants from Native States, for which our administration cannot be held responsible. When further it is remembered that this total is not more than 2 per cent. of the entire population in the tracts to which it applies, it will be obvious that no very remarkable depopulation has occurred, and it will be recognized that it is with ample justification that I give the assurance that in the entire history of Indian Famines, while none has been more intense, in none have the deaths been so few.

"So far my remarks have been confined almost exclusively to what has been done in the recent Famine in British India. I must add a few words about the Native States, many of which have been affected in a scarcely inferior degree to our own territories. As I indicated a year ago, while we have sedulously refrained from assuming the direct responsibility for Famine relief in those areas, and have shrunk from any unsolicited interference with Native administration, we have yet, in the discharge of our duty as the Paramount Power, and in the interests of the States themselves, tendered them constant advice, have lent them competent officers, have made them liberal loans, and have supplied co-ordination and system to their methods of relief. On the whole, we may congratulate ourselves upon the success that has attended these efforts. In a few States the duty of succouring their subjects has been so neglected by the Durbars as to need strong interference; and in others the

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good intentions of rulers have been frustrated by the dishonesty and speculation of subordinate officials, who could not resist turning even the starvation of their fellow-creatures to their own profit. But in the majority of cases the Chiefs have shown a most laudable disposition to accept our methods of relief, in so far as their resources and the agency at their command permitted. In some of the Rajputana States, especially in Jaipur, Jodhpur, Bikanir and Kishengarh, the arrangements have been admirably planned and carried out by the rulers themselves, and have aroused the admiration of persons familiar with the Famine system of British provinces. Surveying the Native States as a whole, we may say that there has been an awakening to the call of philanthropic duty, which has been most gratifying.

“ Nevertheless, the difference of the standards in vogue may be judged from a comparison of the figures on relief in the two areas. In Bikanir and Jodhpur, for instance, the numbers relieved in any month never exceeded 6 per cent. of the nominal population, while in the British districts of Ajmer-Merwara, 25 per cent. of the population were for months on relief. Even in the States under the Bombay Government, in which for various reasons the initiative and supervision of the Political Officers were more in evidence than in Central India and Rajputana, the scale of relief was very different from that in Guzarat. In Kathiawar, the numbers on relief never exceeded 13 per cent. of the population. In Palanpur they reached, but did not exceed, 15 per cent. in one month alone. In the same month (July, 1900), one-third of the aggregate population of the four distressed districts of Guzarat was on relief. The two great States of Baroda and Hyderabad flank the Bombay territory on the north and east. In Hyderabad and Baroda the numbers on relief never rose to 5 per cent. of the nominal population; and yet both States were visited by drought and famine not less severely than the adjoining districts of the Bombay Presidency. Meanwhile, the difference in the standards of relief was further testified by the eagerness with which thousands of fugitives streamed across the border from Native States into British territory, where they passed themselves off as British subjects, in the hope of enjoying the superior wages and comforts of our relief-works, our poor-houses and our hospitals.

“ I do not dwell on this point in order to disparage the efforts, in many cases most praiseworthy, made by Native States to relieve their people; but simply because the difference between the standard of relief at which we have by degrees arrived and the standard of relief recognised as liberal in the best managed Native State, is one of the elementary facts of Famine experience.

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We may gladly admit that more has been done for their people by the Chiefs and rulers of Rajputana on this occasion than in any other historic Famine. There are many bright examples of benevolence and humanity. The Maharaja of Jaipur has extended his princely munificence not only to his own people, but to India at large. There is the instance of the late Maharaja of Kishengarh, who, though suffering from a mortal illness took the keenest interest in the relief arrangements of his State, and never once alluded to his own ill-health. There is also the case of the wife of Maharaja Pertab Singh of Jodhpur, who, not content with opening an orphanage, resided there herself in order to superintend it. These instances—and their number might easily be increased—show the spirit with which the Famine has been faced in Rajputana by some, at least, of its rulers. As for the people, they have borne their trials, as the Indian people always do, with exemplary fortitude and resignation.

"I now pass to the subject of the charitable help which has been rendered to us in our long struggle, from so many quarters, in so many parts of the world. An impression appears to prevail that on the present occasion this assistance has been scant and disappointing. I do not share these views. Looking to the circumstances under which our appeal has been made, and even accepting the test of comparison with the Famine of 1896-97, I still hold that the amount contributed has been munificent, while its utility can scarcely be overrated. In 1896-97 the total collections amounted to 170 lakhs, of which 10 lakhs remained over at the beginning of the recent Famine; in the present year, the Central Relief Committee has received a sum of close upon 140 lakhs, or not far short of one million sterling.

"Analysing the subscriptions I find that India has contributed about the same amount to the Fund as in 1895-97, that is to say, about 32 lakhs. If the contributions from the European community are deducted, India may be considered to have contributed at the outside less than one-fifth of the total collections of 140 lakhs. More might have been expected from the Native community as a whole, notwithstanding individual examples of remarkable generosity. The little Colony of the Straits Settlements, for instance, which has no connection with India beyond that of sentiment, has given more than the whole of the Punjab. A careful observation of the figures and proceedings in each province compels me to say that, in my opinion, Native India has not yet reached as high a standard of practical philanthropy or charity as might reasonably be expected. Though private wealth in India is not widely distributed, its total volume is considerable. If Englishmen in all parts of the world can



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be found, as they have been found, twice in three years, willing to contribute enormous sums for the relief of India, on the sole ground that its people are the suffering fellow-subjects of the same Queen, it surely behoves the more affluent of the Native community not to lag behind in the succour of those who are of their own race and creed.

"The collections from abroad have amounted to 108 lakhs, as against 137 lakhs in 1896-97. The United Kingdom's contribution of 83½ lakhs compares indifferently with its contribution of 123 lakhs in 1896-97, but in the circumstances of the year it is a noble gift. The City of Glasgow has been especially generous, with a donation of 8½ lakhs, and Liverpool with 4½, in addition to nearly 16 lakhs from the rest of Lancashire. Australasia has given nearly 8 lakhs in place of the 2 lakhs sent in 1896-97. The Straits Settlements, Ceylon and Hong Kong have also been extremely generous. Even Chinese Native officials have collected handsome sums on behalf of the Fund. The liberal donation of Germany at the instigation of the Emperor has already been publicly acknowledged. Finally, the United States of America, both through direct contributions to the Fund, and by means of privately distributed gifts of money and grain, have once more shown their vivid sympathy with England's mission and with India's need.

"I pass to the mode in which the Famine Fund has been distributed. The formation of the Fund was accompanied by two announcements; the one, that in the distribution of the money the four objects of relief recognised in 1896-97 would be adhered to; the other, that the claims of Native States would be fully considered. These principles have been faithfully adhered to by the Central Committee. Until the detailed expenditure accounts of the Local Committees are received, we cannot accurately state the distribution under the several headings. But we know approximately that, of 137 lakhs allotted by the Central Committee, 111 lakhs have been for cattle and seed and subsistence to cultivators. The allotments to Native States aggregate nearly 50 lakhs of rupees. The allotments to Rajputana alone amount to 22 lakhs. Measured by the population of the distressed areas, Rajputana has thus been not less generously treated than the Central Provinces. In the case of wealthy States like Gwalior, Hyderabad and Baroda, the Central Committee have restricted their grants to such amounts as the Political Officers have thought it expedient to ask for. Speaking generally, the grants made in Native territory have far exceeded the expectations of the rulers or their subjects. The gratitude of the latter has been expressed in homely and touching phrase. 'If the English had not sent us this money, the thread of our lives would have been

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broken.' 'These are not rupees which have come over the sea, they are the water of life.' 'We have *heard* of the generosity of Hatim Bai, but we have *tasted* that of the Great Queen." How timely was the arrival of this charity, and how much it meant, is seen in scores of affecting incidents. 'Now I have got through to the other side,' said a poor cultivator, with tears in his eyes, to the English officer who had given him a few rupees to buy fodder for his famished bullocks. There is ample evidence that this gratitude is of an enduring nature. Some of the happiest memories of Famine-officers are those of unexpected visits from men who had been helped back to their old life by grants of seed and bullocks, and who returned after many days to again acknowledge the value of the gift. Nor should the self respect which in not a few cases stood between a needy person and the proffered gift, or the scrupulous regard which led to its return because it might be misapplied, be overlooked. From Rajputana comes an old-world tale of a Rajput Chief, dwelling in his bare house among his destitute tenants, who distributed among the latter the grant allotted to his village, but refused any gift for himself—'I am a Rahtar. I could not take charity'—and who with difficulty was induced to take a small loan. From Rajputana also comes the story of the man who was given a little money to convey his family and himself to a relief-work because he said that he had no means of feeding them on the way, but who came back and returned the gift because, as he said, he had not spoken the truth, since he had five goats which he could kill, one each day, eating part of the flesh, and selling the remainder. It is these incidents which lead one to hope that this great national charity has not been misplaced, but has been received in the spirit in which it has been offered.

"In a Famine campaign which has lasted for so long, and has provided so many opportunities for chivalry and self-sacrifice, it would not be difficult, but it might be invidious, to select any names for special mention. Numerous cases of devotion, amounting to the loftiest heroism, have been brought under my notice. I have heard of Englishmen dying at their posts without a murmur. I have seen cases where the entire organisation of a vast area and the lives of thousands of beings, rested upon the shoulders of a single individual, labouring on in silence and solitude, while his bodily strength was fast ebbing away. I have known of Natives, who, inspired by this example, have thrown themselves with equal ardour into the struggle, and have uncomplainingly laid down their lives for their countrymen. Particularly must I mention the noble efforts of the Missionary Agencies of various Christian denominations. Never there was an occasion in which their local knowledge and influence were likely to be of value, and in which it was open to them to vindicate the highest

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standards of their beneficent calling, it was here; and strenuously and faithfully have they performed the task.

"From this record of the past I will now turn for a few moments to the future. After the sombre picture that I have been compelled to draw, it is with no small relief that we may contemplate the existing situation and outlook. The monsoon was late in coming, but it has lingered long; and except in the Eastern parts of the Bombay Dekkhan, where I hear of crops withering from the premature cessation of the rains, of a poor *kharrif*, and of anxious prospects, the outlook is everywhere promising. The early autumn crops are already being harvested, and prices are steadily falling back to their accustomed level. A good cotton crop is on the ground, and, as the cotton crop of India is worth thirteen millions sterling in an average year, its importance to the agriculturist will be readily understood. Preparations for the winter crops are being actively made, and there is every expectation that the sowings in many parts will be unusually large, and will be made in the most favourable circumstances. A good winter harvest means cash to the farmer, as a good autumn harvest means cheap and abundant food to the poorest classes. If we have the good fortune to see our anticipations realised, next year should witness the export trade in agricultural produce again revive, and the import trade expand with the improvement in the purchasing power of the people.

"That the Famine-smitten tracts will at once or speedily lose the marks of the ordeal through which they have passed, is not to be expected. The rapidity of the recovery will depend upon many circumstances—upon the vitality and stout-heartedness of the tillers of the soil, upon the degree of their indebtedness, upon the goodness or badness of the next few seasons, upon the extent to which their cattle have perished, and not least upon the liberality, in respect of revenue remission, of the Government. As regards the loss of stock, our latest reports are more encouraging than at one time we could have foreseen, and justify us in the belief that, if the seasons be propitious, recuperation will be more rapid than might at first sight be deemed likely. In olden times, after a Famine such as we have experienced, the districts would have been depopulated, and the land would have lain waste for a generation, for lack of hands to till it. There may be isolated tracts in the jungles and mountain fastnesses of Central India and Rajputana, where the approaching Census will reveal a melancholy decrease of population. But, treating India as a whole, neither in Native States nor in British territory is the widespread and lasting desolation which followed the footsteps of a Famine a hundred years ago any

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longer within the bounds of possibility. The standard of humanity has risen with the means of combating the peril; and in proportion as the struggle has been arduous, so are its after-effects mitigated.

"I have alluded to the attitude of Government. In so far as generosity in respect of advances of loans, of suspensions, and most of all of remissions, is concerned, the figures that I have previously given will have shown that on our part there has been no hanging back. Our first object has hitherto been to pull the sufferers through. Our first object now is to start them again with reasonable chances in the world. Behind these two objects lies the further and binding duty of profiting by the lessons that the Famine has taught. It will not do for us to sit still until the next Famine comes, and then bewail the mysteries of Providence. A Famine is a natural visitation in its origin; but it is, or should be, a very business-like proceeding when once it has started. There are many subjects into which we shall require to make careful enquiry, and an investigation into which we have already suggested to the Secretary of State. We shall want to compare the various relief-systems and their results as practised in the different provinces; to see in what respects our Codes are faulty, where they are too rigid, and where they are too lax; to still further investigate the vexed question of large works as against small works, and of relief-concentration as against relief-dispersion. We shall have to examine the rival merits of relief-establishments, and of unconditional gratuitous relief when the rains break. We must consider how far sudden and excessive mortality is to be explained or prevented. We must ascertain the best means of bringing home relief, in the form of revenue remissions and suspensions, with the greatest promptitude and directness to the people. We must investigate and report upon the various public works that have been undertaken in the course of the recent Famine, and must provide for the execution of a continuous programme of preventive works in the future.

"In this connection I would remind my hearers that the last Famine Commission in their report devoted much attention to the matter. Unfortunately the recent Famine came upon us before their recommendations had had time to bear fruit; and in the rush and hurry of the overwhelming calamity of the past year, works had often to be improvised so to speak in a moment, to meet the demands of a particular area, whether the work was or was not likely to be of permanent value. Against this danger we shall require to guard by insisting upon the methodical preparation of district programmes, and upon the formation of provincial branches; to be charged with this special duty. Railway earthwork has been pretty well exhausted for the present. More roads exist than can be

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properly kept up. But there are few parts of the country where works for the storage of water are not practicable. They may not, probably will not, be directly remunerative. But if such a work will conduce to greater security of the crops, and if it can be maintained at a moderate cost, it is just the sort of work which should be taken up or kept in hand for an emergency. No direct programme of relief should be considered complete until every possible irrigation or water storage scheme in the district has been examined, until a definite opinion has been come to as to its practicability and utility, and until detailed plans and estimates have been prepared for every accepted scheme. Such works will not fall within the category of the vast productive irrigation-projects such as have been executed in many parts of India. These are only possible amid certain physical surroundings, in the alluvial plains of the Punjab and the North-Western Provinces, in the deltaic tracts of Madras and Sind, and within the dry zone of Burma. All the possible schemes of this character are well known, and are gradually being undertaken. Tank storage again is not everywhere practicable. It is often found impossible to construct new tanks without injuring those already in existence; there is risk of water-logging the soil; and the water-supply is apt to fail altogether and to run dry at the very moment when it is most wanted, namely, in time of Famine. Nor are the average results of works of this description that have already been carried out very favourable. It is possible to reclaim land for cultivation at a cost that is too heavy. On the other hand, it would seem that the underground storage of water might be more widely and systematically undertaken, and that a more generous policy might be adopted towards the construction of wells. All these are matters which we should investigate and set on foot before the next Famine comes. The annual rainfall of India we can neither regulate nor forecast. The social habits of the people we cannot alter in a decade, or in a generation. But, if we can neither prevent nor cure, at least we can do a good deal by way of precaution.

"There is one recommendation that was made by the last Famine Commission which should, I think, be of value to us in our policy of preparation, inasmuch as it has since received the sanction of the Secretary of State. This was the proposal that the cost of investigating and preparing new projects falling into the class of protective works should form a charge against the annual Famine Grant. Hitherto such preliminary outlay has been chargeable to the ordinary Public Works head of the Provincial Budget, and this has no doubt deterred the Provincial Governments in the past from expending money in investigating projects for canals and irrigation reservoirs, which might prove, on examination, to be impracticable, and which, even if practicable, would have to stand over indefinitely

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until required for purposes of Famine-relief. There are other respects in which I think that the Famine Grant might be turned to better account in carrying out its original object than is at present the case ; but I have not time to deal with them now.

"I must apologise to Council for having detained them so long. But a Famine such as we have lately experienced is not an every day or an every year occurrence. It cannot be met with a sigh, or dismissed with a shudder. It is a terrible incident, an abiding landmark, in the history of the Indian people. As such, its management and its study impose a heavy responsibility upon those of us who are charged with the government of this great dependency. It is with the object of demonstrating to the Indian public that in the administration of the recent Famine we have not been unworthy of our trust, and that this year of strain and suffering will not have passed by without our profiting by its lessons, that I have made this speech."

#### PUNJAB ALIENATION OF LAND BILL.

The Hon'ble MR. RIVAZ moved that the Reports of the Select Committee on the Bill to amend the law relating to agricultural land in the Punjab be taken into consideration. He said:—"I should like, before this motion is put to the Council by Your Excellency, to say a few words in reply to the criticisms which have been made in several quarters on the general principles of our scheme. It is not necessary for me at this stage to make out a case for doing something, if possible, towards checking the transfer of land from the agricultural to the money-lending classes in the Punjab. I have shown on former occasions that of late years, as land has increased in value and become more attractive as a profitable investment, the number of transfers has increased correspondingly, and the conclusion which was come to by the Government of India, after most careful consideration of the subject, (that this ever-growing expropriation of the yeoman and peasant proprietors of the Punjab constitutes a grave political danger which needs a prompt and decisive remedy, has been fully accepted by the Secretary of State.) The question, therefore, to which I will now confine myself is whether our scheme is calculated to attain the object we have in view. (Those who have opposed and criticised the measure put forward have done so mainly on two grounds: namely, that, firstly, the restrictions which we are imposing on alienations will have the effect of diminishing the credit of the small proprietors to such an extent—some, even go so far as to say that it will be extinguished altogether—that they will be forced into parting with their lands at a more rapid rate than is

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taking place at present.) The contention of the opponents of the Bill is, as my Hon'ble friend, Sir Harnam Singh, has graphically put it in his Minute of Dissent from the Report of the Select Committee, that the monster fishes in the agricultural community will swallow the smaller fishes. If I thought that this result was really to be apprehended, I would be the first to admit that our scheme was essentially a faulty one; for its main object is the preservation, not the extinction of the small proprietor. But I have no hesitation in challenging the view thus taken as being an altogether erroneous one, for it is obviously based on the assumption that the present borrowing power of the Punjabi landowner, under his existing unrestricted right of alienation, is essential in order to enable him to procure money for his agricultural and domestic necessities. Our case, however, for the Bill before the Council is that the unlimited power of alienation at present possessed by landowners in the Punjab is a direct incentive to extravagance, and that in a large majority of cases they misuse this power and raise money for various purposes which are quite beyond the limits of necessary or reasonable expenditure. In corroboration of this view of the situation, I will refer to a passage in the speech which my Hon'ble friend made in this Council on the 22nd June last. He said that the Commissioner of the Lahore Division had shown that transfers were more numerous in the most thriving tahsils than in the most depressed, and I understood him to found an argument thereon against the scheme embodied in the Bill. Now, to my mind, no more convincing proof could be adduced for the necessity of our proposed measure. The Commissioner of Lahore was chiefly referring to the Tarn Taran Tahsil of the Amritsar District and the Kasur Tahsil of the Lahore District. The land-revenue assessment of these two tahsils is a notoriously moderate one, the area of cultivation and the value of land have increased very largely under British rule owing to the introduction and extension of canal irrigation, and the bulk of the village proprietary bodies is composed of the sturdiest peasantry of the Punjab. Well, if in these circumstances transfers are, as the Commissioner says, increasing in rapidity, if the Sikh Jat of the Manjha cannot resist the temptation of having recourse to the money-lender when, in his case at all events, there is clearly no question of necessity, what stronger argument can be forthcoming in support of restrictive action on the lines we propose? As I have already said, the object we are aiming at is not to extinguish or injuriously affect the agriculturist's credit, but to restrict it to a reasonable extent, to discourage him from raising money recklessly on his land for extravagant purposes, but to leave him ample facilities for doing so for all necessary purposes. It has been said in some quarters that the effect of our scheme will be to reduce sales

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perhaps, but certainly to largely stimulate mortgages. I am not at all prepared to admit that this result will follow. The proportion of mortgages to sales will probably be a good deal larger than it is at present, and I hope that this will be the case, for one of the main objects of our scheme is to encourage temporary in preference to permanent alienations; but I do not for a moment believe that the aggregate amount of alienations, permanent and temporary, will exceed the present amount; on the contrary, I confidently anticipate a material decrease not only in sales, but also in mortgages. As regards the disappearance of the small proprietor which, as I have already said, is predicted by some, it is neither possible nor desirable to devise measures for the absolute prevention of all transfers. When holdings become so minute by subdivision that they cannot afford a sufficient means of subsistence, or when the proprietor of a holding is hopelessly thriftless or impoverished, it is obviously desirable that the land in such cases should pass into the hands of some other person who can make better use of it. But the object at which we are aiming, and which we hope to secure, is that in these cases the land shall not pass into the hands of a money-lender but to some other agriculturist, and preferentially to one of the same tribe. I fail to see that there is anything in our scheme which will place the small proprietors as a class at the mercy of their wealthier fellow-tribesmen and compel them to part with their lands for insufficient consideration. As I have already said, the restrictions which we are imposing on transfers are intended to go no further than to provide a check on the reckless extravagance in which the Punjabi agriculturist is, with the present means of credit at his disposal, too prone to indulge, while leaving him sufficient facilities for raising money on his land for all reasonable and necessary purposes. That a restricted right of transfer is not incompatible with a high degree of agricultural prosperity is evidenced by the generally well-to-do condition of the occupancy-tenant class in the Punjab. Here we have a considerable body of agriculturists whose rights of transfer are materially limited, but who nevertheless experience no difficulties of insufficient credit, and who certainly are on a level of prosperity with the peasant proprietary class with whom they are intermixed. We have also the instance of the Crown tenants in the Chenab Canal colonies. After considerable hesitation, it was decided not to give these settlers unlimited proprietary rights, but only rights of occupancy, which cannot be alienated without the permission of the chief revenue-authority of the province, and I believe the experiment has been a complete success. I do not wish to make too much of this example. The Chenab colonies are still in their infancy, and the last few seasons have been exceptionally favourable for canal lands. Still the fact remains that a large body of agriculturists, with very much more restricted



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rights of alienation than our scheme contemplates, has been settled for some years on some hundreds of thousands of acres, and that they have not suffered, so far as I know, from insufficiency of credit.

“The second general criticism which has been made on our scheme by some persons is this. They say ‘your plan looks pretty enough on paper, but in practice it will prove ineffectual. The money-lender will get round your restrictions somehow or other, and grab the land as much as ever’. Well, time will show whether this prediction comes true or not. I am far from claiming perfection or finality for our scheme. It is a novel and bold experiment, and it is very possible that flaws at present unforeseen will be found in it for a time when it comes to be worked, and that these flaws will have to be remedied by amending the enactment before us. But, my Lord, those who never risk anything never win anything. Even if our scheme should prove altogether unsuccessful and ineffectual, I, for my part, should still think that the attempt we had made to grapple with an undoubted and ever-growing source of political danger was well worth the venture. But I fear no such failure. I make bold to say that our scheme is framed on the proper lines, and that it will achieve the object we have in view of reducing land transfers and of diverting such transfers in future from the money-lending to the agricultural classes. It will require much patience, tact and judgment on the part of those who will have to work it in its initial stages, but all this it will receive from the zealous and capable officers who will be concerned in putting it into operation, and I feel assured that in future years the measure now before us will be regarded as among not the least successful and beneficial acts of Your Excellency’s administration.

“I must now notice some of the criticisms on the details of the Bill which are contained in my Hon’ble friend Sir Harnam Singh’s Minute of Dissent from the Preliminary Report of the Select Committee, but I will endeavour to be as brief as possible.

“In the first paragraph of this minute my Hon’ble friend criticises the definition of ‘agriculturist’ in sub-clause (1) of clause 2 of the Bill as being arbitrary, obscure and defective; but I think his remarks show that he has misapprehended the essential objects of our scheme. Its main principle is, as regards permanent alienations, to restrict them in the case of members of agricultural tribes to within the same tribe as far as possible. But, as a pure concession, the scheme provides for allowing persons who, even though they do not belong to an agricultural tribe, have held lands either as owners or occupancy-tenants, and either in their own names or in the name of an ancestor in the male line, since

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the early days of British rule in the Punjab, to acquire land in any particular village where they have so held. This concession would, were it practicable to do so, be restricted to persons who were actually holding land at the time of the annexation of the Punjab, but, as no reliable records of title of that time are available, we have extended the concession to persons who were recorded as owners or occupancy-tenants at the first regular settlement, if such settlement was made within twenty years after the annexation. Nearly all the first regular settlements of the Punjab were made within this period. A few—not more than half a dozen in all I think—were made after 1870, and, as regards these few settlements of modern dates, we have given power to the Local Government to go back to the record of some earlier summary settlement if such previous record is a reliable one. I hope this explanation will satisfy my Hon'ble friend that this part of our scheme is neither obscure nor arbitrary.

"The remarks in paragraph 8 of my Hon'ble friend's Minute show that he has misunderstood the proviso to sub-clause (1) of clause 3 of the Bill. The restriction in this proviso only applies to an agriculturist who has bought from a member of an agricultural tribe. If, being a member of a non-agricultural tribe, he buys from another member of a non-agricultural tribe, he may sell again to whomever he pleases.

"Paragraph 9 of my Hon'ble friend's Minute refers to the grouping of tribes. I explained the object of this part of the scheme when I presented the Preliminary Report of the Select Committee, but the details of the system of grouping, which is being allowed in the case of some of the smaller tribes, are still under consideration.

"My Hon'ble friend next criticises, in paragraphs 10 to 13 of his Minute, the portion of our scheme which deals with mortgages. The general gist of his remarks is that the provisions of the Bill in this respect will lead to perpetual mortgages. How he has arrived at this view I fail to understand, for the object of the scheme is exactly the opposite. We have provided that all mortgages allowed under the scheme will, except when the mortgagor remains in cultivating occupancy of the mortgaged land, be self-redeeming after a maximum period of twenty years, no interest being allowed to accrue during the period of the mortgage and the mortgagor being unable to bind himself personally to repay the mortgage-money. The whole object of these precautions is to prevent mortgages being perpetual. It is true that, after such automatic redemption, the owner of the redeemed land can mortgage it again for a fresh period not exceeding twenty years, but, as I have explained on former occasions, it is impossible to devise any practi-

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cable means of preventing this. Anyhow, the mortgagor will get back his land unencumbered and start afresh, and so will be in an infinitely better position than he is under the present law.

"My Hon'ble friend's next criticisms relate to improvements on mortgaged lands and the proposed cancelment of conditions of sale in existing mortgages, but, as he is about to move amendments on both these points, I need not touch on them at present.

"As regards paragraphs 22 and 23 of my Hon'ble friend's Minute, I have explained on former occasions why we are prohibiting the appearance of legal practitioners in proceedings under the Bill, and why, in the case of land belonging to a member of an agricultural tribe, its sale in execution of decree is being forbidden. But I may mention in this connection that while such sale is being stopped, while also the question of exempting from attachment and sale such portion of an agriculturist's crops as may be necessary for his maintenance is under consideration, the general question of facilitating the execution of money-decrees by a material simplification of the present cumbrous provisions of the Civil Procedure Code on this subject is also being taken up, and I hope that this portion of the Code will at no distant date be thoroughly revised and improved.

"My Hon'ble friend's next criticism relates to restrictions on alienations of self-acquired property. This point, too, I will deal with presently, when he moves his amendment on the subject.

"The rest of the Minute contains general criticisms on our scheme which I have already answered in the earlier portion of my present remarks. I will only add, as regards the remarks in paragraph 27, that the question of starting agricultural banks, not only in the Punjab but throughout India, is at present under the consideration of Government. It is impossible, for obvious reasons, to run such banks as Government institutions. They must be managed as private concerns on co-operative principles, but it may be found possible for Government to give some financial assistance in first starting them. This, however, is a matter on which my Hon'ble colleague in charge of the Finance Department, who, I may perhaps be permitted to say, takes a special interest in the matter, is better qualified to speak than I am. But I do not admit for a moment that such banks, however desirable the experiment of starting them may be, are in any way a necessary adjunct to the scheme embodied in the Bill at present before the Council "

[*Nawab Muhammad Hayat Khan*] [19TH OCTOBER, 1900.

The Hon'ble NAWAB MUHAMMAD HAYAT KHAN said:—"My Lord, as I have not before had an opportunity of making any observations on the principles of this Bill, I crave Your Lordship's permission to express at some length my opinion on the subject, which appears to be necessary in view of the opposition which the proposed measure has met with in some quarters, especially in its original form.

"Knowing the province intimately as I do, having been connected with twenty-five out of thirty-one districts of the Punjab in various capacities as a Revenue and Settlement Officer and subsequently as a District Judge and a Divisional Judge, and as a landowner myself, conversant with agricultural conditions in many districts, I cannot shut my eyes to the fact that (within recent times the condition of the sturdy agriculturists of this province has deteriorated and every year has almost invariably brought an increasing number of expropriations of land and transfers of it from agriculturists to non-agriculturists.) During the last triennial period, 1897-98 to 1899-1900, the number of mortgages and sales by agriculturists to non-agriculturists amounted to 120,803 and 32,898, respectively, exclusive of the alienations made by agriculturists to agriculturists. During the quinquennium preceding this period (that is, from 1892-93 to 1896-97) the total number of agricultural mortgages was 315,977, while that of sales was 105,346, and of these about a half were in favour of money-lenders. (The zamindar in the Punjab is sinking deeper and deeper into debt, and large areas of land are passing into the hands of money-lending non-agriculturists.) An idea of the extent of areas transferred by the large number of mortgages and sales above described may be formed from the fact that the area of land transferred by sale from agriculturists to non-agriculturists in the year 1899-1900 alone amounts to 119,245 acres, while the area transferred by mortgage during the same period amounts to 290,269 acres, the mortgage-money on which is about a crore of rupees. As the want of thrift generally imputed to the zamindars is by no means solely responsible for their growing indigence, but as many alienations can be traced to their simple-minded ignorance, their inability to fully comprehend the consequences of contracts entered into by them under the complex laws introduced in modern times, it behoves the legislature, which is to some extent the indirect cause of this misfortune of the agriculturists, to take steps to remedy it. (It must be acknowledged, to the credit of British officers in charge of districts and divisions, that from the very start they have been alive to the hardships experienced by the zamindars owing to the swelling of small debts, sometimes incurred for bare necessities, into heavy sums by the accumulation of exorbitant interest and compound interest, and to the slow process by which the at first obliging village money-lender brings the zamindar to his knees

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and makes him yield up his land. ) Many an official and demi-official report to the Government from these officers has emphatically urged the necessity of some measures being adopted to remedy this state of things. As a matter of fact, the question of protecting the legitimate rights of the zamindars has been practically before the Government for the last two decades or so, that is, ever since the number of sales and mortgages of land in favour of non-agriculturists began to assume an alarming proportion. Of late the situation has been growing more perplexing than ever, and the Government of India may, I think, be congratulated on its determination to grapple at last with the intricate problem that has been so long puzzling the authorities. To my mind the decision to face it boldly and to try a remedial measure does not come a moment too soon. I agree with Mr. Justice Gordon Walker in thinking that 'a good deal of mischief might have been avoided if remedial measures had been taken earlier,' but hold, at the same time, to the good old maxim 'better late than never.' Mr. Justice Gordon Walker, who is an old Settlement-officer and who has put on record his conviction that the conclusions arrived at by the authorities are 'thoroughly sound,' is of opinion that 'the present circumstances of the agricultural population of the province not only justify to the full, but necessitate, the action that it is proposed to take.' Mr. Justice P. C. Chatterjee, whose distinguished career as a lawyer of large practice, before joining the bench of the Punjab Chief Court, brought him in intimate touch with Punjabi agriculturists, and which combined with his present position entitles his opinion on this subject to considerable weight, has made the following observations in justification of the Bill :—

'The political dangers of allowing the hereditary land-owning and cultivating classes to become landless and to sink to the position of tenants of the banking and money-lending classes, who cannot cultivate land themselves, and who necessarily become rackrenters, have been pointed out in numerous documents and have been well summarised in the opening speech of the Hon'ble Member who introduced the Bill. The fact is, free trade in land was an innovation and a violent one. It suited the capitalist classes, but not the agricultural, who are dependent on land and cannot take up another avocation. The effect, like free trade in other matters, has been disastrous, and no well-wisher of the country who sees the effects of the sudden introduction of the institutions of a highly civilised, progressive and mobile community in a backward and conservative and a slow-going one, can deny that some measure of relief is required or object to the underlying principle of the Bill. The evil is rapidly growing and can only be met by a remedy of a comprehensive and radical character, and not, as His Excellency well put it in the Council, "by timid and temporising measures."

"It would seem unnecessary, at this stage, to enter into a detailed justification of the principle underlying this Bill, but as it has been called in question in

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this Council itself, and one of my Hon'ble colleagues has thrown the weight of his position and of his eloquence against the Bill, I think I, as the other Punjabi representative of the people of the Punjab, may be allowed to add a few words to what has already been said on this important question. (The real issue on which the fate of this legislation hinges is whether the number of alienations is sufficiently large to justify the alarm that land will gradually pass generally out of the hands of agriculturists. (I think the passing of hundreds of thousands of acres annually from zamindars to the members of the money-lending classes, as has been shown by figures quoted above, constitutes an evil of the gravest magnitude, urgently calling for a remedy.) It is gratifying to notice that this view is shared by the majority of the experienced and able officers of the Punjab Commission, who are admitted to be 'well acquainted with the economical conditions of the province and the thoughts and feelings of the people.' The able and learned Financial Commissioner of the Punjab, the advantage of whose wise counsels we have had in the Select Committee considering this Bill, has put on record a note in which he affirms that he has 'throughout been an unhesitating advocate of the principle of this measure.' Mr. J. Wilson, Settlement Commissioner, observes:—

'I am one of those who believe that in many parts of the Punjab alienation of land has attained such dimensions and is proceeding at such a pace as to constitute an evil of the first magnitude and a grave political danger, and it is incumbent on the legislature, in the interests of justice and good administration, to lose no time in passing some such Act as is now contemplated. I therefore heartily welcome the present Bill and should be glad to see it pass into law at an early date.'

"Lieutenant-Colonel J. A. L. Montgomery, Commissioner, Rawalpindi Division, expresses himself 'in entire agreement with the general principles of the Bill;' and Mr. F. D. Cunningham, Commissioner, Peshawar, thinks it suited to the requirements of the Province. Mr. J. M. Douie, writing as Commissioner, Lahore Division, remarks:—

'If we can root the peasant more firmly to his ancestral fields without at the same time making his daily life very much harder than it is at present, we shall have done a great deal for the well-being of the people and for the stability of our rule over them, on which that well-being depends. Circumstanced as this country is, and as we are in it, the expropriation of large numbers of small peasant-farmers by the money-lender cannot be looked on with indifference.'

"The views of most of the Deputy Commissioners on this subject are no less pronounced. The members of the Punjab Commission in the judicial line are

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also generally agreed as to the necessity of the Bill. To take only one instance: Mr. T. J. Kennedy, Divisional Judge, Jullundur, says:—

‘Generally, I think, the provisions of the Bill are admirably calculated to effect the object they have in view, the prevention of the further expropriation of the old landed proprietors of the province. But seeing that so much of the best land of the Province has already passed into the hands of the money-lending classes, whose rapacity as landlords is the cause of much agrarian discontent and as I believe of political danger, I regret the transfer back of land from them to members of the old landed classes has not been encouraged by a provision making in all future settlements land held by non-agricultural tribes assessable at a higher rate.’

“Coming to non-official public opinion, we find it divided no doubt, but several large landed proprietors have joined their strong voice to that of officials in favour of the measure. A number of representations from some of the leading zamindars of the province in favour of the measure are among the papers relating to the Bill. The newspapers and public bodies in the Punjab, as indicating non-official views, are no doubt not united in opinion as to the necessity of the Bill, but a very large number of them have given it their unqualified support, and it is worthy of note that the majority of those opposing the measure are by no means representatives of the interests of the agricultural population. Moreover, considering that there are quite a number of influential persons all over the Punjab interested in opposing the legislation, the fact that the measure has received as much public support as it has actually done, has a significance which cannot be made light of.

“My Lord, I do not think it necessary to take any more of Your Excellency’s and the Council’s time in proving that the measure is urgently wanted, but I think it desirable to refer briefly to the argument of ‘political danger’ involved in neglecting further the adoption of a remedy to put a stop to the increasing transfers of land. (It may have been observed from the opinions already cited that the supporters of the Bill take the ‘political danger’ as an axiomatic truth, while the oppositors try to belittle it as much as possible, reducing it almost to a negligible quantity.) These extreme views seem to be the result of a misunderstanding as to the words ‘political danger’. (The oppositors seem to take them in the light of a rising against Government on the part of expropriated agriculturists.) I think no one can be Quixotic enough to think of such a thing in these days of established rule. (On the other hand, I think that the lawlessness that has generally resulted from expropriation threatens serious disturbance of public peace and tranquillity and hence is a grave political danger.) As the Hon’ble Mr. Douie

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has put it, 'a landless man possessed of the energy which is the characteristic of so many of the peasants of the Punjab is likely to be a lawless man.' Dacoities and robberies of a serious nature were reported in more than one district of this province during the last year, and I believe that cases of lawlessness have shown an increase nearly proportionate with the increase of expropriations. Some of the more daring among the dacoits have been known to say, when they have accidentally come in contact with agriculturists, that they meant no harm to them, but only wanted to avenge their wrongs on the money-lenders. The destruction of the account-books of money-lenders' records in several places indicates clearly the source of discontent among expropriated zamindars, and, if further evidence be wanted that the lawlessness to which I have referred is partly due to agricultural discontent, the following facts may be considered :—

- (1) among the lawless bands are agriculturists of all classes, Hindu Jats, Sikhs and Muhammadans, and their common victim has generally been the money-lender, no matter to whatever class he may belong ;
- (2) in villages where the greed for land among non-agricultural classes has not marred the harmony prevailing between money-lenders and agriculturists, but little lawlessness has been observed ;
- (3) there are, to my knowledge, many villages throughout the Punjab where, owing to the relations between the creditors and the agricultural debtors being harmonious, money-lenders advance money to the agriculturists on simple ledger accounts and bonds, without security, and in such villages dacoities of the character alluded to above are almost unknown.

"The safety of the money-lenders themselves and the maintenance of public peace and tranquillity therefore demand that the causes which turned the sturdy peasants from friendly and peaceful neighbours of the money-lenders into their determined enemies be minimised. This Bill, it seems to me, makes an effective attempt in the required direction. As Mr. W. S. Talbot, the Settlement-Collector of Jhelum, observes, 'it will serve, in time, to re-establish the mutual confidence which existed between the money-lender and his client a generation ago because the Bill removes the motive for most of the trickery of which the zamindar is at present too often the victim.'

"I now pass to a consideration of the objections that have been urged against the enactment of the measure. They may be divided into two general



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heads: *first*, those raised on general grounds of the legislation being unprecedented and against the principles of political economy, and involving an undue interference with proprietary rights; *secondly*, those professing to be advanced in the interests of the peasants themselves, for whose benefit the measure has been introduced.

"Before dealing with other objections let us see if this legislation is unprecedented. A glance at the ancient history of India will show that the policy of Hindu lawgivers of antiquity was to keep intact the right of the members of every profession to ply their trade without interference by others, and the Brahmin and the Kshatria were not expected to till the soil. The division of the Hindu world of India into four castes, and the jealous guard with which the Hindu law has maintained this distinction from time immemorial, clearly show the importance attached to keeping every section of society to its proper task, and the present legislation in a way emphasises the same recognised principle. In the Punjab, even up to the present day, a Brahmin and a Kshatria taking to agriculture are looked down upon by their fellow Brahmin Kshatrias, and in Kangra and other hill tracts I have known *halbah* (agriculturist) Brahmins being almost outcasted and denied the right of intermarriage with Brahmins confining themselves to their proper occupation. Similar restrictions have not been entirely unknown in Muhammadan law. The Caliph Omar prohibited his Arabian followers from possessing and even acquiring land in Egypt, leaving it solely for the *fallahin* (peasants). Subsequent religious leaders of Islam recognised this principle for a long time. Even the British Government does not allow its British-born subjects to acquire land in the Native States of India, except by special permission, for reasons which it is needless to discuss here.

"Coming to the other technical objections, we find that they proceed either from officials who judge the measure by the test of abstract principles based on the peculiar conditions of the West and not fully suited to the requirements of this province, or from non-officials with modern education bringing their knowledge of the works of Fawcett and of Mill to bear on the hard facts of agricultural indebtedness and expropriation as existing in the Punjab. To the theoretical economist, an answer may best be given in the words of the Hon'ble Mr. Tupper: 'that laws should everywhere be suited to the existing condition of society.' Mr. Tupper rightly holds that the condition of society which existed in the Punjab before annexation was 'prae-feudal tending to feudalism. That condition of things has been deeply and widely modified by fifty years of British rule; the present condition of society is an amalgam of indigenous ideas and institutions imported from a country that was centuries in advance of what the Punjab

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was before our day. Is it likely that the laws and institutions of an advanced Western community will be suited to a complex state of society produced by this fusion of things old and new? The presumption seems to be the other way. The real point appears to be—is the Bill suited to the complex state of society now existing in the Punjab? If we can answer this question in the affirmative, the interest of other points in discussion of the principle of the measure is perhaps more academic than practical.' Mr. H. A. Rose also points out that Europeans are accustomed to a social organisation of a certain kind, while the village-system of India is the very opposite of the English system, and goes on to observe: 'England is industrial, not agricultural, and a vast industrial population can exist under conditions which would be disastrous if suddenly forced upon this country. One can only view with concern an India of the future in which the village as an organisation will have given place to a large estate, cultivated by tenants-at-will or by labourers under a landlord of a trading caste.' The next objection is that the Government is going unduly to interfere with the private rights of its subjects and robbing them practically of the proprietorship of their land. No sensible man honestly can hold, however, that the Government means anything of the kind; after having recognised the full proprietary rights of the agriculturists over their lands. I am glad to declare, as a member of one of the dominant agricultural tribes in the province and voicing the agriculturist masses of the Punjab, that the loyal peasantry of the Province have a deep and firmly rooted faith in the benevolent and good intentions of the British Government, which cannot be easily shaken. Efforts to shake it were made in some quarters at the beginning of the agitation against this Bill, and these led to some misapprehension on this score among a small portion of the agriculturists themselves; but it is coming to be universally recognised among them that it is not proposed to absolutely prohibit the alienation of land, but that only certain restrictions are proposed to be placed on it in the interests of the cultivators themselves. 'Even the existing laws of the country furnish precedents for restricted rights of alienation, as an official with considerable experience of revenue and judicial work remarks: 'the Punjab customary law as judicially ascertained places severe restrictions on the power of alienation. To state the case moderately, it gives an agriculturist's immediate agnates in certain cases the power to set aside, as against themselves, a wanton alienation made by him. The practical effect of this custom cannot be overlooked. In passing a Bill like this, Government is not introducing any new principle.' Mr. R. Sykes, the Director of Land Records and Agriculture, puts this very argument more forcibly still when he says:

'The general tendency of recent judicial decisions has been to make the alienation of land more and more difficult. A son or an agnate may contest an alienation made by

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his father or collateral unless made for the strongest necessity; an alienation by a widow is even more liable to be set aside by the Courts. The proposed Bill is only carrying this principle to a certain and definite conclusion, and, if it becomes law, it will prevent much useless and vexatious litigation.'

"The restrictions on the disposal of ancestral property placed by Hindu law and the limiting of the right of bequests in favour of persons other than legal heirs in case of a Muhammadan to one-third of the whole property, are instances of absolute ownership being denied to people by their personal laws in the interest of their heirs.

"The objections professing to be advanced in the interests of the agriculturists themselves deserve a more serious consideration. The most important of these seem to be that in our anxiety to protect the zamindar we may not make things too hard for him by unduly reducing the price of his land and by diminishing his credit and his capacity for borrowing to the extent of rendering it difficult for him to meet his unavoidable wants. I must confess that, while fully realising the extent of agricultural distress in the Punjab and the corresponding need of some practical remedy for its amelioration, I myself had in the beginning strong misgivings on this score, when the Bill was introduced in its original form. When I had the honour and the privilege to be invited to share the deliberations of Your Excellency's Council on this Bill, I determined to draw the attention of the Council to the consequences likely to result from the Bill, in the direction of dangerously curtailing the credit of the zamindar and reducing the prices of land—disadvantages which would possibly have counterbalanced, if not outweighed, the advantages contemplated by the Bill. One remedy to counteract the disadvantages apprehended was to place no restrictions on interalienation among persons belonging to agricultural tribes throughout the Province. This, to my mind, appeared to be a sufficiently effective provision for keeping up the prices of land as much as possible. If this were done, the prices of land would be but imperceptibly affected. With regard to this the Select Committee have arrived at a compromise. In the amended Bill the formality of the sanction of the Deputy Commissioner in cases in which it was to be given as a matter of right has been dispensed with, and it has been decided to form groups of agricultural tribes living in a district or adjoining districts among whom interalienation may freely go on. As the limit prescribed in the original Bill, that the intending alienor and the alienee must belong to the same tribe in the same district, has been modified, and as it is not often that an agriculturist comes from one corner of the Province to purchase land in the opposite one, I think that the market for the sale of land has been rendered considerably wider than was originally proposed, though not as wide as I desired to have it.

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I may be permitted to observe, however, that the success of this arrangement will largely depend on the judicious grouping of agricultural tribes so as to allow them every reasonable facility for dealings among themselves, and I have no doubt that under the wise guidance of the Hon'ble the Lieutenant-Governor the grouping will assume the elasticity it is desirable to impart to it. In the beginning the effect of the comparative narrowing of the field of purchasers of land may be a slight diminution in its market-value; but this temporary loss is more than counterbalanced by the advantages that will accrue from the Bill, in the form of the retention of land by those whose ancestors have been making their livelihood by tilling the soil, and who are therefore more attached to it than persons newly acquiring it can possibly be. It should not also be lost sight of in this connection that even at present it is very seldom that the zamindars get the full value of their lands when selling to those to whom they owe money. As Mr. W. S. Talbot points out, 'the seller of land under present conditions seldom touches its real value, the sale being generally in satisfaction of an old debt with accumulated interest'. Moreover, the prices stated before the Registrar in a large majority of cases are bolstered up to defeat the rights of agricultural pre-emptors. Now that the non-agriculturists are to be restricted, so far as possible, from the acquirement of land, the motives for adding false sums to the amount really paid will be reduced to a considerable extent.

"Considerable elasticity, as compared with that allowed by the provisions of the original Bill, has been given to the right of the peasant to temporarily alienate his land in order to meet the requirements of his everyday life. It has been decided to allow him to mortgage to a fellow tribesman or a member of the same group of agricultural tribes in any form he likes, except by way of conditional sale. He has also been allowed to mortgage to non-agriculturists, in the three forms prescribed in the amended Bill, the third form, namely, that of a written usufructuary mortgage by which the mortgagor recognises the mortgagee as a landlord and himself remains in cultivating occupancy of the land as a tenant subject to the payment of rent at the fixed rate, being an addition to the previous draft of this section. The addition of this form obviates to a large extent difficulties as to the obtaining of small loans for private and family purposes, in addition to purely agricultural needs for which the peasant would require to be helped by Government more generously than before in peculiarly hard times. As a safeguard it is provided that if the mortgagor is dispossessed the mortgage shall be converted into one under form (a), and this meets most of the objections raised against the addition of this sub section in the amended Bill.

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“Another objection advanced in the interests of the agriculturist himself is that he will not be materially better off than he now is, as his land will be taken away from him all the same, though by his richer tribesmen instead of by the money-lenders, and that thus a class of monster agricultural fishes will be created to swallow the small agricultural fishes. But I contend that, if we have to choose between the alienation of land in favour of agriculturists and that in favour of money-lenders, the former is decidedly the lesser of the two evils. At present all the agricultural fishes, big and small, are being swallowed by the money-lending big fish, while the smaller agricultural fish are the prey of both money-lending and agricultural big fishes; but under the new law the number of the swallowing fishes will be reduced, and the alienors will realise the real market-value of their land when selling to their agricultural brethren, instead of disposing of it for sums of which accumulated interest and compound interest form a main part. Besides, anyone conversant with agricultural affairs in this Province cannot have failed to observe the marked contrast presented by the treatment which expropriated agriculturists receive at the hands of their landlords according as they happen to be their fellow tribesmen or non-agriculturists. The former show every sympathy with these agriculturists in times of need and distress, freely open their granaries for the maintenance of these dependents if they find them starving, and either help them with seed gratis or give them seed-grain on condition that exactly the quantity borrowed may be repaid on harvest. Such is not, however, the liberality with which non-agricultural landlords treat those whose lands they occupy.

“It was the devotion of the big landlords, the natural leaders of the people, to the cause of the British, that proved a valuable source of strength to our Government during the stormy days of the Mutiny; and though circumstances have materially changed since 1857, and the vastness of the resources of the British Government has strengthened its prestige, while its just administration has created for it a place in the hearts of the people unparalleled in the annals of India, so that the possibility of its requiring the services of the leaders of the Punjab peasantry is now more than remote, yet the value of a contented and grateful agricultural population, ready to obey the call of duty in the service of their Queen and country, can hardly be overrated.

“A provision in the original Bill which elicited the greatest opposition from the money-lending classes was the one declaring all previous and future mortgages by way of conditional sale null and void, leaving the mortgagee to apply to the Revenue-officer for a usufructuary mortgage. The abolition of this form of

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mortgage was, however, urgently called for. The conditional sale has for years past been the form of alienation coveted most by the money-lenders and considered the surest and easiest way of ousting agriculturists from their lands. The number of mortgages by way of conditional sale had of late been assuming alarming proportions. In 1894-95 their number was 4,857, in 1895-96 it increased to 6,626. But during the famine year of 1896-97 it went up enormously to 12,377. In 1897-98, though there was considerable relief from famine, it kept as high as 8,008. The frequent resort to this form of mortgage was commented upon year after year in official reports, and the necessity of abolishing it has at last been brought home to the Government. All Judicial and Revenue Officers consulted are agreed on the undesirability of *bai-bil-wafa* continuing in future. It may be added in this connection that I have ascertained that the Muhammadan law does not permit contracts of this nature, and that even in the Hindu law I have failed to find any sanction for them, so far as my own limited knowledge of it goes.

“ There have been some differences of opinion, however, as to interfering with previous mortgages by way of conditional sale, non-interference with which has been advised by some on the ground that it is not desirable to give retrospective effect to the law. But at the same time there were those who considered the iniquity of a contract by way of conditional sale sufficient to justify its being set aside and suggested that at least the condition operating by way of conditional sale should be omitted, allowing the rest of the mortgage to stand or be changed into one of a usufructuary nature. Mr. Justice Clark, Chief Judge of the Punjab Chief Court, advised that ‘ the conditional sales both prior and subsequent to the Act be made null and void’. Mr. Justice Gordon Walker noticed ‘ with special approval the proposed abolition of that iniquity, the mortgage by way of conditional sale’. Mr. Rose said :—

‘ It seems only reasonable to extend this provision [section 6 (2)], to mortgages by way of conditional sale effected before the Act is passed. The principle “once a mortgage always a mortgage” is a well-established equity doctrine which Regulation I of 1798 was never intended, I believe, to override, though as judicially interpreted it has done so in a peculiarly drastic way. The Courts will be able to deal with existing deeds of mortgage by way of conditional sale on equitable principles.’

“ The Committee has adopted this view with some alterations and decided to leave the mortgagees under the existing *bai-bil-wafa* deeds in the condition in which it finds them, that is, mortgages with the condition of *bai* struck out, or mortgages in forms (a) and (b) recognised by the Act. This amendment has been generally accepted by many critics of the Bill to be a very fair arrangement

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to both parties ; but there are still some who wish to push their objections to retrospective effect to their full logical conclusions, and desire us to leave all past contracts, of whatever nature they may be, absolutely uninterfered with. My answer to them would be that we are striking out the condition of *bai-bil-wafa* as it was a device to defeat the provisions of another existing regulation. I can say, from personal experience of judicial and settlement work for over forty years past, that before the year 1870 *bai-bil-wafa* contracts were almost unknown in the Punjab, and it is since the promulgation of the order that no decree of a Civil Court for sale of land should take effect without the previous sanction of the higher Revenue-authorities that the *bai-bil-wafa* has been resorted to, when it was found that such sanction was hard to obtain. By this device the necessity of going to the Financial Commissioner was obviated, and the Courts had no option but to declare the mortgage as foreclosed on the expiry of the term after which the sale was to become absolute under the provisions of the Regulation (No. XVII of 1806). A world of mischief has been done by this form of contract, and every year's statistics have brought to light an increasing number of these mortgages and their foreclosures as the easiest means of depriving the poor peasant of his land.

" My Lord, it is a well known fact that the British law in England as well as in India is based on justice and equity, and it is to the principles of equity that contracts like the *bai-bil-wafa* are most repugnant. The saying of an eminent English authority on law, I think it was the late Lord Russell, occurs to my mind in this connection. His Lordship said that ' the duty of a judge is to find out what is the rule which people of candour and honour and fairness in the position of the two parties would apply in respect to the matter in hand. The law of England is not a science ; it is a practical application of the rules of right and wrong to the particular case before the Court. That is the common law of England and there is no other law.' The same may be said of the laws which have been made applicable to, and are enacted for, the benefit of this country since the British rule. With Your Excellency's permission, however, I beg to lay on the table authenticated copies of deeds connected with a *bai-bil-wafa* contract, hundreds like which have been entered into in this Province, and ask the opponents of the Bill if equity demands the ratification of such a contract or if its terms are in accordance with ' the rule which people of candour and honour and fairness in the position of the two parties would apply in respect to the matter in hand.'

" This is a case in which a big landed proprietor was sued by his creditors for Rs. 67,190 on account of loans given from time to time, together with interest

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thereon accumulated up to the date of the institution of the suit. The case was compromised out of Court and the landed property of the debtor, amounting to more than 7,500 acres, mortgaged to the creditors for Rs. 62,000, on the condition that the latter would enjoy the produce of the land in lieu of interest on Rs. 40,000 and would charge interest on the remaining Rs. 22,000 at the rate of 12 per cent. per annum. The creditors have been in possession of the estate since 1885, and have up to this time enjoyed its produce, the value of which must be a lakh and a quarter of rupees at the lowest computation, and have now made up their account against the widow and daughter of the debtor, who has died in the meanwhile, amounting to two lakhs two thousand six hundred and fifty-three rupees, principal and interest, and wish to foreclose the mortgaged property, valued at about Rs 4,00,000, under the condition of *bai-bil-wafa*. Such, my Lord, is the state of things in the Punjab which has necessitated the remedy contemplated by the Council, that is, the abolition of the conditional sale.

"I do not think I have a right to trespass further upon the time of the Council by referring at length to the various sections of the Bill; but I beg leave to say that it has been the earnest endeavour of the Committee entrusted with the Bill to pay full regard to the interests of the money-lending classes while protecting those of the agriculturists, because the money-lenders are a highly useful and indispensable part of the economic system of this country. The right of alienation by non-agriculturists has now been left without any restriction whatsoever, so that they can dispose of their land to agriculturists and non-agriculturists alike and have a wide market for their land, which will operate greatly to their advantage, thus leaving them no cause for complaint on this score. By extending the period of a usufructuary mortgage in form (a) from fifteen to twenty years the Committee have deferred to public opinion, and I think the period is now quite long enough to make it worth his while for a *sahukar* to lend money to an agriculturist on a mortgage in form (a). The new form of mortgage in form (c) also is one which makes things favourable for the lender. On the whole, I think the Bill as amended cannot be regarded as unduly hard on money-lenders while it allows reasonable liberty to agriculturists.

"Before closing, I beg leave to take this opportunity, when the circumstances of the Punjab zamindars have the good fortune of receiving attention at the hands of the Government, to express the earnest hope that the Punjab Government and the Government of India will take into early consideration the position in which the zamindars will be placed when this Bill becomes law. Though the Land Alienation Act will eventually tend to ameliorate their condition, will make them comparatively thrifty under the present reduced chances of indiscriminate borrowing and the



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reduced temptations for indiscriminate lending on the part of the *sahukars*, and will diminish litigation and thus reduce one of the chief drains on the purse of the peasantry, yet it cannot be denied that with all the elasticity the Government have tried to impart to this law, it will operate to a certain extent, at the outset, to the inconvenience of the agriculturists.

“ It is clear enough that, in spite of the manifest displeasure with which the money-lending classes have generally viewed this piece of legislation, it will not stop money-lending business. Some of the *sahukars* in large cities may be in a position to afford to divert their money to industrial channels advantageous to themselves and to the prosperity of the country, but the majority of them, especially the village-lenders, will find no better outlet for their money even under the new law. But it is probable that in several places they may form leagues, for some time at least, to refrain from helping the agriculturist. This would necessitate the adoption of certain measures by the Government to prevent any such coalitions from defeating the aim of the legislation in hand. For this purpose I venture to make three suggestions which, combined with the effects expected from this Bill, are calculated, I think, permanently to set at rest the problem of agricultural indebtedness in the Punjab.

“ First of all I would suggest a more liberal grant in the form of *takkavi* and remission of revenue. The *takkavi* might not only be distributed on a more liberal scale, but the arrangements for its distribution might be so improved as to remove the difficulties which have now to be experienced by an agriculturist in getting the *takkavi* money. As to remissions, it has been suggested by many experienced Revenue-officers, and very wisely, that suspensions of revenue should be replaced by more frequent remissions. I support this suggestion not because I think the assessments of land-revenue are particularly heavy. On the contrary, I can say, as a landowner knowing the feelings of many agriculturists, that assessments are generally reasonable and based on justice, and that the peasant should, in fairness, be prepared to bear the burden of revenue in a bad year when he reaps the advantage of a bumper harvest. As the Punjab peasantry, however, are not provident enough to lay by for a rainy day, and have to incur debts for payment of revenue in bad years, which prove so ruinous, and as in case of suspensions of revenue their condition is worse on account of the accumulation of Government dues, I think every form of relief meant for them might with advantage take the shape of remissions of revenue.

“ The second suggestion I have to make relates to the institution of stock notes and the opening of agricultural banks. The first part of it will be

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found comparatively easy to manage. The zamindars may be given the opportunity of investing their small savings, whenever they are able to make them, in Government stock notes of, say, from Rs 5 to Rs. 100, and thus may be furnished with an inducement towards thrift. The notes and the interest thereon may be received in payment of the Government dues. With regard to agricultural banks, however, the question is, I admit, fraught with difficulties, but it is evident at the same time that those difficulties will have to be faced if the problem of agricultural indebtedness is really to be solved. I have studied the method of working such banks in some other countries, and I think the system may be given a trial here. I have a plan in mind, by which the system may be tried without incurring the expenses of a separate department, working as the banking agency, which seems to have been the chief difficulty in the way of agricultural banks being started in India. The agency may be entrusted to respectable *sahukars*, selected by District and Tahsil Officers and prepared to furnish security to the extent of the amount of money placed in their charge, and to accept a certain percentage of the sum disbursed through their agency as compensation for their pains. They may be instructed to lend money to agriculturists at six per cent., and to submit their accounts to their respective tahsils, so that the money may be realised back with the revenue-demand at harvest time. Further details can be suggested, if the Government thinks it worth while to try this plan.

“The third suggestion is the most important of all. I have observed that in almost every district the fear of possible enhancements of land-revenue deters agriculturists from improving their land, and cases have not been unknown in which periods immediately preceding settlement-operations in a district have been marked by efforts to deteriorate the productive power of land. In the interests of agricultural prosperity, therefore, I would have advocated permanent settlement for the Punjab had I felt convinced that revenue-assessments in this Province have reached a stage beyond which they cannot be expected to rise. I think that, if it be possible to confer the boon of a permanent settlement on the Punjab without any serious loss being apprehended therefrom to the interests of Government, there is every likelihood of the multiplication of agricultural improvements in the Province and increased interest on the part of agriculturists in enhancing the productive power and increasing the facilities for the cultivation of their lands, and thus minimising the injurious effects of frequent famine. {The granting of this boon would, I am sure, tend to strengthen the ties of affection and loyalty, uniting the peasantry and the Government.} But, as I do not think the time has come to permanently settle the assessment of land-revenue for the Punjab, I would most respectfully urge the necessity of at least extending the period

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intervening between two settlements to thirty years, instead of twenty years, as is now the case. The settlement-operations in a district last for about five years, and as long as they last they are a source of great inconvenience to the zamindars. Not only are improvements of land retarded for the time being, but the continuance of the operations means a deal of expense and labour to the peasants, and they have but a short breathing time before another settlement comes round. I know of districts which have had as many as three settlements during the last fifty years and in which the total period occupied by settlement-operations amounts to seventeen years. It is, therefore, my firm conviction that the extension of the interval between one settlement and another is urgently necessary.

“Reverting to the Bill, I think that the Bill, like all other human measures, cannot lay claim to absolute perfection, but, in view of the urgent necessity which clearly exists for taking some step in order to remedy a crying evil, it seems to me to be one which eventually will prove most beneficial to the agricultural class in this Province, a section of the community who have always been recognised to be the backbone of the British Indian Empire. I beg, therefore, to congratulate Your Excellency and the Council at having arrived at conclusions which may reasonably be expected to give general satisfaction.”

The Hon'ble MR. FANSHAWE said:—“My Lord, the remarks upon the general bearings of the Punjab Land Alienation Bill with which I shall trouble the Council will be very brief.

“From the days of the three famous Roman Tribunes dead now two thousand years ago in the cause they championed to the date of the Irish land reforms of Mr. Gladstone, the angry echoes of which have hardly yet died away, agrarian legislation has been a subject so exceptionally thorny to handle, that a shadow of evil omen has become attached to the term in ordinary parlance; and the legislator or critic who would speak of the present Bill in terms of unmeasured praise or unmeasured blame must be very much more bold or very much more experienced than I should dare profess to be. I may be permitted perhaps to say that, whereas some years ago I slowly came to the conclusion that the questions with which the present Bill attempts to deal must be faced and grappled in view of the very grave evils and attendant difficulties with which we were confronted, I have always been, and still am, wholly opposed to any interference with the free exercise of proprietary rights which can possibly be avoided consistent with securing the objects which the stress of circumstances compels us to attain. It so

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happens that, while I was intimately connected with the early stages of the discussion of this question in the Punjab commenced now some twelve years back, I was absent from India while the final searchings of heart which led to the present Bill took place; and I own that when I first read its provisions I was disposed to think that they were possibly more drastic in some respects than was perhaps really needed. The opportunities which I have now had of restudying the question and of considering it in all its details have corrected this opinion: and, while I have become more convinced than ever that the matter must be faced, I am satisfied that the provisions of the Bill as now amended are necessary to effectually attain the object in view, while they will not unduly restrict the reasonable freedom of the proprietary rights of the landowners of the Punjab.

"It has been asserted that the present measure is one of an entirely novel class of legislation. This, however, is not by any means altogether the case. Apart from such Acts as the Dekkhan Agriculturists' Relief Act and various Acts dealing with encumbered estates, all Indian legislation in the direction of securing the occupancy-rights of old established tenants of land has been legislation limiting the rights of owners of land, and, as the Hon'ble Nawab Muhammad Hayat Khan and others have pointed out, many such limitations have been imposed by case law. Again, it has been asserted that an unrestricted proprietary right existed in India before the definite grant of this boon by the British Government. But this, too, is not, strictly speaking, what was actually the case in practice, at least in the Punjab. What did exist before annexation here was a limited proprietary right, restricted by family custom and by State interference, which was freely exercised when this was considered desirable. This is still the case for the most part in the Native States of the Province, and it cannot be pretended that the practice has grown up in them since 1848. Yet again it has been contended that Government, having for so long waived any claim to interference in the full proprietary rights conferred by it, is debarred in equity from interfering now; but the assertion upon which the contention is founded is entirely opposed to the fact that from early days since the annexation of the Punjab the sale of agricultural land by order of a Civil Court has been forbidden without the consent of the Collector of the district and the sanction of the Commissioner of the division or of the Financial Commissioner, while it is a fact that though this consent has been refused in at least 95 per cent. of the applications made for it, that has not prevented money-lenders from advancing lakhs of rupees on the land, even without having recourse to the evasion of rule and practice in this respect secured by obtaining mortgages with a clause of conditional sale. It must not be forgotten that the gift of unrestricted proprietary right by the British Government was made as a great concession in order that the land-owners might benefit by it. Now, by

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an irony of fate not uncommon in the East, we find that the benefit of the concession is not secured to them, and we consider it necessary to correct this solely in the interest of the landlord, and, in no wise for any direct gain to Government. That the credit of the land-owner will be restricted by this Act is an undoubted fact, for it is to attain this very thing in reason that it is proposed; but we know from experience of the Dekkhan Agriculturists Act that such restriction of credit has encouraged thrift and enterprise in a remarkable way, and we know from our experience of our occupancy-tenants and of the Native States of the Punjab, where the alienation of land is subjected to very severe restriction, that in these conditions agriculturists can exist with reasonable credit for all reasonable purposes, and that money-lenders continue to pursue their legitimate business. I may mention also as an interesting fact that the District-officers of the Delhi Division are of opinion that the overhanging shadow of the present measure during the late famine and distress, now happily passed away, has not had any material effect upon the credit of those who were able to secure crops, and that persons have been able to maintain their ordinary relations with the village money-lenders upon the credit of their crops. This is what we desire to see everywhere, and I would fain hope that the above experience may prove a good omen to our Bill.

“Taking all the circumstances of an extremely difficult question into consideration so far as it is possible for finite intelligence to do so, I would venture to express the view that we may look forward with quiet confidence to the working of this measure, as now widened and simplified, and may reasonably hope that it will prove as successful as any such measure, professedly tentative in some respects, can be expected to be, and will be accepted as in no wise essentially unfair by both the great classes of the Punjab people who will be directly affected by it.”

The Hon'ble MR. TUPPER said:—“As I have been closely connected with the progress of the present measure in its different stages during the past four years, I am anxious, with Your Excellency's permission, to take this opportunity of explaining why it has my hearty support.

“The reasons for adding to the already existing restrictions on the transfer of agricultural land in the Punjab are both political and economic. While I admit the force of the economic reasons, which have been fully explained today by the Hon'ble Member in charge of the Bill and by the Hon'ble Nawab Muhammad Hayat Khan, I wish to say that it is the political reasons which have most strongly influenced my judgment in this important matter.

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" Here, as often happens in India, the political argument is in a measure an historical argument. It is what I have gathered during the course of my service concerning the political and administrative history of the Punjab that has convinced me of the political necessity of some measure of the present kind.

" The written history, the traditions, the existing tenures and the social institutions of the Province combine to suggest the probability that before any authentic and continuous narrative becomes possible the plains of the greater part of the Punjab were peopled by fairly compact immigrant tribes who either occupied the waste or drove out or subjugated previous inhabitants and possessed themselves of the land, practically as its masters, much in the same way as, within historical times, the Bannuchis, the Marwats and the Darwesh Khel Waziris possessed themselves of most of the Bannu District, and the Yusafzais, Muhammadzais, Khalils, Mohmands and Daudzais established themselves in the Peshawar Valley. When the Delhi empire fell to pieces and in the Punjab the confusion consequent on its ruin was worse confounded by the successive irruptions of Nadir Shah and Ahmad Shah Durani, many of the tribes of the Western Punjab asserted an independence similar to that with which we are familiar in the case of the Afridis and the Orakzais. Amongst these independent tribes I may instance the Gakkhars of Rawalpindi, the Janjuas of Jhelum and the Sials of Jhang. By this time also the Sikh *misls*, which were in origin predatory bands like those of the Pindaris, were acquiring or had acquired political and territorial power. The independent tribes came into conflict with the now formidable Sikh *misls*, and the *misls* in their turn were incorporated in the vigorous army and the tolerably well consolidated kingdom of Maharaja Ranjit Singh. In the Eastern Punjab the history was rather different. But in the border land between the Sikh and the Mahratta Powers strong Jat vilages frequently defied all authority; and the Sikh *misls*, as in the Central and parts of the Western Punjab, acquired dominant authority in the country between the Sutlej and the Jumna. The composition of the Sikh *misls* is somewhat obscure, and the *misls* certainly often included men other than those belonging to the dominant clans; but I think I may safely say that the *misls* were mainly recruited from Jats, that is, from men of those very agricultural tribes thickly clustered in the Central Punjab whom it is an object of the present measure to maintain in the enjoyment of their ancestral lands.

" Now, one result of all the history is that we still have the lands of the Punjab plains held largely, though not exclusively, by tribes of bold traditions and high spirit, whose courage and love of adventure commands the hearty sympathies of

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men of our race, but whose inherited qualities, formed in times of war and depredation, are far better suited to success in the field of battle than in the Courts of law. No one wishes men of this type, whose courage in our cause has again and again earned our gratitude, to be dispossessed of their ancestral lands. I say no one advisedly, for I do not believe that even the trading classes, who, by the undesigned effects of our system, are being drawn into the possession of some of these lands, really themselves desire the social revolution which would ensue if we did not interfere to check that process while there is still time to check it with effect. The insidious danger with which the old dominant agricultural tribes are threatened under our rule is not, I think, due to any deliberate design or wish to oust them from their possessions, but to the scope allowed to perfectly reasonable commercial instincts from the time when law and order superseded the anarchy and turbulence of former days. And these commercial instincts, even though they do not evoke enthusiastic sympathy, we, who belong to a pre-eminently commercial nation, can regard at least with justice and respect.

“ In truth the contest between the agricultural tribesman and the money-lender for the sources of wealth which have been so enormously developed in the Punjab during the last half century seems to me to have been quite inevitable. It has been suggested that the present legislation is revolutionary in character and unsuited to the social conditions which exist in the Punjab. I venture to think that the converse is true. The object of this Bill, as I understand it, is to avert a social revolution, not to create one. The Bill is conservative of the possessions and status of the classes who were dominant before our day and still represent by far the most important political forces which we have to take into account in this part of India. It has been cautiously devised by the co-operation of many authorities to suit the peculiar social conditions which have followed upon the regular working of British Law Courts in what was once the kingdom of Ranjit Singh.

“ It would be possible to take this Bill clause by clause and show how each is intended to harmonise either with the rural economy of the Punjab at large or with the administrative system which we have established there. I do not propose to occupy the time of the Council with any such detail; but we may take as an illustration a main principle of the Bill, namely, that as between certain classes permanent transfers of agricultural land shall be allowed only with the sanction of a Revenue-officer. Restrictions on the transfer of land are, as my Hon'ble friend Nawab Muhammad Hayat Khan and the Hon'ble Mr. Fanshawe have pointed out, no novelty in the Punjab. There were administrative restrictions dating from 1850,

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referred to by His Honour the Lieutenant-Governor in paragraph 6 of his memorandum on the proceedings of the Simla Committee of 1898, of which the object was really the same as one object of the present Bill, that is, to prevent the transfer of land to strangers unconnected with the village community. There are still the restrictions, arising out of the claims of reversioners under the customary law. There are the restrictions, which in cases affecting certain classes we are about to make absolute, on the sale of agricultural land in execution of decrees. All these restrictions have failed for various reasons to avert what some of us have at length, after fifty years of British rule, been convinced that it is most necessary to avert—I mean a direct though never-desired and never-intended consequence of the establishment of that rule on the position of the old agricultural tribes.

“The early administrative restrictions took their later form in the law of pre-emption. That law in itself was insufficient,—for this reason amongst others, that it deals with the issue perceived by the first administrators of the Punjab, the issue between the village-community and the outsider, and does not deal with the much wider issue now seen to have been developed—that between the trading classes and the old agricultural tribes. Moreover, that law, as it has come to exist, actually admits the outsider whom it was the original intention to exclude. This defect will, I hope, be shortly remedied by a Pre-emption Bill to be introduced in the Punjab Council, partly on its own merits, and partly as being supplementary to the present measure. The customary law relating to the claims of reversioners is wholly insufficient, both because its action depends on the interests and even the caprice of individuals, and because, while alienations may be made in case of necessity, necessity has been held to exist is money if wanted for just debts. Finally, the Punjab rules as to sales in execution of decrees have been evaded by resort to mortgages by conditional sale. I do not pretend that the step we are now taking is not a momentous one; but to my mind it seems just as much a natural consequence of the administrative history of the Province as the retention of the zamindar in the possession of his ancestral lands is a political necessity arising out of its political history. Restriction after restriction has either missed its actual mark or has otherwise failed to secure that retention. Is not at least reasonable that we should now intervene, and that in the directest fashion by the present legislation?

“As to temporary transfers, if the mortgagor is not a member of an agricultural tribe, or if he is such a tribesman and the mortgagee is a member of the same tribe or of a tribe in the same group, there is no change in the law except in so far as the Bill gives power to determine what bodies of persons shall be



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deemed to be agricultural tribes. In other cases we have been guided by experience in selecting for adoption those forms of mortgage which are believed to be least harmful to the agricultural debtor, and because some forms of mortgage and conditions of mortgages not recounted in the Bill may nevertheless turn out to be innocuous, we have guarded the position by enabling the Local Government to add to the forms of mortgage and conditions so enumerated. This is one of the many precautions we have taken to ensure that the Bill shall not jar with the common customs of the peasantry.

"Lastly, I wish to express my concurrence with some of the remarks of the Hon'ble the Nawab in regard to the trading classes from whom most of the opposition to this measure proceeds. I agree in the assertions made by him and in some of the papers connected with this Bill as to the important and useful place which the village money-lender occupies in the agricultural system of the country. I hope and indeed believe that the more enlightened members of the trading classes, all of whom have benefitted enormously by British rule, will recognise that in the present legislation there is neither any hostility to them nor any disregard of their just rights. We do not indeed wish them to supplant the zamindars, and so far as we can we intend to prevent their doing so. But we mean that the zamindars shall pay their just debts, and I have heard to-day with much satisfaction that measures are in contemplation which will enable men of the trading classes,—or indeed of any class,—who hold decrees in their hands, to get their money for them more easily than is often the case now. I would repeat here the remark that I have made elsewhere that a far-reaching measure of the present kind is the more likely to succeed if it does injustice to nobody. It is not, in my opinion, in any way unjust to the *sahukar*. It leaves open a wide field for the investment of capital in the customary way in mortgages of a suitable description—mortgages which do not need the sanction of any revenue-authority but are necessarily subject to the essential condition that the mortgagor who is a member of an agricultural tribe shall not be permanently dispossessed. Is it too much to ask the *sahukar*, who owes so much to law and order and improved communications and the assistance of the Courts, to be content without the permanent possession of lands which are in the hands of their ancestral proprietors a strength to the State, but would be in his hands a danger to himself, even sometimes as it is, and more certainly and widely should the law and order on which his tenure depends be at any time temporarily interrupted? The permanent transfer of the ancestral lands of the agricultural tribes to the trading classes does no good whatever so far as I can see, not even economic good, for the agricultural tribes are, the better agriculturists and on the historical and administrative grounds which I have explained I heartily rejoice that Government has determined as far as possible to put a stop to it."

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The Hon'ble KUNWAR SIR HARNAM SINGH said :—“ My Lord, I have already expressed my opinion with regard to the main provisions of the Bill to amend the law relating to agricultural land in the Punjab. The alterations made by the Select Committee, though extensive, have not removed the objections I preferred. My views regarding the principle underlying the Bill, and some of the drastic changes proposed to be made in the existing law, remain unchanged.

“ It is quite clear from the motions on the notice-paper for the day that the Government has definitely made up its mind to pass the measure in spite of the representations that have been made against it by many of those who have a thorough knowledge of the agricultural conditions of the Province. Under such circumstances, I feel that it may be vain to make any further representations on the subject. As I am unable, however, to give my support to the present legislation, duty to Government and the people impels me to raise again my humble voice against the proposed measure in the hope that some at least of the amendments I intend to propose may be accepted, in deference to strongly expressed public opinion on this vexed question.

“ Some of the most eminent officers of the Government do not feel sure as to what will be the ultimate effect of the measure. They are extremely doubtful as to its beneficial results. Even one of the most experienced officers, who is in favour of the proposed arrangement, has been obliged to admit that ‘this Act will have an immense effect on the dearest interests of the agricultural communities to which it is applied, and it is impossible to tell what its ultimate results will be.’ This is an admission in effect that a big leap is being taken in the dark, and circumstances, hitherto quite unknown, will determine whether the changes proposed to be made will be beneficial or baneful to agricultural communities which will be affected by them. The British Government has always been distinguished for discrimination in its legislative action, and nothing has hitherto been left to chance or accident to affect the character of its deliberate legislation, and I am unable to understand why in the present instance the legislative policy of the Government should be entirely altered.

“ Political necessity has been urged as an extraordinary ground for this extraordinary measure. A well-known officer, whose opinion is entitled to great respect, says that he is not aware that an experiment like the one now proposed has ever been tried in any country, and yet the Punjab has been chosen, so far as I know, as the first country in the history of the world where such a unique experiment should be tried. It seems to me to be strange that those who speak of ‘serious political danger’ should not consider that, had there been the least shadow of the apprehended political mischief, such far-seeing statesmen and

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administrators as Lord Lawrence, and his immediate successors would have never introduced into this Province a scheme of revenue-administration which, according to the views entertained by the advocates of the Bill, might have the effect of imperilling the existence of the British *raj* in the country. It is only within the last ten years or so that groundless fears of such a calamity have been entertained. I cannot conceive of the existence of any unprecedented circumstances which might have justified the apprehension of such danger.

"The Punjab has been uniformly loyal, and the military service which the stout yeomanry of the Province have rendered to the British Government in many a hard-fought battle has been repeatedly and handsomely acknowledged. It is mainly from the agricultural classes that these men are taken for the military service. Retiring in old age from service, they return to their village homes expecting to live in comfort and happiness, and in the free and unrestricted enjoyment of their ancestral or self-acquired acres. But, if the present measure be passed into law, they will find, to their disappointment, that their proprietary rights have been interfered with, and that their lands in which they invested their hard-won earnings have been greatly reduced in value by legislation. They will find that they have been impoverished from the most benevolent motives and from the mistaken belief that political danger will ensue if the present agricultural arrangements are allowed to continue. It will be difficult for them to comprehend the grounds of the policy pursued by the advocates of the measure. There is sure to be irritation and discontent that may cause trouble to Government, and against which adequate remedies will have to be provided.

"British prestige, I fear, will be rudely shaken the moment the trust of the people in inviolable British faith is weakened. Such a disastrous contingency cannot be too carefully guarded against. For half a century people have been enjoying full proprietary rights which have been solemnly guaranteed to them by the British Government. Relying upon the inviolable promise of the British Government, the stern, unyielding character of British justice and the inflexible laws of the country, land-owners have been freely exercising the proprietary rights conferred upon, and confirmed to, them by the Government. And now, for no valid reasons assigned, and for no fault of their own, their credit is to be curtailed and the value of their lands considerably reduced. They may fairly exclaim, what have they done to deserve this severe treatment ?

"Speaking of the free right of alienation of land-owners, Sir James Lyall, writing in 1884, said :—

'Full individual proprietary right, with power to sell or mortgage, was well established in many parts of the Punjab before the advent of the British rule... .. The second

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proposition, namely, that the people were, and still are, unfit for such gift, the vast majority being to-day almost as rude, ignorant and imprudent as they were upon the annexation of the Punjab, is much too strongly put in the opinion of the Lieutenant-Governor. It is, moreover, impossible for Government to go back from the gift made, which is in reality a necessary outcome of the development of individual rights and the gradual solution of the village communal bond; and the people themselves would not support the Government in carrying out any proposal of the kind.

'The gods themselves cannot recall their gifts.'

"I may mention in this place that when the question of the indefeasibility of the proprietary rights of the taluqdars of Oudh in the estates conferred on them by the British Government was being warmly discussed in 1864, Sir John Wingfield, the eminent statesman, who was at the time the Chief Commissioner of Oudh, emphatically asserted that—'The doctrine that it is the duty of the State to interfere to prevent the owner of the soil from doing what he pleases with it is one that Englishmen will never subscribe to.'

"His Honour the Lieutenant-Governor says that 'without the establishment of agricultural banks, or in its place an enormous extension of the system of agricultural advances by the Government, the introduction of the measure will almost certainly result in the extermination of a large number of small peasant-proprietors, and he fears that there can be no doubt that this process has already begun owing to the announcement of the Government policy.'

"The characteristic feature of the Punjab revenue-system by which a very large body of peasant-proprietors was secured to the Province will be destroyed, and agricultural land will be in the possession of a limited number of wealthy money-lending agriculturists. Considerable facilities have been given by the provisions of the Bill for the creation of this class of middlemen. The undesirability of having a powerful body of such middlemen has been abundantly proved. 'They are,' says Mr. J. A. Anderson, the Divisional Judge of the Delhi Division, 'harder on their debtors than others. I have known instances at opposite extremities of the province, namely, in Rawalpindi and Delhi, where they have been more hated for their harshness than the ordinary money-lenders. In 1892 a considerable Jat money-lender (an agriculturist) was murdered on the public road within the boundaries of his own village by a number of persons. It was believed that many of the village-people connived at the murder, and the general opinion was that the man was rightly served. In the case in Rawalpindi the money-lending zamindar was equally hated, but too powerful to be reached.'

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“Under the proposed arrangement the majority of the Punjab peasantry will be placed in dependence under these agriculturist middlemen. I would point out the gravity of the situation to those who perceive political danger in the existing agricultural conditions. In the expressive words of a critic of the measure, the Province will present the appearance, if the Bill be passed into law, of a large tract of country, filled with a small number of wealthy and powerful agriculturist landlords surrounded by an enormous number of impoverished and discontented peasantry chasing each other in the struggle for existence. It is not hard to conceive what the ultimate result of such a state of things will be in the near future. People in commenting upon the arbitrary character of the Bill have freely indulged in observations to the effect that the measure is simply calculated to rob Peter to pay Paul—to deprive small proprietors of their holdings in order to enrich a few grasping agriculturist money-lending middlemen. It is difficult to understand what useful State purpose such an arrangement will serve. Both Mr. Thorburn and Mr. Tupper, the late and the present Financial Commissioners, have drawn a glowing picture of a revenue-system which degrades men of the fighting tribes to nothing better than serfs under a class of people known as money-lenders. The picture will lose none of its colouring if we substitute agriculturist money-lenders for non-agriculturist money-lenders.”

“Reports already come from several districts that great discontent has been caused by this Bill even before it has been passed into law, and that the introduction of the measure into the Legislative Council has led men to commit violent crimes against property. Lieutenant-Colonel J. A. L. Montgomery, Commissioner of the Rawalpindi Division, speaking of the sudden outburst of lawlessness in the Rawalpindi and Jhelum Districts at the end of the last and the beginning of the present year, says that he concurs with the Deputy Inspector General and the District Superintendent of Police that the sudden outburst of crime, in which dacoities are included, was due to some extent to the Land Alienation Bill which was brought to notice by organized meetings. Speaking specially of the Jhelum District, he adds that the ‘Land Alienation Bill is much resented by the money-lenders and professional classes; when scarcity came the money-lenders closed their purse-strings and refused to lend money. The people were in difficulties and there were not wanting persons to stir them up and to tell them that now was the time to avenge themselves on their tyrants, and so dacoities began. In almost every case they were committed by Muhammadan zamindars led on by bad characters, and the persons robbed were money-lenders.’

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“Testimony to the same effect can be adduced from the observations made by Mr. Alexander Anderson in regard to organized crime in the district of Ferozepore. (There is no evidence to the effect that the outburst of violent crime has to any extent been due to the dispossession of land by the exercise of the free right of alienation, and that such crimes were committed by expropriated land-owners; but on the contrary there is abundant evidence to prove that in several districts organized crime had its origin in the apprehension of village-bankers that the land owners would be deprived of their proprietary rights by the present legislation and their subsequent withdrawal of credit.) When such has been the state of things on the mere introduction of the measure into the Legislative Council, we may well imagine what will be the state of affairs when the measure is in full operation.

“Rawalpindi was the division in which Mr. Thorburn's investigations were carried on regarding peasant-indebtedness and the alienation of land to non-agriculturists, and his recommendations regarding a Land Alienation Bill were based upon enquiries made in this tract of country. The western districts of the Province, Rawalpindi included, are peculiarly situated. Here all the original land-holding classes and the mass of the population are Muhammadans, and the money-lenders are practically all Hindus. As a rule, the Muhammadan zamindars are not so thrifty as their Hindu brethren. They are given more to extravagance than Hindu land-owners. What I mean to say is that the results of enquiries made in the western districts ought not to be held to be a criterion of peasant-indebtedness and of agricultural distress in the eastern districts of the Province. A law of restriction which might apply with profit to Muhammadan agriculturists in the western would not necessarily be applicable to agriculturists in the eastern districts, be they Hindu or Muhammadan. There is an extraordinary similarity of customs of the different tribes in the eastern districts, and Hindus and Muhammadans, who are mostly Hindu converts, are on an equal footing as regards their usages. Such being the case, a wide distinction ought to be made in applying a far-reaching agricultural law in regard to the seventeen eastern districts and the fourteen western districts. The agricultural conditions are dissimilar, and the social habits and beliefs are different. No agricultural law, which would suit one set of circumstances, would suit the other.

“The feeling of the agriculturists of the eastern districts is in strong opposition to the proposed measure, and I venture to say that, if authentic records were collected in the western districts, the same feeling would be found to exist in that tract of the country. I can aver from my own personal experience in the

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Punjab, where I have had special opportunities of studying agricultural conditions, and also from my intimate knowledge of these conditions in a sister province, that the proposed measure would be resented by agricultural proprietors generally, to whatever class or degree they might belong. If all the memorials and representations which have been submitted to Government since the introduction of the Bill be carefully examined, it will be found that most of them deprecate the measure, and even those which give their support to the principle of the measure strenuously oppose some of the most important provisions of the Bill.

" I venture to say, my Lord, that it is questionable whether it would be wise for the Government to interpose its legislative authority to arrest the course of the natural evolution of property. Such legislative interference, to my mind, would be productive of immense social and political mischief. Individual property is being developed by a natural process from collective property, and such development is caused by various social and political circumstances. To throw back the gradual evolution of property now to its old channel would be arresting the march of progress. In the early years of British rule it was necessary in the interest of good government to maintain communal property by positive laws, and with this view in the despatch constituting the Punjab Board of Administration the officers of Government were enjoined to maintain the village co-parcenarys or communities in their integrity. But the circumstances which rendered such action necessary immediately after annexation have materially changed, and village co-parcenarys do not exist now in that strength in which they existed before. It is well known that 'at the present day, though the owners in a village remain in theory jointly responsible for the revenue, they have in most cases divided off either the whole area or cultivated area only into holdings occupied by individuals or families,' and the result has been that the alienation of land by individuals is not very extensively contested by the heirs and others entitled to contest transfers. This clearly points to the fact that individual ownership is breaking the bonds of collective ownership. The object of legislation, I am humbly of opinion, should be to regulate and not to restrain the growth of social forces. Progress should certainly be based upon order, and the march of progress should be slow but sure, and legislative enactments ought to be calculated to ensure steady advancement. Traditional ties of blood relationship, tribal organizations, village-unions, house-communities and joint families are all disappearing in obedience to a well-established law of nature, and when those ties, which at one time were considered indissoluble and which firmly knitted ancient society, are being gradually loosened, no artificial bond ought to be created to prevent dis-

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integration. Individual property is the outcome of the present order of things, and neither customary law, the artificial restraints of pre-emption nor any forced legislation will be able to retard its growth. The mark which the tribal origin of property left on customary law is being daily obliterated and individual ownership is asserting its rights.

"It has been stated that the Government should use for a political object some of the accepted principles of the customary law. 'If this be admitted,' it is said, 'it is natural to observe that the possession of their ancestral lands by the dominant agricultural tribes is defended by a double line; the first line is that of the reversioners whose right to sue for an alienation to be set aside is regulated by custom, and the second line is that of the pre-emptors whose right to restrict the vendor in his choice of a purchaser is regulated partly by the Punjab Laws Act and partly by custom.' This is a one-sided argument. It loses its force on considering that if we admit its validity there is no tangible ground for the present legislation. If laws already exist for restricting improper alienation, where is the necessity for enacting a fresh law to compass the same object? The fact of the matter is that customary law and the existing law of pre-emption are not strong enough to prevent alienation, and the proposed measure is intended to restrain alienation for the purpose of serving an imaginary political object. Such an attitude cannot be defended by far-seeing political wisdom.

"It has been repeatedly stated that alienations to money-lenders constitute in a greater or less degree an ever-increasing element of political danger everywhere in the Province, and that the only real remedy in the matter is the imposition of restrictions of some kind on future alienations. By the term money-lenders is evidently meant professional money-lenders of the *baniya* class. These men, as a rule, are only anxious to secure interest on their money and are not particularly covetous of the lands of their debtors. It is not correct to say that alienations are made mostly to professional *baniyas* who are stigmatised by many choice epithets. If the records of alienations be carefully examined, it will be found that these alienations are made in an increasing proportion to other groups of persons who do not belong to the *baniya* class. The artisan classes and other groups of men who combine agriculture with other occupations are rising into importance, and it is these men who are becoming new agriculturists. The last Census Report shows that the life of the artisan classes is based very largely upon the agriculture of the Province. Several hundred thousands have been enrolled as agriculturists, and the number is increasing every year. To be connected with land is considered a sign of respectability, and the lower classes of people, therefore, covet the possession of land and invest their earnings in land."



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These people are abandoning their old status and are gaining social importance. Is it desirable and expedient to prohibit them from rising? Ought not the law of the land to encourage them to better their condition and improve their social status? Is it not wrong from a political point of view to restrain their ambition and force them to remain in the lower strata of society which they have been hitherto occupying? It is a trite saying that all men are equal in the eyes of the law; but the present legislation is calculated to impose upon them disabilities which will be galling to them and must make them keenly feel their degradation. Class legislation for obvious reasons is reprobated in all countries, and it cannot but be admitted that the proposed arrangement will be productive of evils which emanate from such legislative action. With the spread of enlightenment and education the existing social distinctions are sure to vanish, and all classes of people ought to be allowed to equally enjoy the benefits of British rule and not to be harassed by legal disabilities.

“As to the economical effects of the measure, I can quote numerous authorities to show that the operation of the present scheme would be attended with disastrous results. Agricultural credit will be destroyed, value of the land will be considerably reduced, sales and mortgages will be multiplied, debts will be heavily accumulated, and land-owners, if they survive their reverses, will be impoverished and ruined. I have the highest judicial authority of the Province for stating that it would be Utopian to expect that extravagance will be curtailed by reducing the credit of the proprietors:—‘Proprietors will be extravagant as before, and to protect these extravagant proprietors by limiting the powers of alienation of all proprietors is too heavy a price (in the consequent contraction of credit and the State interference in private affairs) to pay for the protection of the extravagant proprietors.’ Any measure which would disturb the harmonious relations of money-lenders and zamindars would be fraught with incalculable agricultural mischief.

“Had the recommendations made by Sir Dennis Fitzpatrick with regard to an enabling Act been followed, a great deal of opposition to the present measure would have been withdrawn. Among others, Mr. J. Wilson, the Settlement Commissioner of the Punjab, in supporting the proposition about having an enabling Act, is of opinion that it should be so framed that its provisions could be extended by the Local Government to any parts of the Province or classes of persons it thought fit, with the previous sanction of the Governor General in Council. He observes:—

‘It should be applied, in the first instance, tentatively and only to those areas and classes as regards which the Local Government is satisfied that such a restriction of the

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alienation of land is required. While I am strongly of opinion that such a restriction is urgently required in some parts of the Province, I recognise the undesirability of imposing restrictions on the freedom of action of those classes who have shown themselves fitted to enjoy their present freedom; and I apprehend that if the Bill is passed in its present form as an Act of general application, subject to exemptions to be made by special order of the Local Government, the result will be that it will remain in force in many parts of the Province in which, and as regards many classes of land-owners on whom, the imposition of such restrictions is neither necessary nor politic; whereas if the Act is made an enabling Act it will not be made applicable to any tract or class until good cause has been shown in each case and the great mass of the agricultural population of the Province will be left to enjoy their present freedom of action. The arguments that to impose restriction on one set of land-owners while leaving others free to alienate their lands will make them feel the slur of inferiority and will lead to a flow of capital from the area where restrictions are imposed to areas where none exist, are of no real value, for in whatever way the Act is framed the result must be that some areas and some classes are placed under restrictions while others are not. The Bill in its present form must evoke much greater opposition than an enabling Act would do, as all classes of agriculturists, including the steady thrifty Sikh and Hindu Jats, must feel that their freedom of alienation which they have generally employed with discretion is threatened; and in any case I hope that an early opportunity will be taken of announcing that Government intends to grant large exemption from the operation of the Act to areas and classes among which alienation of land has not attained to the dimensions of a serious evil.

“These considerations deserve serious attention before this measure becomes law.

“In my humble opinion the definition of ‘agriculturist’ is not complete. As it stands, it will throw out many persons who are entitled to be called agriculturists. Even Mr. Thorburn, who may be called in a way the father of the present measure, suggested that—

“*Agriculturist* shall be taken to mean a person who within the limits of a district, part of a district or other area to which this Act may for the time being extend—

- (1) ordinarily engages personally in agricultural labour; or
- (2) wholly or principally derives his livelihood from agriculture in the operations of which he takes an active part or interest.’

“Commenting on this definition a leading organ of public opinion observes:—

‘We still think that a further addition to the definition is required, namely, the inclusion of persons who, belonging to a tribe, the members of which depend upon agriculture for subsistence, and having themselves always lived by agriculture, nevertheless were not owners or hereditary or occupancy tenants at the time of the first regular settlement. There are two reasons for this addition: first, no obstacles should be placed in the way of such persons becoming proprietors, secondly, as the market for land is going to be restricted, it

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should not be unnecessarily restricted, but should be made as wide and open as the principles of the Bill will allow'

"These are wise suggestions, and had they been followed the definition would not have been so defective as it is at present.

"No valid reasons have been assigned why the year 1870 should be taken as the limit after which persons recorded at any regular settlement would not be recognised as agriculturists. The powers given to the Local Government to vary this period at its discretion are unjustifiable. I venture to submit that the Legislature should itself discharge its duties in as complete a manner as possible, and that when part of its functions is delegated to the Local Government it cannot be certain that its intentions will be carried out, and further that such delegation is inexpedient. Differences of opinion are sure to arise when the Local Government may fix an arbitrary limit creating numerous difficulties. A measure like this affecting such vast interests is entitled to receive from the Government of India that degree of care and precision which would inspire the public and the agricultural community with confidence. That confidence and that weight would never be given to the orders and notifications of the Local Executive Government which would be given to the enactments of the Supreme Legislature.

"I am given to understand that the officers of the Punjab Government who have been employed in determining what bodies of persons in any district or group of districts are to be deemed agricultural tribes or groups of agricultural tribes have found considerable difficulty in meeting the requirements of the proposed Act. I believe, my Lord, that these groupings should have been embodied in the Act, and I have already pointed out that the separation of Hindus from Muhammadans in the same agricultural group would seriously injure the latter.

"The restriction of the right of alienation of the second purchaser cannot be defended. It means reduction of the value of property of an owner who does not belong to an agricultural tribe. I can think of no reason why such an owner should be made to suffer.

"I have referred in detail in my Minute of Dissent to the creation of an overwhelming number of perpetual mortgages, and the disastrous effect they will produce both from economical and political points of view.

"In the opinion of His Honour the Lieutenant-Governor and some of the most eminent members of his Government, improvements on mortgaged lands should be permitted with the consent of the mortgage-debtor. The property will be considerably damaged—nay ruined—if such improvements be not allowed.

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"I hold strong views, my Lord, with regard to *ex post facto* legislation relating to existing contracts by way of conditional sale. It is not consistent with the policy hitherto pursued by the British Government and the immutable principles of British justice. Even some of my severe critics agree with me that *ex post facto* legislation is a grave mistake, and they hope that the provision in the Bill regarding existing contracts by way of conditional sale will be omitted.

"It may be urged, my Lord, that the number of existing contracts relating to conditional sale is large, and that if these be recognized the object of the Bill would, in some measure, be defeated. Those who may say so should remember, however, that it is a well-known fact that a certain proportion of these contracts is redeemed every year. It should also be borne in mind, that the number of these transactions dwindles into insignificance when they are spread over so wide an area as fifty-five millions of *malguzari* acres peopled by two millions of peasant-proprietors. The percentage becomes so small when this is considered that it is a matter for regret that a well-established principle is sought to be disturbed for the sake of such a small average. Admitting even that the number of these contracts is as large as it is represented to be, I venture to submit that they ought to be upheld in order to maintain British prestige, the inviolability of British justice and the integrity of British policy.

"It is contended that there is no injustice in prohibiting the transfers of lands under existing mortgages because *bas-bil-wafa* transactions are a fraud upon the present law intended to prevent such transfer. The law administered by the Civil Courts in the Punjab permits the mortgagee to bring land to sale; and the validity of this procedure is impliedly admitted in the proposed legislation undertaken to prohibit it. By section 141 of the Punjab Land-revenue Act, 1887, the orders of the Civil Court are executed by the Revenue-officers 'in accordance with the provisions of the law applicable to the Court issuing the orders and with any rules consistent therewith' If therefore the practice of Revenue-officers in executing orders for the sale of land under mortgage-decrees is to refuse to permit the transfer, that practice would seem to be inconsistent with the law and furnishes no argument whatever for giving retrospective effect to a Bill interfering with contracts. No rules of a local authority can possibly operate to legalize a practice overriding in effect an express enactment of the Governor General in Council.

"The Bill prohibits the execution-sale of land belonging to a member of an agricultural tribe. I would beg to draw Your Excellency's attention to an enormously large number of hard cases which such a provision would create. By the

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operation of this provision all unsecured debts, that is, debts unsecured by mortgages contracted even before the commencement of the proposed Act, will almost be made irrecoverable. Under the existing arrangement, moneys have been freely advanced on simple bonds to agriculturists, whose lands have been found to be unencumbered, the creditor feeling sure that his money was perfectly safe with a free land-owner unfettered in his action. The Punjab land-holders generally have very little of movable property that could be attached, and the alienation of the produce of his land for one year, which the Bill sanctions, will not in the majority of cases be sufficient to meet the creditor's demand. The proposed law will not allow the land of the agriculturists to be touched, and the consequence will be that debtors would be freed from their liabilities at the expense of their creditors, and this both from an economical and a political point of view deserves the serious consideration of Government. The transactions I refer to, my Lord, will, I believe, be found on enquiry to cover a crore of rupees, if not more, and it would be unfair to deprive, by legislative action, thousands of creditors of such a large amount of money which they advanced in perfect good faith under the existing law. The difficulty under present arrangements of realising money decreed by Civil Courts is already found to be very great, and this difficulty, I am afraid, will, under the proposed law, be simply insurmountable.

"The proposed restriction of alienation of self-acquired property is strongly resented. That a man should not be allowed to dispose at will of his self-acquired property in land without legislative interference is a proposition which cannot be upheld on any principle of political or economic expediency. Even the Hon'ble Member in charge of the Bill expressed it as his opinion at one time that such property should be excepted from the operation of the proposed law. He has evidently changed his views on the subject, but I am not aware on what valid grounds such restrictions can be justified.

"My Lord, let me once more, in conclusion, plead the cause of those who will be affected by the Bill. My duty to Government and to my countrymen has led me to oppose the measure. In my humble opinion, when the proposed measure becomes law, it will create needless discontent and difficulties."

The Hon'ble Sir EDWARD LAW said:—"As a member of the Committee who were engaged in considering this Bill, I merely wish to say that the principle of it is one with which I feel much sympathy, but on the majority of its details I have not had the necessary experience to form any opinions of my own, and in approving of it I have done so in a belief in the experience of others who have studied

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the question. I can only hope that the results of its working may justify the anticipations of those who are more competent than I am on the subject.

“One point which touches on my own Department has been raised in the discussion today; and that is the question of the possibility of obtaining credit in a new form for the land-owners in the event of there being perhaps an extra demand for credit in consequence of the working of this measure, in other words, the question of Agricultural Banks. That question interests me very specially, as I have previously made a study of it in other countries. I can only say that, with His Excellency's permission, we are going to have a conference in Calcutta of a few people who are specially qualified to speak on the subject, and to look at it with regard to Indian conditions; and that I hope the result of our consultations will be that we will be able to propose measures which will have the acceptance of His Excellency and this Council, and which will be not only for the good of the Punjab peasant-proprietors, but for the peasant-proprietors throughout India.”

The Hon'ble MAJOR-GENERAL SIR EDWIN COLLEN said:—“My Lord, as the measure now before us is one which is of vital importance to the province which is the home of so many of our best soldiers, I shall venture, before recording my vote, to lay before the Council my reasons for supporting the Bill, and to explain briefly how this question presents itself to a non-expert, in its broad and general aspect.

“I must first express my gratification at the prospect of the measure before us becoming law, as it seems to me to be the first practical recognition of the grave political danger which the ever-increasing transfer of land from the agricultural to the non-agricultural classes, under the joint influence of indebtedness and the procedure of our Law Courts, is creating in Northern India. No one who has examined in even the most cursory manner the voluminous reports which have been submitted on this subject can fail to be impressed with the conviction expressed by the best exponents of popular opinion in the Native community as to the reality of this danger. Our Hon'ble colleague Sir Harnam Singh stated that the cry of political danger had only been raised within the last ten years. This is, I think, a misapprehension. Sir George Campbell, one of the most capable and best informed officers of the past generation, put this question of political danger very forcibly, when speaking of the evils of the wholesale transfer of land in the North-Western Provinces and its influence upon the great convulsion of 1857. And his opinion was echoed by one of the ablest revenue-administrators of a later generation, Sir Charles Crosthwaite. Now, Sir Charles Crosthwaite, with the

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experiences of the mutiny in the North-Western Provinces before him, wrote that 'the political mischief resulting from the expropriation of the hereditary agriculturist was made evident in 1857; and whenever the power of Government is weakened or in abeyance it will be made evident again.' And in a more recent generation we have men like Sir James Lyall and Sir Dennis Fitzpatrick deploring or recognising that, through the facilities now given to the peasant for getting into debt and the remedies given to the creditor by our law and procedure, transfers of land are proceeding with dangerous rapidity in many parts of the country.

"It is, of course, one thing to entertain a conviction of a political danger in the future, and another to be certain as to how it can best be obviated, or whether it can be avoided at all. In the present case the second question has been the more difficult, but it seems to me that the first onward step was reached when that cautious administrator Sir Dennis Fitzpatrick recognized that the only effective remedy against alienation was to impose restrictions on transfer. It is true that he also recognised the drawbacks which might attend any such restrictions, and that he was personally disinclined to resort to them except in particular and possibly limited areas, where what he called an overwhelmingly strong case for action was made out. But I am only concerned with his conclusion as to the proper and sovereign remedy. And it appears to me that this conclusion of his has paved the way to the present Bill. He might have legal scruples as to how far its provisions should be locally extended, or doubt the wisdom of some of the restrictions which it places on the power of permanent alienation, or challenge the conditions to which mortgages of land between an agriculturist and a person outside his tribe are henceforth to be restricted. These are matters for specialists, and matters on which there is room for difference of opinion. But there is, I submit, no shadow of a doubt that the discussion which Sir Dennis Fitzpatrick initiated and the dictum which he laid down have resulted in the present measure, and that, if it meets with the success which we trust we may anticipate for it, Sir Dennis Fitzpatrick, equally with the Hon'ble Member in charge of the Bill, will have earned the lasting gratitude of the Punjab

"As to the measure in itself, my Lord, the scheme of restrictions which it sets up is no doubt open to criticism on particular points. It is very easy to say of a measure like this, that it would be improved if it were made a little more elastic; and very difficult to prove that the line between extreme rigidity and absolute surrender of the principle has been correctly drawn. This is really the gist, as it seems to me, of all the unfavourable comments upon the Bill. With these points I am not concerned. I am prepared to accept the conclusions of

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the Committee which dealt with the Bill, the more so because they have shown their openness of mind in practically redrafting the Bill from beginning to end. Numerous and important concessions have been made to the advocates of unrestricted transfer and free trade in land, and I am quite prepared to accept the conclusion of my Hon'ble colleague in charge of the Bill that they could not have gone further without sacrificing the fundamental objects with which legislation has been undertaken. From a soldier's point of view the welfare of the Punjab and the well-being and prosperity of its manly agricultural classes should ever be foremost in our minds. I do not in the least accept the picture which my friend Sir Harnam Singh has drawn of the retired Native soldier, returning to his home, after fighting the battles of our Queen, and suffering from dispossession of his ancestral lands, by the operation of this Bill. I hold that the Bill will affect the Native soldier in an entirely opposite direction. It may, of course, be urged that the Sikhs, for example, stand in no special need of protection, as they have qualities which make for thrift and circumspection in their monetary affairs. But I venture to submit that even with them the restrictions of the Bill will not infrequently tend to keep together the ancestral acres of a loyal household, and will thus contribute to the maintenance and increase of this great source of our military strength in India. And it must be remembered that we have other powerful and manly races in the land of the five rivers. It has been impressively shown how the fine Muhammadan races of the Northern and Central Punjab are succumbing to the influences I have mentioned, and are divesting themselves, without real necessity, and practically without knowledge of what they are doing, of their tribal lards. The Bill strikes at the root of this evil, and, as it appears to me, strikes in the only effective way. It is too early to predict that it will do all we wish, but if it only does something, the work we hope to accomplish to-day and in which our Hon'ble colleague Mr. Rivaz has borne so conspicuous a part, will not have been in vain."

His Honour THE LIEUTENANT-GOVERNOR said—"While congratulating my Hon'ble friend Mr. Rivaz on having safely piloted this Bill through troubled waters and on having greatly improved its form in the process, I am bound to confess that I find it impossible to speak with much confidence as to its probable effect. Throughout the discussions which have taken place regarding it, I have been conscious of seeing more clearly the objections to drastic legislation than the arguments in favour of it. I have been more in sympathy with the Punjab Revenue-authorities of the past than with newer views. Fifteen years ago Sir Charles Aitchison, writing of this subject, held the opinion that 'so far as the evils complained of are inherent in the



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character and traditional habits of the people, or in the gradual extension of law and systematic government over a country governed more or less irregularly, little if anything can be done to improve the position of the agriculturists.' Two years later Colonel Wace, one of the most thoughtful and experienced Revenue-officers whom the Punjab has produced, wrote in this connection that 'we cannot succeed in protecting people against themselves; nor ought we to hamper those who are thrifty by restrictions intended for the protection of those who are not.' Sir James Lyall in 1891, though strongly impressed with the dangerous rapidity with which transfers of land were proceeding in the Punjab, thus expressed himself. 'No one ventures to say that we can go back from the gift of proprietary right and it is generally admitted that it existed before our time, and that what we have really done is to make it more valuable, and thereby to promote its being encumbered and eventually transferred.' He confined his recommendations to measures designed to check the progress of transfers so far as it is due to the action of our laws and Courts. His programme consisted of an Act to be framed for the Punjab on the model of the Dekkhan Agriculturists' Relief Act of 1879. He sketched the outlines of the measure which he proposed and asked for early leave to assemble a Committee of Punjab officers to draft a Bill on those lines. No action up to date has been taken on these proposals, and the letter forwarding them remains unanswered. Personally I should have been content to follow Sir James Lyall's programme. But restriction of the power of alienating land had no place in his scheme, nor did he ever contemplate such direct interference with the discretion of proprietors. The initiative in this respect was taken by the Government of India in 1895, when the Governor General in Council announced the distinct opinion that some action in the direction of restriction upon the alienability of land is generally advisable and even necessary throughout India. As explained by the Hon'ble Mover in his speech in this Council on the 27th September, 1899, this opinion was framed in connection with, though not in consequence of the recommendations of, the Commission appointed in 1891 to report on the working of the Dekkhan Agriculturists' Relief Act of 1879 and on the desirability of extending a similar measure to other Provinces. What led the Government of India to this conclusion has not been explained. The idea did not emanate from the Local Governments, and up to the present time I believe no Province except the Punjab has been asked to consider it. I shall probably not be far wrong if I say that Mr. Thorburn's advocacy of the cause of the indebted peasant of the North-West Punjab against the money-lender had a good deal to say to it, while the distinguished Punjab officers who at that time and since have been connected with the Supreme Government have greatly influenced the decision. Be that as it may, the proposal to restrict the

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alienation of land in the Punjab was made to Sir Dennis Fitzpatrick in 1895 by the Government of India and not initiated by the Punjab Government. In reply Sir Dennis Fitzpatrick committed himself to the opinion that, if an overwhelmingly strong case were made out in regard to any particular tract, legislation empowering the Local Government to interfere with alienation in that tract would be justifiable, and having satisfied himself that such a case had been made out in regard to at least one assessment circle of one tahsil in the Gujranwala District, he founded on this conclusion a recommendation for an enabling Act for restricting transfers, not for an Act applying throughout the Province.

"The reply to Sir Dennis Fitzpatrick's proposals was received in April, 1898, after I had succeeded to the Lieutenant-Governorship of the Punjab. The conclusions framed by the Government of India were set forth in that reply and consisted of two main propositions: first, that a strong case seemed to have been made out for prohibiting all permanent alienations of agricultural land, except with the sanction of some duly empowered Revenue-officer, and, second, that the legislation for giving effect to this view should be general and not partial in its character, in contradistinction to the proposal of Sir Dennis Fitzpatrick. I was invited to summon a Committee of selected officers to advise me in framing my conclusions upon the scheme of the Government of India, and this I did after circulating to selected officials and non-officials a series of questions framed on its proposals, and submitted the resolutions of the Committee with my own opinion, not quite so soon as I was asked, but still within four months of the date of the letter calling for it. The proceedings were conducted at high pressure, but the subject was familiar to all of us, and my own opinion, which had been formulated and recorded nine years previously, had not changed since that time in any material degree; and, had I felt myself at liberty to do so, I should have reiterated my former views, and advocated resort to the less drastic measures proposed by Mr. Elsmie and myself as Financial Commissioners in 1889 and amplified by the then Lieutenant-Governor, Sir James Lyall. But there were two reasons against my taking this course. The first was that the Government of India with those opinions and many more before it had committed itself to a definite preference for interfering with the right of alienation, and, although I was freely invited to express my opinion, I felt I should only be justified in placing myself in opposition to its views if absolutely sure that the policy was mistaken and that the measure could not be adapted to the Province in any form without serious risk. I was not prepared to go so far as this. In stating my second reason I have to make an admission. The officers whom I nominated to the Committee represented the best experience available, and a

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very strong embodiment of it. I did not pack my jury, but just took the best officers I could bring together. And they were unanimous in accepting the main features of the Government of India scheme. Under these circumstances, while giving full expression to my personal doubts as to the wisdom of the measure, I considered it the more important part of my duty to give it the best shape possible, and this was what I endeavoured to do in conducting the proceedings of the Committee and in drafting the opinion which I submitted to the Government of India. I regret that that opinion has not been formally placed before the Members of Your Excellency's Council. It would have rendered the explanation which I have felt it my duty to give unnecessary. It would have made it clear that while the measure now before the Council goes beyond the utmost recommendations of the Local Government itself, it has the support on the one hand of the deliberate judgment of the Government of India, and on the other of a strong body of opinion within the Province; it would have shown that while I was personally very doubtful, and even apprehensive, of the effects of such a measure, I had waived my personal opinion, and confined my efforts to shaping it so as to conduce in the best possible manner to the end desired. This attitude has been described in one quarter which I am bound to regard with veneration as 'correct.' It will no doubt be described by others as timid. I do not much care what is thought of it, but I am anxious for reasons which I will explain that my position should be made quite clear. That position is described in the following extract from the opinion already mentioned :—

'Assuming that the Government of India have determined to adopt stringent measures for checking the alienation of land, and to make those measures of general application to the Punjab, subject to special exemptions, I recommend that the scheme accepted by the Committee for dealing with permanent alienations of which I have given some account above be approved. I believe it to be workable, and to be as little open to objection as any which can be devised; while, if successful in checking the transfer of land to the hands of the money-lender without unduly depreciating the wealth of the zamindar or creating wide agrarian discontent, it will be a boon to the country.'

"This, after the fullest consideration, is all I am able to say in favour of the Bill, and it is on this assumption and subject to this consideration that I shall record my vote in its favour.

"But, my Lord, it is not merely for the purpose of justifying my vote, still less with the object of gratifying a not unnatural desire to explain precisely my attitude towards a measure which will affect so closely the vast majority of the people of the Punjab, that I have taxed the patience of the Council with what sounds I fear too much like a long personal explanation. I have a more important

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object in view. The passing of this Bill is only the first act in a long drama. The working of it will be for many years the subject of anxiety to the Administration. A large number of opinions have reached the Council, some of them professing to come from bodies of agriculturists who are intimately affected by the measure. There are no doubt many genuine sentiments in these papers, but neither the agricultural community nor the village money-lender have really had their say, nor have they as yet any idea how they will be affected by the measure. Nor, I venture to say, has any Member of Your Excellency's Council. It is only when the provisions of the Bill come to be applied that we shall learn the effect of the experiment. How far they will depreciate the value of land, how far they will be disregarded, how far they will be evaded, how far they will pinch the borrower or make the lender's trade impossible, will only be revealed by degrees. The venture, which is a bold one, may be successful, or it may be a failure. But failure in legislation is of two kinds. A law may be more honoured in the breach than in the observance, and no great harm is done, though such laws are to some extent a source of weakness to the Administration. But, if it actually results in injury to any class of persons, the failure is more serious. And the question whether this measure will cause injury or not depends very largely on the way in which it is worked. The Government of India has retained in its own hands to a large extent the working of the Act. This seems to me not unreasonable in view of the fact that it is the Government of India which is responsible for the enactment. But, when the Local Government proposes rules or notifications under the Act, I hope it will be remembered that the Punjab Committee considered that their proposals embodied the maximum in the direction of restrictions on alienation which could be regarded as either safe or desirable in the interests of the Province, and that, although a strong body of opinion exists in the Province that interference with the right of alienation is possible and justifiable, those most nearly affected cannot be said to have manifested any desire for such legislation, while the Head of the Local Government, concurring with his predecessors, would have preferred a less drastic measure to that now before the Council.

“And now, my Lord, having explained the limitations under which my vote in favour of this measure will be recorded, I propose to make only a few remarks in regard to its provisions. As explained by the Hon'ble Mover in introducing the Bill, the proposals of the Punjab Committee constituted the foundation of the scheme which it then embodied. And subsequent alterations have still further assimilated it to those proposals, while other important additions have been made which in no way militate against them and have

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my entire concurrence. In one respect, however, the Bill departs from the distinct recommendations made by the Punjab Committee. That Committee contemplated no interference in respect of alienations of land to agriculturists. The Hon'ble Member in charge of the Bill explained in his speech on the 10th August last why he was unable to accept this view. The reason was because the agriculturist is also in many cases a trader and a money-lender. Accordingly the Bill as introduced in September, 1899, limited the freedom of such transactions to members of the same agricultural tribe residing in the district where the land was situated. The limits of the district for the purposes of this provision might be extended or restricted. The term 'agricultural tribe' was similarly liable to formal definition. The Punjab opinions recorded on the Bill supported almost unanimously the view of the Punjab Committee, and advocated no restriction on alienations to members of an agricultural tribe. In my opinion of the 15th May I strongly advocated this course, because otherwise matters would be made too hard for the small proprietors of small tribes. I pointed out that the main object of the Bill would not thereby be interfered with, while its principal danger would be averted. With reference to this view the Hon'ble Mr. Rivaz explained that the Select Committee had recognized the force of the objection that if free transfers were limited too strictly within the same tribe the market in the case of some small tribes would be undesirably narrowed. Accordingly he announced that the Bill had been amended so as to permit of the grouping together, when thought advisable, of small and what may be called cognate tribes in the same district or in a group of districts, and to allow permanent alienations without restriction within such groups. Now, the Bill itself as amended and as now presented to the Council says nothing about cognate tribes. It merely provides in section 4 that the Local Government, with the previous sanction of the Governor General in Council, may determine what bodies of persons in any district or group of districts are to be deemed to be agricultural tribes or groups of agricultural tribes for the purposes of the Act. I still hold the opinion that the Punjab view is correct, and that the best plan would be not to interfere with permanent alienations by a member of any agricultural tribe to a member of the same or any other agricultural tribe, and that provision in order to meet the Hon'ble Member's objection should, if necessary, have been made in the Bill. But, as this opinion has not been accepted by the Select Committee, I will only record my hope that in working section 4 of the Bill the Government of India will disregard the suggestion, which is not contained in its provisions, to group only those tribes which are cognate, and will give full effect to the view of the Punjab Government and its officers in considering the recommendations of the Local

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Government under section 4 of the Bill. I cannot too strongly insist upon the view, that the great danger of the measure consists in the effect it will have on the small agricultural tribes, which will often be found scattered in isolated villages far distant from each other. The machinery for meeting the case of such tribes is provided in the section I have quoted, and I hope it will be freely utilized.

"I find it unnecessary to refer to any other provision of the Bill which, on the assumption which I have explained and subject to the remarks I have made, I accept as the best measure that can be devised for giving effect to the views of the Government of India. I shall direct my best attention during the remainder of my term of office to its working, and earnestly hope that it may conduce more than I anticipate to the welfare of the agricultural population of the Province.

"I will only add in conclusion that the legislation of this Bill needs to be supplemented by a system of Agricultural Banks, and that I listened with much satisfaction to the announcement of my Hon'ble friend Mr. Rivaz that the Government of India had such a system under consideration, and that of the Hon'ble Finance Member that he regarded the project with special interest and proposed shortly to take it in hand."

The Hon'ble MR. RIVAZ SAID :—"With reference to some of the views which have been expressed in the speeches just delivered, I am afraid that I must ask the Council to bear with me while, at the risk of exposing myself to the charge of wearisome repetition, I make yet a few further remarks regarding that all important part of our scheme which imposes restrictions on permanent and temporary alienations. I say again that the main object of the scheme is to discourage, as far as possible, members of agricultural tribes from selling their lands. To those who, while agreeing that sales to professional money-lenders ought to be prohibited, yet wish to leave the market of sale unrestricted as regards members of all the agricultural tribes between themselves, I wish to say, how can this be justified? Our sole justification for interfering with the free right of sale which the Punjabi land-owner has hitherto possessed is that he has proved himself incapable of making proper use of this right and that he has been unable to resist the temptation of raising money on his land, even to the extent of selling it, for purposes of pure extravagance. If, however, we only go so far as to prevent him from selling his land to the professional money-lender, but still allow him to sell as he pleases to any member of any agricultural tribe, what would be the result? To my mind it would certainly be this. We should, by thus partially narrowing his market of free sale, depreciate the selling

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value of his land to some extent, but not sufficiently so to discourage him from selling except in cases of real necessity. He would still be tempted to sell for purposes of extravagance, but whereas formerly, when he wanted to raise (say) one hundred rupees, he could do so by selling a couple of acres, he would now have to sell three. Would this be a fair way of dealing with the small proprietor? He would certainly disappear under such conditions at a more rapid rate than he is disappearing at present. I am not prepared to say whether the accumulation of large landed properties in the Punjab is, from a political point of view, desirable or not; but I do say most distinctly that it is no part of our scheme to encourage the growth of large properties at the expense of the small proprietor. I repeat that our main object is the preservation, not the extinction, of the small proprietor. This then is my objection to keeping the market of free sale as wide as some desire to keep it. If, however, we limit the market, as our scheme contemplates, to the tribe, or, in special cases, to a group of small similar tribes, then I claim that we are really narrowing the opportunities for sale to an extent which will remove the temptation to sell needlessly, yet will afford a sufficient market in cases of real necessity. As I have said before, it is neither possible nor desirable to prohibit sales altogether. The individual must in some cases part with his land, but under our scheme the powerful factor of sentiment comes in, and the land, though lost to the individual, is preserved to the tribe. If, however, in any particular case a man who is compelled by necessity to sell his land is really unable to find a purchaser for it at a fair price within his tribe, the Bill provides a ready remedy. As His Honour the Lieutenant-Governor remarked, in his speech in this Council on the introduction of this Bill a year ago, 'there is nothing absolute about the restrictive provisions. The person who lies under the greatest disability under the proposed Bill can obtain a dispensation from its provisions, if due cause be shown.'

"Moreover, it must be remembered that, although our scheme imposes material restrictions on sales, it provides large facilities, larger perhaps in my own opinion as the Bill now stands than is altogether desirable, for raising money on mortgage. In short, the key-note of our scheme is to discourage sales but to provide ample reasonable facilities for temporary alienation."

The motion was put and agreed to.

The Hon'ble KUNWAR SIR HARNAM SINGH said.—"My Lord, I have already stated fully my reasons in support of the amendments that stand in my

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name, and I need not take up again the valuable time of the Council by any detailed remarks in regard to each of them.

"My first amendment is as follows:—

"That at the end of sub-clause (3) of clause 2, definition of "land", the words "but does not include any self-acquired property" be added.

"The object of this amendment is to make it clear that alienation of self-acquired property by purchase or gift is not to be brought under the operation of the proposed law."

The Hon'ble MR. RIVAZ said:—"It seems at first sight unreasonable and unnecessary to impose any restrictions on alienations of self-acquired property, but the practical difficulty in the matter is this: if self-acquired land is not included in our proposed restrictions, what is there to prevent a member of an agricultural tribe from buying a piece of ancestral land from a fellow tribesman and selling it next day as self-acquired to a money-lender? I do not see how this could be prevented, and it would obviously open a very wide door to fraudulent evasions of the main principle of our scheme, for a money-lender could purchase as much ancestral land as he pleased by using the simple expedient of employing a member of an agricultural tribe as his secret agent.

"I must therefore oppose this amendment."

The Hon'ble NAWAB MUHAMMAD HAYAT KHAN expressed his concurrence with the Hon'ble Mr. Rivaz.

The Hon'ble MR. TUPPER said:—"I venture to think that this amendment should not be accepted, not only for the reason given by the Hon'ble Member in charge of the Bill, but also for what seems to me to be a cogent reason connected with the practical working of the Bill.

"I fully admit the validity of the distinction between self-acquired and hereditary property under Punjab customary law, and agree that there should be greater freedom in the disposal of self-acquired than of inherited property.

"But most of the cases in which a decision will be given by the Deputy Commissioner under section 3 will come up to him by means of the mutation procedure. The cases will be entered by the patwari in the village-register for mutation of names, and it will be for the patwari and the field kanungo in the first instance to call attention to the fact that the provisions of the Act have been infringed.



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"Now, so long as the issue for them to consider is the simple one whether a man is or is not a member of an agricultural tribe, there is some chance of their getting through the work. But, if we go further and require these petty officials to say whether a given bit of land is self-acquired or ancestral, we impose upon them a task which, other objections apart, will unduly retard business. It is much better, therefore, not to complicate the issue in the way proposed.

"At the same time I see no reason why the Deputy Commissioners should not be reminded, in the circular which will be issued as to the working of the Act, that there is a real and important distinction between self-acquired and ancestral property, and that *ceteris paribus* sanctions to transfers of self-acquired property in land may be given with less reluctance than in the case of such property which has been inherited."

The motion was put and negatived.

The Hon'ble KUNWAR SIR HARNAM SINGH said—"The second amendment I have to move is:—

'That in clause 3, sub-clause (1), the proviso be omitted

"The object of this amendment is to remove the restriction placed upon the right of alienation by the second purchaser."

The Hon'ble MR. RIVAZ said:—"I have already explained, in the statement I made at the beginning of our proceedings to-day, that the provision of the Bill which allows a person who is not a member of an agricultural tribe to acquire land in certain circumstances, without having to obtain the Deputy Commissioner's sanction, from a member of an agricultural tribe, is a pure concession. This being the case, it is only reasonable that, when a person who comes under our definition of agriculturist takes advantage of the concession thus allowed to him, he should be restricted from selling again unless to another agriculturist in the same village or to a member of an agricultural tribe. If this restriction were removed, there would be nothing to prevent a money-lender who did not come under the definition of agriculturist from employing another money-lender who did so come as his agent for buying land from members of agricultural tribes.

"I cannot therefore accept this amendment."

The Hon'ble NAWAB MUHAMMAD HAYAT KHAN expressed his concurrence with the Hon'ble Mr. Rivaz.

The motion was put and negatived.

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The Hon'ble KUNWAR SIR HARNAM SINGH said :—“ My third amendment is :—

‘ That in clause 8, sub-clause (r), after condition (b) the following new condition be inserted, the present condition (c) being re-lettered (d), namely :—

“ (c) a condition permitting a mortgagee in possession to add to the amount of the mortgage-debt the value of any improvements of the land which he has made with the consent of the mortgagor.”

“ The object of the amendment is to permit improvements to be made by the mortgagee in possession on mortgaged lands with the consent of the mortgagor.”

The Hon'ble MR. RIVAZ said :—“ The question of allowing the mortgagee in mortgages which are permitted by clause 6 of the Bill to effect improvements and charge their cost to the mortgagor was very carefully considered by the Select Committee. There is a good deal to be said on both sides of the question, but, after giving the matter our best consideration, we decided not to allow any condition to this effect, even when the mortgagor consented, because it would militate against the cardinal principle which is embodied in the Bill of making all mortgages, except when the mortgagor remains in cultivating occupancy of the mortgaged land, automatically self-redeeming at the end of a fixed period not exceeding twenty years. I see no sufficient reason for withdrawing from this deliberately formed conclusion, and am therefore unable to accept this amendment.”

The Hon'ble NAWAB MUHAMMAD HAYAT KHAN said :—“ With due deference to the opinion of my Hon'ble colleague, I think it my duty to oppose this amendment on the following grounds :—

(a) The mortgagor and the mortgagee in collusion with one another could avail themselves of the condition relating to improvements to make the expenses too heavy to be redeemed, and that process would be nothing less than an underhand sale. I have had experience of cases where, to frustrate the rights of pre-emptors, the mortgagor and the mortgagee actually made their contract one of sale, rendering the conditions of redemption almost impossible of fulfilment. The most difficult of such conditions has always been to burden the land with running items of improvement, which on enquiry not unfrequently are found to be untrustworthy, unreason-

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able and unnecessary. Similarly, in cases of the '*liekha mukhs*,' which occur generally in the south-west part of the Punjab, a running account of profits and losses is kept by the mortgagee. When I was a District Judge and a Divisional Judge in the Multan Division, a great number of disputed accounts came to my knowledge, and I not unfrequently found that the improvement item exceeded that of the profits, the result, according to the mortgagee's account, being disastrous to the mortgagor.

- (b) To ascertain the correct and fair cost of such improvements from the money-lenders' account-books is next to impossible. These books consist generally of entries of items, which after a short time admit of no investigation, and consequently the money-lenders make the amount repayable as large as they please. Experienced officers are aware of the fact that cases in connection with compensation for improvements between a proprietor and a hereditary tenant are always fraught with difficulties.
- (c) Even in cases where no collusion between the parties exists, the well-to-do money-lenders will in reality spend a great deal of money in the hope that the original proprietors, considering a repayment of expenses impossible, will relinquish possession.
- (d) The term of twenty years, as provided in usufructuary mortgages, is in itself so long that it would be worth the while of the mortgagee to reap as much benefit as he could during this lengthy period by improving the condition of land with the object of increasing his income, and when the term expired to surrender it to the mortgagor without demanding any repayment for what he had done in his own interests.

"For the above reasons, I ask the council to reject the amendment, which, though it apparently looks harmless, will practically open a dangerous loophole, detrimental to the cause of agriculture."

The motion was put and negatived.

The Hon'ble KUNWAR SIR HARNAM SINGH said:—"My last amendment is:—

'That sub-clause (2) of clause 9 and the words and figures "or sub-section (2)" in sub-clause (3) of the same clause be omitted, sub-clause (3) being re-numbered (2).

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"The object of this amendment is to prevent retrospective legislation with regard to existing mortgage-contracts in which there is a condition intended to operate by way of conditional sale."

The Hon'ble MR. RIVAZ said:—"Our reason for cancelling any conditions in existing mortgages which are intended to operate by way of conditional sale is simply this. Mortgages of this nature have increased very considerably in the Punjab during the past few years, and there can be no doubt that this increase is mainly due to the fact that the mortgagee has been able, by inducing the mortgagor to enter into this form of mortgage, to evade the rule in force in the Punjab, which prohibits the sale of land in execution of decree except when sanctioned by the higher revenue-authorities. The consideration money entered in mortgage-deeds of this kind often does not represent nearly the real value of the land, and there is a consensus of opinion that this form of mortgage by way of conditional sale is essentially pernicious, so much so that the Bill before us absolutely prohibits its future use. In these circumstances, I think we are quite justified in interfering with still current mortgages of this nature, which in some parts of the Punjab at all events amount to a large number, affecting, I believe, several thousands of acres, and all of which will assuredly, unless some check is applied, be converted into absolute sales, to the extent contemplated by the provision which my Hon'ble friend wishes to eliminate from the Bill.

"I must therefore oppose his amendment.

"I may mention that I understand that a proposal for refunding any court-fees which may have been paid in any pending proceedings which will be affected by sub-clause (3) of clause 9 of the Bill is under the consideration of the Punjab Government. I can say that, if a proposal to this effect is submitted to the Government of India, it will be favourably received."

The Hon'ble NAWAB MUHAMMAD HAYAT KHAN said:—"I feel bound, for the good of the Province, to oppose this amendment also.

"I have stated, at some length, the iniquity and disadvantages of *bai-bil-wafa* in my remarks on the Bill generally to which the Council has just listened, and I, therefore, do not deem it necessary to state at length any circumstances in regard to its injurious effect in order to show that the amendment in question is not desirable, but I repeat—

(a) that such contracts were resorted to to escape the effect of the order to which I have referred in my remarks, namely, that no

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land should be sold in execution of any decree based upon the non-payment of any debt without the sanction of the Financial Commissioner, such sanction being impossible without needful scrutiny,

- (b) Muhammadan law regards such a contract as absolutely illegal; the Shastras, too, so far as I know, do not allow such contracts;
- (c) according to the provisions of the amended Bill, the mortgagees of *bai bil-wafa* have nothing to lose, because the new law will leave them in the position in which it found them. Of course, after the law comes into force, no sale on the strength of such a condition will be permissible and the mortgage will still remain a mortgage."

The Hon'ble MR. FANSHAWE said.—“My Lord, as it happens that the Delhi Division, at present under my charge, is the part of the Punjab which is principally affected by the provisions of deeds of mortgage in the form of conditional sale, known to the people as *bai-bil-wafa*, I will venture to make a slight trespass upon the patience of the Council in stating certain facts which convince me, and will I hope satisfy others, that in spite of strongest regard for the principle of upholding private rights Government is bound to interfere as regards these mortgages and to disallow the clauses existing in them of conditional transfers of proprietary right, and that therefore the amendment moved by the Hon'ble Sir Harnam Singh should be negatived.

“This form of mortgage, as the Hon'ble Nawab Muhammad Hayat Khan has remarked, is derived from a legal fiction in Muhammadan law, and according to the learned author of *The Dictionary of Islam* is one of those things which, though approved by legal authority, is held by the law to be abominable as a device for obtaining what the law prohibits. It was first taken notice of in our Statute Book by Regulations passed so long ago that some of them were enacted for application to the districts ceded by the Nawab Wazir of Oudh and to the province of Benares, and the provisions regarding it were made (as were those regarding rates of interest to be decreed in the earliest of the Regulations, No XV of 1793) for 'preventing fraud and injustice in the conditional sales of land,' it being recited in the preamble that mortgagees were in the habit of evading payment or tender of payment by mortgagors within the period before foreclosure could be enforced, and being finally provided in Regulation XVII of 1806 that in all cases of foreclosure the mortgagee should give a year's notice to the mortgagor. Thus it was said in the quaint but most true language of the time would be for the benefit not only of the borrower

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but also of the lender 'if he mean to act fairly.' From the provinces named this Regulation was gradually extended as far as the Delhi Territories, which until 1857 were attached to the North-Western Provinces; but little or no use was at first made of it in these territories, and it was not declared to be legally in force in the whole of the Punjab until the passing of the Punjab Laws Act in 1872, which brings us down to very modern history.

"It is hardly necessary to remark that when *bai-bil-wafa* mortgages were recognised by Lord Cornwallis, Lord Wellesley and their colleagues they never could have dreamt in their wildest dreams of the extension of such a form of alienation to a country of 'peasant-proprietors, and the introduction by its means of outsiders into village-communities, probably the most conservative bodies in the world.

"Now, unblest as this legal fiction was in its origin, it has been doubly unblest in its working in this Province. The rule in the Punjab from early days after annexation has been that agricultural land should not be sold in the execution of a civil decree without the intervention of the Collector of the district and superior Revenue-authorities, and this intervention has resulted in a refusal to sanction such sales in at least 95 per cent. of the cases in which approval to sale was sought. The rule which has the sanction of law has been perfectly well known to all capitalists, and has never prevented their advancing large sums upon all kinds of lands. Unhappily it was discovered after 1872 that the Regulation of 1806 provided a means of evading this rule; and advantage has been taken of this in various parts of the Province, and especially in the Delhi Division. Not to weary the Council with details, I will merely say that no less than *half a million of acres* have during the twenty last years been made subject to mortgages with the provision of conditional sale in the Delhi Division alone, and that a quarter of a million of acres have been made subject to this form of alienation within the last five years, which unhappily have been years of great agricultural distress and trial, and most of this land is hable at the present moment to pass away from the owners for an entirely inadequate consideration. In the Hissar and Rohtak Districts the number of *bai-bil-wafa* deeds executed, the number of notices of foreclosure, and the number of decrees for transfer of title under them have doubled in each period of five years since 1880; and during the last five years the area affected has amounted to 150,000 acres in the former and 30,000 acres in the latter. If the deeds contained at least *some* provisions in favour of the mortgagor, then the nature of the instrument would have to be considered as a whole in proposing to interfere with any part of it; but this is not the case. While the debt for which the land is mortgaged is invariably made

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up to a great extent of arrears of exorbitant interest, the period fixed before the mortgagee can issue notice of foreclosure is hardly ever longer than five years, and in most cases has in recent times been reduced to two years. It is obvious from this that the mortgagor is given no fair play in the matter, and that the mortgagee has no intention of acting fairly by him.

“During the last two years no less than 1,500 and 1,900 notices of foreclosure have been issued in the Hissar and Rohtak Districts in view of the present impending legislation, and unless this clause is declared null and void in the case of all existing deeds a very large area, amounting perhaps to a quarter of a million of acres, may pass from land-owners to the money-lending classes, practically without any fair consideration and in pursuance of a mere evasion of the legally authorised rule and practice of the Province. It may be said without fear of contradiction that in the beginning many of these deeds were executed in ignorance of the effect of the provision of conditional sale, perhaps even of its existence, and that later where this has not been the case there has commonly been an understanding that the clause would not be enforced; and as a matter of fact in several districts of the division it has seldom been enforced. It cannot be expected, however, that the advantage given by these deeds will be foregone any longer if the measure now under the consideration of the Council is passed in the form required by the amendment proposed by the Hon'ble Sir Harnam Singh, and unless the clause in question is specially disallowed by law (the rest of the mortgage-deeds, be it remembered, will stand as now if the mortgagee so wishes, and the mortgagee will thus be entitled to hold possession of the land mortgaged until his full debt is paid off), Government, while once more forbidding the sale of agricultural land in execution of a decree of a Civil Court, will deliberately leave open a loophole by which under an evasion iniquitous at least in its effects, of the old legal rule of the Province the proprietary right in a quarter of a million of acres in one division of the Province alone will probably pass away from its ancient owners, practically without consideration.

“It would be difficult, I venture to think, to imagine a case in which interference is more clearly demanded and can be more clearly justified on the grounds of morality and equity, and I am constrained on these grounds to oppose the amendment of the Hon'ble Sir Harnam Singh.”

The Hon'ble MR. TUPPER said:—“This is a matter on which I have changed my mind, and I should like to say why I have done so.

“In the Punjab Committee of 1898 Major Dunlop-Smith and I were in a minority of two on the question of giving retrospective effect to the prohibition

[*Mr. Tupper ; Mr. Rivaz*] [19TH OCTOBER, 1900.

of mortgages by conditional sale, and in the first discussions of the Select Committee I adhered to the same vote. My reason was that I was mainly influenced by the political considerations which I have explained to day and that I did not think the transfer of lands from the agricultural classes to the trading classes had yet proceeded so far that it was anywhere necessary to undo the past.

"It was, however, pointed out that the measure before us proceeds on economic as well as on political grounds. I agree that this form of mortgage is a mischievous one, and it is probable that on economic grounds alone the provision of the Bill now under discussion might be justified.

"But it is not merely for this reason that I have assented to the provision on this subject which now stands in the Bill. Inquiries made since the discussion of the Select Committee began have shown that these mortgages by conditional sale have been very frequent of late years, especially in the Delhi Division, and there is, I think, no doubt that they have been used as a means of evading the Punjab rule in restraint of sale of agricultural land in execution of decree. It would then be a just, if a severe, measure to punish this evasion of a rule having the force of law by annulling the transaction which involved the evasion. The clause under consideration, however, tempers such justice with consideration for the interests of the creditor. As my Hon'ble friend Mr. Raleigh on one occasion observed, even creditors have rights; but the Bill does not deprive the creditor of security for his money. It cancels indeed the obnoxious condition, but gives the creditor his choice of his original mortgage with this condition left out or of a mortgage in one or other of two of the forms considered generally suitable for the agricultural community. I think this is a very fair decision upon a conflict of interests which has probably arisen out of one class taking excessive advantage of the necessities of another. The clause should therefore in my opinion be retained in the Bill."

The motion was put and negatived.

The Hon'ble MR. RIVAZ moved that the Bill, as amended, be passed. He said:—"I may mention that by clause 1 of the Bill it is provided that it shall come into force on such day as the Governor General in Council may, by notification in the Gazette of India, direct. It is intended to bring the Act into force as soon as the notification with respect to agricultural tribes and groups of tribes is submitted by the Local Government and approved by the Government of India."



19TH OCTOBER, 1900.] [The President.]

HIS EXCELLENCY THE PRESIDENT said:—“When the Government of India utilises its legislative power to pass what is certainly a drastic, and has been described in the course of these debates as a revolutionary, measure, affecting any subject, but more particularly affecting the land, there are two questions as to which it should, in my opinion, satisfy itself. The first is—has the existence of an evil, calling for legislative interference, been established? The second is— is the particular legislation proposed the right remedy?

“The first of these questions we had answered to our own satisfaction a year ago. A careful study of the reports and returns, extending over a period of more than thirty years, had convinced the Government of India that the alienation of land in the Punjab, practically initiated by the British Power after annexation, is progressing with increased and alarming rapidity; that in consequence of this progress land is passing away from the hands of the agricultural classes whom it is our policy to maintain upon it, and into the hands of classes or persons who, whatever the part that they may play in the economy of agrarian life, are not, in our judgment, either necessary or desirable as land-holders; and that consequently a grave political as well as economic danger threatens the province, which it is the bounden duty of Government to avert. Nothing that has occurred in the interim has tended to shake our confidence in the substantial justice of this conviction. On the contrary, I think that it has been strengthened by the evidence that has since poured in. We have been told, it is true, that there can be no political danger in leaving things as they are, because the discontent of the Punjab peasantry is never likely to take the form of active rebellion. I should be sorry to think that our political objections to a continuance of the *status quo* were supposed to be based upon such fears as these. (It is not a disloyal peasantry that we apprehend. It is a despondent, debt-ridden, expropriated and impoverished land-owning class, particularly a class recruited from the stable and conservative elements so forcibly described by the Hon'ble Mr. Tupper, which would be both a source of weakness to the province and of alarm to the State. Again, it has been said today that the *sahukar* is a very useful and even indispensable factor in rural life, who is quite content if he secures his reasonable profits, and has no *à priori* appetite for land. So far as I can see, the model money-lender whom I have described, and whose utility I do not dispute, will not be at all injured by this Bill. The *samindar* will still require money, and the *daniya* will continue to provide it. But it is the Shylock, who insists upon his pound of flesh, and who, under the existing system, is in the habit of taking it in land, because it is the one security which his debtor can furnish, at whom we aim. A money-lending class I fully

[The President.]

[19TH OCTOBER, 1900.]

believe to be essential to the existing organisation of agrarian life in India; but we do not desire to see them converted into land-grabbers, either voluntary or involuntary, at the expense of the hereditary occupants of the soil.

"I do not, therefore, feel any doubt as to the seriousness of the malady which we have been called upon to diagnose, and for which, if we value our responsibility, it is our duty to prescribe. But there arises the second question, whether we have or have not adopted the right prescription.

"Now, there is one objection that has been raised to our Bill which would equally apply to any Bill. It has been said that social customs and institutions cannot be changed by arbitrary dispositions, either of law or executive authority; that they should be allowed to work out their own salvation; and that, in the process of what is described as evolution, but is in reality only blind and irresponsible abnegation of control, the desired reform will some day come. With me this argument carries no weight; for it is the argument, both of the optimist, in so far as it cheerily but thoughtlessly assumes that things, if left to themselves, will come right in the end, which I may observe in nine cases out of ten is not the case; and of the pessimist, in so far as it contends that Governments ought not to attempt to solve problems, because their solution is hard; while it is also in direct violation of historical facts. If successive British Governments had contentedly accepted the proposition that social and agrarian evils are not to be rectified by legislation, where, I wonder, would the boasted advance of the nineteenth century have been? How would the men in our coal-mines, the women and children in our factories, ever have secured the full protection which they now enjoy? Would labour have emancipated itself from the all-powerful control of capital? Had they not been guaranteed by legislative enactments, where would the valued privileges of compensation for improvements, compensation for accidents, compensation for disturbance, have been? Even in India itself how should we have built up the fabric of social and agrarian rights without the instrumentality of the law? Finally, as regards this particular case of land in the Punjab, I do not see how there can be anything immoral or revolutionary in taking away or modifying a privilege which it is proved beyond possibility of doubt was for the most part one of our own arbitrary creation. If it is an improper thing to diminish or destroy proprietary rights in land because it involves an interference with the course of nature, equally was it an improper thing to create them as we did fifty years ago, when they did not already exist. You cannot apply the argument at one end of the scale, without admitting it at the other. This is the answer to the plea of inviolable promises and inviolable rights that was put forward today by Sir Harnam Singh. The objections in principle to legislation of this description may, therefore, I think, be disregarded.

19TH OCTOBER, 1900 ] [The President.]

“There remains the question whether this particular Bill and the methods to which it proposes to give the sanction of law are the best remedy that could have been devised. I have been a good deal struck in the discussion, both in Council and in print, by the absence of any alternative prescription. Inaction, I may point out, is not an alternative. It is only an evasion of responsibility. It does not, of course, follow, because no other suitable or likely remedy has been pointed out, that ours is the sole or the right one. Such a contention would be both illogical and foolish. But given an evil which all admit, if the method of cure or rather of prevention which is suggested by the responsible physician is questioned either by the patient or by the public, the *onus*, I think, lies upon the latter of indicating a better plan. The fact that in the present case no such rival panacea has been forthcoming leads me to claim that the Government proposal, whether it be sound or unsound, at any rate holds the field.

“I now turn for a few moments to the Bill itself. It will not be denied that we have proceeded with the various stages of its growth and enactment with singular care and deliberation. The Bill in its original shape was the outcome of years of patient study. In the form which it has now finally assumed, it also bears the impress of repeated reference, of diligent reconsideration, and of an anxious desire to meet, in no dogmatic frame of mind, the criticisms whether of expert authority or of public opinion. We should, I think, have been very obstinate and unwise had we adhered to every clause, or even to every leading feature of the Bill, as introduced last year. It was emphatically a case in which a reasonable spirit was called for, and in which some concession was required to the arguments of opponents, not for the mere sake of compromise, but in order to bring the measure into closer harmony both with the feelings of the community and with the needs of the case. It is in such a spirit that the Bill has been conducted through Committee by the Hon'ble Mr. Rivaz on whose behalf I will, I am sure, be admitted by all of his colleagues that if he has been clear as to where to stand firm, he has also known exactly how to conciliate and where to yield. As a result of the labours of the Select Committee, for which I must, on behalf of the Government of India, thank all its members, the Bill now emerges a more efficient, a more elastic, and therefore a more workable, measure. In the old Bill, for instance, the Revenue-officer's authority for every permanent alienation of land was made obligatory even in cases of merely formal sanction to alienation between non-agriculturists. Now this sanction has been wisely dispensed with. Next, we have extended the maximum period of mortgage,

[The President.]

[19TH OCTOBER, 1900.]

when made by a member of an agricultural tribe outside his tribe or group of tribes, from fifteen to twenty years; we have added another form of mortgage which is likely to prove both serviceable and popular; and we have given power to the Local Government to prescribe, in case of necessity, yet other variations. These are only a few among the many changes and, as I think, improvements which have been introduced into the Bill. I do not say that they have converted it into a perfect measure. I have seen enough of agrarian legislation in the British Parliament to know that it never attains perfection, that it often fails in what are thought in advance to be its most certain effects, and that strange and unforeseen consequences ensue. No doubt our Bill will not differ from English or Irish Land Bills in this respect. Some of its provisions will not do what is expected of them. Others will meet with a surprising and unexpected vogue. That is the fate of all experimental legislation; and that we are making a great experiment I for one have never denied. Given the desirability of making it, which I have already argued, the utmost that we can do is, as far as possible, to anticipate every likely consequence, and to graft upon it the wisdom of the most expert intelligence.

"There are some features in the Bill upon which I admit that the arguments are very evenly balanced. It has been said, for instance, that we have drawn the restrictions too tight, that the phrase 'agriculturist' is too narrow and inelastic a term, and that there should be no restriction upon dealings between members of that class. I am not insensible of the danger of unduly narrowing the market for the compulsory vendor, or again of excluding as a purchaser the *bona fide* cultivator who may not happen to fall within the agriculturist definition. But, on the whole, I think that in these respects we have gone as far as prudence and the main principles of our legislation allow. The embarrassed land-owner should find a sufficiently wide market within the limits of his tribal group; while the category of agriculturists is, as has been shown, neither so rigid nor so exclusive as has sometimes been assumed. Money-lenders are inside as well as outside it; nor need the credit of the debtor be permanently impaired for lack of a partner to the desired transaction.

"As regards the future of this legislation, I will not be so rash as to prophesy. I should be treading upon too uncertain ground. One thing only I will predict, namely, that the gloomy forebodings of its opponents will not be realised. The case for the Opposition, as I may call it, has been stated upon a previous occasion in this Council, and again today, as well as in a printed Minute of Dissent, by the Hon'ble Sir Hamam Singh. If

19TH OCTOBER, 1900]

[The President.]

we are to believe the opinions which he has expressed or recorded at different stages, and I quote his actual words, the majority of the peasant-proprietors of the Punjab are to be reduced by this Bill to a state of serfdom worse than that of the Middle Ages; it is to be followed by the impoverishment of millions of men living upon the soil; it is to doom the people to perpetual misery, and to destroy their happiness and contentment; British prestige will be rudely shaken; agricultural credit will be destroyed; and the progress of the province will be retarded for at least fifty years. Every age and every epoch has had its Cassandra; and I do not complain of my Hon'ble friend for donning the familiar garb. I venture, however, to think that if his superlatives had been fewer his invective would have been more convincing, and that his vaticinations will be found to have been a good deal exaggerated. If this be so, I am confident that no one will be better pleased than the Hon'ble Member himself. I will not rush to the opposite extreme. I have no intention of claiming that universal peace, or prosperity, or affluence will settle down upon the land in consequence of this Bill. Far from it. There are many questions as to the future to which I should hesitate to give a confident reply. Will this measure really secure to the agricultural tribes of the province the full possession of their ancestral lands? Will it restrain them from reckless borrowing? Will it save them from the mesh of the usurer? Or, while protecting them from usurers of other castes, will it hand over the feebler and less thrifty units in the class to the richer and more powerful members of the tribe? Or, again, will it effectually divorce the money-bags of the province from the one form of investment which has always been dear to successful speculation? It would require a keener insight than mine to answer such questions with any certainty. It may be permissible, however, to anticipate that while all of these consequences will to some extent ensue, no one will follow to the exclusion of the others. The moneyed classes, the *nouveaux riches*, will still have their opportunity of obtaining land, but not on such easy terms as in the past. The agricultural tribesmen will not all in a moment be converted to frugal or provident habits; but the opportunities and the temptations of borrowing will, it is hoped, be less. The weakling and the spendthrift will still go under, and his possessions will pass to his stronger brethren. But the transfer will be more frequently to men of his own tribe or tribal group, and less frequently to outsiders who are not connected either with the traditions or with the traditional occupation of the province. The transition will not be abrupt or sensational. It will be enough if, though gradual, it is sure. I shall myself watch the venture with the warmest sympathy and interest, not merely because I have been head

[The President; Mr. Raleigh.] [19TH OCTOBER, 1900.]

of the Government of India at the time when this Bill has passed into law, nor because I know it to have been framed with the most conscientious regard for the public interest, but because it is the first serious step in a movement which is designed to free the agricultural classes in this country—the bone and sinew of our strength—from an incubus which is slowly but steadily wearing them down.”

The motion was put and agreed to.

### INDIAN PORTS BILL.

The Hon'ble MR. RALEIGH moved for leave to introduce a Bill further to amend the Indian Ports Act, 1889. He said:—“The Indian Quarantine Act of 1870 conferred upon this Government a power which was then exercised by all civilized Governments, the power to detain ships and persons coming from places where epidemic or infectious disease prevailed. Since the passing of the Act ideas have changed; it is now thought that quarantine is not a satisfactory or even a safe method for preventing the spread of infectious disease. Our medical advisers prefer to rely on vigorous measures of disinfection, on the segregation of persons suffering or just recovering from disease, and on the proper disposal of the dead. It is, therefore, proposed to repeal the Quarantine Act of 1870 and to take power to make rules under the Indian Ports Act of 1889 for the purposes which I have indicated to the Council. I ask leave to introduce a Bill for this purpose.”

The motion was put and agreed to.

The Hon'ble MR. RALEIGH introduced the Bill.

The Hon'ble MR. RALEIGH moved that the Bill and Statement of Objects and Reasons be published in the Gazette of India in English, and in the Fort St. George Gazette, the Bombay Government Gazette, the Calcutta Gazette and the Burma Gazette in English and in such other languages as the Local Maritime Governments think fit.

The motion was put and agreed to.

The Council adjourned *sine die*.

SIMLA;  
The 23rd October, 1900.

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

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

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The Council met at Government House, Calcutta, on Friday, the 21st December, 1900.

PRESENT :

His Excellency Baron Curzon, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.

His Honour Sir John Woodburn, K.C.S.I., Lieutenant-Governor of Bengal.

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

The Hon'ble Mr. C. M. Rivaz, C.S.I.

The Hon'ble Mr. T. Raleigh.

The Hon'ble Sir E. F.G. Law, K.C.M.G.

The Hon'ble M. R. Ry. Panappakkam Ananda Charlu Vidia Vinodha Avargal, Rai Bahadur, C.I.E.

The Hon'ble Kunwar Sir Harnam Singh, Ahluwalia, K.C.I.E., of Kapurthala.

The Hon'ble Mr. J. Buckingham, C.I.E.

The Hon'ble Mr. H. F. Evans, C.S.I.

The Hon'ble Rai Bahadur B. K. Bose, C.I.E.

The Hon'ble Sir Allan Arthur, Kt.

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

The Hon'ble Mr. F. A. Nicholson, C.I.E.

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

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

The Hon'ble Rai Sri Ram Bahadur.

NEW MEMBERS.

The Hon'ble SIR ANDREW WINGATE, the Hon'ble MR. NICHOLSON, the Hon'ble MR. SMEATON, the Hon'ble MR. BOLTON and the Hon'ble RAI SRI RAM BAHADUR took their seats as Additional Members of Council.

INDIAN MINES BILL.

The Hon'ble MR. RIVAZ moved that he be substituted for the Hon'ble Mr. Ibbetson as a member of the Select Committee on the Bill to provide for the Regulation and Inspection of Mines, and that the Hon'ble Sir Edward Law and the Hon'ble Mr. Smeaton be added to the Committee.

[The President; Mr. Rivaz.] [21ST DECEMBER, 1900.]

His Excellency THE PRESIDENT said:—"I should add that I hope to select a gentleman representing the mining industry and interests for the purposes of this Bill, and to add his name to the Select Committee. I have not yet been able to arrange the matter, but I hope that at an early meeting of the Council I may be able to submit a name."

The motion was put and agreed to.

#### ASSAM LABOUR AND EMIGRATION BILL.

The Hon'ble MR. RIVAZ moved that he be substituted for the Hon'ble Mr. Ibbetson as a member of the Select Committee on the Bill to consolidate and amend the law relating to Emigration to the labour-districts of Assam, and that the Hon'ble Mr. Cotton and the Hon'ble Mr. Bolton be added to the Committee.

The motion was put and agreed to.

#### ASSAM EMIGRANTS' HEALTH BILL:

The Hon'ble MR. RIVAZ moved that he be substituted for the Hon'ble Mr. Ibbetson as a member of the Select Committee on the Bill to make better provision for the health, supervision and control of Emigrants proceeding to or from the labour-districts of Assam, and that the Hon'ble Mr. Cotton and the Hon'ble Mr. Bolton be added to the Committee.

The motion was put and agreed to.

#### INDIAN TOLLS (ARMY) BILL.

The Hon'ble MR. RIVAZ moved that the Bill to amend the law relating to the exemption from tolls of persons and property belonging to the Army be referred to a Select Committee consisting of the Hon'ble Major-General Sir Edwin Collen, the Hon'ble Mr. Raleigh, the Hon'ble Mr. Evans, the Hon'ble Sir Allan Arthur, the Hon'ble Mr. Mehta, the Hon'ble Sir Andrew Wingate and the mover.

The motion was put and agreed to.

#### INDIAN FOREST (AMENDMENT) BILL.

The Hon'ble MR. RIVAZ moved for leave to introduce a Bill further to amend the Indian Forest Act, 1878. He said:—"The object of this Bill is to strengthen the hands of the executive in dealing with cases of forest-



21ST DECEMBER, 1900.] [Mr. Rvaz.]

ires which are caused wilfully or by gross negligence. The Punjab Government, in reporting on the frequency of forest-fires in parts of that Province and the extensive damage caused by them, suggested that a provision should be introduced into the Forest Act, similar to one contained in the special Forest Regulation for the frontier hill district of Hazara, which allows joint village responsibility to be enforced in such cases by imposing a fine on the whole village-community. The Government of India, after consulting other Local Governments, are not prepared to make so stringent a measure as this generally applicable, but two other proposals, which were put forward by the Punjab Government, have been accepted and embodied in the present Bill. These proposals are (1) to extend to 'protected' forests the provision of the Forest Act which at present applies only to 'reserved' forests, by which, when a fire is caused wilfully or by gross negligence, the exercise of rights of pasture or to forest-produce in the forest so burnt can be suspended by the Local Government; and (2) to make all persons enjoying forest-rights liable to punishment unless they turn out of their own accord and render assistance in extinguishing a forest-fire. As the law stands at present, such persons can only be punished if they refuse to aid in extinguishing a fire after being expressly called upon to do so.

"It is hoped that these simple amendments of the Forest Act will conduce to the better protection of forests from fires."

The motion was put and agreed to.

The Hon'ble MR. RIVAZ introduced the Bill.

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

The motion was put and agreed to.

The Council adjourned to Friday, the 4th January, 1901.

CALCUTTA;  
The 21st December, 1900. }

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

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OF  
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ASSEMBLED FOR THE PURPOSE OF MAKING  
LAWS AND REGULATIONS.  
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