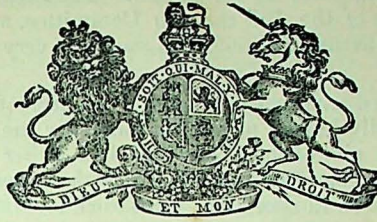


THE



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## PART V.

### PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA.

*Abstract of the Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Act of Parliament 24 & 25 Vic., Cap. 67.*

The Council met at Government House on Friday, the 24th March 1871.

#### PRESENT:

His Excellency the VICEROY and GOVERNOR GENERAL OF INDIA, K.P., G.M.S.I., *presiding.*

His Honour the LIEUTENANT GOVERNOR OF BENGAL.

His Excellency the Commander-in-Chief, G. C. B., G. C. S. I.

The Honourable JOHN STRACHEY.

The Honourable Sir RICHARD TEMPLE, K.C.S.I.

The Honourable J. FITZJAMES STEPHEN, Q.C.

The Honourable B. H. ELLIS.

Major General the Honourable H. W. NORMAN, C.B.

Colonel the Honourable R. STRACHEY, C.S.I.

The Honourable F. S. CHAPMAN.

The Honourable J. R. BULLEN SMITH.

The Honourable F. R. COCKERELL.

The Honourable J. F. D. INGLIS.

The Honourable D. COWIE.

The Honourable W. ROBINSON, C.S.I.

#### INDIAN REGISTRATION BILL.

The Honourable Mr. COCKERELL moved that the report of the Select Committee on the Bill for the Registration of Assurances be taken into consideration. He said that the original design of this Bill was simply to re-enact, in pursuance of the general scheme of consolidation of the statutes, Acts XX. of 1866 and XXVII. of 1868, in combination with a third Act for the exemption from registration of certain inam title-deeds, the enactment of which had been urgently called for by the Government of Madras, and to extend the consolidated law to provinces in which the system of compulsory registration was not yet in force.

The proposal for fresh legislation on this subject brought to notice some doubts and difficulties which had arisen in the working of the existing law, and their solution was, to a certain extent, attempted in the Bill as introduced. The area of amendment had greatly expanded during the passage of the Bill through Committee, and it now came back to the Council with various alterations and additions, embracing a very considerable modification of the existing procedure.

Numerous as the proposed changes were, and not unimportant as was the character of some of them, they could hardly be said to disturb materially the main features of the present system of registration. The aim of the Committee had rather been to improve and popularize that system by the abolition of those forms which the experience gained during the five or six years for which it had been in operation, had shown to be either practically useless or at best productive of a degree of advantage altogether incommensurate with the expense and trouble which they entailed.

The main objects of the registration system established by the Acts of 1864 and 1866 were the attainment of a complete record of rights and interests in immoveable property, and the prevention of fraud in transactions regarding its conveyance from one person to another. To achieve the first of these results, a degree of centralization was aimed at, such as was not to be found in the system of registration in force in any other country.

Theoretically, the idea of concentrating, in one central bureau, complete statistics regarding the transfer of property throughout the vast extent of country comprised in the territories subject to one Local Government or Administration might have had much to recommend it; but for all practical purposes, the scheme had proved needlessly elaborate, whilst the machinery requisite for its maintenance was exceedingly costly. In illustration of this he might mention, that the number of searches of the index registers maintained in the office of the Registrar General of Lower Bengal during the last six years, the preparation of which was computed to have cost upwards of rupees 100,000, had been only 240, and of those, not more than five or six related to registrations effected outside the presidency town.

The first change, therefore, proposed by the Committee, was the abolition of the Registrar General's office as an office of record. The result of this proposal was, that the office of the District Registrar would become the central office of record for each district, to which all references for information as to the existence of incumbrances on property situated within such district must be made, and the present costly duplicate indexes would be altogether dispensed with.

The adoption of this reform would bring our system of registration more into accord with that which obtained in other countries, and would provide all that was found to be needful for public convenience in the way of accessibility to the record of title in property, at a very considerable saving of expense.

The designation of Registrar General had been converted into that of Inspector General of Registration, as more correctly representing the nature of the duties henceforth to be performed by that officer. It was hoped that one important consequence of the proposed change in the constitution of this office would be the more efficient supervision by the Inspector General, aided by the subordinate inspecting officers, for whose appointment power was given by the amended Bill, of the work of the registering officers.

Nothing was so essential to the favourable regard by the public of their registering obligations as the prevention of needless delay in the process of registration, and this could only be effected by a thorough and constant inspection of the proceedings of Sub-Registrars.

There could be little doubt but that the present charges for registration were unreasonably high, and their reduction was an important necessity. But the greatest objection to the obligation to register consisted in the loss of time entailed by enforced attendance at the registration office; and everything which tended to reduce this cause of objection to a minimum, must be ultimately productive of great public advantage.

Another important alteration was the proposed extension of the power of exempting leases. The present law provided that, in Lower Bengal and the North-Western Provinces, the Local Government might exempt from registration leases for terms not exceeding two years, and the annual rent reserved by which did not exceed fifty rupees. That provision originated in certain representations made on behalf of the indigo-planting interest in Bihâr and the North-Western Provinces, to the effect that the rule which made obligatory the registration of leases, where the term of the lease exceeded one year, operated with peculiar harshness in regard to leases for the cultivation of indigo, as such leases were given, under

the prevailing custom of those provinces, for a term of fifteen months, and that the expense and trouble of registering such documents were beyond all reasonable proportion to the value of the subject-matter of the transaction.

Under the operation of this power of exemption, agricultural leases largely escaped the obligation to register in Lower Bengal and the North-Western Provinces; whilst, in Madras, such documents had, under the special provision of the law which excluded from its application the pattás and muchalkás referred to in the local Act VIII. of 1865, enjoyed an absolute exemption from obligatory registration.

By these special provisions, and by the limitation as to the value of the property which formed the subject of any conveyance required to be registered, this principle would seem, at least to some extent, to have been recognized by the legislature, namely, that, where the value of the transaction covered by any document was so comparatively insignificant that the cost of the registration of such document would bear an undue proportion to that value, the registering obligation should be relaxed.

In this view, the propriety of a general relaxation of the law in regard to the registration of agricultural leases had been broadly discussed by the Committee.

Adverting, also, to what had been described as the main objects of the registration system, namely, the establishment of a continuity of record of title in property and the prevention of fraud in its conveyance, it had been held, first, that as terminal leases were not in fact incumbrances, so they did not affect title in property, and their registration was not essential to the completeness of the record of such title; and, second, that, whilst on the one hand a registered lease might be said to secure the holder against the attempt, by any subsequent fraudulent transaction, to deprive him of the possession of the tenure covered by such lease, yet, on the other, as no holder of a lease could obtain its registration without the active co-operation of his landlord, the registration system might be so worked as to facilitate the repudiation by the latter of his first engagement, and the defrauding his rightful tenant by means of a subsequently executed and registered lease in favour of some other person.

On these considerations it was proposed to extend the power of exemption to all Local Governments, and in respect of any leases for terms not exceeding five years and the rents reserved by which did not exceed fifty rupees.

With this concession, which was intended to cover the case of all cultivating leases, it was thought unnecessary to retain the special provisions of the present law in regard to pattás and muchalkás in the Madras Presidency.

Under the present law, registered leases, the registration of which was optional, were made to take effect against unregistered documents of a similar kind and relating to the same property. This provision had no place in the earlier Act of 1864, and he had been unable to discover any cause for its adoption, either in the Statement of Objects and Reasons or any of the proceedings of the Council in connection with the enactment of Act XX. of 1866. Its effect was to make the exemption of such leases from obligatory registration *pro tanto* unreal. Section fifty of the amended Bill, therefore, omitted all reference to these documents.

In furtherance of the scheme of maintaining in the registration office a complete record of title in immoveable property, the existing law made it obligatory to register decrees and orders of Courts affecting such title or interest. So far as the decrees and orders of Revenue Courts were concerned, the rule had always been inoperative, owing to the extreme difficulty of determining how far such decrees or orders could be said to affect title. Even as regards the decrees of Civil Courts, the law provided no security for the observance of the rule, and there was no certainty of its being habitually followed. There was this inconsistency, moreover, in the law on this subject, that whereas it was thought necessary, in the case of private conveyances, of which there was no public record, to afford some relief from the obligatory rule where the value of the property conveyed was of inconsiderable amount, no limitation whatever was provided in regard to the value of the title or interest affected by a decree.

Under the present law, the obligation of registering decrees of Courts might be said to rest upon the Courts themselves, as they were required to forward memoranda of such decrees to the registration office. It was further provided that the fees chargeable for such registrations might be levied as costs in the suit. The result of this plan was, that there was no certainty of all decrees being registered, for no penal consequences attached to non-registration, and the fees were very imperfectly recovered.

To remedy this state of things, it was suggested by the Judges of one of the High Courts that the registering obligation should be shifted to the person in whose favour the decree was given, and that the obligation should be enforced by the invalidation of an unregistered decree.

The Bill as introduced adopted this suggestion; but at the time of its introduction. Mr. COCKERELL pointed out that it was a question whether the registration of decrees of Court should be obligatory on any one, the weight of opinion of the officers who had been consulted on the subject being against the maintenance of any such obligation.

Some time ago, the Government of India addressed a circular letter to the several Local Governments, inviting opinions as to the propriety and expediency of enforcing the registration of the decrees and orders of Revenue Courts. On that occasion, not only was there a general consensus of opinion against such enforcement, but the several officers consulted added their testimony to the practical inutility of requiring the registration of decrees of Civil Courts, at least so far as they affected property which was not the subject of any previous registration, and were in favour of cancelling the obligation imposed by the existing law in regard to such decrees.

The question to be determined by the Select Committee then was—On whom should the obligation to register these decrees and orders rest, and how should its fulfilment be enforced? Clearly, if it was desirable that the registration of decrees should be made obligatory, the obligation must be placed upon the decree-holder; he was, as regards the decree affecting any title or interest in immoveable property, precisely in the same position as a person who had acquired such title or interest by an ordinary conveyance executed in his favour. But then came the difficulty as to how the obligation was to be enforced. In the case of a conveyance, the document, so long as it remained unregistered, was invalid. To apply this rule to the decree, as was contemplated in the Bill as introduced, would entail great hardship; for the penalty in the latter case was altogether disproportionate to that in the former. The title which rested on a conveyance which, owing to lapse of time, could not be registered, might be set up by a fresh conveyance; but the interest acquired through a decree similarly incapable of being registered was irretrievably lost, for no fresh decree could be obtained on the same cause of action.

Moreover, the obvious arguments against the propriety and policy of allowing the decrees of our established Courts of judicature, obtained generally at no small cost, trouble and anxiety to the litigant, to be liable to be annulled and discredited by reason of the omission on the part of the holders to have them transcribed in a registration office, seemed to him irresistible.

Such being the difficulty as to the enforcement of the obligation, it was well to examine closely the grounds for its maintenance. The only object which it subserved was the continuity of record of title, the complete attainment of which was found to be impracticable. For the prevention of fraud, the registration of decrees was wholly unnecessary. When any property had become the subject of litigation, the fact was well known, and information as to title was easily obtained by an intending purchaser without recourse to the registration office. This fact was probably the cause of the barren results of the registration of decrees during the six years that the obligation to register them had been in force. More than one Registrar General had reported that, his attention being especially directed to this subject on his tours of inspection of subordinate registration offices, he could never find evidence of a single search of the register of decrees and orders; and it was generally believed that, as a matter of fact, persons seeking information in regard to title to property did not have recourse to these registers. It should be remembered, moreover, that these decrees were in one sense already registered, for every Court kept a record of the decrees and orders passed by it, and, in the Bengal Presidency at least, information of such decrees affecting ownership in land was by law required to be transmitted to the revenue authorities.

On these grounds it was proposed to abandon the attempt to compel registration of decrees and orders of all Courts, leaving it to the option of the decreeholder to register or not at his pleasure; and the Bill had been so amended as to give effect to this conclusion.

He had dwelt at some length upon this matter, because the decision arrived at by the Committee represented the opinion of the majority only, and, as would be seen from an entry in the notice of business to be brought forward to day in this Council, one Honourable Member strongly dissented and carried his objection to the length of proposing that the question should be otherwise dealt with.

The Bill as introduced, in modification of the present law, was framed so as to give effect to a registered instrument relating to immoveable property against any oral agreement regarding the same property, irrespective of any circumstances attending such agreement.

Such a provision, it had been rightly contended, would amount, practically, to the enforcement of written contracts for the conveyance of immoveable property or any interest therein, and would seriously disturb the law of property in force in this country.

Some alteration of Act XX. of 1866 on this subject was clearly necessary, to qualify the absolute superiority which the wording of section 48 of that Act apparently gave to the registered instrument over the oral contract. Oral agreements, therefore, when accompanied or immediately followed by the delivery of possession of the property to which they related, had been saved from the preferential rule in the Bill as now amended.

Unregistered instruments, the registration of which was obligatory, were, like insufficiently-stamped documents, declared by the present law to be absolutely invalid and inadmissible in evidence. The Courts had generally interpreted this provision to apply only so far as such instruments purported to effect title or interest in any immoveable property. The Bill as introduced excluded this construction.

The question involved had undergone much discussion in Committee.

It might readily be conceded that, in so far as absolute invalidation would affect the interests of third persons, who, not being parties to the instrument, were not reasonably chargeable with neglect for the omission to register it, the original provision of the Bill went further than the equity of the case would admit of; but, on the other hand, it was difficult to understand what unmerited penalty was inflicted on the person who had neglected to register, by the refusal to allow him any benefit out of the unregistered instrument.

A majority of the Committee had, however, concluded in the sense of the ruling of the Courts; but as the object of the law was simply to compel the registration of documents purporting to affect title or interest in immoveable property, the invalidation of such instruments, when unregistered, must be limited to their effect in that direction.

The provisions of the law for the special registration of bonds and promissory notes were of a wholly experimental character. They were designed for the prevention of unnecessary litigation, and were altogether outside the objects of ordinary registration.

So far from the system providing any safeguard against fraud, the very opposite result had been obtained from it. It was assumed by the projectors of the scheme that, in most cases, the parties to the bond would be personally known to the local registering officer, and the identity of the obligor certain. Such, however, had not been the case; false personation was largely practised, and officers experienced in the working of the system represented that, if it was to be maintained, some procedure before the registering officer must be devised for securing the proper identification of the person who became bound by the transaction.

The just reasoning on this question seemed to be, that the provision of any procedure adequate to the attainment of the object in view, would be tantamount to the transfer of the process of adjudication on matters of this kind from the experienced Civil Court to the far less competent registering officer, with very little saving of expense and trouble to the parties themselves, and that such a course was, for obvious reasons, inexpedient. It was therefore proposed to omit from the new law the special registration procedure.

The attempt to maintain in the registration offices a complete continuity of record of title in immoveable property having been abandoned, it was thought unnecessary to insist on the registration of documents issued or executed by the Government, there being of course a record of such documents in some public office. It was sufficient to provide that such record should be made accessible to the public.

To avoid unnecessary departmental expenditure, and thus indirectly to reduce the cost of registration, the Local Government was empowered to dispense with a separate Inspector General, and delegate the duties of the office to any established authority.

It was thought that, in time, as the registration system got into good working order, these duties might in most provinces be conveniently assigned to the chief controlling revenue authority, and the alternative provision of the amended Bill was intended to meet that or any similar arrangement which might appear economical and efficient.

The distinction between the periods allowed for compulsory and optional registrations rested on no very intelligible grounds. It was proposed, therefore, to apply the longer period—four months—to both classes of registration. The penalty heretofore levied for

delay in the presentation of documents to the registering officer through any unavoidable cause, was felt to be excessive, and had therefore been reduced to one-half of the present amount.

To obviate hardship in extreme cases, a discretionary power of absolute remission was reserved to the Inspector General.

An analogous provision to that of the Stamp Act (XVIII. of 1869, section 24, clause b) had been introduced into the amended Bill, to guard against the law working harshly in regard to documents executed out of British India, the parties to which might be presumed, in many cases at least, to be unacquainted with the requirements of the law of this country.

Persons desirous of registering wills and authorities to adopt, under the present law, took them to the office of the District Registrar. For the sake of public convenience, the Bill as originally drawn substituted the office of the Sub-Registrar for that of the Registrar as the place of registration. It might not unfrequently occur, however, that the inclinations of the persons desiring to register such important documents lean to their registration at the office of the Registrar. The amended Bill was so framed as to give the right to select the office for the registration of such documents to the persons entitled to register them.

In the case of refusal to sign the endorsements made by the registering officer, although the execution of the document presented for registration was admitted by the person so refusing, the registering officer must, under the present law, decline to register; the unsuccessful applicant for registration had then to appeal; the appellate authority must reject the appeal, and the appellant was then driven to an application to the Civil Court. All these useless forms must be gone through to compel registration, although the only fact which could in any case be in issue as regards the propriety of admission to registration was not denied by the executant.

It was proposed, in such cases, to allow the registration to proceed, the registering officer merely recording the refusal of the executant to sign the endorsements.

It had also been thought expedient to dispense with the practically futile appeal to the Registrar where the Sub-Registrar had refused to register a document on the ground of the denial of his execution of it by the alleged executant.

In such cases, the Registrar had no power of giving relief; and it seemed unreasonable to retain a procedure which caused needless expense and waste of time by delaying the application to the Civil Court to which the person desiring to register must ultimately resort to compel registration.

It was proposed to restrict the obligation to register authorities to adopt to cases in which such authority was not conferred by Will. Inasmuch as this authority very frequently formed part of the provisions of a Will, any wider application of the measure would reduce the donors to the necessity of registering their Wills under penalty, in case of failure, of their partial invalidation.

Such were the chief alterations of the existing law contemplated by the amended Bill. There were other changes proposed which it was unnecessary for him to notice in detail. They were for the most part designed—notably, the reduction of the number of indexes, and the substitution of filing for copying, and of memoranda for copies—to reduce the cost of registration, and otherwise render it less irksome and distasteful to the individuals whose transactions were brought within the operation of the law.

In a country like this, a system of obligatory registration of title was necessary, not only for public convenience, but more especially for the protection of the community.

Such a system must have unavoidably entailed some burden upon those who were directly brought within the influence of its provisions. The aim of the law which, in the interest of the general public, established such a system should be to render that burden as light as was compatible with the complete attainment of the object in view; and this principle had been observed, as far as possible, in the arrangement of the details of the Bill, which would, he trusted, be to-day passed into law.

The Motion was put and agreed to.

The Honourable Mr. CHAPMAN moved that the Bill be remanded to the Select Committee. He said that, as the alteration he was about to propose would, if it met with the approval of the Council, involve several verbal changes throughout the Bill, it had been thought that it would be most convenient for him to move that the Bill be sent back to the Committee, instead of moving a specific amendment. The alteration he had to propose was, that the re-

gistration of memoranda of decrees of Civil Courts affecting immoveable property be made compulsory. The Council would therefore be pleased to understand that this was the issue to which he asked their consideration.

By the present law, the registration of these documents was compulsory, and the duty was imposed on the Court making the decree to send a memorandum of the substance of it to the Registrar. It was provided that the fees for registration were to be considered as costs, and paid in such way as the Local Government should direct.

Now, it was found that this provision of the law had been allowed to become inoperative; and in the Bill originally introduced by his honourable friend, in order to ensure that these memoranda should be duly registered, the burden of doing so was thrown on the parties, and the penalty of non-compliance was, that the decree would become null and void. On further consideration in Committee, it was thought that this was an extreme measure, which might possibly operate very unjustly and harshly. It was therefore decided, after much deliberation, to do away altogether with the compulsory obligation to register these decrees.

Mr. CHAPMAN thought, with all deference to his honourable colleagues, that they had now gone to the opposite extreme. If you wanted to have a perfect record of title to landed property, he thought it was most advisable that judgments of this kind should be registered. For his own part, he did not know why the existing law had been allowed to become inoperative, or why the Courts had been permitted to evade the duty imposed on them by law. He fancied the real cause had been the difficulty in obtaining, beforehand, the requisite funds. This difficulty might, he apprehended, be got over, either by credit being allowed, or by the Local Governments advancing the requisite funds, which would be repaid on the recovery of the costs. Therefore, he proposed that the Bill be recommitted, with a view to the provisions of the existing law being re-imposed, or with a view to the parties being obliged to register these memoranda of decrees themselves. He did not think this latter course would involve risk of hardship. The Court might be obliged to provide the parties with copies of memoranda, and the time within which registration should be effected might count from the dates of receipt of such memoranda. It was not an every-day event in a man's life getting a decree in his favour; and Mr. CHAPMAN could not see why he should not be obliged to register it in the same way as certain descriptions of deeds relating to landed property.

Mr. CHAPMAN desired to take this opportunity to make a few remarks on what he might term the financial aspect of this measure. The Council were aware that registration was now included amongst the eight heads of Provincial Services, the more direct administration of which had recently been entrusted to Local Governments. The Registration Department was, moreover, the only paying one amongst these heads.

Such being the case, he wished to state it as his opinion that it should be distinctly understood that it was not the wish or intention of Government that this branch of the administration should be looked upon as a source of general revenue; or that any kind of a fiscal character should appertain to this Bill. He feared, that, in many parts of the country, the ignorant classes did look upon the Registration Department as a means of general taxation. He thought it very advisable that they should be disabused of this idea.

It seemed to him that any surplus funds there might be should be devoted to strengthening the efficiency of the Department, and to providing for the office accommodation which was everywhere much needed. If, after the reasonable wants of the Department had been met, there should still remain a surplus, then he thought the fees ought to be reduced.

It would be satisfactory for him to learn that these opinions were in accordance with those of the Government of India, and that the Government would be prepared to exercise the control over fees vested in them by the Bill in conformity with the views which he had ventured to express.

His Honour the LIEUTENANT GOVERNOR thought that, in many respects, it might be more proper that he should give a silent vote on this Bill, because he had not had the opportunity of seeing the Bill till yesterday. Still, he had been for such a long time connected with the subject of registration, and had taken so great an interest in it, that he was unwilling to let his vote pass without explaining that he knew little about this Bill itself beyond what had fallen from the Honourable Mr. Cockerell. His Honour had heard with great satisfaction that the main object of the Bill was to reduce the charges and facilitate the practice of registration in India. He believed that he was the earliest public officer that introduced a general system of registration in an Indian Province, namely, Oudh, where the system was extremely popular. Village registry offices were brought home almost to every man's door; and although the system established in Oudh was very imperfect, he did look upon the subject with very great interest.

He would only, beyond explaining that he knew very little of the Bill, notice one or two points in the speeches of the Honourable Members who had spoken before him. He should very much have liked that the Honourable Mr. Cockerell had explained to us to what other countries he had referred when he said that the determination of the Committee to abolish general registers, and maintain district registers, was in accordance with the system adopted in all other countries; because His Honour knew that, in the one country with which he had an intimate acquaintance, namely, Scotland, the very opposite course had been recently adopted; for, by the provisions of a recent Act of Parliament, one central register office in Edinburgh had been adopted, instead of the system of local registration.

Then we came to the point which was the subject of the amendment moved by the Honourable Mr. Chapman. His Honour was not prepared to go into the subject as to how far it might be possible to enforce registration by the Courts of their own decrees, or as to how far it might be equitable to insist on the parties themselves registering the decrees passed in their favour. But he should look with extreme regret upon the abandonment of the attempt to bring together in one place and in one view all the burdens and incumbrances affecting any property. He thought it would introduce an element of great uncertainty, if a man who wished to ascertain what incumbrances there were upon any property, had first to proceed to the registry office to ascertain whether any deeds affecting that property existed, and then had to ascertain what kinds of decrees had been passed, it might be during many years back, in relation to that property. He did not understand that it was objected that the Courts would not obey the legislature; but he thought that it was undesirable that the Courts in this country should have that extreme independence which was affected by some of the superior Courts in England. He did not see why the Courts should not be required to send brief memoranda of their decrees to be registered; and if there was an insuperable difficulty in regard to such a course, he did not, as at present advised, see that it would be impossible to require the parties to a decree to register this brief memorandum themselves. Speaking as a Member of this Council who had not had an opportunity of going into the subject, he was inclined to vote in favour of the Honourable Mr. Chapman's amendment.

His Honour would also say that he most heartily concurred with the observations that had been made on the subject of the inexpediency of making registration a source of revenue. It did so happen that, in the recent scheme of local finance, amongst the Departments made over to the Local Governments, the only one producing revenue was this Department of registration. It had a very small revenue, no doubt, but still a revenue exceeding the expenditure. He found that, in regard to registration in Bengal, the Government of India had given us about rupees 50,000 less than nothing. They had left us a deficit of rupees 50,000, which we were expected to make up either from the proceeds of registration or in some other way. His own opinion was that it was immensely inexpedient that this Department should be made a source of revenue. It should be no more than self-supporting.

He therefore did trust that, whether this view were expressed in the Bill or not, the Government of India would give us an assurance that it was the intention and object not to make registration a source of revenue to be expended on other objects.

One word more with reference to the wider question as to the effect of Bills of this kind, admirable as they might be, and admirably drawn as they might be, in curtailing the powers of the local legislatures to an inexpedient extent. He was very far from thinking that it was the desire of the legislature of India, or of the Honourable Member charged with the Legislative Department, to interfere more than was necessary with the legislative powers of the Local Governments. He was quite conscious that the gentlemen connected with the Legislative Department of the Government of India were likely to draw infinitely better Bills than the Local legislatures, and that we were under considerable obligations to them; but at the same time it was an incidental, perhaps accidental, effect of these codifying Bills, that the local legislatures were deprived of a great portion of their powers of legislating. That effect was produced in a way which he scarcely thought was intended, because the Local Councils could deal with old laws and not with new laws. Therefore, he threw out, for the consideration of the Honourable Member and other Members of this Council, that, in passing Bills of this kind, the effect was, that the local legislatures would be unable, with regard to details affected by local considerations, to deal with those small details in future. If we considered how great this country was, how various were the systems of revenue, and records, how exact and minute were the records in some provinces, how wholly wanting in others, it was almost beyond the power of man to draw a Bill of this kind which, in all its details, would be equally applicable to the circumstances of all the provinces. If it might be possible



to insert in Acts of this sort provisions which would enable the local legislature to deal with the details, he ventured to suggest that such an arrangement would be very desirable indeed.

The Honourable Mr. ELLIS believed that the Bill now before the Council was in most respects a great improvement on the old Act, and therefore had his approval. But with regard to the point raised by the Honourable Mr. Chapman, he concurred with His Honour the Lieutenant Governor in thinking that the evil which would result from an imperfect system of registration was far greater than any inconvenience which the Courts or suitors could possibly suffer from enforcing the registration of decrees. He would, therefore, support the amendment of the Honourable Mr. Chapman.

On the other point raised, in regard to deriving revenue from registration fees, he entirely concurred also with what had fallen from the Honourable Members who had preceded him, for he thought that it was not proper that these registration fees should be regulated so as to form a source of revenue, or that they should be expended on any object other than that for which they were raised. At the same time, he thought it would be most inexpedient to create any special fund to be called a Registration Fund, or to put aside the proceeds of this department in any special way; his experience of such funds was not favourable to their formation, for they were very often causes of much heart-burning and inconvenience, when the purposes for which they were constituted became obsolete, or when other views came to prevail as to the particular objects to which they were properly applicable. He should be sorry to see such a fund formed from registration fees, but would not object to a declaration that these receipts were intended to be applied solely to facilitate the registration of assurances and to other purposes connected with registration. He might mention, in illustration of his view on this point, that not long ago, one of the Local Governments applied for permission to be empowered by law to regulate, of their own motion, the fees to be taken for the registration of documents. This application was refused by the Government of India on the ground that there would be a probability of a Local Government, in its desire to raise revenue, increasing the fees unduly; whereas the Government of India, having no interest whatever in the proceeds of the fees from registration, would fix them at as moderate a rate as possible. This, he thought, was a sufficient justification of the Government of India in declining to permit the Local Governments to regulate the fees for registration in their own provinces, and would indicate the desire of Government not to derive revenue from registration fees.

The Honourable Sir RICHARD TEMPLE expressed his entire concurrence with what had fallen from the Honourable Mr. Ellis in reference to the impropriety of establishing a special Fund. If that was what was intended by His Honour the Lieutenant Governor, he thought it would be impossible for the Government of India to consent to the formation of any such Fund. But if what was said was meant in an administrative sense; if it was merely meant that there was no desire to make a revenue, then he thought the Members of the Government of India would be able to express their entire concurrence. Of course, it was known that the scale of fees was fixed with a view to recover the cost of registration. If, after fulfilment of the requirements of the law and the needs of registration, there should remain a surplus, it would then be a question for the Government of India to consider whether the fees for registration should not be slightly reduced, or some further expansion of the system be made. If that was the view taken by the Honourable Members who had spoken, he would express his entire concurrence in their remarks. But to do more would be impossible under the existing system of accounts: we could not devote any branch of revenue for any particular purpose. Every source of income was entered gross, both on the receipt side and on the expenditure side; and it would be impossible to deal differently with any particular branch of the revenue.

The Honourable Mr. STEPHEN felt that he ought to make some observations on the amendment moved by the Honourable Mr. Chapman. He hoped the Council would not accept that amendment. The question was very fully discussed by the Committee, who were at first inclined to adopt the Bill as it had been referred to them; but, as the Honourable Mr. Chapman said, the Committee afterwards saw reason to change their views. The view which they arrived at, and which was embodied in the Bill as it now stood, might be defended on the following grounds. In the first place, it was a notorious fact, that the main object of the Bill was the prevention of fraud. An object which had been sometimes mixed up with that—namely, the object of procuring what English lawyers would call a complete registry of title—was one of secondary importance. Unless he was much misinformed, the advantages of a complete title, in the form in which titles were required in England, were not known in India. In England, if you wanted to buy a piece of land, you usually had to obtain a full

history of all dealings with it for upwards of a generation, and this history was to be verified according to elaborate rules of evidence. That was by no means the case in this country. A Native land-owner would probably not appreciate the benefits of English conveyancing. In this country, when a man purchased land, he got a deed of sale, which might or might not be fraudulent and invalid, but he did not go into a history of the land as in England. The great object was the prevention of fraud in respect to sales of land. For that purpose an elaborate history of the land was not required. Now the facilities afforded for fraud by the non-registration of decrees of Court were not appreciable; for, on inspecting the records of the Court, you had evidence which could not be defeated that the Court did make such and such an order in respect to such land. The registration of decrees of Court was therefore considered necessary only in order to complete the history of the land. It was said that if you had registration of the decrees of Courts with regard to land you would secure a complete title. But even if you had such registration, could you be satisfied that you had a complete history of all the transactions that ever took place in regard to that land? By no means. In order to get a complete title, it would be necessary to register also all decrees and orders of the Revenue Courts made in respect to the land, and it would be necessary, further, to prevent conveyances of land by word of mouth. Unless all that was done, it would be impossible to obtain a complete history of the land. Mr. STEPHEN was informed by some of the Judges of the High Court of the North-Western Provinces that unwritten conveyances of land were common in those provinces. Now, in a country so circumstanced, even if you wanted to have a complete registration of title, which was the only ground on which the registration of decrees could be considered necessary, you could not get it. All you wanted was to obtain the means of protection against fraud, and that you would get by the registration of deeds affecting land. On that ground, therefore, the registration of decrees was not necessary.

If the registration of decrees was unnecessary, it would be injurious to require it. It would lead to a great deal of trouble. You must place the obligation of registering decrees, either on the Court that made them, or on the parties in whose favour they were made. The obligation at present was put upon the Courts; but, in point of fact, the Courts had not done it. That was an admitted fact. He would be the last person to advocate, on the part of the Courts in this country, any such assertion of independence of the Government as would be properly made by the Courts in England. On the other hand, he thought it would be a very foolish thing on the part of the Indian legislature to put themselves in a position of antagonism with the Courts, and it would be far better for the Government and the judicial authorities to work harmoniously together. If, in point of fact, the existing system for the registration of decrees had not been carried out, it seemed to him that there must be a good reason for it. The probability was, that it was practically found difficult for the Courts to carry out this order, and it would be necessary to devise a considerable amount of detailed procedure to make them carry it out, and it would put upon the Courts a duty which experience had shown that it was very difficult to fulfil.

Then, the question was whether you would put the duty of registering decrees upon the parties in whose favour the decrees were made? The Honourable Mr. Chapman would appear to have no objection to that. Mr. STEPHEN, for his own part, was much impressed in Committee by the observation made by several Honourable Members that such a process would operate as a hardship on the parties. It seemed to him that the Council could not be too careful to remember, in making any such provision of law, the number of people who were totally unacquainted with our laws. Considering, also, the possible ignorance or apathy of Mofussil pleaders and mukhtárs, he thought it would be wrong to devolve upon the people a course of conduct which did not suggest itself to their minds as natural. It did seem to him that a man who was accustomed to regard the Sarkár as the fountain of all power and authority, would find it difficult to understand why, when the Judge had given an order and written it upon stamped paper, it was to be of no use unless he went to some other office and got it registered there by somebody else. When a man found that, owing to his own ignorance of the law or the neglect of his pleader in not getting the decree of the Court registered, he had really not got a decree at all, he would be very much discontented, and would form a poor opinion of our Courts of Justice, and such an opinion would be by no means unnatural; and inasmuch as it was of the last importance to keep up the character of the Courts of Justice, Mr. STEPHEN did not think that decrees of Court ought to be rendered void merely because the party in whose favour they were made did not go through the form of registering them.

So much with regard to that matter. He had one or two more observations to make upon this Bill. He observed a few minutes ago that he thought the legislature of this country

ought to act as much as possible in harmony with the Courts of Justice, and he had now to make a short personal explanation in regard to one of the provisions put into the Bill, as amended, in harmony with that principle. The High Courts appeared to think that the section of the existing Act which related to unregistered instruments affecting land was hard, and they accordingly put upon it a somewhat strained construction by which such instruments were held to be good for any collateral purposes, although they were void in so far as they affected to deal with immoveable property. The Bill as originally drawn proposed to overrule those decisions, and was so worded as to make such instruments void for all purposes whatever. But the High Courts naturally retained their opinion, and on reading the different Minutes recorded by the several Judges of the Courts, the Committee came to the conclusion that the High Courts were right, and that Mr. STEPHEN had been wrong; that although the High Courts had put a strained interpretation on the language of the legislature, their interpretation was, from a legislative point of view, the right one. He wished to make that statement publicly in order that the High Courts might see that the Minutes they were good enough to submit to the Council had great weight with the Committee to which they were referred.

He was sorry that he had still an observation or two, to make. He had been specially appealed to by His Honour the Lieutenant Governor as to the effect of Bills of this kind passed by the Supreme Legislature on the legislative powers of the local Councils. He could only repeat what he had said before on this subject. His Honour was very kind in giving him credit for not wishing to interfere with the powers of the local legislatures. And he was sure that a man who was not satisfied with the opportunities afforded him of legislating in this Council, without interfering with the powers of the Local Councils, must have a perfectly morbid appetite for legislation. For his own part, he was only too glad not to interfere with the powers of the local legislatures. No Bill was brought forward in this Council without its being submitted to the Local Government within whose jurisdiction the Bill would take effect; or if it affected the whole of India, without its being submitted to all the Local Governments. If the Local Governments considered that the Bill might more properly be passed by themselves, they would find that their representations would meet with the most careful consideration. He might add that, in a vast proportion of the Bills passed by this Council, large powers were reserved to the Local Governments to make rules for the management of details in carrying out their provisions. With regard to this particular Bill, he could only say that the Bill, as it stood, was not a new measure. It did not, so far as he knew, affect any measure which had been passed by any Local Government whatever. The Acts which would be repealed, wholly or in part, by this Bill were all Acts passed by the Supreme Government, and they were four in number. It would not have been competent to the subordinate legislatures to affect those Acts by legislation. All that would be done by this Bill was to rearrange, and partly amend, the laws relating to registration which were already in existence, and which the Local Governments could not interfere with. He might remind His Honour that, although we reserved power to the Local Governments to make rules, we could not reserve power to the local legislatures to legislate.

He must, in conclusion, again acknowledge the kind way in which, on this and on other occasions, His Honour had expressed himself as to Mr. STEPHEN'S labours in the Legislative Department; but, in regard to this particular measure, he begged to say that it was not his hand that had drawn this Bill.

The Honourable Mr. ROBINSON thought that the Honourable Mr. Chapman had elicited from the members of Government the assurance that was necessary in regard to the financial part of the matter before the Council. He would now only venture to reply to the question put by His Honour the Lieutenant Governor, as to what countries the Honourable Mr. Cockerell had referred to. His Honour had observed that, in Scotland, registration had been centralized in Edinburgh, and because that was done, he thought we might safely adopt the same system in India. He (Mr. ROBINSON) thought not. The attempt had been made to keep up central offices in the presidency towns; and had failed. Mr. ROBINSON would mention that the other countries to which the Honourable Mr. Cockerell had referred were probably Prussia, America, France, and other foreign countries in which there was a complete system of registration. The Blue Book recently published, relating to the landed tenures in Europe, in relation to the inquiry into the landed tenures in Ireland, had brought forth very useful information on this subject; from which it would be found that, in America and other such large countries, registration was provincial, and that there was no attempt at centralising registration in Washington, and other capitals of the respective countries.

The Honourable Mr. COCKERELL would only add, in reference to the question put directly to him by His Honour the Lieutenant Governor of Bengal, to what had just been said

by the Honourable Member who last spoke (Mr. Robinson), that his remarks in regard to the system of registration in force in other countries were intended to apply to foreign countries not subject to British rule. He confessed that he was not aware of the system of registration pursued in Scotland; he knew simply that no registry of title, such as was in force here, obtained in England. He should further state, however, that the Lieutenant Governor's statement did not, in his opinion, affect his argument in support of the course proposed by the amended Bill; for, with all respect to His Honour's nationality, he demurred to the assumption that Scotland, which was but a portion of Great Britain, was to be regarded as a distinct 'country' in the ordinary acceptation of the term. And as regards the application of the objection raised by His Honour to the policy of this Bill, Mr. COCKERELL apprehended that some of the districts at least, in which central registration offices were to be established, were considerably larger than Scotland.

The Motion was put and negatived.

The Honourable Mr. COCKERELL also moved that, in section 49, after line 6, the following words be inserted:—

“or be received as evidence of any transaction affecting such property or conferring such power.”

The Motion was put and agreed to.

The Honourable Mr. COCKERELL then moved that the Bill as amended be passed.

The Motion was put and agreed to.

#### LIMITATION OF SUITS BILL.

The Honourable Mr. STEPHEN, in moving that the report of the Select Committee on the Bill for the Limitation of Suits be taken into consideration, said—“I hope, My Lord, that this Bill may prove to be of great convenience to every officer in the country who is concerned in the administration of justice, as it represents a great amount of labour and care on the part of many different persons.

“I can speak freely upon the whole subject, because, though I am certainly responsible both for the introduction of the measure and for the soundness of its contents, I am entitled to a very small share of the credit which, as I believe, will and ought to attach to it. The designer of the Bill, if I may use the expression, the author of its general arrangement, and the collector of the materials of which it is composed, is not I, but Mr. Whitley Stokes; and though, as I have said, the responsibility for the measure is mine, I feel bound in fairness to say that whatever credit attaches to the plan on which it is arranged and drawn is his. My belief is, that the Bill will be found, when it passes into law, to have reduced to a state of complete lucidity, and to have brought within the narrowest compass into which such a matter could be brought, one of the most intricate and uninviting, though it is also one of the most important, branches of the law. I will try to state in a simple manner how this has been effected.

“It is singular that the general objects of the law of prescription, which is one of the driest and least inviting branches of the law, should have been stated to the world at large by nearly the greatest of Irish orators in the most perfect and poetical image that he ever employed. ‘Time,’ said Lord Plunket, ‘holds in one hand a scythe, in the other an hour-glass. The scythe mows down the evidence of our rights; the hour-glass measures the period which renders that evidence superfluous.’ It is much to be regretted that the law to which the metaphor referred was so much less perfect than the metaphor which described it. Some of the very strangest of the curiosities of English law were and still are connected with this subject. I will mention one of them by way of illustration. Prescription, according to the common law of England, was founded on a constant and peaceable enjoyment of such matters as could, to use legal language, be ‘prescribed for,’ ‘from time whereof the memory of man runneth not to the contrary,’ and, for reasons which I suppose were once satisfactory to every body, the memory of man runneth to the beginning of the reign of Richard I. and no further. The late Baron Parke (Lord Wensleydale) whose extraordinary powers of mind were unhappily devoted, to a considerable extent, during a long course of years, to quibbles altogether unworthy of him, is said to have doubted this opinion, and to have maintained that the memory of man ran, either to the period when Richard set out on the third crusade, in 1190, or to the period when he returned from it in 1194; a point which it might have become practically necessary to decide if proof had been given that a custom had originated in 1192. How these sublime and mysterious subjects were qualified by a useful rule that, upon proof of thirty

years' enjoyment of a right, it should be presumed to have originated before the reign of Richard I.; how this fiction was aided by one of the very worst drawn of the numberless clumsy statutes which disfigure the English statute-book; and how the fiction and the Act still occasionally work gross injustice, are matters on which I cannot now detain your Lordship and the Council. I pass at once to the state of the Indian law which it is proposed to reduce to order and system.

"That law is at present embodied, for the most part, in Act XIV. of 1859, upon which, in the course of twelve years, there have been between 1,100 and 1,200 decisions of the Courts. The main object of the Bill is to reduce this mass of matter to a single Act. Before entering upon the details of what has been done, I will make a few remarks on the general character of this operation.

"In all countries in which there is any regular administration of justice, and, above all, in countries in which the legal system is founded upon the law of England, the Courts of Justice form in fact, if not in name, an important branch of the legislature. Laws, whether written or unwritten, are expressed at first in more or less general language. These generalities have to be applied to particular cases as they arise. Each decision in turn narrows what was previously general. Fresh cases disclose unsuspected distinctions. The addition or subtraction of a particular fact varies previous decisions, and the result is, that, after a time, a rank crop of decisions grows up, the study of which becomes one of the most laborious, and in some ways one of the least satisfactory, of all human employments. I can hardly imagine a sight less pleasing to a person who dislikes the waste of human energy and talent than that of a Court of Justice occupied in discussing a point of law which is of little intrinsic importance. More than once or twice have I seen four judges, perhaps as many or more eminent barristers, and several attorneys, engaged for hours, or even days, in debating with the greatest earnestness whether, if the legislature had thought of something of which it never did think, it would have laid down this way or that, a rule which, as far as the public are concerned, might nearly as well be laid down in one way as in the other. When I have computed the expense of the discussion, by adding the fees of the professional men employed in it to the day's pay of the four judges and the other officers of the Court, and when I have reflected that the matter might be disposed of in five minutes, if it were settled, not by affecting to determine what an ill-drawn law would have meant if it had any particular meaning bearing upon the point, but by considering what arrangement would be most expedient for the public, the thought has crossed my mind, that it would be highly desirable if the parties in the particular case could be made to draw lots, and the general rule were laid down for the future avowedly with a view to general convenience.

"I do not mean for a moment to deny that judicial legislation has great advantages. When the minds of a number of able men are constantly directed to the minute detailed application of general rules to various combinations of facts, there can be no doubt that much matter of great intrinsic value is collated, and that the habit of seizing legal principles and applying them distinctly to the facts to which they relate is cultivated to a very high pitch of perfection. The English Law Reports contain, no doubt, a mass of accurate and refined reasoning, a store of strong common sense, and an amount of practical wisdom and experience of which it is difficult to over-estimate the value; but the richness of the mine is only to be equalled by the extraordinary difficulty of working it. If every one who had occasion to administer the law could always have at his elbow a law library of many hundred volumes; if he were fully master of all the contents of all of those volumes; and if he always had time to refer to as many of them as bore upon the matter in hand, he might, no doubt, derive the same sort of advantage from the study of every point in every case that came before him, as a naturalist finds in examining specimens through a microscope. If, in short, a lawyer were a schoolman, the form into which judicial legislation throws the law would be as well suited to his wants, as the form into which scholastic disputations threw metaphysics was to the schoolmen of the middle ages. Law, however, is a practical matter, in which economy of time and labour are of the very first importance; and though this is true everywhere in these days, its truth is nowhere so apparent as it is in India. When we consider the amount of work which an Indian judicial officer has to do, and the circumstances under which it has to be done, it is difficult to exaggerate the importance of making the rules by which such officers are to be guided as plain and distinct as it is possible to make them. It is thus essential that judicial legislation should be followed as closely as possible by direct legislation, and that, when a considerable number of cases have been decided by the courts upon any given subject, the legislature should throw their decisions into the form of express rules, systematically arranged and freed from the mass of collateral matter and detail facts in which, from the nature of the case, they have to

be embodied when they are enunciated by the judges. This is specially necessary in a country in which there are four independent High Courts, and an all but independent Chief Court, which do not always agree in their view of the law.

“These are the general observations which the Bill suggests. I now come to its special provisions. The present law upon the subject is contained, for the most part, in Act XIV. of 1859 and the numerous decisions upon it to which I have referred; but many other Acts contain provisions upon the subject of limitation, and though it was not found possible to make a complete collection of them, parts of no less than thirty have been comprised within the present Bill. Act XIV. of 1859 has been repealed, with the exception of part of one section, section 15. It is no doubt inconvenient to leave that section untouched, but the reason is, that it, or the greater part of it, relates rather to a right of property, than to the subject of limitation, which is connected with it obscurely and incidentally. It will be possible to repeal that section altogether whenever the Code of Civil Procedure is re-enacted; an operation which will have to be performed at no very distant time.

“To pass over minor matters for the present, the main reason which has made the Act of 1859 so prolific of decisions is, that, in many places, it declares that the period of limitation is to run from the time when the ‘cause of action arose.’ Now, it is most difficult to determine at what precise period in a transaction the cause of action does arise, and most of the litigation upon statutes of limitation here and in England has been rendered necessary by the necessity for answering this question. One or two illustrations will make this plain. I dig a hole in my own ground, which in course of time causes my neighbour’s wall to fall. Does his cause of action arise when the hole is dug, or when the wall falls? I divert a stream of water from my neighbour’s ground. Does the cause of action arise when I first divert it, or does a new cause of action arise at every moment during which the diversion is maintained? I lose my watch; some one else finds and keeps it. Does my cause of action for the recovery of the watch arise when I lose the watch, when he finds it, or when I ask him to return it and he refuses? I accept a bill of exchange payable on demand. Does the right of action of the holder of the bill arise at once, or not till he has made demand? These and many other questions of the same sort have been eagerly debated and decided by the Courts in England, in the United States and in British India, for a great length of time, and they constitute one great difficulty, probably *the* great difficulty in dealing with the subject.

“It is dealt with in the Bill in the following manner. A very elaborate schedule has been appended to the Bill, which specifies, in reference to as many as one hundred and sixty-nine different kinds of suits, appeals and applications, first, the description of suit, appeal or application; second, the period of limitation; and, third, the specific date from which time is to begin to run. No labour has been spared by Mr. Stokes in making this schedule as complete as possible. It has been necessary to insert in it what I may call a residuary clause (118), which provides a six years’ limitation from the time when the right to sue accrues for suits not otherwise provided for; but so many suits have been specifically provided for, that I hope that clause will have to be put into operation far less frequently than the corresponding clauses in the earlier Act, which have given occasion to so much litigation. This schedule is one of the principal features, and I think the most original feature, of the Bill, and I therefore mention it thus prominently. An incidental advantage of it is, that it will greatly facilitate the amendment of the Act should it be hereafter required. The amending Act will consist simply of an enactment that certain clauses shall be added to the schedule, and the Act can thus be kept up to date, so to speak, with very little trouble or disturbance of its substantive provisions.

“I now proceed to give some account of the other provisions in their order.

“The Act is to come into force on the first of July next, but the parts of it which affect the limitation of suits are not to apply to suits instituted before first July 1873.

“We have adopted this rule as a reasonable compromise between the hardship of applying the new law, at once, to all existing rights of action, the effect of which might be to bar rights to sue which are at this moment in existence, and the inconvenience of exempting all existing rights of action from the operation of the law, the effect of which would be to keep the old law partially alive, in some cases, for as much as sixty years. Practically, the matter is comparatively unimportant, as the new and the old law differ but little in substance.

“We have provided expressly that the Act is not to apply to proceedings under the Divorce Act. The Divorce Act was not passed till ten years after the Limitation Act, and it contains no period of limitation. The question whether, under these circumstances, the one Act imposed a limitation on suits under the other Act, recently came before the Chief Court of the Panjáb, and was by that Court decided in the negative. The matter is under appeal to the Privy Council, and it would of course be improper to say anything as to its legal

value. We think, however, that, for the future, the matter should be expressly settled by law, and it appeared to us that the best course was to impose no limitation on proceedings for a divorce. Our reasons were these. If any period at all were fixed, it would obviously be necessary to fix, as the period at which the time ought to begin to run, the time when the fact came to the knowledge of the injured party. It would be practically impossible to fix that time. A man might entertain a slight, though well founded, suspicion of his wife's adultery years before he could be said to know it, and if any delay in the proceeding took place, the Court would have to try the question, when the husband first knew of the adultery, as an introduction to the question whether adultery had been committed at all. This result seems absurd. Moreover, any unexplained delay in suing in such a case would be sure to leave its full weight as evidence of connivance or condonation. The application of these remarks to suits for nullity of marriage and cruelty is obvious, and need not be pointed out.

“Section 4 provides that suits, appeals and applications barred by the statute ‘shall be dismissed, *although limitation has not been set up as a defence.*’ The question whether this is so or not under the existing law has been much discussed, and the decisions delivered upon it are not altogether consistent. We have laid down the rule, partly in order to set the matter at rest, and partly because we consider it highly important that people should distinctly understand that, if they mean to stand upon their legal rights, they must enforce them in a reasonable time. We received and considered a memorial from the Associated Trades of Calcutta, in which they objected to this rule on the ground that honourable men ought to be permitted, if they chose, to repudiate a discreditable defence. It appeared to us that an honourable man would pay his just debts without being sued; but if a man has just honour enough not to plead the statute of limitations, but not honour enough to pay what he owes unless he is sued, we think his creditors ought to sue him at once. If they do not do so, they must understand that their claim becomes a mere debt of honour. We believe that this provision will contribute considerably to promptitude and business-like habits in the matter of paying book-debts.

“Upon section five I may observe, that objection has been taken in some quarters to our having transferred to this Bill those provisions of the Codes of Civil and Criminal Procedure which prescribe the periods within which appeals are to be presented. One reason for doing so is, that section five provides for the case of the Court being closed on the day when the appeal ought to be presented, which the Codes do not. Another is, that section thirteen declares that, in counting the thirty, sixty or ninety days, the day on which the judgment was pronounced, and the time required for obtaining a copy of it, are to be excluded.

“The seventh section provides for disabilities. We have been criticised by several persons who have favoured us with opinions on the Bill for not providing for the case of what are called supervenient disabilities. The matter stands thus. The section provides that, if a person entitled to sue be, at the time when the right to sue accrues, a minor or insane, or an idiot, time is to begin to run against him after the disability has ceased, ‘or (when he is at the time of the accrual affected by two disabilities) after both disabilities have ceased.’ What, it is said, is to happen if the disabilities supervene, but do not concur? Suppose a right to sue accrues to a minor, who afterwards, and before his majority, goes mad, why should not his right be protected till the end of his madness? The answer is, that such cases will be so rare that it is hardly worth while to make complicated provisions to provide for them, and that, after all, minors have guardians and next friends, and madmen have committees, who can sue in their names.

“Passing over several minor alterations in the law, which are specified in the Statement of Objects and Reasons, I come to two of considerable importance. They were recommended by two of the High Courts—Calcutta and Bombay—and are, I think, clearly reasonable in themselves.

“The first is contained in section twenty, which provides that a promise or acknowledgment in respect of a debt may take the case out of this Act, if it is signed by the party to be charged, or by his agent generally or specially authorized thereto. The present law, no doubt, from an extreme jealousy as to fraud, does not permit a writing signed by an agent to take the debt out of the Act. It seems to us that this is going too far. Business in this country is transacted, to a very great extent, by agents who are generally known and recognized as such, and we cannot understand why a man should not have power to acknowledge the existence of a debt which, beyond all doubt, he had power to contract. It appears to us that, as far as forgery goes, the principal's name is as likely to be forged as the agent's.

“In the same spirit, we have permitted the payment of interest on a debt to take the case out of the statute. It appears to us to be altogether monstrous that a man who has regularly

paid interest for years on a bond, should be free by mere effluxion of time from the obligation to pay the principal, as he is by the present law. So much is such a law opposed to the common course of business, that one of the mercantile members of the Committee learned for the first time during its sittings that such was the case. We thought, too, that fraud in the payment of interest was far less likely to take place than forgery in a signature.

"Part-payment, by the law of England, takes a case out of the statute of limitations. We have not adopted this rule in its entirety, because part-payment is an ambiguous act. If I owe a man £1,000, and pay him £50 as interest, year by year, it is perfectly clear that I treat the original debt as subsisting whenever I make a payment; but if a man says that I owe him £1,000, and proves that I have paid him £200, that is very far from being an unequivocal admission that I owe him the other £800. We have therefore provided that part-payment shall take the case out of the Act only when in the case of part-payment of principal, the debt has arisen from a contract in writing and the fact of the payment appears in the handwriting of the person making the same, on the instrument, or in his own books, or in the books of the creditor. This addition was suggested by the Chief Justice of Bombay, who informs us that the practices in question are common amongst Natives in that city.

"In section twenty, we have provided that all instruments shall, for the purposes of this Act, be deemed to be made with reference to the Gregorian calendar. The object of this provision is to lay down a simple and easy rule, which will save a good deal of trouble and discussion, and will have no other effect than that of slightly extending the period of limitation which would be granted if the computation were made according to the Native years.

"Part IV. is entirely new, and comprises a part of the law of British India which is at present in a most vague and unsatisfactory state. I refer to the law of prescription—the hour-glass in the hand of Time, in Lord Plunket's famous image. The law of British India upon this subject is at present in an absolutely chaotic condition. In the Bombay Presidency, there is a Regulation (V. of 1827) which gives, in certain cases, a thirty years' prescription; but in Bengal and Madras there is no law at all upon the subject, though there are several vague and inconsistent definitions of the Courts. They supply an excellent illustration of the necessity of supplying the unavoidable deficiencies of judge-made law by legislation proper. I will, with the permission of the Council, read a passage or two from Mr. Ninian Thomson's book in illustration of this. After giving several pages of decisions on the subject, Mr. Thomson says:—

'The last two decisions would seem to show that proof of uninterrupted user for twelve years is required to establish a prescriptive right to an easement, and that proof of user for a shorter period will not suffice for that purpose.'

"But he goes on to say—'Mr. Justice L. S. Jackson said, in delivering judgment in another case'—

"It seems to me that cases are quite conceivable in which the plaintiff might not be able to give evidence of actual user for more than four, five or six years, and yet the circumstances might be such that a Court would be warranted in inferring the existence of a right."

"In fact, there is no settled law on the matter. The present Bill provides that twenty years' user shall give a prescriptive right to an easement. This term was suggested by the High Court of Bombay, which thought twelve years too little, and thirty years 'far too much.' It is the English rule in most cases, and it has this advantage, that, whilst it gives ample time for a protest to be made against the usurpation of an easement, it lies well within living memory and can easily be proved.

"I have now to notice a few of the more important matters provided for in the schedule, the general character of which I have already described.

"We propose to dispose, under clauses forty-seven and forty-eight, of a question which was much discussed when the Contract Bill was under discussion in this Council some years ago, and which appears to us to belong rather to a law of limitation than to a law of contract. I refer to the right of a person from whom property has been stolen or who has lost it, to recover it from others into whose hands it may come.

"The Council will recollect that it was proposed, in the contract law, to enable any *bonâ fide* possessor of property to make a good title to it, so that, if a thief stole a bullock and transferred it at once to some one who knew nothing of the theft; that person would get a good title to it against all the world. This was strongly objected to, amongst others, by Mr. Brandreth, then a member of the Council, who made a speech on the subject, showing that such a rule would greatly encourage crime, and that it was opposed to the recognized habits and practices of the people of this country. The Committee which sat upon the



contract law last year took a similar view, and from a despatch recently received by the Government of India from the Secretary of State, I infer that he consents to the subject being disposed of in accordance with the view of the Council.

“We were inclined at one time to think that a certain period should be given to a person who had lost goods by theft or otherwise, during which he might recover them from any person whom he found in possession of them; but that, after that period, any *bonâ fide* possessor should be entitled to retain them. On further consideration, however, it appeared to us that the wisest course would be to permit the true owner to reclaim such property at any time, leaving the possessor to recover against the person from whom he had acquired the property. We have accordingly taken demand and refusal as the time when the period of limitation in such cases is to begin to run, which is practically equivalent to giving no period of limitation. Our reasons for this course were as follows:—

“It is obvious, in the first place, that neither the thief nor the finder of lost property has any right at all to the proper which he acquires, and the common theory of law is, that a man who has not got a title cannot give a title. In England, by one of the many anomalies of English law, a person with no title can make one by a sale in market-overt; but this is a most anomalous exception, and the difficulty of introducing it into this country is so great that, practically, the choice lies between enabling thieves to make a good title to stolen goods; imposing a period after which the original owner shall not be able to recover from a *bonâ fide* possessor, and permitting the owner to recover at any time. The first of these courses appears to us to offer a direct encouragement to crime. The second, though not equally objectionable, appeared to me, though not to every Member of the Committee, to be more or less open to the same objection. It makes it necessary for one thing, to draw an arbitrary line, and this might, in many cases, encourage criminals. Suppose, for instance, it were enacted that a man might within three years from the theft recover stolen property from any person, but afterwards, only from the thief, or those who held under him otherwise than in good faith and for value, and suppose that the property stolen were very valuable and small in bulk—jewels, for instance—it would be very easy for the thief to conceal the property for three years, and afterwards to make a good title to it. Then again, the question—Who is a *bonâ fide* possessor? involves an almost insuperable difficulty as to the burden of proof. Put the burden of proof on the possessor, and the most honest man is in danger of being stigmatized as a thief. Put it on the original owner, and you give security to the most impudent receiver of stolen goods. The person from whom the property was stolen must have a good title. The possessor may very probably be a rogue; but it is very hard for the owner to prove that he is a rogue, and not very easy for him to prove that he is honest, even if he happens to be so. So far, all is in favour of allowing the true owner to recover his property whenever he finds it; but it may be said there is a great hardship on a *bonâ fide* possessor, who is dispossessed of what he purchased at a fair price. On consideration, I think this hardship will be found to shrink to very small dimensions.

“If the property stolen is a common article of commerce, the difficulty of identification will, after a moderate lapse of time, effectually protect the *bonâ fide* holder. If it is an article specially and individually ear-marked, so to speak—if, *e. g.*, it is a valuable jewel—a *bonâ fide* holder would know where he got it and what he paid for it, and would be able to recover his money from the seller. The real grievance upon the *bonâ fide* possessor could exist in those cases only in which he bought an ordinary article in the ordinary way of business, and was not able to identify the seller; but in this case the original owner would find it, especially after a certain lapse of time, equally hard to identify the property as against the *bonâ fide* possessor, and after all, if he succeeded in doing so, the hardship of being robbed is greater than the hardship of being overreached in a bargain, and the law ought I think, to protect men against crime, rather than against breach of warranty of title, if it must choose between the two.

“I may observe that the law as to express and implied warranty of title upon the sale of moveable property is in a very unsatisfactory state in England. What ‘justice, equity and good conscience’ would make of the decision of the Court of Exchequer in *Morley v. Attenborough*, I will not at this moment undertake to say, nor will I describe the characteristically many-sided rule (to use a complimentary term) laid down by Lord Wensleydale’s judgment in that case. The matter will be fully considered by the Committee on the Contract Law, which I hope will present a final report soon after the return of the Government to Calcutta.

“The next point which I have to mention in the schedule is No. 127, which gives a practically unlimited right to sue to a Hindú excluded from joint family property. The

reasons of this are, first the extreme tenacity with which the people cling to their family property, and, secondly, the fact that individual members of an undivided family will frequently leave their home for many years to work in some other employment, always intending to return when they have an opportunity of doing so. It would be natural to make the time run from the exclusion, but, in practice, no one act amounts to exclusion. A man goes away for a temporary purpose, his share is not paid in order that the property may be released from debt or accumulated, and this is afterwards treated as an exclusion. Often the question substantially at issue is, whether it was an exclusion or not.

"The last point to which I have to refer is No. 130 in the schedule. This gives a period of sixty years as the period of limitation for suits by the Secretary of State for India. This is a revival of the old law of Bengal established by Regulation II. of 1805, section 2, which was repealed by the repealing Act of 1868. I have some reason to doubt whether the repeal of that particular provision was accidental or intentional; but at all events it appears to be unjust, and I propose that the old law, which in this point agrees with the law of England, should be revived.

"These, my Lord, are the observations I have to make on this Bill."

His Honour the LIEUTENANT GOVERNOR would only venture to express, in one word, his sense of the great obligation under which the country lay to the Honourable Mr. Stephen and those who assisted him in the preparation of this Bill. A considerable judicial experience enabled him to state that nothing harassed both the Court and suitors so much as these questions of limitation, which had been so clearly laid down in the Bill; and therefore he thought that a very great service would be done to the country by the passing of this measure, if it enabled the Courts to get rid of such questions more easily. After the lucid explanation of the leading features of this Bill which the Council had heard from the Honourable Mr. Stephen, His Honour was quite sure that neither he nor any other Honourable Member of this Council could have any hesitation in taking the Bill on trust. Speaking for himself, he might say that his satisfaction on the passing of this Bill would be without drawback or reserve. The subject was one which was not affected by those local considerations to which he had referred in connection with the Bill for the Registration of Assurances. His satisfaction in regard to that Bill was somewhat mitigated by its putting fetters on the future action of the local legislatures; but in the respect of this Bill he had no such feelings, and his feeling in respect of it was therefore one of pure and unqualified satisfaction.

The Motion was put and agreed to.

The Honourable Mr. STEPHEN also moved that the Bill as amended be passed.

The Motion was put and agreed to.

#### BROACH TALUQDARS' RELIEF BILL.

The Honourable Mr. CHAPMAN presented the report of the Select Committee on the Bill to relieve from incumbrances the estates of Taluqdars in Broach.

#### RANGOON STEAMER SURVEY BILL.

The Honourable Mr. CHAPMAN also presented the report of the Select Committee on the Bill to provide for the survey of steam vessels in the Port of Rangoon.

#### A'BKARI' BILL.

The Honourable Mr. INGLIS moved that the report of the Select Committee on the Bill to consolidate and amend the law relating to the A'bkári Revenue in Northern India be taken into consideration. He said that the Committee had postponed the time for the commencement of the Act in British Burma and Coorg till the first April 1872, and, as it was considered desirable to continue the practice of charging a heavy fee for licensing distilleries worked according to the English method, the Committee had excluded Burma from the operation of section twenty-one. The Committee had also provided for the issue of special warrants authorizing the search of houses between sunset and sunrise, and they had inserted provisions legalizing the part levy of A'bkári duties in Oudh.

The Motion was put and agreed to.

The Honourable Mr. INGLIS also moved that, throughout the Bill, for 'ábkári' the word 'excise' be substituted, and that

in section 19, after line 1, the following words be inserted:—

"or under a special order from such officer as the Local Government appoints in this behalf."

The Motion was put and agreed to.

The Honourable Mr. INGLIS then moved that the Bill as amended be passed.

The Motion was put and agreed to.

## INCOME TAX BILL.

The Honourable Sir RICHARD TEMPLE presented the report of the Select Committee on the Bill for imposing duties on income.

Colonel the Honourable R. STRACHEY said that, in accordance with the intentions of the Government indicated last year to this Council, he proposed to take the present opportunity of explaining the principal features of the expenditure on Public Works during the period to which the Financial Statement recently made before the Council related.

He should first speak of the ordinary expenditure, beginning with that applied to buildings, roads, and miscellaneous works. The actual outlay in 1869-70 was £5,034,000; the regular estimate for 1870-71 was £3,941,000, and the budget estimate for 1871-72 was £2,365,000. But to this last sum had to be added the portion of the provincial grant which was given for Public Works, amounting to £1,400,000, so that the total grant for 1871-72 was, in fact, £3,765,000, or £176,000 less than that of the current year, and £1,266,000 less than the outlay for 1869-70. The causes of this reduction need not now be repeated. The corresponding miscellaneous receipts, actual and estimated, which might be fairly taken as a set-off against the outlay, were, for the three years, £169,000, £118,000, and £110,000, not showing any important change. Probably much of this income would be transferred to the provincial funds.

The first head of outlay to be noticed was that for Military Works. The sums for the three years were £1,449,000, £950,000, and £1,013,000, showing a reduction, next year, on 1869-70, of about £430,000, which was rather more than one-third of the whole reduction. The grant for the next year was approximately the same as that for the current year. He should not make any further remarks on this item, as all that was necessary would presently be said by his Honourable friend General Norman.

The next main head was Civil Buildings. The outlay for all India for the same periods would be £680,000, £518,000, and £151,000. But the last named sum does not include the provincial grant, the appropriation of which rested with the Local Governments, and was not yet before the Government of India. The comparison, therefore, was necessarily imperfect. It might be explained that the grant remaining under this head in the imperial budget was for buildings appertaining to the Government of India and the departments it directly controls—the Mint, Post Office, and Telegraph; henceforth all other buildings would be provided from the provincial funds. The sums required for repairs of buildings during the three years, and subject to the same modification in the last year, were £104,000, £121,000, and £21,000, leaving £576,000, £397,000 and £130,000, for the construction of new buildings.

The actual and proposed application of these sums included the following:—At Madras, four jails took £26,000 in 1869-70, and £12,000 in 1870-71, the total estimated outlay being £139,000. On Court-houses and other buildings, about £84,000 was spent in 1869-70. At Bombay, the new Government House near Puna, on which £120,000 had been spent to the end of 1869-70, including £23,000 in that year, received a further grant of £18,000 in the present year, and was still not completed. Public offices at Bombay, estimated to cost £166,000, received £35,000 in 1869-70, and £30,000 in the following year. The University Building and Elphinstone College, together estimated at £100,000, on which £43,000 had previously been spent, obtained £15,000 in the former, and £10,000 in the latter year. In Bengal, the Calcutta High Court-house, estimated to cost £177,000, on which £118,000 had been spent, received in the two years £20,000 and £40,000. The Calcutta Post Office, costing in all £61,000, was completed with an outlay of £4,000. The University Building, estimated at £36,000, on which £26,000 had been spent, received £3,000. The Museum, estimated at about £80,000, on which £40,000 had been spent, obtained £7,000. For this building, a special grant had been made from the current year of £40,000, which, it was hoped, might suffice to complete it, as the design was believed to be susceptible of considerable reduction without interfering with the provision of what accommodation was essential.

In the North-Western Provinces, £10,000 was spent on four large jails in 1869-70, and £8,000 given in the next year. The public office at Allahabad, estimated at £126,000, on which £116,000 had been spent, received £19,000 and £10,000 in the two later years. These buildings were now nearly finished.

In the coming year the grant under this head provided for the Post Office at Bombay £22,000, Telegraph Offices at Bombay £20,000, and at Madras £10,000. Also £30,000 for a branch railway of twenty-three miles to Patrí on the town of Katch, from the Bombay and Baroda line, required for the special purposes of the salt revenue; and £5,000 for a College building at Ajmír, a foundation for the support of which institution had just been established, at the suggestion of the Viceroy, by the liberality of the Chiefs of Rájputána.

The next principal head was Communications, *i. e.* roads and improvement of navigable rivers. The amounts were £1,047,000, £821,000, and £116,900 for the three years. Of these sums, no less than £413,000, £440,000, and £34,000 were absorbed by the requirement of repairs, leaving £634,000, £381,000, and £82,000 for new works. The grant for the last year, as before, excluded the provincial grant, and was applied as follows:—For the Godaverí works £35,000, the past expenditure having been £666,000 before 1869, in that year £56,000, and in 1870-71 £39,000, or a total of about £760,000. The course to be followed in continuing these operations had recently been under the consideration of the Government of India. The last estimates received appeared to show that, to carry out this scheme in the most economical shape would call for a further outlay of little less than £500,000, and it had become a serious question whether such an expenditure could be recommended. Very great differences of opinion had been expressed as to the probable value of these works, though unfortunately their great cost was an assured fact. Whatever were the result of the present reconsideration of the subject, it was but right to say that the Government of India had consistently objected to the outlay on the scale that had been permitted, and that it had been the result of the direct orders of former Secretaries of State, acting on information not supplied by the Government of India and on recommendations not made by it.

The rest of this grant for 1871-72 was for roads in Central India and Rájputána, and there had been given, in the three years under notice, for some of the chief lines in Rájputána, £43,000, £27,000, and £29,000, and in Central India, £44,000, £28,000, and £23,000. The main roads thus aided were the lines from Agra *viá* Ajmír to Mhow in one direction and Ahmedábád in the other; that from Agra *viá* Gwalior to Indore; and that *viá* Jhánsí to Nowgong and thence to Jabalpúr; that from Banda *viá* Saugor to the Great Indian Peninsula Railway; and that from Indore to Khandwá, also on the Great Indian Peninsula Railway. A proportion of the above sums was eventually to be recovered from some of the States of Rájputána and Central India, but meanwhile the needful funds were advanced by the British Government.

The other works of this class that had been in course of construction during last year and that now expiring, were the Coast road between Madras and Bengal, on which about £20,000 was spent last year; that from Dhárwár, in the Bombay Presidency, to the new port of Cárwár, for which £27,000 had been given in the two years, besides £92,000 before spent; that from Belgaum to the West Coast at Vingorla, for which £26,000 was given in the two years, besides £100,000 previously spent; the completion of the Barrákar bridge in Bengal, which had cost about £135,000; the main line of road in Assam, which received £22,000 with a previous outlay of £110,000; other roads in Assam £10,000; the Cuttack and Pooree road meeting the Madras road before mentioned, £27,000, in addition to £167,000 previously spent; the Patna and Gya road, which had £36,000, with £84,000 previously spent; bridges on the road to Dárjiling, £12,000; roads to the new hill stations of Ránikhet and Chakráta in the North-Western Provinces, £44,000, in addition to £34,000 before spent, and £25,000 given for next year; the bridge over the Kanhan river, between Nágpur and Kámpí, in the Central Provinces, £32,000, in addition to £45,000 before spent; the road from Nágpur to Raipur, £20,000, for which £20,000 had been presently spent; the Rangoon and Prome road in Burma, £42,000, in addition to £40,000 before spent; the main line from Maulmain southward, £9,000 on which £52,000 had been spent; in Oudh the road from Byrámgát to Barraitch, £19,000, on which £23,000 had been spent. Besides the above, there were many smaller grants for less important lines of road.

Under the next main head, Miscellaneous, the outlay and grants were £76,000, £45,000, and £26,000 in the three years. Under this head appear the Madras Pier, receiving £19,000, in the two former years; and the Karáchi harbour works, receiving £23,000, £27,000, and £25,000, in the three years respectively, in addition to a previous outlay of £293,000. These last named operations had been the subject of much controversy. They were in progress under the sole engineering responsibility of Mr. Parkes, who was virtually only controlled in a financial sense by the Indian Government. The work now going on consisted of dredging on the bar at the entrance of the harbour, and forming a new break-water to cover the entrance that would be opened by the aid of the dredge. Though he had no reason, and no desire, to express any mistrust of the engineering practicability of these operations, he might be allowed to state his personal doubt of their financial expediency. He considered that the harbour of Karáchi might with great propriety have been left alone for many years to come, and he very strongly contested the policy of laying out large sums of money with the expectation of creating ports. He thought all experience showed that such attempts to force commerce commonly failed, and he believed that the only prudent policy, particularly for a country

so poor as India, was to apply available means to assisting trade that existed, by adding gradually to the conveniences it demanded.

The next main head of charge to which he should refer was that for Establishments. This amounted, for the three years, to £1,093,000, £984,000, and £573,000, the last year being, as before, reduced on account of the transfer to provincial. The chief items were as follows; but now, to admit of better comparison, he included the charge to be transferred to provincial in the coming year, and the cost of establishment employed on Extraordinary Public Works. The cost of the officers employed on duties of supervision stood at £220,000, £213,000 and £226,000. The increase in last year was due mainly to the change recently made in the scale of salaries. The officers employed on executive duties, with their subordinates, stood at £974,000, £911,000, and £897,000. The accounts of the department cost £72,000, £72,000, and £74,000. The next item concerned the Irrigation Canals, chiefly of Upper India, and showed the special charges for collecting the Canal Revenues; the figures were £39,000, £59,000, and £65,000. The increase was partly due to improved accuracy in distributing the charges, partly to increase of Irrigation. The last head was the Civil Engineering Colleges, amounting to £18,000, £19,000, and £19,000. These sums included the whole cost of the fixed establishments; those employed on the works carried out with extraordinary funds, as well as those constructed with ordinary funds, with local funds, and, in the last year, provincial funds. The transfers due to the causes above-named would reduce the total amount chargeable against the ordinary grant to the sums first named.

He might add that the Government of India was not satisfied that a reduction of the controlling establishments of this department had been made in due correspondence with the reduction of expenditure on works, and this question was now under careful consideration. The great increase of outlay on Irrigation Works and State Railways, however, necessarily led to additions to the Engineering establishments, and these additions would continue to take place for some time to come.

The remaining items of the ordinary grant, Tools and Plant, and Expenditure in England for Stores, called for no special remark.

In the above review, he had purposely omitted the ordinary expenditure under the head Agricultural, for the purpose of bringing it into juxtaposition with the outlay for like objects under Extraordinary.

The Agricultural outlay was practically entirely for irrigation works and embankments. The total amounts for the three years, charged as ordinary, were £435,000, £423,000, and £455,000, of which, in the several years, £286,000, £276,000 and £324,000 were for maintenance and repairs, excluding the establishments, which, as the accounts were now kept, could not be shown separately. Neither could the revenue obtained in connexion with this outlay be at present properly stated. That part of the income of the irrigation works of the country which was now exhibited separately in the public accounts was a small portion only of the whole amount received, and was of no value at all as an index of the real utility of the works. Steps were now being taken to remedy this defect, and it might be hoped that, at an early date, a trustworthy account would be procurable. Partial accounts of the works of Upper India had long been prepared; but even these were incomplete and not properly comparable one with another. Of other parts of India, no such accounts at all had hitherto been drawn out. The principal difficulty in obtaining these accounts lay in the fact that the returns from irrigation were in many cases so blended with the ordinary land-revenue that nothing but an arbitrary separation was at present possible. He need not say how it was proposed to meet this difficulty, but it was not insurmountable; and the importance, or, he should perhaps say, the absolute necessity, for having such accounts as he spoke of was so pressing that somehow or other the difficulty *must* be solved.

The sum remaining under the head Agricultural Ordinary, after providing for maintenance, was small, and it applied to the construction of minor works. It amounted to £146,000, £143,000, and £125,000 in the three years. The details of the expenditure, actual and proposed, were of no special interest.

Although he had said that the irrigation revenue shown in the accounts gave no real test of the profits due to this class of works, the principal figures might be mentioned, to show the direct revenue obtained in this manner, for the three years under notice, in the Provinces of Bengal, the North-Western Provinces, and the Panjáb. For Bengal, in which irrigation in Orissa was just beginning, the sums were £5,500, £18,500, and £35,400, giving a fair promise of success. In the North-Western Provinces, we had £324,000, £246,000,

and £253,000, the fluctuations depending on the season, the income rising as the rain-fall failed, but being due partly to recovery of arrears in the first year. In the Panjáb, we had £198,000, £200,000, and £200,000.

He would next refer to the extraordinary outlay on irrigation works, that was, the sum provided from borrowed funds. The actual outlay in 1869-70 was £2,007,000, including £1,092,000 paid to the East Indian Irrigation Company for the cession of their works and projects in Orissa and Bihár. The residue of the outlay, £915,000, was distributed as follows:—to Madras £118,000, to Bombay £130,000, to Bengal £388,000, to North-Western Provinces £169,000, and to Panjáb £101,000. The details of these sums might conveniently be spoken of in connexion with the estimates of the outlay in the following years.

In Madras might be specified the Godáveri works, which received, for extension, £16,000, £20,000, and £56,000; the Kistna works, for extensions, £19,000, £10,000, and £21,000; the Cauvery works, £1,000 in 1869-70 and £29,100 in 1871-72; the new Tambrapúrnî project in Tinnevely, £36,000, £22,000, and £20,000; the Madras water-supply reservoir, £27,000, £15,000 and £11,500. In Bombay and Sindh, the new Shadadpur Canal from the Indus, at Sukkur, £10,000, £7,500, and £1,600; the Bigári Canal from the Indus, £4,000, £5,000, and £7,500; the new Moota reservoir near Puna, £73,000, £100,000, and £100,000; the Ekrook reservoir, £24,000, £16,000, and £9,000.

In Bengal, the Orissa works took £28,000, £140,000, and £193,000; the Bihar or Soane works £71,000, £130,000, and £164,000. In the North-Western Provinces, the Ganges Canal extensions, £60,000, £30,000, and £34,000; the new Agra Canal, £69,000, £80,000, and £90,000; the new Eastern Ganges Canal, £14,000, £500, £40,000. In the Panjáb, extensions of the Bári Doáb Canal, £26,000, £40,000, £82,000; the Western Jamna Canal, £15,000, £60,000, £83,000; the new Sirhind Canal, £42,000, £73,000, £156,000. In Oudh, preliminary operations on the Sardah Canal, £9,000, £9,000, £85,000.

In all cases, the figures for the last year represented a mere budget estimate, which no doubt would, in most cases, be in excess of the actual outlay.

This list of works included most of the new projects for irrigation canals in a forward position. But some were not set down which called for special notice. Among these were two or three projects for works in the Madras Presidency, which were likely to be matured soon and brought within the scope of the Extraordinary grant. In Bombay and Sindh were several projects, of which might be specially named one for a canal from the Indus at Rohri on the left bank of that river, likely to cost  $1\frac{3}{4}$  million; various schemes for works in the Deccan, and a project for a canal from the Taptî. In Bengal, various projects had been prepared, including two of special importance, one for a canal from the Damuda, the other for canals from the Gandak, both of which had been before the Government of India, but had been returned for reconsideration. In the North-Western Provinces was a project for a second canal from the Ganges in the Doáb; various schemes for works in Bundelkhand, and others for works in Rohilkhand. In the Panjáb, a project was in preparation for a second canal from the Sutlej below the junction of the Beas with that river. In the Central Provinces, projects for reservoirs had been prepared, which had not been yet accepted.

On the whole, the long list of works which he had gone through showed that the great questions of the extension of irrigation had received, and did still receive, from the Government of India and its engineers the attention which it so well deserved.

A few words might be added as to the Madras Irrigation Company's operations. This Company obtained, some years back, a guarantee of interest on one million. This money having been spent, and the projected works not having been finished, they induced the Secretary of State to advance them £600,000 more. This was agreed to on condition that the works should be completed by the 1st July next and in working order. It was not unlikely that this condition would not be complied with, and the Government would then have to reconsider the position of the Company and how it should be dealt with.

Collecting all the items above-mentioned, the estimated outlay to the end of the current year for Irrigation Works Extraordinary was £696,000, and for next year it was estimated at £1,894,000.

There was one other item that appeared on the estimate under Extraordinary for the coming year; it was the Hughli Floating Bridge for £85,000. The last estimate for this work, the designs for which were now quite complete, was about £180,000. The negotiations with the Government of Bengal, relative to the arrangements under which the interest of the loan was to be met and the debt eventually paid off, were not yet quite completed, but it was hoped that a satisfactory understanding might be come to. The basis of the financial

part of the scheme, as at present proposed, was to place a charge on all passengers and goods leaving or arriving at Howrah, to be collected with the Railway fare, but on account of the Bridge Trust; and to make the Bridge free, at least so far as the traffic between the Railway Station and Calcutta was concerned. If the local traffic between Howrah and Calcutta, other than Railway traffic, could be arranged for in any way so as to avoid the necessity for taking tolls on it, this would no doubt be the best plan; otherwise it was proposed to take a toll at the entrance of the road leading from Howrah to the Bridge.

In the year 1869-70, of which we were now considering the actual outlay, the last charge appeared under Extraordinary on account of the so-called Bombay Special Fund, amounting to £401,000. The nature of this fund and the objects of the outlay had frequently been explained to the Council, and it was now only necessary to point out that all charges of this nature had now ceased. Last year, all the outlay for the purposes heretofore charged against the Special Fund were met from the ordinary revenues, and this, too, would be the rule hereafter.

To this, there might, however, be one exception, which he might next notice. At the commencement of the year that was now coming to an end, the Government, as was mentioned by the Honourable Sir Richard Temple in his last Budget Statement, purchased from the Elphinstone Land Company their property on the foreshore of the harbour of Bombay for a sum that amounted in all to about £1,860,000. The arrangement under which this purchase was made pledged the Bombay Government to make good to the Government of India, year by year, the interest on this amount, and to repay the whole sum within a fixed term of years. It was at the same time agreed by the Bombay Government that, so far as it was deemed desirable to place additional lands on other parts of the foreshore of the harbour of Bombay in possession of the Trust that was to be constituted to manage the Elphinstone property, with its wharves and other conveniences, such additional land should be paid for by the trustees, or the price of it be added to the debt of £1,860,000 and interest paid upon it, the price being the actual sum that the Government had in past years laid out on the land in the way of reclamation or other improvements. The questions involved in the arrangement of these transactions were rather intricate, and they had not yet been finally settled, and the Trust, which would be analogous to the Calcutta River Improvement Trust, had not yet been constituted. But a temporary measure had been passed, under which the officers of the Bombay Government had obtained the power to levy tolls and fees on the Elphinstone property, and other wharves, &c., and thus a fund would be provided from which to discharge the interest due on the debt created to pay for the property. It would be as a part of the operations of such a Trust that all further works for the improvement of the harbour of Bombay must be carried out. The Government of India had declined to make further advances on the general security of the land to be reclaimed or improved, and had required a specific pledge for the payment of interest and repayment of capital as a necessary condition for admitting any such outlay from public money in the future.

It would not be out of place if he added that the Calcutta River Improvement Trust had been brought into operation during the current year, and was, he was informed, in a most excellent financial condition, and working in a very satisfactory manner.

This completed the review of the operations of the Public Works Department other than those relating to Railways. In dealing with these last, he would first speak of the guaranteed lines. The charges which the Government had to bear in relation to these undertakings, as the Council might be aware, consisted of the following separate items; first, the making good of the guaranteed interest on the capital paid up and in the hands of the Secretary of State, or spent on the works; next, the loss by exchange on the capital spent in India, to make good the difference between the rate of exchange adopted for the Government transactions between the Secretary of State and India and that fixed in the contracts with the Companies; and, lastly, the Government outlay for the provision of land which it was bound to give free of charge, and for the cost of the Government controlling establishments. It might also be noticed that, as the Government lost on the exchange on capital spent in India, so it gained at the same rate on the net earnings which were accounted for to the Companies at the contract rate in London. The results of the three years under consideration were as follows, the two last again, it was to be remembered, being only estimates.

The gross guaranteed interest was for 1869-70 £4,176,000, for 1870-71 £4,407,000, and for next year £4,639,000, showing a steady increase. The net earnings of the lines were, respectively, £2,629,000, £2,531,000, £2,782,000. The fluctuations of income were, it might be supposed, due to the condition of the people and the trade of the country. Such fluctuations, and even greater ones, must be anticipated as the operation of these works continued. The

variations would necessarily be, in a great measure, proportional to the absolute receipts, and with a gross income that already reached more than six and a half millions, and would next year be seven millions, and charges of more than half that amount, a variation from year to year of £200,000 or £300,000, or more, would, he thought, not be uncommon, and should be anticipated. This, of course, required increased attention to be given to the progress of the income and working expenses of the railways, or serious financial inconveniences might be occasioned to the Government, which was, in truth, the banker of these vast undertakings. He specially referred to this to explain the justification which the Government had for insisting on the best possible system of accounts being adopted by the Companies, and, moreover, a system which should be in harmony with the account system of the Government itself. The net charge for guaranteed interest was seen to be, in the three years: £1,547,000, £1,876,000, and £1,857,000, showing an important increase of charge in the last two years.

The high and increasing charge under this item was, he thought, a matter for serious attention, the burden in these two last years on this account being the heaviest that had been yet thrown on the revenues of India. Thus, though railways had now been in operation for twelve or fourteen years, the growth of income had failed to keep pace with the growth of charge due to the expansion of the capital outlay. The Government of India had for some years past been alive to the grave importance of not permitting this growth of the guaranteed railway capital, and every endeavour was being made to check it. But the outlay still continued on a very large scale, having been in 1869-70 £5,120,000, and being extended, for the current year, at £6,850,000, and for next year at £3,820,000, being at the rate of more than five millions a year. There was, in his opinion, an absolute obligation on the Government to restrain the expenditure of capital under guarantee still more closely than had yet been done, and if this was not done, it was plain that some serious financial complication might arise. He would add that he knew nothing so really deserving of being called a cause of anxiety in relation to Indian finance as the guaranteed railway system.

The charges due to Loss by Exchange, Provision of Land, and Controlling Establishments had been £310,000, £222,000, and £235,000; this, so long as the large capital outlay continued, could not be obviated.

Thus, the total gross charge against the revenue of the year for Railways had been £1,857,000, £2,098,000, and £2,092,000, which last also, he thought, were the highest charges ever yet incurred.

The set-off given by the gain by exchange gave £254,000, £244,000, and £258,000, thus reducing the net outlay for Railways to £1,603,000, £1,854,000, and £1,835,000 respectively.

The total capital under guarantee, expended to the end of 1869-70, was £83,444,000, which would be increased to more than ninety millions at the end of this month. The net receipts gave as nearly as possible three per cent. on this sum, leaving two per cent. to be paid from the revenues of India. The whole length of railway, some of it being double line, which the above outlay included, was about five thousand miles, showing an average cost of no less than £18,000 per mile, and requiring an average gross income of £1,800 per mile per annum, or about £25 per week, to cover the guarantee. How far this was from being accomplished would appear from the figures he would presently give.

Having thus stated the general financial result of these undertakings in respect to the revenues of India, he proceeded to make a few remarks on the condition and prospects of each line.

The East Indian system, including the Jabalpur line, was now open throughout, with a length of 1,501 miles, and total capital of about thirty millions. This was certainly the most prosperous Indian Railway, the average surplus profits on the main line, in excess of the guarantee of interest, being about £65,000 in the favourable half of the year, a small deficiency still, however, having to be made up in the unfavourable half-year on the main line, and a large deficiency in both half-years on the Jabalpur line. The gross revenue of this system was now close upon three millions sterling, and the working charges were about £1,400,000. The receipts, therefore, were about £2,000 per mile per annum, or not far from £39 per week, which compared favourably with European lines.

The next in importance was the Great Indian Peninsula system, now open for 1,257 miles, and a total capital of twenty-one millions. About fifteen miles only remained to be opened at the end next the Madras Railway. The gross revenue of this railway was a little less than two millions. It did not now earn the guaranteed interest. The gross receipts were about £1,600 per mile per annum, or £31 per week. The necessity for reconstructing



a large number of the masonry works of the railway had led to a serious addition to the capital outlay, which had thrown this undertaking back in its financial character. The income must increase more than thirty per cent. to cover the guarantee.

The Madras Railway, with a total length of 834 miles, and capital outlay of ten millions, had just been opened right through, and the connexion with Bombay would very shortly be completed, the only break being a single bridge on the Great Indian Peninsula Railway over the Kistna River, which was not likely to be finished at the earliest till 1872. The gross income of the Madras lines was about £600,000, or £720 per mile per annum, or not quite £14 per week. This railway did not nearly cover the guarantee, paying about three per cent., this good result being due to the small capital outlay.

The Panjáb, Sindh and Delhi Railways were now amalgamated, with a total length of 662 miles, all open, and a capital outlay of nine and a half millions. The gross income would be hardly over £500,000, with working charges of over £350,000. The gross income was about £750 per mile per annum, or £25 per week. The heavy working charges left a very small net profit, which was about one and a half per cent. on the capital, and the burden for guaranteed capital was heavy.

The Indus Flotilla should be noticed in this place as a part of the Panjáb, Sindh and Delhi undertaking. The capital was about three quarter million, and the net earnings from two to three per cent. This was one of the most unfortunate of the guaranteed undertakings, and would almost necessarily, in the end, involve a total loss to the State, the whole capital being thrown on the Government of India, with very little set-off against it.

The Bombay and Baroda line of 307 miles, capital seven and a half millions, earned also about £500,000, with working charges of £330,000, giving an income of above £1,600 per mile per annum and £31 per week. The heavy working charges threw this railway back greatly, and made it also a serious burden on the revenues of India. It earned net two per cent. on the capital.

The Eastern Bengal line, open for 157 miles, capital two and three quarter millions, yielded about £270,000, or £1,700 per mile per annum, or nearly £33 per week. This line nearly paid the guarantee, and would probably soon give a surplus.

The Great Southern of India, 168 miles, one and a half million capital, was a cause of considerable loss, earning only about two per cent. on the capital outlay, although the cheap-broad gauge line yet constructed in India.

The Oudh and Rohilkhund system, of which only 42 miles were yet open, included a total length of 706 miles, of which about 500 were now under construction, and not likely to be completed till 1873.

These guaranteed undertakings had certain extensions in progress. The Madras Railway was making a branch to the foot of the Neilgherry hills, twenty-five miles in length, which could hardly ever pay the guaranteed interest. The great Southern of India was about to carry out an extension to Tuticorin at the end of the Peninsula of 210 miles, which, if constructed on the broad gauge, would also almost certainly be a permanent source of charge. The new Carnatic Company had a project under guarantee for about 100 miles to Cuddalore, which equally was almost certain to lead to a permanent charge, if constructed on the broad gauge. The Bombay and Baroda Company had an extension, from Ahmedábád to Wudwan, of 77 miles, from which the advocates of the line expected good results. He confessed that he had no such belief, and anticipated increased charge for interest. He considered that the Bombay and Baroda Railway was worked on the necessarily fatal idea of competing with the sea-borne traffic. The railway was carried round the circumference of a circle, while the sea-trade could pass over the diameter. He was quite satisfied that such a competition could only end, as it began, with failure, and that, under the circumstances of this railway, it should be continued and worked with the express intention of facilitating the sea-trade and not of opposing it.

He might add that, speaking generally, there was every reason to be satisfied with the working arrangements of the Indian Guaranteed Railways. On the whole, reasonable economy was aimed at, and in some cases very good results were secured. The real difficulty in these railways, as in all others, indeed, arose from the capital outlay, which was now beyond control, and with it the burden it necessarily involved for all time.

And this led him to draw attention to the great financial distinction that subsisted between the system under which capital was supplied for the construction of railways in India and in England. In the last-named country, the money was advanced at the sole risk of the shareholder, and the undertaking, when completed, was carried on, so to speak,

quite apart from the results of the return given on the first outlay. The shares in the property were dealt with simply in respect to their power of producing income, and the original shareholder was very soon quite dropped out of sight. But an Indian railway was a very different affair. Here, the Government was in fact the sole shareholder. The whole capital had to be provided, not only at the risk of the Government, but the Government had actually to pay interest on it, whether it was earned or not. Under such a system, it was practically impossible to go on making railways that would not pay. At the present moment, the general tax-payer was contributing £1,800,000 sterling every year to save the customers of the Companies from the charge which the railways actually caused, and which by rights ought to be wholly paid by those customers. For this was the true meaning of the entry, in the Budget Estimate of the year, of the charges for Railways. That the State might properly give a contribution of this sort to admit of the introduction of railways into the country was readily admitted; but that it should deliberately permit the construction of lines on a scale that necessarily prevented their paying, and necessarily led to the revenues being permanently charged for providing a means of transport to individuals, was utterly indefensible. Take, for instance, the Port Canning line. It had cost £600,000, and the yearly charge for interest was £30,000, which was paid, year by year, in hard coin, the State not only receiving no part of it back from the income of the line, but also contributing something in addition to cover the excess of the cost of working over the gross income. Of course, it would be said that, when this line was undertaken, nobody could say whether it would pay or not. This might be some excuse for that expensive blunder; but to continue the construction of lines of railway at a cost which experience distinctly proved to be so great that the income likely to be obtained for many years could not nearly pay the interest on capital, was a wilful seeking for misfortune which it was impossible to justify or excuse, when the truth was once distinctly pointed out. It was in consequence of having adopted these opinions that the Government of India had been forced to the conclusion, that to continue the construction of railways in India on the old scale of cost was quite impossible, and that a great reduction must be made in some manner or other, or the extension of railways must stop.

The Council was aware that the course which the Government had determined to follow with this intention was, to abandon the old broad gauge of five feet six inches, and to adopt, for the extensions now proposed, a gauge of three feet three inches. It was not necessary that he should go into the detailed reasons that led to fixing this particular dimension. It would suffice if he said that he felt confident that the result would be to provide railways which, for the traffic they would have to accommodate, would be in every respect as convenient as the broad gauge lines, while their first cost would be hardly more than half of that of the cheapest lines hitherto made on the five feet six inches gauge; less than one-third of the average cost of all the existing lines, and, probably, about one-fourth of the cost of the more expensive lines. While the new railways would almost certainly be thus cheap of construction, their powers of earning revenue would not be less than that of any existing line, comparing, of course, single lines with single lines, and the result, it might be hoped, would be to make these railways self-supporting after a very few years. By doubling such a narrow gauge line, he felt confident that, at a first cost of hardly more than that of the cheapest five feet six inches gauge line, a railway could be provided that should meet the demands of any traffic that could arise in any part of India for a century to come.

Having given these general explanations as to the causes that had led to the adoption of a narrow gauge for the greater part of the new lines of railway now being undertaken, he would proceed to mention what these lines were, and the outlay on them likely to take place during the coming year, and that had already taken place. In 1869-70, £191,000 was spent; for 1870-71, the estimate was £351,000; and for next year, £1,647,000. The greater part of the outlay in the earlier year was for surveys and preliminary operations.

First, he might mention the Lahore and Pesháwar line. The total distance between these places was 270 miles; but only the section to Ráwalpindí (173 miles) had been authorised, and of this the portion to Jhílam (102 miles) was under construction. Delay had unavoidably arisen from the doubts that existed, till quite lately, as to the gauge, which had now been fixed at three feet three inches. The outlay in 1869-70 was £143,000, about £23,000 having been previously spent; the estimate for this year was about £200,000; and for next year, £498,000. The opening of this line would mainly depend on the erection of the three bridges over the Ravi, Chináb, and Jhílam, the designs for which were being prepared in England, and which cost about as much as all the rest of the work put together. The complete estimate for the line had not yet been furnished, so that it was not possible to say precisely what outlay was likely to be necessary, but it would, from the difficulties of the

country, probably be not less than £10,000 per mile, when reduced to the utmost compatible with security. The railway would be carried along the great line of road, and an important saving would be thus effected.

The next line was that from Multán towards Sindh. The survey and designs for this were in course of completion. The outlay for next year was extended at £205,000. The whole length of this line of the Indus Valley was about 500 miles from Multán to Kotri. The portion now under survey was the northern section to Rokree, 300 miles. No decision had yet been come to as to the location of the lower section, whether it should be on the right bank of the Indus, crossing at Rokree, or on the left bank, crossing at Kotri. A special inquiry was now going on with a view to settling this question. This line, too, would be narrow gauge.

The next lines were those of Rájputána. This system, as at present proposed, included a line for Agra to Ajmír *via* Jaypúr and Sámbar, of 236 miles, and another from Delhi *via* Rewári and Ulwur, to unite with that just named, in length 125 miles, besides a short branch to salt-works of seven and a half miles. The surveys and estimates of these lines were well advanced, and works were in progress between Delhi and Rewári, which section might be opened early in 1872. These also would be narrow gauge lines. It was hoped that a satisfactory arrangement might be made for giving the execution of the Agra and Jaypúr section of these railways to a contractor, it being quite consistent with the policy of the Government to accept the aid of contractors when it could be done with due economy.

The estimated outlay on these works was £49,000 in the current year, and £578,000 next year. The outlay in 1869-70 was £50,000, but of this £41,000 was for the old surveys, the charge for which was reimbursed to the Bombay and Baroda Company.

The Indore Railway, joining Indore with the Great Indian Peninsula Railway at Khandwa, was about 84 miles. Surveys for this were well advanced, and the line had been practically settled. It had been a difficult task, and had resulted in obtaining a line which gave a worst gradient of one in 40 for about three and a half miles, beyond which there was nothing worse than one in 100. The outlay for the current year was taken at £16,000, and for next year at £187,000. The funds for this line, to the extent of one million sterling, would be provided by the Mahárájá Holkar, who lent the money to the English Government at four and a half per cent., thus obviating any call on the English money market.

A survey for the extension of this line beyond Indore towards Ajmír was also in hand, for which £15,000 was provided in next year's budget.

A survey and approximate estimate for a line from Wurda on the Great Indian Peninsula Railway *via* Hinganghát to Wurda in the Central Provinces' coal-field, about 45 miles, had also been prepared, and the project thus far had been generally approved by the Government of India, subject to the orders of the Secretary of State. The details would now be worked out. The great importance of the coal in the Central Provinces and Birár was every day becoming more strongly established, and the necessity for providing railway communication to the pits was apparent. For this line £50,000 was allowed for next year.

The survey of a line from Dhárwár to Kárwár was also going on. The difficulties to be overcome were great, and no specific conclusion had yet been reported by the Government of Bombay, under whose orders the operations were being carried on. The distance was about 60 miles from Kárwár to Hubli, but further extensions would no doubt be a necessary part of any project for such a railway. For this, £14,000 was taken this year, and £15,000 next year. The actual outlay had already been £6,000.

A survey had been in progress on the north of the Ganges lines towards Assam and Dárjiling, which was still under the consideration of the Government of India, having been submitted but a few weeks ago.

A survey and estimate had also been prepared for the line between Morádábád and Rámnagar at the foot of the Kumáon Himalaya, which formed part of the system of the Oudh and Rohilkhund Company. Possibly, this line might be carried out on a narrow gauge by the Government instead of by the Company; but no decision was yet come to on this point.

A survey had also been carried on to ascertain the best mode of connexion between Morádábád at the end of the Oudh and Rohilkhund system with the Delhi Railway. No conclusion, however, had yet been come to on this subject.

A preliminary survey had also been prepared for a railway from Rangoon to Prome, 166 miles, to be constructed for the most part on the existing cartroad, on which a large outlay

had been incurred. This project was likely shortly to be sent to the Secretary of State for his consideration. The approximate estimate amounted to about £900,000.

Permission had also recently been given to carry out a survey for a line from Nágpur towards Raipúr, and an arrangement had been suggested by the Chief Commissioner of the Central Provinces, under which the financial liability likely to arise from the construction of such a line might be met.

This concluded the enumeration of the railway projects going on under the Government of India.

But it was satisfactory to know that the enlightened Government of the Nízám cooperate cordially in the prosecution of the Railway to Haidarábád. The whole of the line was now settled, in length about 116 miles, and the works had been actually begun. Some delay had arisen in arranging the terminal stations for Haidarábád, Sikandarábád, and Trimulgherry; but a satisfactory settlement of this had been come to, and the Minister, Sir Salár Jang, continued to exhibit his usual excellent disposition in his dealings with the British officers employed on the surveys. This line was to be of the old standard five feet six inches gauge, the Haidarábád Government having specially desired it. The whole cost of this railway was to be borne by the Haidarábád Government, as was explained last year. The estimated outlay next year was £275,000.

In the Birárs, another short branch of the Great Indian Peninsula Railway had been opened to Umráoti, five and a half miles, and its eminent utility had already been established. The Khámgaón line, seven and a half miles, continued to work satisfactorily. These lines had both been constructed from the revenues of the Birárs.

Lastly, he had to mention the surveys going on in Mysore. These had led to the general approval by the Government of India of a line from Bangalore to Mysore on a three feet three inches gauge, the distance being somewhat less than 100 miles, and the probable cost between £400,000 and £500,000. The prosecution of the work, however, was contingent on satisfactory financial arrangements being made as to the supply of the needful capital, and likewise on the approval of the Secretary of State being obtained.

From the remarks that had fallen from him, the Council would, he was assured, see that the Government of India felt most strongly the serious responsibility it incurred from the policy it had adopted of carrying out great works of improvement by aid of borrowed funds. Having trespassed so long on the Council, he would only now say that the question of special precautions to prevent any risk from these transactions had recently been under the consideration of the Government of India, and that it was the intention of the Governor General in Council to address the Secretary of State on the subject. Among other precautions, he might refer in particular to the necessity for obtaining exact accounts of all the transactions in question, and giving complete publicity to all that concerned them.

A few words might be said of the Telegraph Department, which had, during the year now expiring, been placed under the direction of this Department. The cost, actual and estimated, of the Telegraph Department, for the three years, had been £553,000, £537,000, and £516,000, set-off by receipts of £257,000, £226,000, and £245,000 and showed, therefore, a net charge of £296,000, £311,000, and £271,000. There was a small improvement, but the financial results must be characterised as essentially unsatisfactory. The first step in the way of reform would be to establish an improved system of account, by help of which the administration might be conducted with a precise knowledge of all the elements of income and charge, in the absence of which, of course, intelligent control was impossible. Measures had been taken to commence this change of system, and its results would, he hoped, before long be exhibited in financial consequences. The highly-intelligent officers of this Department would, he felt certain, be among the first to realise the advantages which might be obtained by closer attention to this side of their operations. He should add that a very large reduction had been carried out during the year now expiring in the establishments of the Persian Gulf and Persian lines, which, when fully realised, would lead to an important economy of not less than £12,000 a year.

If the statement that he had thus made to the Council, of the operations of the Public Works Department, had appeared tedious, he must plead as his excuse their vast magnitude, and the necessity that had been imposed on him to compress so much into so short a space. In order to complete his review, and to indicate more clearly the extent of the amounts which would have to be controlled by the Government of India in this Department during the coming year, he would now specify the amounts in question.

They were as follows:—

Ordinary Expenditure.....	£ 2,365,000
Provincial Public Works Expenditure .....	„ 1,400,000
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Total Ordinary ...	„ 3,765,000
Railway State outlay .....	£ 235,000
Guaranteed interest .....	„ 1,857,000
	<hr/>
	„ 2,092,000
	<hr/>
Grand Total Ordinary ...	„ 5,857,000
Extraordinary .....	„ 3,626,000
	<hr/>
Total Imperial Expenditure ...	„ 9,483,000
	<hr/>
Expenditure in Birár .....	„ 88,000
„ in Mysore .....	„ 150,000
„ in Haidarábád.....	„ 275,000
„ in Foreign States.....	„ 513,000
	<hr/>
Total Direct Expenditure...	„ 9,986,000
	<hr/>
Railway Expenditure—	
Guaranteed Capital in India .....	„ 3,060,000
Working charges in India .....	„ 3,909,000
	<hr/>
Total Railway outlay...	„ 6,969,000
	<hr/>
Public Works Income, Ordinary .....	„ 110,000
„ „ Irrigation .....	„ 496,000
„ „ Railway.....	„ 258,000
	<hr/>
Total.....	„ 864,000
	<hr/>
Railway Receipts.....	„ 7,006,000
	<hr/>
Grand Total Income	„ 7,870,000
	<hr/>
Local Funds by Public Works Officers .....	„ 519,000
„ „ Civil Officers .....	„ 477,000
	<hr/>
	£996,000
	<hr/>

Making a grand total of all transactions of £25,821,000.

When it was considered that the Public Works Department was only organised in 1854 and that the great bulk of the business which it had been his duty to explain to the Council this morning had been entirely created since that time, and that these operations extended over an area as large as that comprised in many States of Europe thrown together, he confessed that it appeared to him rather a matter of surprise that it had done so much, and that its failings had been so few, than that it had not done everything, and that its operations had not been infallible.

Major General the Honourable H. W. NORMAN said,—“ MY LORD, In a speech in this Council last year, your Lordship said that you considered it would be advantageous if the Members of the Government, in immediate charge of particular Departments of expenditure, gave the Council each year some information as to the course of expenditure in their respective Departments.

“It seems to me that there can be no doubt of the advantage of such a practice, for though this Council would not be a fitting assembly in which to discuss questions of military organization, I think that the Legislature which authorizes the levy of taxes for the public service should possess information as to the purposes to which those taxes are applied.

“I shall, therefore, proceed to lay before the Council a statement regarding our military expenditure. I will endeavour to make it as a brief as possible; but as this is the first occasion

on which any such statement has been made, I am afraid that I cannot compress it into the space within which it may be possible to submit the statements of future years.

“The military expenditure for 1870-71 in India was estimated in the Military Department at twelve millions five hundred and forty-nine thousand pounds; but on a review by the Executive Government, and as certain reductions were thought likely to come into operation during the year, the budget was fixed at twelve millions four hundred and ninety thousand pounds. The receipts were estimated at seven hundred and thirty-three thousand nine hundred pounds. The larger reductions anticipated did not take place, for they depended upon an expected decision of Her Majesty’s Government which was not received: but other savings were made, and such a general watchfulness over the expenditure was exercised, as to justify a final estimate of twelve millions three hundred thousand pounds for 1870-71. Before the actual submission of this revised estimate, orders were received from the Secretary of State to adjust three hundred and eighty-two thousand pounds on account of the Overland Transport Service, being for charges incurred during the last four years, and which, it was understood in India, were to have been finally accounted for in England. This has unexpectedly brought up the military revised estimate in India for 1870-71 to twelve millions six hundred and eighty-two thousand pounds. The receipts originally estimated at seven hundred and thirty-three thousand nine hundred pounds, are increased in the revised estimate to eight hundred and fifty-four thousand pounds, of which £14,000 are expected from the adjustments for the Transport Service corresponding with the arrear expenditure of £382,000 brought forward on the other side of the account, leaving a net expenditure in India, according to the revised estimate, of eleven millions eight hundred and twenty-eight thousand pounds—the smallest sum, as already stated by the Honourable Sir R. Temple, expended on the Army Service since 1857, if we do not reckon the arrear charges for the Transport Service, which really appertain to the accounts of several prior years.

“To this has to be added the regular estimate for the Military Service in England, amounting to three millions six hundred and seventeen thousand pounds, less forty-nine thousand pounds for receipts, leaving a net military expenditure in England of three millions five hundred and sixty-eight thousand pounds, or a total net military expenditure in England and India of fifteen millions three hundred and ninety-six thousand pounds, being one hundred and forty-nine thousand pounds more than the actuals of 1869-70; but omitting the adjustment on account of the Overland Troop Service, there would have been a saving of two hundred and nineteen thousand pounds, notwithstanding the large quantity of stores obtained from England consequent on alterations of armament.

“For the coming year, 1871-72, the estimated military expenditure in India is twelve millions four hundred and ten thousand pounds, and the receipts eight hundred and five thousand pounds, leaving a net estimated expenditure of eleven millions six hundred and five thousand pounds—a smaller expenditure than that of last year, and therefore the smallest since the mutiny, although a new charge of sixty thousand pounds is inserted for the cost in India of the Overland Transports. The expenditure in England is estimated at three millions five hundred and seventy-four thousand pounds, and the receipts at fourteen thousand pounds, making a total net military expenditure in India and England of fifteen millions one hundred and sixty-five thousand pounds, being £231,000 less than the revised estimate for 1870-71.

“The items of expenditure in India for the coming year 1871-72, as compared with the budget estimate for 1870-71, are as follows:—

*Army and Garrison Staff*, £496,916, a decrease of £2,600.

“The amount of this grant has been increased to the extent of £10,000 by the establishment of a system of garrison instruction ordered from England; but this increase is more than counterbalanced by the abolition of the Karáchi and Chinsurah Depôts, which the overland transports have rendered unnecessary, and by some minor items.

*Administrative Staff*, £211,925, an increase of £1,145.

“There are various minor reductions under this head, but these are counterbalanced by the transfer, under orders from the Financial Department, of certain charges from the Civil to the Military estimates.

*Regimental Pay, Allowances and Charges*, £6,481,992, being a decrease of £111,000.

“The grant for 1870-71 was unduly reduced in anticipation of reductions that did not take place, but a portion of these anticipated reductions (that is in the Artillery) have now been effected, and provision is still made for reductions in the Native Army, which, we are aware, have been sanctioned by the Secretary of State, though we do not know their exact

shape and extent. There are also some savings by the absorption of supernumerary officers of British Cavalry and Infantry, and by the withdrawal of bounty on re-engagement.

*Commissariat Establishment, Supplies and Services*, £2,212,912, being a decrease of £55,635.

“ This is owing principally to some reduction in cattle; to the withdrawal of five Batteries of Horse Artillery; to reduced provision for transport by railway and by water in all the Presidencies; to its being found possible to reduce the reserve stock of tea in Bengal; to a reduction of elephant keddah operations; to a smaller quantity of rum being purchased in Madras; and to some savings in Commissariat establishments in Bombay; and a reduction in the expense of supplying condensed water at Aden. On the other hand, there are items of increase, especially in the cost of provisions for European troops in Bengal, and for compensation for dearness of provisions to Native troops and followers in Bengal, and for purchase of rum, the stock of which has run low.

*Stud and Remount Establishment, Supplies, and Services*, £216,471, being a decrease of £20,745.

“ This decrease arises from a limitation of the purchase of reserve stock in the Bengal duss and of Army remounts in Madras and Bombay, consequent on reductions in the mounted branches, and after allowing for the purchase of two hundred remounts in Bengal.

*Clothing Establishment and Supplies*, £113,264, being an increase of £9,926.

“ This increase arises from serge clothing being issued to the European troops in 1871-72, with certain money compensation in Madras and Bombay, the latter being due in Bengal for 1872-73. Then, again, the Department has to bear the cost of making up cloth clothing for issue in 1872-73, the cost being greater than that of making up the serge clothing in 1870-71. The biennial allowance for wicker helmets also falls due in 1871-72, and some provision has had to be made to enable Bombay to start the system of making up clothing on the departmental system, as in Madras and Bengal.

*Barrack Establishment and Supplies*, £377,591, being an increase of £10,169.

“ Under this head, a new source of expenditure appears, amounting to ten thousand pounds, for cost of gymnastic stores and apparatus: in Bengal a larger provision is necessary for trestle cots and barrack furniture and supplies, but there has been a decrease in these items elsewhere, and also in subordinate establishments and lighting charges.

*Administration of Martial Law*, £45,685, being a decrease of £784, a mere ordinary fluctuation.

*Medical Establishments, Supplies and Services*, £460,150, being a decrease of £2,869.

“ There has been a decrease in the cost of medical store depôts in Madras and a reduction in the cost of Lock-hospitals in Bombay, but an increased number of medical officers in Madras.

*Ordnance Establishment Supplies, and Camp Equipage*, £502,528, being an increase of £29,831.

“ In all three Presidencies, increased provision is required for Ordnance stores and for the manufacture of gunpowder and ammunition, the latter particularly in Bengal.

*Ecclesiastical*, £21,830, being an increase of £439, an ordinary fluctuation.

*Education*, £36,960, being a decrease of £2,641.

“ The decrease arises from the provision for a medical officer of junior rank for the Law-rence Asylum at Sunawar, the absence on furlough of the Superintendent of Army Schools at Madras, and a diminished payment to the Educational Society at Bombay.

*Sea Transport Charges*, £194,750, being an increase of £60,520, due to the charge for Overland transports brought on the Indian estimates for the first time, but some of the other items vary.

*Volunteer Corps*, £12,503, being an increase of £2,636, owing, I am happy to say, to an increased number of Volunteers.

*Miscellaneous Services*, £377,081, being an increase of £430.

“ There have been minor savings under many of the heads of this grant, but they are counterbalanced by provision to the extent of ten thousand pounds for camps of exercise in Bengal. The miscellaneous services include the following items:—

“ Donation to Officers' Widows' Fund, British Troops, and to the European Female Orphan Asylum; cost of Derajat Frontier Militia; gratuities to discharged native soldiers;

compensation to native troops and followers in Madras and Bombay, for dearness of provisions;\* compensation for dearness of forage for horses of native cavalry; for payments made to purchase regimental retirements, and for loss of command and staff allowances; allowances to officers and men on passing in the native languages; travelling allowances to officers and men; subsistence allowance to children of deceased pensioned soldiers, &c.; and certain other small items.

“The remaining charges are for non-effective services, and are as follows:—

*Rewards for Military Services*, £116,540, being a decrease of £1,067.

*Retired Officers in India*, £13,290, being a decrease of £1,835.

*Military Pensioners*, £585,147, being a decrease of £4,467.

*Widows' Pensions and Compassionate Allowances*, £18,646, being an increase of £7,517.

*Superannuation Pensions* £18,489, being a decrease of £451.

“No remark seems necessary on these items, save that there is a considerable increase in one item, owing to the recent transfer of the pensions of the widows on Lord Clive's Fund from the Home to the Indian estimates.

“The gross expenditure in India therefore shows a *decrease* of £80,000, compared with the budget estimate, and £272,000 compared with the regular estimate of last year.

“The estimated Home military expenditure for 1871-72, as compared with that of 1870-71, is as follows:—

*Home charges for Her Majesty's Regiments serving in India*, £698,000, an increase of £38,000.

“Furlough Allowances of Indian Officers, £450,000, an increase of £66,000.

“Passages of Officers and Troops, £93,500, increase of £16,500.

“Overland Transport Service £320,000, an increase of £100,000.

“Miscellaneous, £19,000, decrease of £10,000.

“Stores for India, £824,720, increase of £39,676.

“To the Imperial Government on account of retired pay of troops serving, or having served, in India, £224,000, an increase of £10,500.

“Retired pay of Indian Officers, including Colonel's allowances, £750,000, the same as last year.

“Lord Clive's Fund Pensions, £129,800, a decrease of £200.

“Charge to India for cost of absorption of supernumerary Ensigns, £43,000, a special charge.

“Gratuities to Officers of late Indian Regiments on retiring, £17,000, an increase of £11,000.

“I do not think that any very useful purpose would be gained by a lengthy comparison of the expenditure of each year since the mutiny. In fact, up to 1862-63, the expenditure consequent on the mutiny had not fairly ceased, and since then various alterations have taken place which would vitiate comparisons; for although there has been a reduction of troops, and some charges have been removed from the military expenditure (such as the Hyderabad Contingent and Survey Department) others have been added, while prior to the year 1866-67 the charges for stores from England were made in the Indian, and subsequently in the English estimates.

“The total expenditure, however, in England and India in each year since 1862-63, when the reductions subsequent to the mutiny first really took effect, has been as follows. In giving it, I will read a brief analysis of the causes of alterations in each year, as prepared by Mr. Kellner, now so usefully employed in the Military Accounts Branch.

“The enclosed tabular statement exhibits the actual and estimated military expenditure in India for ten years, from 1862-63 to 1871-72, the number of officers, the established strength of the European and Native Army, the number of horses and guns in each year. That statement may be usefully considered in connection with the Budget of the ensuing year 1871-72.

\* These charges are defrayed through the Commissariat in Bengal.



“ The expenditure proceeded evenly in the first two years of the series, having been—

	In 1862-63.	In 1863-64.
In England ... ..	£ 2,144,737	£ 2,075,935
In India ... ..	„ 12,853,636	„ 12,697,069
	<hr/>	<hr/>
	£14,998,373	£14,773,004

“ In 1864-65 it increased by more than three-quarters of a million sterling, owing chiefly to the Umbeyla campaign, the transfer of the Derajat Frontier Militia to the Military Department, and the large outlay for stores necessitated by the rigid economy of previous years. There were other causes of increase viz. the revised scale of staff salaries, increased rates of family allowance to the European Army, increased pay to the commissioned grades of the Native Army, increased rates of hutting money, and the grant of good conduct pay to Native Soldiers after shorter terms of service. The strength of the European Force in India in 1864-65 was as follows :—

16 Brigades Royal Artillery with 104 Batteries, representing a strength of ... ..	...	12,944 men.
11 Regiments of Cavalry, each 515 strong	...	5,665 „
55 „ Infantry, each 919 „	...	50,545 „
	<hr/>	
	TOTAL	69,154 men.

There were also a Battery of local Artillery, the Eurasian Battery, and one local Company of Infantry in Bengal, besides the Sappers and Miners, and the Invalid and Veteran Establishments.

“ The expenditure of the year 1865-66 exceeded even that of the previous year by nearly three-quarters of a million sterling, of which half a million was due to the Bhootan War and to the famine in the Madras Presidency. The other causes of increase were the abolition of half batta rates of pay, the grant of good service pensions to Officers, and of higher rates of pay to Medical Officers; the reorganization of the Native Army in Madras, and the grant of cantonment batta to Native Troops on furlough; the appointment of a second doing-duty officer with every Native Regiment at the three Presidencies. The increase of expenditure would have been greater in this year, but that seven Light Field Batteries were broken up, two Heavy Field Batteries converted into Garrison Batteries, and two regiments of British Infantry sent home.

“ The effect of these reductions is seen in the expenditure of 1866-67. The causes of extraordinary expenditure in the previous years had then also ceased. Moreover, one British Infantry Regiment was withdrawn from Madras in this year, the remaining 52 Regiments were reduced by sixty privates each, and the Cavalry Regiments by fifty-six troopers each; a Regiment of Native Cavalry in Bombay was broken up. The only notable increase of permanent charge was in the revised scale of administrative Medical Staff, and the formation of the Governor's Body Guard at Bombay. In this year also, the charges for stores from England were transferred to the Home estimates,—those for the Topographical and Trigonometrical Surveys having been transferred in the previous year to the Civil estimates. The accounts for 1866-67 include the expenditure of eleven months only.

“ The Abyssinian Expedition was organized in the end of 1867-68, but did not appreciably affect the accounts for that year, considerable charges having fallen by the delays of audit into the accounts of 1868-69. A permanent extra charge upon the State of one-third of a million sterling was imposed by the addition of 2d. a day to the pay of every European Soldier, and an additional penny a day for the second term of service, with bounty and compensation for clothing. At the same time, the Military Estimates were relieved of the charges of the Haidarábád Contingent, and the cost of malt liquor for the troops was transferred to the estimates of the Secretary of State. The Military Estimates were also relieved of the cost of three Garrison Batteries, consequent on the transfer of the Straits Settlements to the Crown. The Battery of local Artillery in Bengal was reduced.

“ The increased expenditure in 1868-69 is due mainly to the Abyssinian Expedition and the Hazára Campaign. The other causes of increase were the formation of a troop of Cavalry at Aden, the addition of forty men to each of the Punjab Frontier Regiments of Infantry, the additions to the strength of Native Regiments in Bengal and Bombay in connection

with the Abyssinian Expedition, the Sanitary Commissions at the three Presidencies, and the grant of bonus compensation to officers. The reductions during the year were the withdrawal of the equipment and establishment from three Heavy Batteries, leaving them as Garrison Batteries, and the breaking up of the Assam Native Mountain Battery. The Military Department was further relieved of the charges of two Batteries of Royal Artillery, one Regiment of Dragoons, and two of Infantry, for the interval between their departure from Abyssinia to England, and the arrival in India of the reliefs; but, on the other hand, the accounts of 1868-69 had to bear, as already observed a portion of the charges of the previous year connected with the Abyssinian Expedition.

“The expenditure was reduced in 1869-70 by the withdrawal of two regiments of European Cavalry and two of European Infantry, by the abolition of the Eurasian Battery of Artillery, by diminished outlay for stores, and by absorption of the augmentations made in the previous year in the Native Army. The increase observable in the receipts for 1868-69 and 1869-70 is due mainly to the sale of stores in connection with the Abyssinian Expedition.

“The full effect of the reductions ordered in 1869 was realized in the current year, 1870-71, when the following further changes were carried out:—

- \* Reduction of one Troop and two Companies in Regiments of European Cavalry and Infantry in India.
- \* Reduction of the Native Artillery in the three Presidencies.
- \* Abolition of the second line of waggons in Batteries of Royal Artillery.  
Reduction of the Governor General's Body-Guard.  
Reductions in the Divisional, Brigade, and Army Staff.  
Reductions in the Army Departments.  
Abolition of the Karáchi and reduction of the Chinsurah Depôt.  
Reduction of the Local Company of Infantry in Bengal.  
Limitation of purchases of yearling and reserve stock in the Stud Department.

“There were considerable incidental savings from the effective strength of the Native Army having fallen below the established complement, also in Commissariat expenditure in all three Presidencies, in Barrack expenditure at Madras and Bombay, and in payments to Native Pensioners. On the other hand, there were considerable items of increased expenditure *viz.*, the purchase of cantonment lands in Rannekhet, Morar and Beejapore, compensation to Native Troops for dearth of provisions in the Bengal and Bombay Presidencies, outlay for Ordnance stores for the harbour defences at Bombay and Aden. The net result of these changes, according to the Regular Estimate, is that the entire Military expenditure in India in 1870-71 will be considerably less than the actuals of the previous year.

“It will be seen from the foregoing Memorandum that the increased expenditure was either unavoidable, as occurring under fixed regulations, or owing to war or famine, except in various cases where efforts were made to improve the position of the officers or soldiers of nearly every branch of the service; notably in the great addition to the British soldier's pay in 1867-68, which alone cost a third of a million sterling. To show how much variation there may be in charges of different years, I would mention that about a million sterling was added to the home estimates in 1865-66, 1866-67, and 1867-68 for the construction of the five overland transports; while the sea transport charges, which were very small in India in the years 1861-2-3-4, owing to relief of British Troops being for the most part suspended, rose to £354,000 in 1864-65, when a regular system of relief recommenced.

“It is impossible to make a satisfactory comparison of the Indian military expenditure with that of the War Department, for, according to the system here prevailing, no receipts in the Military Department are allowed to be dealt with in abatement of charges. Every charge is given in full, while the receipts are separately credited to the Indian Exchequer.

“In the War Office estimates, on the other hand, many recoveries are taken in abatement of charges, and do not appear in the total sum estimated for; what are called ‘extra receipts,’ such as the payments by the Indian Government, &c., only being treated as payments to the Exchequer.

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\* I would remark that the reduction of two Companies in Regiments of European Infantry caused no numerical decrease; that a sufficient force of Native Artillery was retained for the purposes for which this branch is needed; and that the second line of waggons was placed in store in the nearest Magazine.—H. W. N.

“The final result to the tax-payers is of course the same, whether the British or the Indian system is followed; but I prefer the British system, as it obviates misunderstanding on the part of the many who simply look to the expenditure side to see what the Army costs, and not unnaturally fail to look to the receipt side, as it probably does not occur to them to think that the Army in India can be a source of revenue as well as of expenditure, or that in fact it produces a larger amount of receipts than the income-tax at its proposed reduced rate, or than all the contributions and tributes we receive from Native States, three times as much as the receipts of the Telegraph Department, £350,000 more than the receipts from Law and Justice, and very nearly as much as the whole Post Office revenue.

“I would beg every one, in referring to the military charges of India, to bear in mind the counterbalancing receipts, and I would further remind them that there are various Corps, not under the Military Department, but charged against it, such as the Deolee and Erin-poorah Contingents, Bhopal Battalion, &c., kept up more or less in consequence of treaties, and more or less paid for by contributions from Native States. The total charge, however, appears in the military expenditure, while the contributions disappear into the Exchequer. As far as I have been able to discover, the sum which might fairly be taken as an abatement of £120,000 (the cost of these Corps) is £78,500 received from Native States.

“The War Office estimates for 1870-71, on a very reduced establishment of 113,221 soldiers, provided for an estimated expenditure of £13,352,900, with £1,212,800 extra receipts; and now this year, with a largely increased force of 133,201 men, the estimated expenditure is £15,850,000; but I have not seen the details of this expenditure or the estimated receipts.

“On the one hand, however, military public works are included in the War Office estimates, and were estimated for 1870-71 at £700,000, and the salaries of the officials at the War Office are included in these estimates, while a large force of Militia, Yeomanry, Volunteers and Reserve Forces cost about £1,300,000.

“In India, on the other hand, the Public Works is entirely a separate Department, and the Military Secretariat is reckoned as a branch of the civil administration; but the estimates in this country are swelled by charges that in no other country in the world, so far as I know, are considered to form a branch of military expenditure; as well as by charges that, though properly military, are due to the exceptional circumstances of our position in India, and are not to be found at all, or only in a slight degree, in the War Office estimates.

“The charges, direct or indirect, on the Indian military estimates, which appear more or less to be items not really belonging to military expenditure, are as follows; and I mention them not because I think it practicable at present to transfer them to other heads, but because I wish to show that the large amount of the military estimates is in part accounted for by charges not of a military nature, but which it is convenient so to deal with.

“1st.—The payment of net pay to regimental and local officers in civil employ, including the Royal Engineer Corps, by which £25,000 a year is added to the military estimates.

“2nd.—As fully a fourth of the whole body of Local and Staff Corps officers are in civil employment of one kind or another, it would seem fair that a somewhat similar portion of the cost of unemployed or retired officers, or officers on furlough, should be a civil charge, instead of being, as at present, a charge on the military estimates; these items would relieve the military estimates of nearly £290,000 a year.

“Fourteen thousand pounds a year are included in the military estimates for the *Derajat* Frontier Militia, which is perhaps rather more a police than a military body.

“Then, again, the cost of maintaining the Stud Department is far greater than any mere military necessity demands. This, however, will probably be rectified at an early date.

“There are various other items, as the provision of camp equipage for tours of Civil Governors and Lieutenant Governors, issue of arms or stores to Native Princes, maintenance of cattle for tour purposes of high civil functionaries, &c., for which either there are no counterbalancing receipts, or, if there are, they are not dealt with as abatements, and the gross military expenditure is increased by them.

“Major General Broome, the able Controller General of Military Expenditure, whose unceasing labours in the Military Accounts Department for nine years have been so valuable, and whose recent departure for England in a very precarious state of health is deeply to be regretted, estimated that six hundred and seventy thousand pounds per annum were charged on the Military Department for expenditure not incurred for, or required by, the Military Department.

"I will now refer to charges which are undoubtedly military, but which are either altogether peculiar to India, or which only appear to a small extent in the War Office charges.

*Hill Sanitaria*—which are kept up at a considerable expense for the benefit of convalescent soldiers.

*Family allowance*—to the wives and children of European soldiers. I would take this opportunity to remark that all non-commissioned officers in the Army, and twelve per cent. of the rank and file, are allowed to marry, and to receive the advantages of a monthly allowance of Rs. 8 for each European wife, Rs. 6-8 for each East Indian wife, and Rs. 2-8 for each child, besides the advantages of married quarters and a few minor privileges. By the last returns, I find that about 70 per cent. of the Staff Serjeants, and rather less than 50 per cent. of other Serjeants, avail themselves of the privilege of marrying, which is open to all. About 8½ per cent. of the rank and file are married out of the 12 per cent. allowed; but in particular regiments the authorized percentage is actually exceeded, for married men who volunteer to other regiments are not deprived of any of their privileges as such on joining regiments in which the complement of married men is full.

"The provision of 95 per cent. of horses in the British Cavalry to every hundred rank and file, compared to the 66 or 67 per cent. allowed at home, and a larger establishment of horses to each Battery of Horse and Field Artillery than in England.

"The provision of malt liquor and rum to the soldier through the medium of the State, the former at a great reduction of cost, and both tending to swell the military estimates.

"More liberal rations to the European soldier than those issued in England, with only the same amount of deduction from pay.

"The maintenance for the carriage of the troops or for the transport of siege trains, of an establishment of 1,315 elephants, 9,150 camels, 4,545 bullocks, and 3,947 mules, besides 8,106 dooly bearers.

"The maintenance of camp equipage complete for every soldier in the Army.

"The provision of punkahs, with an establishment of pullers, during the hot weather for the European troops, as well as of tatties and establishments for watering them.

"The maintenance of certain establishments for soldiers' orphans and children in the hills or elsewhere, and contributions to other institutions of the kind, which considerably exceed what is paid by the War Department for the Asylums at Chelsea and Dublin.

"Various expenses connected with soldiers' gardens and soldiers' workshops,—objects of great importance to the welfare of the soldier.

"Sea transport charges which to a great extent at home appear in the Navy estimates, and which of course are largely increased by the circumstance that the whole of the British troops on the Indian estimates are foreigners serving in a distant country.

"If to this we add the liberal pension list of the Native Army, amounting to more than half a million sterling annually, we form some idea of what various items go to swell the military expenditure of India.

"The force we have maintained during 1870-71 has been—

6,545 British Officers,  
60,425 British Non-Commissioned Officers and private soldiers,  
122,122 Native soldiers,  
14,187 Government horses, with 424 field guns;  
and the estimated force for 1871-72 is—

6,436 Officers,  
60,445 British soldiers.  
121,981 Native soldiers.

13,253 Government horses, with 394 field guns. In stating the number of guns, I exclude the 16 mortars of Heavy Field Batteries, which I see in some returns are included as field guns. We anticipate some reduction in the Native Army, though the particulars of this have not yet been received from the Secretary of State. But I am decidedly of opinion that we have now reduced our European force to the very lowest safe strength.

"Early in 1869, Her Majesty's Government strongly impressed upon the Government of India the urgent necessity for a large reduction of military expenditure, and in the following October proposals were made to the Secretary of State by which the European force

was to be maintained in its rank and file, but certain important changes were suggested by which a large economy would be effected. Her Majesty's Government assented to reductions in the British Cavalry and Infantry, but not in the exact shape recommended. In consequence, we had in 1870-71 a less force of European soldiers than in 1869-70, by 1,570, mainly in the Cavalry.

"The alterations in the Artillery have as yet only partially taken effect; that is, five Batteries of Horse Artillery have returned to England, but the proposed addition of men for the remaining Batteries has not yet been carried out, save in the case of men of the Batteries going home, who have volunteered to remain in India.

"The ultimate result will be a saving combined with a small increase of men, though, as His Excellency the Commander-in-Chief said on Friday, it involves a reduction of five Batteries of Horse Artillery or thirty guns; but even this is not altogether the case, for by adding twelve drivers to each Battery, as proposed, it is hoped that the evil brought to notice on more than one occasion by Sir William Mansfield and the Inspectors of Artillery, that Batteries were too weak to work their six guns, will be obviated; assuming those statements to be correct, we shall not even have lost any really effective pieces of ordnance.

"The Government of India is most anxious to have all existing batteries completed, and on the order being received for the return of the batteries to England, the Viceroy at once urged on the Secretary of State, by telegraph, the necessity of promptly sending out the requisite drafts, and it is hoped that they will soon be supplied.

"I may confirm the statement made by Lord Napier of Magdala on Friday that the reduction of guns lately made, and to which His Lordship objects, is far less than the Artillery reductions recommended by high military authority in 1865, and again in 1869.

"Our British Cavalry and Infantry amount respectively to nine Regiments of 455 men, excluding officers, and fifty Regiments of Infantry of 885 men, excluding officers; and, as I have already said, I do not think any further reductions should be made in these forces, but we hope some economy may be effected in Departments, and we look for a considerable saving in the overland transport service which we think unduly expensive.

"Since September 1869, as I showed in a previous part of this statement, various reductions in the Staff and Departments have been effected, and we hope to bring about a reduction of the smaller ordnance and medical depôts in the other Presidencies on the system recently adopted in Bengal, viz., of having large central arsenals and depôts, by which we think economy and efficiency are alike secured.

"Into larger and more doubtful questions, such as a consolidation of the Military Departments of the three Presidencies, adverted to last Friday by the Honourable Mr. Chapman, I will not here enter, for they involve a variety of difficult and delicate considerations on which no sort of decision or definite opinion has been arrived at.

"As bearing on military expenditure, the Government of India has still under discussion measures regarding unemployed officers, who, though far less in number than formerly, are still too numerous, and thus cause considerable expense. This, however, arises from the unprecedented circumstance—due to a strict regard for the welfare of those who had deserved so well—of an Army being largely reduced without an officer being removed to half pay, or even to pension, save at his own request and with special advantages, while, so far from promotion being checked in consequence of reduction, it has been, as a rule, accelerated in a remarkable degree.

"The question of the non-effective charges for Officers' pensions and Colonels' allowances has been constantly before the Government, and as the measures ordered by the Secretary of State in 1866 were deemed calculated for a time most seriously to swell these charges, a correspondence took place with Her Majesty's Government in 1868-69 on the subject; that correspondence was published, and it is well known that the Secretary of State did not altogether share the apprehensions of this Government, or approve of the measures proposed with the object of lessening these prospective charges. The subject has dropped, at all events for the present.

"This large anticipated expenditure has not yet commenced, for the cost of retired pensions for 1871-72 is only £750,000, as compared with £794,000 in 1862-63. Eventually, when our lists of officers of the several ranks reach their normal proportions, and the effects of the measure of 1866, which only to a serious extent affected officers then in the service, have passed away, I think (as Major General Hannington has shown) that the charge for Colonel's allowances and pensions will be very moderate; but it is impossible for the Government of India to lose sight of the prospect of a large increase of expenditure during a certain number of years, and which it believes might to a certain extent be prevented.

" I would take the opportunity here to allude to an impression that the liberal furlough rules of 1868 have led to vast expense. This is not the case, for though an addition falls on the Home estimates, there is a reduction in the Indian payments which far more than counterbalances the increase in the Home charges.

" I desire to mention that great efforts have been made, and will we hope soon be successful, to obtain a supply of rifled cannon for all our Field Artillery and breech-loaders for our British soldiers, while Enfield rifles are in course of gradual issue, as they become available for our Native Troops.

" It is probably known to most here that Colonel Maxwell, who has recently returned to India, has been for some time in England ably aiding in carrying through to perfection a bronze muzzle-loading rifled gun, capable of being manufactured in India. At the last moment, after he had left England, and after the most favourable reports had been made, defects were discovered which have delayed our supply. We hope, however, to have a considerable number of rifled field guns out by next cold season, and we are also in communication with Her Majesty's Government relative to a supply of heavy rifled cannon for our forts and harbour defences. Here, again, various circumstances over which this Government has no control have led to disappointment and delay, and especially we have been disappointed that the Moncrieff system of mounting guns has not as yet been made to succeed for ordnance of the large calibre we have already in our possession in Fort William and at Bombay and Aden.

" With regard to breech-loaders for the British Troops, it was at first decided only to send out these rifles gradually, as Corps come to India, and to send out machinery to India to convert our stock of Enfields into Sniders. This latter idea, however, after a time, was abandoned by Her Majesty's Government, who determined to supply Snider rifles from England, and only to send out machinery to India for the manufacture of cartridges.

" The Government of India, in June 1869, asked for 64,000 Martini-Henry rifles to be sent out as soon as possible, as it was understood that this would be the weapon finally adopted. That demand was not complied with, and Sniders have only slowly come out, much more slowly than we have desired, but they are now issued to thirty Regiments out of fifty, and we have received intimation of a sufficiency being under despatch to complete the Regiments still armed with muzzle-loaders. I may remark that we have a sufficiency of Snider ammunition in the country, while our own breech-loading cartridge factory is approaching completion. Thirty-one Regiments of Native Infantry have received Enfield rifles, or have rifles under despatch to them.

" In the construction and use of torpedoes, a series of useful experiments has been conducted in the River Húglí under the direction of Colonel Hyde of the Royal Engineers, and we hope to devise a system, at a comparatively small cost, by which not only the approaches to Calcutta, but also to Aden, Bombay and other ports, may at any time be rendered very difficult to pass, by means of torpedoes aided at Bombay and Aden by iron-clad monitors, two of which are now at Bombay, and by batteries in the Húglí, at Rangoon, at Bombay, and at Aden.

" We shall take measures to obtain a supply of mitrailleuses as soon as they are finally adopted at home.

" Before quitting the subject of the Army, it will interest the Council to hear that the health of the troops generally in 1870 was good. There was little cholera, and the death-rate of British troops throughout Bengal only amounted to an average of  $21\frac{1}{2}$  per thousand. It would have been much less if fever had not been so rife in certain districts. I have not seen the returns from Madras and Bombay, but believe they will prove generally favourable.

" The stations with least mortality in the plains were Muttra, where the deaths were only at the rate of  $5\frac{1}{2}$  per thousand, Shahjehanpore  $6\frac{1}{2}$ , Seetapore  $7\frac{1}{2}$ , Roorkee  $9\frac{1}{2}$ , and Fort William  $12\frac{1}{2}$  as compared to the hundred per thousand of former days. Excluding small detachments, the deaths were highest at Jabálpúr, where they amounted to 40 per thousand, Peshawur 33 per thousand, and Morar 32 per thousand.

" At the hill stations the deaths averaged 11 per thousand, and at the hill convalescent depôts, composed of men who had suffered from sickness,  $22\frac{1}{2}$  per thousand.

" The Government is fully sensible of the advantage of having troops in the hills, and two admirable hill stations are being pushed on to completion—those of Chukrata and Raneekhet; but it is not intended to give up important strategic points, or to remove men from good barracks in healthy stations in the plains, though, even from these, convalescents and working parties may go to the hills annually. The employment of working parties has been most successful in every respect, and during last hot season no less than 1,170 men were so

employed to the benefit of their health and general efficiency, and also to great public advantage in other ways. During the coming hot season we hope to have a total of 6,438 men in the hills in this Presidency, and a large number of the remainder will be well housed at healthy stations in the plains. We have commenced the formation of an experimental hill sanitarium at Puchmuree in Central India, of which high expectations are formed, and which is well placed for the reception of men from several military stations.

“ Having alluded to the arming and sanitary condition of the troops, I would add that the means of moving them are not neglected. Notwithstanding the facilities afforded by railway and steamer, the large amount of cattle I referred to earlier are maintained and considered necessary; for however useful railways may be, they are liable to be interrupted, and at all events will not enable troops to operate away from them.

“ This establishment of cattle provides for moveable columns, completely equipped, at various selected points. These columns aggregate 23,000 men of all arms with 72 horsed guns. For the other troops only a small establishment is maintained, for here, as in other countries, armies moving must in the main depend on what can be obtained from the country, though the nucleus we maintain is, I suspect, far larger than the transport establishment any other nation maintains in time of peace.

“ The maintenance of this carriage will also greatly facilitate the formation of camps of exercise, so much and justly desired by the Commander-in-Chief, and for which a grant of ten thousand pounds has been allowed for 1871-72.

“ I have already trespassed far too long on the time of the Council, but there are two smaller departments, or branches of departments, which I may be supposed to represent.

“ I allude to the Military branch of the Public Works and to the Marine Department, but I shall hope very briefly to say all I desire regarding these sources of expenditure.

“ In Military Public Works, expenditure has been very greatly reduced, and it is to me a matter of regret that more funds cannot prudently be applied during the coming year to certain more important works, principally connected with the shelter of the troops.

“ The actual expenditure on military works in the year 1869-70 was £1,501,150, of which £203,705 was for repairs.

“ In 1870-71 the expenditure, according to the regular estimate, is £950,000, of which £210,350 is for repairs.

“ In 1871-72 the estimated expenditure is £1,012,500, but in this are included items for the hydraulic lift dock at Bombay, and for buildings in the Kidderpore Dockyard, aggregating £23,980, which, though no doubt correctly classified as Military, according to Public Works rules, I can hardly accept as such, even though the Bombay dock may be expressly intended for the reception of the Overland troop transports.

“ I will not detain you by a minute statement of the various items that go to make up this sum, but it may be divided under the following heads:—

Fortified posts or works	...	...	£	34,333
Manufacturing buildings	...	...	„	107,636
Accommodation for troops	...	...	„	416,932
Military roads	...	...	„	29,000
Works for water-supply	...	...	„	19,600
Alterations and minor works	...	...	„	162,600
Repairs	...	...	„	216,665
Marine works and repairs	...	...	„	25,737

“ Under the first head that is, ‘ fortification,’ the largest item is £15,000 for the Bombay harbour defences.

“ A vast sum has already been spent on these works, and the Government of India has only provisionally sanctioned the expenditure of £15,000 on works that cannot well be stopped. No more will be allowed for this project until a selected Officer of Royal Engineers, well versed in approved systems of modern fortification, has been obtained from England, and has submitted a report and a detailed project of a moderate description.

“ The other principal works connected with fortifications on which sums are sanctioned in 1871-72 are—

£5,000 for works at Rangoon.  
 £7,000 for the redoubt and magazine at Thyetmyo.  
 £7,300 for the fortified post at Trimulgherry (Secunderabad).

“For manufacturing buildings, there is the rather large expenditure of £107,636, but it is for works most urgently required.

“The main items under this head are as follows:—

New Arsenal Buildings, Cartridge Factory, and Powder Works at Kirkee, £40,920.

Cossipore Foundry Works, £28,560.

Ishapore Powder Works, £12,859.

Snider Factory, Dum-Dum, £20,000.

“The principal works for the accommodation of troops to which sums have been allotted are at Belgaum, Ahmednuggur, Mount Aboo, Karáchi, Chukrata (hospital only), Raneekhet for cottage barracks, Allahabad, principally for Royal Artillery, Rawul Pindee, Peshawur, Dugshai, Subathoo, Jullunder, Balloon (Dalhousie), Murree Convalescent Depôt, Mooltan, Saugor, Jabálpúr, Fyzabad, Neemuch, Nusseerabad, Mhow, Fortress of Gwalior, Morar and Nowgong. To each of these places amounts of more than £5,000 have been allotted, and to some of them a far larger sum, and in a few of the cases sums are allowed to stand, though estimates have not yet been sanctioned. No work is allowed to commence, however, in anticipation of sanction.

“Special work is also going on at the experimental hill station of Puchmuree, which will have to be met by transfers from other grants, some of which, it is believed, will not be wanted.

“The charge for roads includes £29,000 for the cart roads to Chukrata and Raneekhet. These are classed as military roads, but will no doubt be largely used by the general community, and the Raneekhet road will, it is hoped, greatly open up the tea and iron districts of Kumaon.

“The items for water-supply works are £10,000 for the Kussuf project at Aden and £5,000 for Peshawur. The latter is a most essential work, and will, we trust, tend, when completed, greatly to reduce the sickness at that place.

“In a very important Resolution by the Government of India, issued on the 14th December last, it was laid down that for the future, in places where the climate is in general dry and healthy and the soil light and readily drained, there was no objection, on sanitary grounds, to single-storeyed barracks erected on well-raised basements, and it was stated that much inconvenience had been caused to the soldiers, and expense and difficulties had arisen in working punkahs and tatties, owing to the arrangement of dormitories and dry rooms in different floors. It was therefore, resolved that, save at exceptional stations in damp climates and low-lying localities, the rule of 1864 should no longer be in force, by which it was laid down that ‘double-storeyed barracks in which the upper floors only are used as dormitories and the lower ones as dry rooms and for auxiliary purposes, should be adopted, as a rule, in all parts of India.’

“By the new rule, it is believed that the comfort of the soldiers will be increased, and additional accommodation be given in barracks already completed, or that are well advanced, which may be valued at about £200,000 for 1,500 men.

“I do not think there is anything more to be said with respect to the expenditure on military works, but I am decidedly of opinion that the present system by which local Civil Governments deal primarily with the proposals for allotting money to military works is faulty, and that it would be a great improvement, and one which, I trust, will ere long be initiated, that the allotment of grants for all military works should be made, at all events as far as the Bengal Presidency is concerned, by joint consultation with His Excellency the Commander-in-Chief and the Military and Public Works Departments of the Government of India.

“There remain the Marine charges which were specially referred to by my honourable friend Mr. Chapman. These charges are not in their nature so susceptible of reduction or of check by the Supreme Government as the Military charges, and must practically, to some extent, be dependent on the supervision of the Local Governments. These Governments have been enjoined to exercise strict economy in their Marine estimates, and various reductions have been effected. In fact, as I stated on this day week, the difference between the expenditure of the Marine Department in India, as estimated for 1870-71, and the sum now shown in the regular estimate for that year, is more than £50,000. At the same time, it must be recollected that the purchase of a single vessel in any one year largely deranges the Marine estimates, and vitiates comparisons. As before 1868-69 the Marine Department was not connected with the Military Department, I do not propose to say more with reference to past



years, than that in 1870-71 the estimated Marine expenditure was £784,100, of which £307,924 was to be incurred in England and £476,176 in India. The regular estimate has increased the former to £311,700, an increase of nearly £4,000, while it has decreased the latter, or India expenditure, to £422,000, a reduction of £54,000; but as the receipts in India are estimated at £272,100, the net expenditure in India was only £150,000.

“ For 1871-72 the Marine expenditure is estimated at £777,800, or £6,700 less than the budget estimate of the current year. Of this, £290,700 is for expenditure at home. This provides for £70,000 for the cost of six ships of Her Majesty’s Navy serving in the Indian seas; £168,000 for stores for India; £50,000 for pensions,—I presume mainly for members of the old Indian Navy; and £2,500 for furlough pay. There is a considerable increase for stores, but a decrease of £66,000, paid in the previous year towards the cost of iron-clad monitors for Bombay.

“ The estimated expenditure in India is for £487,100, but the receipts are estimated at £237,900, leaving a probable expenditure of £249,800.

“ The transition state of the Marine Service on the other side of India renders comparison between this year and last impossible, for the Indian vessels have not yet been reduced, while the Royal Naval vessels are already out here, and though the payments for these vessels are made in the home estimates, cost of coal and repairs will be an Indian charge, and for a time swell expenditure.

“ The Bombay Government has been requested to carry out all possible reductions consequent upon the arrival of the Royal Naval vessels, and to submit a carefully considered report of the permanent wants of that Presidency under the new arrangements, by which all military naval duties in these seas devolve on the Royal Navy.

“ This will no doubt actually reduce the expenditure in Bombay, and in Bengal a considerable reduction has been effected, but I am not prepared to say that we are incurring a very large Marine expenditure in India, considering that it provides for the following items:—

“ All the charges connected with the Master Attendant’s Department, the Dockyard, the Pilot Vessels and Pilot Service; Steamers, Yachts, River Surveys, for this port and for rivers in Bengal; various charges for the Mutlah, which, however, are greatly reduced this year; cost of all Marine establishments, including that of Lightships and Lighthouses in British Burmah; cost of River steamers in the Punjab: the Master Attendant’s Department at Madras; and very heavy expenses for the Marine establishments at Bombay, in the Persian Gulf, at Aden, and Karáchi, besides one lách of Rupees for vessels employed on the Telegraph service, and also a charge of Rs. 27,000 for Marine Pensioners at Bombay, as well as provision for the new monitors for the defence of the Bombay harbour.

“ Of these, as already observed, we hope to effect a considerable reduction in the Persian Gulf, as soon as the entire relief of Indian vessels is effected by the ships of Her Majesty’s Navy, for which we now pay, and I entertain a strong conviction that the Marine expenditure for 1871-72, if no unforeseen circumstances arise, will bear a very favourable comparison with that of previous years.

“ I have now gone through the expenditure of the three branches of the public service of which I have more immediate charge, and I fear I have greatly wearied the Council. I can only plead the magnitude of my subject, and I promise that if I again have the honour to submit statements of this kind, they shall be more brief than those I have to-day offered.”

His Excellency THE COMMANDER-IN-CHIEF said that every one must concur in appreciating the very valuable resolution which His Excellency the Governor General in Council had adopted of making public the Statements which they had heard to-day, and the Council were very much indebted to Colonel Strachey and General Norman for the extremely clear and, His EXCELLENCY might say, admirable, statements which they had laid before the Council. They embraced a vast number of subjects, far too enormous for him to advert to at the present time. But His EXCELLENCY would take the next available opportunity in Council, when the Financial Bills came on, to make some remarks on these branches of military expenditure which came within his own special province, and he hoped that the statement that he would make would explain to the public and reconcile them to such military charges as perhaps they did not at present perfectly understand. His EXCELLENCY alluded more especially to the charges on account of the shelter, comfort, ordinary education and amusements of soldiers. He would also make some remarks regarding the necessity of having military protection for every part of the country; a necessity which had been exemplified to them, recently, in letters of blood and flame more pressing than any arguments and words.

## CUSTOMS DUTIES BILL.

The Honourable Sir RICHARD TEMPLE also presented the report of the Select Committee on the Bill to amend the law relating to Customs Duties.

## FINANCIAL COMMISSIONERSHIP (OUDH) BILL.

The Honourable Mr. STRACHEY introduced the Bill to abolish the Financial Commissionership of Oudh.

The Honourable Mr. STRACHEY having applied to His Excellency the President to suspend the Rules for the Conduct of Business,

The President declared the Rules suspended.

The Honourable Mr. STRACHEY then moved that the Bill be taken into consideration. He had already explained the object of this Bill. The Government had come to the conclusion that the time had come when the Financial Commissionership of Oudh might be abolished without any inconvenience to the public, and a considerable saving of money might, perhaps, be gained. It was proposed to enable the Government to transfer to the Chief Commissioner and to the Courts of the Judicial and other Commissioners of Oudh the duties which were now performed by, and the cases that were brought forward in, the Financial Commissioner's office.

It was explained, on a former occasion, that the Bill only professed to be a temporary measure. It was stated that the existing law in regard to the constitution of the Oudh Courts was in anything but a satisfactory state; that the law was extremely obscure, and that there was no doubt that a new Court's Bill would soon be required. That, however, was a matter which would require careful consideration, and the present Bill was merely intended to enable us to tide over a temporary difficulty.

The Honourable Mr. STEPHEN said he proposed to take this matter into consideration as soon as the Council arrived at Simla, when an Oudh Courts' Bill would be prepared and introduced.

The Motion was put and agreed to.

The Honourable Mr. STRACHEY then moved that the Bill be passed.

The Motion was put and agreed to.

## LOCAL RATES (OUDH) BILL.

The Honourable Mr. STRACHEY also presented the Report of the Select Committee on the Bill to provide for the levy of rates on land in Oudh.

The Council adjourned to Monday, the 27th March 1871.

WHITLEY STOKES,

*Secretary to the Government of India.*

CALCUTTA,

*The 24th March 1871.*