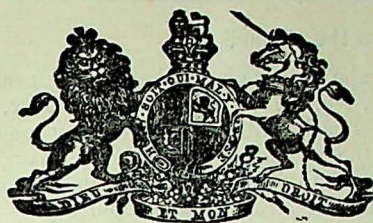


THE



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Separate paging is given to this Part, in order that it may be filed as a separate compilation.

PART V.

PROCEEDINGS OF THE LEGISLATIVE DEPARTMENT, BOMBAY.

The following Extract from the Proceedings of the Government of Bombay in the Legislative Department is published for general information:—

Abstract of the Proceedings of the Council of the Governor of Bombay, assembled for the purpose of making Laws and Regulations, under the provisions of THE INDIAN COUNCILS ACTS, 1861 and 1892.

The Council met at Poona on Thursday the 27th July 1893, at 3 P.M.

PRESENT:

His Excellency the Right Honourable Lord HARRIS, G.C.I.E., Governor of Bombay,
Presiding.

The Honourable Mr. H. M. BIRDWOOD, I. C. S., M.A., LL.D., C.S.I.

The Honourable Mr. A. C. TREVOR, I. C. S.

The Honourable Mr. BASIL LANG, Acting Advocate General.

The Honourable Ráo Bahádur UDHARAM MULOHAND.

The Honourable Ráo Bahádur RANCHODLAL CHOTALAL, C.I.E.

The Honourable Khán Bahádur DORABJI PUDUMJI.

The Honourable Mr. JOHN NUGENT, I. C. S.

The Honourable Mr. T. D. MACKENZIE, I. C. S.

The Honourable Mr. P. M. MEHTA, M.A.

The Honourable Mr. JAMES CURRIE.

The Honourable Mr. W. R. MACDONELL.

The Honourable Mr. HERBERT BATTY, I. C. S., M.A.

The Honourable Mr. R. G. OXENHAM, M.A.

The Honourable Mr. A. T. SHUTTLEWORTH.

The Honourable Mr. GANPATRAO DAMODAR PANSE.

The Honourable Mr. VISHNU RAGHUNATH NATU, B.A., LL.B.

The Honourable Mr. W. H. CROWE, I. C. S.

The Honourable Ráo Bahádur MAHADEVA GOVIND RANADE, C.I.E., M.A., LL.B.

The Honourable Mr. CHIMANLAL HARILAL SETALVAD, B.A., LL.B.

The Honourable Khán Bahádur A. D. HASSAN AMI BEY EFFENDI.

The Honourable Mr. NAVROJI NASARVANJI WADIA, C.I.E.

I.—Papers presented to the Council :—

- (1). Letter from the Secretary to the Government of India, Legislative Department, No. 972, dated the 21st July, 1892—Returning, with the assent of His Excellency the Viceroy and Governor-General signified thereon, the authentic copy of the Law to prohibit the practice of Inoculation and to make the Vaccination of Children in certain portions of the Bombay Presidency compulsory.
- (2). Letter from the Secretary to the Government of India, Legislative Department, No. 1127, dated the 30th August, 1892—Returning, with the assent of His Excellency the Viceroy and Governor-General signified thereon, the authentic copy of the Law to amend the Bombay Salt Act, 1890.
- (3). Letter from the Secretary to the Government of India, Legislative Department, No. 1535, dated the 15th November, 1892—Returning, with the assent of His Excellency the Viceroy and Governor-General signified thereon, the authentic copy of the Law to amend the Bombay A'bkári Act, 1878.

His Excellency the PRESIDENT, in opening the proceedings, said :—Before proceeding to the business of the day I may, I hope, be permitted to offer you a cordial welcome. We are all busy men. Some of you have come a very long way at great inconvenience, and I should imagine that it is our common object to get through the maximum of useful work with the minimum of unnecessary debate. Therefore, I shall not detain you long. I regret that our body is not quite complete. An elective body which takes nearly four months to exercise the privilege granted it can hardly complain if it occasionally finds that the work of legislation has to go on, whether the legislative body is complete or not. The fixing of the date of this meeting on the day selected for the University election was quite accidental, and when my attention was called to the clashing of dates our notices had gone out, and the Sind members, whose convenience has chiefly to be considered, especially in this season of the year, had made their arrangements. Gentlemen, two new privileges have been extended to you ; that of interpellation and that of discussing the budget. As regards the first, I hope I may count on your support in checking any tendency to put questions in such form as may necessitate the introduction of argument into the reply. Your object is, I am sure, to obtain information and not set conundrums. I have no wish to exercise my power of rejecting questions, and that power will certainly remain in abeyance if you will frame your questions so as to render it easy to make a full reply without having to point out that this inference or that quotation in the question are misleading or incorrect. I make these remarks, because I have had to consider whether question three is admissible. The question itself, perhaps, does not contain argumentative matter, but it is extremely difficult to answer it without entering into argument, for the quotation is incomplete, and therefore tends to mislead. I have decided to admit it, because I will do the honourable member the justice to believe he is desirous of information, and has put the question, in the form in which it is, through inexperience. It would have been, I think, an easy matter to have put the question in a better form, and I am sure that the hint I venture to throw out now will be generously responded to by the honourable members. As regards the budget discussion, it may appear somewhat inconsistent to discuss it some four months after the expenditure has commenced. But I fear that our normal condition will be to discuss our budgets after April 1, for we do not receive the sanction of the Government of India to the provincial budget until the last week in March, and even if we have a Bill about that time to lay on the table, the obligatory period that must elapse before the Council can be summoned must take us over to April 1. Honourable members, however, may be sure that we shall endeavour to get the budget discussion over as early in the year as possible, and I hope that honourable members will assist Government by indicating, before the Council assembles, points as regards which they seek information. Our records are kept at Bombay, not in Poona, and it may well happen that a reference to them will be sometimes necessary to give the correct information as regards the origin of this or that policy.

As regards this sitting, I propose to adjourn at 6-45, and assemble again to-morrow about the same time. Probably some time to-morrow afternoon I shall be able to make

an approximate forecast of time that will be necessary for all stages of the Bill we have to discuss. In conclusion, gentlemen, I am sure I may depend upon you to assist me in maintaining the dignity and decorum of this assembly. Before sitting down I will call attention to the fact that I am addressing you standing. It has been the custom in this Council hitherto to speak in a sitting posture, but it seems to me that as our Council is enlarged, it will be more in accordance with practice, and more courteous to the Council itself, if we adopt the practice of standing and, therefore, I have taken the liberty of setting the example.

The Honourable Mr. SETALVAD :—I assure your Excellency and the Council that my only desire was to obtain information. If it now appears that it is not convenient to answer the question without entering into an argument, I hope that your Lordship and this Council will permit me to withdraw the question, and I will put it again in another form at a future meeting.

His Excellency the PRESIDENT :—We are prepared to accept the question. I think the simplest form of putting the questions will be to adopt the procedure of the House of Commons.

The Honourable Mr. SETALVAD then put question No. 1 standing in his name—

(1) *In the case of what Municipalities in the Northern Division was the penalty of suspension resorted to during the last five years in connection with the question of abolishing octroi duties and imposing a house-tax in their place?*

The Honourable Mr. BIRDWOOD in reply said :—The reply to the honourable member's question is that, during the past five years, the Municipalities of Mehmabad, Parántij, Dhandhuka and Jambusar in the Northern Division have been superseded under section 43 of the Bombay District Municipal Act Amendment Act, 1884, for reasons such as are contemplated in that section, some of which were connected with the question of the abolition or reduction of octroi duties and the imposition of a house-tax in their place.

The reasons for superseding the Municipality of Mehmabad are stated in Government Notification No. 1469 of the 8th May, 1888.

The reasons for superseding the Municipality of Parántij are stated in Government Notification No. 729 of the 13th February, 1890.

The reasons for superseding the Municipality of Dhandhuka are thus stated in Government Notification No. 4102 of the 26th November, 1891 :—

"(1) In January, 1890, the Municipality, by a majority of votes, resolved upon the abolition of octroi duties on all but five articles and on the imposition of a small house-tax in lieu of the duties so to be abolished. This measure received the approval of Government in Government Resolution No. 1479 of 15th April, 1890, and thereupon came into force. Since that time, however, a majority of the Municipal Commissioners have persistently opposed and obstructed all steps for collecting the house-tax, and by thus retarding the realization of municipal dues, have brought the work of the Municipality almost to a standstill.

"Owing to this obstruction the classification of houses in the municipal district for the purpose of assessing the house-tax was so much delayed that, at the end of January, 1891, *i. e.*, two months only before the end of the financial year 1890-91, about two thousand houses still remained to be classified; the result being that the collection of that year's tax within the year was rendered almost impossible.

"At the budget meeting held in April 1891, this state of things was brought under the notice of the Municipality, yet no steps were taken towards the collection of the house-tax. The consequence was inevitable deficit, to provide for which no other means was adopted.

"Seeing the attitude taken by the Commissioners, a considerable number of the townspeople have refused to pay the taxes due by them. Many suits have been filed against the Municipality to contest the legality of the house-tax. It cannot be expected from the Municipality, constituted as it is and hampered by such antecedents as have been described, that it should maintain its legal rights as a Corporation with the due degree of zeal and sincerity.

"On a consideration of these circumstances, the Governor in Council on the 1st June last gave a warning to the Municipality that unless, within two months, it took measures to reform its administration and to secure the proper collection, without delay, of the house-tax, the Municipality would be superseded.

"But from the reports received by the Governor in Council it appears that the Municipality has taken no steps to improve its administration, or to cope with the difficulties which its resolution of

29th April, 1891, has led to. On the contrary, the Municipality is now Rs. 5,000 in debt and the school-masters and municipal servants in its employ are without their pay."

It thus appears that the Dhandhuka Municipality was practically bankrupt.

The reasons for superseding the Municipality of Jambusar are thus stated in Government Notification No. 2144 of the 15th June, 1891 :—

"In May, 1889, the Commissioner, N. D., submitted to Government a report by Mr. Quin, Assistant Collector and President of the Municipality, showing the very insanitary state of the town, the failure of the Municipal Commissioners to recognize their responsibilities, and their unwillingness to take such steps as would place the Corporation in a position to increase their income by unobjectionable means, and thereby introduce measures which would remove from the town the stigma of being one of the most unhealthy in the Presidency.

"Some of the Commissioners who were known to be in favour of reform received anonymous threatening letters about this time, and thereupon, instead of continuing steadfast in the performance of their duty, they resigned their offices.

"In Resolution No. 2308 of 15th June, 1889, the Municipality was warned by Government that, should it fail to bring about a satisfactory settlement of its financial difficulties, the method by which this might be done being pointed out to it, it would be necessary for Government to consider the advisability of superseding it.

"In November, 1889, the Assistant Collector and President reported that the Municipality had proposed a scheme of taxation whereby octroi duties were enhanced, the wheel-tax was reduced and a very light house duty was imposed. This scheme was rejected by the Commissioner, N. D., as being not only objectionable but also insufficient to raise the funds necessary for the improvement of the town.

"Upon this, after a lapse of more than three months, the Municipality passed a resolution abolishing octroi and wheel-tax and substituting a house-tax.

"Government sanctioned the house-tax in their Resolution No. 1784 of 6th May, 1890, but had to point out to the Municipality that it did not appear to have been assessed on a sound basis, and that there should be an additional class of the houses assessed thereto, and also that the wheel-tax should not have been abolished.

"Subsequently, the Municipality re-imposed the wheel-tax under a reduced scale, which was sanctioned by the Commissioner, N. D., and also passed a byelaw prohibiting in future the construction of fecal khalkuvas in the town.

"There thus appeared to be room for hope that the municipal administration was improving, but from the information recently placed before Government, it appears that the Municipality has been persistently obstructive, that it has failed to construct sufficient drainage channels, and that there has been no improvement in the conservancy arrangements of the town. And notwithstanding the existence of these urgent wants, the Commissioners, in spite of warnings and expostulations addressed to them, have recommended large reductions in the assessments to the house-tax.

"The unwillingness of the leading citizens of the town to take part in imposing necessary municipal restrictions and taxation, and of the citizens generally, to accept such restrictions and taxation has been finally shown by the general election of new Commissioners, which was fixed to take place on the 15th April, 1891. Six Commissioners had to be elected and the voters' list contained 961 names; but only two candidates offered themselves for election, and of these two only one was elected, and for him only four votes were recorded, none at all being given for the other candidate."

It thus appears that the Jambusar Municipality was superseded rather for backwardness, as regards sanitary matters, and for unfitness for exercising the privilege of election, than for reasons connected with questions relating to octroi duties and the imposition of a house-tax.

The Honourable Mr. SETALVAD then put Question No. (2)—

Was the Bombay Government consulted by His Excellency the Governor General of India in Council with regard to the fixing of the number of recommendation seats in the enlarged local Legislative Council at eight?

His Excellency the PRESIDENT in replying said :—The answer to the honourable member's question is in the affirmative.

The Honourable Mr. SETALVAD then put Question No. (3)—

Has the policy of making the Municipalities in the Northern Division to "grudgingly" acquiesce in good work initiated by Government officers "under the feeling that further opposition was hopeless and might lead to their own disgrace and effacement" (vide paragraph 79 of the Report of the Commissioner, N. D., on municipal taxation, &c., for 1890-91) the approval and sanction of Government?

The Honourable Mr. BIRDWOOD said :—The passage quoted by the honourable member from a single sentence in the report referred to, when read without its context, is calculated to give an erroneous impression of the views of the Commissioner, N. D., who did not recommend for the approval of Government any policy of the kind indicated in the honourable member's question; nor can it be any part of the policy of Government to make Municipalities grudgingly acquiesce in any good work. However, it is the duty of Government to consider the needs and interests of the poorest classes in municipal towns as well as the wishes of the Municipal Commissioners; and if, at any time, the Commissioners show an unwillingness to carry out any duties imposed upon them, it becomes necessary for the officers of Government to supply the initiative, in the hope generally of avoiding extreme measures. So long as good work is done, it seems to be comparatively of minor importance that a Municipality should have been induced, in the first instance, to undertake it from a fear of possible effacement by an order under the Municipal Act for persistent default in the performance of the duties imposed on it by or under the Act.

The Honourable Mr. SETALVAD then put the next three questions standing in his name—

(4). *Is it true that in the Khoti villages of Sangve, Hurkul, Khurd, Sawdu and Waraode of the Devgad Táluka in the Ratnágiri District, the Khots have under the last revenue settlement to pay to Government annually as assessment Rs. 2,509-12-10, Rs. 4,155-5-6, Rs. 1,694-3-0 and Rs. 2,309-6-0, respectively, for those villages, while they can under the Khoti Settlement recover from their tenants only about Rs. 881-12-8, Rs. 1,457-11-8, Rs. 1,004-8-10 and Rs. 1,540-8-0, respectively; and has such a fixing of the Government assessment at an amount in excess of what the Khot can recover from his tenants taken place with regard to most of the villages of that táluka under the last revenue settlement?*

(5). *Is it a fact that in the village of Lore in the Devgad Táluka of the Ratnágiri District tenants holding khátas Nos. 143, 99, 123 and 174 in the survey botkhat are entitled under the Khoti Settlement to pay to Khots nothing more than Rs. 5-4-0, Re. 1-0-0, Rs. 14-0-0 and Rs. 12-8-0, respectively, for their holdings; while the Khot of the village has under the last revenue settlement to pay to Government Rs. 29-14-6, Rs. 9-10-0, Rs. 76-4-6 and Rs. 55-8-0, respectively, for the same holdings, and is such a difference between what the Khot is entitled to receive from his tenants and what he is bound to pay to Government common to the lands in most of the Khoti villages of that táluka under the new settlement?*

(6). *What remedy have Government adopted to redress the grievances set out in the above two questions?*

The Honourable Mr. TREVOR in replying to the above three questions said :—The honourable member's questions appear to be connected with a petition recently received by Government from certain gentlemen holding Khoti estates in the Devgad Táluka, representing that the survey assessment imposed upon them at the recent settlement is, in the case of certain villages and khátas, higher than the rents they are permitted to recover from the occupants. This petition was referred on the 10th May last to the Commissioner, S. D., for enquiry. Pending the result of that enquiry Government is not in a position to say whether the facts are or are not as stated, nor what remedy it may be best to apply if they are; but the honourable member may be assured that the subject will receive full and careful consideration.

The Honourable Mr. SETALVAD then asked question No. (7) standing in his name—

Are Government aware that in the case of Imperatrix v. Mulubhai Bawaji and thirteen others, which was pending before Mr. Kabraji, Assistant Collector, Ahmednbad, summonses were issued to the accused and the witnesses who belonged to Gogo to attend on the 16th of March 1893, at Detroj, in the Viramgám Táluka, at a distance of nearly one hundred miles from Gogo, and are there any general directions issued by Government for the guidance of officers in whom executive and judicial functions are combined in order to prevent as far as possible such inconvenience?

The Honourable Mr. BIRDWOOD stated in reply :—Government are not aware that in the case of Imperatrix v. Mulubhai Bawaji and 13 others, pending before Mr. Kabraji, summonses were issued to the accused and witnesses who belonged to Gogo to attend on

the 16th March, 1893, at Detroj in the Viramgám Táluka of the Ahmedabad District. Government have, however, noticed a reference to this case in the papers and understand that it has been called for by the High Court and is still *sub judice*. In order to prevent inconvenience as far as possible to accused persons and witnesses in criminal cases triable by Magistrates who are also Revenue officers, Government have, from time to time, issued orders which may thus be summarized :—

(i). Lists of the powers exercised by the several Magistrates in the District are to be kept at the several police stations, in order, as far as possible, to prevent persons charged with serious offences from being sent by the police for trial to Magistrates who are not empowered to try them for such offences.

(ii). Whenever a Magistrate on tour is about to make a long halt, intimation is to be given to the police in order that prisoners may be taken to him by the most direct route.

(iii). Strict attention is to be paid by Magistrates hearing appeals to the provisions of section 422 of the Code of Criminal Procedure, requiring an Appellate Court to give notice to the appellant or his pleader of the time and place at which the appeal will be heard.

THE BUDGET.

The Honourable Mr. TREVOR in explaining the financial statement of the Government for 1893-94 said :—Your Excellency, in compliance with the rules framed under section 2 of the Indian Councils Act of 1892, I beg to lay the Annual Financial Statement for 1893-94 before the present meeting, which is the first that it has been possible to hold since the Budget was framed and since the Council has been re-constituted. Printed copies of the Statement have been in the hands of honourable members for some days past, and to save time I would ask leave to propose that it be taken as read. The position it exhibits is simple, and I do not know that any explanation, except as to matters of detail that may arise in the course of discussion, is called for. As, however, this is, if not quite the first occasion, at least the first for more than 20 years on which such a statement has been presented to the Council in this Presidency, it may be useful, before we proceed to discuss it, to recall as briefly as possible, the circumstances under which it happens that there is a Provincial Statement to present, and the conditions which govern its preparation. Except in regard to municipal expenditure and certain more or less tentative efforts to create a fund for purely local purposes—efforts which, so far as this Presidency is concerned, have since developed into a legalized system of local taxation yielding an annual income of about half a crore of rupees—there was up to 1870 but one common purse for all India, of which the Government of India held the strings, and out of which it was naturally the object of each local administration to get as much as possible for its own needs and for those of the people whose interests were its special care. Expenditure naturally grew under such a system, until in the year mentioned it fairly outstripped the resources available to meet it; and the Government of Lord Mayo, recognizing the impossibility of maintaining an effective centralized control, or of differentiating satisfactorily either the real or relative urgency of the demands constantly pressed upon them by the different Local Governments, took the step of handing over the administration of a certain number of local services, *viz.*, Jails, Registration, Police, Education, Medical Services except Establishments, Printing, Roads, Miscellaneous Public Improvements and Civil Buildings, together with an allotment equal to the estimates for these services for the year, less a lump deduction of about 35 lakhs necessitated by financial exigencies. This allotment was divided rateably between the various local administrations and shown in the Imperial Estimates and accounts under a single new head, "Provincial Services." All receipts thereafter credited in connection with the services thus provincialized were given up to the administrations concerned; and they were empowered, subject to certain necessary conditions as to creation of new appointments, &c., to frame their own estimates, and control their own expenditure, within the total amounts thus placed at their disposal. To secure to them the benefit of any economies they might be able to effect, they were authorized to carry forward unspent balances from one year to another, and they were invited to consider ways and means and to frame and publish their own yearly estimates and accounts, together with a financial exposition, which was, where possible, to be made before the local Legislative Council, analogous to

that annually made in the Council of the Government of India. It does not seem to have been found necessary or desirable after the first year to give effect to this direction so far as the explanation of the financial position to the Legislative Council was concerned. But it is interesting to notice that in laying the Annual Financial Statement before the Council on the present occasion in obedience to the requirements of recent legislation, we are only carrying out the intention of the originators of Financial Decentralization.

The arrangement above described was not at first fixed for any definite period, but a general promise was given that, except in the event of war, famine, or other severe financial exigency, the assignments made would not in future be reduced. The heads thus transferred, to begin with, were few, and the assignments comparatively trifling, the whole sum provincialized for all India being only about equal to the present Provincial revenue of Bombay alone. The measure was, however, attended with marked success, and in 1877 its scope was greatly enlarged. A number of new heads and sub-heads of receipt and expenditure under the corresponding service heads were provincialized—the most important additions to the Provincial list being Excise, Stamps, Law and Justice, Receipts in aid of Superannuation Allowances, Miscellaneous and certain sub-heads of Salt and Customs, under receipts; and Excise, Customs, Salt, Stamps, Administration, Minor Departments, Law and Justice, Marine, Ecclesiastical, Medical, Stationery, Allowances and Assignments, Superannuation Allowances and Miscellaneous, on the side of expenditure. The total amount of the Bombay Provincial expenditure as calculated for this contract, which was fixed for five years, came to nearly $3\frac{1}{4}$ crores, and the assigned receipts to Rs. 1,65,30,000. The estimate of expenditure under the newly Provincialized heads, except Refunds, Excise and Stamps, in regard to which there was a stipulation that any loss or gain should be shared with the Government of India, was cut down by 5 per cent., on the assumption that an extension of local control would conduce to economy, and a fixed allotment of Rs. 1,53,20,000 was given to cover the remaining deficit. It so happened that the opening of this contract was almost coincident with the famine of 1877, which exhausted the resources of the Provincial Government at the outset so completely as to impose on the Imperial Government the necessity not merely of bearing the greater part of the burden of relief, but of finding money for the Provincial Government to go on with. Provincial finances had recovered to a great extent before its close. But it was no doubt in view of the difficulties experienced that on the revision of the contract in 1882-83 its terms were made much more favourable. The principle adopted on this occasion was to extend the interest of the Local Government in the development of the revenue by a system of sharing several of the old, and some of the new heads, instead of allotting, as before, certain heads entirely to Provincial and making up any deficit by a fixed assignment. The Bombay Government took half instead of the whole of the receipts under Excise, Stamps and Registration and a half share of the two new heads of Forests and Assessed Taxes in addition to the whole of the receipts under the remaining heads previously provincialized, and the total was made up to yield an estimated surplus of Rs. 6,84,000, as compared with the estimated expenditure, by the further addition of nearly 60 per cent. of the Land Revenue, which had previously been entirely reserved as an Imperial receipt. It was at the same time stipulated, however, that the Local Government was to look for no special aid in future from the Imperial Government except in the case of severe famine, and then only within certain defined limits, and on the other hand that the Imperial Government would make no demand on the Local Government except in the case of abnormal disaster. This contract proved, as might be expected, very favourable to the Provincial revenue, which besides contributing 20 lakhs to the Imperial exchequer had accumulated a balance of over half a crore by the time it terminated in 1887. At the revision which then took place, the principle of dividing expenditure as well as receipts under certain heads—as, for instance, Assessed Taxes, Forests, Registration, Stamps and Excise—was introduced, and certain changes were made in the proportions in which several of the shared heads were divided. The surplus was withdrawn, and the estimated future Provincial revenue and expenditure equalized by a fixed allotment of Rs. 81,87,000 adjusted through Land Revenue, in addition to a share of one-fourth separately provincialized out of the receipts under that head. This allotment, it may be observed, was gradually increased during the currency of the contract to cover the cost of Agency Police and other services transferred from time to time till at the close in 1891-92 it stood at Rs. 89,20,798. The expansion of the revenue during the term of this contract made up to some extent for the withdrawal of the surplus allowed for previously, the result being that, in spite of heavy

expenditure on public works and a contribution of $17\frac{1}{2}$ lakhs to Imperial, there were some Rs. 40,70,000 left at the end of the term out of the balance with which it opened. The statement now presented relates to the second year of the fifth quinquennial contract, which opened on the 1st April, 1892, with a balance of Rs. 40,70,000, as above stated, to the credit of Provincial revenues, and which proceeds, as will be seen from the introductory section of the Statement, on very much the same general lines as that last described. There are a few minor changes of classification. The estimates of receipts and expenditure adopted by the Government of India have resulted in a reduction of the fixed assignment required to maintain financial equilibrium from Rs. 89,20,798 to Rs. 77,14,000, to which, as will be seen from paragraph 17 of the statement, sundry additions have in its turn been made for services since transferred. It is noted that the estimate is framed "on the basis of the existing stage of growth," and the opportunity is taken to re-affirm the principle of local responsibility within the limits of the contract by the declaration that the Local Government is expected to maintain all the Provincial services in a state of administrative efficiency, providing for any increased expenditure for that purpose either from savings to be secured by economical administration or from increase in revenues, and that it will not be entitled to assistance from Imperial revenues to meet future increases of expenditure or decreases of revenue of whatever nature, classified under the Provincial Heads. It is perhaps hardly necessary to remark that, under the circumstances described, the Provincial Budget is not to be regarded from the point of view which would be appropriate in criticising the finance of an independent administration with uncontrolled disposal of the whole of its own resources. It is more nearly equivalent to a detailed statement of the distribution of an Imperial Budget provision fixed quinquennially to meet the cost of certain services and charges. To use the old metaphor, the Imperial Government gives us a coat of a certain general pattern (which we are not at liberty to alter without permission) to cut out, and finds a carefully measured allowance of cloth for the purpose. Sometimes the cloth shrinks, and when that happens the coat becomes a tight fit. Happily we more often find that it stretches a little, and are able not merely to make our coat tolerably easy, but even to add a little ornamentation here and there, in spite of a noticeable tendency in the body we have to clothe to grow nearly as fast as the cloth stretches. But we are bound, in the first instance, to maintain all existing services in a state of efficiency, to keep up all existing lines of through communication, and generally to preserve the *status quo*. For this the means at our disposal are sufficient, but when the expenditure, to which we are thus more or less definitely pledged, is provided for, it will readily be understood that the field for what may be called discretionary expenditure is very limited. It is rarely possible to curtail expenses, and for the means of increased liberality in any one direction, except by curtailment in another, we are entirely dependent on the natural expansion or fostering of the items of revenue assigned to us. To this rule there is one exception, however, which calls for passing notice. As is explained in paragraph 25 of the Statement, our ability to meet demands for Takavi and other Loans and Advances depends not on our contract but on the amount which the Government of India are willing, and can afford, to put at our disposal for the purpose, and this year I am sorry to say the admitted exigencies of Imperial Finance have led to a considerable reduction in the amount of our allotment as compared with our estimated requirements. The recent scarcity has given a great stimulus to a system which Government have been at much pains for years past to introduce and encourage, and the benefits of which the people are at last beginning to appreciate. It will be a matter for much regret if at any time sufficient means should not be forthcoming to satisfy fully the needs and expectations which have been thus created.

The Honourable Mr. UDHARAM MULCHAND in opening the discussion said:—I wish to offer a few remarks. The Financial Statement, copy of which is in my hands, is an important document and has been ably drawn up by the Honourable Mr. Trevor. It supplies general information about the revenue and expenditure of the whole presidency of Bombay. I am not aware if any particular form is prescribed for drawing up such a document by any law or regulation. If no particular form is prescribed, I would suggest more detailed information be given in the Budget to enable the different members representing different parts of the presidency to make the necessary suggestions affecting the divisions they represent. I for one would like to know the detailed items of revenue and expenditure of Sind, and I believe other gentlemen representing other divisions would like to possess similar information. It would probably involve more labour, but it would give specific information on all points with which the inhabitants of different parts of the presidency are concerned,

and it would be a complete document. The detailed information may be given in a supplementary document if it is inconvenient to give the same in the Budget. I believe this Government supplies the Government of India with detailed information of the kind I have suggested. If this is correct, the Government will find it easy enough to supply the same information to the public as well. I will now refer to specific matters: *Judicial Administration*.—The judicial work in Sind is in arrears, notably in Shikárpur, and of this the Government is not unaware. I find from the Budget that some money has been provided for clearing off the arrears of judicial work, but I cannot say how much, if any, has been allotted to Sind. The work in the Shikárpur District Court ought not to be allowed to accumulate and I trust Government will take immediate steps to clear off the arrears. Bearing in mind the heavy work in the Shikárpur Court both on the Criminal and Civil Sides, Government, I trust, will find it possible to retain two Judges (an Assistant Judge and a District Judge) permanently there. Government has been pleased to post a Joint Judge at Shikárpur, but when a temporary vacancy occurs in any other district of Sind, one of the Shikárpur Judges is sent off to act in that district. So the Shikárpur work gets again into arrears, and the Shikárpur people feel disappointed. The clearing of the arrears was one of the objects aimed at in the Bill, which your Lordship will remember I submitted two years ago to your Excellency's Government. Another object aimed at was the improvement in the position of the Subordinate Judges of Sind, thereby placing them on a level with the Subordinate Judges of the Presidency. I do not know whether or not the Government contemplate doing anything in that direction at an early date, and I do not know if any provision has been made in the Budget. The third object aimed at was the reconstruction of the Sadar Court. All the public associations in Sind, the Bar generally and the Karáchi Bar in particular, composed of Barristers, Solicitors, LL.B's and Pleaders, were in favour of the project. I do not wish to say now anything more on this point, but your Lordship will be pleased to allow me to remark that the additional expenditure, which the reforms suggested in the Bill will necessitate, is a necessary one and, in the interests of the welfare of the Province of Sind, should no longer be postponed. If money cannot otherwise be found for this purpose I think we might conveniently curtail expenditure in other directions. We might, for instance, strike off the item for the maintenance of the steamer "Jhelum" on the Indus. It costs the Government no less than Rs. 16,000 annually, and I do not think there is any especial necessity for maintaining the steamer at such a heavy cost; at any rate the public is not aware of any. I might also mention that a large amount will be available on account of the abolition of the Survey Department. *Police*.—I am glad to find from the Budget that extra money has been provided for the increase of expenditure on Police. At present the police service in Sind is not well paid and has no attraction for good and qualified men. The wages of the police service being lower than the market rate of labour, the former cannot attract honest and hard-working men. I think Government should try and engraft educated people in the service. In Bengal a school has been established to train men for the Police Force wherein matriculated students alone are admitted, and I suggest that some similar arrangement be made for the police service of the Bombay Presidency. At present important posts in the police service in Sind are held by men who cannot write down their signature, much less can they read and understand the laws they are required to execute. *Income-tax*.—As regards income-tax, I find from the Budget Report that the revenue from this head is increasing, and a larger revenue than before is expected in this year. This leads to the presumption that people are prospering and are making large profits. I should be glad to be assured that it is so. There is an impression abroad that it is the wish of Government that the revenue from this head should not fall below that of the previous year, and it is said that there are standing orders to that effect. The income-tax officers are, therefore, more active in the direction of raising the revenue. The result is that those whose profits have increased pay more as they ought to, but in the case of those whose circumstances have become worse the tax is rarely reduced. Thus the income goes on increasing from year to year and the tax pressing harder and harder against the people. *Irrigation*.—With regard to irrigation I have not to say much, as it is an Imperial item. Sind very largely depends upon irrigation and I know that the Government has been spending large sums of money for canal clearances, Takávi, &c., &c., and I hope Government will continue their efforts in this direction and obtain larger grants for the purpose from the Supreme Government. *Education*.—We in Sind have, no doubt, been getting fair grants for educational purposes, but the Government high schools of late are not well served. These schools are very popular, and

people in general prefer sending their children to these schools. But I am sorry to observe that admission to a large number into these schools is refused on the ground of want of accommodation. The number of boys to be admitted in these schools is limited, and I trust this will be remedied. *Sanitation.*—As regards sanitation, I have not been able to find out from the Budget how much money is allotted to Sind for carrying out the provisions of the Village Sanitation Act. That Act has not as yet been brought into operation in Sind. In the villages, one finds animal corpses lying for days and days without being removed. People do not get water fit for drinking, and sanitation is in a very poor condition. Sanitary Boards, it is true, have been appointed in Sind, but nothing seems to have been done on account of want of funds. The bad condition of the Sind villages necessitates the immediate operation of the Act, and I trust Government will this year allot a fair sum to Sind for the purpose. *Local Funds.*—I am glad to find that the balance of the Sind Village Officers' Cess Fund is to be utilized for the purpose of improving the position of the village officers, who are very poorly paid. They are obliged to maintain a horse and a servant, and it is impossible for them to do so on the very poor salary they now get. *Civil Works.*—Speaking of works that the Government is to undertake, I have only to say that the people of Karáchi have been for years past clamouring for the removal of the Collector's office to a spot somewhere near the town. I hope Government will provide for it in the Budget if it has not already done so. The present plot of land and the building thereon will, in my opinion, realize, if sold, more than is wanted for the new building. There are several other matters to speak upon, but I will not say anything more, because I know that with your Lordship at the head of Government, and the Honourable Mr. Trevor and the Honourable Mr. Birdwood as your Councillors, the interests of the Province of Sind are quite safe. The people of Sind have every confidence in your Lordship's colleagues on the Council, who have long remained in Sind and are fully aware of the wants and requirements of the Province.

The Honourable Mr. V. R. NATU said :—My Lord, I have very few remarks to offer on the Budget. In the first place I point out to your Excellency the fact that the forest revenue, as the Budget shows, is growing steadily, although some of the very valuable recent Resolutions of Government in respect of concessions about grazing and some privileges to obtain minor forest produce were in force in some parts of the Presidency. This fact, and the fact that this Government has from time to time admitted that the Forest Department was not created for revenue purposes, encourage me to request your Excellency's Government that it will see that these concessions are made applicable throughout the Presidency. This no doubt would result in some fall in the forest revenue, but, considering the interests of the poor agriculturists, it can be allowed. Government should encourage cattle-breeding not merely for ploughing the lands or drawing water for irrigation purposes, but for supplying cheap manure to the lands. I think the object would easily be attained if Government would ask the Commissioners to follow the suggestion in respect of relaxing the rules about grazing fees contained in circular letter No. 1050, dated 9th February 1891. My second point, my Lord, is in respect of the grant to the Bombay University. Hitherto the grant for several years was Rs. 15,000, which is now reduced to Rs. 10,000.

His Excellency the PRESIDENT :—Five thousand.

The Honourable Mr. NATU :—I hope your Excellency in Council will find his way to increase the grant again to Rs. 15,000. There is another very important educational matter for the kind consideration of Government, and that is the claim of the Fergusson College for a grant.

His Excellency the PRESIDENT :—They have had it.

The Honourable Mr. NATU :—No, my Lord, I mean the teaching-grant. While private colleges in Bombay get annual grants, the Fergusson College is also entitled to some consideration. My Lord, this college is most efficiently managed, and it supplies the wants of a large number of poor students in the Deccan districts. And for this reason Government should try to settle some annual grant on this institution also.

The Honourable Mr. PHEROZSHAH M. MEHTA said :—With your Excellency's permission I would venture to tender you the warmest thanks of the non-official members for the cordial welcome you have been pleased to give us on the assembling of this the first meeting of the re-constituted Council. I think I may also venture to assure your

Excellency that it will be the best endeavour of the non-official members, as far as possible, to do what lies in their power towards the practical and efficient discharge of the business placed before the Council.

I propose on this occasion not to be very lengthy in my remarks, and I shall confine myself to two or three points with which I feel myself more personally and intimately connected. I will first call your Excellency's attention to the provisions in the Budget about the police, and I ask the attention of the honourable member who placed the Financial Statement before the Council to page 19 of that document. It says "on the expenditure side, the re-organization of the district and city police has, for a considerable time past, occupied the attention of Government. The total estimated extra cost is Rs. 4,23,000 for the district police (including Sind), and Rs. 1,01,000 for the city. It is hoped that both schemes will be sanctioned early in the year, and provision has accordingly been made in the Budget for 1893-94." Now, my Lord, I find in the detailed Budget Statement, which the Honourable Mr. Trevor was good enough to give us a copy of, that provision has been made to the extent of two lakhs for the re-organization of the district police, but there is no entry so far as the city police are concerned. I cannot quite reconcile the statement in the Financial Statement with the items in the detailed Budget in that respect. With regard to the head of "Police", I would next like to draw your Excellency's attention to the amount, which is put down as the contribution of the Municipality of Bombay. The amount entered in the detailed Budget for the Budget year 1893-94 is Rs. 3,06,748. In the Revised Estimate for 1892-93, the amount is shown at Rs. 3,63,345. I am glad, indeed, to see that in the Budget Estimate for 1893-94, your Excellency's Government have brought it down to Rs. 3,06,748. I may thus take it that the Government have seen the justice of the representations made by the Bombay Corporation, with regard to certain items in the cost of the city police. A good many of the items included in the letter of Government to the Corporation seem to have now been decided as being not properly chargeable against the Corporation. I take that as the meaning of the smaller amount being put down for 1893-94, and if that is so—and it seems to me it must be so—I beg to point out that provision should have been made in the Budget for refunding the additional Rs. 60,000 levied in the previous year.

His Excellency the PRESIDENT:—That is only an estimate. It has not yet been levied.

The Honourable Mr. MEHTA:—I beg your Excellency's pardon. Your Excellency will remember that the Bombay Corporation were called upon to go on paying monthly instalments on the basis of the amount being Rs. 3,63,000, so that the Municipality has been compelled to pay up all the instalments for the past year on that basis. I am not referring now to the larger question of the entire liability of the Corporation, pending before the Secretary of State for India; leaving that larger question aside, I infer from the figures in the detailed Budget that your Excellency's Government, even supposing that question is decided against the Corporation, will have to refund the Rs. 63,345, which the Corporation has been called upon to pay up to the present time. The figures involve the admission that Rs. 3,63,345 was over and above what is now admitted to be the right sum and that the proper amount is Rs. 3,06,748. I am glad your Excellency's Government has thus practically decided that the Corporation ought not to be called on to pay for the dockyard police and the harbour police, &c.: in the previous calculations a portion of those amounts were thrown on the Corporation. I take it that, in justice and fairness, Government have decided that no portion of these sums should be thrown on the Municipality. Even with regard to the reduced estimate, your Lordship will allow me to call your attention to several small charges included against the Municipality, which I think are not justly chargeable. I refer, first, to the "way charges of escorts, Rs. 10,000." I submit that the Bombay Municipality can in no sense be liable to pay for these escort charges, which are charges incurred in escorting *specie* to the Government of India. It is entirely a work for which the police of the City of Bombay are, so to say, borrowed for doing work outside the city, and your Excellency will admit that the Bombay Corporation are in no way liable for such a charge. The "Maintenance of Prison Van" is also an item for which the Corporation cannot be liable, because I take it the prison van is not an appendage of the police, but of "Law and Justice," and comes under the sub-head of "Jails". Your Lordship will allow that it is the legitimate duty of the Police to take measures for the protection of life and property, but that it is not one of their legitimate functions to attend to the burning of carcasses of horses for which Rs. 2,000 are entered in the Budget. How can this be a legitimate function of the Police?

His Excellency the PRESIDENT :—Would not the Municipality have to do it if the Police didn't ?

The Honourable Mr. MEHTA :—Not if the burden was not cast upon it by the Municipal Act. Your Lordship's Government has repeatedly reminded us that the Corporation has rights and privileges on the one hand which must be construed by the Act only, and the Corporation, therefore, naturally strenuously resists accepting any burden not cast upon them by the Act. If the Corporation were relieved of certain burdens by Government, which ought not legitimately to fall upon them, and asked to take upon themselves others that were not at present imposed upon them by the Act, but which were appropriate to them, such a re-apportionment would be just and fair to the Government and to the Corporation, but when your Lordship's Government says we have only to go by the provisions of the Act, I submit that, on that principle, the last item I have referred to is not a burden cast upon us by the Act. I wish to submit to your Excellency's Government that in addition to refunding Rs. 63,300 to the Corporation the amount payable by the Corporation should be still further reduced by the exclusion of the sums which, as I have pointed out, are not justly payable by the Corporation.

I now pass on to education. I had intended to warmly congratulate your Excellency's Government on having put down at least Rs. 10,000 in the Budget Estimate for 1893-94 as the contribution to the University, and I was somewhat surprised to hear your Lordship say just now that the sum was to be only Rs. 5,000. It is, however, actually entered in the Budget as Rs. 10,000.

His Excellency the PRESIDENT :—Perhaps, I am wrong. My impression was that it was Rs. 5,000.

The Honourable Mr. MEHTA :—Then I may congratulate the honourable member who presides over finance for the more liberal view he has taken in this matter. Will your Excellency allow me to state that Rs. 10,000 could hardly have been put down by mistake ? Although I knew the Government had written a letter to the University, stating that the amount would be reduced to Rs. 5,000, still seeing Rs. 10,000 put down in the Budget and knowing your Excellency's interest in the University as Chancellor, and the interest of the Honourable Mr. Birdwood who, as Vice-Chancellor, and in other capacities has rendered valuable services to the University, I could not bring myself to imagine that the amount Rs. 10,000 had been put down by mistake, but I could only conclude that, on further consideration, Government had recognised the propriety of granting the larger amount. I have no doubt that my honourable friend the Acting Director of Public Instruction must have taken the same view of the matter. I trust that when your Excellency winds up this debate, you will find it possible to announce that it is not a mistake, and that the Rs. 10,000 was deliberately entered in the Budget Estimates. I cannot conceive of so grave and august a body as the Government of this Presidency perpetrating a joke. But when the University received a letter from Government saying that the grant was to be reduced from Rs. 15,000 to Rs. 10,000, and then a further letter saying it was to be reduced from Rs. 10,000 to Rs. 5,000, then taking into consideration the financial condition of this Presidency for the last fifteen years, it was difficult to conceive that it was anything but a joke, if it was possible, I repeat, to conceive a grave body like Government so far unbending itself. Financial considerations could have had no weight in the reduction of the grant to the University. Your Lordship will remember that in the report of the Finance Committee, regarding the period of the third Provincial Contract 1882—1886, it showed the provincial balance to have risen to 52 lakhs against 32 lakhs at starting, and says "thus the Province has throughout the term of the contract enjoyed uninterrupted financial prosperity, and has been much more in the position of seeking how to spend its increasing revenue with advantage than for casting about for money to meet urgent administrative demands." Your Lordship sees that during this period the surplus had gone up 32 lakhs exclusive of the minimum which this Government is bound to preserve under the direction of the Government of India, *viz.*, 20 lakhs. There was no financial consideration then for the reduction of the University grant. With regard to the next period up to 1892, the Honourable Mr. Trevor has referred us to the Accountant General's review of that period, and he takes a very hopeful view of the financial condition of the Presidency. The Accountant General writes :—"After paying a special contribution of 17½ lakhs in aid of the Imperial Revenue, the year 1891-92 closed with a balance of Rs. 40,70,000 to the credit of Provincial Government, being Rs. 20,70,000

in excess of the minimum of 20 lákhs fixed by the Government of India." That being the financial state of the Presidency, I cannot but concur with what the Accountant General says of the extremely satisfactory condition of the finances. With regard to the year 1892-93 the same hopeful view is taken by the Accountant General; at page 105 he says, in paragraphs 3 and 6—

"3. The year 1891-92 was on the whole favourable to Provincial revenues. As compared with 1890-91, there was a net increase of revenue of Rs. 24,00,180, and the Provincial Government was able to spend Rs. 16,93,195 more than in the previous year. It was necessary to draw on the accumulated balances only to the extent of Rs. 5,31,888, as against Rs. 12,38,873 in 1890-91. There are, however, two large items which must be taken into account in comparing the results of the two years. In 1890-91, a special contribution of Rs. 17,50,000 was made by the Provincial Government in aid of Imperial revenues; the Provincial share of the revenue was, therefore, correspondingly decreased. This item, therefore, forms the chief part of the apparent increase of 24 lákhs. In 1891-92 the construction of the Hyderabad-Umarkot Railway was commenced as a Provincial undertaking and Rs. 11,72,211 were spent on it. If it had not been for this special expenditure, the year would have closed with a surplus instead of a deficit. The year 1891-92 began with a balance of Rs. 46,01,994, and closed with Rs. 40,70,106 to the credit of the Provincial Government. The closing balance was thus Rs. 20,70,106 in excess of the minimum fixed by the Government of India.

"6. The year 1891-92 was the last of the fourth Provincial contract, which commenced in 1887-88. The Provincial Government had a balance of Rs. 54,89,780 at the commencement of the contract period, and a balance of Rs. 40,70,106 at its close, or Rs. 20,70,106 in excess of the minimum. Considering that the contract was fixed at a time of financial pressure, that the Government of India allowed only for so much of the revenue as was anticipated to be necessary to meet the Provincial expenditure without any margin, that it withdrew Rs. 17,50,000, that the Public Works expenditure was much in excess of the contract assignment, the result is very satisfactory. The estimate of the annual Provincial revenue and expenditure was taken at Rs. 3,57,72,000 for the purposes of the contract, whereas the total actual revenue of the year was Rs. 4,07,48,204 and the expenditure Rs. 4,12,80,089, showing that the Provincial Government was able to increase its expenditure largely and still leave a balance much in excess of the minimum, owing to the elasticity of the revenues placed at its disposal."

Further on he says, in para. 8 :—"It was expected that the year would open with a balance of Rs. 38,82,000 to the credit of Provincial revenues; the actual balance was in round figures Rs. 40,70,000 or Rs. 1,88,000 better than the Budget Estimate. The closing balance of the year is estimated at Rs. 31,03,000 or Rs. 10,88,000 better than the sanctioned Budget. This good result is due both to increases in revenue and decreases in expenditure. From the figures stated above it will be observed that an improvement of Rs. 4,84,000 is expected in revenue and a decrease of Rs. 4,16,000 in expenditure. The Budget Estimates provided for a deficit of Rs. 18,67,000 on the year's working: the present anticipations reduce the deficit to Rs. 9,67,000 or a better result by Rs. 9,00,000."

Taking a general view of the financial condition of the Presidency, it seems to me almost unintelligible how the University can be asked to receive a lesser contribution than that which it has been receiving for several years, viz., Rs. 15,000, on the ground of financial exigency. There is nothing in the financial condition of the Presidency to justify the step Government has taken with regard to the University grant. This is not the time to go into the question of educational policy. I make these remarks, taking educational affairs as they exist. While I am ready to admit that it would be a very fortunate thing indeed if the University was in time self-supporting, it cannot be without your Excellency's knowledge, as Chancellor, that many urgent reforms which are needed in the University, and which they are bound to carry out in the near future, have had to be put off for want of funds. I am now speaking in the presence of one of our most active educational officers and a member of the Syndicate for many years; and not only he but the present Vice-Chancellor has repeatedly acknowledged that the University stands in need of money for these urgent and pressing reforms and cannot enter upon them for want of funds. I ask, if this is a time well calculated to reduce the grant? I am quite aware that the Government of this Presidency is bound to exercise what I have ventured on previous occasions to call its economic conscience. Government are bound to exercise that economic conscience in the financial management of the Presidency, but surely there are other objects on which it should be exercised before it pounces on the University. I will give you one simple instance. The Government is at present doing certain things for certain people just as it may be said that the Government is providing money for those who take advantage of the University. I refer to the two Superintendents of Mátherán and Mahábaleshvar. I say that their duties could be performed by Mámlatdárs, or Assistant Surgeons, if

medical officers were needed. I suggest it to your Excellency that Rs. 500 or Rs. 600 per month might by this arrangement be easily saved from their salaries, and it is more desirable to commence economising in such directions than to begin at the University. This is a point to which the Finance Committee drew the attention of the Bombay Government. Of course, I am speaking comparatively. I do not object to these gentlemen in themselves, but what I venture to urge on you is that it is a very proper thing that the economic conscience should be set to work; but that if it is to be exercised, the University should be the last body, and other items such as I have pointed out should be taken up first. I still hope that your Excellency's Government may see that it is desirable to bringing back the University grant to Rs. 15,000, and the time may come when the University may approach your Excellency to further increase that grant to enable them to carry out urgent and necessary reforms.

With regard to the educational part of the Budget I join in the appeal made by Mr. Natu in aid of the Fergusson College. I venture most respectfully to plead the cause of that college as one eminently deserving of some assistance from Government.

His Excellency the PRÉSIDENT:—A great deal has already been done for it.

The Honourable Mr. MEHTA:—I do not deny that a good deal has been done. It has always been the policy of this Government from the time of Mountstuart Elphinstone to play a great part in education. It must always be that when progress is once commenced there are those who are desirous of pushing it still further and we are desirous that this Government should advance its fame still further by giving more and more. I acknowledge with great thankfulness on behalf of the Fergusson College that for the first three years of its existence Government did give it a grant-in-aid. I may also recall to your Lordship's recollection that Sir James Fergusson did, whilst speaking in the name of the Government, almost—I won't say entirely—promise that that contribution would be continued to the college. Of course, members of Government speaking at a public meeting must not be held too strictly to what they say at the time; but so far as he could, Sir James Fergusson pledged the Government to the continuance of that grant. The grant was withdrawn during Lord Reay's Government. There were negotiations for the amalgamation of the two Poona colleges, but those negotiations broke down. It is unnecessary to go into the circumstances, but I for one am glad that those negotiations broke down, and the Fergusson and Deccan Colleges have continued to flourish since then. It was no fault of the Fergusson College that no amalgamation was effected, and it cannot be said that it has forfeited its claim to a grant which other private colleges are receiving. The Fergusson College is, besides, entitled to some aid at the hands of Government, for it is the only private college of indigenous growth which has been started in this Presidency. And it is scarcely necessary for me to remind the Honourable Mr. Birdwood that for the last thirty or forty years the Secretary of State and the Government of India have repeatedly laid it down that they would help colleges of indigenous growth before those established by foreign bodies. The Fergusson College, therefore, has a preferential claim on Government. The way in which it was started also deserves some recognition. It was commenced by young men who have sacrificed a promising future to a great extent by binding themselves to serve the college for a number of years—some of them, I believe, for the whole of their lives—on very small and inadequate salaries.

I now turn to the paragraph in the Financial Statement, which sums up the expenditure on education, *viz.*—"The expenditure includes the whole cost of the teaching and inspecting staff for the various Government colleges and schools and grants-in-aid to private institutions, but not grants-in-aid to Local Fund schools, which appear under contributions, nor charges on account of construction or maintenance of educational buildings, which are debited to Civil Works." I would make one suggestion here to your Excellency, and that is that it would be desirable, if possible, to bring all these items together in the educational grant instead of showing them in out-of-the-way places as at present. The paragraph goes on, "In the Estimates, however, provision is made to some extent for items of this description which are transferred to their proper account heads when the expenditure is actually incurred, and hence it happens that the actuals of expenditure under this head commonly appear to be less than the Budget Estimate, though the whole amount or more may have actually been disbursed. The estimated expenditure of Rs. 17,41,000 shown above is in addition to Rs. 5,15,000 and Rs. 56,000 for which provision has been made under 'Contributions and Civil Works,' respectively, and of the sums noted in the margin, which are provided under various other heads for purposes more or less directly connected with education, so that the

total estimated expenditure on educational objects for 1893-94 will roughly amount to Rs. 25,32,000." I will take the liberty to point out that in making this calculation two things have been forgotten. Under the head of "Medical," the Grant Medical College is debited with an expenditure of Rs. 1,40,000. Your Lordship will find that in this sum is included the full salaries of the Principal and Professors, which are not really the salaries of Principal and Professors but of medical officers. I ask how in fairness and justice to the educational budget can the salaries drawn by Surgeons who work in hospitals be debited against the college. These full salaries amount to Rs. 1,12,000, and a very large portion of the Rs. 1,40,000 would disappear if these salaries were taken out of it. Hardly more than one-third, even if so much, is debitable to the Grant Medical College. Your Lordship will also find that the college is also charged with Rs. 3,300, "house-rent allowance" for these medical officers. Why this should be, I do not know. There is another item I do not understand, and that is an item of Rs. 5,602, "freight on Europe stores." This is a very large amount of freight for medical stores for a college. Probably the Store Department may have received these stores. There are two other items—endowments of the Elphinstone College and Grant Medical College—which ought to be taken into account as reducing the total of 25 lakhs. The head under which they appear is that of "Interest." If these were brought into account here, the educational grant would not come up to Rs. 25,32,000. But there is one hopeful comfort about this over-estimate, for it indirectly indicates that your Excellency's Government are quite prepared to advance to that amount, and in that case one can't help anticipating great educational progress.

There are certain items in "Land Revenue expenditure" to which I should now like to refer. I find on page 29, under "Charges of District Administration" there are four items, transferred to the heading "Criminal Courts" under "Law and Justice." The total of these four items is Rs. 10,19,662, made up of Rs. 59,904 on account of pay of Assistant Judges; Rs. 6,62,988, moiety of charges for Collectors, Assistant and Deputy; Rs. 2,32,650, moiety of charges for Mámlatdárs, &c.; and Rs. 64,170, moiety of pay of head clerks to Mámlatdárs, &c. The total cost of criminal Courts is Rs. 12,66,000. Out of this amount Rs. 10,19,662 are brought from "Land Revenue" head, being half portion of the salaries of Assistant Judges, Mámlatdárs, &c. What I venture to suggest is that instead of employing Assistant Collectors and Mámlatdárs to do the criminal work, that that work might be transferred to a body to whom such work would be congenial and harmonious—I mean the Subordinate Judges. I contend that it is discordant work so far as revenue officers are concerned. If this work were entrusted to a body to whom it would be more appropriate, namely, the trained Subordinate Judges, there would be a considerable saving effected in the Budget in the cost of revenue and criminal work. This would hardly be the proper time to go into all the details of the account, but I would illustrate my remarks by taking one district—*viz.*, Poona. There are eight tálukas in Poona, to look after which there are three Assistant Collectors, three first grade, and one Assistant Collector with no magisterial powers. Their salaries are Rs. 900, Rs. 700 and Rs. 400 respectively. Then there are nine Mámlatdárs having first class powers on Rs. 200 each—total Rs. 800; and five with second class powers on salaries between Rs. 200 and Rs. 150—total Rs. 850. The total of all these Mámlatdárs is Rs. 1,650 per month. I have some personal experience of the working of these Courts. On the whole the Assistant Collectors and Mámlatdárs certainly do not devote anything like even two full hours per day to criminal work; they are not able to do it. If all this criminal work intermittently done by these men was made over to Subordinate Judges, who are trained officers and competent to deal with it, the cost of criminal work would be reduced in this way. I would abolish one of the three Assistant Collectors, *i.e.*, Rs. 700, and cut down the Mámlatdárs by half, *i.e.*, Rs. 825—, total Rs. 1,525. Against this I would suggest the employment of three more Subordinate Judges for the district on Rs. 300 a month each, *i.e.*, Rs. 900. This would give a monthly saving of Rs. 625 or Rs. 7,500 per year. This would not only secure economy but increase efficiency, for the work would be done by better trained judicial officers. There would also be another advantage. We know at present that Assistant Collectors have to call the accused and witnesses in cases on their files to follow them to their camps over long distances. This is a very great hardship. If there were nine Subordinate Judges fixed in the district, this hardship would be considerably obviated. There would be a distinct advantage gained by such an arrangement. Then again, the evils of associating criminal and revenue work would be mitigated. Such a case as the salt case, which

came before the High Court the other day, in which an old woman had been fined Rs. 15 for boiling salt water, would not be so likely to occur, for it is only a revenue officer could have thought it fit to inflict a punishment so heavy and absurd for a poor woman, and who, in default of paying it, would have had to go to jail. After the High Court's decision I cannot say a word as to the legality of the conviction, but I am certain no Subordinate Magistrate unconnected with revenue would have dreamt of fining the woman Rs. 15. I have also worked at the figures for the Sátára District, where a saving of Rs. 8,400 could be effected. Going over the eighteen districts of the three divisions of the Presidency Proper, there would be a yearly saving of over a lách of rupees.

The Honourable Mr. BIRDWOOD :—How does the honourable member propose to meet the salaries of these new officers ?

The Honourable Mr. NUGENT :—May I ask the honourable member where he discovers three Assistant Collectors in the Poona District ?

The Honourable Mr. MEHTA :—I took my figures from the Civil List.

The Honourable Mr. NUGENT :—Here's the Civil List. The honourable member will not find more than two Assistant Collectors.

The Honourable Mr. MEHTA :—The number may vary from time to time.

The Honourable Mr. NUGENT :—There have always been two Assistants in Poona ever since I've been here.

The Honourable Mr. OXENHAM :—Does the honourable member propose to abolish half the Mámíatdárs ?

The Honourable Mr. MEHTA :—I do not intend to divide them bodily. The revenue work alone would be left to be done by the reduced number.

The Honourable Mr. BIRDWOOD :—Does the honourable member mean to put one Mámíatdár in charge of two tálukas ?

The Honourable Mr. MEHTA :—Yes, I see the Honourable Mr. Nugent is smiling as if he thinks I know nothing about these administrative matters. I am quite prepared to take it that my proposal will be considered impracticable at first sight, but I hope the idea will grow and take root. I do not expect that because I give these figures, the scheme will be at once adopted, but I consider that the difficulties to the scheme could be overcome. And how to meet them is a question for consideration. Take away criminal work from revenue officers, to whom it is incongruous and with whom the match is ill-assorted, and combine civil and criminal justice which is a well-assorted match. It seems to me that not only will you secure increased efficiency, but also, I submit, economy. These are all the observations I have to make, and I thank your Excellency and the Council for the patience with which you have heard me.

The Honourable Mr. RANCHODLAL said :—It appears from the published Ábkári reports that the system of farming the revenue to be derived from the country liquor, prevails in greater part of the Mofussil districts of the Bombay Presidency, and it further appears that a margin of about $1\frac{1}{2}$ rupees is left between the still-head duty to be received by Government and the authorized selling price of liquor to be charged by the farmer. For instance, where the still-head duty is Rs. 2 and Rs. $2\frac{1}{4}$ per gallon, the selling price is Rs. 3-8-0 and Rs. 3-12-0 respectively. I learn from enquiries that the actual cost of manufacturing liquor, including materials from which the liquor is extracted, is about 8 annas per gallon, and the cost on account of establishment and all other charges is from 6 to 8 annas, thus making a total of one rupee per gallon, leaving a clear profit to the farmers of half a rupee per gallon. This is rather too much where the consumption of liquor is a large one. I find from the Ábkári report of the year 1891-92 that the following are the figures of the quantity of liquor consumed in 1891-92 in five of the districts of this Presidency, viz. :—

Thána	...	...	...	...	401,621 gallons.
Surat	...	...	...	...	300,683 "
Khándesh	...	...	...	...	283,808 "
Poona	...	...	...	...	141,878 "
Kolába	...	...	...	...	127,769 "
Total	...	...	...	...	1,255,759 gallons.

If my estimate of profit is correct it would appear that the ábkári farmers of these five districts make a clear profit of Rs. 6,27,879 per annum, and I see no reason why Government should not manage this branch of the revenue departmentally and get the greater part of this profit into the Government Treasury. If Government would appoint five good experienced officers for these districts at the following salaries, the monthly cost will be only Rs. 4,000, viz.—

Thána	...	...	...	...	Rs. 1,000	per mensem.
Surat	...	...	...	...	800	"
Khándesh	...	...	...	...	800	"
Poona	...	...	...	...	800	"
Kolába	...	...	...	...	600	"
				Total	Rs. 4,000	per mensem.

The annual cost will be only Rs. 48,000. These officers with the assistance of the establishment similar to what is entertained by the farmers will be able to manage the districts as efficiently, if not better than what is done by the farmers. But even if we allow them extra establishment to the extent of Rs. 50,000 per annum, the total cost will not exceed Rs. 1,00,000 (one lakh), thus leaving a clear gain to Government of Rs. 5,27,879 per annum. I am inclined to think that, if Government would be pleased to manage this branch of revenue departmentally, it will be quite safe to increase the still-head duty by 4 annas per gallon, and to leave the maximum selling price what it is at present. Thus there will be no more burden on the consumers, while Government would get a very handsome increase of revenue. Against this proposal some people may say that the farmers having their personal interest in the work will be better able to check smuggling and illicit distillation, but I am respectfully of opinion that Government officials receiving respectable salaries of Rs. 1,000 and Rs. 800 per month cannot be less hardworking and less trustworthy. They will have their long-earned reputation at stake, and there is every reason to believe that they would work more honestly and satisfactorily than the farmers whose connection with Government is only temporary. In addition to the financial advantage to Government there is another point which deserves the consideration of Government. It is repeatedly declared by Government that the true aim of Government is the moral and material well-being of the people. Government don't wish people to contract the habit of drinking intoxicating liquor. Their wish is to curtail the consumption of liquor both licit and clandestine. This noble policy of Government can be better carried out through the Government agency than through the agency of farmers, who however respectable they may be, will naturally be tempted to increase the consumption. The system of farming does not exist in the City of Bombay; and in other parts of India also no such system prevails, and, therefore, it is a question for consideration why in the Mofussil of this Presidency the work should not be done departmentally. Another point which I beg respectfully to lay for the consideration of Government is the desirability of not charging higher rate of interest for the loans advanced by the Provincial Government to the local bodies such as Municipalities of towns in the Mofussil, than what is actually charged by the Government of India. It appears from paragraph 26 of the financial statement circulated, that the rate of interest charged by the Government of India for such loans is 4 per cent., while the Local Government levy $4\frac{1}{2}$ per cent. The reason given is that this extra half per cent. is levied to cover bad debt. But as far as the Municipalities are concerned, Government take every precaution to ascertain the capacity of the borrowing Municipality to fulfil their contract for the repayment of the loan. The matter is not only examined by the Collectors of the District and the Commissioners of the Division, but a special report of the Accountant General is obtained before any loan is sanctioned, and so there is no risk of bad debt. When any money is advanced to individual cultivators of land by Government as takávi, there is some risk of bad debt, but in the case of corporate bodies representing thousands of well-to-do rate-payers, there can be no risk at all. These loans are generally required for works of very great public utility such as water-supply and drainage. The importance of these works is generally pressed by Government at the advice of their responsible officers, and in almost all instances the rate-payers object to these schemes on account of their heavy cost. These works are in many instances absolutely necessary for public health. The execution of such works is sure to reduce the mortality and diminish sickness, and it is, therefore, worthy of liberal support from Government. If the Local Government will charge the same rate of interest as is paid to the Government of India it

will be a great help to the Municipalities, who will thereby be induced to adopt the schemes which they hesitate at present on account of cost. I have heard that the Government of the North-West Provinces has set a good example of charging the Municipalities who have agreed to undertake the works of drainage the same rate as they pay to the Government of India; *viz.* 4 per cent.; and I don't see why our Government should not do the same in cases where they see that the need of the work is pressing, and there is no fear of the bankruptcy of the borrowing local bodies.

The Honourable Mr. T. D. MACKENZIE said:—Your Excellency, I understand that the honourable member wishes rather to urge on the consideration of Government the general question whether it is not desirable that the management of the country spirit business in the mofussil districts of this Presidency should be removed from the hands of farmers, and should be entrusted by Government to their own officers on fixed salaries than at this time to make any definite proposal to give effect to his suggestion. It appears to the honourable member desirable, because he considers *1st*, that Government would find it profitable to manage this business departmentally, and *2nd*, because by so doing they would effect a great moral good by checking and diminishing the consumption of country spirit.

Now before I discuss, as I may have to do, in some detail, the suggestions of the honourable member I would venture to ask the attention of your Excellency and the other honourable members of this Council to the following extract from letter No. 3125, dated 19th May 1874, from the Government of India:—

“The Government of India objects to the retail sale by Government officers of any sort of fermented liquor, spirit, or drug. Government should interfere in the trade just so far as is necessary to enforce the taxation imposed by law and no further. If in any place the trade cannot be carried on consistently with the just demands of the State, it must cease, and in such a case it is better to sacrifice excise revenue than that officers of Government should assume functions calculated to expose the policy of the State to misunderstanding.”

The policy therein expressed has been consistently followed by this Government for many years past, and it seems to me that the proposal of the honourable member is directly opposed to it. If a Government servant is to undertake the business of a liquor farmer, he must, if it is to be profitable, go as closely into the details as if he were a farmer. This means that in districts where there are Central Distilleries, such for example as Surat or Khândesh, he would have to supervise the distillation of the spirit. In districts where there are no such distilleries, such as Thána or Kolába, he would have to bargain with the Uran distillers as to the price of the liquor to be supplied. In all he would have to arrange for the issue and distribution of spirit to the various depôts and shops; he would have to appoint and discharge shopkeepers, pay their wages, be responsible that the spirit supplied and sold was of the required standard and quality, that the measures were of the prescribed capacity; that the shops were duly supplied with stocks of liquor, that the shopkeepers did not defraud their customers by giving less or inferior liquor than they were entitled to, or Government by submitting false accounts or remitting smaller sums than were due, and that they kept accurately the various statistical returns prescribed. It seems to me, with submission, that in doing this the Government servant would be going far beyond the distinct lines laid down for our guidance by the Government of India, that he would be interfering in the trade very much more than is necessary to enforce the taxation imposed by law, and that he would be assuming “functions calculated to expose the policy of the State to misunderstanding.”

The main reason for which the honourable member suggests the new departure is that under our present system the farmers secure excessive profits, and that those profits should go to Government. His subsidiary reasons are the moral advantage, and the idea that the system of monopoly farming is peculiar to this Presidency. The last two I will refer to later on, but meanwhile I will say a few words on the alleged excessive profits of the farmers.

The honourable member has assumed that throughout the greater part of the Presidency, the margin between still-head duty and maximum retail selling price is Re. 1-8-0 per gallon of 25° U. P. He considers that the still-head duty might safely be raised 4 annas per gallon, and the maximum selling price be retained. From this I gather that he regards Re. 1-4-0 per gallon as a fair margin of profit for the farmer, whether he be a private individual or Government. He estimates the cost of manufacture at 8 annas per gallon, and the cost of placing in the shops, and all other charges at another 8 annas, and deduces therefrom the inference that the farmer has 8 annas per gallon of clear profit.

Now if it were the fact that the margin between the still-head duty and the selling price generally were Re. 1-8-0 per gallon, his contention would have some weight. But this is not the case. I have taken the following figures from Appendix I of the A'bkári Administration Report for 1891-92, and they show the following margins:—

In a considerable portion of the Kaira district, part of the Mahi Kántha and the whole of the Surat district it is Re. 1-4-0.

In Ahmedabad City and in villages in a ten-mile radius therefrom, in Broach City, and in the ten-mile radius therefrom, in the Násik District, except in four tálukas, throughout Poona, Ahmednagar, Belgaum, Dhárwár, Bijápúr and Sholápur it is Rs. 1-6-0, in Sátára, the Konkan, Kánara, Khándesh, parts of the Panch Maháls, Ahmedabad, Kaira, Broach, and Násik it is Re. 1-8-0.

As to the cost of the liquor to the farmer, the Honourable Sir Charles Pritchard, than whom there is no more competent authority on the subject, has in the Administration Report for 1882-83, paragraph 35, discussed this question with reference to the districts of Poona, Sholápur, Sátára, Ahmednagar, and Belgaum, and without counting the wages of, or the commission on sales allowed by farmers to their shopkeepers, he calculates the cost of manufacturing and bringing to sale mhowra spirit at from 15 to 17 annas per gallon. It will be seen from the same paragraph that he estimates from 4 to 6 annas per gallon as the commission allowed by good farmers to their shopkeepers, so that the cost to the farmer ranged from Rs. 1-3-0 to Rs. 1-7-0. Since then, however, the opening of the Southern Marátha Railway has lessened the cost of distribution, and I should, therefore, estimate the range of cost to the farmer at from Re. 1-2-0 to Re. 1-5-0 per gallon.

I have shown above that the margin between still-head duty and selling price is not uniform, and I may mention that before fixing that margin, the circumstances of each district are always considered most carefully, and the case decided on its merits. In some instances, Surat for example, the margin is fixed even for separate tálukas, and the Commissioner of A'bkári has invariably, before a change is made, to obtain the sanction of Government thereto.

The districts cited by the honourable member will illustrate my meaning as well as any others. They are, Thána, Kolába, Khándesh, and Poona.

The two first may be considered together, as their circumstances are closely alike. The margin is Re. 1-8-0.

In these districts there is no Central Distillery and the farmers have to obtain their supplies from the Uran distilleries; they have the monopoly of sale only. In the former the B. B. & C. I. and the G. I. P. Railways run through the district, and there are two good roads—the Agra road and that from Bhiwandi to Váda; in the latter the G. I. P. Railway runs through the Karjat táluka, and the Panvel-Poona road is a good one. But off these lines the roads to the interior are of the roughest description of country track, and distribution to the shops is both difficult and costly, more especially in the rainy season. Before the five or six farmers between whom these districts are divided can get their spirit, the Uran manufacturer has to make his profit, and looking to that and the nature of the interior communications in both districts, I think that one rupee per gallon is the least that can be estimated as the cost to the farmer of spirit laid down for sale. Add to this the rent of shops and the wages of the shopkeepers, and it will be seen that the margin for profit to the farmer can hardly come up to 4 annas per gallon.

In *Khándesh*, where the margin is Rs. 1-8-0, there is one central distillery for the whole district except for the Dángi portion. That distillery is at Dhulia, some 40 miles from the railway. The Agra road intersects the district, and there are some minor made roads. But the district has an area of close on 10,000 square miles; off the main roads the county tracks are rough, so that distribution is costly; it is surrounded by foreign territory from which smuggling is easy; it has extraordinary facilities within its own boundaries for illicit distillation, so that the farmer has to keep up large private establishments as well as to contribute to those maintained by Government for the detection and suppression of illicit practices. In these circumstances, and looking to the facts that Government have been compelled to allow large remissions to the farmer in each of the last two contracts to enable him to carry on his business, it is at least open to reasonable doubt whether his margin of profit has been excessive.

In *Poona* the margin is Re. 1-6-0. Here there is a central distillery; but the farm for Poona is held conjointly with that for Ahmednagar, in which there is no central distillery, so that the cost of distribution over the whole farm is thereby enhanced, and can hardly be put down at less than Re. 1-1-0. If to this be added shop-rent and shop-keeper's wages, the margin of profit to the farmer can hardly exceed 3 annas per gallon.

In *Surat* where there is a central distillery, the margin is Re. 1-4-0 throughout the district. That is admitted by the honourable member to be fair, and I think, therefore, I need not discuss Surat in detail.

In *Bombay Town and Island*, the system, as mentioned by the honourable member, differs from that in force elsewhere. There we have the separate shop licensing system, and it is easy to understand that in so compact an area it is easy to work and supervise this. Fewer precautions in the interest of the consumer are needed, because competition there adjusts the supply to the demand. This is the ideal system—the levy of still-head duty from the distillers and shop license fees from the shopkeepers—, but that this system is impracticable in the mofussil will be understood when I mention the large areas which mofussil shops have to serve, the absence of competition, the necessity of seeing that the consumer gets sound liquor, and of prevention of illicit practices. In the four districts named by the honourable member, I find that in Thána each shop serves on the average an area of 11 square miles, in Kolába of 12 square miles, in Surat of 5 square miles, in Khándesh of 56 square miles, and in Poona of 63 square miles. In Bombay town and island there are on an average 14 shops to one square mile.

I have shown above that Government are precluded from taking up this work departmentally, and some other system has had to be sought for. What has seemed next best is that of letting out the farms of the various districts to men of capital, energy, capacity, and good reputation. The objectionable feature of selling these farms by auction has been removed, the probable consumption, and from that the value, of the farm is estimated carefully, and the minimum guaranteed vend is fixed by the Commissioner of Abkári, the farmer is selected after consideration of the tenders made for terms of three years, Government reserving the right of raising the still-head duty, if necessary, during the term, maximum and minimum retail prices are stipulated for in the contract, and precautions are taken to secure sound liquor at reasonable prices for the consumers, so as to keep them from smuggling or illicit distillation, while it is necessary to ensure fair profits to the farmers to induce men of the character required to undertake the business, and to co-operate with Government in the suppression of illicit practices.

The statement that farming does not prevail in Bombay and other parts of India is correct only so far as Bombay town and island are concerned. Why this is so in Bombay I have endeavoured to show above. But as regards other parts of India, I have examined the Administration Reports of other Governments and Administrations, and I find that it is in force in a large portion of Madras, throughout the Central Provinces, in a considerable part of the North-West Provinces and the Punjáb, and within the last two years it is being introduced into the Berárs.

As to the moral aspect of the question, I would first note that if Government by undertaking departmentally the management of the sale of liquor were materially "to curtail the consumption of liquor, both licit and clandestine," as suggested by the honourable member, as one of the objects of his suggestion, there would seem to be at least the probability that the other object—the greatly increased profits to Government, would not be attained. But apart from this, I think that even the most casual consideration of Parliamentary utterances of late years will lead to the conclusion that the undertaking by Government departmentally of the management of the liquor traffic of the country would lead to denunciations of the policy advocated by the honourable member, denunciations which would be justified by the fact that Government would be interfering in the trade far beyond what is necessary for enforcing the taxation imposed by law, a sound principle which they have steadily followed for at least the last twenty years, with the result that they have been able to refute unfounded charges. If they were to forsake this principle for the sake of profit, the main argument adduced by the honourable member in support of his suggestion, they would have before them the certainty of a revival of accusations which they would not be able to refute, and would further have, as I

believe, the strong probability of not securing the profit for which they had deserted their principle.

The Honourable Mr. MAHADEVA GOVIND RANADE said:—I desire to submit a few remarks on the Financial Statement of the Government of Bombay which has just now been read for the consideration of the Council. So far back as December 1870, when the first step was taken by Lord Mayo's Government to provincialize certain services or heads of expenditure, it was directed that the Provincial Government should prepare an exposition of its finance, and place it before the Provincial Legislative Council. No action was, however, taken in accordance with this Resolution for reasons which it is not necessary on this occasion to mention. The recent amendment of the Council's Act, among other changes it has introduced, has made it obligatory upon the Local Government to publish its financial statement in the Council, and invite discussion on the same, and your Excellency's Government has shown a truly liberal spirit in postponing the discussion till after this Council was properly constituted under the new Act. One general remark which the Financial Statement suggests, is that, under the existing arrangement, provincial finance is not surrounded with the same difficulties as those which unhappily embarrass imperial finance. As observed in the Statement itself, there is no exchange difficulty in the way of provincial finance. The revenues assigned are all more or less in their main heads elastic, while the charges are, in the obligatory portions of them, fixed, and thus allow a large discretion and a free hand in what may be regarded the optional expenditure. So much is this the case that, while the Budget Estimates of 1891-92 were framed on the basis of the expenditure being in excess of the receipts by Rs. 18,00,000, the actuals showed only a deficit of 5 lakhs. Similarly, the Budget Estimates for 1892-93 were framed on the basis of the expenditure exceeding the receipts by 18 lakhs, but the revised estimates showed only a deficit of 5 lakhs. The present year's estimates (1893-94) have been similarly framed on the basis of expenditure exceeding the receipts by nearly 13 lakhs, and the experience of the previous two years justifies the impression that this deficit will be greatly reduced in amount when the revised estimates will be prepared. While these figures are thus hopeful, I do not think that the policy, announced in the Statement, of preparing the Budget on the basis of a large deficit between the expenditure and the receipts, and drawing upon the accumulated balances from year to year so as to reduce them to the minimum amount of 20 lakhs, is sufficiently justified by the explanations given in the Statement. It may be that as these arrangements only last for five years, and are then subject to revision, it is not expedient to let the balances accumulate, but the practice of starting with a deficit Budget which has been followed recently, and then making the two ends meet by drawing upon old balances, introduces an element of uncertainty, which, in such matters, ought to be, if possible, avoided. The receipts appear to be cautiously under-estimated, and the expenditure heads to be a little over-estimated, both which courses account for the results mentioned above. There is one other feature which appears to me to deserve notice in this place. The provincial Government spent upon railways in Sind nearly 12 lakhs in 1891, and about 5 lakhs in 1892, and it proposes to spend this year about 1½ lakhs on this same railway. If the line is a profitable one, as it is stated to be in the Statement, there is no reason why this expenditure should be incurred out of the revenues. The Public Works Department proper appears, in consequence of this expenditure on the railways, to have been unable to spend the whole of the money allotted in the Budget. The gross savings in 1891-92 on the Budget allotments for Public Works were 18½ lakhs, and, after deducting additional expenditure, there was still a considerable saving on the Budget allotment. In 1892-93, there were no savings on the allotment of Public Works, but the Budget allotment itself was 8 lakhs less than for the year 1891-92, and the Budget allotment this year is similarly less by nearly 4 lakhs. In other words, the expenditure on railways is met by large reductions in the grant of Civil Works proper. If the figures have been correctly understood by me, I think that the policy of constructing productive railways out of revenues, instead of out of loans, deserves to be reconsidered with reference to the undertaking of similar obligations in the future. The Local Government has only been able to allot Rs. 25,000 to improve village sanitation, and a lakh and a half for improving water-supply. This lakh and a half is intended to supplement the Local Funds in cases where the District Boards in charge of these funds are prepared to contribute double the amount. The Village Sanitation Act, passed three years ago, remains virtually inoperative on account of want of funds, and it appears to me that but for railway expenditure these funds could be more largely spared. It is true Government contributed about 4 lakhs in 1889, 5 lakhs in 1890, and 6 lakhs in 1891 and 1892, and about 7 lakhs this year to the

Local Funds, 5 lakhs for schools, and about 2 lakhs for water-supply and sanitation. These funds, however, have a claim upon Government which is not adequately met by these contributions, large as they no doubt are. The Local Funds Act of 1869, section 6, legalizes the levy of one anna in the rupee on Land Revenue and one anna on Sáyar Revenue, of which latter head the Ábkári Farm revenue is the most important. The compensation paid by Government to the Local Funds for the one-anna cess on Ábkári revenue was fixed at $1\frac{1}{2}$ lakhs about 1873, which may have been a fair proportion at the time. Since then the Ábkári revenue has increased nearly fourfold, and it is now nearly a crore, and yet the amount of this compensation continues to be what it was 20 years ago. At the present rate the Local Funds have a claim upon Government to receive about 5 lakhs more from the Ábkári receipts. The Local Boards Act of 1884 has not repealed section 6 of Act III of 1869, and as long as the provision continues on the Statute Book, this claim is one which the Government is bound to recognize. If this contribution were made to the Local Funds, the difficulties at present felt in the way of promoting useful civil works, education, sanitation and medical relief, would to a great extent be minimized. There is one other point which I wish to refer to briefly before I conclude: some years ago, I believe it was in 1887-88, the Government of Bombay placed on record their opinion, in reply to a reference made by the Government of India, that they expected to bring the work of the Survey and Settlement Department to a close by the year 1892, and that, after that year, the work will be entrusted to the Revenue Department proper. The period so fixed has expired, and the present financial statement refers to this subject as though the Government contemplates a further extension of the term originally fixed. If that is the case, the Statement of this year should, I submit, have contained a fuller declaration on this point. Some reductions have been effected in the lower grades of the establishment, but the relief contemplated in respect of the cost of the higher grades has been delayed, and in the meanwhile the Director of Agriculture's establishment has been developed. It would be desirable if Government could give a forecast of the further period for which the services of a separate Survey and Settlement will have to be retained.

The Honourable Mr. CHIMANLAL H. SETALVAD said:—My Lord, I have only a few observations to make on the Financial Statement. The Registration Department shows an estimated revenue of Rs. 2,85,000 against Rs. 1,41,000 of estimated expenditure on the working of that Department. The expenditure thus comes to very nearly 50 per cent. of the revenues which I think certainly heavy, and, I trust, means will be devised to reduce it. On a consideration of the expenditure side of item No. 18 *General Administration*, it strikes me that the establishment charges for the Sind Commissioner are disproportionately high when compared with those of the three Commissioners of the Presidency proper. Having no acquaintance with the local circumstances of that province I speak, my Lord, on this subject with very great diffidence and I expected that my friends from Sind would say something about it. But on the figures as put down in the Budget, the difference is so striking that one cannot help remarking about it.

The Honourable Mr. UDHARAM:—The detailed Budget was not supplied to us and so we were not in a position to say anything about the matter.

The Honourable Mr. SETALVAD continuing:—The total cost for the Sind Commissioner's establishment is put down at Rs. 1,21,000 against Rs. 2,28,000 for the three Divisional Commissioners put together. Excluding from these items the salaries of the Commissioners and their Assistants, the cost on account of the establishment of the Sind Commissioner comes to Rs. 27,822, while that for the establishments of the three Divisional Commissioners, put together, comes in all to Rs. 33,840, thus giving an average of Rs. 11,280 for each Commissioner. Coming to the head of Law and Justice, I think that the establishment of the High Court on its Original Side is capable of large reductions. I am aware, my Lord, that several reductions with regard to that establishment were proposed by the Finance Committee, and were agreed to by the Honourable the Chief Justice and the Bombay Government, but that it is not possible to effect them so long as the present incumbents of the posts proposed to be reduced are in office. It, however, appears to me that in one notable instance, in which immediate economy was possible, nothing has yet been done. I am referring, my Lord, to the post of Clerk to the Insolvent Court.

The Honourable Mr. BIRDWOOD:—The honourable member will remember that no salary for the Insolvent Court Clerk is put down on the expenditure side of the Budget, as he is remunerated by fees.

The Honourable Mr. SETALVAD:—I am, my Lord, perfectly aware of what has fallen from the Honourable Mr. Birdwood, but my point is that the revenue side of the

Budget will gain if those fees are credited to Government. I beg to say that all the work that the Clerk of the Insolvent Court has to do comes to an average attendance of about three hours in Court on Wednesdays and about an hour's work in office on other days. In fact the duties of the office are considered so light that only very recently when the present incumbent went I believe on a year's leave, the Honourable the Chief Justice was pleased to appoint the Deputy Sheriff to undertake the duties of that office in addition to those of his own. And for this little work that officer is remunerated by fees which on the average come up to about Rs. 3,000 and more per mensem, almost the salary of a High Court Judge. I believe that the present incumbent of the office accepted the appointment subject to any revision that might be made in his remuneration by competent authorities. The Finance Committee had recommended that he should be given a fixed salary of five or six hundred rupees and all the fees should be credited to Government. If that change is effected it would bring in a revenue of nearly thirty thousand rupees yearly to Government. On the Appellate Side of the Court, the post of Registrar has been thrown, under the last year's order of Government, in the Provincial service, the salary of the post being fixed at Rs. 1,200 per mensem, thus effecting a saving of Rs. 500 per mensem. That change, however, does not seem yet to have been effected, although a permanent appointment to that post was made only very recently. Under the head of scientific and minor departments it appears that experimental cultivation costs annually about Rs. 44,000, the actual cultivation charges alone being put down at Rs. 12,000. The receipts, however, are estimated to be in all Rs. 6,000. It requires some explanation as to how it is that our model farm should produce only Rs. 6,000 against an yearly expenditure of Rs. 12,000 on actual cultivation, not to speak of the remaining Rs. 32,000 spent annually on the cost of the directing establishment and other charges. Surely I hope this is not a model we are setting up for our cultivators. Under the same head we find an annual expenditure of Rs. 12,000 for the registration of railway traffic. I do not see why the Railway Companies should not be made at least partly to contribute towards this item of expenditure. At page 26 of the Financial Statement in the list of Incorporated Local Funds, is put down what is called the Government Central Book Depot fund. It is difficult to understand what this fund is and I have searched in vain in the Financial Statement for any explanation about it. Moreover, the revenues of the Central Book Depot are estimated for the year 1893-94 at Rs. 1,46,000 against an expenditure of Rs. 1,61,000. If the institution cannot be worked except at a loss, one does not understand the necessity of maintaining it. The work that it does can well be done by some arrangement with any of the various book-selling firms in Bombay. These are all the remarks that I have to make, and before resuming my seat I beg to heartily join with my honourable friend Mr. Mehta in assuring your Lordship that we shall always consider it our duty to properly realise our responsibilities and thereby enable this Council to transact, in your Lordship's words, maximum of business in minimum of time.

The Honourable Mr. LANG, in reply to Mr. Setalvad, said that the Clerk of the Insolvent Court was appointed under the Act of Parliament which constituted that Court and under that Act he was entitled to certain fees. He believed it was considered, shortly after the Finance Commission sat, that it would be extremely desirable to transfer the fees to Government and to put the Clerk on a salary, but it was found that, as the Act stood, such an arrangement would not be legal. The Government of India at one time contemplated the passing of a new Insolvency Act, by which the status and emoluments of the Clerk of the Court would be changed. He believed that, for this reason, no steps had yet been taken with regard to the Clerk.

The Honourable Mr. NUGENT said that Mr. Ranade had objected to the Budget on the ground that the expenditure was calculated at a slightly higher rate than the revenue and that to effect an equilibrium they had to draw on the balance of the past year. Theoretically the revenue should exactly balance the proposed expenditure. They had to consider what was at their disposal, and they ought to have a balance from a series of years. It was a question, to his mind, whether the irreducible minimum of 20 lakhs, they were required by the Government of India to keep, was sufficient. Personally he doubted it, for, in case of famine, that amount would be swept off in a very short time and would hardly meet the wants of a single district. So long as he had had anything to do with the framing of the Budget he had always thought that it was advisable to keep in hand something more than the minimum of 20 lakhs in order to be able to meet at a moment's notice any contingency that might arise. It had happened during the prosperous period alluded to by Mr. Mehta, that the estimates of revenue, cautiously prepared, were exceeded; this was

due to a great increase in the A'bkári and other receipts, and the result was that at the end of the period they had a very considerable balance in hand. The outcome, however, was unfortunate, for the Government of India were in financial straits at that time, and the Assyrian from Calcutta came down on the fold and swept away a large portion of our balance. The Bombay Government had thus been taught by experience not to accumulate balances. Beyond the theoretical objection taken by Mr. Ranade, there was no valid objection to the course Government were now taking in cautiously reducing their balance till it had come down to what they considered it advisable to keep in hand. Regarding Mr. Mehta's remarks the Honourable Mr. Nugent said he was pretty certain of one thing, and that was that among the various posts he (Mr. Mehta) had held, Mr. Mehta had never performed the duties of a Mámlatdár, for any one who had been a Mámlatdár would know that Mr. Mehta's proposal was absolutely impracticable. The Mámlatdárs were perhaps the hardest-worked class of officers under Government, and the most deserving, and it was with the utmost difficulty they found time to perform their duties. It was a fallacy to say, as Mr. Mehta had said, "relieve the Mámlatdár of his criminal duties and you relieve him of half his work." His criminal work did not constitute an eighth of his total work. It would therefore be impossible for the Mámlatdár even if relieved of his criminal work to take charge of two tálukas or even of a táluka one-tenth larger than he at present held. The proposal to separate revenue work from judicial work was by no means a novel one and had been constantly argued ever since he (Mr. Nugent) had been in the service. But the question arose, where was the money to pay for it to come from. They had not the money. The present machinery worked very well, although they might occasionally hear of an asthmatic old lady being fined Rs. 15 for making salt. He had a great admiration for the class of officers to whom Mr. Mehta would transfer the criminal work, but he did not believe that the work would be done any better by Subordinate Judges.

The Honourable Khán Bahádúr DORAJI PUDUMJI suggested that, in future, it would be better if every member was supplied with a copy of the Budget in detail, and also suggested that a statement of the shares of the revenue charged to the Imperial Government be attached to the Budget; that would give them an idea of what they paid the Imperial Government.

The Honourable Mr. BIRDWOOD explained, with reference to the observations of the Honourable Mr. Udham, relating to judicial administration in Sind, that the provision in the Budget for additional Judges, to reduce arrears in the District Courts, had no application to the Courts in Sind. The arrears in some of the Courts in the Presidency proper were much higher than in any of the Courts in Sind, and it was felt by Government to be necessary in the public interest that additional Subordinate Judges of the first class should be appointed in some of the Districts with appellate powers, in order that they might assist the District Judges in reducing the arrears on their files. The Government of India had sanctioned this arrangement for one year and Subordinate Judges, with appellate powers, had accordingly been appointed at Ratnágiri, Thána and Sátára. They had not been employed at these stations throughout the year, for which they had been sanctioned, but no part of the sanction was available for meeting the cost of additional Judges in Sind. Nor, again, though the work, especially the criminal work, was very heavy at Shikárpur, were the arrears there nearly so heavy as in most of the District Courts in the Presidency proper. As regards Shikárpur, moreover, Government were well aware of the character of the work, but Mr. Udham would be the first to allow that, in sending to that Court, within the past few years, two Judges of such conspicuous ability and unrivalled powers of work as Mr. George Jacob and Mr. Dayaram Gidumal, Government had shown themselves not unmindful to the interests of the people of the Shikárpur District. Mr. Udham's proposals for improving the constitution of the Sadar Court were, in due course, referred to the Commissioner of Sind for an expression of his opinion on them, and it was the intention of Government to consider the requisite arrangements for judicial re-organization in Sind along with certain proposals for an alteration of existing territorial jurisdictions, revenue and judicial. The subject was under the consideration of Government in the Revenue Department so far as the collectorates were concerned, and would be considered in the Judicial Department after the limits of the new collectorates had been settled. Several proposals for altering the constitution of the Sadar Court had been suggested at different times, and the Honourable Mr. Udham would readily understand that this Government would have a difficulty in adopting any recommendations as to the propriety of which the local authorities in Sind were not satisfied, and that no recommendations for a radical alteration of the

existing system could be submitted to the Secretary of State, with any hope that it would be favourably considered, unless very strong grounds indeed could be shown for altering a system which on the whole had worked well. With reference to the Honourable Mr. Pherozesha Mehta's remark, that the union of revenue and magisterial powers in the same official was an ill-assorted union, and that it would be better that magisterial powers should be exercised by the Subordinate Judges, he (Mr. Birdwood) believed that there was such a union of civil and criminal powers in the Madras Presidency, but he had never heard that the arrangements in that Presidency had been found to be more satisfactory than the Bombay system. It was certain that the judicial machinery in the Bombay Presidency had been steadily improving for many years; and it was just possible that one reason why Bombay Subordinate Judges did so much excellent work was that they had been able to devote their undivided attention to the civil work on which they were exclusively employed.

His Excellency the PRESIDENT, replying on the educational subjects dealt with, said :—
Mr. Udham has complained of the insufficient accommodation in Government high schools in Sind and has referred to the general appreciation by the people of Sind of high schools and of the disappointment accruing in consequence of admission being refused when the maximum accommodation provided had been reached. He expressed a request and hope that increased expenditure might be incurred on high school buildings in order to provide better accommodation. My honourable friend must remember that the general policy of Government in India as regards high schools has been laid down by the Education Commission. The rule is that Government should maintain a high school here and there rather as an example of what a high school should be, than with the intention of providing accommodation for all children desiring a high school education. The object and intention of the Commission was a deliberate one, and personally I think it a sound one. Their intention was to encourage private enterprise. If my honourable friend's suggestion was adopted, that policy would be completely crushed, and we should not have such private efforts to encourage, as the Fergusson College, if Government were to suppress private enterprise by the expenditure of large sums of money in the cause of higher education. The policy of this Government has been largely based, so far as I remember, upon the advice of the Commission, *i. e.* to keep up high schools here and there as models of what Government consider, and its officers consider, a high school should be. But where we find a Municipality coming in and assisting a private enterprise school and thereby creating a competition with the Government high school, it has been the policy of Government to say, "Well, if you are so enthusiastic about this school which has been started in opposition to the Government school, it is obviously clear that you do not require Government aid any longer in that direction." And in one or two such cases Government high schools have been suppressed. There was considerable agitation in consequence, but the policy is a sound one, and if you want to encourage private enterprise you must limit Government assistance. I do not say there are not cases where Government assistance is absolutely necessary, and where for the present, and possibly for some time to come, the example of a Government high school is desirable. I believe that there are instances where the tone of a Government high school is better than that of a private enterprise school, but I hope in future that that difference will by degrees diminish and that the latter will rise to the standard of the Government high school, and that in course of time Government may retire from the support of high schools and turn its educational efforts in other directions. Coming to the questions raised by the Honourable Mr. Natu and the Honourable Mr. Mehta regarding the Fergusson College and the University grant, I will honestly say, speaking of the University, that I do think it is a legitimate thing that Government should economize in the matter of its contribution to the University in order that it may spend the amount so saved on educational purposes in other directions where it is more wanted. As regards the entry of Rs. 10,000 in the detailed Budget estimate, if that was the promise of Government, it will be adhered to, but my impression was that Rs. 5,000 were put down and that we warned the University to that effect. I can quite understand that it sounds mean for a Government with an income of 400 lakhs to knock off a modest Rs. 5,000 from the University grant, and I can quite imagine my honourable friend Mr. Mehta making a great deal of eloquent capital out of such a case. But there are other points of view from which to look at it. Why should the Government of Bombay contribute to the University when the Governments of Madras and Calcutta do not? Why should our Provincial Budget be debited with five, ten, or fifteen thousand rupees, or that larger amount which we are told the University is going to ask for, when the Governments of Madras and Calcutta contribute nothing to their Universities? We

have been more generous than the other Governments for a number of years, but that, I submit, is no reason why these grants should remain of the same magnitude for ever. There is also this point which I think is a fair one. We know that the needs of education throughout the Province are very large. Surely the City of Bombay is proud enough of its University to be able to collect five or ten thousand rupees for it. Even admitting that the Government is mean, is the City of Bombay generous? You, gentlemen, who come from other parts of the Presidency are interested in this question. Mr. Natu comes from the Southern Division, and he presses me to give money to the City of Bombay. I admit it is very honourable of him to support the University, but if I was able to show him one or two items which we had cut from the Southern Division to give the University Rs. 5,000 or 10,000, I think he would say "Let the University slide." It sounds a little sum, Rs. 5,000; but you must remember the aggregate amount we are spending in Bombay on education. My impression is, we are spending something like 3 lakhs a year on education in the City of Bombay alone; that is, for a population of something between 800,000 and 900,000, *i. e.*, out of a rough estimate of 25 lakhs all told, we spend about one-eighth on the City of Bombay alone; and on the rest of the Presidency with its 16 or 17 millions we spend the other seven-eighths. Has Bombay very much to grumble at when you come to see these figures? We have not reduced our expenditure on primary education and we have not restricted our expenditure on secondary schools and buildings in Bombay, for as Mr. Mehta knows we are contributing now to a primary school at Bhuleshwar Market; and we are not reducing our expenditure on high schools or colleges in Bombay. The only reduction we have made is a small reduction in the case of the University. The University is deserving of aid, but it is deserving of more private aid than it gets from the public of Bombay.

Both Mr. Natu and Mr. Mehta have appealed to the Government to give the Fergusson College a grant. I challenged Mr. Mehta, and he admitted that the college had received aid for two or three years. But Mr. Mehta did not refer to the fact that the college did receive a very considerable sum from Government in the shape of a valuable site of land, nor did he allude to the fact that when Sir James Fergusson made the speech which Mr. Mehta referred to, and gave the promise of a site, the idea was that the Fergusson Institution was to be a high school with college classes attached. It has gone ahead of that, and has been allowed to take up higher subjects and become a college pure and simple. That was not the idea at the beginning, and certainly not during the time of the negotiations between the Deccan Education Society and Lord Reay. Lord Reay was most positive that Government had done as much as it ought to do for college education in the Deccan. We have two Government colleges in Poona—the Deccan College and the College of Science—and I think Lord Reay was perfectly right, considering the general financial circumstances at the time. He had to establish the Gujarát College and the Sind Arts College. The Deccan Education Society declined to accept the terms offered, of taking over the Deccan College and running the two institutions together, and on that the Government turned round and said, "We have offered you these terms, you have declined them, and you must now shift for yourselves." That was the condition of affairs I found when I came here. I have been pressed year after year to give, besides the land grant, an annual grant to the Fergusson College, but I have been unable to do so. My object has been to get as much money out of my financial colleague as possible for primary education, and I do not believe any one interested in educational subjects will find fault with me for that. I say there is no *animus* in the matter, and if I could get the money I would be happy to assist the Fergusson College to a certain extent. I honestly believe its best policy is to be independent of Government. It is quite impossible for me to make a promise beyond this, that if before I go I see any chance of being able to work out my idea of what the Government ought to spend on primary education, I shall be only too happy to bring all my persuasive eloquence on my Colleague on my left to get a small annual grant for the Fergusson College, notwithstanding the fact that we have two colleges in Poona.

The Meeting was then adjourned to Friday the 29th July 1893, at 3 p.m.

By order of His Excellency the Right Honourable the Governor in Council,

C. H. A. HILL,

Secretary to the Council of the Governor of Bombay

for making Laws and Regulations.

Poona, 27th July 1893.

PROCEEDINGS OF THE LEGISLATIVE DEPARTMENT, BOMBAY.

The following Extract from the Proceedings of the Government of Bombay in the Legislative Department is published for general information :—

Abstract of the Proceedings of the Council of the Governor of Bombay, assembled for the purpose of making Laws and Regulations, under the provisions of THE INDIAN COUNCILS ACTS, 1861 and 1892.

The Council met at Poona on Friday the 28th July 1893, at 3 P.M.

PRESENT :

His Excellency the Right Honourable Lord HARRIS, G.C.I.E., Governor of Bombay,
Presiding.

The Honourable Mr. H. M. BIRDWOOD, M.A., LL.D., C.S.I.

The Honourable Mr. A. C. TREVOR, I. C. S.

The Honourable Mr. BASIL LANG, Acting Advocate General.

The Honourable Ráo Bahádur UDHARAM MULCHAND.

The Honourable Ráo Bahádur RANCHODLAL CHOTALAL, C.I.E.

The Honourable Khán Bahádur DORABJI PUDUMJI.

The Honourable Mr. JOHN NUGENT, I. C. S.

The Honourable Mr. T. D. MACKENZIE, I. C. S.

The Honourable Mr. P. M. MEHTA, M.A.

The Honourable Mr. JAMES CURRIE.

The Honourable Mr. W. R. MACDONELL.

The Honourable Mr. HERBERT BATTY, I. C. S., M.A.

The Honourable Mr. R. G. OXENHAM, M.A.

The Honourable Mr. A. T. SHUTTLEWORTH.

The Honourable Mr. GANPATRAO DAMODAR PANSE.

The Honourable Mr. VISHNU RAGHUNATH NATU, B.A., LL.B.

The Honourable Mr. W. H. CROWE, I. C. S.

The Honourable Ráo Bahádur MAHADEVA GOVIND RANADE, C.I.E., M.A., LL.B.

The Honourable Mr. CHIMANLAL HARILAL SETALVAD, B.A., LL.B.

The Honourable Khán Bahádur A. D. HASSAN ALI BEY EFFENDI.

The Honourable Mr. NAVROJI NASARWANJI WADIA, C.I.E.

The Honourable Mr. OXENHAM opened the debate by replying to the question raised by the Honourable Mr. Setalvad as to the loss on the working of the Book Depôt. Mr. Oxenham showed that when he took into account the extra stock purchased, there was a profit of Rs. 29,750, or nearly twice the amount of the apparent loss. The business of the Depôt was gradually being narrowed down and eventually it would cease to exist. Referring to the Bombay University he said that the institution could not be accurately described as serving the interest of Bombay City only, but should be described rather as an institution which served the whole of the Presidency. From the list last published in the University Calendar it appeared that of 3,030 candidates for Matriculation, only 397 came from schools in Bombay, and of the 452 candidates who passed the several University examinations, only 228 came from colleges in Bombay. Those figures were sufficient to show that the University served the whole of the Presidency. He would add one word more. In the course of preparing the administration report of the Department, he had occasion to make comparison between the beginning and end of the last decennial period of the census. He found that not only had the increase in expenditure on primary education kept pace with the increase in population but had outstripped it fourfold.

The Honourable Mr. PANSE said :—My Lord, I think I may well begin the little I have to say on this—the first occasion of my addressing the Council—with an expression of heartfelt thanks to the Honourable Mr. Trevor for the elaborate speech in which he has so lucidly explained all the intricacies and technicalities of the Budget which never

is a pleasant thing to understand or master. I do not think the Provincial Budget can in any way give much room for comment or criticism, for the hands of the Local Government are tied down by the terms of the contract with the Supreme Government; and the Provincial expenditure and revenue must generally follow the old lines. I may however offer one or two suggestions to which I am sure your Excellency and my honourable colleagues will give a willing ear. I will now turn to the points I have been able to pick up and lay before the Council my suggestions thereon. First, as regards Forests, the revenue has, I see, a tendency to increase every year, except only in times of scarcity. The principal item of revenue is timber and other forest produce which certainly is a good source of legitimate income. I believe the revenue derived from grazing-fees is included in the "Miscellaneous item." The amount realized therefrom cannot, I think, be very large. The arrangement, which the Government has so kindly made to give to each village as much acreage of good grazing land from forest reserve as it had of gayrán round about its borders, has certainly proved a great boon to the villagers. But the restriction of number of cattle allowed to graze is often a source of inconvenience, and even the small fee levied per head of cattle is, in many cases, beyond the means of the villagers. My Lord, I would therefore respectfully suggest that, if possible, these grazing charges should be made altogether nominal, and that all the village cattle should be allowed to graze within the allotted area, instead of only a restricted number of them. It is true that this will not feed each head of cattle to the full, but it will secure to all the village cattle a healthy life. Under the head "Interest," I find my honourable colleague rightly remarking that the Takávi advance system is steadily growing in popularity. From what has been stated in the Financial Statement it would appear that the amount available for Takávi advances is fixed by the Imperial Government, and that the Local Government cannot increase the amount so fixed. If that be the case, I have nothing to say. But if, as is not improbable, the Local Government can, in addition to the sum so fixed, utilize some of its own funds for the purpose, I would suggest that provision be made in the Budget for a larger sum for the purpose this year, as the crops in the Southern Division are, I hear, damaged in some places on account of rats, and in the Central Division on account of scanty rainfall. Under the head "Post Office" I find that the Provincial Government pays the subsidy for the conveyance of mails by sea to the Konkan Coast. The arrangement is generally satisfactory through eight months in the year. In the monsoon, however, the postal communications with Ratnágiri is very unsatisfactory, being carried on by runners. Ratnágiri is a head-quarter station, and it would be well if provision is made in the Budget for the running of a mail tonga between Kolhápúr and Ratnágiri at least during the monsoons. Under the head "State Railway," I see that the Government pays to the North-West Railway 45 per cent. of the receipts, exclusive of maintenance charges, by which I understand, of the net profits. The percentage seems to be too high. I am sure there must be reasons for fixing the remuneration of the working company so high. It would be well if the Council receives a hope that it would be reduced on the earliest opportunity. These are the few remarks I have thought fit to make with regard to the Financial Statement, and before resuming my seat I beg to express my thanks to your Lordship and my honourable colleagues for having given me a patient hearing.

The Honourable Mr. SHUTTLEWORTH said:—The honourable member for the Southern Division is reported to have stated in the speech which he made yesterday, (1) that the poor villagers had been deprived of their rights to free pasturage in the forests, and (2) that the orders of Government contained in their Resolution No. 1050 of the 9th February 1889, which allowed a certain amount of pasturage land for the cattle, was a dead letter in practice. With reference thereto I would submit that I certainly did not hear, nor did I understand, the honourable member, who was very near to me at the time, to make any such statement. It seemed to me that he was asking information whether certain orders of Government in the matter of grazing were being acted up to, and he expressed the hope that they were being acted up to, especially the instructions contained in a circular letter No. 1050 of the 9th February 1891 from Government to the Commissioners of the revenue divisions. This letter did not, as is stated, give a certain amount of land for pasturage, but it empowered the Commissioners to relax the rules as regards the rates of grazing fees laid down therein, if in any case they should find the rates higher than the people can well afford to pay: and they were at the same time informed that the cultivators' cattle of non-forest villages were to be charged the same rate of fee

as those cattle of cultivators in forest villages which are not entitled to free grazing, but are required to pay a grazing fee.

N. B.—The cattle of cultivators in forest villages, which are entitled to free grazing, are agricultural cattle and milch cattle.

The honourable member likewise mentioned the other Resolutions of Government, *viz.*, No. 3595, dated 23rd May 1890, under which the grazing rules for the regulation of grazing forest areas in all the districts of the Presidency Proper, save Kánara, were published, and Government Resolution No. 5316, dated 29th July 1890, under which free grazing to milch cattle and their calves the *bonâ-fide* property of agriculturists resident in forest villages and kept by them to supply milk for their own consumption was allowed, and this concession was made a general one by Government Resolution No. 8665, dated 5th December 1890. Now as to the first point; of poor villagers having been deprived of their rights of pasturage, it may be explained that every acre of land which has been constituted reserved or protected forest—and on the 1st April 1892 there were 52 lakhs 15 thousand acres of such in the old Northern Circle—has been subjected to a very carefully and patiently conducted settlement commencing with an inquiry into the existence, nature and extent of any rights claimed by the people or found to be existing as ascertainable from the records of Government and the evidence of any persons likely to be acquainted with the same. These judicial proceedings were conducted, not by forest officers, but by specially selected Assistant Collectors, one or more of whom was appointed Forest Settlement Officer for each district. Any rights of grazing within the forests which these officers have found to exist, have been and are scrupulously respected, and any statement to the effect that the people are deprived of or are not allowed to exercise any ascertained or admitted right of grazing is entirely devoid of fact.

As to the second point, of the orders of Government conceding privileges of free grazing within forest areas in the behalf of all the cattle, or certain cattle of forest villagers or forest villages, as the case may be, not receiving full and complete obedience, it would seem necessary to explain that the differentiation of the cattle of a village showing what and whose cattle are entitled to free grazing, or to pay fees and at what rate, is made most carefully by the Revenue Department without any dictation from a forest officer. The village officers in the first place prepare a register, which they send to the Mámílatdár of the táluka, who examines and reviews it, and it then goes to the Assistant Collector, who also scrutinizes it and then sends it up to the Collector for approval and sanction. When this has been given, the register is returned through the same channel to the village officers, who issue the grazing permits and collect the grazing fees. The fees consist of—

Sucking animals	...	...	...	Free.
Agricultural and milch cattle	...	...	...	Free.
Cows, oxen, horse	...	...	Re. 0	4 0
Buffaloes	...	...	„ 0	8 0

for the grazing season from 7½ to 12 months. The grass and grazing revenue of 1891-92, the latest year for which returns are available, of the old Northern Circle amounted to Rs. 4,35,923.

	Rs.
Fodder grass	... 1,28,326
Fees for grazing	... 3,07,597
Miscellaneous	... 1,63,687
Free grazing	...

• Nine Collectorates comprising the Northern Circle—

Acres.	Valuable kuran.
231,500	...
3,784,500	... Open to grazing.
631,466	... Cattle enjoyed free grazing.
1,202,372	... Cattle pastured on payment of fees.

The Honourable Mr. TREVOR said :—In replying, so far as it rests with me to do so with observations of honourable members on the Financial Statement, it will be convenient to deal first with those which are of a general nature, and then to take those relating to particular heads of revenue or expenditure in the order in which they are arranged in the Statement. In the first place, I may explain with reference to the remarks made by the Honourable Mr. Udham and the Honourable Mr. Pudumji that the Statement published

by the Government of India has been taken this year as our guide in regard to form and to the amount of detail to be given. Mr. Udharan has suggested that further details showing the local distribution of revenue and expenditure should be given. Such details are not at present given, even in the detailed estimates when they are eventually passed, and I am very doubtful whether it will be possible to give them in the Financial Statement, which precedes the preparation of the Budget, without imposing on the Account Department a disproportionate amount of labour at the very time when they are busiest, and without greatly delaying and adding to the bulk of the Financial Statement. But I agree with the honourable member that this information would be useful. It would be useful for administrative purposes as well as with a view to the discussion: and if, on enquiry, I find it is practicable to give effect to his suggestion I shall be glad to do so as far as possible. I hardly think it is necessary to give the figures of Imperial receipts and expenditure. They are outside the pale of our discussion, and their insertion would only render the Statement more confusing than it is. The proportions in which the total receipts and expenditure under each head are divided or appropriated as between Imperial and Provincial are given under each head in Part 3 of the Statement, and honourable members who desire information as to the Imperial revenue will find it in the Financial Statement of the Government of India, which is published in all the newspapers before the Provincial Statements come on for discussion. Details will be found in the Civil Estimates, Imperial and Provincial, which will be procurable in future, for public information, at the Government Central Press, Calcutta. Copies of the Provincial Civil Estimates have this year been in the hands of some honourable members in time for use on the present occasion. But as your Excellency has pointed out, that is owing to the fact that this year our discussion has taken place much later than will probably be the case hereafter. And I am afraid therefore that members will have to rely in future chiefly on the estimates for the previous year to guide them as to what items in the Statement for the year under discussion require examination. I shall be happy to supply any information available as to such items if it is asked for in time. Next as to the general financial position. The Honourable Mr. Ranade has commented on the apparent tendency to under-estimate receipts and over-estimate expenditure, and he and the Honourable Mr. Mehta concur in representing the general position as sufficiently flourishing to warrant us in greater liberality in discretionary expenditure. The general principle is, in regard to receipts, to estimate on an average of past years in the absence of any specific change in the conditions. The natural result is that in the case of items which show a steady tendency to increase, the growth of our estimates is a little in arrear of the growth of the revenue. But that, I think, is safer than counting our chickens before they are hatched. As regards expenditure, the reason that our actuals fall short of our estimates is not so much that we over-estimate, as that we are obliged to include items in anticipation of contingencies which do not occur—reorganizations of establishment, for instance, which often unhappily take longer to carry through than was expected when the provision was made—and public works, the carrying out of which is apt to be delayed by a variety of causes. But the provision must be made, or a difficulty will arise if the sanction is received or the work taken in hand, and if the money is not spent, it usually has to be repeated, so that the question is really one of account rather than of actual economy. In regard to the alleged liberality of our margin, I have shown in the remarks with which I introduced the Statement that we have had nothing to complain of in the past, on the whole, though there have been times of severe financial pressure, and that we hope to be able to make ends meet in future. But we must not forget that our margin is withdrawn each time the contract is revised, and that we are now only in the second year of a contract under which our fixed allotment has been reduced by about 12 lakhs—*i.e.*, by a much larger amount than we were able to save under the last contract—without any addition worth mentioning to our assigned revenue. And under these circumstances I think that considerable caution in pledging ourselves to any addition to our recurring charges is not only justifiable but essential. I now come to the remarks on particular Budget heads. The Honourable Mr. Ranade complains that no very definite information is given as to how much longer the Survey Department is to be maintained. It does not seem to me that that is a point on which much can be added to the remark in the Financial Statement that it is being gradually reduced as its work draws to a close. At present it is expected that it will cease to exist at the end of 1897. But previous forecasts have been falsified, and it is not possible to say with absolute certainty when all necessary final revisions of the survey classifications will be so far

completed as to admit of the duty of keeping them up to date and of carrying out future settlements being taken over by the Revenue and Land Record establishments. The question is at present under the consideration of Government. Under Excise, the Honourable Mr. Ranchodlal has made a suggestion that it would be to the material advantage of Government and to the moral advantage of the people to substitute departmental management for our present farming system. The Honourable Mr. Mackenzie has pointed out some of the difficulties in the way of adopting that suggestion. I would add to his remarks that Mr. Ranchodlal has not indicated very clearly how far down he proposes that departmental management should go. I understand, however, that his idea is to extend the Bombay separate licensing system under well-paid departmental supervision to other localities. If that is so, I think he must be prepared to forego absolutely the advantages, whether moral or material, at which he aims, for the result would be merely that each shopkeeper would be under the same temptation to press the sale of his liquor for his own profit to which the farmer is exposed, and that the whole margin of profit between the cost of the liquor, including duty, and the selling price, which now goes into the pockets of the farmer, would go into the pockets of the shopkeepers. Government certainly would not get it. The alternative is to employ paid shopmen, who must be liberally paid if we are to expect honesty, and though in that case the temptation to press the sale of licit liquor would disappear, the stimulus to aid in the suppression of illicit sales would disappear also. Our establishments would become enormously costly. And even if the Government of India would consent to sanction such an arrangement, I fear that public sentiment in England, even among the temperance party, would require a great deal of educating before it would tolerate the idea of allowing Government to stand behind the counter and sell liquor to the drinking classes. The profits made by the A'bkári farmers, though as Mr. Mackenzie has pointed out they do not range nearly as high per gallon as Mr. Ranchodlal has assumed, are undoubtedly large, especially where the consumption is large. That is a price which it is necessary to pay to place the farmer as much as possible above temptation in carrying on a business which offers so much opportunity for illicit or grasping practices. Whether they are in any locality larger than they need be, and whether the duty can be increased without raising the selling price, is, however, a matter which demands constant consideration, and which is considered each time the contracts are renewed. My honourable friend will understand that I make these remarks in no cavilling spirit and with no desire to discourage any suggestions made with a view to the improvement of our A'bkári system. The choice between various systems is, in my experience, a choice of evils. The perfect system has yet, I fear, to be discovered. But having through much tribulation evolved a system which on the whole works fairly well, it behoves us to look carefully at proposals to change it. The Honourable Mr. Udham has suggested that the growth of the revenue from Income Tax is the result of orders of Government warning assessing officers against allowing their assessments to fall off. Assessing officers no doubt require to be kept up to the mark like other people, especially in the discharge of a duty so invidious, and no doubt there may be occasional instances on the other hand of overzeal. But I can assure my honourable friend that beyond this there is no desire, expressed or otherwise, on the part of Government that reductions should not be made when the circumstances of the individual demand them, and as a matter of fact such reductions are made in almost every list that is published. I think that unless Mr. Udham can point to signs of decadence in the prosperity of Sind it is hardly necessary for him to assume that the growth of this revenue is other than legitimate. The Honourable Mr. Setalvad points to the large percentage of expenditure as compared with receipts under the head of Registration. But this is not a revenue-raising department any more than Law and Justice. It would have to be maintained even if it worked at a loss. The improvement of postal communication with Ratnágiri in the monsoon referred to by the Honourable Mr. Panse is no doubt desirable. But the cost would be a charge upon Imperial Revenues, and the proposal therefore lies outside the scope of the present discussion. The Honourable Mr. Ranchodlal has made another suggestion which deserves consideration in connection with the Provincial Loan account. He wants Government to lend to municipalities at the same rate of interest at which it borrows. We are glad to afford all reasonable encouragement to municipalities which are anxious to carry out those large works of public improvement which we are constantly pressing on them. But at the same time we prefer that they should learn to be independent of Government intervention, and that those municipalities which have the credit should borrow in the open market, so as to leave us free to apply the amount at our own disposal, which is not unlimited, to the satisfaction of the demand for Takávi and for loans to land-

holders and others who are not equally favourably situated. For municipalities which have not the necessary credit I do not think $\frac{1}{2}$ per cent. is much to pay for the use of Government credit: especially as in such cases the risk must be more than merely nominal. At the same time, I do not desire to exclude the possibility that cases might arise in which the concession might properly be granted. Mr. Setalvad has compared the establishments of the Commissioner in Sind with those of the Divisional Commissioners. I don't quite understand how he gets his figures, as I make the cost of the establishments of the Commissioner in Sind to be Rs. 38,429 against Rs. 69,360 for the three Divisional Commissioners. But in making a comparison allowance must be made for the fact that the Commissioner in Sind is the head of the administration in a separate province in which he exercises many of the powers of a local Government, and that his establishment partakes to some extent of the nature of a Secretariat. As regards the Police in Sind, I may assure the Honourable Mr. Udham that Government is quite in accord with him as to the necessity for improving that body and for rendering service in it more attractive to men of intelligence and education. But I will not go so far as to say that I think matriculated students would be the most suitable class of recruits, at any rate for the lower grades, as he seems to suggest. The Honourable Mr. Mehta has remarked that he cannot trace in the Budget estimates the provision for the cost of the reorganization of the District and Presidency Police referred to in page 31 of the Financial Statement. The provision is not made for the whole year. So far as District Police is concerned, he will find an item of 2 lakhs, at page 98 of the Budget, for improving the District Police, and a further sum of Rs. 1,34,132 shown at page 103, for the cost of the Bhil Corps is also available, as that corps, which now comes under the head of Special Police, will when the reorganization comes off be transferred to District Police and included in the cost of reorganization. In regard to the Presidency Police, the provision is included in the general estimates as affected by the deduction on account of the municipal contribution. Mr. Mehta has also drawn attention to the reduction in the estimated amount of that contribution for 1893-94 as compared with that demanded for 1892-93. I am sorry I have not received from Bombay the details necessary to enable me to explain this reduction, but I believe it is based on the assumption that the Municipality will for this year accept the proposal of Government that they should pay three-fourths of the total cost of the City Police, less the recoveries from the Port Trust and other bodies and individuals for police employed in their service. The item in the Budget is of course merely an estimate. The actual amount will depend on the specific orders of Government in the proper Department. Mr. Mehta has suggested that educational expenditure under Civil Works and Contributions should be brought under the head of "Education." This is a point which had attracted my own attention, but I found that there were account difficulties, and I therefore adopted the plan of noting in the Statement the approximate amount expended under other heads on educational objects in addition to that shown under the head of Education. With regard to his comments on the inclusion in the rough estimate of such expenditure the whole sum of Rs. 1,40,000 shown in the Budget on account of the Grant Medical College, I may supplement His Excellency's explanation by observing that here as elsewhere medical education is necessarily combined with medical treatment, and that the Grant Medical College and the Jamsetji Jeejeebhoy Hospital together form one combined teaching and healing Institution costing some Rs. 2,40,000. In the absence of any better rough and ready means of distinguishing the expenditure on teaching from that on treatment, I followed the account division, noting that the sums shown were only more or less connected with education and that the estimate was merely a rough one. With regard to Mr. Setalvad's remarks on the head of experimental cultivation, I am afraid it must be admitted that experimental farming does not pay. But it can hardly be expected that it should. The proposal that the Government of India should contribute to the cost of the registration of railway traffic is, I fear, barred by the terms of the Provincial contract.

The Honourable Mr. SETALVAD:—My proposal was that the cost should be borne by the railway.

The Honourable Mr. TREVOR:—I beg pardon. I am sorry I misunderstood the honourable member.

His Excellency the PRESIDENT:—The fact is that the railways are not interested: the traffic is registered for Government purposes, and Government rightly bears the cost.

The Honourable Mr. TREVOR resuming said:—Mr. Ranade objects to the construction of the Hyderabad-Umarkot Railway out of revenue. The fact is that we are not allowed

to borrow, and the work is one of great importance to the welfare and development of the Province, apart from its character as a paying investment. It is not, I think, clear that the money could have been better spent on the objects suggested by Mr. Ranade. Personally I am inclined to think that a railway is a hardly less powerful educational influence than a college, apart from its effect on the material prosperity of the people. The only remaining point that I need notice is that raised by Mr. Ranade in regard to the claim of Local Funds to a much larger revenue, calculated on Abkari receipts, which Mr. Ranade assumes to be an item of Sáyer revenue, than they at present receive. That is a matter which, I think, it will be desirable to reserve for further consideration. But I may mention now that Sáyer revenue consists of miscellaneous items of Land Revenue, and that it has been specifically ruled that Local Fund cess is not leviable on Abkari contracts. The lump payment referred to by the honourable member was fixed 20 years ago with reference to the amount of a tax on toddy trees then levied under the name of Baddene as an item of Land Revenue, and the point for consideration will be how far the legality or sufficiency of the payment is affected by the altered circumstances now obtaining.

His Excellency the PRESIDENT, in closing the debate, said :—Gentlemen,—I feel sure that it is a satisfaction to my honourable colleagues, as to myself, that the criticisms which have been offered, and offered I am pleased to say in a most friendly tone, as to the Presidency Budget have not been as to our financial policy generally, but only in regard to a few items of it, which have struck the critics as capable of improvement. It is obviously gratifying to us on this the first occasion on which the Council has had the opportunity of discussing the Budget to find that a general approval has been given to the line upon which the Government has been working all these years, and that it was not subjected to criticism. I do not say that that will be so always, for I quite understand it is possible that our policy when subjected to a closer examination may be more widely criticised, but I feel certain that whether we agree with their criticism or not, we shall always be happy to give most careful attention to the advice tendered even if we do not agree with it. My honourable colleague, Mr. Trevor, in his opening remarks, referred to the fact that on one occasion the Budget was laid upon the table and a discussion took place. I was, until he called my attention to it, entirely ignorant of that fact, but I am bound to say I am not surprised after that first experience of the Bombay Government the practice—it had hardly become a practice; it was the initiation of a practice—was checked summarily by the Government of India, for my honourable colleague and myself discovered with some astonishment that the first endeavour of the Bombay Government, when the contract system was introduced, was to turn to every quarter possible, and find means of imposing taxation. I think at that first meeting the Bombay Government laid four Bills on the table to tax this or that body of the public, and curiously enough the history stops there; but certainly it reads as if peremptory orders came from a higher authority checking this keen desire on the part of the Bombay Government to increase its finances. I can quite sympathise with those honourable members who came to this meeting and found themselves not supplied so well as other members with the details of the Budget Estimates. As I explained yesterday, the detailed Budget is prepared by the Government of India, and it comes to us late in the year, and we had no more opportunity of looking at the figures than other members of this Council. If it is possible to get the Government of India to expedite the publication it will certainly be to the advantage not only of the members of Council, but to the Executive Government; and my honourable colleague, I daresay, will find it in his power to ask the Comptroller-General for the details earlier. With regard to that I think it would be a good thing if honourable members would consider whether they prefer to discuss the Budget early in the year without the details or later when the details are supplied. As to the suggestion of Mr. Udham that the details might be more easily understood and more interesting if the divisional allotments were shown, there is always the objection to a proposal of this kind that increases the number of forms which have to be filled up, the number of clerks employed, and means generally elaborating a statement which to the lay comprehension is not easy, and which would in reality rather tend to confuse even those thoroughly cognisant of the way of constituting a Budget. The reform has not escaped attention. Some two years ago it occurred to me that it would be interesting to know how the allotments as regards public works were distributed in the four divisions of the Presidency, and I instituted inquiries and discovered to my own satisfaction and that of my colleagues that on the whole the distribution compared with

the population was fairly even. Mr. Udham also referred to the subject of the district judges at Shikárpur, and my honourable colleague, Mr. Birdwood, pointed out that we had sent some of our best men there, but I do not think my honourable colleague pointed out that it frequently happens that a place is deprived of its full official establishment through no fault of Government, but through casualties or the ill-health of one of the officers, which necessitates drawing officers from other parts of the country. Of all stations in the Presidency, I think Mr. Udham will admit that Shikárpur is not one of the most unlikely to suffer from casualties, and that it has been short of officers is not because of any reluctance on the part of Government to appoint them, but because of the officers being compelled to leave Shikárpur. My honourable colleague, Mr. Trevor, did not refer to the abolition of the "Jhelum." I admit that it is perfectly easy to take up a Budget Statement, and say with regard to any particular part of it that expenditure on certain items here and there might be cut down. But I would ask Mr. Udham what would happen if there were floods in the Sháhbandar division, and the Superintendent could not get up the river? The "Jhelum" has been extremely useful not only in cases like this, but in bringing soldiers up and down the river Indus and in cases of a breach. It would be positive madness not to keep a sufficiently large boat for the conveyance of the officers who are responsible for looking after the safety of the banks and the people. Mr. Udham also alluded to town and village conservancy in Sind. Well, I am afraid that his description as regards the larger municipal towns is undoubtedly correct. Only the other day, I was reading the report of the Sanitary Commissioner, and he referred in scathing terms to the backwardness of the Municipalities in Sind in spending so little on conservancy as compared with the amount spent on education. I daresay there is a good deal of truth in it, but at the same time it does occur to me as merely a visitor to this country—I am saying only what presents itself to me from a rather cursory review of the situation—that there are elements of conservancy which we have not in Europe, and which render hardly so necessary modern European methods of conservancy. In Sind itself you have a scorching sun for the greater part of the year, and that is about as good a conservator as any medium you can find in Europe. At the same time I do not doubt that the Sanitary Commissioner is right, and that there are objectionable practices which might be improved away altogether or modified, and I think, with the extension of local self-government which has taken place in Sind and the extension of education, that such modification ought by degrees to be brought about. I do not think Government officials are backward in urging on the Municipalities in that direction. It is even said that they are almost too coercive.

The Honourable Mr. UDHAM: I was speaking as to the villages of Sind.

His Excellency the PRESIDENT:—That must be left very largely to the advice and example of the leading men of the village, and as education advances I hope those objectionable practices will be improved away. I wondered before this Council met whether I should find a general consensus of opinion in one direction, and I am rather surprised not to find a general pressure from all parts of the Presidency and an attack upon Government revenue. But I am bound to say there has been a considerable consensus of opinion from different parts of the Presidency, from Sind down to the Presidency City, that Government officers ought to remove the carcasses of dead animals. I am quite aware that in this country every duty is expected to be performed by Government, but unless it can be shown that there are no officials or other bodies upon whom the responsibility of removing such carcasses lies, I do not think it can be expected that we should lay this additional work on Government. With regard to educated men in the Police, my honourable colleague, Mr. Trevor, has touched on that point. I can assure Mr. Udham that to a rather more limited extent than himself Government is with him, and we hope by raising the pay to improve the class of men that come into the Police in the lower grades, and that has been the basis on which our recommendation has been made to the Government of India. It took us some little time to induce the Government of India to understand that wages in Bombay are higher than in Bengal. Sir David Barbour and Sir Phillip Hutchins, however, seem to have recognized the fact that higher wages were necessary for the lower grades of the Police in this Presidency, and I hope that sanction to our scheme will come at no distant date. As I am touching on the Police, I may refer briefly to the question of the City Police on which Mr. Mehta has spoken, and which has been replied to by my honourable colleague on my left. There has been a good deal of confusion about the City Police, because there are two establishments under discussion. There is

the old establishment and the scale of contribution sanctioned by the Government of India and which is in force this year, and by which the Municipality contributes such an amount as the Government lay down under the Act, and there is also the new scheme of reorganisation which may come in some time or other, and with it the new scale of Government contribution fixed by the Government of India. That has caused a little confusion and even in the correspondence the confusion is present. In this present case I believe the discrepancy which has been discovered, and which my honourable colleague has not been able to explain clearly at this moment, is due to the fact that we started the year under the old system. Government stated what they thought the Corporation ought to contribute, but at the same time anticipated that six months from that time the new scheme would come into work, and that Government would contribute one-quarter, and I cannot help thinking the reduction this year compared with last year is, because we estimated the amount we thought the Corporation would have to contribute on the old basis for six months, and under the new scheme for six months. So far we have been disappointed that the new scheme has not been approved of, and we hesitated to put down the whole amount and only calculated for half a year. That is, I believe, one of the solutions of the discrepancy which Mr. Mehta discovered, and which I hope my colleague will be able to explain subsequently. I don't think it has ever been the wish of Government to charge the Municipality with any of those extra charges which can be shown to be purely for the work of Government. We certainly do not wish to be unfair in that matter, and we do not wish to place on their shoulders burdens which are for work purely for the benefit of Government. Turning again to education, I would like to supplement the remarks I made yesterday. I said the Government contribution to the City of Bombay was three lákhs. I have telegraphed to Bombay, and I now find that it is, exclusive of the medical colleges and charges for the Director of Public Instruction and inspection, nearly three and-a-half lákhs. I trust, by the way, that what I said yesterday with regard to higher education in Sind will not be misunderstood and construed into the meaning that Government will retire from the aid it gives to higher education. As a matter of fact we have not reduced our contributions to higher education except in the matter of the University. With regard to that Institution it has never entered my mind that it serves Bombay alone; and no doubt the figures the Honourable Mr. Oxenham has given show that the City is only interested to a limited extent in the examining work done by the University. Of course it is an examining body, and not a teaching body, and it does not alter the main principles of the case to which I addressed myself yesterday. With regard to the remarks of Mr. Ranade, who objected to Government reducing its balances, that was dealt with by Mr. Nugent. I don't think the Honourable Mr. Ranade was sufficiently definite in the advice he proposed to give to Government. I understand him to object to our impinging on the balances of the past year. It seems to me that that means we are to keep a balance larger than that which the Government of India has stated as necessary. The Government of India has put the figure at twenty lákhs, and I don't understand why we should consider ourselves wiser than them, and lay up a store which would be useless until a stress of weather came, and which might, from previous experience, prove a temptation to neighbouring Governments, and might result in the Bombay Government not having the advantage of the balance it stored up. Part of the balance we have used in the construction of the Umarnot Railway. I fancy the people of Sind must be grateful that we have improved their means of communication and the means of bringing the harvest in the Nára Valley into the market, and improved generally the means of communication they have hitherto had with their fellow-men. I must remind my honourable friend that the expenditure on this railway is not money we shall not see again. It is an investment, for we have taken care that, if it is taken over by the Government of India, or by a private company, we shall receive back the money we have laid out on the Railway. It is said that we have paid too high rates to the North-Western Railway. When we entered into the bargain those were the best terms we could get, and, notwithstanding that Mr. Panse considers them exorbitant, I trust there will be a modest interest on the investment. As regards the amount entered in the Budget for water-supply and village sanitary works, there has been unanimous gratitude evinced by all those who have benefited by the course we have adopted. I trust as funds are available that that is a direction in which we shall continue to help villages, because my humble opinion is—not being, I admit, skilled in sanitary matters—that in this country the introduction of good water is a valuable work. Speaking with the experience of the effects at Ahmedabad and Kolhápúr, where cholera was very bad, I do believe we can do more for the people of villages and municipal towns by intro-

ducing good water than by a more considerable outlay upon what is called village sanitation. As regards the point raised by Mr. Setalvad as to experimental cultivation, what my honourable colleague has said is right; amateur farming does not pay in India any more than in any other parts of the world. I hope, however, he will bear in mind that Government is in the position of the large landowner in more western countries. There the landowner undertakes experiments regardless of expense in the hope of good coming out of them, which will be of benefit to the farming classes. The Government is in that position, and must not grudge the money spent on carrying out experiments which may do something to assist the practical knowledge of agriculture of the country. Personally, I believe, the practical agriculturist in any part of the world is a good farmer, because he farms by the light of experience; but it cannot be denied that in the direction of producing cattle, horses, and sheep, means have been discovered after a considerable expenditure of money, to greatly benefit the breeds and increase the profit. As regards railway registration, the fact is that the figures are obtained for the benefit of the Government and not the railways. In conclusion, let me again thank you for the generous spirit in which you have criticised the financial policy of Government. I can assure you we will pay attention to your remarks, and if we have seemed a little confused ourselves with regard to our own Budget on one or two items, I am sure you will accept our explanation as regards the late supply of the detailed estimates, and we shall endeavour on another occasion to be able to supply you with details in as clear a form as we possibly can.

BILL No. 1 OF 1893.

A Bill to further amend the law relating to the municipal government of the City of Bombay.

The Honourable Mr. BIRDWOOD, in moving the first reading of the Bill to further amend the law relating to the municipal government of the City of Bombay, said:—Your Excellency,—The Bill which I am in charge is a short Bill, containing four sections only. But it would be a mistake to measure its importance by the number of its sections. It provides for two matters of special importance to the people of Bombay, and has been introduced at the request of the Municipal Corporation and with the approval of the Government of India. The Bill has already been published in the *Government Gazette*, in pursuance of an order by Your Excellency under Rule 15 of the Rules for the conduct of business at meetings of this Council, and such publication is deemed under the rules to be the introduction of the Bill. With the Bill has been published a Statement of Objects and Reasons, which is in the hands of honourable members. But though the Council has thus become acquainted with the general intention of the Bill, it is perhaps desirable that I should explain, a little more fully than is done in that Statement, its precise aim and scope. The first part of the Bill provides for an extension of the time for repaying the debt due by the Municipality to the Government of India in connection with the construction of the Vohar Lake and Water-works. The history of this debt, so far as it is relevant for the purposes of the Bill, will be found in section 140 of the Bombay Municipal Act of 1872. It appears that the original estimate of the cost of the works amounted to 25 lakhs of rupees. That estimate was, however, greatly exceeded; and it was agreed that one-half of all sums expended in excess of 25 lakhs of rupees, whether in constructing the lake or in paying compensation to the holders of land on the site of the lake, should be defrayed out of the public revenue. The result of this arrangement was to throw on the Government a charge of Rs. 45,42,394; while the debt of the Municipality amounted to Rs. 37,30,053. That was the amount of the debt on the 1st July 1863. By the Act of 1872 it was provided that this sum should be repaid, with interest at 4 per cent. per annum, by monthly instalments of Rs. 14,600, till the whole should be liquidated; and this provision is repeated in the Municipal Act of 1888. In accordance with this arrangement, the last instalment of the debt would be payable in A.D. 1915. Now, as the Council is well aware, it was found, as time went on, that the supply of water from the Vohar Lake was inadequate for the requirements of the great City of Bombay, even after the water-supply had been supplemented by the Tulsi Lake; and in 1886, the Municipality applied to the Government of India for a further loan of 123 lakhs of rupees to enable them to carry out the great Tansa Lake project which was so successfully brought to completion during the past year. The Government

of India were unable, from the resources at their disposal, to grant this loan; nor were they prepared to comply with a further request by the Municipality that the Government should guarantee a loan to be raised by the Corporation in the open market; for there were numerous objections to such a course. But in view of the difficulties which the Municipality would probably meet with in raising such a loan without a guarantee, the Government of India were willing to extend the period for repaying the Vehár loan so as to make it conformous with the period for repaying the proposed Tánsa loan. The result of this concession will be to extend the period of the Vehár loan by 37 years. Instead of the last instalment being payable in 1915, it will be payable in 1952. The monthly instalment of Rs. 14,600 provided by the Acts of 1872 and 1882 will, by the present Bill, be reduced to Rs. 9,498. The monthly reduction of municipal expenditure on this account will, therefore, amount to Rs. 5,102, and the annual reduction to Rs. 61,224. The arrangement will be a perfectly fair one; for while it will relieve the rate-payers of the present generation of a portion of the burden which they have hitherto borne, it will not, in shifting that portion on to the shoulders of a future generation, do so unduly, for those who come after us ought not to object to making some payment for the benefits which the men of our day have secured for them.

The object of the second part of the Bill is to free the Municipality from certain restrictions which have had the effect of seriously crippling its income in the past. Under section 122 of the Act of 1888, surplus moneys at the credit of the municipal fund which are not required for current charges may, from time to time, be deposited at interest with the Bank of Bombay or be invested in public securities. Now the first of the two courses thus provided, it is practically impossible for the Municipality to adopt; for this simple reason, that it is the rule of the Bank of Bombay to allow no interest on current deposits. Though the Municipality, therefore, deposits its balances in that bank, it cannot do so at interest. It has the alternative, however, of investing its balances in public securities. But it is obvious that such a course might sometimes be inconvenient. For instance, if the Municipality were forced to buy when public securities were high, and then, to meet perhaps a sudden call, were to sell the same securities at a loss. They ought surely to be at liberty, like other investors, to watch the market, and derive such advantage as they can from the financial and commercial knowledge at their command. There is no such restriction placed on the Calcutta Municipality as is placed by law on the Bombay Municipality, nor, I am told, is any such restriction to be met with in any borough in England. Nor is there any reason apparent for continuing the restriction; for surely if the Municipality of such a city as Bombay can be entrusted to collect taxes within the limits laid down by law, and to spend those taxes on numberless important objects for which the Act provides, it can be safely trusted to take good care of the money after it is collected and before it is spent. The Bombay Government, at all events, are satisfied that the interests of rate-payers will be in no way prejudiced by according to the Corporation the liberty that is asked for. With the safeguards provided in the amended section, no risk will be unduly run of losing the funds entrusted to the Municipality. On the contrary, it will be distinctly to the advantage of rate-payers that the Corporation should be in a position to put out their balances at interest; for, of recent years, these balances have been large. A few years ago they amounted to about 18 lakhs of rupees, and it was stated at a meeting of the Corporation that the sum annually lost by the Municipality from the balances being locked up, amounted to between Rs. 40,000 and Rs. 50,000 per annum, as some portion of the balances could have been placed in the Exchange Banks at fixed deposit at 3 per cent. and in current deposit at 2 per cent. At this moment, I understand that the balances are still higher than the figure I have named. There is surely no reason why the rate-payers should thus be forced to let their money lie idle for the benefit of the shareholders of the Bank of Bombay. As I have said, the proposed legislation has the approval of the Government of India, and I trust it will be accepted by this Honourable Council. I think this Government may fairly claim that a measure which will ensure an annual saving of more than Rs. 60,000 in municipal expenditure, and may put the Municipality in a position to increase its annual income by about Rs. 40,000, is one of no slight importance; for, if it does that, it will materially increase the power of the Municipality to discharge the stupendous responsibilities imposed upon it by law.

The Honourable Mr. UDHARAM MULCHAND said that inconvenience had been felt in Karáchi by the restriction. He considered that the same facility should be given to Karáchi as was now proposed to afford Bombay.

The Honourable Khán Bahádur HASSAN ALI BEY EFFENDI said :—The Bill before the Council contemplates a most important change concerning the municipal surplus funds, and it behoves the Council to proceed with it very cautiously. The law as it stands permits the investment of the funds only in two ways (section 122 of the Bombay Municipal Act III of 1888) either by depositing in the bank appointed by Government, which is the Bank of Bombay, or by investing them in public securities. It is true the law requires that the deposits in the bank should fetch interest, but it by no means permits that for the sake of the interest the funds should be jeopardised. Therefore, if public securities alone be not a sufficient source for investment, one or two more sources of investment might be devised and permitted, but they ought to be well defined and limited. On looking at section 408 of the Bengal Act, which is called the Calcutta Municipal Consolidation Act (Act II of 1888), I find that after providing for certain objects it runs as follows :—“Then they (Municipal Commissioners) shall invest the whole of the said sum in Government securities, or in any securities guaranteed by Government, or in Calcutta Municipal Debentures in the names of the Secretary to the Government of Bengal and the Accountant General of Bengal * * * to be by them held as trustees.” This provision of the Calcutta Municipal Corporation Act furnishes a good guide as to how the municipal surplus funds ought to be invested. It is true this provision refers to the reserved fund, but in principle it would make no difference in application to any municipal fund at all. The proposal that the investment both as to its nature and limits should be left to a Standing Committee of ten persons, of whom, after all, the majority must rest with six only, or with five only with the casting vote of the chairman, may not prove a sufficient safeguard in all cases. Therefore, I think that the Bill should be referred to a special Committee both for inquiry and report, sufficient time being given to the public and the press to pass their criticisms on the measure, as contemplated by Rules 14 and 25 laid down for the Conduct of Business of the Legislative Council. It is a matter of surprise that up to this time no criticism has appeared in any of the Presidency newspapers, but this may be due to a want of grasp at the Bill, and the Statement of Objects and Reasons. Precautions as to legislation on the point are all the more necessary, because we hear from the honourable member in charge of the Bill that at times there has been such a large balance of surplus funds as eighteen lákhs of rupees requiring investment and for which it is intended by this Bill to give a power to invest.

The Honourable Mr. W. R. MACDONELL said :—I do not wish to oppose the first reading of this Bill, but at the same time I would suggest the expediency of not proceeding further with it in its present shape until certain of its provisions have been more fully considered. I refer to section 4, which gives power to the Standing Committee of dealing with certain moneys. The terms of this Bill defining what these moneys are, do not seem to me very clear, and I hope I have not misunderstood them. I will refer first to the municipal fund. In section 3 of the Bombay Municipal Act I find an enumeration of the various sources of the moneys credited to this fund, such as taxes, fines, fees, &c., and at the beginning of the section I find the following words : “All moneys received by or on behalf of the Corporation under the provisions of this Act or of any other enactment at the time in force, or under any contract.” From these words I infer that the proceeds of the loans raised by the Municipality go in the first instance to this fund, and sums representing the unexpended balance of such loans will at times be lying there. I have heard it stated that the Municipality has had as much as 40 lákhs of unexpended loans thus lying on its hands. Now, if this Bill becomes law, and the Standing Committee resolves to exercise the powers vested in them by the Act, what material will they find in the municipal fund to exercise their powers upon? After allowing for current charges, it is conceivable that they will find a surplus consisting of these unexpended balances of loans, of the amount to be set apart for the sinking funds, and of a general balance which I will call the revenue balance. These are the three items to which I would call attention—the unexpended loan, the sinking fund, and the revenue balance. Now by section 4 (1) of the Bill, the Standing Committee may, after providing for current charges, deposit with the Bank of Bombay, or invest in public securities, the surplus arising from these three sources. Further by section 4 (1) (a) they may deal as they think fit with the surplus that remains after providing for the sinking fund and current charges, but after these provisions are made, the surplus that remains will consist of the unexpended loans and what I have called the revenue balance. As I have pointed out, the unexpended loans may at times amount to very large sums. It is therefore proposed to give the

Standing Committee unlimited power of dealing with these large sums, and not only unlimited but irresponsible power, for by sub-section 3 of section 4 any loss arising from their investments is to be debited to the Municipal Fund. I submit that the Bill puts far too much power in the hands of the Standing Committee. It is true certain safeguards are introduced; ten at least of the twelve members of the committee must be present when their investments are sanctioned, and the committee may not delegate its powers to a sub-committee. On the other hand, by section 49 (f) of the Municipal Act, every question in the committee is decided by a majority and the chairman has a casting vote; consequently the result ultimately arrived at is this: that the unlimited powers granted by the Bill may be exercised by the Commissioner and five members of the Standing Committee. I cannot think that this is a prudent arrangement. I therefore urge that it should be re-considered before proceeding further, and the Bill be referred to a Select Committee.

The Honourable Mr. RANCHODLAL CHOTALAL opposed the Bill on the ground that it put too much power into the hands of the Standing Committee. He considered it would be a wise plan if the Municipality reconsidered the subject. The Corporation might have many wise and experienced men in its body, but they know to what extent the mania for speculation ran sometimes and in the time of the Back Bay share mania few escaped.

The Honourable Mr. PUDUMI said:—I find that I cannot approach the question of investment of surplus funds of the Bombay Corporation, but with great diffidence. For on the one hand, although it would be a piece of hardihood to challenge the wisdom of a body of gentlemen that has after due consideration sought the assistance of this Honourable Board to amend its law, on the other hand the fact that some danger lurks behind the giving of the power contemplated, should not be, in my humble opinion, lost sight of. The failure of the Glasgow Bank, several Australian Banks, and not to go so far East, or so far West, the recent failure of a bank at Bombay considered at one time to be as safe as any other exchange Bank in that city, ought to serve as a warning to us. The loss that I have personally suffered in the failure of a bank, and that borne by a small bank in which I take an interest, might be considered by some to have warped my views on the subject; but to those who may be inclined to think so, the sufferers' reply is, "they laugh at scars who never felt a wound." Better in my opinion to lose a part in the shape of interest, than risk the whole capital. That the first city in India possesses speculators not of ordinary stamp should be borne in mind. If this loss of interest is considered as really a serious matter, I think the difficulty can be partially at least met by investments in Government Paper. Shrewd men of business (between whom and speculators I make a difference), of whom the Corporation is sure to have some on its board, may be trusted to make some profit by the purchase and sale of Government Promissory notes, keeping always a small reserve in the Bombay Bank for emergent demands. I have been informed by practical men doing business in Government Paper of the nature mentioned, that they can by such transactions make between six and eight per cent. per annum as profit; now admitting that the waiting policy, which is the principal feature of the trade, may not suit the Bombay Municipality's requirement, still even with selling out at unsuitable times, the rate of interest in my opinion need not fall very short of two per cent., the gain expected by depositing with banks paying that rate of interest on current accounts, or there is no reason why the Corporation should not advance spare moneys as the Bombay Bank itself does, on demand notes on the security of Government Paper. I do not think the Bank of Bombay wishes to treat the Corporation in any illiberal spirit; nor do I think there is any call for an amendment of the law to cause the bank to alter its decision by holding the section over it *in terrorem*, because I believe the bank treats all its other constituents in a similar manner, and it is possible that with tightness of the money market setting in, the bank may again allow the interest on deposits which it has withheld now; and until then perhaps any appeal to legislation may be deferred. I would, therefore, respectfully suggest that the consideration of the amendment of the section of the Bill as regards investment of surplus funds of the Corporation of Bombay should be postponed for one year.

The Honourable Mr. MEHTA said:—I most cordially thank the honourable member who moved the first reading of the Bill for his generous recognition of the capacity for local self-government shown by the Bombay Corporation. I thank my friends who have come from Karachi for the interest they take in the City of Bombay, and I do so the more

warmly, because we know that they claim to be the rival to the City of Bombay. With regard to what has fallen from Mr. Udham, I should like to point out that the Bombay Corporation stands in a somewhat different position to the Municipalities of the mofussil. The constitution of the Bombay Corporation is different, and the difference is by no means a small one. As I suppose honourable members are aware, we are far more limited in our functions and we are unambitious in our efforts at local self-government. Other Municipalities have executive functions entrusted directly to them. The Bombay Corporation on its own initiative had its executive functions placed in the hands of a Commissioner who is supplied by Government. I myself pressed strenuously upon this Council and the Corporation that it was a wiser plan for a large body not to assume to itself executive functions, but to let them be vested in a responsible Commissioner appointed by Government. The constitution of the Karáchi Municipality and the Bombay Municipality is essentially different, therefore the comparative criticism applied to Bombay is a little irrelevant. I cannot quite recognise the claim of district municipalities to be placed on the footing of Bombay so long as their constitution differs. It seems to me that some of the members who have spoken to this Bill are not quite aware of the circumstances under which we applied for it. Formerly the Bank of Bombay paid two per cent. on the current account of the Municipality and three per cent. on fixed deposits, and the Corporation was treated as a valuable customer of the Bank, because the large sums it had in hand assisted the bank in its business. Some time ago the bank refused to pay interest. At first it was not known whether that refusal was of a temporary character or not. If it had been temporary, there would have perhaps been no occasion to raise the present question. The Corporation applied to the Bank of Bombay and asked whether the new rule was a temporary or a permanent one, and we got an emphatic reply that it was a permanent one, and we need not look for any alteration of the existing arrangement. I think that will satisfy the Honourable Mr. Pudumji that the Corporation have been by no means hasty in asking for legislation. Then with regard to the danger of entrusting these powers to the Corporation, I may say, first, that I am very thankful to Government for so generously recognising our capacity, and I may express some surprise that the honourable gentlemen who have spoken before me should not have taken the same generous views. I will not say we are the first city in India, for I am sick of hearing those words. Take Bombay as it is and the Corporation as it is and consider the way we have discharged the duties cast upon us since 1865. They must remember too that the Corporation of Calcutta, which is invested with no larger functions, have exercised the power we ask for in a manner perfectly consistent with safety. I think, speaking on behalf of the Corporation, I might have expected a somewhat more generous recognition from the mofussil members. Honourable gentlemen will remember that it is not the aim of the Corporation to go about speculating. The power is asked for more as a safeguard against undue pressure and to secure from the Bank of Bombay a just consideration of the interests of the Corporation, because if it is felt that the hands of the Corporation are not tied, the bank will be alive to the necessity of considering the claims of the Corporation in a fair and just manner. Then, my Lord, it has been said by the Honourable Mr. Chotalal that the Corporation ought to start a kind of banking business. I sincerely trust that no such burden will be added to the enormous duties which already lie upon us. It has been suggested that we should lend money on Government securities.

The Honourable Mr. RANCHODLAL CHOTALAL:—I said upon demand loans.

The Honourable Mr. MEHTA:—It would not be easy to invest moneys in that way, and even that is a power which might not always be safely exercised, and money might not always be to hand when it was required.

His Excellency the PRESIDENT:—How much notice was required by the Bombay Bank for removal from current account?

The Honourable Mr. MEHTA:—For small amounts no notice was required and for a lák of rupees a short notice. The Honourable Mr. Macdonell has pointed out that the Corporation has sometimes large funds on hand from its current revenue and unspent loans, though as a rule it is nothing like the forty lákhs mentioned. On one occasion I believe this sum was reached, but the circumstances were explained. With regard to the Honourable Mr. Hassan Ali's argument that there had been no proper discussion of the Bill, I say this matter was largely discussed in the Corporation, and although there

has been no discussion since the publication of the Bill in the *Government Gazette*, before that every argument I have heard to-day was put forward and the Bill was discussed in the Press. Under these circumstances I hope, my Lord, that honourable gentlemen will not insist upon delaying this matter any longer. I agree with the remarks of honourable members that have fallen with regard to the position of the Standing Committee, and I intend at the proper time to move an amendment vesting control in the Corporation over the action of the Standing Committee in a manner somewhat similar to that vested in it regarding transfers of Budget grants by Section 133 of the present Act. I do not propose to give the power in the first instance to the Corporation because the subject of investment can be better discussed in committee, but I think it is well that the Corporation should have the power in case the decision of the Standing Committee does not meet with their approval of saying that the investment should not take place. With that safeguarding clause, I hope honourable members will give to the city that generous recognition of the capacity of the city for local self-government which your Excellency has done.

His Excellency the PRESIDENT:—Do I understand that you are prepared to move an amendment?

The Honourable Mr. MEHTA:—Yes, I will do so at the second reading, when the Bill is considered in detail.

The Honourable Mr. CURRIE said:—What I have to say, I trust will not be taken as a criticism on the Municipal Corporation of Bombay or a criticism on the intelligence and shrewdness of the Standing Committee. The first consideration, I submit, in the investment of municipal funds is security. I consider arguments have not been brought forward strong enough to justify any change being made or exception given in the case of Bombay. They have the power of investing moneys in Government securities, and it is not stated by the Corporation that the Banking Corporation to which they entrust their funds does not offer sufficient security: their only grievance is that they do not receive interest on their moneys. The Honourable Mr. Birdwood has mentioned a sum of eighteen lakhs as the amount of balances the Bombay Corporation has in hand. I submit that for the proper working of the Corporation, it is only necessary to keep in the Bank of Bombay a sum sufficient for working expenses. That being so and the Corporation having the power to invest in securities of undoubted credit, and easily realizable, I do not think any further power is necessary, unless it is contemplated that the Corporation of Bombay should continue in a chronic state of borrowing. I submit a case has not been made out. I think it would be a mistake to make an exception in the case of Bombay even although it holds the first position in the Presidency. The first consideration is security, and although the Standing Committee may offer the best intelligence that could be brought to bear on investments, still I think it would not be wise to grant the power called for.

The Honourable Mr. BIRDWOOD desired to point out that the Honourable Mr. Hassan Ali's reference to the Calcutta Municipal Act was not quite complete. Sections 407 and 408 of the Act occurred in the Chapter relating to the Municipal Debt, and the restrictions laid down in those sections related only to the Reserve Fund, which corresponded with the Sinking Fund, provided for in section 109 (d), (e) and (f) of the Bombay Act. Now it was not proposed by the present Bill to remove any restrictions affecting the Sinking Fund. As the Honourable Mr. Macdonell rightly surmised, it was proposed to make the Municipality free to deal only with the Revenue balances and the floating Debt balances. As to such moneys no restriction was expressly placed on the Calcutta Municipality by their Act, and it was proposed, by express legislation, to give equal freedom to Bombay.

His Excellency the PRESIDENT:—I find myself in the novel position of being for once on the side of the Municipality. In the past it has been my misfortune as a rule to array my forces on the other side, but in the course of time I am glad to find myself able to support that body. It strikes me as somewhat curious,—reading as I do very carefully so much as is supplied to Government of the extracts from the Native Press and the tone of great confidence that is there expressed in the principle of local self-government—I say it strikes me as curious to find amongst the speakers whose native home is in this country, and who themselves largely represent the principle of local self-government, that they should hesitate to place confidence in that principle and in one of its most distinguished examples, namely, the Municipality of Bombay. A Tory Governor like

myself might have been expected to oppose the principle of local self-government and betray a want of confidence in that principle and in a body like the Bombay Municipality, but I find myself showing a trust in that Municipality, with a belief that it is capable of managing its own affairs. It seems inconsistent that, if the Bombay Municipality is capable of raising legitimately a sum of something like sixty lakhs a year and of spending legitimately and wisely something above that sum and of raising enormous loans and of administering the expenditure of those loans with discretion, a body like that is not to be entrusted to invest with discretion and wisdom and without any idea of a gambling spirit some portions of these moneys they have obtained either by loan or from the rate-payers. When the question was first before Government I took the opportunity of consulting the most recent expositions of local self-government, and I wrote to the Chairman of the County Council of my own county and the London County Council and asked whether any restrictions had been placed on their powers as regards the investment or deposit of surplus moneys, and I found no restriction had been placed on their powers. Some comparison has been drawn between the Mofussil Municipalities and the Corporation of Bombay. Well, the question before us is not as to the extension of power to the mofussil, it is to the Bombay Municipality, but as the question has been raised I would ask Mr. Hassan Ali, Mr. Currie, and Mr. Udham : Do the proceedings in the Karachi Corporation excite anything like the interest the meetings of the Bombay Corporation do, or are they subjected to the same public criticism of the Press that the proceedings of the Bombay Municipality are, and to the very minute criticism one sees from members within the Corporation itself? I read the Karachi papers, and I do not find that same keen criticism both by the Press and the members inside the Corporation that I find in Bombay. If you have a keen criticism outside and inside, you have one of the greatest safeguards it is possible to have, far greater in fact than the Legislature itself could impose; therefore I submit that the Bombay Corporation can be entrusted with these powers. I may tell Mr. Hassan Ali that the matter has been carefully considered during the past two years. The letter from the Corporation urging Government to take this step is signed by Mr. Javerilal, who is an extremely cautious financial adviser to the extent his economic conscience is involved in the Corporation, and in the last paragraph of the letter, signed by him as President of the Corporation, to Government on this subject, he is so moved by the injustice done to the Corporation in withholding the powers we now propose to give that body that he drops into poetry, and says "the last high arbiter Chance governs all." I say Mr. Javerilal is an extremely cautious man, and I can hardly imagine him signing a letter of that kind without having a conviction of his own that the Corporation was being subjected to unnecessary restraint by being forced to deposit its surplus moneys in one particular bank. Mr. Pudumji suggested that the Bill be read this time twelve months. What, I ask, is the Corporation to do in the meantime; is it to go on acting illegally, is it to keep its moneys at the bank without interest? I don't think that is quite fair on the Corporation. We don't want to see Mr. Mehta brought within the trammels of the law for acting illegally. I think a little more consideration should be shown for the Corporation. It seems to me possible that the remarks of Mr. Mehta may have to a considerable extent qualified the opinion of honourable members who are inclined to think that this proposal did not receive sufficient consideration. Mr. Hassan Ali and one or two others have pointed out that an investment of money might be made on the casting vote of the Chairman of the Standing Committee. Mr. Mehta has expressed a willingness to move an amendment that any such resolution of the Standing Committee shall be referred to the Corporation at its next meeting for approval. This is a greater safeguard, and any investment will not be at the will of a body of ten, but a body composed of the whole Corporation, and I think that ought to remove the objection raised. So far as I followed Mr. Macdonell, his objection was to leaving the power in the hands of a small body like the Standing Committee. It is possible that the proposed amendment may meet his objection. I think Mr. Ranchodlal's proposal was to refer the Bill to a Select Committee. We have not heard what is going to be proposed at the Select Committee, or what it is going to discuss. Is it suggested that a Select Committee is more competent than the Council? If it is, I cannot accept the suggestion. I believe a Council of our number is as fully competent to decide the principle of a Bill as a body of five, seven, or nine, and I imagine from the course the discussion has taken that it is hardly likely any matter will be raised before a Select Committee, which has not been raised here, or that has not been raised during the two years since the opening of the question. It seems to me that the Bill might be read a first time to-day,

and to-morrow Mr. Mehta could bring in his amendment on the Bill being read a second time. If there is any objection to this course I shall be bound to bow to it, but I do not understand the objection. I trust members will agree to pass the first reading, and having done so it will be perfectly competent for any honourable member to put himself in order by moving for a Select Committee.

There was no opposition to the first reading of the Bill, which was accordingly carried.

Bill read a first time.

The Honourable Mr. MACDONELL:—I beg to propose that the Bill be referred to a Select Committee, for the reasons I have already stated.

His Excellency the PRESIDENT:—I should like to know what you think the Committee will discuss?

The Honourable Mr. MACDONELL:—A wide question is opened up by the Bill, and it requires more argument in its favour than has yet been brought to bear on it. With reference to the power of the Calcutta Municipality, that to my mind is hardly conclusive, as I understand that there is no specific power granted to the Municipality to deal with surplus funds, and accordingly the inference is that they may do with them as they like, whereas in Bombay we propose to give this power to the Municipality by special enactment. There must be some difference in the two cases. I take it that if any serious losses arise from the investment of municipal funds in Calcutta, the members of the Corporation are responsible, whereas in Bombay if losses arise they would come out of the municipal fund. I think the difference is very great, and requires explanation. I think a Select Committee might propose some other means of investing these surpluses than leaving them to the discretion of the Standing Committee.

His Excellency the PRESIDENT:—I have consulted my colleagues, and although I am still unable to understand what particular points are going to be raised before the Select Committee, which cannot be discussed here, still we do not think it is right to put ourselves in the position of opposing the opinions which have come from various parts of the Presidency, and, therefore, I have agreed to a Select Committee. As regards the points raised by Mr. Macdonell, I might have read an extract from a letter received from the Chairman of the Corporation of Calcutta. It says:—"In reply I have to state that with the exception of the fund reserved for the repayment of loans, the Calcutta Municipality is not restricted in the investment of its moneys." That is the position in which we would put the Bombay Municipality. As a matter of practice the Calcutta Municipality does invest with the Calcutta Bank.

It having been decided that it was unnecessary that the report of the Select Committee should be translated into any vernaculars, the following gentlemen were appointed to act on the Committee:—The Honourable Mr. Birdwood, the Honourable Mr. Batty, the Honourable Mr. Macdonell, the Honourable Mr. Ranchodlal Chotalal, the Honourable Mr. T. D. Mackenzie, the Honourable Mr. P. M. Mehta, and the Honourable Mr. R. G. Oxenham.

The Committee were granted seven days within which to report.

The meeting was then adjourned.

By order of His Excellency the Right Honourable the Governor in Council,

C. H. A. HILL,

Secretary to the Council to His Excellency the Governor of Bombay,
for making Laws and Regulations.

Poona, 23th July 1893.

PROCEEDINGS OF THE LEGISLATIVE DEPARTMENT, BOMBAY.

The following Extract from the Proceedings of the Government of Bombay in the Legislative Department is published for general information :—

Abstract of the Proceedings of the Council of the Governor of Bombay, assembled for the purpose of making Laws and Regulations, under the provisions of THE INDIAN COUNCILS ACTS, 1861 and 1892.

The Council met at Poona on Saturday the 12th August 1893, at 3 P.M.

P R E S E N T :

His Excellency the Right Honourable Lord HARRIS, G.C.I.E., Governor of Bombay,
Presiding.

The Honourable Mr. H. M. BIRDWOOD, I. C. S., M.A., LL.D., C. S. I.

The Honourable Mr. A. C. TREVOR, I. C. S.

The Honourable Mr. BASIL LANG, Acting Advocate General.

The Honourable Ráo Bahádúr UDHARAM MULCHAND.

The Honourable Ráo Bahádúr RANCHODLAL CHOTALAL, C.I.E.

The Honourable Khán Bahádúr DORABJI PUDUMJI.

The Honourable Mr. T. D. MACKENZIE, I. C. S.

The Honourable Mr. P. M. MEHTA, M.A.

The Honourable Mr. HERBERT BATTY, I.C.S., M.A.

The Honourable Mr. R. G. OXENHAM, M.A.

The Honourable Mr. A. T. SHUTTLEWORTH.

The Honourable Mr. GANPATRAO DAMODAR PANSE.

The Honourable Mr. VISHNU RAGHUNATH NATU, B.A., LL.B.

The Honourable Mr. W. H. CROWE, I. C. S.

The Honourable Ráo Bahádúr MAHADEVA GOVIND RANADE, C.I.E., M.A., LL.B.

The Honourable Mr. CHIMANLAL HARILAL SETALVAD, B.A., LL.B.

The Honourable Khán Bahádúr A. D. HASSAN ALI BEY EFFENDI.

The Honourable Mr. NAVROJI NASARWANJI WADIA, C.I.E.

The Honourable Mr. JAVERIAL UMASHANKAR YAJNIK.

His Excellency the PRESIDENT said :—Before proceeding to the business on the Agenda Paper, I may say I have been asked by an honourable member if I have any objection to giving the Council any information as to the most deplorable agitation that occurred in Bombay City yesterday, and is going on to-day. Under the circumstances it seems to me there is no objection to my giving that information, although the rules as to asking questions have not been adhered to. I have under the rules power to forego the time laid down, and I think myself justified in giving the following information :—

The information I have received amounts to this: that the riots yesterday were serious enough to necessitate the aid of the garrison of Bombay, both European and Native, being called in to aid the civil power. Some two hundred arrests were made, and two hundred persons were injured. The strain on the police force was reported to be very severe, and the Inspector-General of Police is drafting into Bombay bodies of Mofussil Police from those districts whence they can best be spared. Two squadrons of cavalry were despatched early this morning, and Special Magistrates were appointed last night. I regret to add that the latest information is not favourable, as the rioting commenced again this morning in widely separated parts of the City: and I fear, from information I have received from the Military authorities, that it has concentrated itself again in a serious form. A third squadron of cavalry has been despatched. A party has been landed from ships of the East Indian Squadron and the Royal Indian Marine, and the Commissioner of Police has instructions to ask for all the aid he desires. I hope myself that the presence of cavalry will be more efficacious than anything else in dispersing the mobs, experience having shown that their mere passage to and fro in the streets prevents crowds from collecting. Gentlemen, we shall do all we can to suppress this dangerous agitation as speedily as possible; but there is another force which can be

brought to bear on excited passions, quite as effectual as anything Government can do, and that is, the moral suasion of the leaders of the communities concerned, and I take this opportunity of calling upon those leaders to use their influence and their learning and their position to dissuade their co-religionists from further acts of violence on this occasion, and on every occasion to do their utmost to check any indications of an outbreak of a similar character. I pass no opinion on the causes of this outbreak; it would ill become me to do so at this stage, but wherever the fault may really be, I am justified in enlisting on the side of law and order every force that can be brought to bear against riot or agitation. On these grounds I call on the leaders of the communities arrayed against each other to add their moral influence to the executive power of the Government.

The business on the Agenda Paper was then proceeded with.

The following questions stood in the name of the Honourable Ráo Bahádúr UDHARAM MULCHAND :—

(I) *What is the total revenue and the total expenditure of the province of Sind, and what are the different figures that constitute the same?*

(II) *What is the revenue from, and the expenditure of, the Subordinate Civil Courts of Sind?*

The Honourable Mr. A. C. TREVOR, I. C. S., made the following replies :—(I) No complete separate record is kept of the total revenue and the total expenditure of the province of Sind, nor of the different figures that constitute the same, and I have not been able to get the information fully compiled in time for the present meeting. A statement furnishing the particulars asked for by the honourable member, so far as they are traceable, will be laid on the table at the next meeting. It may perhaps suffice for his present purpose to say that the total revenue of Sind, Imperial and Provincial, excluding adjustments on account of alienation, amounted for the year 1892-93 to one hundred and nine lákhs of rupees, approximately, of which sixty-three lákhs were land revenue, and the localised expenditure amounted to about seventy-one lákhs, leaving a balance of about thirty-eight lákhs as the contribution of the province towards the general burdens of the Presidency and the Empire. The localised provincial share of the total revenue falls short of the localised provincial expenditure by about eleven and a half lákhs, the former being annually about thirty-two and a half lákhs and the latter about forty-four lákhs, but this apparent deficiency will be more than covered if the province is credited with a share of the total fixed assignment under land revenue proportionate to the amount it contributes towards the provincial share of the divisible receipt under the same head.

(II) The total receipts from all Courts in Sind amounted for 1892-93 to nearly four lákhs, but I regret that I am unable to say how much of that sum is assignable to the Subordinate Civil Courts, as their receipts, whether under Law and Police, or from Court Fee Stamps, are not distinguished in the Treasury Accounts. The expenditure of the Subordinate Civil Courts, exclusive of contingencies which are merged in the accounts in the contingent expenditure of the District Courts, amounted to about sixty thousand and five hundred rupees.

BILLS AND ORDERS OF THE DAY.

A Bill to further amend the law relating to the municipal government of the City of Bombay.

The Report of the Select Committee on Bill No. 1 of 1893 to further amend the law relating to the municipal government was presented to the Council.

The Honourable Mr. BIRDWOOD said :—Your Excellency,—The Select Committee appointed by this Honourable Council to consider the Bill for amending the City of Bombay Municipal Act of 1888 prepared its report on the 29th July last and copies of the report were thereupon sent to honourable members in accordance with the rules for the conduct of business in this Council. The report was also duly published in the *Government Gazette* with a copy of the Bill as proposed for amendment by the Select Committee. After the report had been so submitted, it was freely discussed in the public press; and several suggestions have within the past week been received by Government for a revision of the Bill as amended by the Select Committee. These suggestions have been considered informally by some of the members of the Select Committee in Poona; but it has been impossible for me to lay them before the Committee as a body, for as soon as the Committee had made its report, it was *functus officio*. The suggestions to which I refer are of a weighty character, and it would be right, perhaps, that they should be laid before the Council; but, before this is done, it would be certainly most advisable that the Select Com-

mittee should, as a body, have the opportunity of considering them with reference to the amendment it has already proposed. I trust, therefore, that the Council will be pleased to accede to the proposal I am about to make, instead of proceeding with the order of the day. I propose that the report be referred back to the Select Committee for further re-consideration.

The Honourable Mr. T. D. MACKENZIE seconded the motion.

The Honourable Mr. JAVERILAL UMIASHANKAR YAJNIK said:—Your Excellency,—I was not present at the last meeting of the Council, but from the reports I have read in the newspapers I find that, in referring to a letter from the Bombay Municipal Corporation urging legislation on the banking of municipal funds, your Excellency was pleased to say, and to say correctly, that I signed that letter; but when your Excellency observed that I would not have put my hand to it if I was not convinced, in my own mind, that the Municipality was needlessly compelled to place its surplus balances in one particular bank, I should have explained, if I had been present at the meeting, that it fell to my lot to sign the letter in my capacity as President of the Corporation, though I held adverse views on the subject. When the matter first came up for consideration by the Standing Committee, of which I was a member, I recorded my views in a minute, dated the 5th May 1891. I was overruled in the Standing Committee, but when the subject came before the Corporation, I, among the small majority in the Corporation, thought it my duty to point out what I believed to be the financial pitfalls into which the Corporation would be drifting if the restrictions contained in the present municipal law were removed; and accordingly I and my friend, Mr. Dinshaw Eduljee Wacha, wrote a joint letter to the members of the Corporation, pointing out our reasons for not going before Government for any change in the law. When, however, the matter was decided, and the Corporation resolved that the President should be requested to send the reply to Government letter containing the views of the Accountant General, I, in loyalty carrying out the mandate of the Corporation, signed that letter in my capacity as President. Your Excellency would see from that letter that I then took care to see that it was the Corporation whose views were placed before Government, and, therefore, I said in that letter that it was the Corporation who thought this and who thought that, and I studiously refrained from obtruding my views on the attention of Government. I think this explanation is necessary to show the views I held at the time I signed that letter, and my views have not undergone any change.

His Excellency the PRESIDENT:—With regard to what my honourable friend, Mr. Javerilal, has said, I am extremely sorry that I should have attributed to him opinions which he did not entertain. He will, no doubt, appreciate now, as officials frequently have to do, the inconvenience of having opinions attributed to him because he forms one of a body. He, however, has the advantage of explaining that when he put his name to a certain thing he did not concur with the opinions expressed, whereas officials have often to bear up under the weight of opinions they never actually entertained, without being able to explain.

Report referred back to the Select Committee for reconsideration. The report of the Select Committee was then referred back to the Committee for reconsideration.

The Honourable Mr. BIRDWOOD:—I may mention that the suggestions to which I have referred relate to questions which were not fully considered when the Committee sat. These questions have a legal bearing, and it would be very advisable, in dealing with them, that we should have the best legal advice that can be obtained in this Council. We already have the valuable assistance of the Legal Remembrancer, but it would be an advantage if the Advocate-General were also added to the Committee. I, therefore, move that the Advocate-General be appointed a Member of the Select Committee.

The Honourable Mr. P. M. MEHTA seconded the motion, which was carried.

His Excellency the PRESIDENT:—The report having been referred back, the amendments on the List of Business will be taken when the Bill is discussed in detail.

The Council having directed that the Select Committee should report on or before Friday next, the meeting was adjourned.

By order of His Excellency the Right Honourable the Governor in Council,

C. H. A. HILL,

Secretary to the Council of the Governor of Bombay
for making Laws and Regulations.

Poona, 12th August 1893.