

Friday, March 10, 1871

ABSTRACT OF THE PROCEEDINGS

COUNCIL OF THE GOVERNOR GENERAL OF INDIA

LAWS AND REGULATIONS.

Jan to Mar

1871

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

The Council met at Government House on Friday, the 10th 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.

The Hon'ble John Strachey.

The Hon'ble Sir Richard Temple, K. C. S. I.

The Hon'ble J. Fitzjames Stephen, Q. C.

The Hon'ble B. H. Ellis.

Major General the Hon'ble H. W. Norman, C. B.

Colonel the Hon'ble R. Strachey, C. S. I.

The Hon'ble F. S. Chapman.

The Hon'ble J. R. Bullen Smith.

His Highness Sarámade Rájáháe Hindústán Ráj Rájendra Srí Mahárájá-
dhiráj Sivái Rám Sing Bahádur, of Jaypúr, G. C. S. I.

The Hon'ble F. R. Cockerell.

The Hon'ble J. F. D. Inglis.

The Hon'ble D. Cowie.

The Hon'ble W. Robinson, C. S. I.

EMIGRATION BILL.

The Hon'ble MR. CHAPMAN moved that the report of the Select Committee on the Bill to consolidate the law relating to the Emigration of Native Labourers be taken into consideration. He said that the Bill consolidated five Acts, the provisions of which had been re-arranged by the Secretary.

Suggestions had been invited from the several authorities, and a few had been received and adopted by the Committee. The Medical Inspector was invariably to be present at the time the emigrants embarked, and was to make a final examination as to their fitness for the voyage. In the event of the head of a family or a near relative being found unfit, the other members were not to be separated from him and compelled to undertake the voyage. A few other trifling alterations had been made; but the substance of the existing law remained unchanged.

MR. CHAPMAN believed that law contained all the safeguards that could be devised for the protection of the emigrant from the time of his enlistment until he arrived in the colony. But he could not disguise his apprehension that, in spite of these safeguards, instances of cruel abuses would inevitably occur, unless the officers entrusted with the working of the Act most carefully attended to their duties. It would not be sufficient for the Magistrate to rest satisfied with the bare assent of the emigrant when he was brought before him by the recruiter. He must do his best to ascertain the inducements that had been held out, disabuse the emigrant of all false expectations, and thoroughly satisfy himself that the contract had been entered into without undue pressure of any kind.

HIS HONOUR the LIEUTENANT GOVERNOR wished to be allowed to ask the hon'ble gentleman in charge of this Bill two questions. The first was, whether the Government had any information regarding certain allegations that had been made in respect to the treatment of coolies in one of the places to which emigration was permitted by this Bill—he meant British Guiana—or as to the result of the enquiries made by the Commission which had been appointed as to the truth of those allegations: and, secondly, whether, under the rules made by the Governor General in Council or any other authority, there was any provision for enabling the Government of India to ascertain the treatment which the coolies received at the places to which emigration was permitted. What he was anxious to know was, whether there were any means to enable the Government of India to ascertain that laws were not only made for the protection of the emigrants in the colonies, but were duly and fully and fairly executed. On looking over this Bill, he observed that there seemed to be a very marked, almost a singular, difference between the provisions made for the British colonies and for the Danish colony of Saint Croix, and those for the French colonies. He found, in respect to the French colonies, that there was a distinct provision in the Bill, that the duration of the engagement should be entered in the contract, and he found that reference was also made to the Convention with the French Government, under which the duration of the engagement was limited to five years; and that there were also various other minute provisions for securing the safety and well-being of the coolies who proceeded to the French colonies, as, for instance, that they were to have a return-passage, and the like. Amongst these, there was one very essential provision, that the British Consuls in the French colonies were to act directly under the orders of the Governor General in Council as Protectors of the emigrants after their arrival there. On the other hand, not only as regards the British colonies, but

also as regards the Danish colony of Saint Croix, and any other places to which emigration might be hereafter permitted, no such powers appeared to be given to the Government of India. On the contrary, it appeared that there was no provision whatever as regards these colonies, in respect to the duration of the contract, or in respect to the other particulars for which provision had been made with regard to the French colonies.

It might be said that we might trust the Governor General in Council to see that emigration to any colony was not permitted, until proper legal provision for the safety and good treatment of the emigrants in the colony was made. But the great difficulty seemed to HIS HONOUR to be, that we had no means of ascertaining that these laws, when made, were duly administered in such a manner as to give us assurance in regard to the treatment of coolies at these colonies. We knew that abuses had prevailed in Jamaica in regard to the treatment of the coloured races in the local courts. It had been shown that those courts were formerly constituted in a way from which it could hardly be expected that equal justice would be done between the white man and the black man. Complaints had recently been made that injustice was done to the coolies in British Guiana, but whether justly or unjustly he could not say. As he had said before, he was struck with the fact that there was no provision that he could see for ascertaining whether the coolies were fairly treated or not, or what became of them after arrival in the colony.

He was also struck with the fact that, when, serious complaints having been made, it was found necessary to appoint a Commission to investigate into the condition and treatment of the coolies in British Guiana, it appeared that the colonial office, to whom alone they could look for protection, did not think it necessary to take the very obvious step of putting on that Commission an Indian officer, or any person who, from residence in India, knew something of the language and habits and feelings of the Natives of India. On the contrary, the Commission consisted of one young English lawyer and one local Magistrate. The constitution of the Commission was complained of, and it was, he believed, partly on the representation of the Colonial Governor, and partly, as he heard, in consequence of representations made by the Government of India, that a gentleman of Indian experience was at the last moment sent after the others as a third member of the Commission.

On these grounds HIS HONOUR had to suggest that it might be very desirable that some provision should be made to enable the Government of India, by appointing a local agent or otherwise, to keep a constant supervision over the

administration of the law in the British colonies to which it applied, and in other places, besides the French colonies, to which the Act was or might be extended. Of course the Council was aware that the British colonies were just as independent of this legislature as the French colonies were, and that some of them were almost independent of the British legislature. We could not always rely on the mere casual expressions of public opinion in the Press and otherwise, that we were from time to time made aware of, regarding the treatment of coolies in all these colonies. In some, no doubt, they were well treated; in others, they might not be so, and the coolies could not at this distance distinguish between the good and the bad; therefore he thought some special means of acquiring information very desirable.

The Hon'ble MR. STEPHEN wished, with reference to what had fallen from His Honour the Lieutenant Governor, to call attention to the fact that the jurisdiction of this Council ceased at three miles from the shores of India. The consequence was that, if we put into the Act any provision respecting the supervision of emigrants in British colonies, it would be simply ineffectual. All, therefore, that could be done was to introduce into the law provisions enabling the Governor General in Council to take such measures as might be necessary if he should be informed that due provision had not been made for the interests of the emigrants in the colony to which they might emigrate. If His Honour the Lieutenant Governor would turn to the 57th section of the Bill, he would find that it was there enacted that, when the Governor General in Council had reason to believe that, in any place to which emigration was permitted, proper measures had not been taken for the protection of the emigrants, he might declare by notification that emigration to such place should cease. The 58th section provided that, after such notification had been published, emigration to the place to which the notification related would cease. That was the extent of the protection which it was possible for us to afford by legislation. Of course, if the Government of India did not take proper measures to keep themselves informed of the treatment of the emigrants at the places to which they emigrated, they would be open to blame in their executive capacity. But, as far as legislation went, it would merely be void and of no effect, and he did not think it would be possible to go to any extent beyond what had been done in the present Bill.

With regard to the British colonies, and more particularly to the remarks which had been made respecting the two cases which had been adverted to by His Honour the Lieutenant Governor, all that could be said was that, if what

His Honour had affirmed was correct, it was a state of facts which was much to be regretted, but the remedy for which did not lie in the hands of the Governor General of India in Council. He must point out, moreover, that although it was perfectly true, as his hon'ble friend had pointed out, that all the colonies had at the present day a considerable degree of legislative independence, the Secretary of State for the Colonies still retained a considerable degree of authority over their proceedings. It was not to be supposed that those who were charged with the administration of the general interests of the British colonies would fail in their duty. If they failed in their duty, we could not help it. But it would be clearly their duty to see that the laws passed in regard to the treatment of the coolies in the colonies harmonised with the system established here.

With regard to the special provisions affecting the French colonies, it would be enough to say that they were made with reference to the special convention existing with the French Government, and, after all, they did not extend beyond British India. He thought that, when the matter was considered in that point of view, it would be seen that we had done all that mere local legislation could do upon the subject.

The Hon'ble MR. CHAPMAN desired to explain, with reference to the remarks that fell from His Honour the Lieutenant Governor, that the object of this Bill was to protect the emigrant from the date of his enlistment up to the time of his arrival in the colony. As pointed out by the Hon'ble Mr. Stephen, it would be useless for the Government, in their legislative capacity, to attempt more, inasmuch as any laws they might pass could not be enforced. But the Executive Government could and did look to the treatment of the emigrant during his sojourn in the colony. There was a section in the Bill which enjoined the Protector to board every return-ship and ascertain from the emigrants whether they had any complaints to make of the treatment they had received; and representations received in this or any other way would not fail to be attended to. MR. CHAPMAN might mention that, at the present moment, emigration from Bombay to the Mauritius had been prohibited, in consequence of the excessive mortality that was said to have occurred at that island amongst the emigrants.

Since he had been in charge of this Bill he had deemed it his duty to visit the Depôts at Calcutta and make such enquiries as he could as to the manner in which emigrants were treated. He was satisfied that, whilst in this country, they were treated with kindness and liberality; and that every reason-

able precaution was taken to ensure their health and comfort on the voyage. The fact was the emigrant was a very expensive article, and it would be obviously against the interest of those who engaged him to treat him badly.

His Excellency THE PRESIDENT said that reports were being constantly received in India from the Secretary of State for India, which were transferred to him by the Secretary of State for the Colonies, as to the condition of the emigrants in the various British colonies. HIS EXCELLENCY knew that these reports were always carefully attended to if there was any particular matter in them which required the interference of the Executive Government, and whatever steps were found necessary were immediately undertaken. He thought that nothing could be more desirable than for the Government to have regular reports of this kind of the state of the emigrants in all the colonies; and if any suggestions could be made by His Honour the Lieutenant Governor to make these reports more correct and more effective, he was sure they would be readily considered by the Government of India.

His Honour the LIEUTENANT GOVERNOR wished to be allowed to say a few words with reference to the statement which had been made by the Hon'ble Mr. Chapman, that the object of the Bill was only to protect emigrants in this country and during the voyage and till their arrival in the colonies. HIS HONOUR thought we were bound to do more, and to provide that the emigrants were fairly treated in the colony. In fact, the Bill in some sense did provide for the good treatment of the coolies beyond India, because, if sufficient local laws were not made and the coolies were not well treated in any particular colony, the Government had the power to stop emigration to that colony, and we should have failed in our duty if we did not make such a provision.

For the rest, he might say that, as the thing stood, he was satisfied with the assurance that he had received from the Hon'ble Mr. Stephen and from His Excellency the President, that the observations which had been made would have due consideration and attention at the hands of the Government of India in its executive capacity. He was content to leave the matter to the Executive Government, and he felt sure that everything would be done that could be done for securing the good treatment of the emigrants in the colonies. If he had been a member of the Council at an earlier stage of the Bill, he might have proposed that we should have laid down certain rules with regard to the duration of the contract, the appointment of Indian agents in the colonies, and such matters, in the same way as was provided with respect to the

French colonies. He did not see why we should not be able to make the same rules with regard to the English colonies. But at this stage of the Bill he did not feel that he could fairly press these proposals, and therefore he would rely on the Government of India to take sufficient means to satisfy themselves that there was not just ground of complaint in the places to which emigration was permitted, and to stop emigration if there were.

The Motion was put and agreed to.

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

The Motion was put and agreed to.

SURVEY OF STEAM VESSELS (RANGOON) PORTS' BILL.

The Hon'ble MR. CHAPMAN moved for leave to introduce a Bill to provide for the survey of steam vessels in the Port of Rangoon. He said that the Chief Commissioner of British Burma had represented that at present there was no law authorizing the survey of steam vessels plying to and from the Port of Rangoon, and that steamers which plied there should be subjected to the same kind of supervision as was exercised in respect to steamers in Bengal under Bengal Act V of 1862. The object of this Bill was therefore to provide for the survey of steam vessels in that Port.

The Motion was put and agreed to.

LAND IMPROVEMENT BILL.

The Hon'ble MR. STRACHEY introduced the Bill to consolidate and amend the law relating to advances of money by the Government for the improvement of land, and moved that it be referred to a Select Committee with instructions to report in a fortnight. When he had asked for leave to introduce this Bill some time ago, he fully explained the objects of the measure, and he thought he need not take up the time of the Council in repeating what he then said as to the objects of the Bill. The Bill was partly a measure of consolidation, and the opportunity had been taken of amending the law relating to advances of money by the Government for the construction of works of agricultural improvement. There was no doubt, as he pointed out before, that the existing law on the subject, which was contained in the old Regulations passed for the most part more than half a century ago, was hardly applicable to the present time; and the Government believed that the system of granting advances of this kind, which had been long known in India by the name of *takkávi*, might be with advantage extended.

MR. STRACHEY had said, when he asked for leave to introduce the Bill, that the proposed measure had been generally approved by all the authorities consulted. But he should have spoken more correctly if he had said by all the authorities of the provinces to which the Bill was intended to apply. For, originally, it was thought that the Bill might be made properly applicable to the whole of India; but the Madras Government had stated that it not only considered the measure inapplicable to the Madras Presidency, but that it disapproved of it also on general grounds. The result of this expression of opinion on the part of the Madras Government was, that the Bill as it now stood only referred to those portions of the Bengal Presidency which had no legislature of their own. He mentioned this because he was afraid, from a letter which had been subsequently received from the Madras Government, that that Government might have thought that he had been somewhat wanting in courtesy in not referring to those objections; the truth being, as he had just said, that he did not refer to those objections because the Bill was not intended to apply to Madras.

He need not, he thought, now refer in particular to the objections raised by the Madras Government. But he might mention that the whole of the papers, amongst which the Madras letter would be found, either had been or would be immediately circulated to the members of this Council. He did not think that he need say anything more regarding the particular provisions of the Bill.

The Hon'ble MR. ROBINSON said that since the first draft of this Bill was put in circulation, an important modification had been made in the omission of the Presidencies of Madras and Bombay from its operation. He was himself in favour of making advances to the people—if they desired such aid and saw their way to using it advantageously—for the improvement of their land and agriculture. But, as the Madras Government objected to the measure for reasons which he was unwilling to discuss, he thought that the omission was wise and considerate.

There was, however, a feature of the measure now proposed to be introduced to which he ventured to draw attention in connexion with the coercive, and, he thought, impolitic and harsh, provisions of another measure which was before this Council, namely, the Irrigation and Drainage Bill.

Some of the provisions of the Irrigation Bill were of a character which, he thought, might prove prejudicial to the reasonable liberties of the people. And he foresaw that the working of the measure now proposed to be intro-

duced would, for all practical purposes, fall almost entirely into the hands of officers of the Department of Public Works, and might be used by Canal Officers in conjunction with irrigation measures, as a means for carrying out extravagant proposals at the compulsory cost of the people.

The Bill now introduced before the Council was no doubt a benevolent and ostensibly voluntary measure; but the Irrigation and Drainage Bill supplied that coercion which occasionally marred our *quasi* voluntary legislation, and embittered its application in the eyes of the people. The Irrigation Bill, if passed in the form now urged by the Hon'ble Member in charge of it, would enable Canal Officers to require the people to have costly works constructed at their own expense by forced loans under this enactment; and it was noteworthy that a large share of the profits from works constructed by such compulsory private outlay would be swept into the coffers of the Canal Department as water-rate; while we should further charge interest under this Bill on the loans so forced on the people. He thought that the propriety of these measures and the justice of these claims required very careful consideration in examining the measure now brought forward.

MR. ROBINSON did not oppose the introduction of this Bill, but he thought that its provisions would require much protective discussion in Committee; and he considered that the Committee's report on the Bill should not be required to be submitted until the Irrigation and Drainage Bill, in any shape which it might eventually take, was fully before this Council. The two were intimately connected, and, in fact, in part supplemental to each other.

Colonel the Hon'ble R. STRACHEY said, deferring for a few moments the remarks which he should consider it necessary to make in reply to the observations which had fallen from the Hon'ble Mr. Robinson, he would first say that he looked upon this Bill as it had been drafted, and as it was now before the Council, as likely to be of great value. There was no doubt that, in carrying out irrigation works in the provinces to which this Bill was intended more particularly to apply, there had been considerable difficulty experienced by the proprietors of land and cultivators in executing the small subsidiary channels which were necessary for the purpose of bringing water on to their lands from the larger channels which were constructed by the Government. He thought there was very little reason to doubt that one of the causes of the sluggishness of the development of irrigation from the canals in Upper India had been the want of capital on the part of the cultivators; for it was practically the tenants themselves who had to supply the means of bringing water on to their

fields. It was because the Bill would give a means of providing the necessary capital to these persons that he thought it would be extremely valuable. It would be valuable, not only to the agricultural population, but also to the State, which embarked a very large capital in the construction of these works,—works which, under existing circumstances, were commonly carried on for many years at a large sacrifice of the public revenues. He thought that any such arrangements as were contemplated by the Bill now before the Council, which practically would assist the neediest class of cultivators and proprietors of land in extending the benefits of irrigation as far as it could be extended, and as speedily as possible, would be one of unmixed advantage. There was another class of minor irrigation works also to which, he thought, the provisions of the Bill could probably be very usefully applied,—that was the construction of minor reservoirs or tanks, which, in many parts of the country, formed the only means of providing artificial irrigation. In the North-Western Provinces and in the districts which were analogous to the North-Western Provinces, which mainly consisted of great alluvial plains, the construction of tanks and reservoirs was almost impossible, and, virtually, the only means of irrigation of these districts was to be attained either from wells or from the large canals which were being constructed by the Government. But in many of the hilly districts of India, the only valuable, and, in fact, the only possible, means of irrigation was to be found in small tanks or reservoirs. This class of works it was extremely difficult, if not impossible, for the Government to undertake itself. Small reservoirs might easily and economically be constructed to supply the wants of one or two villages, at a cost of only a few thousand rupees. Such it was physically impossible for the Government to superintend, and he hoped that, by the assistance given by this Bill, individuals might be supplied with capital for carrying out such works, and that great advantage would be derived in some parts of the country, in which, under existing circumstances, it was almost impossible to look for any means of providing irrigation. He might remark, with reference to what had fallen from the Hon'ble Mr. Robinson, that the Bill made no provision whatever for putting a compulsory rating upon proprietors whose lands were benefited by works which were constructed by others. The intention of the Bill was solely to deal with cases in which individual proprietors or occupiers of land desired to improve the lands which they owned or occupied. That a measure which would give the means of enabling the majority of proprietors in an agricultural district to put a rate on the whole of the lands of that district for any object from which they would all equally benefit, might be adopted with advantage, was extremely probable,

but it was altogether of a different character from what was proposed in the present Bill, and there were reasons which were obvious for not mixing up two subjects of so different a character.

After what had been said by the Hon'ble Member in charge of the Bill, it was, perhaps, not necessary for COLONEL STRACHEY to say very much with regard to the objections taken to the Bill by the Madras Government; but there were two points on which he thought it expedient to express his own opinion. He thought, in the first place, that he was perfectly justified in questioning the opinion given by the Madras Government on this subject, considering that it was in direct opposition to that of their own Revenue Board. He also claimed a right to have an opinion on the subject from the fact that, for many years past, he had been made acquainted, in his position in the Public Works Department, with the manner in which irrigation works were carried on in that Presidency and in Mysore, the conditions of which Province were altogether analogous to those of the Madras Presidency, at least as regards that class of works to which alone this measure could apply, namely, the small reservoirs and tanks.

The first of the objections which the Madras Government had taken to this Bill was expressed in these words:—

“This Government is therefore averse to making the grant of small agricultural loans a part of the financial policy of the empire, and providing for it by law. The result of such a measure, it is apprehended, would be the reckless spending of millions.”

He confessed that it seemed to him that a sentence of that sort hardly called for comment or refutation. In the Bill, it was specifically stated that the amount which would be provided for the purpose of making advances for carrying out these works was to be regulated by the Governor General in Council. The tenor of the letter of the Madras Government was to the effect that, if this Bill was passed, it would force upon the Government of Madras a policy which would make their officers go into every village and find out people who could take money, and then compel them to take money, and generally would tend to a reckless expenditure. No human being in his senses would ever dream of doing anything of such a description, and how the Bill could suggest such comments it was difficult to understand.

The second objection made by the Madras Government had reference to the class of works which the Government of India desired to see carried out, by the help of this Bill, by the people themselves, but which the Government of Madras apparently thought would be better done by Government agency.

Now, in this he thought they were totally wrong. He said without the least hesitation that a great error had been committed by the Madras Government, which had affected the whole of the operations of that Government in connexion with an important part of the irrigation works since the year 1857. They made the attempt, which had proved a complete failure, to bring under the control of the Public Works officers the whole of the small irrigation works of that Presidency. Identically the same mistake was made in Mysore, whose officers, being derived from the Madras Presidency, had imbibed the same views and practices, and introduced them into Mysore. During the last three or four years, the Government of India had been taking measures in Mysore to root out the system under which the Government was expected to do everything, and to put upon the cultivators or proprietors the responsibility, which obviously should rest on them, of maintaining these small works. It was perfectly impossible for the Government officers to look after the maintenance and repairs of the tanks and reservoirs which existed in these districts. In Mysore, it was estimated, if he remembered aright, that the number of tanks was 600,000 or 700,000, and the idea of any Government Department attempting to deal with works of that sort was, on the face of it, absurd. In very many cases the annual repairs of these works would amount to no more than three, four or five rupees, and, to use an observation that had been before applied to the case, the Government would have to keep up a large establishment to supervise the throwing of a single basket of earth on the banks of one of these tanks. He felt satisfied that the only possible way to deal with these works was under a system of the kind contemplated by this Bill, by means of which a most salutary reform could be effected.

He should further trespass on the time of the Council in making a few remarks on what had fallen from the Hon'ble Mr. Robinson. There were some persons who could see nothing but vice in what was most innocent, and wickedness in the most virtuous acts. The Hon'ble Member appeared to be one of these persons. He seemed to consider that the whole desire of the Canal Administration in Upper India was to tyrannize and do mischief, and that the principal object of the Irrigation Bill now before the Council was to aid them in this laudable object, and that the present Bill was to be made subservient to the same end. For his own part, and on behalf of that Administration, with which he had long been connected, he totally denied that there was anything of the sort. He said without the smallest hesitation that the whole spirit of the operations of that Department had been proved by the experience of long years to have been of the most beneficent description. No doubt it was perfectly

true that errors had been committed, and would continue to be committed, by Canal Officers; but they were no more infallible than other human beings, or than persons who belonged to the various branches of the Civil Service. Collectors and Magistrates, he believed, sometimes committed errors, but for that reason they were not to be denounced as monsters. When a law was passed, it was always implied that it would be carried out with decency and reason. There was no portion of the criminal or any other law which could not be made an engine of oppression: if you deliberately proceeded to do injustice, you might convict, imprison, and put to death perfectly innocent persons under the best law; but practically that was not done—practically, human beings were not so bad, and even Canal Officers were not quite so bad. He saw no reason why the Government should allow that particular branch of the Administration to commit every enormity, when it would not allow other branches to act in the same way. But he need not trouble the Council further on this subject. The discussion regarding the Canal Bill was altogether irregular, because that Bill was not now before the Council; but remarks having been made regarding it, and he being in a measure responsible for it, he thought it right to say something on the subject.

His Honour the LIEUTENANT GOVERNOR said that it not unfrequently happened in this country that, in the most tempting pastures, a snake lurked in the shape of the Public Works Department. He must confess that, when he heard the remarks that had fallen from his hon'ble friend opposite, he was inclined to think that he was somewhat hypercritical, and that he smelt a snake when no snake was there, because, on reading the Bill, it appeared to HIS HONOUR to be a very innocent Bill, and merely a continuation of the old *takkávi* system of advances. He did not perceive that the Public Works Department would have anything to do with this Bill at all. But it appeared that his hon'ble friend opposite knew his own business, for he had brought out the snake in the person of the Hon'ble Member on the right (Colonel Strachey). After listening to that Hon'ble Member's remarks, the Council could hardly doubt that, if he had not a finger in it, at least he had a very considerable interest in the Bill.

HIS HONOUR agreed with the Hon'ble Member that the discussion upon the Irrigation Bill at this stage was irregular. We had not the Irrigation Bill before us, and he for his part knew nothing of the provisions of that Bill. Therefore, the suggestion he would make was, that we must take the present Bill as it stood, and discuss it in the light of a *Takkávi* Bill. He would only add this, that the Hon'ble Member (Colonel Strachey) had broached something which did not appear in this Bill at all. He had made a suggestion with re-

gard to the rating of the inhabitants of particular parts of the country for the purpose of carrying out works of the description which this Bill was intended to cover. With regard to that, His Honour should only wish to say this, that if it was proposed that the character of this Bill should be materially changed in Committee [Colonel Strachey explained that he had not proposed to introduce these provisions in the Bill at all]—he was only going to say that, if it had been so, he hoped the Council would have full time to consider the proposed alterations. But if not, then he need say nothing on that point.

He would observe that he had intended merely to address the Council with regard to one particular section of the Bill. He had had very considerable experience of almost all the parts of the country to which this Bill would immediately apply, and he found that the Lieutenant Governor of Bengal would be responsible for its application to the territories under his control; and he therefore wished to call the attention of the Council to the terms of section seven of the Bill.

The point he wished to call attention to was that, as the section stood, the question whether money might be advanced to a ryot without the consent of his landlord depended on this—whether he had the right or not to transfer his land, which was one of the most obscure points in the whole law relating to landlord and tenant. In most of the country to which this Bill was intended to apply, and also in Bengal to which it might be applied, the question of whether a tenant had a right or not to transfer his holding had not been settled by the law; on the contrary, the judicial decisions upon this point amounted to this, that the question whether or not an occupancy-tenant could transfer his holding rested on the custom of the district or locality, and not upon any special law whatever. The consequence was, that the state of the law on the question as affecting occupancy-ryots was most uncertain and varying; local customs were the only law on the subject. In course of judicial decisions, the law on the subject was gradually crystallizing into shape; but at the present moment, in respect to the great majority of occupancy-tenants, it was almost impossible to say whether a ryot had a right to transfer his holding or not. And, therefore, to throw upon them (the Collectors) the burden of determining what tenants had, and what tenants had not, the right to transfer their holdings, in every case of application for takkâvi, would be to cast upon them a burden beyond their powers to bear.

He would therefore suggest, for the consideration of the Committee on this Bill, that it might probably be necessary, either to include the whole body

of occupancy-ryots in the class to whom advances might be made on the security of their holdings, or to exclude the whole body.

The interests of occupancy-ryots in the soil seemed to him so great that he thought we might with great advantage allow them the opportunity of making useful works.

The only question was, whether there would be a sufficient security for the return of the money advanced to them by the Government, such as the Government must insist on having under the provisions of this Bill.

The Hon'ble MR. STRACHEY would say, with reference to the remarks which had been made by His Honour the Lieutenant Governor, that he quite agreed with His Honour that the provisions of the Bill ought to be most carefully looked into by the Select Committee to which it would be referred; and he thought that, very probably, the wording of many sections of the Bill, and particularly the section to which reference had been made, might be improved, and that doubts might be cleared up. He did not himself anticipate that there would be much difficulty in this. He was rather afraid that his hon'ble friend had got an incorrect copy of the Bill before him, for in his observations he spoke as if the Bill might be applied to the Government of Bengal. As, however, the Bill now stood, it could not be made applicable to Bengal at all. His hon'ble friend, MR. STRACHEY thought, quite correctly represented the intention of the Bill when he spoke of it as being nothing more than a continuation of the old *taklivi* system. Doubtless, an attempt had been made to revise the old system, but in the main the intention was to continue it.

With regard to what had been said as to all sorts of iniquities being committed by the Government under cover of this Bill, all he could say was, that it was perfectly certain that this Bill could not by any possibility enable the Government to do anything which it had not been able to do for the last seventy years, and it seemed to him absurd to talk of forcing on, at the expense of the local proprietors and occupants of the land, works for the benefit of the Department of Public Works.

He did not think he need say anything more on the subject: he had no doubt that all the provisions of the Bill would be carefully considered in Committee.

His Honour the LIEUTENANT GOVERNOR said that, as he had not a correct copy of the Bill before him, the remarks which he had made regarding the application of the Bill to Bengal would not apply. Perhaps he might be allowed to state that he regretted that Bengal should be excluded from the operation of the Bill. He hoped that the Committee would make the Bill applicable to Bengal.

His Excellency THE PRESIDENT said he was sure that the Select Committee to which the Bill would be referred would be glad to hear His Honour the Lieutenant Governor's view in regard to the provisions of this Bill. HIS EXCELLENCY did not intend to make any remarks now upon this Bill, but probably he might on a future occasion say something with regard to its general scope and principles, after it had received careful investigation at the hands of the Committee. He now merely wished to make one remark on what had fallen from the Hon'ble Mr. Robinson. It seemed to HIS EXCELLENCY that Mr. Robinson was under the impression that, under cover of this Bill, certain works which were now performed in connection with irrigation works would be performed by the medium and action of this Bill. Having assisted in the framing of this Bill and taken great interest in its preparation, he could assure the Hon'ble Member that nothing of the kind was meant. It was intended only to enable persons to borrow money for works for which provision was not made in any other way; and if there was anything in this Bill or in the Irrigation Bill which would enable the Government to throw on private individuals, and the occupants of land, the expense and cost of works which had hitherto been effected or provided for otherwise, it ought to be omitted; and, therefore, the terrible results which seemed to be anticipated from some mysterious application of the Public Works screw were wholly visionary.

The Motion was put and agreed to.

LOCAL RATES (OUDH) BILL.

The Hon'ble MR. STRACHEY also moved for leave to introduce a Bill to provide for the levy of rates on land in Oudh. He said:—

“My Lord,—In asking the Council for leave to introduce this Bill, I am virtually asking it to give the support of the legislature to the great change in our financial system which has lately been inaugurated—a change the consequences of which have not yet been developed, but which will, I am satisfied, inevitably prove hereafter to be most important and beneficial. The principle which has at last been admitted by the Government has long formed the subject of discussion, and it has been, in one shape or another, before the Govern-

ment and the public for several years. It is a principle which I have so constantly and so publicly advocated, although I can claim no share of the credit of originating it, that I hope I may be pardoned for confessing to a feeling of personal satisfaction that the duty of introducing this Bill has devolved upon me. I have repeatedly declared in this Council my conviction that our financial system required radical and fundamental changes; that we should attain no permanent check on our constantly increasing expenditure, and no real relief from our financial difficulties, until the Local Governments, with whom the actual administration of nearly the whole of India rests, and without whose co-operation no economy is possible, are made directly responsible for the maintenance of a real equilibrium between their income and expenditure. The truth of this principle has now been admitted, and, although some of us may think that the practical admission might with advantage have been made on a larger scale, the measures which have been already taken involve the admission of the whole principle which has been under discussion.

Another and hardly less important principle, and closely connected with that of which I have been speaking, has at last been affirmed, that the Imperial Government will no longer continue to provide from imperial funds the means of carrying out works of local improvement throughout India; and that, if more local roads and schools and hospitals and other useful works of local importance are required, they must be provided from local resources, and not by general taxation.

Proposals to transfer certain charges from imperial to local account have repeatedly been made by the Government of India during the last ten years. It may be useful to refer to those proposals, for they show how long this subject has been under consideration, and how the conclusions of the Government gradually took their present shape.

The transfer of half a million of charge, on account of public works, was an important feature of Mr. Laing's Budget for 1861-62. Relief to the imperial resources was not, however, the sole object which was aimed at. 'By enacting local budgets,' Mr. Laing said :—

'the Government hopes, not merely to meet a temporary difficulty, but to inaugurate a permanent improvement. It has long been a standing complaint with other presidencies and provinces, that they were deprived of their fair share of self-government, and kept in a state of galling and humiliating dependence on the bureaux of Calcutta. Well, Sir, the power of the purse is the ultimate power, and as long as Local Governments are absolutely subservient to Calcutta in financial matters, it is evident that they can have no real independ-

ence. But if, without sacrificing in any way the unity of the empire and imperial control in imperial matters, we give them local budgets, their position is altered. We propose to give, then, not only powers of local taxation, but possibly to credit them with a liberal share of reductions of expenditure, which they may be able to make on the estimates of the general budget. Each Government will therefore have a direct interest in economy, in order to increase the fund applicable to local works ; and I cannot fancy that Madras, for instance, will long continue to spend £160,000 a year on public works establishments to look after £460,000 a year of expenditure upon actual works, where it is apparent that every £1 extra spent on establishments, means £1 more to raise by local taxes, or £1 less to spend on roads and canals. * * I think, also, the scheme would greatly foster the growth of municipal institutions, and, what is still more important, of the spirit of local self-help and self-guidance, which is at the bottom of a nation's greatness'

In his Financial Statement for 1862-63, referring to the same subject, Mr. Laing said :—

' As regards public works, it was intended that £500,000 should be transferred to local budgets, and provided for by local taxation. This intention has not been carried out, for a very obvious reason, namely, that new constitutions having been given to the three Presidencies, it would have been manifestly improper to anticipate the action of the local Legislative Councils in a matter which is so peculiarly their province. I am as strongly as ever in favour of the principle of local taxation for local objects. In fact, if this great empire is ever to have the roads, the schools, the local police, and other instruments of civilization which a flourishing country ought to possess, it is simply impossible that the imperial Government can find either the money or the management. The mere repair of the roads, where anything like a sufficiency of good roads has been made, is matter altogether beyond the reach of any central bureau. It is of the first importance to break through the habit of keeping everything in dependence on Calcutta, and to teach people not to look to the Government for things which they can do far better for themselves. * *

It is most desirable to break through the system of barren uniformity and pedantic centralization, which have tended in times past to reduce all India to dependence on the bureaus of Calcutta, and to give to Local Governments the power and the responsibility of managing their own local affairs. The great branches of the expenditure, such as the Army and National Debt, are imperial, and while this is the case, the great branches of revenue must remain imperial also. But there is a wide field, both of revenue and expenditure, which is properly local, which in England is met by local rates, and which, in fact, must be met locally, or not at all.'

The same questions were repeatedly referred to in subsequent years, but it was not until 1867, when Mr. Massey had charge of the Financial Department, that the subject assumed a definite, although somewhat different, shape, and proposals were made which were the origin of the measures which have lately been adopted by the Government. Those proposals were made to Mr. Massey by Colonel Strachey. They went further than the measures that have been

actually taken, but they virtually included everything that has now been done. Believing as I do that this reform will ultimately lead, more than anything else that has been done or has been suggested, towards the establishment in India of a sound system of finance, I think it only fair to say that, although this reform could not have been carried out unless your Excellency had so resolved, the original credit for it is due to Colonel Strachey who originated it, and to Mr. Massey who gave to it from the first his firm and constant support.

These measures have often been called measures for the decentralization of the finances. I think that a more inappropriate term could hardly be found. It seems to suggest that the Government of India has given up its own power of control over the imperial revenue and expenditure. It has done nothing of the kind. The powers of the Supreme Government have been increased rather than diminished. An unreal and illusory authority has been abandoned, and in its place a real power of control has been substituted. Under the old system, nobody could say what were the demands of the Local Governments which the Government of India would have to meet. Every Local Government considered it as its duty—and it was its duty—to get out of the common purse of the empire the largest possible contribution for its own local requirements. As Colonel Strachey wrote, in somewhat strong but, substantially true, language, when his first proposals were made in 1867—

‘the existing financial relations between the Government of India and the Local Governments are most demoralizing to the latter. They have found by experience that the Government of India can hardly resist clamour, if it is loud enough and persistent enough. The distribution of the public income degenerates into something like a scramble, in which the most violent has the advantage, with very little attention to reason. As local economy leads to no local advantage, the stimulus to avoid waste is reduced to a minimum. So, as no local growth of the income leads to the increase of the local means of improvement, the interest in developing the public revenues is also brought down to the lowest level. The Government of India has altogether lost what power it once had of supervising details, by reason of the enormous magnitude of the powers now to be performed by it, and the financial mechanism is seriously out of gear.’

‘The end to be aimed at by the Government of India should be to divest itself of all detailed concern with those items of expenditure which pertain to branches of the administration the details of which it cannot in fact control.’

This is what the Government of India has been doing. It had virtually no power of control over the branches of expenditure the responsibility for which has now been transferred to the Local Governments. It has now obtained for itself a real power of control, and at the same time it has given to

the Local Governments a direct interest in economizing their resources, in utilizing them to the utmost, and in getting rid of needless expenditure. The charges for these branches of the civil administration have, during the last ten years, been increasing at an enormous rate, and under the old system it was certain that this process would go on. It is this constant growth of the civil expenditure which has been the main cause of all our financial difficulties. Every branch of the public revenue, without exception, has been in a most flourishing condition, but all the advantage has been swallowed up by the endless demands for increased expenditure. In regard at least to a large portion of our charges, a limit has now been put upon this constant growth of expenditure. The Local Governments, instead of having no income of their own, and therefore no standard by which to regulate their expenditure, will now have a certain fixed income to meet their own local wants.

The Supreme Government can now say positively that its aggregate expenditure under certain heads will not increase. Thus, it has obtained a real power of control in place of that vexatious meddling with details, by which, with no economical results worth having, it used to contrive to disgust every Local Government in India. I shall not speculate on the future. I content myself with expressing my conviction that the principle which has now been admitted will receive a much wider development hereafter.

I have heard it said that the only real result of these measures will be to throw upon the Local, instead of upon the Imperial, Government, the obligation of raising, by unpopular taxation, the funds necessary for carrying out, on an extravagant scale, all sorts of local improvements. The best answer to such assertions is to be found in the measures themselves which the Government of India proposes, and to which the legislature is about to be asked to give its approval. As a fact let us see what is proposed.

The Government would have been very glad, as it has publicly stated already, if the condition of the finances had made it possible to give to the Local Governments increased powers for the management of their local finances, without reducing the grants for the services transferred. It was impossible to do this completely, and at the same time to carry out the determination to reduce the income-tax to the utmost practicable extent. The actual burden transferred to local resources has, however, been extremely small. The grants assigned to the Local Governments throughout India for 1871-72 are less by only £330,000 than the grants for the same services in the current year; and if the comparison be made, not with the budget-grants, but with actual

expenditure, the Local Governments will be able to spend, from the imperial revenues, almost as much next year as they have spent this year. The differences are so small that they could probably, in most provinces, be made good, if the Local Governments so desired, by reduction of expenditure without any additional taxation. The imperial grants for the current year were, however, fixed on as economical a scale as possible, and they left little margin for expenditure on public improvements however urgently wanted. It was, therefore, thought right to give to those Local Governments in this Presidency which have no legislatures of their own, power to supplement, to a moderate extent, their existing local funds by fresh local taxation. The Bill which I now ask leave to introduce is one of the measures for this purpose. The measures for the other provinces will be very similar in character, and they will afford to the public the best possible opportunity of judging whether it is true that the remission of the income-tax by the Supreme Government is to be followed by the imposition of objectionable taxes for so-called local purposes.

In the case of Oudh, the imperial grant for provincial services for the coming year will be less by £15,500 than the grants of the current year. Savings will no doubt be made by the Local Government, but I cannot now state their probable amount. On the other hand, there are many local works, especially railway-feeders and other roads, which are very urgently required. As the Chief Commissioner has said, 'for a fertile grain-producing country like Oudh, each facility added to the transit of its produce is a direct addition to its wealth and an enormous benefit to less productive provinces. To meet this demand for roads the local funds are completely overstrained.'

The Local Government of Oudh proposes to raise the necessary funds by imposing a light rate upon the land, and the present Bill is intended to give the requisite powers. It proposes to authorize the imposition, on every estate, of a rate not exceeding one and a quarter per cent. on the annual value of the land, as recorded at the settlement. The land-revenue demand in Oudh is estimated as equal to one-half of the gross rental of the land. The cesses already levied for roads, schools, and other local purposes, amount to one and a quarter per cent.; and it is now proposed to raise one and a quarter per cent. more.

It is important, I think, to remark that these local rates differ essentially in their nature from the land-revenue. They are taxes imposed on the land for local purposes. The land-revenue, on the other hand, is that portion of the rent of the land to which, in accordance with the immemorial custom of

the country, the State, as superior proprietor of the land, is entitled. But although the land-revenue is not taxation, its amount necessarily affects very closely the question, when we have to consider the propriety of placing fresh taxation on the land: for it might happen that the share of the rental taken by the State was so large that no room would be left for taxation. Nobody can say that this is the case in Northern India. The truth, I fear, rather is that we have been sacrificing, by our existing system of settlements, a vast income, which, as all classes of the people, including the private proprietors of land themselves, admit, has always belonged to the State. This is a great question, into which I do not now propose to enter, but I wish to state a few facts to illustrate to the Council what I believe to be the truth regarding the pressure of the land-revenue demand in Northern India. My particular illustrations will be taken from the North-Western Provinces, but in principle everything that I am about to say applies equally to Oudh and the other more advanced provinces. Under the old settlements for thirty years, which have now for the most part expired in the North-Western Provinces, the share of the rental to which the State was assumed to be entitled was sixty-six per cent. Such men as Mr. Thomason, and the other most experienced officers of the time, were satisfied that this share was not excessive. If it was not in accordance with ancient custom and with the feelings of the people, I believe that the main divergence was really this, that never had any Government, at any previous time, taken so little. The proof that the demand was not excessive seems to me to be absolutely complete. The best proof that can be given consists in the fact of the vast progress in wealth and prosperity which the North-Western Provinces have made during the last thirty years, and in the growth of private property in the land of immense value. Under the present system of settlement, we take fifty instead of sixty-six per cent. Why this change was made, I cannot say. So far as I have ever been able to discover, it was made in 1854 by the Lieutenant Governor of the North-Western Provinces on his own authority, and without any serious discussion. In reality, we do not even get fifty per cent., because the annual value of landed property goes on constantly and rapidly increasing. An example has lately come before the Government of India, which illustrates what is happening. It is my belief, and it would not be difficult, I think, to show that my belief is based on solid grounds, that this example is by no means a singular one. Although the case is a strong one, and perhaps an extreme one, it may, I believe, be fairly taken as an illustration of a process which is very generally going on. In the Bulandshahar District of the North-Western Provinces, settlement-operations have been in progress for some time past. About five years ago the assessment was completed. The

proper amount of the land-revenue was determined to be £123,000 a year. The Lieutenant Governor subsequently ordered a special inquiry to be made, and the conclusion arrived at by Sir William Muir, than whom there can be no higher authority, is that, although the sum of £123,000 really represented, only five years ago, an amount equal to fifty per cent. of the rental, so great and so rapid has been the increase in the value of landed property, that it is now equal to only about thirty-five per cent. In other words, the annual rental of the private proprietors has increased fifteen per cent. in five years. If a new settlement were now to be made, we should get, under the present system, £141,000, instead of £123,000 a year; and if the rates of the old settlement were in force, we should get £188,000. Under the latter supposition, we are losing £65,000 a year, and the total result of the new settlement for thirty years will be that, by the time it expires, we shall have given away to private parties, in this single district, no less than £1,950,000, which, under former rulers, would have been received by the State. The great present disproportion between the rental of the land and the Government revenue is the result of the great increase which has taken place in rents. This has been caused, partly by the settlement of the Government demand, and partly by the increased value of agricultural produce and the increased wealth and prosperity of the country.

This is a good example of the process going on over almost the whole of India. We have spent, and are spending, millions of money on canals and roads and railways. Other branches of industry have doubtless benefited, but no industry has derived from this vast outlay anything like the benefit which has been derived by the proprietors and occupants of the land. By the extension of canals, by the improvement of railway and other communications, and the opening out of new and profitable markets, an enormous increase has taken place in the value of agricultural produce, and the additional value which has been given to the land has been given at the expense of the State without the expenditure of any capital or labour on the part of the proprietors of the land. Such facts as these show, in my opinion, conclusively, that the land ought to bear the main portion of the charges which have to be incurred for further extensions of roads and similar improvements.

In throwing such charges on the land, we are not really imposing on the land a fresh burden. We are only recovering the cost of a small portion of the vast benefit which we have conferred upon the land. If we act wisely on these principles, we shall have little difficulty about the provision of funds for works of local improvement, and we need hear no more of heavy income-taxes or any other unpopular imposts.

The rate proposed to be levied in Oudh will yield about £32,000 a year. The land-revenue is now £1,360,000. It may be imagined from these figures how trifling the new charge will really be.

Before making these proposals, the Chief Commissioner discussed the matter with the principal landholders of Oudh, and the most influential and wealthy of the representatives of the taluqdárs have signified to the Chief Commissioner their approval of the measure.

The particular provisions of the Bill may be more properly explained when it is before the public. I propose to ask your Excellency to order the immediate publication of the Bill, with the whole of the correspondence between the Government and the Chief Commissioner of Oudh regarding it. I need now say only a few words on this part of the subject.

The proposed rate will be identical in its nature with the cesses for roads, schools, and other local purposes, which have long been levied, and with which the people have been familiar since the establishment of the British Government in Oudh.

The Bill imposes on all cultivated land in Oudh a rate not exceeding one and a quarter per cent. on the annual value of the land. The rate will be payable by the landlord; but where there are co-sharers, under-proprietors, or tenants with rights of occupancy, who intercept a portion of the annual value of the land, he will be entitled to recover from such persons a fair share of the rate. Not less than seventy-five per cent. of the proceeds of the rates in any district must be expended on works of public utility in the district in which they were levied. The Council will see, in the correspondence which will be published, that the Government thinks it of much importance that the principle should be distinctly recognized, that, so far as may be possible, the rates shall be expended for the immediate benefit of the districts in which they are levied. The people of each district should see clearly that the result of imposing the rates has been to give them some advantages which they did not possess before,—such as better roads, better means of education, better water-supply, and so forth. Every effort will be made to induce the principal persons of each district to take an active part in the management of the funds and in the choice of the local works to be carried out, and provisions with this object have been inserted in the Bill. In Oudh, where the taluqdárs possess so much influence, and where they have shown, in regard to the measures now under consideration, so much public spirit and enlightenment, there appear to be peculiar facilities for carrying these principles into effect. It is

hoped that it may be found possible to induce many of the taluqdárs and other English and Native gentlemen holding no offices under the Government to take an active part in the administration of the funds which it is proposed to raise.

There is only one other point to which I wish to refer. My hon'ble friend, Mr. Inglis, will presently ask for leave to introduce a Bill for imposing duties on certain classes of traders in the North-Western Provinces, with the object of supplementing the provincial funds. Although it is thought desirable to take power to introduce this measure into Oudh, if it should hereafter seem expedient to do so, it is not now proposed actually to put it in force. For present purposes, the rates imposed on the land will give all the funds that are required."

His Honour the LIEUTENANT GOVERNOR said that, after listening to the views which the Hon'ble Mr. Strachey had expressed with reference to the system of local finances which had been so recently initiated, he could not allow the opportunity to pass without stating in this Council on his own behalf, as representing one of the Local Governments, what he believed other Local Governments would share with him, his very hearty and entire concurrence with the expressions that had fallen from his hon'ble friend. He might call himself a sort of ante-diluvian Finance-reformer, having advocated measures of this kind when they were not thought possible, and he thought himself specially fortunate to have the opportunity of trying to carry into effect the measures of financial reform which had been so recently initiated by the Government of India. It was true that he felt, as most of the other Local Governments also felt, that perhaps the Government of India had not treated them so liberally as a well-to-do father might treat his sons when he had thrown them into the world for the first time. It was true, as his hon'ble friend had indicated, that the sums assigned for local purposes had been somewhat reduced. The horse presented had been somewhat starved for a year or two past, and there had been also an additional cutting of the allowance made for his future keep. At the same time, on the principle of not looking a gift-horse in the mouth, he thought that they need not say too much of these drawbacks, and he wished to express his willingness to undertake the task which had been thrown upon him and upon those who assisted him in the Government. He hoped that, although the incomes which had been allotted to the Local Governments were somewhat short and also unelastic in character, still, by doing all we could, by going here and there and trying to make an honest penny in some way, and also by better management and looking after the Departments which had been given over, we might

succeed, in the course of the next two or three years, to show that the horse had increased in size and condition, and was altogether in better form and more capable of doing the work required of him.

HIS HONOUR most heartily concurred in the remarks which had been made with reference to the obligation which India lay under to the Hon'ble Colonel Strachey for his assistance in establishing a system of local finance. He was quite sure that, although we might not agree with him on all points, we all extremely regretted that we in this country were likely to lose his co-operation and services. Allusion had been made to the Public Works Department, in which he had also rendered important services. HIS HONOUR had only to express the hope that, before leaving India, he would add to our obligations by suggesting a new system in his own Department, giving greater scope for local management and control in the Department of Public Works; for HIS HONOUR was sure that that Department was one which, up to this time, had not worked well under the present system—a system under which, as the Hon'ble Mr. Strachey had described it, much that was false and illusory in the way of centralization was carried to a greater extent than in any other Department. HIS HONOUR'S experience was that there was a very great deal of truth in the common complaint that the administration of the Public Works Department had been too much centralized, in a sense which was not the best sense. He was quite sure that his hon'ble friend was much more competent than he was to suggest what should be done; but he believed that it was very much needed that more efficient control should be given to the Local Governments in respect to this Department, and that the checks upon them should be rendered less harassing and more efficient. He had again to express his hope that, before leaving India, his hon'ble friend would leave us as a legacy a scheme for curing the evils to which he had alluded in connection with the Public Works Department.

He would only say one word with respect to the observations that fell from the Hon'ble Mr. Strachey, in regard to the land-revenue as connected with the subject of this Bill. HIS HONOUR thought Mr. Strachey had clearly shown to us, and he entirely concurred with him, that we were needlessly sacrificing a good deal of the land-revenue. It seemed to him that, in some districts of the North-Western Provinces, we were sacrificing that revenue to an unnecessary degree. It was true that, in these days of liberal treatment in financial matters, it had been considered desirable that, instead of giving landholders one-third of the rents as their share, as we formerly gave to them, we should now give them one-half. But the system under which we were

conducting the settlements in the North-Western Provinces resulted in giving the proprietors more than one-half of the rents. For we knew that the land-owners were not likely to enhance their rents before the settlement, but had proceeded to do so immediately after the settlement. The difference in the proportion of the rents taken as revenue by the Government, which Mr. Strachey had shown to have already appeared in some districts, would be much more perceptible ten or twenty years hence. He thought it was extremely probable that the settlement of revenue which was made in the proportion of fifty per cent. of the existing rental, would, before the lapse of twenty years, be found scarcely to amount to twenty-five per cent. Therefore, he did think that it was a matter for consideration whether, where the land-revenue was in our own hands, where it was not settled permanently, and we had the power to raise it, it might not be desirable to add something more directly to the land-revenue for what he might call provincial services. He doubted whether funds raised as local rates could properly be applied to provincial works, such as a road of a large character not local to one or even to two or three districts. He was inclined to suppose that those services could hardly be termed local which would apply to works constructed for the benefit of a particular locality, but that they should be called provincial, as being for the benefit of a whole province. He had even some doubt whether, for some of the purposes of local rating, a large Indian district was not too large an area, *e. g.*, whether a man who paid for a road fifty miles off at the other end of the district would consider that he was paying for his own good. It was a question, to his mind, whether, in those provinces where you had the power of dealing with the land-revenue, it would not be better directly to increase the land-revenue and to include in the grant for the provincial budget some considerable roads which were now called district roads. In fact, in considering the subject of local rates, we should be careful to see whether it might not be possible for some purposes to reduce to smaller areas the districts within which the rates should be levied, and so bring home more distinctly to the people the local objects for which they were rated for their own benefit.

The Motion was put and agreed to.

LIMITATION OF SUITS BILL.

The Hon'ble MR. STEPHEN asked leave to postpone the presentation of the report of the Select Committee on the Bill for the Limitation of Suits.

Leave was granted.

STATE-OFFENCES ACT REPEALING BILL.

The Hon'ble MR. STEPHEN moved for leave to introduce a Bill to repeal Act No. V of 1841 (*for the greater uniformity of the process upon trials for State-offences, and the amendment of such process in certain cases*). He would state in a few words how it became necessary to introduce this Bill. For some reason which he did not understand, Act V of 1841 had escaped the operation of several repealing laws passed within the last few years. It was an Act which had been rendered completely obsolete, first by the enactment of the Penal Code, and again by the passing of the Criminal Procedure Code. It related to the trial of State-offences. It provided a uniform procedure for trying charges of rebellion against the State, and made certain provisions with respect to the apprehension of persons accused of such crimes. In 1860, the Penal Code was passed, which did away with the words "treason" and "rebellion," and entirely changed the meaning of the words "crimes against the State." The Code of Criminal Procedure pointed out the manner in which all offences should be tried, and so superseded the provisions relating to procedure. The object of this Bill was not merely to repeal a useless law, but to avoid the practical inconvenience which had been found to exist from its remaining unrepealed. Certain officers had misapprehended some of its provisions and carried them out in a way which, in point of fact, it did not authorize. He need not mention the particular instances of this kind that had occurred. If—which he did not expect—it ever became necessary to make special provisions for the trial of State-offences, it would be easy to do so, but at present the ordinary powers and ordinary procedure for the trial of such offences were sufficient.

The Motion was put and agreed to.

ABKARI BILL.

The Hon'ble MR. INGLIS presented the report of the Select Committee on the Bill to consolidate and amend the law relating to the Abkari Revenue in Northern India.

LICENSE (N. W. PROVINCES AND OUDH) BILL.

The Hon'ble MR. INGLIS also moved for leave to introduce a Bill for imposing a duty on certain trades and dealings in the North-Western Provinces and Oudh. He said that the Hon'ble Mr. Strachey, in his speech on the proposed Bill for the levy of a rate on land in Oudh, had entered so fully into the objects and intention of the Resolution of the Government of India, dated the 14th December last, that it was unnecessary for him (MR. INGLIS) to say anything further on that subject.

By that Resolution, which conferred upon the Local Governments the administration of certain departments of the public service specially connected with local provincial requirements, the total amount of the grant hitherto made for these services in the North-Western Provinces had been reduced by £18,000. But the amount of the grants made from the imperial revenue during the past few years, on which the permanent assignment had been calculated, had been, especially in the Public Works Department, considerably below the actual requirements of the provinces. Consequently, it was necessary, not only to provide funds to meet the deficit caused by the reduction made in the imperial grants, but also to provide funds to enable the Government to carry out many local improvements which were urgently required, such as roads to connect the railways now open, or in course of construction, with the towns and districts in their neighbourhood.

His Honour the Lieutenant Governor of the North-West, after a very careful scrutiny into the wants of each department of which the charge had been transferred to him, found it necessary to raise, by new taxes, a sum of about £130,000.

The Governments of the North-West and Oudh proposed to raise a part of this sum by a license-tax on persons carrying on certain trades and dealings.

The Bill which he had now to ask leave to introduce gave them the necessary powers.

It was proposed to exempt all artisans, and the tax would fall exclusively on persons carrying on trades and dealings, and on certain specified trades and dealings only.

For the purposes of the Act, trades and dealings had been divided into three classes, charged, respectively, with six, four and two rupees a year. It was believed that the rates fixed were such as could be paid without inconvenience by the least competent of each class.

The selection of the trades and dealings to be taxed, and their classification, had been very carefully considered. The principle followed had been to subject to the payment of a license-tax these trades and dealings only of which it might be safely assumed that all the persons engaged in them were in a position to pay the amount fixed, and to exclude wholly all trades and dealings of which only a part of the persons carrying them on could be taxed.

The mode of assessment and collection proposed would, it was believed, secure to the Government and to the tax-payers the minimum of fraud and inconvenience.

The estimated yield of the tax in the North-West was between nine and ten lākhs. For Oudh, no estimate had as yet been framed.

The Motion was put and agreed to.

LOCAL RATES (N. W. P.) BILL.

The Hon'ble MR. INGLIS then moved for leave to introduce a Bill to provide for the levy on land of rates to be applied to local purposes in the North-Western Provinces. He said that landlords holding estates in the temporarily settled districts of the North-West, of which the settlements made under Regulation IX of 1833 had expired, already paid a heavy cess of ten per cent. on their jamas towards local requirements. This cess had hitherto been levied by an order of the Executive Government; it was proposed that it should be levied in future under the provisions of the Bill he had now to ask leave to introduce.

But landlords holding estates in the permanently settled districts paid at present only one per cent. on their jamas towards local funds. The amount realized by this cess was altogether inadequate to the wants of these districts, and the landlords might, with justice, be called upon to contribute more largely towards local requirements, provided this could be done without a breach of the engagements entered into with them, when the permanent assessment of their estates was sanctioned; and also that the imposition of the cess proposed would not press too heavily on their resources.

The permanent assessment of the land-revenue was introduced into the Province of Benares by Regulation I of 1795. The object of the Regulation was to introduce into the Benares Province the system of interior administration already established in Bengal, of which the limitation of the annual revenue payable from the land formed an essential part. The Regulation was not intended to accord to Benares any concessions other than those accorded to Bengal. The landlords of the two Provinces were placed on the same footing in regard to the assessment of the land-revenue, and in either case, whether, as in Bengal, directly, or, as in Benares, by implication and analogy, the State debarred itself from any augmentation of the public assessment on landholders in consequence of the improvement of their respective estates. Conversely, any further demand in the shape of local cesses or rates, which might be determined to be payable by Bengal, would be equally payable by the Benares Province, and the

Secretary of State, in his Despatch No. 5, dated 12th May 1870, had ruled that, under the existing law, the State had the right to impose special rates or taxes on the holders of land in Bengal, in order to raise funds for local wants and improvements which the existing revenue was insufficient to provide.

This ruling covered the case of the holders of estates in the permanently settled district of the North-West, so far as their liability to the payment of a rate towards local wants, irrespective of the amount of their land-assessment, was concerned.

As regards the expediency of levying a rate on the landholders in the permanently settled districts, the remarks of the Secretary of State in his Despatch, dated 12th May 1870, although written with reference to Bengal, applied equally to the North-West. It was there said—"it cannot be maintained that the people of Bengal are less able to afford such rates than the people of other Provinces in India. In so far as the permanent assessment makes any difference in their case, it is a difference in their favour with respect to the other demands made upon them by the State. A large portion of the produce of the soil, which, even at the most moderate assessment made elsewhere in India, would have been appropriated by the State, has been left in the hands of the various classes connected with agriculture, and has contributed to increase the general wealth and resources of the Province."

These remarks applied equally to the permanently settled districts in the North-West. The pressure of the land-revenue was extremely light; and the classes owing and occupying the soil were well off.

It was clear, therefore, that, whether on the ground of right or of expediency, there need be no hesitation in imposing, under the conditions laid down in the Secretary of State's Despatch, a rate for local purposes on the owners of estates in the permanently settled districts of the North-West. Accordingly, the Bill which MR. INGLIS had to ask for leave to introduce provided for the levy of a rate not exceeding two annas on each acre of cultivated land in those districts, giving the landlord power to recover from his tenants one-half the rate assessed on the land held by such tenants.

The estimated yield of the rate proposed was £36,000.

MR. INGLIS wished, with reference to what had been said by the Hon'ble Mr. Strachey with regard to the settlements now in progress in the North-West, and of the loss sustained by Government in consequence of the reduction in the demand on account of land-revenue from sixty-six to fifty per

cent. of the assets of each estate, to point out that, when the settlements under Regulation IX of 1833 were made, the assessment fixed on each estate was based upon an estimate framed by the Settlement Officer of what the estate could fairly be required to pay with reference to its past history and present condition, rather than upon an accurately calculated percentage of its assets. MR. INGLIS' experience of the settlements under Regulation IX of 1833 shewed that two-thirds of the assets were rarely taken, and that, when this was done, the settlement had either to be revised, or was paid with difficulty until the landholders were able, by bringing fresh land under cultivation, to bear the pressure of an assessment under which they would have broken down, had they not had this margin to fall back upon.

This margin of cultivable land no longer existed; almost every acre of land had been brought under cultivation. In some parganas the area under cultivation amounted to over ninety per cent. of the cultivable area; the landlords had consequently nothing to fall back upon, and could only look for increased profits, after the revision of the settlement of their estates, from an enhancement of the rents paid to them, which they might hereafter be able to impose, in consequence of a general rise in prices throughout the North-West.

The case of the Bulandshahar settlement, to which the Hon'ble Mr. Strachey had referred in support of his argument, was altogether an exceptional one, and must not be taken to represent the revised assessments in other districts of the North-West. The revised assessment of that district was made before it had recovered from the effects of the famine of 1860, and before the commencement of the rise in rents which had since taken place throughout the Province. MR. INGLIS did not deny that the assessment of that district was now below fifty per cent. of its present gross rental, but this was not owing to the principles under which the settlement was made, but to a general rise in rents, which had since taken place, and which it was utterly impossible for the Settlement Officer to foresee. It was no doubt probable that the settlements of other districts would be found, fifteen or twenty years hence, to be less than fifty per cent. of their gross rental, as it then existed; but if this were so, it would be owing to a rise in prices which, though anticipated, could not be taken into consideration when fixing the demand to be paid as land-revenue, and was an argument against a thirty-year settlement, rather than against the system under which the revenue demand was now being fixed in the North-West.

His Honour the Lieutenant Governor of Bengal remarked on the loss sustained by Government in consequence of the demand for land-revenue being

based on rentals kept purposely low by the zamíndárs, who, after the settlement of their estates had been confirmed, enhanced the rents of their tenants, and thus gained a large profit, part of which ought to have come to the State in the shape of an enhanced demand for revenue. In reply to this, MR. INGLIS would point out that the revised assessments in the North-West were not based on the jama-bandí given in by the zamíndárs, nor on the actual existing rental of an estate, but by the application to each estate of the rents found, after careful inquiry by the Settlement Officer, to prevail for each class of soil in the tract in which the estate under assessment was situate,—that is, the standard of assessment applied to each estate was fifty per cent. of the full rental which might be levied on each acre in it, according to the prevailing rates of rent in the tract in which it lay, whether the owner levied these rates or not. This was the standard for assessment. Whenever a Settlement Officer found it necessary to depart from it, he had to explain his reasons fully in his assessment remarks.

MR. INGLIS was convinced that an assessment of fifty per cent. on the assets of each estate, framed on these principles, considering the other heavy demands imposed on the landlords in the shape of cesses—lambardárs' fees, patwáráí-fees, and village-expenses—was quite as much as any estate could bear, and he believed that every Settlement Officer in the North-West would support him in this opinion.

His Honour the LIEUTENANT GOVERNOR said that it would not be advisable to enter at present on any discussion of the principle of this Bill: he would therefore confine his remarks to one point, which was with regard to the mode of levying the proposed rate in the permanently settled districts, which it was proposed to raise, not by an assessment of the rental, but on the acreage of the land. That plan of levying the rate on the acreage was different from the plan proposed for Oudh, and it was different from anything that was possible in Bengal, and was entirely different from anything which prevailed in the British Isles and in other parts of the world, so far as he was aware. Therefore, he hoped he might be allowed to throw out this suggestion that, if the Hon'ble Member adhered to the plan proposed, it would be necessary that he should be prepared to show good reason to this Council for maintaining that system. It stood to reason that, *prima facie*, it was not equitable that good land and bad land should pay equally for local works or for any other purpose. Since the subject of the settlement of the North-Western Provinces had been broached, and as there was a considerable difference of opinion on the point, he would say one word in respect to his own experience of that settlement. The Hon'ble

Mr. Inglis had truly said that, probably, when the settlement of 1841 was made, we had not an accurate account of the rental of lands; but he thought that the want of exactitude told rather against the landholders and not in their favour. His Honour had served in the North-Western Provinces for several years immediately after the conclusion of that settlement, and his impression was, that the result of that settlement was that the landholders had, at that time, scarcely a clear one-third of the rental for their profit. He believed that the settlement that had now been made had proceeded on more exact data with respect to existing rents, which was telling against the State and in favour of landlords. The result of the settlement of 1841 gave, in round numbers, a revenue of four crores of rupces, or four millions sterling; and he was told that the result of the new settlements would be to give to the State not more than four and a half millions at the outside. Now, if we compared the state of the country at that time, and the state of the country at present; if we considered that the former settlement was made shortly after the great famine of 1837, which far exceeded in severity any other famine that we had had in that country; if we considered that railroads and roads were not made at that time, and there was not one tithe of the means of developing the resources of the country that we now possessed; if the North-Western Provinces were capable of bearing, in 1841, when that settlement was made, without serious complaint, a revenue of four millions—it seemed to him that, if the land was called upon to pay a revenue of only four and a half millions between the years 1871 and 1901, the new assessment would be infinitely lighter than the old assessment, and that the Hon'ble Mr. Strachey was right in saying that we were giving up a very large proportion of our land-revenue in the North-Western Provinces.

The Motion was put and agreed to.

LOCAL RATES (PANJAB) BILL.

The Hon'ble MR. ELLIS moved for leave to introduce a Bill to provide for the levy of local rates in the Panjáb. He said that he did not intend at once to introduce this Bill in the same manner as was proposed with regard to the similar measures for the North-Western Provinces and for Oudh. The reason for the difference in the course of proceeding was this—the draft Bill had been received from the Lieutenant Governor of the Panjáb, but on an examination of its provisions it appeared to require some modifications. It would manifestly be improper to make any material alterations in the Bill without consulting the local authorities. There had been no time for such consultation, and it was

thought better to postpone the introduction of the Bill, so that, when the Council adjourned to the Panjáb, the Lieutenant Governor would be able to take his seat and advise the Council in the matter, or at least we should be able to secure full and free discussion with the local authorities.

Under these circumstances, it was deemed not advisable to introduce this Bill immediately. It would perhaps suffice to say, at present, that the provisions of the Bill would be similar in character to those proposed for the North-Western Provinces and Oudh, due regard being had to the local requirements and local circumstances of the Panjáb.

The Motion was put and agreed to.

The following Select Committee was named :—

On the Bill to consolidate and amend the law relating to advances of money by the Government for the improvement of land—The Hon'ble Messrs. Stephen and Ellis, Colonel the Hon'ble R. Strachey and the Hon'ble Messrs. Chapman, Cockerell, Inglis and Robinson and the Mover.

The Council adjourned to Friday, 17th March 1871.

CALCUTTA, }
The 10th March 1871. }

WHITLEY STOKES,
Secy. to the Govt. of India.