

*Saturday,
5th March, 1910*

ABSTRACT OF THE PROCEEDINGS
OF THE
Council of the Governor General of India,
LAW AND REGULATIONS

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April 1909 - March 1910

ABSTRACT OF PROCEEDING
OF
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Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 to 1909 (24 & 25 Vict., c. 67, 55 & 56 Vict., c. 14, and 9 Edw. VII, c. 4).

The Council met at Government House on Saturday, the 5th March 1910.

PRESENT :

The Hon'ble SIR HARVEY ADAMSON, K.T., K.C.S.I., Vice-President,
presiding,

and 54 Members, of whom 51 were Additional Members.

DISCUSSION OF THE FINANCIAL STATEMENT.

The Hon'ble SIR GUY FLEETWOOD WILSON said:—"Sir Harvey Adamson, the Council will now proceed with the first stage of the discussion on the Financial Statement. I have no further explanations to offer regarding the Statement because any change in my estimate of stamp revenue which may be required in consequence of the alterations in the rates of stamp-duty originally proposed will obviously require a little time and consideration and readjustment in account and they will be embodied—I propose to embody them—in the budget when it is presented to the Council on the 23rd of this month. I think that will probably meet with the approval of the Hon'ble Members. The subjects which are open to discussion today, as you are aware, deal with the new taxation, the proposed loan and the additional grants which we mean to give to the Local Governments. The new taxation was very fully and very ably discussed yesterday and has now become law; so I suppose we shall not return to it. The proposed loan for this year is only Rs. 1½ crores, and my Hon'ble friend Mr. Gokhale has a resolution on the table proposing to raise it to 187 lakhs. The additional grants to Local Governments, I may mention for the convenience of the Council, are enumerated in paragraph 9 of the explanatory memorandum attached to the Financial Statement. I do not think that there are any other remarks which I am called upon to make with regard to the present stage of the discussion."

The Hon'ble MR. GOKHALE moved the following Resolution:—

"This Council recommends that the amount of loan to be raised during the year 1910-1911 should be £1,245,900 instead of £1,000,000, and that the sum of £245,900, which is the estimated surplus for the current year, should be allotted

to the several Provincial Governments to be expended by them in assisting local bodies to carry out projects of sanitary improvement."

He said:—"I must first explain to the Council what my object is in moving this resolution. It is true that the resolution comes before the Council in the shape of a proposal to raise the amount of the loan that the Government want for next year. As a matter of fact, however, it is not an essential part of my proposal at all that the loan should be raised from 1 to $1\frac{1}{4}$ millions. Whether the loan for next year is 1 or 2 millions or half a million is a matter of indifference to me; but I have had to put my motion in this form, because I do not want to disturb the provision made in the budget for capital expenditure and I do not want to disturb the cash balances that the Government expect to have for next year, after making this provision for capital expenditure. My real object is to secure the surplus of the year for expenditure in the promotion of sanitation throughout the country. What usually happens under the procedure adopted in connection with a surplus is this. The surplus forms part of the cash balances, and out of the cash balances a certain amount is devoted to capital expenditure, whenever this is practicable, and thus the surplus ultimately finds its way into capital expenditure. I want to withdraw the surplus for next year from being expended as capital expenditure, and I would like to have it placed at the disposal of Local Governments in order that they might use it in assisting local bodies, especially municipalities, in carrying out projects of sanitary improvement. The whole of my resolution comes to this, that I want this Council to recommend that all surpluses that are annually realised, whenever they are realised, should, instead of going into the cash balances, and from there going to the construction of Railways and indirectly to the redemption of unproductive debt, should be placed at the disposal of Provincial Governments and be ear-marked to assist municipalities in the promotion of sanitation. I have urged this question again and again on the attention of the Council for the past six years. I first raised it in 1904, and I have continued to press it year by year. Two years ago the then Finance Member, Sir Edward Baker, gave us about 30 lakhs to be expended on sanitation by municipalities. That was a small response to the appeal that I made year after year, but, with that exception, my appeals have had no effect. Starting with the year 1898-1899, we find that we have had during the ten years ten consecutive surpluses amounting to 25 millions sterling or $37\frac{1}{4}$ crores. And the bulk of them have under our system of accounts gone first to Railway construction and from there to the reduction of our unproductive debt. Now Railway construction is a most desirable object and so is also the reduction of

[5TH MARCH 1910.]

[Mr. Gokhale.]

the unproductive debt. Ordinarily there would be nothing to be said against it, but at present, when there are objects far more pressing and far more important which require money, I do not think the Government is justified in devoting such a large sum out of surplus revenues in the way they have done. If this sum of £25 millions sterling or 37½ crores of rupees, or at any rate the bulk of it, had been devoted to sanitary projects throughout the country, what a difference it would have made in every direction! I do not think I need say much about the needs of sanitation; the ravages of plague, malaria and other diseases in all directions and a death-rate already high and yet steadily rising—for 1907-1908 it was 37 per thousand as against 35 per thousand in the three previous years—all that shows that one of the greatest needs of the country today is improved sanitation. How is the need to be satisfied? Our Municipalities are admittedly very poor, their resources are small and they are already insufficient for their ordinary work. Sanitary projects are very costly; expenditure on them has to be on a Western scale, whereas it has to be carried out in Eastern cities which as I have already said are very poor. If Municipalities are left to themselves to undertake sanitary works, the case is a hopeless one; therefore Government must come to the rescue of the Municipalities. The only way in which Government can do so is either by voting a large permanent annual grant or by placing their surpluses at the disposal of Provincial Governments for assistance to local bodies in carrying out these necessary works. As regards a large permanent grant, I should be very glad to see it, but I foresee obvious difficulties in the way, especially in a year like this, when the Finance Minister has just carried through Bills imposing extra taxation; it is therefore hopeless to expect that Government will make a permanent addition to its recurring expenditure for the purpose of assisting Municipalities in regard to sanitation. But there is an easier way of helping them and it is far more effective, and it is a way that will meet the requirements of the situation. What I propose is this. Whenever a surplus is realised, instead of its being devoted to Railway construction or some such object, it should be placed automatically at the disposal of Local Governments. A surplus is so much excess revenue taken from the people by the Government over and above its requirements. Even the Finance Department, that knows so much more than its critics, cannot calculate to a nicety how much money is required and how much will be raised in a given year. But when a surplus is realised it is clear that the financial authorities have taken from the people more money than was required. Let this excess therefore go back to the people in the form of expenditure on improved sanitation. I think this is an eminently just plea, and I think that it is also a plea whose force should be recognised in the interests of the masses of the people. I know what was often

[*Mr. Gokhale; Mr. Dadabhoy.*] [5TH MARCH 1910.]

urged by the late Finance Member, Sir Edward Baker, that it is the practice in other countries to devote surpluses to the reduction of debt. That is true, but I would remind the Council of what Sir Herbert Risley said when carrying through his Press Bill the other day. He said :—Let India be guided by her own lights : she has her own problems and must solve them in her own way. Where the debts are huge as in England and other European countries, every opportunity should be taken to reduce the debt by means of a Sinking Fund or in any other way that is practicable. In India the unproductive debt is a mere bagatelle ; it is a paltry sum of 40 millions—it should be remembered in this connection that it is only the unproductive debt that matters. The reduction of the productive debt is not a matter of any importance, and should not be undertaken by Government out of the revenues of the country. The unproductive debt has got to be reduced, but as it is only about 40 millions its reduction is not a matter of such immediate or paramount importance as the promotion of sanitation throughout the country. Sir, I have not much more to say. I would only urge this in conclusion, that if the whole of this surplus cannot be made available, I am quite willing to agree to half the surplus being placed at the disposal of Provincial Governments. All that I insist on is that a surplus should not be absorbed by Government in the way it does at present.”

The Hon'ble MR. DADABHOY said :—“ My Lord, I wish to associate myself entirely with what has fallen from our colleague the Hon'ble Mr. Gokhale. I think he has done admirable service to the country by moving the resolution, and bringing the matter to the notice of this Council. It is a matter on which we are more or less agreed. I have studied the discussions and proceedings of this Council for years together, and I know this much, that on various occasions absolute sympathy has been expressed by responsible officers as regards the inability of Government to appropriate a larger sum as a grant on sanitation. Local Governments have also on various occasions claimed larger grants for these matters, as they have been absolutely handicapped in the past. The proposal made by Mr. Gokhale will relieve Local Governments considerably, and they will be in a position to give larger grants to municipalities. We know that almost all the municipalities everywhere are in a state of financial depression, and that if this proposal is carried and the surpluses are placed at the disposal of Local Governments, a great deal of the tension will be removed, and Local Governments will be placed in a more favourable position. I trust that this Council will give its support to this proposal. It is only right in principle that as the country pays all the taxes, when there is a surplus that surplus should go for distribution among the Provincial Governments for the benefit of the people,

[5TH MARCH 1910.] [*Mr. Dadabhoy; Mr. Mudholkar.*]

and that it should not be given for the benefit of one particular Department like the Railways. This principle of the resolution will, I trust, meet with the universal acceptance of this Council."

The Hon'ble MR. MUDHOLKAR said :—" My Lord, I had no intention in the beginning of interposing in this debate. It is only because our province has not got a Provincial Council of its own and that its requirements are not known that I find it necessary to bring forward our special grievance in this matter of sanitation. It is unnecessary to say much about the necessity which has arisen of incurring expenditure requiring the spending of large sums of money on important sanitary measures. The Malaria Conference which met at Simla in October last made recommendations which require vast outlays of money in the provinces affected. The Plague Commission which assembled some years ago made various recommendations which also require vast sums. We have our own experience to show every year the necessity of undertaking sanitation on a much more effective scale than it has been possible till now. We have almost every year in our province a very severe outbreak of the plague. In a town with a population of 35,000 in one visitation in 3 months about 3,500 people fell victims to it, and on the occasion of another visitation about 2,400 people died. Akola is now in the midst of a bad outbreak of the epidemic, and at Nagpur we had a few months a most severe outbreak in which the death-rate was almost unheard of in that city. This state of things the sanitary authorities tell us is due to insanitary conditions. For remedying it money is wanted. Local bodies are asked to provide funds. How are they to do so? They have many of them hardly resources sufficient to meet the needs of ordinary times, much less are they able to spend lakhs for the purpose of supplying fresh drinking water and for other purposes, such as drains which every decent town must have. In Berar there are two important centres of trade in which for years past it has been found impossible to introduce an urgently needed effective drainage scheme, because there is no money for it. It is not that this province does not contribute its fair share; it gives over a crore and one-third to the country, and when a few lakhs are wanted for the most necessary local works it is said that there is no money available. I submit on behalf of my province that we have contributed more than our fair share to the general expenditure of the country. We are now sorely hit by these epidemics. Could not the general revenues come to our aid at such a time as this? That is the ground of our application. If the general revenues are not sufficient to meet this claim of ours, there are other sources, and if a loan is necessary, then I submit, on behalf of my province, the Central Provinces and Berar and others, that it should be raised to supply funds for the purposes of sanitation. "

The Hon'ble MR. MESTON said:—"The Hon'ble Mr. Gokhale has disarmed criticism on the precise form which his resolution has taken. As it stands on the notice paper, the resolution suggests that we should increase the debt of India in order to provide funds for sanitation. In itself most of us would regard this as a somewhat questionable proposition; but I quite understand that the Hon'ble Member had to throw his resolution into this particular form in order to bring it within the rules for this stage of the discussion. I hardly think therefore that Government need read his precise recommendation too literally. It may be regarded—what the speech of the Hon'ble Member clearly shows that he intends it to be regarded—as a proposition expressing the view that ascertained surpluses in the Imperial Budget should be devoted to beneficial and non-recurring expenditure. That is the view which the Hon'ble Member, with all the weight of his eloquence and experience, has impressed upon this Council in no less than five consecutive Budget Debates, and he urges it again today upon a new audience.

"It has always been regarded in modern public finance as a fundamental principle that any actual surplus of revenue over expenditure should be devoted to the redemption of public debt. What actually happens with the revenue surplus of India, when there is one, is that it is thrown into the general cash balances of the country; and as the Hon'ble Finance Member explained very fully a week ago, it is from these cash balances, fed as they are from many other sources, that the capital expenditure of our railways and irrigation projects is drawn. It is therefore true, though in an indirect sense, that our revenue surplus reduces the amount of our indebtedness. That is to say, it saves us from borrowing an equivalent amount, and to that extent keeps down the growth of our debt. Moreover, inasmuch as we spend on productive capital outlay in ordinary years considerably more than we borrow, the effect is that we always reduce our non-productive debt by the amount of our revenue surplus. That of course is simple enough. It simply means a short cut in our accounts. Instead of using our revenue surplus to pay off non-productive debt and borrowing to the full extent for productive works, we borrow the net amount which we require and treat our revenue surplus as enabling us to make a corresponding transfer from non-productive to productive debt. Now the Hon'ble Member considers that this is unnecessary. He thinks that the amount of our non-productive debt is so small that we might very well leave it alone and borrow more freely for productive purposes. I trust the Council will not accept this view. We already borrow as much as we think that we can with safety and without lowering the credit of our public securities. One of the main reasons why the credit of our public securities stands so high is the knowledge that our non-productive debt

[5TH MARCH 1910.]

[Mr. Meston.]

is being gradually and steadfastly diminished and that we allow no considerations of expediency to interfere with the steady automatic operation of this well recognised form of national sinking fund. I very much dread that an appreciable change would come over our credit in the markets of the world if we left the paths of financial rectitude to dally in the pleasant arbours into which the Hon'ble Member invites us.

"If in times of peace and prosperity we did not employ all our spare resources to check the growth of our ordinary debt, there is grave reason to fear that our indebtedness would ultimately become heavier than the country can bear. I would ask the Council to look at what happened during the disastrous year 1908-1909, when we were laden with a deficit of nearly $3\frac{3}{4}$ millions. In that year we clearly were unable to employ any of our revenue in discharging debt; on the contrary we had to raise temporary loans and increase our non-productive ordinary debt to that extent. With the small surpluses for which we are now budgeting it may be several years before it is possible again to reduce our ordinary debt to the figure at which it stood at the beginning of 1908. In a country like ours, which is unhappily subject to periodical failures of the rainfall, it is both prudent and necessary that our savings in prosperous years should be used to avoid or cancel borrowings in years of scarcity. Incidentally also it cannot have escaped the Hon'ble Mr. Gokhale's notice that the large surpluses which we have been able in recent years to use for the reduction of debt have represented in the main the net profits from our railways; and there is a certain fitness, which I am sure the Hon'ble gentleman will recognise, in employing for the building up of our magnificent railway property some part of the surplus income which it yields us.

"I have attempted to meet the Hon'ble Member's resolution on broad lines, and I do not propose to examine too critically the minor questions which the resolution opens up. It would be hardly possible however for Government to accept without much consideration the principle of increased grants to local bodies. The precise object to which he would devote our surpluses is an altogether laudable one; but the improvement of sanitation is one of the first duties of local bodies, and it is a duty which it is incumbent upon them to carry out, so far as possible, from their own resources. The Hon'ble gentleman has still to make it clear that local bodies are at the end of their resources, and that, if they have a genuine desire for sanitary reform, they have spent their last available rupee on that object. I would remind the Council that since 1908-09 the Government of India have been giving to the various provinces a total grant of 30 lakhs a year in aid of sanitary improvement, and it is believed that a substantial

[*Mr. Meston; Mr. Slacke; Mr. N. Subba Rao.*] [5TH MARCH 1910.]

share of that subsidy has been passed on to municipalities and local boards. We have not made any inquisitorial examination of the use to which these funds have been put; that would be opposed to the general principles which we observe in making such subsidies. But from the figures in provincial budgets we have considerable doubt whether some of the provinces have yet been able to spend the grants they have already got. Would it be reasonable to offer them more? Would it be reasonable to offer them doles, the continuance of which we could not guarantee? Is it not rather their duty and the duty of the local bodies concerned to complete their programme of sanitation, to estimate its cost with care, to devote their energies to finding the necessary revenue and to make themselves independent, so far as possible, of fortuitous assistance from Imperial funds?"

The Hon'ble MR. SLACKE said :—" Regarding sanitary improvements, the Government of India made an allotment of $4\frac{1}{2}$ lakhs yearly for that purpose in Bengal, and the principle followed by the Local Government is to give one-third of the cost for each improvement if the local bodies will find the other two-thirds out of their own resources and the gifts of private individuals. During the past year, I was put on to a Committee by His Honour the Lieutenant-Governor for the purpose of endeavouring to get municipalities to come forward to enable us to spend this $4\frac{1}{2}$ lakhs: but after a great deal of work we were unable to allocate those funds. It therefore does not seem to be necessary to increase the grant which is now given to us by the Government of India, at any rate for the present."

The Hon'ble MR. N. SUBBA RAO said :—" Sir, I have listened with much interest to the remarks that have fallen from the Hon'ble Mr. Meston. He points out that it is the duty of local bodies to find the necessary revenues to meet their wants, and that they should be independent of help from the Government. He questions whether the requirements of local bodies are such as could not be met from their own resources and whether there is any pressing necessity for help from outside. As one intimately acquainted with local self-government in the province of Madras, I submit that the problem which now faces local self-government, or rather municipal administration, is how to make it popular and how to meet its multifarious needs as well; that is the problem now facing the municipal administration, I may say, not only in Madras, but also in other provinces. The taxation provided for in the Act is limited, and almost all municipalities have reached the maximum limit of taxation. Their needs are growing day by day: there are questions connected with water-supply and drainage, the overcrowding of houses, the widening of streets, and the like,

[5TH MARCH 1910.] [*Mr. N. Subba Rao ; Mr. Madge.*]

Numerous are the demands which municipalities are unable to meet. This is the burning question bound up with the success of local self-government in this country—how to make municipal administration both popular and efficient. Lord Morley as well as the Decentralization Commission has stated that real local self-government should begin in this country and municipal bodies should have a free hand in administering their own affairs. How can municipalities administer their affairs freely and in a way acceptable to the people, unless they have sufficient funds placed at their disposal to meet their pressing requirements? It is indeed a problem of making bricks without straw. One reason why municipal administration is somewhat unpopular is because there is no corresponding benefit from the taxation imposed on the people, as the taxes paid go only a little way, and the return therefrom is not appreciably felt. Analogies from the West have, I submit, no application to a poor country like India. I submit, therefore, to the Council that it is the duty of the Government to take this question into its serious consideration and arrange to place funds at the disposal of local bodies, either by giving a portion of the surplus to Provincial Governments, or by placing additional sources of revenue at the disposal of local bodies. Unless this question is grappled with and satisfactorily solved, I submit that it is not wise to devote the surplus to the reduction of the unproductive debt as pointed out by the Hon'ble Mr. Gokhale; but if their needs are satisfied, by all means use the surplus for the reduction of the debt: but so long as they are not satisfied and local bodies are not made to carry on their administrations as going concerns, I submit that it is not wise to divert the surplus in the manner proposed. Unless, therefore, this question is solved, local self-government would become a burden instead of a blessing to the people, and the first duty of the Council is to consider this question and solve it in the way suggested by the Hon'ble Mover or in any other way that will best meet the present situation."

The Hon'ble MR. MADGE said:—"Sir, I should be very sorry to oppose any measure of sanitary reform. The difficulty that this resolution presents to my mind is just this. The Hon'ble the Mover has omitted to suggest any particular method of distribution by which any surpluses should be made over to the various provinces in this country. In the course of the discussions to which we had listened with great interest yesterday, a thought was thrown out that some kind of equity was involved in returning to particular provinces some proportionate portions of the contributions that they had made to the general revenues. Now if that principle were carried out in this particular matter, I am very much afraid that the places which stood most in need of sanitation would have the smallest return. I think, perhaps, that a better direction in which to press this enquiry would

[*Mr. Mudge; Mr. Mazharul Haque; Pandit Madan Mohan Malaviya.*] [5TH MARCH 1910.]

be to turn to the proposal that was made by the Government either last year or the year before to extend the principle of the Provincial Loans Act. In one of the societies to which I belong I saw a project mooted somewhat to that effect, and I think that would be the direction in which we should move in this matter by enquiring what has been done with reference to the proposal to pass laws by which local loans should be raised by local bodies. I think that if that question was fairly considered we might see our way of escape from this difficulty."

The Hon'ble MR. MAZHARUL HAQUE said:—"I should like to say a few words on this question. We have heard the Hon'ble Mr. Slacke say that the Government of Bengal could not spend its grant because it had laid down the condition that unless municipalities were ready to find two-thirds of the grant it would not give the remaining one-third. Sir, I think the principle laid down by the Government of Bengal is entirely wrong. It clearly shows that the municipalities of Bengal are very poor, so much so that all the municipalities taken together in Bengal could not scrape together 9 lakhs in order to secure this grant. If the Government of Bengal had not laid down any rule at all and if it had given this grant of 4½ lakhs without any conditions, then I submit the Hon'ble Mr. Slacke would not have been here to say that he could not spend the grant. There is not the least doubt that the country is in great need of sanitation. We see plague, malaria and all sorts of diseases spreading, and I think, Sir, that the time has come when the Government should help these municipalities and I would add district boards as well to improve the sanitation of the country."

The Hon'ble PANDIT MADAN MOHAN MALAVIYA said:—"I rise, Sir, to support the resolution which has been moved by the Hon'ble Mr. Gokhale. I have listened, I must say, with a degree of pain to the criticisms that have been offered against the resolution. I thought, Sir, that this was a subject which would elicit the most unstinted sympathy and support from every Member of the Government, and I am both sorry and surprised to find that it is not likely to receive that support. I regret to think that the question of sanitation in this country has not received that measure of attention which it deserves from the Government, and I hope that the Council will recommend that it should receive more attention by adopting the resolution before us. It has been urged that the course suggested by the Hon'ble Mr. Gokhale is an exceptional course: that the orthodox procedure, the path of financial rectitude, as happily put by the Hon'ble Mr. Meston, has been to appropriate surpluses to the reduction of debt. There is no doubt that the course suggested by the Hon'ble

[5TH MARCH 1910.] [*Pandit Madan Mohan Malaviya.*]

Mr. Gokhale is an exceptional course. I quite admit it, but I submit that the conditions which make it necessary for him to adopt that course, and for other Members of this Council to support it, are exceptional also. If in the ordinary course of affairs in the administration of the finances of India, sanitation had received that measure of attention and that proportional share of the revenues of the country which it undoubtedly demands, such a resolution as is before us would not have been necessary. But it has unfortunately not received it, and the sanitary conditions which prevail at this moment in the country loudly call for a larger allotment of the Imperial revenues for the purposes of sanitation. If that allotment were made out of the ordinary revenues of India for the year, none would be happier than my friend Mr. Gokhale: indeed everybody would be glad of it. But if that cannot be done, I think it is the duty of the Council and of the Government to find means, even by recourse to increased borrowing, to promote public health and sanitation rather than allow people to die premature preventible deaths. If it were necessary, I would go even so far as to support fresh taxation for such a purpose. I feel strongly that it is the duty of the Government to find more money to improve the sanitary conditions under which the great bulk of the people live, in order that preventible deaths may be avoided.

“Now, Sir, I wish to draw attention to a few facts relating to the sanitary condition of the country as a whole and of my province in particular. In the whole of India, as my friend Mr. Gokhale has already pointed out, the death-rate stood at over 37 per thousand in 1907; the death-rate in England was 16 per thousand. Sixteen and 37! That makes a tremendous difference; and I submit that if the death-rate cannot be brought to the standard prevailing in England—Sir John Hewett said a little time ago that it was out of the question to expect that the death-rate here should be the same as that in England—there is absolutely no reason why the death-rate in India should not be brought to the level of the death-rate which prevails in jails in India.

“So far as the condition of the country at large is concerned, ever since plague broke out in 1896 over 60 lakhs of people have fallen victims to that fell disease. What is the reason for it? •When presenting the Indian Budget in the House of Commons in 1907, Lord Morley, speaking on this question, said:—‘It is a curious thing that, while there appears to be no immunity from this frightful scourge for the natives, Europeans enjoy almost entire immunity from the disease. That is difficult to understand or to explain.’ I venture to offer an explanation, and that is this, that Europeans live in well-ventilated houses situated in well-drained areas, where the soil and air are not allowed to be

[*Pandit Madan Mohan Malaviya.*] [5TH MARCH 1910.]

too much polluted, and Indians generally live under conditions the reverse of these. Where Indians live under conditions similar to those under which Europeans live, they enjoy a great deal of the same immunity which Europeans enjoy. This has been clearly demonstrated at Allahabad. Allahabad is one of the healthiest cities in this country. Until plague broke out in it a few years ago, it enjoyed a reputation for being one of the healthiest cities. When plague broke out in a portion of the city where we had the largest number of houses crowded in a small area,—the native portion of the city,—a large number of deaths from plague began to occur every week, every day; but during those very days, at a distance of only two furlongs from the city, in what is called the civil station, residents were absolutely immune. It was not Europeans alone or Indians who were permanent residents there, but also Indians who had removed by reason of the plague from the native city to the civil station who enjoyed this immunity. What did we do? The Municipal Board started health camps outside the crowded areas; at one time as many as three thousand people were accommodated in those health camps, and not one single man who found shelter in those health camps for three years was attacked by plague. Now the reason of it was simple. We had an abundance of sunshine and pure air in the health camps, the conservancy arrangements were good, and the soil and air were kept pretty pure. It showed clearly that it is not the personal surroundings so much as the condition of the dwelling house and the soil which gives rise to this disease. In support of this view, I may quote the opinion of a very high authority, who says:—‘Medical authorities also lay down that the study of epidemic and endemic diseases generally has brought to light an array of facts which strongly suggests that an intimate association exists between the soil and the appearance and propagation of certain diseases.’ Now, Sir, this convinced us that to combat plague successfully it was necessary to reduce over-crowding, to open congested areas to pure air and sun, and to improve the conservancy arrangements and the drainage of our towns and villages; and we pressed this matter upon the attention of the Government of our provinces in order that there should be suitably larger grants given to improve sanitary conditions which would make the havoc of plague less than it had been. But the Government of our provinces could not help us because the Government of India did not allow it to appropriate a sufficient portion of the revenues of the provinces for the purpose. And yet it is not of plague alone that we have to complain. The death-rate has risen very high in the United Provinces. The deaths from fever have also risen. In 1902 we had 1,196,102 deaths from fever. In the year 1906 we had 1,317,491 deaths from fever. We have also been more exposed to cholera. We

[5TH MARCH 1910.] [*Pandit Madan Mohan Malaviya.*]

had in the year 1902 25,160 deaths from cholera and in the year 1906 149,549 deaths from cholera. Then again infantile mortality has been running high. We lost one child out of every four in the United Provinces during 1902-1906. There has been an excess of deaths over births. Twenty-five districts showed an excess of deaths. In 1906 30 municipalities in 20 districts showed an excess of deaths over births. Such is the condition of the United Provinces! The death-rate in England is 16 per thousand, the death-rate for the whole of India in the year 1907 was 37·18; in the United Provinces it was 43·46! I hope, Sir, what I have said is enough to satisfy the Council that the needs of sanitation in the United Provinces alone require a much larger allotment for sanitation.

“ Then we are confronted with the question—is the Imperial Government to make grants to help municipalities to do more, or is it the duty of the municipalities to meet the expenditure needed for sanitary improvements themselves? The Hon’ble Mr. Meston has said that it is the first duty of the municipal boards to improve sanitation. I quite agree: he has also said that it is their duty to meet that expenditure from their own resources. In this I join issue with my friend. Nor do I agree in the view that speaking generally the Provincial Governments are in a position to provide for the needs of sanitation from Provincial assignments. What are the resources of the Provincial Governments? The provincial settlements that have been made leave them very inadequate sums to meet the requirements of sanitation and education. I will speak of my own provinces only. During the last 12 years and more members of the Provincial Council and representatives of the United Provinces in this Council have repeatedly been urging upon the Government the reasonableness, the justice, of giving to the United Provinces larger grants than they have been receiving during that period. We contribute the largest share of land revenue and it is but right that we should get a proportionately larger share for provincial expenditure. But we do not get even half the amount of the land revenue which is the share allotted to other provinces. The result is that our Provincial Government is not able to do its duty in the matter of giving grants and making allotments to municipal and district boards. It may be said that it is the duty of the municipal boards to find all the money for sanitation. That cannot be a correct view of the situation. In England I find that municipal institutions receive 21 per cent. of their revenues from the Imperial Exchequer. In this country—in my province—the Government contribute only 5 per cent. of the revenues. I submit that unless the Government of India makes larger grants to Provincial Governments, and unless

[*Pandit Madan Mohan Malaviya.*] [5TH MARCH 1910.]

Provincial Governments make larger grants to municipal and district boards, especially for the purposes of sanitation, the crying needs of the country in the matter of sanitation will not be fulfilled.

“It is not in one direction, but almost in every possible direction where the needs of sanitation are concerned, that more money is wanted. We want a better system of drainage almost all over the province. In Allahabad, Lucknow and Cawnpore the death-rate would not have been as heavy as it has been but for this want. Lucknow requires 13 lakhs more to complete its system of drainage. In Lucknow taxation in the last two decades has almost doubled itself from 15 annas per head to Rs. 1-10 per head, and Lucknow is unable to complete its system of drainage unless it gets a grant of 13 lakhs. Allahabad also wants 18 lakhs for its drainage scheme. From 1889 we have raised taxation as much as we could until we have reached a point where we cannot raise it any further. And yet at this moment we see absolutely no hope of carrying out a scheme of drainage in Allahabad and thereby saving thousands of people from dying preventable deaths, unless the Imperial Government and the Provincial Government would give us a large grant for this purpose. So also Benares and Cawnpore require help. Besides drainage we have to improve the water-supply in many places. It has been my duty to travel generally from one end of the province to the other, I have visited a large number of municipalities, and I can say without exaggeration that there is not a single municipality in the United Provinces that does not stand in need of more money for sanitation. I believe, Sir, that such is the general condition in many other provinces also, but I will not trespass upon the time of the Council by advocating the cause of other provinces, because I expect that the gentlemen from those provinces will, if they think it to be necessary, represent the cause of their own provinces. I hope that the few facts which I have laid before the Council justify the resolution, and point to the justice of the Government accepting it.

“The Council will remember, Sir, that His Majesty the King-Emperor was pleased two years ago to send out a gracious message of earnest and sincere sympathy with the vast millions of his subjects in this country who had suffered from plague. His Excellency the Viceroy, also speaking in this very Council two years ago, was pleased to express his great sympathy with those who had lost their relations or suffered otherwise from plague. I gratefully acknowledge the measures that have already been adopted to combat plague and improve sanitation. I do not forget the 30 lakhs a year which have been granted towards that purpose: but I submit that that sum is absolutely inadequate to meet the requirements of sanitation all over the country, and I earnestly

[5TH MARCH 1910.] [*Pandit Madan Mohan Malaviya; Babu Bhupendra Nath Basu.*]

plead for greater appreciation of those requirements. We find that the position at present is this, that we have got a system of administration, highly organized so far as the army is concerned, and perhaps more than necessarily efficiently organized. Money is almost always found to improve it more and more. We find that the cost of the general administration has been increasing by leaps and bounds. We have got a system of administration in which money is found for every single administrative want that the administration urges upon the Finance Member from year to year. It may be that a proposal is held in abeyance in one year, but money is found for it in the second year. But for extending education, for the purposes of sanitation, which directly affect the weal and woe of the millions of this country who contribute each in their own humble ways to the Imperial Exchequer, the Government is not able to find sufficient funds. This is truly a sad state of things; and, it is sad to find that nothing more than 30 lakhs should be found for sanitation for a country inhabited by 300 millions of people. I submit that the resolution is one which the Government ought to accept, and I do hope it will be pleased to accept it and earn the gratitude of the people by carrying it out at an early date."

The Hon'ble BABU BHUPENDRA NATH BASU said:—"Having regard to what has fallen from my friend, the Hon'ble Mr. Slacke, I think it my duty to offer a few observations on the resolution before the House. It is true that the municipalities of Bengal were unable in some cases to provide the requisite amount which was laid down as a condition by the Government of Bengal for contributions from Government funds, which, as my friend says, amounted to 4½ lakhs for the whole Province of Bengal. Sir, my province unfortunately has a bad pre-eminence in malaria. We come from the lower valley of the Ganges, where malaria has made its home and hundreds of thousands of our people have died without any effectual assistance being possible to be rendered to them. The rest who survive drag on a very miserable existence. Fifty or sixty years ago the peasantry of Lower Bengal had altogether a different physique from what they possess at the present day, and it is imperatively necessary, in order to prevent the utter waste of life that goes on in our midst—the absolute waste of life, of energy and of health—that something should be done. The question, Sir, is—Has the Government done all that it could? I say the question goes further. Instead of doing all that it could do, has it done a substantial part of what it should have done? I need not go into the figures which have been placed before this Council by my friend the Hon'ble Pandit Madan Mohan Malaviya; but the death-rate in India is something of which we cannot be

[Babu Bhupendra Nath Basu.] [5TH MARCH 1910.]

proud ; it is something for which, I may say, we ought to be sincerely sorry, if not ashamed. I had appealed to my own Government to take up an area as an experimental area and to see how the suggestions of modern scientists, if put into practice, would mitigate the ravages of malaria. That experiment was impossible for want of funds. My friend says that the municipalities have not responded. He knows much better than I do how the limited resources of our municipalities and district boards hamper them. In the first place they are all in small and disbanded areas. In the next place they raise a revenue after a great deal of trouble and a great deal of hardship, and these measures of sanitation are not measures which should be or ought to be confined to a small area, but measures which will have to be taken over a large tract of country. In my province the silting up of rivers is a great problem—a problem with which no municipality or district board can ever deal. These are subjects which do not lie within the purview of municipalities. That a good deal may be done with judicious expenditure is a thing which need not be urged before this Council. Thirty or forty years ago, when people from our villages came to Calcutta, there used to be set up a wail and lamentation lest the venturesome sojourner into the capital of British India might not return alive to his native village. There is no doubt that at that time those villages were much healthier than Calcutta was with its festering tanks, its filthy roads and unwholesome surroundings. But the last thirty or forty years have made a tremendous difference, and Calcutta today is the healthiest place in Bengal, including what was once the sanitarium of Bengal, *viz.*, the province of Behar, and therefore, I say, that even if that grant of $4\frac{1}{2}$ lakhs which our province has liberally placed at the disposal of the municipalities could be availed of, it would do practically next to nothing to mitigate the ravages of malaria from which we in Bengal suffer most.

“ Then, Sir, plague also, especially in Behar, has levied a very heavy toll. With all these we are unable to cope, and what makes our position all the more onerous, what makes it all the sadder, is that we feel that if there was a helping hand put forward, all these deaths that we see, by which often the breadwinners are taken away early in life, might have been prevented. If the conditions of our village life were known, and a little more money came to our villages to ameliorate that condition, with its filthy tanks, its bad roads, its absolute want of drainage—if those needs could be attended to—I have no doubt—and I am absolutely sure that my friend the Hon’ble Finance Minister will himself admit this—that a very large number of deaths could have been prevented ; and what have we done towards this end ? Sir, the whole medical expenditure of India

[5TH MARCH 1910.] [*Babu Bhupendra Nath Basu; Surgeon General Lukis.*]

amounts to a crore and seventy lakhs of rupees. I believe in that is included the whole cost of the medical service and various hospitals and other public institutions maintained throughout the country. That these hospitals do a great deal of good, nobody denies—I fully recognise and appreciate the good done by them. But they are only one phase of the relief that is wanted. What is wanted is prevention, and, so far as preventive measures are concerned, nothing has been done.

“ My friend, the Hon'ble Mr. Slacke speaks of $4\frac{1}{2}$ lakhs. Ten times $4\frac{1}{2}$ lakhs would hardly meet the requirements of Bengal in any particular year. It is not possible for the municipalities to undertake these works of sanitation. They have to look after their own wants which are very great indeed in small towns and villages; but great experiments and large measures of reform are impossible to carry out.

“ I shall not attempt to meet the arguments of the Hon'ble Mr. Meston when he says that surpluses which are mostly derived from actual revenue ought to go to the building up and construction of railways. Though we do meet the charges in connection with railways, we must not forget that this railway revenue is contributed by the peasantry and the masses of India amongst whom these preventible deaths work the greatest havoc. What do we do for them? I fully appreciate the desire of the Government to help them. We have seen experts brought out from Home in times of emergency for the purpose of inoculation. We have also seen, while hundreds and thousands are dying in the plains, Commissions sitting on the hills to devise measures for the prevention of these deaths. We have not seen money flowing from the Treasury for the alleviation of all this suffering, for the prevention of all these deaths, and we do want to see this. We do want to see the sympathy of the Government translated into action; we do want to see that funds should be made available to make our village homes healthier, to make the lives of our peasantry more bearable. I am quite sure that this is an appeal which must affect the consideration of this question, and, if these surpluses, as my friend the Hon'ble Mr. Gokhale has so elaborately and clearly established, need not go to reduce the public debt,—and they need not go to reduce those debts which are productive,—then no better method can be found for their utilisation than the prevention of suffering and the mitigation of the death roll in the country.”

The Hon'ble SURGEON GENERAL LUKIS said :—“ Sir, I did not intend speaking today, but I think it is necessary that I should say a few words with reference

to what has fallen from the Hon'ble Pundit Madan Mohan Malaviya and the Hon'ble Babu Bhupendra Nath Basu on the subject of plague. It is very obvious that they are labouring under a wrong impression as to what is really the cause of this fell disease. The Hon'ble Pandit Madan Mohan Malaviya said that the immunity of Europeans which was so marked in Allahabad was undoubtedly due to the fact that they lived under better sanitary conditions than did the Indians in the native city. Well, Sir, if there is one thing that has been clearly proved in the course of the last thirteen years it is this, that plague has nothing whatever to do with soil; it has nothing whatever to do with general insanitary conditions; and there can be no doubt from our experience of these epidemics that enormous sums of money have been spent on so-called sanitary measures without their having the least effect in checking this disease.

“Recent observations have shown that the cause of plague is a very simple one. It is primarily a disease of rats, and the means of communication between rats and men is undoubtedly the rat flea. Now the history of epidemic plague as it occurs amongst human beings is this. Plague occurs amongst rats in a house and, as every one knows, so soon as rats begin to die they at once migrate from the infected spots. The rats then having been attacked by plague migrate from the house, but they leave behind them their nests and in their nests they leave a large number of rat fleas. The rat flea ordinarily will not bite human beings, but when it becomes hungry, it thinks a human being is better than nothing: it comes out and bites human beings and they become attacked by plague.

“Now, Sir, that has been pretty clearly proved by the whole history of plague as it affects human beings. You will see therefore that the whole question of the prevention of plague is not one of expenditure of large sums of money upon sanitation; it is one of domestic hygiene. The way to prevent plague is by teaching the public that they should not allow collections of rubbish about their houses behind which rats can build their nests. They should be taught not to throw about in the vicinity of their houses remnants of food and things of that kind, and in fact every precaution should be taken to prevent the rat from becoming a domestic animal. The rat is not a domestic animal in the houses of Europeans, but it is a domestic animal in the houses of a large number of Indians. I submit therefore that what is wanted is to educate the Indians up to this particular point. If that could be done it would be far preferable to spending large sums of money on sanitary improvements which, as is shown by experience, have had no appreciable effect in checking this disease. I wish it to be clearly understood that my remarks apply merely to this one disease. I do not

[5TH MARCH 1910.] [*Surgeon General Lukis; Mr. Gokhale; Mr. Slacke.*]

advocate the stopping of sanitary measures generally, I only wish to point out to Indian members that it is no fault of the Indian Government that plague has spread in the way it has."

The Hon'ble MR. GOKHALE said:—"Mr. Vice-President, I would like to say a few words by way of reply to the observations that have fallen from some of the members before the Hon'ble the Finance Minister has the final word in regard to this resolution so far as this year is concerned. I will first take up what the Hon'ble Mr. Madge said on this subject. Mr. Madge's difficulty is that I have proposed no principle on which the surpluses might be distributed by the Imperial Government among the Provincial Governments if my resolution is accepted. Well, the answer to that is simple. The Government of India would have entire discretion in the matter just as they always have whenever they are distributing extra grants among Local Governments. Two years ago, when His Honour Sir Edward Baker placed 30 lakhs at the disposal of the Local Governments, he used his discretion in allotting the grants to the Provincial Governments. The same will happen if my resolution is carried.

"As regards what the Hon'ble Mr. Slacke said, that only in a way confirms my principal complaint. Of this 30 lakhs that the Government of India then gave to Provincial Governments, Bengal got $4\frac{1}{2}$ lakhs, and I suppose the Bengal Government wanted to distribute this sum among the different municipalities, giving a small sum here, a small sum there, and a small sum to a third municipality, and they wanted the municipalities to provide double that amount probably out of their own current resources in order to carry out some works of improvement. Now I entirely object to this. What we need is large sanitary projects in important cities. But large sanitary projects cost plenty of money. In Poona, for instance, we have been wanting drainage for a long time very badly. The estimates given by different engineers have been 45 lakhs, 22 lakhs, and 16 lakhs the lowest, and so on. A single municipality, therefore, if it is to be effectively assisted, would absorb more than your $4\frac{1}{2}$ lakhs, but that would be a far more effective way of applying such grants."

The Hon'ble MR. SLACKE :—"That is exactly what was done."

The Hon'ble MR. GOKHALE :—"But $4\frac{1}{2}$ lakhs cannot go any great length in a big town where you want (say) 25 lakhs. But that is not the whole of my contention. I hold that even this one-third and two-thirds distribution of expenditure is beyond the powers of our municipalities. I have already pointed out that our municipalities are very poor. What are the sources of their income,

what is the property which they can tax? House property they tax, but in most towns it is extremely poor property. They have a road-cess, a conservancy cess, and one or two other cesses, and they probably have an octroi duty. What more is there in an ordinary city to tax so that a municipality can derive any income? In Poona, for instance, where I had the honour to be at the head of the municipality for five years, we were practically bankrupt all the time I was there. It was a time of plague, and every pie we could spare was used in connection with plague operations. The roads had to be neglected and the schools were cut down.

“Well I think that if these sanitary projects are to be carried out the Government must contribute much more than this one-third. In some cases Government may have to find the entire amount if these works are to be undertaken. This is a situation which must be understood clearly. The Government constructs railways. Suppose some of the railways had been left to private enterprise in this country, where would our railways have been today? Suppose large trunk roads had been left to District Boards, where would trunk roads have been today?

“I do not think it will do for Government to say that this is a matter which concerns municipalities alone, and they must find the bulk of the money. Government may as well say that they do not care whether there is improved sanitation or not in the country. Another point I would like to submit in this connection is that the present distribution of resources between Government, Imperial and Provincial on one side, and the local bodies on the other, is absolutely unfair to local bodies. If local bodies had sources of revenue placed at their disposal which could bring in some considerable revenue, then I could understand the Government throwing the responsibility of constructing sanitary works on these local bodies, but in the struggle that they have to carry on to merely maintain themselves, it is almost cruel to expect these municipalities to find money for these vast undertakings.

“I will now come to what the Hon'ble Mr. Meston said in reply to my resolution. The Hon'ble Mr. Meston's attitude is the old orthodox attitude of the Finance Department towards this question. I cannot hope to succeed where so great and powerful a member of the Government as our late Commander-in-Chief, Lord Kitchener, failed, because I understand that he often and very vigorously maintained the view which I have urged on this Council year after year. However I mean to persevere. There were certain things which the Hon'ble Mr. Meston said which, if he will pardon my saying so, appeared

[5TH MARCH 1910.]

[Mr. Gokhale.]

to me to be somewhat curious. For instance, he said that if my resolution was accepted the unproductive debt of the country would be increased, and then the credit of the Government of which I have spoken would be affected. I do not know how the debt of the Government is going to increase if my resolution is accepted. I do not propose you should borrow if you wish to help municipalities. Your unproductive debt is only about 40 millions today. Surely if you do not borrow more, I cannot see how it is going to increase. It could not, of course, diminish unless you devoted a portion of your surplus towards a further reduction, but certainly it could not increase. It is true you may have to borrow during famine times. That is another question; that has a history of its own, and you have to go back thirty years to understand that history. When the big famine of 1876-1878 occurred in this country, the Government estimated that on an average in about ten years from 10 to 15 crores were needed for actual famine relief and for avoiding the loss which occurred to Government in connection with revenue and so forth; and they therefore in the year 1879, when Sir John Strachey was Finance Minister, imposed extra taxation to provide this fifteen crores in ten years' time—the amount that they expected to be lost by the State by direct famine losses and losses in connection with revenue. That taxation is part of the general taxes of the country. It has been added to since then; it has not been taken away and so there you will find the provision for preventing the growth of debt owing to famines. There is the standing provision out of the revenues of the country of half a million, in this year's budget you will find there is this provision of a million sterling a year, half of which is ordinarily devoted to the reduction of debt in order that, when famine times come, the Government should if necessary be able to borrow and yet the debt may not be increased. Then the Hon'ble Member stated that the surpluses of which I have spoken had come from the earnings of railways—they were profits from railways. Now I have not got the exact figures before me and I am speaking only from memory, but I am sure the Hon'ble Member is wrong. The profits from railways have not come to 25 millions in the last ten years or even half that amount. I think the highest profit from railways was in 1906-07—the last, but one year of Sir Edward Baker's tenure as Finance Minister—and it was then I think $2\frac{1}{2}$ millions.* The next year it was $1\frac{1}{2}$ millions or thereabouts. The total profits from railways during the last few years when railways have been paying have not, I think, been more than 7 or 8 millions altogether; in any case, I am quite confident they have never been anywhere near 25 millions. Moreover, if you are going to point your finger to the profits from railways, I would ask you to remember that railways have cost us, ever since they were first built, I think 53 or 54 crores, not less, during the time that

[*Mr. Gokhale ; Malik Umar Hyat Khan.*] [5TH MARCH 1910.]

railways were a losing concern and not a paying concern. Therefore, if you are making any small profits now, those profits, I venture to say, should go to repay the country for the losses that the country had to bear on account of railways out of current revenues for 40 to 50 years.

“The last thing is about the duty of local bodies. I say, Sir, that if this is the view that the Government are going to take, that sanitation is the business of local bodies and that they must help themselves as well as they can, all I can say is that this is not a view which should commend itself to this Council. The Government has introduced higher standards of administration in this country and it behoves Government to see that in sanitation also things which can be done only with substantial assistance from Government are done rather than left undone. There are two policies, so to say, before us. On the one side you have more and more expenditure on the Army, a top-heavy civil administration, and greater and greater expenditure on railways. That is one direction. The other direction is more education, more sanitation, money for the relief of agricultural indebtedness, and similar objects concerning the moral and material well-being of the masses. Hitherto the first policy has been on the whole predominant. When I say that I do not mean that the second has been neglected altogether. I do not mean that at all. But there is no doubt that far more money has been and is being spent on the first, whereas the second has been and is being comparatively starved; and I urge that the relative claims of the two on the resources of the country should now be reversed.”

The Hon'ble MALIK UMAR HYAT KHAN said:—“I came first with the intention of speaking that loan should not be taken if we could do something else, because yesterday all the Members were suggesting that something should be done in the way of taxation. Now I also wanted to ask today that if, instead of taking this loan, any taxation was done, it would be useful, but now we find it cannot be done. About this loan I was thinking everything is not sanitation. There are certain villages which were first built in bad places; nothing could be done for them; people did not know what sanitation was, or what drainage was, and they went and settled at low places, and all the water goes there and there is no way of its coming out. I want to propose, if anything is done, that more money should be given for medicines, and more dispensaries should be opened in places in which nothing else could be done, but now as a loan cannot be taken, and also no other tax could be imposed, so there is no other way. Then I want to turn to another question on which I have found necessary that an Indian member should speak, and that is that in the speeches today it has been said, that there

[5TH MARCH 1910.] [*Malik Umar Hyat Khan; Mr. Jinnah; the Vice-President; Sir Guy Fleetwood Wilson.*]

is a great necessity and people are dying. Perhaps people outside would think that it is Government who are doing all this; that is not the case. I have seen in my own country where plague has been, that we have fought with the Government; we won't let Government interfere. When the plague is in one village, we leave that and go into another village, from there into another village, so what could be done if people won't stop doing that? Then again as———"

The Hon'ble Mr. JINNAH :—"Sir, may I rise to a point of order. Is the Hon'ble Member entitled to take part in the debate after the mover of the resolution has replied? Under the rules, I submit, the Hon'ble Member is not entitled to speak after the mover has replied."

THE VICE-PRESIDENT :—"As a matter of fact I did not on this occasion call on the mover to reply. I think, therefore, that the Hon'ble Member is in order."

The Hon'ble MALIK UMAR HYAT KHAN then continued as follows :—"Then about certain places, we all want irrigation; we want the prosperity of the country; more things cannot exist at the same time. Then we want prosperity and railways and canals at the same time. Of course we cannot stop that malaria should not come. We must sacrifice a few men rather than starve all the country. There are certain diseases of course which it is impossible to check and there are certain localities for which nothing can be done. We are ourselves to blame and not the Government, so the first thing is we ought to do something ourselves. We could easily clean our places and do something towards it, but that we won't do. Then if we won't do anything, who else can help us? With these few remarks, which I think are quite sufficient, I may sit down."

The Hon'ble SIR GUY FLEETWOOD WILSON said :—"I will endeavour to take up as little time as possible but not to pass over the remarks any one contributed to this discussion. Taking the last speaker first, I should say I think there is a good deal in his contention that the difficulties of combating many of these diseases to which allusion has been made are increased by the attitude, not only in this country, but in all countries, though specially in this country perhaps, of the people towards sanitary measures which are new to them, and in regard to which they do not naturally feel very great sympathy.

"I come to my Hon'ble friend, Babu Bhupendra Nath Basu. I think that he has opened up a vista of additional taxation in consequence of enormously in-

creased expenditure suggested which will render it essential for me to take very careful note of the many suggestions which were offered in respect of new taxes in lieu of those which I had proposed and to which exception has been taken, I would say a word in regard to that speech and to that of my Hon'ble friend behind me. I think a great deal of the subject-matter was really more suited to a discussion in the Provincial Council in regard to the relation between the Municipality and the Provincial Government, than perhaps in this Council.

"The point raised by the Hon'ble Mr. Madge is one of gravity. I can conceive nothing more terrible than the task which would devolve upon whomsoever it would devolve than the distribution of these funds. We had yesterday abundant evidence of the readiness with which Bombay would tax Calcutta, and the equal readiness with which every other place would tax Bombay, and so on; and I think when it came to distributing this money we should find ourselves in a position of the very gravest difficulty and be likely not to please anybody. But coming to the more important feature of the question—there is one point I would like to mention in passing; it is that the Hon'ble Pundit Malaviya reproached us, and I am sorry he did so, with lack of sympathy. I had intended to preface my remarks by saying that I felt very great sympathy for the views advanced by my Hon'ble friend Mr. Gokhale, but I hardly like to do it, because yesterday I was met as I left this Council by some one who said 'Your blessed sympathy has cost us a new tax every twenty minutes,' and so I thought perhaps I would do better to leave that out; but I can assure him—and I think he can hardly need assurance—that we do view sanitation and everything connected with sanitation with the greatest sympathy, and I hope that will disarm criticism in regard to the attitude of Government.

"I now come to the point which is an important one. The impression left on the minds of anybody who listened to this discussion is likely to be that the Government have contributed nothing at all to sanitation, except the 30 lakhs allotted for that purpose. I must point out that the Provincial Governments, who receive very large grants from Imperial Revenue, have spent a very great deal of money in sanitation quite irrespective of these 30 lakhs, and I think, though I have not got the figures, it would be found that the sums spent on specific projects such as drainage and water-supply and so forth represent a very very large sum. I think it would be perfectly unfair, manifestly unfair, and it would be a misleading argument to state that our opposition to this particular resolution is equivalent to a refusal by Government to find money, for instance, to meet the plague. I am not going to enter into the lists with the two gentlemen who held opposite views in regard to the cause of the plague

[5TH MARCH 1910.] [Sir Guy Fleetwood Wilson.]

but I think I must say it is rather hard to connect my resistance to this resolution with a refusal to find money for sanitary objects. The medical and sanitary expenditure in provinces is a Provincial and not an Imperial charge, and from the settlements we have given the provinces allow liberally for such charges. To carry the argument a stage further I might state that municipalities have received large sums from Government for sanitary schemes, for water, for drainage, and so forth, as I have indicated, and that of course indirectly must improve the condition of the people and render them less likely to be subject to epidemics. I am afraid I must say quite frankly that I cannot accept the view that has been advanced by the Hon'ble Mr. Gokhale that there is no particular—I may be perhaps unfortunate in the way I interpret his remarks—that there is no particular necessity for paying off our debt. I do think it is very important, whether the debt be large or small, that we should always keep very prominently before us the necessity for contributing to the reduction of that debt. The question of dealing with sanitation from the standpoint of expending more money on it is one which I think could be dealt with without adopting the proposal of my Hon'ble friend. I think probably he himself will recognise—personally I recognise at any rate—the great objection to doles. I think that the system of doles first by its irregularity is a bad financial method of conveying money, and secondly, there is the danger of making local bodies dependent on them, and I think even of pauperising them; and I think a great object which we should all have in view, and keep in view in this country, is to make everything rather less dependent—in fact I was almost tempted to say, very much less dependent—on the Imperial Government than it is. We have adopted a system of dry-nursing everything, and I think our effort should be to get away from it rather than to increase it. What I can say, and I am afraid it will not be very satisfactory to my Hon'ble friend, but it is all I can say, is that as time goes on, if the prosperity of the country and the consequent increase in revenue becomes decided, it will, I think, be the desire, and I almost think the intention, of Government to increase that grant of 30 lakhs, and so meet some of the criticisms which have been passed upon the smallness of the sum which is at present devoted to sanitation. I cannot accept the resolution.⁶⁹

[5TH MARCH 1910.] [Sir Guy Fleetwood Wilson.]

The Council divided:—

Ayes—15.

The Hon'ble Pandit Madan Mohan Malaviya.
 The Hon'ble Mr. Sachchidananda Sinha.
 The Hon'ble Babu Bhupendra Nath Basu.
 The Hon'ble Mr. Mazharul Haque.
 The Hon'ble Nawab Saiyid Muhammad Sahib Bahadur.
 The Hon'ble M. R. Ry. Nyapathy Subba Rao.
 The Hon'ble Raja Vairicherla Vairabhadra of Kurupam.
 The Hon'ble Mr. G. K. Gokhale.
 The Hon'ble Rao Bahadur R. N. Mudholkar.
 The Hon'ble Mr. M. B. Dadabhoy.
 The Hon'ble Mr. G. M. Chitnavis.
 The Hon'ble Raja P. N. Ray of Dighapatia.
 The Hon'ble Mr. Mahomed Ali Jinnah.
 The Hon'ble Mir Allah Bakhsh Khan.
 The Hon'ble Sir Vithaldas D. Thackersey.

Noes—39.

The Hon'ble Mr. J. O. Miller.
 The Hon'ble Sir Guy Fleetwood Wilson.
 The Hon'ble Mr. S. P. Sinha.
 The Hon'ble Major General R. I. Scallon.
 The Hon'ble Mr. R. W. Carlyle.
 The Hon'ble Mr. L. M. Jacob.
 The Hon'ble Mr. B. Robertson.
 The Hon'ble Mr. J. S. Meston.
 The Hon'ble Mr. J. B. Brunyate.
 The Hon'ble Sir. H. A. Stuart.
 The Hon'ble Mr. S. H. Butler.
 The Hon'ble Malik Umar Hyat Khan.
 The Hon'ble Zulfikar Ali Khan.
 The Hon'ble Mr. M. W. Fenton.
 The Hon'ble Mr. F. A. Slacke.
 The Hon'ble Maharajahdiraja Bahadur of Burdwan.
 The Hon'ble Mr. J. M. Holms.
 The Hon'ble Mr. C. H. Kesteven.
 The Hon'ble Mr. C. G. Todhunter.
 The Hon'ble Surgeon General C. P. Lukis.
 The Hon'ble Mr. H. W. Orange.
 The Hon'ble Mr. J. M. Macpherson.
 The Hon'ble Mr. J. Andrew.
 The Hon'ble Mr. H. O. Quin.
 The Hon'ble Mr. F. Rawson.
 The Hon'ble Kanwar Sir Ranbir Singh.
 The Hon'ble Mr. W. C. Madge.
 The Hon'ble Mr. C. W. N. Graham.
 The Hon'ble Mr. C. H. Armstrong.
 The Hon'ble Sir Sassoon David.
 The Hon'ble Mr. F. A. Th. Phillips.

[Sir Guy Fleetwood Wilson; Raja of Kurupam.] [5TH MARCH 1910.]

Ayes—15.

Nocs—39.

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| | The Hon'ble Mr. F. C. Gates. |
| | The Hon'ble Maung Bah Too. |
| | The Hon'ble Mr. P. C. Lyon. |
| | The Hon'ble Mr. C. Stewart-Wilson. |
| | The Hon'ble Mr. F. E. Dempster. |
| | The Hon'ble Sir T. R. Wynne. |
| | The Hon'ble Mr. G. H. B. Kenrick. |
| | The Hon'ble Colonel F. B. Longe. |

So the resolution was rejected.

The Hon'ble RAJA OF KURUPAM moved the following resolution:—" That this Council recommends to the Governor General in Council that the Proprietary Village Service Cess in the Madras Presidency be abolished either by enhancing the additional grants allowed to this Presidency or otherwise." He said:—" I beg to move this Resolution with a very few observations of mine as the facts thereto are already in the possession of the Government.

"(1) All similar cesses in other parts of India have been abolished.

"(2) The cultivators in the raiyatwari area are free from it.

"(3) The cess is a clear infringement of the terms of the Permanent Settlement.

"(4) Both the Government of Madras and the Government of India have expressed their desire in distinct terms to abolish the cess. The former Government has thrice supported the memorials of the Madras Landholders' Association, praying for its abolition.

"(5) As Finance Member of the Government of India, Sir Edward Baker was pleased to admit more than once that the cess should be done away with as soon as possible.

"(6) The Government of India in its letter No. 112-Financial, dated 15th February 1907, to the Madras Government, declared that, in view of the recent policy of the Government as regards the abolition of the various cesses levied on land, supplementary to the land revenue 'the Government of India consider that it should be inconsistent to maintain the Zamindari Village Service Cess where it is already levied and to continue to impose it by degrees in fresh areas'.

[5TH MARCH 1910.] [*Raja of Kurupam; Mr. N. Subba Rao.*]

"(7) On the 30th October 1908, the Madras Landholders' Association received the following communication from the Government of India in reply to their memorial: 'The wishes of the memorialists will receive full consideration of the Government of India if and when the financial position again admits of a further remission of local taxation'.

"(8) Last year, in reply to a third memorial from the same Association, the Government of India expressed its regret 'that the general financial position makes it impossible for them to meet with the wishes of the memorialists at present.'

"(9) For further particulars I would refer the Budget Committee to the last memorial of the Madras Landholders' Association to the Government of India.

"Lastly, I beg, in view of the assurance of the Government of India in 1908 that the matter would 'receive the full consideration of the Government of India if and when the financial position again admits of a further remission of local taxation', and also having regard to the present position of Indian finance, that the Budget Committee be pleased to lend its weight to this measure of justice by recommending that this cess be abolished without further delay, either by enhancing the additional grants allowed to the Presidency of Madras or in any other way the Government of India deems fit."

The Hon'ble MR. N. SUBBA RAO said—"I beg to support the resolution moved by the Hon'ble Raja of Kurupam for the abolition of the proprietary estates village service cess. No doubt the Government has been pleased to say that the question would be considered and relief granted when its financial position would admit of further remission of local taxation. I submit that the real issue in the case has not received sufficient attention. Should this tax find a place in the budget? Is it right and proper to continue to levy this cess?"

"I may point out that this is the only real cess levied in the whole of India, as all the other cesses were done away with some years ago. I believe there is a cess called the 'Village Officers' Cess in Sind, but it is not really a cess at all, but 'merely a portion of the land revenue assessment which is ear-marked for the payment of village officers.' So far as the Madras proprietary estates village cess is concerned, it is a real cess supplemental to the land revenue. The policy of the Government, as explained some years ago by the Hon'ble Sir Edward Baker, the then Finance Member, is that no local cess should be imposed on the land supplemental to the land revenue

[*Mr. N. Subba Rao; Nawab Saiyid Muhammad Sahib Bahadur.*] [5TH MARCH 1910.]

proper, except such as are levied by or on behalf of local authorities for expenditure by them on genuinely local objects. In other words, it shall not form an asset of Imperial or Provincial Revenues'.

"As matters stand at present in Madras, the village officers in Madras proprietary estates have practically become adjuncts of the Government as part of the general administration. They no longer occupy the position which they once enjoyed in the rural economy of proprietary estates. Besides, there is no corresponding cess on the proprietary estates in Bengal, and the proposed legislation to that effect was vetoed by the Secretary of State in 1885. I submit that the Madras proprietary estates village cess is levied as an asset of Provincial Revenue and it is indefensible altogether. Further this cess was only introduced under Madras Act II of 1894, and as the operation of the Act is extended to different proprietary estates, it is being imposed during the last few years and different estates are being brought within its purview. It is anomalous and unfair that while the cess has been taken off from the raiyatwari tracts in the Madras Presidency, it should be imposed upon the adjacent proprietary estates. It is invidious that while the raiyat in one village has not to pay this cess, his neighbour in the next village which may happen to be a proprietary village should be burdened with it. The injustice of the thing becomes so patent to the raiyat, who does not care for the difficulties of the Finance Member, that he cannot understand how a Government can act so unjustly and so harshly.

"I submit that financial considerations ought not to stand in the way of this cess being taken off at once. The fact that the total amount of the cess is not yet fully and definitely ascertained is no ground either. The aggregate amount is not yet become part of the Provincial or Imperial budget, and therefore that cannot form any consideration for the cess not being removed from the budget. On the other hand, that circumstance ought to go in favour of its being abolished altogether. After all it cannot be more than one-fourth of the cess taken off already from the raiyatwari tracts, for the proprietary estates form nearly one-fifth of the Madras Presidency. I submit that once it is indefensible in principle and unjust in its application, it ought not to find a place in the budget. More so, when it is being imposed at present on different estates in the Madras Presidency. I trust that the Hon'ble Finance Minister could see his way to omit this item from the budget and remove this unjust anomaly in the method of taxation."

The Hon'ble NAWAB SAIYID MUHAMMAD SAHIB BAHADUR said :—"Sir, four years ago when the raiyatwari village service cess in the Madras Presidency

[*Nawab Saiyid Muhammad Sahib Bahadur ; Sir Guy Fleetwood Wilson.*] [5TH MARCH 1910.]

was abolished, the Hon'ble Sir Edward Baker stated that the proprietary village-service cess could not be abolished because of 'certain practical difficulties that have arisen by reason of the establishments employed in the proprietary tracts of Madras being in a transitional state.' When taking part in the Budget debate subsequently I said :—' I recognise with special gratitude that the largest surrender of revenue occurs in the Presidency which I have the honour to represent, and that the raiyatwari village service cess in the Madras Presidency has been abolished. At the same time I regret that it has not been found possible to abolish the cess levied in Madras in 'proprietary' or permanently settled estates, as the difficulty mentioned by the Finance Member is not of a permanent nature, and since it is admitted to be a real cess, I submit that it may be abolished, on principle, as early as it is found practicable.'

" Now, Sir, as a period of four years has elapsed, I think the difficulties that were in the way of Government have now been removed, and I therefore beg to support this resolution."

The Hon'ble SIR GUY FLEETWOOD WILSON said :—" Sir Harvey Adamson, I frankly confess that this is not a subject with which I was at all conversant till it devolved upon me to endeavour to make myself acquainted with the situation.

" The resolution which the Hon'ble Raja has proposed in such a reasonable and temperate manner is in virtual accord with the representations which have been made by the Madras Landholders' Association with considerable regularity during the last two or three years. The position regarding the particular cess to which my Hon'ble friend—if he will allow me to call him so—refers is a somewhat curious one, and perhaps I may be permitted to indicate the history of it. There were two cesses for the payment of village servants in Madras, one in force in raiyatwari estates, the other in proprietary estates. The former was abolished in 1906, and Government, as far as I am able to ascertain, had every intention of abolishing the latter simultaneously. This, however, it was unable to do owing to the fact that the proprietary cess was not actually levied at the time except in a few districts. The procedure of imposing the cess in proprietary estates is a gradual and somewhat complicated one, the important point being that the cess does not become effective in any estate until the *inams* of the village servants in that particular property have been resumed. This process of resumption (or enfranchisement, as the Madras authorities style it) is carried on by a special revenue establishment in one

[5TH MARCH 1910.] [Sir Guy Fleetwood Wilson.]

district after another; and it is expected that eight or nine years will elapse before the Act which imposes the cess has been brought into operation throughout the whole Presidency. In 1906 therefore there was practically nothing to abolish, and we entered into communication with the Madras Government as to the most convenient means of giving effect to our intention of remitting the cess as it accrued.

“In the interval our position entirely changed, inasmuch as the state of our general finances deteriorated so seriously that we were unable to complete our programme of lightening the burden of cesses on the land. I am dealing of course to a great extent with what took place before I had anything to do with it.

“The Hon’ble Raja proposes that we should take up the question again, and my Hon’ble friend who spoke last said that he had no doubt that I would be disposed to repeat my argument that when the finances of the country improved I would show every consideration to the views he advanced. Well, I propose to give a new argument, and that is that, having imposed fresh taxation yesterday, it would be worse than inconsistent if we were to accept a proposal for the reduction of taxation today, and in any case I must point out that the narrow margin on which we are working makes it impossible for the moment to contemplate concessions of the nature to which this resolution refers.

“But I will say this, however. I do not know whether it will satisfy my Hon’ble friend, but I trust it will, and that is that the Government of India have decided that as soon as the financial position again admits of a further remission of local taxes the Secretary of State will be asked to concur in the discontinuance of this proprietary village service cess. It stands at the head of the very short list of local cesses which still remain and which we hope to abolish. I really think that in the present circumstances this is the only answer which I can give to the Hon’ble Member, and I am afraid that I could not reasonably be expected to say more.”

The resolution was withdrawn.

ADJOURNMENT OF COUNCIL.

The Hon’ble THE VICE-PRESIDENT said:—“As the Council are aware, the second stage of the financial discussion was to have commenced on Monday, the 7th. Several Hon’ble Members have represented that owing to the great amount of time that was taken up by legislation in the first stage, they

FINANCIAL STATEMENT.

[*The Vice-President.*]

[5TH MARCH 1910.]

have not had time to prepare resolutions or to give notice of them. So far as I am aware, notice of only one resolution has been received and all others are time-barred on account of the rule that requires two clear days' notice before the first stage of the discussion in which a resolution is to be proposed. In order to meet the convenience of Hon'ble Members, His Excellency the Viceroy has given sanction to the following arrangements :—

Notice of resolutions will be received today.

Discussion on the second stage will take place on Wednesday, the 9th, and will be confined to that day."

The Council adjourned to Wednesday, the 9th instant.

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

CALCUTTA;
The 18th March 1910.