

THE INDIAN LEGISLATIVE COUNCIL

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**PROCEEDINGS
OF
*THE INDIAN LEGISLATIVE COUNCIL***

ASSEMBLED FOR THE PURPOSE OF MAKING

LAWS AND REGULATIONS

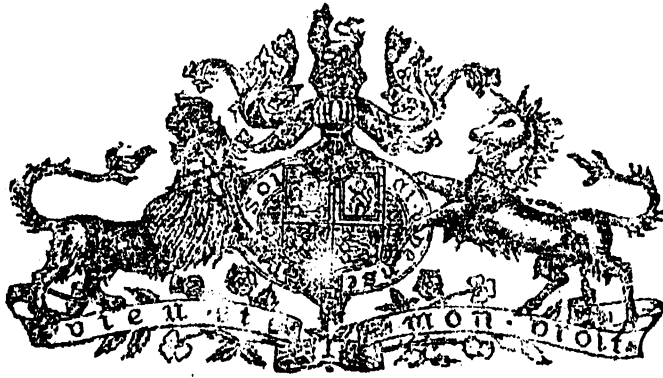
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GOVERNMENT OF INDIA.
LEGISLATIVE DEPARTMENT.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER
THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915.
(5 & 6 Geo. V, Ch. 61.)

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on
Monday, the 23rd February, 1920.

PRESENT:

The Hon'ble SIR GEORGE LOWNDES, K.C.S.I., V.O., Vice-President, *presiding*,
and 61 Members, of whom 54 were Additional Members.

QUESTIONS AND ANSWERS.

The Hon'ble Mr. V. J. Patel asked :—

1. "(a) Have the postal clerks of the town and island of Bombay been appealing to the Director General for a revision of their pay and, if so, for how long?" Revision of pay of postal clerks of Bombay.

(b) Is the scheme promised by the Director General in his memorandum No. 2510, dated the 28th April 1919, likely to take effect in the near future?

(c) Do Government propose to introduce a time-scale of pay in the Post Offices of the town and island of Bombay on a plan similar to that in the Accountant General's Office, Bombay?"

The Hon'ble Sir George Lowndes replied :—

"(a) Yes, constantly."

(b) The scheme has just been sanctioned by the Secretary of State, with effect from the 25th January, 1920.

(c) The question of the introduction of a suitable time-scale of pay is under the Director-General's consideration."

The Hon'ble Mr. V. J. Patel asked :—

2. "(a) Are Government aware that the notification imposing restrictions upon the free import of dye-stuffs into India is regarded by the public as wrong in principle and a deliberate infringement of the policy of fair trade?" Free import of dye-stuffs of India.

(b) Has it created a monopoly in favour of the English dye-manufacturer and trader at the expense and to the detriment of the Indian trader and consumer?"

[*Sir George Barnes; Mr. V. J. Patel; [23RD FEBRUARY, 1920.]*
Sir William Marris.]

The Hon'ble Sir George Barnes replied :—

"The Government of India are aware that the restrictions on the importations of dye-stuffs into India have been the subject of unfavourable criticism in the Press, and they have received objections and representations in regard to them from certain individuals and commercial bodies. It is not a fact however that these restrictions create a monopoly of the nature mentioned by the Hon'ble Member, licenses for the import of dye-stuffs from foreign countries being freely granted when it is impossible to obtain the required dyes from the United Kingdom or when such dyes are unobtainable at a reasonable price. As a matter of fact considerable quantities of dye-stuffs are at present being imported under license from foreign countries. I may add for the Hon'ble Member's information, however, that the question of the retention of these restrictions is now being further considered by the Government of India."

The Hon'ble Mr. V. J. Patel asked :—

Fiscal auto-
nomy.

3. "(a) Will Government state the extent to which and the conditions on which, the various self-governing Dominions of the Empire enjoy fiscal autonomy, and how far and in what particulars it differs from that recommended for India by Lord Selborne's Committee?"

(b) Are the Government aware that the recommendations of the Committee are construed by several public men in India to mean that with regard to fiscal matters India shall have the same right of regulating her policy as all other Dominions of His Majesty?"

The Hon'ble Sir William Marris replied :—

"(a) So far as the Government of India are aware the legislatures of the self-governing Dominions are at liberty to arrange their tariffs as they please, subject however to the right of the Governor General of each Dominion to assent to or withhold consent from Bills or to reserve them for His Majesty's pleasure, and the Crown can disallow within a specified period any Bill assented to by the Governor General.

The Hon'ble Member can judge for himself the difference, if any, between the position of the self-governing Dominions as stated above and that recommended for India in the report of Lord Selborne's Committee.

(b) The Government of India are willing to accept the Hon'ble Member's assertion that the views of certain public men in India regarding the recommendations of the Committee are as stated by him."

The Hon'ble Mr. V. J. Patel asked :—

Findings of
Lord Selborne's
Committee and
framing of
rules under
the new
Act.

4. "Is it open to the Government of India in framing rules under the Government of India Act to re-open any question settled by Lord Selborne's Committee and to disturb its findings?"

The Hon'ble Sir William Marris replied :—

"As the Hon'ble Member is aware the general rule-making power under the Government of India Act, 1919, is contained in section 41 of that Act, and all rules made thereunder must come before Parliament.

The Government of India regard the recommendations of the Committee as an authoritative indication of the views which are likely to be taken by Parliament, and will therefore naturally attach the greatest possible weight to their recommendations."

The Hon'ble Mr. V. J. Patel asked :—

Grants to
Institutions
for the blind,
deaf and
dumb.

5. "Will Government lay on the table a statement showing the amount of grant by each of the Local Governments and Administrations during each of the last five years to institutions for the instruction of the blind, the deaf and the dumb?"

[23RD FEBRUARY, 1920.] [Mr. Shafi; Mr. V. J. Patel; Sir William Vincent; Sir William Marris.]

The Hon'ble Mr. Shafi replied :—

"The information desired by the Hon'ble Member is not available in the Government of India. It is being obtained from Local Governments and Administrations and will be laid on the table in due course."

The Hon'ble Mr. V. J. Patel asked :—

6. "Will Government state the result of the investigation which they undertook in accordance with the Resolution moved by the Hon'ble Khan Bahadur Mir Asad Ali on the question of the possibility of placing the ancient and indigenous system of medicines on a scientific basis and of adding to their usefulness?" Indigenous systems of medicines.

The Hon'ble Sir William Vincent replied :—

"The Hon'ble Member is referred to the answer given to the question put by the Hon'ble Rai Sahib Seth Nathmal on the 23rd September 1919."

The Hon'ble Mr. V. J. Patel asked :—

7. "(a) Are there any, and, if so, how many members of the Indian Civil Service, whose doubts as to the changes to be made under the new Act are so deep-rooted that they feel they cannot usefully endeavour to take part in them?" The Indian Civil Service and the I.C.S. forms.

(b) On what pension are they to be allowed to retire?"

The Hon'ble Sir William Vincent replied :—

"(a) No such case has yet been brought to the notice of the Government of India.

(b) This part of the question does therefore not arise."

The Hon'ble Mr. V. J. Patel asked :—

8. "(a) Do Government propose to give effect to the recommendation of Lord Selborne's Committee that not less than three Members of the Governor General's Executive Council should be Indians and, if so, when?" Composition of the Executive Council of the Governor General.

(b) Is it a fact that according to the recommendation of the Committee a fourth Indian Member could be appointed, provided he has definite legal qualifications?"

The Hon'ble Sir William Marris replied :—

"(a) The appointment of members of the Governor General's Executive Council rests with His Majesty and not with the Government of India.

(b) I will read to the Council the terms of the Joint Committee's recommendation. They advised—

'that one member of the Council should have definite legal qualifications, but that those qualifications may be gained in India as well as in the United Kingdom; and that not less than three members of the Council should be Indians.'

The Government of India understand that the intention of the first part of this recommendation was to open the door for the appointment of certain members of the legal profession who had received their training in this country; an intention to which section 28 (2) of the Act gives effect. They do not understand that the Joint Committee had any intention of arousing expectation that four Indian members would be appointed to the Council of the Governor General. Had this been the Committee's intention the Government of India believe that it would have been stated explicitly."

[*Mr. V. J. Patel; Sir William Marris; Rao [23RD FEBRUARY, 1920.]
Bahadur B. N. Sarma; Sir Thomas Holland;
Mr. Sachchidananda Sinha; Sir George
Barnes.*]

The Hon'ble Mr. V. J. Patel :—“ May I put a supplementary question, Sir? Has the attention of Government been drawn to Lord Selborne's speech in the House of Lords to the effect that there could be appointed four Indian Members on the Executive Council?”

The Hon'ble Sir William Marris :—“ I must ask for notice of that question.”

The Hon'ble Rao Bahadur B. N. Sarma asked :—

Recruitment of chemists for the proposed all-India Chemical Services.

9. “ (a) What qualifications, if any, have been laid down for the recruitment of chemists into the proposed all-India Chemical Services?”

(b) Have inquiries been made as to how many Indians with sufficient qualifications would be forthcoming? If no such inquiries have been made, do Government propose to institute them before getting recruits from other countries?

(c) In this connection do not Government propose to consider the advisability of holding a competitive examination for junior men, both Indian and European, before the appointments are made?”

The Hon'ble Sir Thomas Holland replied :—

“ The attention of the Hon'ble Member is invited to the Resolution of the Government of India in the Munitions Board No. M.-440, dated the 26th November, 1919, in which it is notified that a Committee has been appointed to inquire and advise Government regarding the desirability of creating an all-India Chemical Service, and, in the event of the Committee approving the principle of such a service, to devise terms of recruitment, employment and organisation.

The report of the Committee will be ready next month. Until that report is received, and Government has had an opportunity of considering its recommendations, it would be premature to institute the inquiries, or independently to investigate the proposals suggested by the Hon'ble Member.”

The Hon'ble Mr. Sachchidananda Sinha asked :—

Increase of pay of postal employees in Bihar and Orissa.

10. “ (a) Have Government received any petitions or memorials from the employees of the Postal department, specially those serving in Bihar and Orissa, praying for an increase in their emoluments?”

(b) Are Government aware that considerable dissatisfaction exists among the said employees by reason of the present high rates in the necessaries of life and their not having got any appreciable increase in their pay in recent years?

(c) Is it not a fact that improvements have been recently effected in the pay and gradation of the Telegraph employees, and that nevertheless a Committee has again been appointed to consider their grievances further?

(d) If so, do Government propose to take similar measures with regard to the grievances of the Postal employees? If not, will Government be pleased to explain the reasons for this seeming differentiation?”

The Hon'ble Sir George Barnes replied :—

“ (a) Yes.

(b) and (d) Yes, but a general revision of the pay of postal clerks up to the grade of Rs. 100 has just been sanctioned, and the question of revising the pay of men in the higher grades is receiving the Director General's consideration.

(c) Yes.”

[23RD FEBRUARY, 1920.] [Mr. Sachchidananda Sinha; Sir William Vincent; Sir Gangadhar Chitnavis.]

The Hon'ble Mr. Sachchidananda Sinha asked :—

11. "Have Government taken any steps to get the vacancies filled which have been caused in the Punjab High Court by the death of Sir Henry Rattigan and in the Patna High Court by the death of Mr. Justice Atkinson? If so, when are the announcements of the names of their successors likely to be made?"

filling of the vacancies in the Punjab and Patna High Courts.

The Hon'ble Sir William Vincent replied :—

"The reply to the first part of the question is in the affirmative. As regards the second part a press *communiqué* will, as usual, be issued as soon as the appointments are made by His Majesty under section 101 (2) of the Government of India Act, 1915."

The Hon'ble Mr. Sachchidananda Sinha asked :—

12. "(a) Do Government propose to proceed with the Bill which was introduced into this Council by Sir Reginald Craddock to amend and consolidate the Code of Criminal Procedure?"

Amendment of the Code of Criminal Procedure.

(b) If so, do Government propose to refer it for consideration and report to a committee composed from amongst the members of the present Council with instructions that they may suggest amendments with a view to assimilate and unify the procedure in trials by removing from the Code any distinctions subsisting at present on the ground of race or nationality? If not, why not?"

The Hon'ble Sir William Vincent replied :—

"(a) In view of the amount of business connected with the introduction of the reforms, which will come before the present Council, Government do not consider that it will be possible to proceed with the Bill to amend the Code of Criminal Procedure, which was first introduced in March 1914 and later re-introduced in a modified form in September 1917.

(b) The Bill is an amending Bill and does not deal with the subject suggested by the Hon'ble Member. It is open to any Member of Council to introduce a separate amending Bill on this subject, and Government are prepared to give their careful consideration to any such Bill that may be introduced, but they do not think that the present would be an opportune time to raise this question, which is bound to give rise to very serious controversy."

The Hon'ble Mr. Sachchidananda Sinha asked :—

13. "(a) Will Government be pleased to mention the names of the various services, Imperial or Provincial, which have already received the benefit of the recommendations of the last Royal Commission on the Indian Public Services in the matter of their pay, pension or any other kind of emolument, or in respect of which orders have been passed to that effect?"

Recommendations of the Royal Commission on the Indian Public Services with regard to pay and pension for various services.

(b) What are the remaining services, Imperial or Provincial, which have still to be dealt with?"

(c) Will Government be pleased to state the reason or reasons, if any, justifying preference having been given to the claims of those referred to in part (a) of this question?"

The Hon'ble Sir William Vincent replied :—

"In order to save the time of Council I lay on the table a statement which gives a complete answer to parts (a), (b) and (c) of the question."

The Hon'ble Sir Gangadhar Chitnavis asked :—

14. "Have Government received an influentially signed memorial on the subject of preservation of cattle? If so, what action do they propose to take upon it?"

Preservation of cattle.

[*Sir Claude Hill; Sir Gangadhar Chitnavis; Mr. Shafi; Khan Bahadur Ibrahim Haroon Jaffer; Mr. W. M. Hailey; Mr. Sachchidananda Sinha; The Vice-President.*] [28th FEBRUARY, 1920.]

The Hon'ble Sir Claude Hill replied:—

"Yes. The question raised in the memorial, which has just been received, is engaging the attention of the Government of India."

The Hon'ble Sir Gangadhar Chitnavis asked:—

Creation of
Local Govern-
ment
Boards in
India.

15. "Will Government lay on the table a copy of the Report of the Committee which sat in London last spring on the question of the creation of Local Government Boards in India?"

The Hon'ble Mr. Shafi replied:—

"The Report of the Committee appointed to study the working of the English system of Local Self-Government, together with a report* by the Hon'ble Mr. S. N. Banerjee on the same subject, is laid on the table."

The Hon'ble Khan Bahadur Ibrahim Haroon Jaffer asked:—

Compulsory
elementary
education.

16. "Do the Government of India propose to consider the desirability of making special financial contributions to the Provincial Governments so as to enable the latter to assist Municipalities and Local Bodies in carrying out schemes of compulsory elementary education at an early date?"

The Hon'ble Mr. Shafi replied:—

"Beginning with 1911-12, the Government of India have assisted Local Governments by recurring and non-recurring grants, which have up to the end of 1918-19 totalled over 24 crores in the expansion and improvement of elementary education. With the new classification of revenue and expenditure contemplated by the Reforms scheme, the provinces will be equipped with substantially larger resources than they at present enjoy for the improvement and expansion of elementary education and other branches of provincial administration. The views of the Government of India regarding the future financing of elementary education were explained in their letter No 750, dated the 2nd September 1918, which was published at the time. A copy† of that letter is laid on the table."

The Hon'ble Khan Bahadur Ibrahim Haroon Jaffer asked:—

Improvement of
salaries of
public
servants.

17. "In how many cases have public servants made representations to the authorities concerned for an improvement in their salaries during the last six months and how have these been disposed of?"

The Hon'ble Mr. W. M. Hailey replied:—

"The precise information asked for cannot be supplied, as such representations are not generally made to the Government of India direct. The salaries of the lower paid public servants have been temporarily improved in all provinces by the grant of war allowances or the recommendation of Local Governments. It is understood that Local Governments have now under their consideration schemes for a permanent revision of the salaries of their subordinate establishments."

The Hon'ble Mr. Sachchidananda Sinha:—"May I put Dr. Sapru's questions on his behalf, Sir?"

The Vice-President:—"I am afraid the Hon'ble Member can put his own questions only."

*Vide Appendix B.

†Not included in these Proceedings.

RESOLUTION RE EXTENSION AND IMPROVEMENT OF 575
MUHAMMADAN EDUCATION.

[23RD FEBRUARY, 1920.] [Khan Bahadur Ebrahim Haroon Jaffer.]

RESOLUTION RE EXTENSION AND IMPROVEMENT
OF MUHAMMADAN EDUCATION.

The Hon'ble Khan Bahadur Ebrahim Haroon Jaffer :— 11-15 A.M.
“Sir, I beg to move the resolution, which stands in my name. It runs thus:—

‘This Council recommends to the Governor General in Council that a Committee of officials and non-officials be appointed to inquire and report as to the effect given in different provinces during the past six years to the suggestions and recommendations made by the Government of India to the Provincial Governments regarding the extension and improvement of Muhammadan education.’

“My resolution, it will be seen, is a very simple one. I have to request the Government of India to make detailed inquiries about and bring together, in a combined form the measures taken by Provincial Governments with respect to the promotion and improvement of Muhammadan education in their own Provinces, on the lines suggested to them by the Government so long ago as 1913. And I may perhaps be referred in this connection to the Annual Report on Indian Education, and to the reports on educational progress issued every year by the Provincial Governments. It may also be stated that education is a matter primarily in the hands of the Governments of the Provinces, and that they are responsible for it. Those Governments are, therefore, the proper bodies, it will be contended, who ought to be approached, and that a discussion of the question ought to be raised in the Provincial Legislative Councils, especially in view of the fact that in the near future we are going to have a large measure of decentralization. Sir, I venture to urge that the inquiry I am asking for cannot be reasonably resisted on grounds like those I have mentioned. Whatever measure of provincial decentralization in the administration and control of education, the forthcoming constitutional changes may bring about, the Government of India will *not* be going out of its way to institute an inquiry as to *what* progress has been so far achieved in the different Provinces in the matter of Muhammadan Education along the lines they themselves suggested. Not only this, Sir, but in a way, the Government of India, to my mind, should regard it as its duty to find out to what extent its wishes have been carried out, and to see that they are carried out before the responsibility regarding educational policy is wholly or largely transferred to the Provincial Governments. Conditions with respect to questions, like the Muhammadan education, and the educational progress of the Moslem Community, will, indeed, vary from province to province, and the action to be taken in the provinces must be adjusted to their particular requirements. But there are certain principles of policy which apply *equally* to all parts of the country, and it is necessary for the Central Government to see that those principles are adhered to in the provinces. Apart from the general presumption that may be raised, in regard to the progress of Muhammadan education, I have to draw attention to the important consideration that the inquiry I am suggesting relates to the recommendations made by the Government of India years ago and, therefore, to measures which should have been carried out by Provincial Governments, by this time, in uniformity with them. In the Bombay Presidency, for instance, the Government there appointed a Committee, to go into the question of the condition of Muhammadan education, and to recommend the direction in which development was to be effected. A few of the recommendations of the Committee have been given effect to, and others yet await approval and execution. No way enforced by War was a ground for this slowness of progress, but that argument no longer holds. The Committee of Inquiry, I am asking for, will consider the schemes formulated by Provincial Governments, for giving effect to the suggestions of the Government of India, and find out, how far, they have been carried out. It may be that want of funds may still be pleaded by Provincial Governments, as a reason of their inability, to do the needful, and the financial aspect of the question will have to be considered. The Government of India may have to

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MUHAMMADAN EDUCATION.

[*Khan Bahadur Ibrahim Haroon Jaffer*; [23RD FEBRUARY, 1920.]
Khan Sahib Shah Nawaz Bhutto; *Nawab*
Saiyed Nawab Ali Chaudhuri.]

help Provincial Governments, if the latter's plea of financial difficulties is right. In any case, it is needful for us to know exactly how matters stand; and the inquiry to be fully useful, must be comprehensive, and not merely provincial. The Government of India communicated its wishes, in connection with the advancement of Muhammadan education, because it felt that the subject was one of national importance, and desired generous and prompt attention. That importance, I submit, the subject has by no means lost. And I am anxious, Sir, that the suggestions conveyed in my Resolution should be taken by this Council in the light of the urgency of the question, and the obligation which rests upon the Government of India, to see its own recommendations carried out. The Committee of Inquiry will collect valuable information, which will prove helpful to us in knowing what ground has been already covered, and how much work still remains to be done. In the light of this information alone, it will be possible for Government to decide what measures to take to attain the object it has now all along in view.

"With these words, I move the Resolution."

11-22 A.M.

The Hon'ble Khan Sahib Shah Nawaz Bhutto:—"Sir, I have great pleasure in supporting the resolution moved by my Hon'ble friend Mr. Jaffer. Speaking on behalf of Sind, Sir, the education of the Muhammadans who form about 80 per cent. of the population there has been very sadly neglected. It is true, Sir, that the Local Government is doing something in the direction of the extension and improvement of Muhammadan education and a special committee was appointed for Sind to investigate the question, but it is to be regretted that full effect has not been given to the recommendations of that Committee. The sums which Government are spending at present in the cause of Muhammadan education are quite inadequate to meet the requirements of the Muhammadan community who form the bulk of the population in Sind. Sir, the subject is a very important one and demands a very sympathetic treatment at the hands of Government. After what has fallen from my Hon'ble friend Mr. Jaffer, I feel that he has made out a strong case for an inquiry into the whole question of Muhammadan education, and I hope that the Hon'ble the Education Member will be good enough to accept this very modest resolution. With these few observations I support the motion before the Council."

11-24 A.M.

The Hon'ble Nawab Saiyed Nawab Ali Chaudhuri:—"Sir, I consider it my pleasant duty to support the resolution moved by my esteemed friend the Hon'ble Mr. Haroon Jaffer. About six years ago, the Government of India issued a circular letter to all the Provincial Governments, emphasising the need of providing reasonable facilities for education of the Mussalmans and indicating the direction in which inquiry and special action would, they thought, be useful. In accordance with this direction, the Government of Bengal—and I understand the Governments of other Provinces too—appointed a Committee, the most representative that ever was constituted, to consider the problem of the backwardness of the Muhammadan community in the matter of education, and to recommend necessary measures to be adopted by the Government for the educational advancement of the Muslim community. The terms of reference were comprehensive enough to include almost every branch and stage of education, and the Committee set about their task with an earnestness, commensurate with the paramount importance of the problem they were asked to investigate. After hard, patient labour of over six months, they submitted their report, which formed the subject of a resolution issued by the Government of Bengal, on the 3rd August 1916. The recommendations of the Committee received, I must gratefully acknowledge, the most sympathetic consideration from the Government of Bengal, and a large number of these were immediately given effect to. Only those recommendations which involved

RESOLUTION *RE* EXTENSION AND IMPROVEMENT OF 877
 MUHAMMADAN EDUCATION.

[23RD FEBRUARY, 1920.] [Nawab Sayed Nawab Ali Chaudhuri; Mr. Srinivasa Sastri; The Vice-President; Mr. Surendra Nath Banerjee.]

a heavy expenditure—which, of course, could not be provided for during the period of war—were kept in abeyance, with the assurance that they would be undertaken as soon as the financial conditions would permit. The recommendations that concerned the Calcutta University were duly addressed to the University authorities. But will the Hon'ble Members believe me, when I unfold to them the story, how the recommendations of such a representative body consisting of almost every Muhammadan educationist of repute in Bengal, were treated by the authorities of the University. Sir, consistently with the principle that in the 'sacred temple of learning' there is no room for the consideration of sectarian grievances, the unbiassed, the impartial body of pure educationists did not consider it worth their while even to condescend to favour the Mussalmans with a reply. Repeated reminders, Sir, could not elicit even the ordinary courtesy of a formal acknowledgment. This deplorable state of affairs was due solely to the very poor representation of the Mussalmans in the different bodies of the University. To the same cause may be ascribed the persistently unjust treatment of the Mussalmans in the University, which have been briefly described in Chapter VI of the Illuminating volumes of the report of the Calcutta University Commission. The *pariah* of a Moslem member was never admitted into the syndicate of the 'Sacred temple of learning', the governing body of 23 colleges were unpolluted by the contact of the Muslims, and out of 1,065 members of the collegiate staff only 37 subordinate appointments—barring, of course, the teachers of Oriental Languages—were held by the Mussalmans. A very influential deputation, consisting of almost all the recognised Muslim leaders of Calcutta, that waited upon the Calcutta University Commission, very tersely summarises the situation thus—'It is a common complaint that Muhammadans get no chance of paid post at the disposal of the Calcutta University. Out of 70 lecturers in the Law College, not even one is a Muhammadan, though qualified Muhammadans to fill such posts are not wanting.

The Hon'ble Mr. Srinivasa Sastri:—"I wish to rise to a point of order. The Resolution relates to suggestions and recommendations made by the Government of India to the Provincial Governments regarding the extension and improvement of Muhammadan education. I doubt whether the organisation and appointment of the staff of the Calcutta University would come within the scope of this Resolution."

The Vice-President:—"I think the Hon'ble Mr. Sastri is a little meticulous. The point is at all events very near the Resolution; I do not think the Council would desire that it should be excluded."

The Hon'ble Nawab Saiyed Nawab Ali Chaudhuri:—"The position of the Muhammadans in respect of Post-graduate Studies, University Examinations and University offices is hardly better. Only two of the University lecturers are Muhammadans and out of 895 examiners for the different University examinations held last year, only 9 were Muhammadans, besides 44 examiners of Arabic, Persian and Urdu, and there is not a single Muhammadan in any of the offices of the Calcutta University.' No wonder, Sir, that the Mussalmans are fighting with such grim earnestness and determination for separate communal representation, no wonder, Sir, that they instinctively doubt the *bona fides* of every gentleman who opposes it, no wonder that the Sadler Commission found it imperative to recommend in an united voice the adoption of the principle of separate communal representation.

The Hon'ble Mr. Surendra Nath Banerjee:—"May I know, Sir, whether it is open to a member to make a general statement of that kind reflecting upon the *bona fides* of the Hon'ble Members of this Council? Whether that is a fair debate? I want a ruling from you on that point, Sir."

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MUHAMMADAN EDUCATION.

[*The Vice-President; Nawab Saiyed Nawab Ali Chaudhri; Sir Fazulbhoj Currimbhoj; Khan Bahadur Mir Asad Ali.*] [23RD FEBRUARY, 1920.]

The Vice-President:—"If the Hon'ble Member asks for a ruling, I can only say that it is open to the Hon'ble Member to make the statement he has made, but it is obviously open to the Hon'ble Mr. Banerjee who will no doubt follow him to deny the facts upon which the statement is made. I cannot say that it is not relevant to the Resolution before the Council. The Hon'ble Member, I am sure, does not desire to make any remarks offensive to his fellow members of the Council."

The Hon'ble Nawab Saiyed Nawab Ali Chaudhri:—"Then, Sir, I leave that question there. I support the Resolution because I am sure that the appointment of the proposed Committee would serve to unearth many incidents and circumstances that have been impeding the educational progress of the Muhammadans. But, Sir, I am in hearty sympathy with the Resolution, and I feel that the bitter perception of the keen sense of wrong and injustice, under which our community is labouring, more or less in every province, has impelled my friend to make this demand for the Committee of Inquiry. It is quite possible that many Provincial Governments might have considered the question as sympathetically as was done by the Government of Bengal and the Government of Sir James (now Lord) Meson; and so I think that a request for a statement from the Government of India should more appropriately have preceded the demand for a Committee of Inquiry. But I do not think this technical objection will be pleaded by the Government of India, if a case for inquiry is really made out. I quite realise the very natural reluctance of the Government of India to interfere in the details of Provincial Administration, especially at a time when the principle of 'decentralisation' and 'Provincial autonomy' is the fashionable doctrine of the day, but still I am inclined to think, Sir, that the responsibility of the Government of India for the educational progress of this important community justifies a step which would perhaps be inadvisable and inexpedient under ordinary circumstances. Sir, the conditions of Muhammadan education, specially in the primary and secondary stage, are almost identical in every province; and the experiments that were successful in one province may well be initiated in other provinces too; and the Committee can serve the useful purpose of drawing attention to such experiments which may with advantage be adopted everywhere."

11-53 A.M.

The Hon'ble Sir Fazulbhoj Currimbhoj:—"Sir, I am in hearty accord with the opinions just expressed by my Hon'ble friend the mover of this resolution. I was one of the members of the Committee which was appointed in Bombay, and some of the minor recommendations involving a small outlay were carried out. But, owing to the war, some others, like the establishment of High Schools, etc., were postponed on account of heavy expenditure. I entirely support the resolution. I think, however, if the Hon'ble Member in charge of Education, who has devoted nearly all his life in the cause of advancement of Muhammadan education had given the Hon'ble Mover the information asked for, supposing the materials were ready with him, then there would have been no necessity for moving this resolution at all. If the materials were not collected, I would surely have asked the Government to do so, because it is most essential that we should have this information as the subject of education is going to be decentralized in the provinces, and as the Muhammadan community, as my Hon'ble friend Nawab Saiyed Nawab Ali Chaudhri said, is working under great disadvantages. It is for the advancement of India that a community like the Muhammadans, which is so backward in education, should receive every encouragement from the Government of India."

11-55 A.M.

The Hon'ble Khan Bahadur Mir Asad Ali:—"Sir, as far as I know, in my own presidency the suggestions and recommendations of the Government of India have not been fully carried out. Last November when

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MUHAMMADAN EDUCATION.

[23RD FEBRUARY, 1920.] [*Khen Bahadur Mir Asad Ali; Haji Chaudhri Muhammad Ismail Khan; Sir Zulfiqar Ali Khan.*]

I had the honour to preside over the Muhammadan Educational Conference held in the Bombay Presidency. I had the opportunity to know that the suggestions made by the Government of India were not all given effect to in the Bombay Presidency too and my Hon'ble friend Nawab Ali Chaudhri has also told us that all of them have not been carried out by the Bengal Government either to the satisfaction of the Muhammadans there. Therefore, I feel that the Government of India should further take steps to ascertain from the various Local Governments as to what the various Committees appointed by the Local Governments have been doing in the matter of the extension and improvement of Muhammadan education. Though I differ from the form in which the Hon'ble Mover has worded the resolution, yet I deeply sympathise with the object of his resolution. With these words, I beg to suggest to the Government of India to take more pains to see that their recommendations are fully carried out by the Local Governments in the various provinces, and I would also suggest to my friend not to press the resolution in this Council."

The Hon'ble Haji Chaudhri Muhammad Ismail Khan:— 11-37 A.M.

"Sir, I welcome the proposal made in this Council by my Hon'ble friend the mover of this resolution. It was the late Mr. Gokhale who said that the great problem before the country was the problem of education. He spoke of the necessity of giving the people the true sort of education and said:— 'The increased efficiency of the individual in higher general level of intelligence, the stiffening of the moral backbone of large sections of the community, none of these things can come without such education.' The world is progressing and it is said that now-a-days 'the torch of light is lit for all, and passes on from hand to hand.' Still it is unfortunate that official figures show how small an impression has hitherto been made on the enormous mass of Indian ignorance. This is not the time to enter into the causes which have hampered the progress of education in India, and I will not attempt to apportion their responsibility between the Government and the people. But the fact that in India the percentage of literacy is unusually low must be regretted by all of us. What is more, Sir, in the matter of education the Muhammadans are even more backward than the Hindus. It is, of course, a significant sign of the times that of late the spread of education among the Muhammadans has been brisk, and, in some cases, even more brisk than among our Hindu brethren. Still the backwardness of the Muhammadans is a great handicap to them in the race of life. Some time back the Indian Education Commission remarked 'Apart from the social and historical conditions of the Muhammadan community of India, there are causes of a strictly educational character which heavily weigh it in the race of life.' Sir John Strachey quoted this remark and added— 'It must not be assumed that the Muhammadans are always less alive to the value of education than Hindus.' But the question of Muhammadan education has its own peculiar difficulties and should be looked at from a different standpoint. I am glad that this has been admitted by the Government of India and they have, from time to time, made suggestions and recommendations to the Provincial Governments regarding the extension and improvement of Muhammadan education. It is high time that an inquiry was made into the effect given to these suggestions and recommendations by the Provincial Governments and necessary steps taken in the matter. I would suggest that my friend the mover will ask the Committee to submit their report before the Delhi Session of the Legislative Council comes to a close."

The Hon'ble Sir Zulfiqar Ali Khan:— 11-40 A.M.
"Sir, I feel that it is unfair to say anything about this resolution before we know what the Government have actually done in this matter. But whatever Government may have done in promoting education among Muhammadans, I feel that something more remains to be done, because it is well known that in every province the Muhammadans are very backward in education, and whatever additional

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MUHAMMADAN EDUCATION.

[*Sir Zulfikar Ali Khan; Mr. Shafi; Mr. F. J. Patel; The Vice-President.*] [23RD FEBRUARY, 1920.]

measures are introduced in the cause of the Muhammadan education they will be welcomed by that community in all parts of the country."

11-41 A.M.

The Hon'ble Mr. Shafi:—"Sir, in his resolution the Hon'ble Mr. Haroon Jaffer recommends the appointment of a committee of officials and non-officials to inquire and report as to the effect given in different Provinces during the past six years to the suggestions and recommendations embodied in the Government of India Resolution to which my Hon'ble friend has referred. In deciding upon my own attitude with regard to this resolution, I was mainly influenced by two considerations. The first of these two considerations was that, during my experience of something like eleven or twelve years in the two Imperial and Provincial Legislative Councils, I have found that the appointment of committees, generally speaking, results in postponing action which may be desirable, and, in the second place, I was influenced by a consideration personal to the Hon'ble Mover of this resolution and some other Hon'ble Members

The Hon'ble Mr. V. J. Patel:—"May I rise to a point of order? Is the Hon'ble Member referring to his own personal attitude or the attitude of the Government?"

The Vice-President:—"As I understand the Hon'ble Member, he is so far referring to his own personal attitude."

The Hon'ble Mr. Shafi:—"That is so. When I give expression to the opinion entertained by the Government of India I will say so. Then the second consideration which influenced me was this. Among the non-official members of the Committee, which my Hon'ble friend Mr. Haroon Jaffer wants to be appointed, it is obvious that he and some of the other speakers who have addressed the Council this morning would in all probability be included, and I do not want the Hon'ble Members to tour all over India inquiring into the effects of the Government of India Resolution in the various Provinces just at this period when the elections are approaching, and in consequence the result would be that the field would be left to their opponents in the various Provinces, who could under those circumstances nurse the various constituencies to the ultimate loss of the Reformed Councils. I, therefore, instituted the inquiries which my learned friend wants to be made through this Committee myself immediately after receipt of the notice of this resolution, and I am now going to present to this Council the result of this inquiry, thus obviating the necessity of the appointment of any committee for the purpose which my Hon'ble friend has in view.

"Sir, Hon'ble Members will remember that the Government of India suggested to the Local Governments and Administrations the advisability of convening local committees to consider the question on the lines indicated in that Circular letter. The Governments of Madras, the Punjab and Burma and the Administrations of the Central Provinces, North-West Frontier Province and Coorg did not consider it necessary to appoint committees for the purpose, while the Governments of Bombay, Bengal, the United Provinces and Bihar and Orissa and the Chief Commissioner of Assam did convene local committees. Subsequently, the Governments of Bombay, Bengal and Bihar and Orissa issued resolutions dealing with the recommendations of their respective committees. Effect has already been given to some of the recommendations of these committees, but some of the schemes suggested were held up due to financial stringency caused by the war.

"Sir, to deal, first, with *primary education*. The measures for improvement suggested were that Mukhtabs should be encouraged to adopt the secular course, that the teaching of Urdu should be provided and that special text-books should be prepared for semi-secular Mukhtabs. The provision of Muhammadan hostels and the appointment of Muhammadan teachers and inspectors

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and a reasonable number of Muhammadan committees and governing bodies of institutions were also mentioned among other matters requiring attention. The achievements of the various Provinces may be summed up as follows:—

Bengal.—A Muhammadan Advisory Committee considered the whole question and over half a lakh was given as increased grant to Muktab. In addition to an Assistant Director of Public Instruction for Muhammadan education, who was already in existence, five special inspectors for Muslim education were appointed.

Bombay.—A Muhammadan Advisory Committee considered the whole question. Satisfactory development has been made among the Mulla schools of Sind. A grant of one lakh recurring was made to carry out improvements in Sind, mainly for a scheme for granting scholarships, for doubling the grants to Mulla schools and for making provision for an inspecting staff, etc. (A special Muhammadan Deputy Inspector was appointed.) In 1918—19, the Government of Bombay sanctioned an additional grant of Rs. 27,000 for distribution among primary schools in Sind and created a second post of Mulla Deputy Inspector. Recently, further grants to these schools have been made and more are contemplated.

The Hon'ble Khan Bahadur Ebrahim Haroon Jaffer:—
“What about the Presidency proper?”

The Vice-President:—“Order, order.”

The Hon'ble Mr. Shafi:—*United Provinces.*—A Special Advisory Committee has carefully considered the question of Muhammadan education. Muktab are popular and a special curriculum has been framed for them. A special Inspector of Arabic Madrassas has been appointed, as well as a Special Muhammadan Inspector for Muhammadan schools.

Assam.—A Muhammadan committee was appointed to make recommendations and an attempt has been made to convert indigenous Muhammadan schools with a secular course into secular schools with an Islamic course as more likely to fit pupils for employment.

“Thus, it will appear that Muktab have been specially encouraged in Bengal, United Provinces and Assam, and Muhammadan teachers and inspectors have been appointed in Bengal, Bombay and Madras and the United Provinces. Burma and Bihar and Orissa also appointed special Muhammadan Inspectors.

“Coming now to *secondary and collegiate education.* The measures for improvement then suggested were the improvement of existing institutions like the Calcutta Madrassa, the Islamia College, Lahore, and the Islamia schools; the establishment of separate Muhammadan institutions and, when this was not possible, the addition to the staff of teachers for the benefit of Muhammadan students; the maintenance of hostels for Muhammadans under private management with religious teaching; the appointment of a reasonable number of Muhammadans to the committees of Government institutions, and the provision of Muhammadan teachers and inspectors.

“The following are the chief items of progress under this head:—

In the *United Provinces*, Muhammadan Anglo-Oriental College, Aligarh, has made considerable progress towards expansion of its educational activities. In the *Punjab*, the Islamia College, Lahore, has been assisted with an Imperial grant of Rs. 30,000. In the *North-West Frontier Province*, a college has been established at Peshawar, and Government has given grants of Rs. 30,000 recurring, and Rs. 3,37,280 non-recurring, towards its establishment and maintenance. In *Madras*, the number of secondary schools has risen from four to six. In *Bombay*, there are four Madrassas, the most prominent of which is the Sind Madrassa at Karachi. In *Bengal*, a good deal has been done by reserving 25 per cent. of vacancies in all Government and aided colleges, by providing

[*Mr. Shafi.*]

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pecial scholarships, by undertaking entire responsibility for the support of the Madrassas at Dacca, Chittagong, Hooghly and Rajshahi by insisting on having a Muslim element on the staff of every school, by providing facilities in connection with professional colleges and by ear-marking grants for the improvement of reformed Madrassas. Islamia intermediate classes at the Dacca Madrassa have also been established.

"Turning to *Hostels*. Extra accommodation has been provided in many places, as Muslim parents attach considerable importance to supervision and religious exercises and instruction. In *Bengal*, the Baker Hostel attached to the Calcutta Madrassa has been extended and a new Hostel named the Carmichael Hostel has been opened for Muslim students. In *Assam*, the number of Muslim Hostels has been doubled. There have been expansions in Hostels attached to colleges at Lahore and Peshawar.

"In the matter of *scholarships and free studentships*, fair progress has been made in some Provinces in the way of enabling the poorer sections of the Muhammadan community to bear the expenses of education by the grant of special scholarships and free exemptions. *Madras, Bombay and Bengal* have done useful work in this direction. In the *Punjab, Bihar and Orissa, Central Provinces*, and *Assam*, fresh scholarships have also been instituted.

"So far as *training of teachers* is concerned, in *Madras*, the number of special Training Schools for Muslims rose from four to six. In *Bombay, Bengal and Bihar and Orissa*, the number of Training Schools are one, six and twelve, respectively. The normal school for Muslims at Amraoti in the *Central Provinces* has not flourished, and the training class at Khandwa had to be closed.

Special Inspectors.—Various Provinces have appointed special Deputy Inspectors or Sub-Assistant Inspectors or special Maulvis to supervise Muhammadan institutions.

Girls' Schools.—Some progress has been made in some Provinces by the establishment of new Purdah Girls' Schools and the improvement of old schools. But much still remains to be done.

Special grants for Muhammadan education.—The Government of India, in pursuance of the policy laid down in their circular letter of 1913, gave during 1912 and 1913, allotments to the Chief Commissioner of the North-West Frontier Province which have permitted grants to be made to the Islamia College, Peshawar, of over three lakhs non-recurring and Rs. 50,000 recurring. On the strength of the replies received from Local Governments, the Government of India also allotted Rs. 10,000 recurring in the Central Provinces and Rs. 1,500 recurring in Coorg for purposes of Muhammadan education. The Madras Government made considerable demands for scholarships for Muhammadans and additional Muhammadan inspecting staff. The Government of India allotted Rs. 30,000 recurring during 1913-14 for these purposes, which sum was over half the recurring grant asked for. They also allotted a grant of Rs. 20,000 during the financial year 1914-15 for the improvement of the Islamia College, Lahore, which was raised to Rs. 30,000 in future years.

"Hon'ble Members desirous of obtaining more detailed information may refer to the various publications of which I am prepared to give them a list should they require it.

"It will be seen from this brief statement of what has been already done that, as suggested by the Government of India, the various Local Governments have reached certain definite conclusions regarding the special needs of Muhammadans and have formulated schemes for carrying them out. Action has been taken along certain lines, but several schemes still remain dormant owing to lack of funds.

"The Imperial grants for the special education of Muhammadans have not only been highly welcomed, but have yielded speedy and most beneficial results, and the circular letter of 1913, it will thus be seen, has already produced good effects.

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MUHAMMADAN EDUCATION.

[23RD FEBRUARY, 1920.] [Mr. Shafi; Mr. Surendra Nath Banerjea;
Nawab Saiyed Nawab Ali Chaudhuri;
Mr. Kamini Kumar Chanda.]

"The Government of India have no reason to think that Local Governments will not continue to take, as they have done in the past, steps to promote educational advancement amongst Indian Mussalman, who, by reason of their comparative backwardness in education, are deserving of special encouragement and help. I trust it will satisfy the Hon'ble Mover and other Hon'ble Members who have taken part in this morning's debate, if I assure them that the points specifically raised by them in their speeches will have my careful attention and if, after inquiry, the Government of India consider suitable action necessary, that action will be taken. The Resolution, as framed, is one which the Government of India are unable to accept, as in their judgment the proposal embodied therein will serve no useful purpose."

The Hon'ble Mr. Surendranath Banerjea :—"Sir, I must congratulate the Hon'ble Member in charge of the Department of Education on the statement which he has just read out. It is a splendid record of useful and valuable work done for the benefit of the Muhammadan community and for the promotion of education among the members of that community. I hope and trust it will have the effect of dispelling the hallucinations of my Hon'ble friend to my right Nawab Nawab Ali Chaudhuri. He seems to think that claims of Muhammadans to employment in the Education Department or to facilities being given to Muhammadan young men for education are being systematically neglected. Nothing of the sort, so far as one can judge from the report that has just been read out. Speaking as a Hindu, I will say this that we have the deepest sympathy with Muhammadan aspirations for education, and that we do not grudge them the legitimate measure of employment in the educational service of the country consistent with the efficiency of that department. That is the attitude of the Hindu community with regard to Muhammadans in the matter of education." 11-56 A.M.

The Hon'ble Nawab Saiyed Nawab Ali Chaudhuri :—"Sir, may I offer a personal explanation? I have not suggested that the Government of Bengal has not taken notice of the grievances of the Muhammadans. This much I will say, however, that we have not been favoured by the Calcutta University in looking after our grievances." 11-57 A.M.

The Hon'ble Mr. Kamini Kumar Chanda :—"Sir, if there is no impropriety or audacity in a non-Moslem like me participating in a debate on a question of Muhammadan education, I would like to say one word. I would at the outset, Sir, say that I am in the deepest sympathy with the anxiety of my Hon'ble friend the Mover of this Resolution and other Hon'ble Moslem members of this Council about Moslem education, but it seems to me, after having heard the very lucid and very full statement of my Hon'ble friend Mr. Shafi; that there is no room for the appointment of a Committee to inquire about the matter. At the same time, Sir, I am inclined to think that some modification of the Resolution might satisfy my Hon'ble friend the Educational Member as well as the Mover of this Resolution. What my Hon'ble friend the Mover of the Resolution has at heart evidently is to know the real position in which the matter now stands, and, I think, this can be done without interposing the necessity of a Committee like the one he proposes. I think, Sir, if the Government of India were to make further inquiry of the Local Governments to see what effect has been given to their recommendations and the results obtained and what further efforts should be made in this direction, that might satisfy my Hon'ble friend the Mover's desire, and I think that may not be unacceptable to the Hon'ble Member for Education. If the Council will permit me, I would make a suggestion that some amendment might be made on these lines in the Resolution." 11-58 A.M.

"Before I sit down, Sir, I wish to say one word with regard to the ill-timed attack of my Hon'ble friend Nawab Saiyed Nawab Ali Chaudhuri

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MUHAMMADAN EDUCATION.

[*Mr. Kamini Kumar Chanda; The Vice- President; Khan Bahadur Ebrahim Haroon Jaffer.*] [23RD FEBRUARY, 1920.]

against the Calcutta University. I think we know clearly that my Hon'ble friend is suffering from a chronic distemper, a feeling of hostility against the Calcutta University. He persists in assuming that it is a Hindu body and forgets that it is no more Hindu than the Government of Madras is Hindu. It is under the domination of a large number of highly paid English educational officers and European educationists of the town of Calcutta in the persons of the Director of Public Instruction and Principals of high grade colleges.

"I do not see why my Hon'ble friend should assume that there is a feeling of hostility against the Muslim community among the Hindu members of the University. On an *ex parte* statement like that of a partisan I do not think I need defend the Calcutta University; that body can take care of itself. But let me mention one or two points in this connection. In the first place, my Hon'ble friend complains that there is no Muslim Member on the Syndicate. I do not know that that is correct. I remember, Sir, last year, at an election I was going to propose the name of a Muslim gentleman, in Calcutta; but he withdrew and asked me not to propose his name. I believe there are still some Muhammadan gentlemen on the Syndicate of the University. But the University makes a rule, I think,—it may be unwise from the Hon'ble Member's point of view—that only educationists and persons having high academic distinctions ought to be in a body like the Syndicate, and I think they are following this policy; and if they erred, I think they erred in good company, for I think my Hon'ble friend Mir Asad Ali Khan said that the practice of Madras was also the same as that of Bengal in this matter. With these words, Sir, I would ask the leave of the Council to move the following amendment:—

'That for the words 'a committee of officials and non-officials be appointed to inquire . . . the following be substituted:—

'That he be pleased to inquire from Provincial Governments what further effect can be given, etc., etc.'

The Vice-President:—"The Hon'ble Member must hand in a copy of his amendment; if any member objects he cannot move it."

The Hon'ble Khan Bahadur Ebrahim Haroon Jaffer:—"May I know what the amendment is?"

The Vice-President:—"Certainly. The Hon'ble Mr. Chanda will give the Hon'ble Member a copy."

"I think I ought to point out to the Council that this practice which is now rapidly growing up of Hon'ble Members proposing amendments to resolutions at a very late stage causes a great deal of inconvenience to the Council. I would suggest that as a result of some happy thought occurring at the end of a debate we often have to wait while an Hon'ble Member's amendment is put into form."

The Hon'ble Mr. Kamini Kumar Chanda:—"I am sorry, Sir, this amendment struck me at the last moment."

The Vice-President:—"No doubt, another happy thought!"

The Hon'ble Khan Bahadur Ebrahim Haroon Jaffer:—"I accept the amendment of my Hon'ble friend, Mr. Chanda. I want to know whether Government do likewise."

The Vice-President:—"The Hon'ble Member must continue his reply; the Member in charge will be able to make any final observations he may think necessary."

RESOLUTION RE EXTENSION AND IMPROVEMENT OF
MUHAMMADAN EDUCATION; RESOLUTION RE INDIANS
IN BRITISH AFRICA.

[23RD FEBRUARY, 1920.] [*Khan Bahadur Ibrahim Haroon Jaffer;
Mr. Shafi; Mr. G. S. Khaparde; Sir
Fazulbhoy Currimbhoy; The Vice-President.*]

The Hon'ble Khan Bahadur Ibrahim Haroon Jaffer:—
"I have accepted the amendment. After I know whether the Government accepts it or not, I will make a final reply."

The Hon'ble Mr. Shafi:—"On behalf of Government I accept the resolution as amended."

The Hon'ble Khan Bahadur Ibrahim Haroon Jaffer:—
"Sir, I am highly thankful to the Member in charge for accepting my resolution."

The following resolution was put and adopted—

"This Council recommends to the Governor General in Council that he be pleased to inquire from Provincial Governments what further effect can be given to the suggestions and recommendations made by the Government of India to the Provincial Governments regarding the extension and improvement of Muhammadan education."

RESOLUTION RE INDIANS IN BRITISH AFRICA.

The Hon'ble Mr. G. S. Khaparde:—"Sir, the Resolution which 12-10 P. M. I have the honour to move runs as follows:—

"This Council recommends to the Governor General in Council that he may be pleased to obtain the permission of His Majesty's Government to empower the Hon'ble Sir Benjamin Robertson to study the status and condition of Indians settled in British Africa and to instruct him to report to the Government of India the measures necessary to check the anti-Indian agitation in those regions, and to place the said Indian settlers in a position of equality with the white settlers there."

This Resolution is rather long but really it is not so. The facts to which it relates are admitted, and there is no likelihood of there being any dispute about them. The first point is, whether there is something in the condition of the settlers that requires to be looked into. That question will, I believe, be answered in the affirmative. His Excellency in his speech opening this Session said—

"Since we met last September, our anxieties regarding the future of our Indian fellow-subjects in South Africa have increased rather than diminished. As you have read in the paper, a recent decision of the Transvaal Provincial Court endangers rights which we hoped had been secured beyond dispute by the Act of last summer. I would, however, renew most earnestly my plea for calmness. In a few weeks, probably South Africa will be in the throes of a general election. It will only injure those whom we desire to help, if agitation here forces the Indian question to the front as an election issue."

"Meanwhile fresh difficulties are arising in the British East Africa Protectorate. I believe the condition of the Indians living in East Africa requires to be looked into; that is not a matter that can be disputed. We want to put forward the view of the Government of India and His Excellency's reference of 80th January last"

The Hon'ble Sir Fazulbhoy Currimbhoy:—"May I ask if the question raised is that of the whole of British Africa?"

The Vice-President:—"The question raised in the Resolution is British Africa."

The Hon'ble Mr. G. S. Khaparde:—"British East Africa is not a self-governing Dominion, and the position of the Government of India is, and always will be, that there is no justification in a Crown Colony or Protectorate"

[*Mr. G. S. Khaparde; Sir Fazulbhoy Carrimbhoy.*] [23RD FEBRUARY, 1920.]

for assigning to British Indians a status in any way inferior to that of any other class of His Majesty's subjects. This is what I mean. This is practically the same thing. The Resolution says 'to place the said Indian settlers in a position of equality with the white settlers there.' The question of settlers became prominent last year and before I left England there was a rumour that a commission was to be appointed and an Indian gentleman was likely to be appointed a member of the Commission. The rumours may have been right or wrong. It may be, as was alleged, that the Indian gentleman declined to serve on the Commission. Whatever may be the case, that Commission has now been appointed and in the 'Mahratta' of the 15th February there is a passage about the personnel of the Commission. It says 'Mr. Hofmeyer represents the Municipalities that want to deprive the Indians of their trading and property rights and Mr. Baxter represents the trading and commercial interests which do not want Indian competition.' These gentlemen with Judge Landé form the Commission of inquiry there. The Judge being a member of the Bar with training on the Bench we have good reason to believe that he will bring his judicially trained mind to bear on the questions before him. But the other two gentlemen, I am sorry to say, have a reputation of being, or at any rate it is thought, they are antagonistic. That is what we read, that they are antagonistic to the interests of Indians in Africa. Now, I ask that Sir Benjamin Robertson may be given power to make inquiries for himself in respect of the status and condition of the Indians there, and make recommendations about these matters. There are two matters; first, there is the anti-Indian agitation set on foot, through whom it is difficult to conjecture at this distance, but to judge by what has occurred I believe there is a body who desire to turn these Indians out of Africa, or, at any rate, so to restrict their numbers that their influence will not be felt in public affairs. And the next is, that this anti-Indian agitation should be checked and rendered ineffectual. My object in asking the Government of India to give powers to Sir Benjamin Robertson is to enable him to propose remedies as to how this anti-Indian agitation will be controlled and checked, if possible nullified. Then, again, I ask that Sir Benjamin Robertson may propose some measures which will have the effect of giving relief to the Indian settlers and of putting them on the basis of equality with other settlers in that part of the world. I know the Government of India has no jurisdiction in Africa, and I know it has been said by His Excellency that British East Africa is not a self-governing Dominion. Even if the Government of India has not direct authority in Africa, at any rate, we have got some means by which we can put pressure on East Africa and South Africa and I invoke this by means of this Resolution. We may put our case before the British Government and hope the British Government will insist on certain privileges and certain rights being conceded to Indian settlers.

"In the absence of any Indian representative on the Commission I believe that Sir Benjamin Robertson, who has already been appointed, is a well qualified gentleman to represent our case. He has served long in India and, I believe, he is in the confidence of the Government of India, or else he would not have been appointed. From the little I have seen of him I believe he is in sympathy with our aspirations and desires to see Indians on an equality with other subjects. That being so, in the circumstances, it is not unreasonable to ask the Government of India to request him to make inquiries on his own account; he will represent our case, fight our battle as far as he can before the Commission, and I am sure that he will come to conclusions of his own. I should like the Government of India to get the benefit of his conclusions. So I commend the Resolution which I have placed before the Government. I trust my request is not unreasonable. With these words, I place the Resolution before the Council for acceptance."

The Hon'ble Sir Fazulbhoy Carrimbhoy :—“Sir, I myself think that it is a very large order that the Hon'ble Sir Benjamin Robertson

[23RD FEBRUARY, 1920.] [Sir Fazulbhoj Currimbhoj; Sir George Barnes; The Vice-President; Mr. G. S. Khaparde.]

should be asked to go round the whole of Africa including Soudan and all other places and report to the Government of India. Of course the case of East Africa is quite different. That question is now in the forefront. The Government of India have also received petitions from the Indian merchants who have settled in East Africa. The Indians were the first people who settled down in East Africa and commenced trading. Then the Britishers came in, and settled down in the highlands of Nairobi and other places; and there is great friction between the Indians and Britishers. Therefore, it is most essential that the Government of India should be properly informed of the exact conditions there. Therefore, Sir, if you will just allow me to move an amendment, I would propose instead of 'British Africa,' it should be 'British East Africa' . . .

The Hon'ble Sir George Barnes:—"I could not quite catch what the Hon'ble Member said regarding his amendment."

The Vice-President:—"I understand the amendment of the Hon'ble Member is to insert the word 'East' between 'British' and 'Africa.'"

The Hon'ble Sir Fazulbhoj Currimbhoj:—"And to instruct him to report to the Government of India about the condition there."

The Hon'ble Mr. G. S. Khaparde:—"Would that exclude inquiry into the South African question?"

The Vice-President:—"Apparently it would."

The Hon'ble Mr. G. S. Khaparde:—"In that case I do not see my way to accept it."

The Hon'ble Sir George Barnes:—"Sir, I have only got two difficulties with regard to the resolution moved by the Hon'ble Mr. Khaparde. First, it seems to me that the words in the latter part of the resolution 'measures necessary to check' imply that the Government of India have got power over the Governments either of East Africa or of the Union of South Africa. If he would allow those words to be taken out and let the resolution run 'and instruct him to report to the Government of India and suggest remedies,' then I can accept his resolution. That seems to me to cover the whole ground, and, I think, my friend the mover will be satisfied with it. That is the first difficulty that I have with regard to this resolution.

"The next difficulty is that we have already done everything that the resolution asks. I think that what we have done with regard to South Africa is really common knowledge because it has been published in all the newspapers. With regard to East Africa, I think I had better tell him and the members of this Council exactly what steps we have taken in the matter. I have got here a précis of the telegrams which have passed between the Secretary of State and the Government of India. Last December we telegraphed to the Secretary of State that we should like to send the Hon'ble Sir Benjamin Robertson to East Africa as well as to South Africa, and in January, in reply, we received a telegram from the Secretary of State stating that the Colonial Office consider that in the absence of the Governor of East Africa, General Northey, who is, as a matter of fact, at present in London, and pending the discussion between Lord Milner and the Governor of East Africa in London, a formal conference between the authorities in British East Africa and Sir Benjamin Robertson would be premature. But we have been told, and this is the important thing, that there is no objection to Indian questions being discussed between them informally. So the discussions will go on concurrently. Sir Benjamin Robertson on his way back from South Africa will go to East Africa, and will see all the leading officials there and my leading members of the Indian community, and will discuss the position with them and will make a report on the whole position to the Government of India. That is one

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discussion; meanwhile another discussion will take place in London at which General Northey, Lord Milner and Mr. Montagu will be present, and we can rely, I am sure, that our interests will be very safe in the hands of Mr. Montagu. The Secretary of State has got all the facts before him, and I am sure that Hon'ble Members of this Council will realise we have taken every step that we can in the matter. We have put all the facts before the Secretary of State and we have sent Sir Benjamin Robertson out to make a report on the spot in East Africa. We have not, I may add, been content with that alone. As Sir Benjamin Robertson was going to East Africa, and as there were difficulties, I am sorry to say, with the Indian community in Uganda also, we have instructed Sir Benjamin Robertson to proceed from East Africa to Uganda. It is only one day's journey, and there also he will make inquiries, carry on discussion with officials and with Indians, and make a report to the Government of India. I hope, Sir, that this statement will be satisfactory to the Hon'ble member and to this Council."

12-28 P.M. **The Hon'ble Mr. G. S. Khaparde** :—"Sir, I cannot see my way to accept the amendment of my Hon'ble friend Sir Fazulbhoj omitting the words South Africa from the Resolution. As to the other suggestion, it is merely a matter of words, and I have no objection to accept it. The Hon'ble Member for Commerce suggests the words 'to suggest remedies' and I say 'measures'. I think that does not make much difference so far as I can see. So I shall accept that. I believe there is nothing more."

The Vice-President :—"I think it would probably be to the convenience of the Council if I suggest what really emerges from this rather tangled skein, and that is that the resolution should run as follows:—

"This Council recommends to the Governor General in Council that he may be pleased to obtain the permission of His Majesty's Government to empower the Hon'ble Sir Benjamin Robertson to study the status and condition of Indians settled in South Africa and in British East Africa, and to instruct him to report to the Government of India and to suggest remedies."

"That appears to be acceptable to the mover, and I think, probably to Sir Fazulbhoj Currimbhoy and to the Member in charge. If any Member of the Council will move that as an amendment, I shall be happy to put it to the Council."

The Hon'ble Mr. V. J. Patel :—"I move that as an amendment."

The Vice-President :—"I do not think it is necessary for me to read the resolution again or the amendment."

The amended resolution was put and adopted.

RESOLUTION *RE* RETRENCHMENT BOARDS.

12-30 P.M. **The Hon'ble Mr. Kamini Kumar Chanda** :—"Sir, pending the presentation of the Financial Statement, I beg to withdraw the resolution^a which stands in my name. I may mention that I have the approval of the Hon'ble Mr. Hailey in this."

The Vice-President :—"The resolution is not moved."

^a11. By the Hon'ble Mr. Chanda—

"This Council recommends to the Governor General in Council that he may be pleased to constitute Retrenchment Boards with a view to concert measures for the reduction of Civil and Military expenditure^b to pre-war standards consistent with the increased need due to circumstances such as the rise in prices."

POINT OF ORDER; RESOLUTION RE FINANCIAL INDEPENDENCE OF CENTRAL GOVERNMENT. 589

[23RD FEBRUARY, 1920.]

[*Mr. Kamini Kumar Chanda; The Vice-President; Mr. P. J. Patel; Rao Bahadur R. N. Sarma.*]

POINT OF ORDER.

The Hon'ble Mr. Kamini Kumar Chanda :—" May I point out, Sir, that the Hon'ble Mr. Sarma's resolution and the next one which stands in the name of the Hon'ble Mr. Patel cover nearly the same ground, and I think it would be better to have both taken together." 12-81 r. u.

The Vice-President :—" It is a matter for the Hon'ble Members. I do not know whether the Hon'ble Mr. Patel would like his resolution taken with the Hon'ble Mr. Sarma's."

The Hon'ble Mr. V. J. Patel :—" I have no objection unless Mr. Sarma objects."

The Vice-President :—" We cannot take them as one resolution but there will be one discussion on the two resolutions."

RESOLUTION RE FINANCIAL INDEPENDENCE OF CENTRAL GOVERNMENT.

The Hon'ble Rao Bahadur R. N. Sarma :—" I beg to move the resolution which stands against my name, namely :— 12-34 r. u.

'That this Council recommends to the Governor General in Council that he should recommend that no financial contribution is necessary or should be taken from the Provinces in any scheme of financial decentralisation that may be introduced.'

"This is an extremely important resolution having a great bearing upon the success of the Reform scheme, and I therefore need not apologise for asking the indulgence of the Council in introducing it. The question was investigated before the reforms were formulated by Mr. Montagu and Lord Chelmsford, taking as the basis the budget figures of 1917-18, and it was found that the Imperial revenue and Imperial expenditure on the basis which they then proposed would not balance each other, and that a contribution of thirteen crores and odd had to be taken from the Provincial revenues. Therefore, the proposals were made on that basis. We have had about three years since then to understand the financial position of India, and the question arises as to whether really, taking the Imperial revenue and expenditure as they would be under the scheme as propounded, there would be any necessity whatsoever for any contribution from the Provinces to the Imperial exchequer. In my humble judgment, I think absolutely no such contribution would be needed. It will be found, I think, on analysis and examination that the sources of revenue which have been reserved to the Government of India are extremely elastic and important. The growth of revenue every year is very large, and it will be found that there would be no real deficit in a normal year, and, on the other hand, it may be that the Government of India would be able to finance some schemes of the Provincial Governments from their surplus funds. Even apart from the question whether Imperial revenue and expenditure would balance one another, I would submit, Sir, that it is worthy of consideration whether in any sound scheme of provincial decentralisation it would not be worthwhile to take a little risk and look to Imperial revenue alone for meeting Imperial expenditure. Inasmuch as on the second point discussion is unnecessary on the figures as they stand, I shall not weary the Council at the present stage with that. There was a good deal of controversy raised as to whether particular provinces were not asked to contribute more

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[*Rao Bahadur B. N. Sarma.*] [25TH FEBRUARY, 1920.]

than others, and whether there was not injustice done and so on. But all these questions are only remotely relevant to the present issue. The whole question is, whether there would be an Imperial deficit and how it is to be met. Colonel Wedgwood raised this question in the House of Commons when the Reforms Bill was passing through it, and in the course of that discussion he said :—

‘ We provide for contributions, and what I object to is that contributions should be claimed from the Provincial Governments for the Central Government in India. The Central Government already has large sources of revenue. It has the Income-tax, which is now a considerable tax in India; it has the Salt Tax, it has the Railway Revenue, and as soon as this Act is passed it will have a large number of Import Duties, and, therefore, we have got for the Central Government a large and an increasing revenue, and I wish to enter my protest against the demand that is made that all the eight Provinces should also contribute their quota to the Central Government. I am afraid, and I know many Indians are afraid too, that if these contributions are stereotyped at their present amounts, the Central Government will have, so to speak, a perpetual mortgage on the revenues of the Provinces, while, as a matter of fact, the Central Government has within its own fiscal ambit an ample revenue for all the Central needs.’

“ And then he also foreshadowed extravagance and waste. Ultimately the question resolved itself into one of facts and figures, and Mr. Montagu said :—

‘ I would really not like to commit myself to a view as to the taxable capacity of India. That is a subject I would wish to leave to the Government of India to decide, but, whatever the facts, they could not be decided in a day or two.’

“ This answer was given in reply to a question by Colonel Wedgwood :—

‘ Will the Right Hon'ble Gentleman address himself to the argument that those contributions are not necessary, in view of the fact that the Indian Government itself could raise its own revenue without any necessary contributions whatever?’

“ So Mr. Montagu is of opinion that an inquiry would have to be instituted and the question finally decided as a result of that inquiry. I hope the Government of India has instituted that inquiry, or will institute the inquiry, and will find that, as a matter of fact, there would be no contribution necessary, and it is to enable the Council to arrive at a judgment that I have brought forward this resolution.

“ I will first take the figures of 1917-18, 1916-19 and 1919-20 as a basis and proceed to show that, as far as I can see, subject to correction, there would not be any deficit in Imperial revenue. Taking the figures for 1917-18 I think, Sir, the revenue would be approximately between 63 and 64 million pounds. I take here the rate of 1s. 4d.—and the expenditure would be below 60 million pounds. And in this year 1917-18 we have two abnormal features, namely, that the political expenditure was £2 million odd, which is an extremely large figure, and the military expenditure was £30·7 millions, or 46 crores of rupees, as against a comparatively low figure for the preceding years. I may invite the attention of Hon'ble Members to the fact that the military expenditure before the war was considerably less than what it happens to be now. In 1913-14, it was only 19·8 millions, in 1914-15, it was 20·4 millions, in 1915-16, it was 22·2, and in 1916-17, it was 24·9. Then there was a big jump upwards and it became 30 millions and odd in 1917-18 and the revenues and expenditure balanced one another and there would have been, I think, a little surplus on that basis during that year. In 1918-19, I see that the income would be 72 millions and the expenditure would be about 85 millions, that is there would have been a deficit of 13 millions. But why is that so? It is because of the military expenditure during the war and certain expenditure which we undertook that the total amounted to 43 millions. There was an excess of 13 over the 1917-18 figure and that is the deficit you see there. Even if you take the military expenditure at 30 millions, there would not have been any deficit at all. In the budget provision for 1919-20, you may take it that the revenue would be about £71 millions and odd and the expenditure about £80 millions, or a deficit of £9 millions. Why is that so? Because the military expenditure was 11·4 or 11 millions more than the figures

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[23RD FEBRUARY, 1920.] [Rao Bahadur D. N. Sarma.]

for 1917-18 and much more than the previous pre-war figures. And here we undertook about £8 millions and odd, the cost of the troops operating outside India. Of course against this has to be set off the excess profits duty of about 6 millions. But even then there would have been a surplus and not a deficit on the revenues of that year with a normal military expenditure, if you take the railway revenue at its proper figure. Therefore we find the experience of 1917-18, 1918-19 and 1919-20 verifying this that in a normal year, as the figures stand, there would be absolutely no deficit, and there would be no need for any contribution from the provinces to the Imperial exchequer.

"Then, let us see as to whether these resources are not extremely elastic, and whether we cannot in the ordinary course of things expect a very much larger increase in the various resources. I shall take up Customs first. Hon'ble Members will find that there has been a growth of Custom revenue from April to January of the current year of 244 lakhs notwithstanding the fact that less rice has been exported, and there has been a deficit of 76 lakhs of rupees over the previous year's figures in rice alone. The amount under Skins duty would have been much larger if the Raw Skins Export tax had been imposed a little earlier. Another circumstance which is worthy of note is that the quantities of materials sent out of India since the war have been much less than during the pre-war period on account of lack of shipping, the extremely unsettled state of Europe and various other causes. We shall, however, be able in the immediate future to look to a normal course of trade when the quantities will be the same and larger with increased production. We need not expect any very considerable fall in the values of these articles which alone have been able to keep up our Custom revenue, having regard to the fact that the currencies of almost every country are bloated. Apart from speculation, we find that we have got in this year about 244 lakhs in ten months already, and I submit, Sir, that if we analyse the figures of the values and quantities we have every reason to be optimistic in this matter. Hon'ble Members will find that in the case of raw jute it was 768,000 tons in 1913-14 and but a half of that, 398,000 in 1918-19; in the case of rice not in the husk it was 48 and 40 million cwt., in the case of raw skins and hides nearly half, namely, 1,632,000 as against 891,000. In the case of sugar also the figures are 17.9 as against 10.5. Cotton—that is important, we find that against 3,158 million yards imported in 1913-14 the quantity imported during 1918-19 was only about 1,100 million or nearly a third. But, on account of high prices, the values were nearly the same, 6½ crores against 6½. We do not look to any immediate fall in the price of cloth and, therefore, with the increase in the imported quantities of cotton cloth, an enormous revenue should be expected from the cotton trade. As regards metals, it is the same 1 million and odd tons as against 181,000 or a little over one-fifth or nearly one-sixth. So, if you carry on the analysis, you will find that under almost every head the quantities have fallen considerably and it was only the increased values that kept up our Customs duties. Therefore, I am justified in saying that, even if there be any general modification in the Tariff, we can expect a large increase in our Custom revenue.

"With regard to railways, Sir, I may be permitted to say a word. During the current year we provided out of revenue for about Rs. 9½ for repairs and reduced the revenue account. These extraordinary repairs do not occur every year and the revenue is bound to go up as soon as we get an increased rolling-stock, because it is a patent fact that the railways are not equal to the merchandise that is offering itself for transport, and under that also our revenue is bound to increase. Even with the limited quantity we see an increase of two crores of rupees in the figures between last year and this year during the last ten months. So, we may look to an increase of revenue under railways every year, and that also in a largely increasing proportion. There is a new factor that has assisted and will assist us considerably, and that is the saving in exchange. If at 1s. 4d. we had to remit 36 crores of rupees, at two shillings we shall have to remit only 24, and at 2s. 8d. or at 2s. 10d. we shall have to remit very much less. Therefore, the saving

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under that head to the Government ranges between £8 and £12 millions. Again you have about 3 to 4 crores increase in Railway revenue in addition to the 9½ crores we put in last year. We have an increase also under Income-tax; there are so many new Companies starting and the wealth of a certain section of the community is increasing.

“I do not think I need add anything more in saying that the Imperial Revenues are extremely elastic; one comparison will, I think, convince Hon'ble Members more than anything else that the picture I am presenting is not overdrawn. Hon'ble Members will find that the provincial revenue allotted to the provinces under the new scheme would be about 36·7 millions in 1913-14 before the war. The amount would be 43 or an increase of 7 in 1919-20, that is about 18 to 20 per cent. increase, whereas under the head of Imperial, under Opium, Salt, Stamps, Income-tax, Tributes, Commercial Services and Exchange, you will find that the income has increased from 20·6 million pounds to 41·8 million, that is the Imperial Revenue has doubled itself in six years, *i.e.*, from 1913-14 to 1918-19. I submit, therefore, that it is unfair of the Government of India with such a large increase to ask the provinces again to contribute to them. And we know clearly that although the provinces may not be ready with their schemes to-morrow to meet any large increase in their own revenues, I am certain that the schemes which were worked out some time ago under education and sanitation would require almost every pie of the provincial revenues. I think Sir C. Sankaran Nair, when he was Education Member, gave us a picture of what the provinces would require towards expenditure under primary education alone, some crores of rupees if you are to make education compulsory and free. Well, I need hardly allude to those figures in detail because those figures will, I think, never be reached even if no contributions are levied from the provinces in favour of the Imperial Exchequer. Therefore, there is no use in telling us that the Local Governments would be unable to digest any large increase in their revenues. May I say, Sir, that, even assuming for argument's sake, that it can be shown that in a particular year the Imperial resources fall a little short, there is absolutely no difficulty whatsoever about money being taken from the provinces by way of loan. It is only a suggestion that I make, and, I think, it is unnecessary to make that suggestion either. The real trouble seems to my mind to be this: that we have a large amount of floating debt which will have to be cleared; we will have to incur a large amount of expenditure on railways in order to keep them efficient and in order to add to them; and we have had last year and this year the Afghan and frontier wars on our hands and they drained the Government largely of their surplus money and possibly involved them in debt. The question is one of policy. Are you going to meet these extraordinary charges from current revenue and from the future revenues of India, during the next three or four years, or are you going to provide for their payment from capital with a large sinking fund, so that the whole amount may be liquidated in a longer or shorter time according as policy may dictate? That is the real question. We have, it is true, incurred a certain amount of loss in our securities in the Paper Currency Reserve. Are you going to meet that out of revenue? These are extraordinary losses, and are you going to employ this revenue to meet these extraordinary losses? Of course, if the Government say that all these extraordinary losses must not only in the present year, but for some years to come, be met from revenue, then surely they will have a case for saying that the provinces should contribute. But may I submit, Sir, that on a normal budget basis, if the revenues are not underestimated and the expenditure not grossly exaggerated, with a rupee at two shillings and even more at present, it would be absolutely unnecessary to ask for a single pie of contribution from the provinces? I was rather discursive in speaking on the budget figures of 1919-20. I sum up the figures so that you may be in a position to see if the basis is correct, as to whether the conclusion can be other than what I have stated it to

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bo. If you have a two-shilling basis you save at least 8 crores of rupees in exchange; if you add to that 10 crores of rupees provided for extraordinary charges under repairs which were intended to be incurred last year and provide for a normal growth of revenue, and if your customs revenue is growing at about 2 crores a year, then under these three heads alone you have 20 crores, let alone the income-tax and other things. Of course, when you remove the excess profits tax, there will be a decrease in the revenue, but there will be decrease on the expenditure side as well. I do not think we need worry ourselves about income-tax and other heads of revenue just at the present moment. These three heads alone will give you 20 crores of rupees, and there would be a diminution from 41 million pound to, let us say, 25 to 30 million pound. The pre-war figure was only 19 million pound; before 1916-17, it was only 24 million pound. It ran up to 30 million pound in that year and there cannot, therefore, be any doubt that our military figure must be reduced by more than 11 to 16 million pound. It may be said that we have not made any provision for increases in the salaries of officials. Even assuming, Sir, that about 2 crores of rupees or 1.4 millions roughly are the direct charges, even assuming that their salaries are increased by 20 per cent., the total does not amount to more than 50 lakhs, putting it at its highest. I think, therefore, there is enough margin under these heads to cover any increased expenditure for the industrial department that may be started and for the increased charges under salaries and pensions that may be provided for for people serving the Government of India. Then there would necessarily be a re-adjustment, so that several charges which come under the Government of India now would be debited really to the provinces because the officials in the Government of India cadre do serve in the provinces, and there would be a re-adjustment of the balances in that way. Therefore we can afford to look to a saving under that head from the Imperial budget, while at the same time there would be such an enormous growth in revenue as to cover all possible increases in expenditure, foreseeable as well as unforeseeable. I submit, therefore, Sir, on a fair estimate of the revenue and expenditure, there would be no necessity whatsoever to ask the provinces to contribute any money to the Imperial Exchequer. There is another point and that is this. Our tariffs are very low (I am not asking that they should be increased) from the revenue point of view as against the tariffs obtaining in England or in the United States of America and other countries; and commercial men have gone so far as to say that even a 20 per cent. tariff would be only a revenue tariff and not a protectionist tariff; and it has been found that the 15 per cent. that we imposed upon raw hides and skins was really not a protectionist tariff but only a revenue duty. Therefore I submit, Sir, that we have provision and margin in our import duties alone. I think also, Sir, that our liquors do not pay the same as in England. People in India get their liquor at a very much cheaper rate than they are able to obtain it in England. I, therefore, think that we have got another enormous source of increase in the liquor traffic.

"I need not analyse the position further. I have said enough, I hope, to convince Hon'ble Members that the resolution I have moved is not an unreasonable one, but, on the other hand, extremely reasonable, and that the dictates of good government demand that the provinces should be relieved of this burden. The new ministers will be faced with immense responsibilities. I do not think that the Government would seriously contemplate associating in the mind of the people reforms with increased taxation. I know that for any real good to be done we shall have to teach the people that they would have to tax themselves if any good is to come; but I trust that in the beginning an attempt will be made, as far as possible, to prevent any such associations springing up in the minds of the people; and if you can do so reasonably—and with correct data before us—I think we can do so. It must be the duty of all of us in the Government of India to enable the Provincial Governments to start with normal balances, if possible,

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with some surplus in their hands, so that they may make the reforms popular and a success."

The Hon'ble Mr. V. J. Patel :— " Sir, I beg to move the following Resolution which stands in my name :—

' This Council recommends to the Governor General in Council that the terms of reference to the Provincial Financial Relations Committee under the Chairmanship of Lord Meston should empower the Committee to examine the question whether the Central Government could not be financially independent of the provinces and self-supporting without the help of any provincial contributions.'

" Sir, in the first place, I wish to explain how this resolution stands in reference to the Resolution which has been moved by my Hon'ble friend Mr. Sarma. Mr. Sarma has pleaded that no contribution whatever is necessary from the provinces ; he has tried to prove by facts and figures that the Imperial revenues are sufficient or, at any rate, can be made sufficient to meet the Imperial needs. The Resolution that I move wants the Government of India to go into the question and see whether what Mr. Sarma's Resolution recommends can really be done. My Resolution really is an alternative to the Resolution of my Hon'ble friend Mr. Sarma. So far as the merits of Mr. Sarma's Resolution are concerned, I am entirely in agreement. I endorse every argument which he has advanced in support of his Resolution. I am one of those who believe that the Imperial Government can be made financially independent and should not need any contribution from Local Governments. But if that question cannot be decided on the spot, my resolution suggests an alternative, namely, that Lord Meston's Committee should go into the question and see if the Government of India could not be made financially independent and self-supporting without any provincial contributions. The reason why I suggest that Lord Meston's Committee should go into this question is this ; the Meston Committee is already entrusted with the work of examining the question of provincial contributions necessary under the new régime for the Government of India. Now as the Council is aware, before the Meston Committee was appointed, the question was raised by Colonel Wedgwood in the House of Commons when the Government of India Bill was under consideration, whether the Imperial Government should not be financially independent of the provinces. He in fact maintained that that could be done, and he pointed out the difficulties of the present system. He also stated how under provincial contributions the tendency of the Government of India would be towards extravagance. It is in the interest both of the Government of India and of Local Governments, I submit, that they should be independent of each other in this respect. This is what Colonel Wedgwood said.

' There are two main arguments for the amendment. The first is that the Government of India has resources of its own which must be increased as the years go on. The import duties alone are an enormous increasing asset in India. Beyond that they have not any sort of death or succession or transfer duties, and all those when they come will be Central taxes which will amply recompense the Government of India for any loss due to succession of the contribution from the Provinces, and therefore I move this merely as indicating that in the next step when we give really responsible government to the provinces at the same time the grants from the Provinces to the Central Government shall cease and the Central Government become self-supporting. Anything less will lead to bitterness in the provinces and extravagance at Delhi. There is nothing which makes people so susceptible to extravagance as unlimited resources, and if we have a clear indication that these provincial contributions ought to cease, and that the taxation from the provinces, the land-revenue and all the other local taxes are to be for local and not for central purposes then you will have a prospect not only of the harmonious working of this Act, but of a real step forward in Indian rule and a genuine federal Government of India in which the Provinces will be financially independent of the Central Government, and the Central Government financially independent of the Provinces.'

" In reply to this plea, Mr. Montagu, the Secretary of State for India, talked about the appointment of the Provincial Financial Relations Committee

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and Lord Meston as its Chairman and so on. Colonel Wedgwood thereupon at once drew the attention of the Secretary of State to the actual question raised by him and said 'will the the Right Hon'ble gentleman address himself to the argument that these contributions are not necessary in view of the fact that the Indian Government itself could raise its own revenue without any necessary contributions whatever.' To this query of Colonel Wedgwood's Mr. Montagu replied 'I would really not like to commit myself to a view as to the taxable capacity of India. That is a subject I would wish to leave to the Government of India to decide, but whatever the fact they could not be decided in a day or two.' Now since that statement has been made by Mr. Montagu I do not know whether the Government of India have made the inquiry suggested by Mr. Montagu. If they have found as a matter of fact that contributions are not necessary, then by all means I am quite prepared to withdraw my resolution, but if no inquiry has so far been made, I suggest that that inquiry should be put to the Committee which is about to go into the question of the provincial contributions. When I gave notice of my resolution, I did not know the personnel of the Committee under the Chairmanship of Lord Meston, nor did I know what the terms of the reference were. I now find that in the terms of reference this particular question to which Mr. Montagu referred has not been included. I want the Meston Committee to go into the question as to whether it is not possible to make the Government of India financially independent of the provinces. As Colonel Wedgwood has stated it is absolutely necessary that the provinces must be free to spend their resources in any way they like, and that they must be financially independent of the Government of India. As Mr. Sarma has pointed out the new situation that has arisen under the constitutional reforms is a very serious one so far as financial matters are concerned. There are chances of friction on many matters between the Minister and the rest of the Government; there are chances of differences between the Minister and Legislative Council, there are chances of disagreement between the elected members of the Legislative Councils and their constituents and all this for insufficiency of funds. It would be much better, therefore, if we could devise some means by which Provincial Governments could be made financially independent. Under the new *régime* you will not have to make any grants in the matter of Sanitation or Education; the huge grants which are being made year by year by the Government of India under these heads will not be made in future because these subjects will, I understand, be Transferred Subjects. The Provincial Governments will have to undertake large schemes of Sanitation and compulsory education and they will require very large revenues for the purpose. Therefore, I trust, that if this question is not disposed of as suggested by my Hon'ble friend Mr. Sarma, it should at any rate be explored as suggested by my resolution."

The Hon'ble Mr. W. M. Hailey:—"Sir, if I rise to answer 1-15 P.M. the Hon'ble Mr. Sarma and the Hon'ble Mr. Patel at once, it is because I feel that probably most members of the Council sympathise with them in principle. Every non-official of this Council represents here to some extent at all events, the interests of his province; and it goes without saying that in the interests of their provinces they would naturally prefer that no contributions should be paid to the Central Government. That is true, I suppose, of everybody without distinction. Certain of the provinces under the scheme outlined in the Joint Report would be surplus provinces and would pay contributions. Certain would be deficit provinces, but the interests of the deficit provinces are really the same, because they know that the first thing which a surplus province which has to pay a contribution would demand is that the deficit province should raise extra taxation in order that aggregate contribution of the surplus provinces may be reduced.

"Well, Sir, my object is to state the case to the Council exactly as it stands now, and when I have done so, I think that perhaps the Hon'ble Movers

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of both the resolutions will admit that we have gone some way to meet their case. In the first place, the proposal to levy contributions from the provinces must not be banned as an improper or unconstitutional idea. I can remember well what the late Mr. Gokhale said on this question, and if there are some members here who think perhaps that Mr. Gokhale did not go far enough in his political conceptions, there are others, I am sure, who will join with me in feeling that Mr. Gokhale on financial matters showed statesmanship and foresight. It will interest the Council to hear what he said on this particular question of contributions in March 1911. He said :—

‘What I propose, my Lord, is that instead of receiving its whole income from growing revenues, the Government of India should receive large fixed contributions from Provincial Governments, say up to about one-third or one-fourth of its revenues, the other two-thirds or three-fourths being derived from growing resources. I think in this matter it is desirable to examine the practice of other countries, and there are three countries which can supply some sort of guidance to us on this subject—Switzerland, Germany and America. Switzerland, however, is a very small country, and I will therefore leave it out of consideration. The example which, I think, we should follow in this matter is that supplied by Germany. America is too advanced for us, because the federal finance of America is entirely separate from State finance, and it will be a long long time before we reach that stage if we ever reach it at all. But in Germany, my Lord, while the Empire has its own independent revenues, and the component States gave theirs, the component States also make large contributions to the Exchequer of the Empire. In fact, nearly one-fourth of the revenue of the Empire is at present derived from fixed contributions from the component States and about three-fourths is derived from independent sources, such as Customs and Excise and Stamps. Now, I think, this is the direction in which we have to seek a solution of our problem. The Government of India should have about one-third or one-fourth of its revenue derived from fixed contributions made by the Provincial Governments.’

And if Hon'ble Members would care to turn at any time to the evidence given by Mr. Gokhale before the Decentralization Commission, they will find that he outlined a scheme very like that which we are now about to adopt in regard to the separation of Central from provincial finance. It has in fact a very close analogy in detail. So that, as I say, there is nothing inherently wrong in the idea of taking contributions from the provinces. The question probably is rather one of degree or, perhaps, as the Hon'ble Mr. Sarma would say, it is purely a matter of calculation whether they should be taken at all. Now the burden of proving that no contributions are necessary must, I think, lie on those who support the provincial case. It is quite clear that the Central Government must finance itself; it must finance the army, and however much we may try to reduce the personnel, or whatever hopes we may have from such expedients as the League of Nations, such armies as we maintain are not going to be as cheap in the future as they were in the past. The Central Government must keep up its central institutions, Agricultural, Research, Bacteriological and so forth; it must maintain the services of a purely imperial nature, such as the Survey of India and Geological Survey; it must maintain the political service; it must provide for expenditure on the Frontier. I have only instanced a few of these requirements, but it is sufficient to indicate their nature without detailing them all.

“Now it is possible—I will not say that it is certain—that so from being able to reduce those requirements in the future, they may have to be extended. I think there will be a call on the Central Government to finance more research institutions, to extend possibly its purely Imperial services such as the Geological Service; to extend its operations in half a dozen similar ways with which I need not trouble the Council now. Industrial development alone will be a very expensive item in the future programme, and as my Hon'ble friend Mr. Shafi reminds me, if any such extension takes place, it will not be pure selfishness on the part of the Central Government, since the provinces of course share in their benefits of the central institutions and services. Now what have we done ourselves in regard to this question of financing the Central Government and of apportioning the burden on the provinces? When the Joint Report was drawn up, it was calculated that the imperial deficit, that is to say, the amount which the Imperial Government

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would require in order to supplement its own resources, would come to about 13½ crores. That was the Montagu-Chelmsford Report. This would have left the provinces taken in the aggregate, and following the distribution of finance that will be adopted under the Reform Scheme, with 2½ crores more than they enjoy at present. Last September we invited representatives from the various provinces to a conference at Simla, and the question of the provincial liability in regard to their own expenditure was gone into with great thoroughness and in great detail. As the result of that, we then decided to take the Imperial deficit on the system of divided finance at 11½ crores, and that was as low as we could get it at the time. But we ourselves have recognised very clearly the force of the objections against taking large contributions from the provinces. We have no desire to attempt to start the reformed Councils on their career under a species of financial cloud, or to cramp the new Ministers with a feeling of financial impotence. We have therefore on our part done our best to reconsider the position in the light of such factors as that alluded to by the Hon'ble Mr. Sarma, such as the gain in exchange and so forth, and have made a proposition which will have the effect of materially reducing the deficit as anticipated in September last. I am not going to give that figure to the Council now, because it depends on a series of calculations which will more fittingly find a place in my Financial Statement on the 1st of March. But I am quite sure of this that, when I make that statement, Hon'ble Members who are interested in this question will find that if we have not shown a complete capacity to meet all their objections, we have, at all events, shown a good-will in that direction. I am sorry that I should have to say to my Hon'ble friends 'wait and see,' but after all it is only a week they have to wait before I am able to make that announcement.

"Now having explained the state of the case to the Council, I have, I think, only to make a few remarks on what, first of all, Mr. Sarma has said on the subject. I have tried to prove that we have so much practical sympathy with the case put forward by him that my remarks on the subject need not be of any very great length. But I am obliged to comment on the figures which he presented to the Council to prove the fact that the Government of India, after all, had a very large surplus at its disposal. Now Mr. Sarma, in taking those figures, took the figures of the budget as a whole. He did not, I think, separate off the figures, as they must be separated off now, according to the administrative division of subjects, by which the Imperial Government will take the benefit of the revenues connected with subjects which it administers itself, and the Local Government will take the benefit of the revenues from those subjects which are purely provincial. So that his figures, if he will allow me to say so, are really of not much use in discussion, because they are not based on the proper system of distribution. All our discussions, for instance, that we have held with the provinces, have been on the basis of distributed revenues

The Hon'ble Rao Bahadur B. N. Sarma :—"Subject to correction, I may make an explanation: I have tried to arrive at the figures on the new basis and what I have mentioned was on that basis. There may be a mistake here and there. The figures are here and I am ready to give them. I have attempted to do that; whether I have succeeded or not is a different matter."

The Hon'ble Mr. W. M. Hailey :—"Sir, Mr. Sarma's figures do not coincide with ours. There will shortly be an opportunity, I think, of explaining the figures more fully to Mr. Sarma. When I have made my Financial Statement, I shall be very glad indeed to go into the figures and show him exactly how they do stand. There is nothing whatever to conceal in the case; the Council can be assured of that. In regard to the figures of 1919-20, there again I am afraid I must say to him, you must wait for our revised budget on

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the 1st of March. I cannot say now; and it would be wrong for me to say now, how far his anticipations as regards the growing heads of Railways and Customs, and perhaps of Income Tax, can be safely accepted.

“ Now with regard to the other question to which he referred, namely, the method of meeting our expenditure, of a special nature, such as what is known as India's further contribution, and also the method of meeting the expenditure on the present Afghan and Waziristan operations, he made a strong recommendation to us that the proper way of meeting that expenditure was to fund it, to charge it against capital. Well, ultimately there is no way of meeting any kind of unproductive expenditure except by meeting it out of revenue. In the present, we are of course financing the Afghan war by temporary loans, Treasury Bills and so forth, and it stands to reason that, as soon as we can raise a permanent loan, we shall do so and to the fullest extent possible. But we already have many capital obligations against our loans, and the market for loans is not unlimited; any aid that Mr. Sarma or anybody else can give us in pushing our loans will be very welcome to us indeed. But even when we have raised our permanent loan, we could not fund unproductive expenditure until we had first met the liabilities for meeting productive capital expenditure. Mr. Patel's proposition is an alternative to Mr. Sarma's, that is to say, that, while accepting Mr. Sarma's principle and believing that we can meet all our future obligations without calling on the provinces in any way, he would have that question investigated by Lord Meston's Committee. I have informed the Council of a conference which we held in September, and the discussion at that conference will afford very valuable material for Lord Meston's Committee in allocating any contributions which may have to be made. The exact question which Mr. Patel has put forward, namely, the extent to which Imperial finances can be arranged on such a basis that no contributions shall be required, that question was not, as he correctly says, explicitly included in the terms of reference to Lord Meston's Committee, and I will explain why. The major obligations, the major liabilities occur of course in connection with large items, such as the Army, and the revenue charges of railways. There are other cases, such as the expenditure on our central institutions. Now we feel, and I daresay if they had been asked, Lord Meston's Committee itself would have felt, that in the time at their disposal, and constituted as they were, it would not be possible for them to say that you shall spend so much on the Army, you shall spend only so much on the railways, and you shall spend only so much on your central institutions, because when you say that you have also got to lay down what the strength of the Army is to be, what our policy is to be in regard to army organization (a question which is as a matter of fact being considered by another Commission), or what is to be the nature and character of more central institutions. In fact you cannot lay down financial limits for expenditure unless you can also lay down administrative policy. For that reason it was difficult, if it was not impossible, to confide that particular task in those terms to Lord Meston's Committee. But we have asked Lord Meston's Committee to examine the budget of the present year and of previous years, and to say how far they think our calculations of the deficiency are correct. They are peculiarly fitted to undertake that task. Nobody, I think, would gainsay the fact that we have in them a perfectly impartial and highly expert Committee, and we shall follow their advice as far as we can whenever they give it to us on that subject. If they say—‘ You have not given sufficient credit to Customs, you have not taken into account sufficiently the fact that Railways is a growing head; the anticipations that you have formed regarding military expenditure cannot possibly be borne out by what you have spent in the past,’ and so forth, then we shall give the best consideration possible to their advice, and we shall try still further to reduce the deficiency which we have anticipated. With that Sir, I think I must leave the case. I have tried to meet the arguments of my Hon'ble friends as far as possible. I think I have demonstrated that we have shown all the good-will we can in reducing the anticipated deficit. I have promised to make a definite announcement on the latter subject on the 1st of March next. I regret that

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Government is not able to accept the resolutions in the precise forms in which they stand and for the reasons which I have given."

[At this stage the Council adjourned for lunch.]

The Hon'ble Mr. Kamini Kumar Chanda:—"Sir, I entirely associate myself with the case that has been made out by my Hon'ble friend Mr. Sarma. His very cogent and well-reasoned arguments are all based on facts and figures taken from our bluebooks and various Financial Statements, and I do not see why my Hon'ble friend Mr. Hailey does not see his way to accept it. It is our case—we have been crying ourselves hoarse—that the Government of India is very greedy; its greed is daily increasing and is at once the result and cause of the huge surpluses artificially created by underestimating the revenue and overestimating the expenditure. This is our complaint. Colonel Wedgwood, when speaking in the House of Commons on the Government of India Bill, struck a true note when he said 'that your extravagance is the result of your being able to command unlimited funds.' This ought to be put an end to. All our difficulties are due to that. I believe, Sir, that this move to Delhi was also the result of that. The Hon'ble Mr. Hailey quoted our late lamented leader Mr. Gokhale and said that Mr. Gokhale on the analogy of the States of the now defunct German Empire was of opinion that our provinces ought to contribute one-third of the revenues to the Central Exchequer. I have two observations to make on that. In the first place, Sir, the conditions of India to-day are not the same as those which obtained in the time of Mr. Gokhale. We have no right to assume that; had he been alive to-day, he would have adhered to his opinion in the altered conditions of India. Did he take note of the fact that Education and Sanitation would no longer have to be provided for by the Government of India, but be financed by the provinces. If you insist on your taking a share of the provincial revenues, I wonder how the Minister of Bengal, that is to be for instance, will be able to find funds for carrying out the recommendations of the Calcutta University Commission. In my province, even as matters stand, all projects of education have had to be shelved *sine die* for want of funds by a resolution of the Chief Commissioner. Then, in the second place, Sir, by demanding a share of the revenues of the provinces you are really treating them as if they were so many Feudatory States who must pay tribute to the Central Government, whether or not you require any money. The Hon'ble Mr. Hailey spoke of the Army expenditure, and money needed for Central Institutes. All that is admitted, but what is there to show that this cannot be met by the normal growth of your revenue, the revenue from all-India subjects like Exchange, Customs, Railways.

"I therefore, think, Sir, that the Hon'ble Mr. Sarma has made out a very good case for your accepting this Resolution; but in case you find that you cannot do so, I submit there cannot be any reason for not accepting the alternative proposal of my Hon'ble friend Mr. Patel.

"With these remarks, Sir, I support both these Resolutions."

The Hon'ble Raja Sir Rampal Singh:—"Mr. President, as a layman, I am sorry to say, I have not been able fully to appreciate the contentions of the Hon'ble the Finance Member. The Hon'ble Mr. Sarma has very ably established the justice of the principle enunciated in his Resolution. The Hon'ble the Finance Member has not refuted the facts and figures that were quoted by him.

"Sir, if the present financial resources of the Government of India are not sufficient to meet the charges, he ought to have stated it very plainly and refuted the figures that were quoted by the Hon'ble Mr. Sarma. If they are sufficient to meet those charges, I think it is not justice to exact a tribute from

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the provinces. The Hon'ble the Finance Member has said that there are some deficit provinces and some surplus provinces. I am afraid he intends to allow the injustice which has been done to the provinces up to this time to be perpetuated even after the reforms have been introduced. I take exception to such a procedure. I am of opinion that if the question should be fully investigated and, as far as possible, the Government of India should become self-supporting. If that be not possible, there are certain taxable items which have been reserved for the Government of India and the Government of India should have recourse to them.

"I therefore, support the Resolution of the Hon'ble Mr. Sarma and, in the alternative, the Resolution moved by the Hon'ble Mr. Patel."

2-55 P.M.

The Hon'ble Mr. G. S. Khaparde :—"Sir, I do not pretend to be able to go into the fine points of financial debate, but it appears to me that one point is very clear, and that is what the Hon'ble Mr. Sarma made out from the figures which he compiled, that the Central Government carries on and can carry on its work without calling upon the provinces to contribute anything. In the alternative the Hon'ble Mr. Patel proposed that the matter should at least be inquired into, and this appears to me to be a very reasonable request. If the Hon'ble the Finance Member thinks that the figures given by the Hon'ble Mr. Sarma are not quite correct, then all that Mr. Patel wants is that the matter be gone into, and I do not see what objection there can be to this being done. It is very likely, and perhaps probable, that what the Hon'ble the Finance Minister has stated may come out true, but it is also equally likely that it may not be so and that Lord Meston and his colleagues may not agree, in which case the provinces stand to gain and the administration gains in simplicity.

"The position will perhaps be explained on the 1st March. But then there will be no time to move any resolutions on the subject. Probably next month there may be no dates set apart for discussing resolutions; so that in that case the matter will come to the September Session; probably by that time Lord Meston would have made his report and these things might have been accepted and there will be nothing left to be done by a resolution. So, I submit, that this request for an inquiry is most reasonable, more especially as at present we have been referred to a conference that took place at Simla; but that was a case of a senior partner laying down the law for sub-partners. I should like that the matter should come before an independent body who will not be, so to say, the predominant partners in the matter, but will look at the whole thing from a fair and equitable point of view. I support the proposal more especially because Lord Meston has been in charge of the administration of a province for a long time and he has experienced the difficulties and will probably be able to give an illuminating opinion on this subject. So I support the proposition of the Hon'ble Mr. Sarma and, in the alternative, the proposition of Mr. Patel."

2-58 P.M.

The Hon'ble Sardar Sundar Singh Majithia :—"Sir, if I rise on this occasion to say a few words on the resolution which has been proposed by my Hon'ble Friend, Mr. Sarma, and the one which has been proposed by Mr. Patel I only want to point out on behalf of my province the inequalities of the contributions which we have to make to the Central Government to keep that Government going, so to speak. My friend, Mr. Sarma, has tried to show by figures that the Central Government could carry on their administration without any of these contributions from the provinces. I quite admit on the other hand that the needs of the Army, which is an expanding army and which has, I believe, to expand for some time, are very great. We have to keep up the army in view of the menace that we are having in the North-West Frontier Province and also that of the Bolshevicks which was so clearly set out in the opening speech of His Excellency the Viceroy on the 30th January last. No Government can afford to lose sight of that situation,

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and must provide for that. Moreover, the salaries in the Army are very low and we shall have to increase these.

"But, on the other hand, the inequalities that I find in the contributions, set out in the Joint Committee's Report, are very glaring. I find that Madras has to pay 428 lakhs, the United Provinces has to pay 327 lakhs, the Punjab has to pay 218 lakhs, and Burma has to pay 140 lakhs; while Bombay pays only 88 lakhs, and Bengal, one of the foremost provinces and in which my Hon'ble friend Mr. S. N. Banerjea is always saying that there are certain claims of that province which have to be considered, pays only 69 lakhs. This inequality in contribution acts most prejudicially on the resources of the provinces from whom more money is taken than from the provinces which pay less. I feel, Sir, that the taking of this large amount from these provinces is very prejudicial to the rate at which those provinces can make any progress in the various spheres of their activities. We have been handicapped a good deal in my province owing to this. It will be remembered that the Punjab paid a crore of rupees to the Government from its surplus balances which might have come in very handy for the many improvements which we wanted in the Province. If Government could see their way to doing away with these contributions, then they would be removing the bitterness that is being felt in different provinces. It is, however, a question whether one could possibly make two ends meet, and I hope that the Finance Department is not so denuded of its resources in that way that it will not be able to meet the situation. I think it is necessary to leave the provinces to make up headway in the different matters that they require, and they can only do so if they had all their resources at their command.

"With these words I support the motions which have been proposed by Mr. Sarma and by Mr. Patel."

The Hon'ble Mr. Surendra Nath Banerjea :—“ Sir, I should have preferred if the discussion of this matter could have been postponed after the publication of the budget, because then we should have been in a position to know the figures and to go upon them. Mr. Sarma has with his usual ability brought forward a large number of figures in support of the position which he takes up. The Hon'ble the Finance Member challenged that position; he says that these figures proceed upon one basis, but they should proceed upon a wholly different basis, the basis of divided revenues. Therefore, in coming at an independent judgment between these conflicting views, we are at the present moment without the necessary materials. If we had the figures before us we should have been in a better position to judge whether we should accept Mr. Sarma's views or those of the Finance Minister. I do not know whether even now it may not be possible to postpone the consideration of this matter until the budget figures have been published. I feel that with those figures before us we should be proceeding upon stable and certain ground. Without them I at any rate feel very nebulous about the matter.

P-1 P.M.

"Sir, there are two propositions which we are considering, one is a definite recommendation that the provinces should be relieved from all contributions to the Imperial Exchequer on the ground that the Imperial revenues are sufficient for all Imperial purposes. Mr. Patel's resolution, although Mr. Patel professes advanced views, is somewhat more moderate than that of Mr. Sarma; he does not exactly accept Mr. Sarma's proposition, but he proceeds somewhat cautiously to say that this should be an intimation to the Meston Committee. I think that is the position which he takes up, and I for one feel a partiality for this latter position because myself being a moderate in politics I prefer moderate views, and it seems to me that it is a sounder position to take up in the absence of definite facts to go upon.

"Sir, a great deal has been said about Mr. Gokhalo's suggestions with regard to the scheme of financial decentralisation. My Hon'ble friend, the

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Finance Minister, has quoted from a speech which Mr. Gokhale delivered in this Council in 1911. Well, Sir, the views which were put forward by Mr. Gokhale were very much earlier than 1911. Let me remind the Council that in 1889 (I think it was) a Finance Commission was appointed over which Sir Charles Elliot presided; amongst members of that Commission were Mr. Justice Ranade, Mr. Justice Cunningham, and one or two other names that I forget at present. They recommended the very scheme which Mr. Gokhale accepted and then let me add that in 1897—that was before 1911—four Indian gentlemen, including my friend, Sir Dinshaw Wacha, Mr. Gokhale, Mr. G. Subramania Iyer and myself went as witnesses before the Welby Commission and we put forward the same view; and there was a reason for it; but as has been very properly observed by my friend, Mr. Chanda, if Mr. Gokhale were now living, probably he would profess more advanced views than those that are embodied in his speech of 1911. What we were contending against at that time was the unsettled state of the quinquennial settlements and the iniquitable distribution of the doles which was left to the caprice and whim of the financial authorities. You remember what Sir A. Mackenzie said about these quinquennial settlements. He said that we were like a sheep thrown upon its back shorn of its wool and then let loose. Well, what happened in consequence of these quinquennial settlements and the unsettled, unsystematic and whimsical way in which they were carried out? What happened was that towards the end of the quinquennial period the Provincial Governments entered upon large expenditure in order to swallow the balances that were left to their credit. All this had to be avoided, and therefore the Finance Commission of 1889—I am not quite sure about the date, but, I think, it was 1889—the Indian witnesses before the Welby Commission of 1897, and Mr. Gokhale in 1911 all urged that the doles and the quinquennial settlements should cease and that fixed contributions should be taken from the provinces to meet the expenses of the Imperial Government.

“That is the history of this matter. It seems to me that it would be a great advantage if it were possible just when the Reforms Scheme was about to come into operation to relieve the Provincial Governments altogether of all contributions to the Imperial Exchequer. Because it must be clear that if the new experiment were to be handicapped with the burden of new taxation, that would operate very seriously to create a prejudice against the Reform Act. I am quite sure we are all interested, the Government and popular representatives, are all interested in providing against a contingency of that kind. We ought to be able, if possible, to start this great experiment with public opinion behind us, and public opinion will be against us if the public feel that they have to bear additional taxation in consequence of the Reform Scheme. Therefore, I take it that the Government and the popular representatives truly stand upon the same platform in this matter, and that we are all interested in avoiding taxation. It seems to me that, if Mr. Sarma's Resolution could be accepted, it would be a means of avoiding taxation. It is impossible for me to say if it could be accepted or not. If we cannot accept Mr. Sarma's Resolution, at any rate, we might accept that put forward by Mr. Patel. We can lose nothing, Government stands to gain by making a recommendation on this point for the consideration of the Meston Committee. The public will learn that the Government is anxious to avoid taxation, if possible, and that they have made this suggestion to the Meston Committee. It seems to me that this is a bit of political strategy which my Hon'ble friend the Finance Minister might adopt. This fact would go far to ease the situation. The position that I take up with regard to this matter is this, that I cannot vote for Mr. Sarma's Resolution without more definite information; I vote for Mr. Patel's as an alternative. It seems to be a moderate and reasonable one and one which Government may well accept.”

3-10 P.M.

The Hon'ble Sir Dinshaw Wacha :—“ Sir, I fully agree with the historical retrospect which my Hon'ble friend Mr. Banerjea has given in

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reference to the Decentralization Scheme and the different stages it has gone through since 1889, 1897 and 1911. His reason again for urging that it would be far better that Mr. Patel's amendment should be passed has also my support. I think nothing would be lost at this stage by referring the matter to the Meston Committee. We are entering on a new era altogether of responsible self-government, and if that self-government is to be made a real success, then I say that that success will greatly depend upon the finances of the new Government; that is to say, the manner in which both the Imperial Government and the Provincial Governments which are now to be autonomous, steer their barque of finance. The Imperial and Provincial Governments must steer their barques and administer their respective finances with a view to the accomplishment of the greatest good possible. It was John Bright who said on an important occasion during the passing of the India Bill of 1858: 'Tell me what is the condition of the finances of the Government and I will tell you what is the character of that Government.' I think that was really a good and sound maxim. That is the maxim which at this stage we should adopt if the several new responsible Governments are to enter upon the achievement of a successful campaign during the next ten years. It is necessary that they should start with a policy of sound finance. If they are not made to start with such a policy what will happen? As Mr. Banerjea has said Provincial Governments may find themselves in a difficult position at the very outset to make both ends meet. If they have not sufficient funds and if something has to be provided as a contribution to the Imperial Exchequer, they will be obliged to raise the needed funds by means of local taxation. That stop would create a prejudice and a feeling of hostility on the part of the people. I think in this matter sound enlightened public opinion should be associated with both the Imperial Government and the Provincial Governments. It is in the interest of all concerned that in a matter of this kind we should all move together in co-operation with each other. I consider therefore that in view of what I have just urged that after all Mr. Patel's amendment would prove useful. I admit that perhaps the budget which the Hon'ble the Finance Minister will place before us on the 1st of March may present a different state of things, and possibly Mr. Sarma's views may have to be modified a good deal. Still, I do not consider that the situation will be completely alleviated by what the budget may reveal for the reason that we shall be in a transitional stage. I do not know whether during the next five years and more Indian Finances, Imperial and Provincial, will be on a settled basis and whether they will be worked smoothly. There will be many changes, changes in financial and economic conditions both in and out of India. These will greatly affect our trade and will have a far-reaching influence upon our finances. Then other domestic changes are certain to take place during the next five or ten years in reference to the new responsible government. We do not know how that Government will carry on its work. Very much will depend upon the way in which it handles its finances. You may depend on it that the next five years will be a period of an unsettled or constantly changing or disturbing character. Before the Imperial and Provincial finances arrive at a settlement, it is very necessary that we should move slowly and cautiously and proceed on a firm basis of finance. Without a sound policy of finance at the very outset, it will be a serious matter for the Imperial Government to work smoothly with the Provincial Governments. I, therefore, appeal to the Hon'ble the Finance Minister that in view of the unanimous opinions of the non-official members who have already spoken on this very important subject for which I consider Mr. Sarma has earned our grateful thanks, he would act wisely and well by referring the whole matter to the Meston Committee. The Meston Committee will no doubt make itself acquainted with the criticisms that have already been offered in this Council. By the light of those criticisms they will be able to consider and recommend how the finances should be arranged in future, where Reserved and Transferred Subjects are respectively to be dealt with. With these few words I fully support Mr. Patel's amendment."

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3-27 P.M.

The Hon'ble Rao Bahadur B. N. Sarma:—"Sir, the Hon'ble the Finance Member's speech gives me some hope that he will rise to the occasion and try to discard the extremely rigid traditions of the Imperial Department in getting all it can from the Provinces. He promises to go into the question again, and I hope that, as the result of that examination, it will be found that really no contribution is necessary from the provinces.

"Now, Sir, allusion has been made to the tenability of the general position that there is nothing wrong in principle or policy in the provinces being asked to contribute to the general exchequer. I have myself not said that that position is untenable under any circumstances, because there are States in which that is the present practice. But I take it, Sir, that what the Reform Committee has recommended is that there should be ordinarily a complete divorce between the Imperial Exchequer and the Provincial Exchequer and that these contributions should be only during the transitional stage and for a limited period. Therefore, what Mr. Gokhale thought might have been a useful guide in the past but has no bearing upon the position which the reforms postulate for our guidance in the future. Again what Mr. Gokhale was trying to do was to get some growing heads of revenue for the provinces with a definite contribution if need be to the Imperial Exchequer. We find that so far as some of the States which have been referred to are concerned, my position is supported by their example. In America, we find that the whole of the Imperial federal exchequer is practically met from the customs revenue, and on more than one occasion they had so much surplus that they could distribute it amongst the various States. With regard to Germany, however, may I point out, Sir, that the items of the heads of revenue of the Imperial Government do not comprise so many as the future Indian Government would command? I do not find for instance Income-tax as one of the subjects there. Therefore, I do not think the example of Germany would be of much use here, because we find that the Indian Government has taken much more for the Federal Government than Germany has chosen to provide. However, I think that is a mere question for academic discussion, because even what the Government of India proposes is only a provisional arrangement during a temporary period. The real solution of the problem would therefore depend upon whether the financial position of the past three years justify us in hoping that the Imperial revenue and exchequer would balance one another. I put a question to the Government requesting information as to what the figures would be on this new basis. I hope they have worked out the figures. If they have worked out those figures, it might not be difficult for them to place those figures before the Council to show in what respects my figures are wrong. Hon'ble Members will see that there can be no difficulty about disclosing these figures in so far as 1917-18 and 1918-19 are concerned because no questions of taxation would turn upon them and these relate to closed transactions. It is only in respect of the revised figures for 1919-20 there may be some difficulty if any new taxation is proposed, or if any new schemes are proposed, but I do not think that there can be any difficulty whatsoever about the figures of 1917-18, the accounts of 1918-19 and the budget figures of 1919-20 as under the new scheme being placed before us for discussion. I submit, Sir, that here and there there may be a few insignificant differences, but the general position that I have advanced on the basis of the figures that I have mentioned is substantially correct and may be accepted by the Council as such. If those figures afford any criterion, my position is substantially correct and no reliance need be placed upon general calculations as to whether customs revenue can grow, whether income-tax revenue can expand, whether railways can bring in more money.

"Now allusion has been made to the military expenditure. I grant that there would be an increase in military expenditure as compared with the pre-war period. We shall have, on the one hand, to make allowance for increased salaries and pensions and, on the other hand, to deduct war expenditure. That

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is the reason why I made provision for the new army expenditure as ranging between 25 and 30 million pounds. Before the war it was only about 19 millions, and therefore the revised expenditure need not exceed another six more millions,—I went so far as to take the 1917-18 figure and putting it at 30 for the purposes of discussion; even taking it at 30, my submission is that there would be absolutely no need whatever for any contribution on the basis of the figures for 1917-18, 1918-19 and 1919-20.

“Then with regard to the customs revenue, I have pointed out that from the quantities of exports during the past five years we have every legitimate ground for hoping a considerable expansion therein and assuming for argument's sake that a million or a half a million is found to be a deficit in any year here is a growing source to which we can confidently look to meet the deficit. I therefore submit, Sir, that the question of army expenditure has been amply provided for in my estimates.

“Then comes the question of industrial expansion and so on. Industry is to be a provincial department, and what the Government is going to do is simply to have a central technical department to help the provinces, and there may be increase of expenditure on salaries of a purely all-India department of Government services. For those I have made provision of about 50 lakhs of rupees taking the growth of revenue as about 20 per cent. of the current expenditure. Therefore, there is not a single item of future normal growth that I have not taken into account, and even assuming that you have to put in one or two millions more for unforeseen expenditure, I submit that the exchange which at any rate is going to bring in at least 8 to 12 crores of rupees for some years to come, is an ample safeguard for the extra money that may be wanted. I, therefore, hope that whatever may be the result of the debate here in the matter of accepting my Resolution, the Government of India will try their level best to sift the figures and not to under-estimate the revenue as has been done for so many years past. This is a heritage of long-standing, and I feel sure with the freshness of outlook which the Hon'ble Mr. Hailey and the Hon'ble Mr. Cook can bring to bear on these matters, there will be a new departure in estimating the revenue and expenditure correctly. After all I have not asked that the provinces should under no circumstances be asked to make a contribution. There is already the safeguard that under exceptional circumstances the Government of India reserve to themselves the liberty to ask for contributions. I, therefore, submit, Sir, that this resolution can be safely accepted by the Government.

“Now with regard to what took place between the representatives of the Provincial Governments at the Conference at Simla, of course we have not been behind the scenes, but the provincial representatives could not have had a voice in estimating imperial revenue. I take it that the attitude of the Government is this. ‘We are the persons who are the judges of our future requirements and budget possibilities; we shall determine the administrative policy; we will say that the army would require so much, that we shall abolish such and such exports. Therefore, we alone, the Government of India alone, are in a position to lay down the policy, and the rest is a mere question of accounting for which I suppose nobody is wanted. Even Lord Meston's Committee can do little.’

“But I submit that in this matter the Government of India must have already come to some definite conclusions as to what the highest military expenditure ought to be, what the possibilities are about customs and other revenue, and that they can give the necessary instructions; and then I suppose Lord Meston's Committee can work out whether there has been underestimating anywhere, whether the customs revenue can be really put at a higher figure than a cautious Finance Minister is disposed to put and can suggest suitable modifications. And within limits, Sir, I think there is every possibility of Government being assisted by Lord Meston's Committee. After all you must remember

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that the Government of India are interested parties, however disinterestedly they may act on account of the high traditions of the past and the present, and it would inspire confidence if a third party, absolutely unconnected with the provinces and the Government of India, would look into these matters and decide what contribution, if any, is required from the provinces."

8-17 P.M.

The Hon'ble Mr. V. J. Patel :—"Sir, I do not think it is necessary for me to speak at any great length in reply in view of the fact that almost all the non-official members of this Council have supported the demand made in my Resolution. As the Council will see, the demand is a very moderate one. I should very much like the Government to accept the position which my friend the Hon'ble Mr. Sarma has taken up, but realising that it is absolutely hopeless to persuade Government to go the whole hog with Mr. Sarma, I have brought forward this moderate resolution in an alternative form. Let us analyse the argument of my Hon'ble friend Mr. Hailey. He objects to my Resolution on the ground that the Government of India have already made an inquiry into the matter and they could not see their way to support my Resolution. Well, Sir, the question is whether the Imperial Government stand in need of any provincial contributions or not, and my Resolution says the Government of India is a party concerned in any inquiry and therefore let them not be the judge in their own case. All we want is that an independent inquiry should be made into the matter so that the case, both for the provinces and the Imperial Government, would be examined by that Committee and an impartial decision be arrived at. That is the whole thing. All I want is that the Government of India should not be the judge in their own case. I do not think it is necessary for me to add anything more."

8-20 P.M.

The Hon'ble Mr. W. M. Hailey :—"Sir, I at all events have no cause to complain at the course of this debate, for I think that there is only one Hon'ble Member who found it necessary to charge us with being grasping, with under-calculating our revenues in order to get a surplus, pictured the Central Government in fact as a kind of Gorgon, grasping and insatiable. Well, I can assure him that if that picture ever was a true one—and I am not qualified to say anything about that—it is certainly not the case now. Nor has it been the case within my recollection. The growing power, the growing independence of the Local Governments, would afford a sufficient guarantee that we should be entirely unable to take up such a position were we to desire to do so now. The general course of the debate, Sir, I think I may say, was in support of the Hon'ble Mr. Patel's resolution rather than in support of that of Mr. Sarma. There was, I recognise it, a very general feeling among the non-official members of this Council, that we should do well to place our case before the Weston Committee, if not as a mere point of equity, at all events, as the Hon'ble Mr. Banerjee put it, as a point of tactics. We should, he suggested, strengthen our own hands if we did so. Now perhaps I did not make it sufficiently clear (if so, it was my own fault) that we had asked Lord Weston's Committee to go into the forecast budget figures of the present year, which we have placed before them, and also to go into the budget figures of previous years, and to give us their advice on the question whether we have or we have not taken a proper figure for the Central Government's deficit. We have asked them to go into these figures as thoroughly as possible. They cross-examined the Hon'ble Mr. Cook nearly a whole morning on the subject. We have given them all the information we have on that subject; we have placed at their disposal an officer conversant with all our financial operations and figures in the past in order to give them any fresh information which they may require. We have kept nothing back from them; we have no desire to keep anything back from them; we want to put all the cards on the table on this particular

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[23RD FEBRUARY, 1920.] [Mr. W. M. Hailey.]

question. And as I said this morning, whatever advice they give us on the subject of the exact figure which we should take for the Imperial deficit in this year and in the coming years, we shall endeavour to accept. That we should go further, that we should say to them, 'you must tell us exactly what our Army is to cost us in future and what our other Imperial services are to cost in the future, how much we should provide for our railways,' that we should go further and do that is not, I think, a feasible proposition. For one thing it would be a work that would take many months to complete, and we have not all the time in the world at our disposal for this question. The next point is this, that we have a Commission out from Home which is dealing with one, perhaps the most important, of those questions, the organization of the Army. The third point is, that I do not think that if we were to charge Lord Meston's Committee with a work of that magnitude and gravity that the Indian public at large would accept that Committee as in itself sufficient. They would undoubtedly demand that there should be a much wider representation, and possibly representatives from the provinces, on it. It would no longer be a small expert Committee; we should have to appoint a Royal Commission something in the nature of the Public Services Commission, or one of the great commissions which sat on Indian expenditure in the past. It is for this reason that I say that we could not contemplate that, with the time at our disposal, an inquiry of such extent should be undertaken by Lord Meston's Committee. But let me repeat again that we have asked them to give us their advice based on the whole of the budget figures. We have asked them in fact to give us exactly, as far as I can see, very much the kind of advice which the Hon'ble Members who have spoken on the subject this afternoon have desired that they should give us.

"The Hon'ble Sardar Sundar Singh and the Hon'ble Sir Rampal Singh discussed the question, in an attitude which I hoped to see avoided this afternoon. The Hon'ble Mr. Sarma and the Hon'ble Mr. Patel discussed it on general lines, on the principle of contribution and the net aggregate amount of contribution. I hoped that we should avoid discussion on the inequalities of contribution as between provinces, because it is not one that we can profitably take up here at all. All that we can attempt to do at present, is to fix by the best method possible the total amount which we must take to supplement our deficit, leaving to Lord Meston's Committee the question of dividing that in the best way possible over the various provinces. They themselves will devise the proportions in which it is to be divided, whether on the principle of population, or of wealth, whether in consideration of previous settlements, or on some other basis. It is inevitable that, whatever system of contribution is adopted, there will be some provinces which must feel aggrieved. A surplus province must feel aggrieved as against a deficit province. That is inevitable. But we hope that the thoroughness of the inquiry which Lord Meston's Committee is making, and the impartial constitution of that Committee, will take away some of that sense of grievance. At all events we can do no more in that matter than we have done already.

"The Hon'ble Mr. Sarma asked that we should lay fuller figures before the Council as to the manner in which the finances of the Central Government and the Provincial Governments will appear after the division has been made. I would refer the Hon'ble Mr. Sarma and those Members of Council who desire more information on the subject to a statement which was appended to the third despatch on Constitutional Reforms which gives such a division in regard to the years actual figures of 1918 and 1919. Mr. Sarma has asked that we ourselves should supply the figures for the previous year 1917-18 and also for the current year. I shall be very glad to do so. The statement showing a distribution of the figures of the current year's revised budget will be supplied after the 1st of March; and I hope that, if Hon'ble Members still feel doubts on this subject, they will take the opportunity of resuming the discussion on it in the course of the general discussion on the Budget."

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[Division.]

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The Hon'ble Mr. Sarma's motion was put and the Council divided as follows:—

<i>Ayes.—13.</i>	<i>Noes.—39.</i>
The Hon'ble Mr. S. Sastri.	His Excellency the Commander-in-Chief.
„ Mr. R. Ayyangar.	The Hon'ble Sir Claude Hill.
„ Mr. B. N. Sarma.	„ Sir George Lowndes.
„ Sir Dinsbaw Waaba.	„ Sir George Barnes.
„ Mr. V. J. Patel.	„ Sir William Vincent.
„ Mr. E. H. Jaffer.	„ Mr. Shafi.
„ Raja Sir Rampal Singh.	„ Mr. W. M. Hailey.
„ Chaudhuri Mubamnad Ismail Khan.	„ Sir Arthur Anderson.
„ Sir Umar Hayat Khan.	„ Sir Thomas Holland.
„ Sir Zulfikar Ali Khan.	„ Mr. W. E. Crum.
„ Sardar Sundar Singh.	„ Mr. C. F. de la Fosse.
„ Mr. G. S. Khaparde.	„ Mr. E. M. Cook.
„ Mr. K. K. Chanda.	„ Mr. H. McPherson.
	„ Mr. A. H. Ley.
	„ Sir William Marris.
	„ Mr. R. A. Mant.
	„ Major-General Sir Alfred Bingley.
	„ Mr. E. Burdon.
	„ Sir Sydney Crookshank.
	„ Mr. H. B. C. Dobbs.
	„ Sir John Wood.
	„ Sur.-Genl. W. B. Edwards.
	„ R. B. I. M. Chatterjee.
	„ Mr. G. R. Clarke.
	„ Mr. H. Moncrieff Smith.
	„ Mr. A. P. Muddiman.
	„ Mr. C. A. Barron.
	„ Mr. N. E. Murjoribanks.
	„ Mr. K. C. De.
	„ Nawab Ali Chaudhuri, Khan Bahadur.
	„ Mr. I. F. Morshead.
	„ Mr. C. A. Kincaid.
	„ Mr. P. J. G. Pignon.
	„ Mr. H. A. Casson.
	„ Mr. A. E. Nelson.
	„ Rai Sahib Seth Nath Mal.
	„ Mr. B. C. Allen.
	„ Mr. G. P. S. Christie.
	„ Maung Bah Too.

The Resolution was therefore rejected.

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[23RD FEBRUARY, 1920.]

[Division; The Vice-President; Mr. Kamini Kumar Chanda.]

The Hon'ble Mr. Patel's motion was then put and the Council divided as follows:—

<i>Ayes—19.</i>	<i>Noes—55.</i>
The Hon'ble Mr. S. Sastri.	His Excellency the Commander-in-Chief.
„ Mr. B. N. Sarma.	The Hon'ble Sir Claude Hill.
„ Mr. B. Ayyangar.	„ Sir George Lowndes.
„ Sir Dinshaw Wacha.	„ Sir George Barnes.
„ Mr. V. J. Patel.	„ Sir William Vincent.
„ Mr. E. H. Jaffer.	„ Mr. Shaß.
„ Raja Sir Rampal Singb.	„ Mr. W. M. Hailoy.
„ Nawab Ali Chaudri, Khan Bahadur.	„ Sir Arthur Anderson.
„ Mr. S. Siaba.	„ Sir Thomas Holland.
„ Raja of Kanika.	„ Mr. C. F. de la Fosse.
„ Chaudri Muhammad Ismail Khan.	„ Mr. E. M. Cook.
„ Khan Sahib Shah Nawaz Bhatto.	„ Mr. H. McPherson.
„ Sir Umar Hayat Khan.	„ Mr. A. H. Ley.
„ Sir Zulfikar Ali Khan.	„ Sir William Marris.
„ Sardar Sundar Singh.	„ Mr. R. A. Mant.
„ Mr. G. S. Khaparde.	„ Mr. E. Burdon.
„ Mr. K. K. Chanda.	„ Sir Sydney Crookshank.
„ Sir G. M. Chitnavis.	„ Mr. H. R. C. Dobbs.
„ Mr. S. N. Banerjee.	„ Sir John Wood.
	„ R. B. L. M. Chatterjee.
	„ Mr. G. R. Clarke.
	„ Mr. H. Moncrieff Smith.
	„ Mr. A. P. Muddiman.
	„ Mr. C. A. Barron.
	„ Mr. N. E. Majoribanks.
	„ Mr. K. C. De.
	„ Mr. L. F. Morshead.
	„ Mr. C. A. Kincaid.
	„ Mr. P. J. G. Pison.
	„ Mr. H. A. Casson.
	„ Mr. A. E. Nelson.
	„ Rai Sahib Seth Nath Mal.
	„ Mr. B. C. Allen.
	„ Mr. G. F. S. Christie.
	„ Maung Bah 'Too.

The Resolution was therefore rejected.

The Vice-President :—“The next Resolution on the list is Mr. Chanda's. I do not know whether he wishes to proceed with it. I propose to adjourn as soon after 4 o'clock as possible.”

The Hon'ble Mr. Kamini Kumar Chanda :—“I do not think I would be able to finish my speech within four o'clock.”

The Council then adjourned till Tuesday, the 24th instant, at 11 o'clock.

A. P. MUDDIMAN,

Secretary to the Government of India,
Legislative Department.

DELHI:

The 3rd March, 1920.

APPENDIX A.

[*Referred to in answer to question No. 13.*]

(a) Orders relating to pensions have been passed in respect of all* the services with which the Public Services Commission dealt. Orders regarding pay have been passed in respect of the following services :—

*Except the Bengal Pilot Service.

- Indian Civil Service.
- Provincial Civil and Judicial Services.
- Indian Medical Service (including Indian Medical Service officers employed in the Bacteriological and Sanitary Departments).
- Indian Police Service.
- Provincial Police Service.
- Registration Department.
- Imperial Forest Service.
- Indian Educational Service (Men).
- Provincial Educational Service.
- Railway Department (Engineering and Revenue Establishments, except Traffic Managers of State Railways).
- Public Works Department (Imperial and Provincial Engineer Establishments).
- Upper Subordinate Establishment.
- Mint and Assay Departments.
- Geological Survey of India Department.
- Bengal Pilot Service.
- Superior Engineering Branch of the Post and Telegraph Department.
- Northern India Salt Revenue Department.

Orders have also been passed on certain points raised by the Public Services Commission in respect of the Mines Department and the Provincial Salt and Excise Departments. Other matters relating to these Departments are still under consideration.

(b) Provincial Forest Service.

- Agricultural Department (Imperial and Provincial).
- Civil Veterinary Department (Imperial and Provincial).
- Land Records (Burma) Department.
- Survey of India (Imperial and Provincial).
- Survey (Madras) Department.
- Indian Educational Service (Women).
- Bacteriological Department (except Indian Medical Service officers employed in this Department).
- Military Accounts Department.
- Indian Finance Department.
- Factory and Boiler Inspection Department.
- Post and Telegraph Department (other than the Superior Engineering Branch).
- Provincial Medical Service.
- Temporary Engineer Establishment.
- Traffic Managers of State Railways.
- Customs Department.
- Sanitary Department (except Indian Medical Service officers employed in this Department).

Except in the case of the last five services, which are still under consideration, the Secretary of State has been, or is about to be, addressed in respect of all the services enumerated in this paragraph.

(c) No preference was shown. The case of each service was taken up as soon as the opinions of the various Local Governments and other authorities consulted could be collected and digested in the Secretariat. In the case of the Provincial Medical Service and Sanitary and Bacteriological Departments orders have been deferred pending the consideration of the report of the Medical Services Committee. The case of the Indian Educational Service (women) was left over till the case of the Indian Educational Service (men) had been decided.

APPENDIX B.

[*Referred to in answer to question No. 15.*]

Report of the Committee appointed at the instance of the Government of India to study the system of Local Government in England.

We, the Committee appointed to study the working of the English system of Local Self-Government, beg to submit the following report.

2. We held a preliminary meeting on the 20th June to settle our procedure with the help of Sir F. Sly, K.C.S.I., Mr. L. J. Kershaw, C.S.I., O.I.E., of the India Office and Mr. J. G. Gibbon, O.B.E., of the Local Government Board. During the week from the 1st to the 6th July we attended the various departments of the Ministry of Health (formerly Local Government Board) and received information with regard to Public Health Administration from Mr. F. J. Willie with regard to audit matters from Messrs. Turner and Wilkinson, with regard to Housing from Mr. J. A. E. Dickinson, with regard to local Taxation and Finance from Messrs. C. Knight and J. Gibbon and with regard to Public Works from Messrs. A. J. A. Ball, E. S. Fawcett and E. H. Rhodes. The arrangements for our tours were carried out by Mr. A. J. Cole. On the 7th, we went to Birmingham and for the next three days enquired into the municipal administration of that city; and again met on the 28th and 29th at the office of the Urban District Council of Wood Green. In the interval Messrs. Graham, Allen, Clarke and Lumsden visited the country Council of Herts and Essex, the borough of Lichfield, the Rural District Councils of Atcham and Chelmsford, and Urban District Council of Ilford, and Messrs. Turner, Sim, Sifton and Lindsay visited the County Councils of Worcestershire and Gloucestershire, the Urban District Councils of Barry and Ilfracombe, and the Rural District Councils of Warmley and Bradfield. On the 30th the whole committee was received by Sir H. Orango, Sir E. Phipps and other officers of the Board of Education, and on the 29th and 31st July and the 1st August, we held meetings in a room kindly placed at our disposal at the Ministry of Health, to consider our report. Owing to the pressure of his other engagements Mr. Bannerjee was, unfortunately, unable to take part in the tours of the Committee, except for a brief visit to Birmingham, or to be present at some of the meetings at the Ministry of Health.

3. We wish to begin by emphasizing the fact that the appellation 'Local Government Board,' as applied to the controlling authority in England, is entirely misleading. There was nominally, in the past, a board including several ministers of State, but this has never in the course of its existence met or transacted any business as a board. In practice, the Local Government Board has been a department of Government working under a single minister who exercised all its powers. The fiction has now been swept away, the Local Government Board having been abolished by the Act of 1919, constituting the Ministry of Health. To set up a board or committee with powers of control or as an intermediary between the local bodies and a Government department would thus in no sense be in accordance with English practice and, in our opinion, would certainly lead to friction, both with the Government department and with the local bodies and to delays; and no advantage can be gained by merely copying an appellation which has never borne any real relation to the facts and has now been abandoned in England. It may be found useful for the minister in charge to consult on occasion, as he thinks fit, committees appointed with reference to particular questions; but effective control must be in the hands of the minister himself and we are opposed to the establishment of anything in the nature of a standing committee with a right to be consulted collectively on all questions or even on all questions of a particular class.

In the administration of his department the minister will have the benefit of the experience of the permanent officials working directly under him, and we would suggest the enlargement and strengthening of the expert inspecting staff

now available; while for information as to the manner in which local bodies are performing their ordinary duties, he will have the observations and reports of the district officers who come into daily contact with them.

4. Our enquiries have shown us that the control exercised over local bodies in England by the central authority and in many directions by intermediate authorities is very much more strict than it would appear to be the intention of the Government of India (as exhibited in the Resolution of the 16th May 1912) to retain in India.

Apart from the very great influence exercised by public opinion, the working of the minor local bodies is controlled in a diversity of ways, into details of which it does not seem necessary to enter here.

Ultimate control is, however, in the hand of the Government department, whether it be called the Local Government Board or a Ministry. All bye-laws need its sanction, it is continually issuing circulars and instructions and it has very great powers, under the Public Health and other Acts, of declaring a local body in default in regard to the services it should perform, and of ensuring their performance either by the defaulting body, by some other body or by its own officers. The board has seldom had to use these powers, but their existence has added great weight to the advice and admonitions of responsible officers whether of the local bodies or of the board. It has a staff of competent auditors who examine carefully the accounts of all local authorities except some borough councils: and it has inspectors to enquire into engineering, sanitary and other administrative questions. They do not, except with reference to certain recently instituted special services, engage in systematic or periodical inspection, but are available to hold enquiries into any question, whether of default or otherwise, with regard to which investigation is prescribed by law or is considered necessary by the central authority. As stated above, serious default by a local authority is rare; if it does occur, it can seldom escape the notice of a superior authority. If it is not brought to light by the auditors, there are sure to be representations either in the press or directly to the Government department or some intermediate authority; and with regard to sanitary matters, the central authority can rely on information from the medical officers of health, many of whom, though paid partly or wholly by the local authorities, are not removable by their councils and are in a position of independence. Even where, as in the case of many boroughs, the medical officer is entirely subject to the Council, the County Medical Officer has powers of inspection and, if he cannot get defects remedied by his own influence, can set the machinery of the department in motion.

5. Although it is nowhere prescribed by law that the plans and estimates for works undertaken by local authorities shall undergo any outside scrutiny, in practice hardly any original work is executed without such scrutiny and the sanction of the central authority. It is against the accepted principle that works of permanent utility should be paid for from revenue or that more should be raised from the rates from year to year than is necessary to maintain the services; and all new works are paid for by loans. No local authority may raise a loan without the sanction of the central authority and when application is made for sanction to raise a loan, detailed plans and estimates of the projected work must be submitted. These plans and estimates are closely examined and criticized by the sections of the department concerned and a very thorough public enquiry is generally held by one of the inspectors of the Local Government Board. It is not uncommon for sanction to be delayed till the authority applying has amended its estimates so as to meet the views of the Local Government Board and the board's control and check of all plans and estimates is thus very complete; there is every opportunity of obtaining local opinion as to the desirability of the work.

The power to sanction or withhold sanction for a loan is occasionally used as a lever to compel a local authority to carry out its duties in connection with matters other than that for which the loan is needed.

We consider that the principle that the cost of works of more or less permanent utility should not be paid from revenue is sound, that there should be an extension in India of the use of loans and that where the revenues of the future are mortgaged for a work, the plans and estimates should only be sanctioned

after a careful scrutiny by an outside authority. If this opinion is accepted, some modification appears necessary of the proposals set forth in paragraph 15 of the Resolution of the Government of India of 16th May 1918.

Equally careful scrutiny is of course required of plans and estimates for works to be executed with the aid of grants from Government; but in England it is not the custom to give free grants of public money for local works. Certain stereotyped payments are made from the Exchequer to local authorities and no special supervision is exercised over the expenditure of these. Otherwise grants are made only for purposes which are regarded as of a national or semi-national nature. For instance, the Road Board occasionally makes large contributions to aid an authority in raising the standard of a road which can be classed as "national" and the State pays half the cost of the treatment and prevention of tuberculosis and of the salary of health visitors in connection with Maternity and Child Welfare schemes; but no free grant is made towards the cost of a water supply or drainage system for a particular locality. The locality is expected to pay the whole cost for itself out of a loan, for the repayment of which, with interests, provision is made out of the rates.

6. In educational matters, the control of the central department is even more close and complete than that of the Local Government Board over the activities of local bodies. It rests less, however, on a legal basis than on the facts that a very large proportion of the expense of elementary education is paid from the Exchequer and that no one is willing to contemplate the possibility of the curtailment of the existing opportunities of education or to risk the loss of the subsidies by which alone even the present standard can be maintained. The inspecting staff of the Ministry is chosen with the greatest care, not only with reference to the academic distinction of its members and their general capacity, but also with reference to their powers of moral suasion and care is taken not to antagonise local bodies unnecessarily; but it is recognised that the advice and persuasion of the inspector represent the views of a well-co-ordinated department which is able to enforce them in the last resort; and an instance of enforcement which has been quoted to us was one in which the London County Council was fined £10,000 for failure to maintain a proper standard of education.

7. Public opinion is enough, however, in most cases to keep local authorities up to the mark, and it is in this respect that we find the conditions in England to differ most widely from those in India. Both directly and through organisations such as Rate-payers' Associations, it exercises a continuous pressure on any authority with a tendency to transgress and checks both collective councils and individual members; and any extravagance or neglect on the part of a local body immediately raises criticism which may lead to complaints to the central or some intermediate authority and ensures that no individual who disregards the wishes or interests of his constituents shall retain his position. Over the greater part of India public opinion is not an active force in local politics. Some distinction must be drawn, of course, between different Provinces and between municipal towns in which attempts are sometimes made by sections of the public to give expression to their views and rural areas in which distances are great and communications inferior, and there are few people with education enough to enable them to set forth their needs; but in both there is lacking the powerful stimulus to the evolution of public opinion which is afforded in England by the settling of the rates by each local authority every year. The assessment is entirely on real property; the rates range from 5s. to 15s. in the £1. There is, theoretically, no limit to what may be levied by these authorities for the purpose of the services they are bound to carry out. The rate-payer is concerned not only in seeing that the rates are not excessive but also that the public receives proper value for the money it pays; and until the connection between taxes and services can be thoroughly brought home to him, it is not probable that the Indian rate-payer will take the same interest in the personality and proceedings of his local council as is shown every day in England. For this reason we think that, at least in municipalities, the existing limitations on the powers of the councils to vary their rates should be reconsidered at once and as far as possible removed, though we recognize that in some parts of the country it may not be possible at present to give

the councils the freedom enjoyed in England. For district boards it may be necessary, owing to the general conditions of taxation, to lay down a maximum, but, if so, we are of opinion that the boards should have unrestricted power to vary the rates within the prescribed limits.

Our recommendations are with reference to popularly elected bodies and we think that this freedom from control in the matter of taxation should, where circumstances permit, be accompanied by a stricter enforcement than heretofore of the responsibility of the councils to maintain their essential services at a proper standard.

8. In our visits to various local authorities we have been much impressed by the keenness and energy displayed both by the members of the councils and committees and by the officials in their employ. The efficiency of the councils must be attributed largely to the system of working through committees to which the councils delegate, where possible, all their powers under the various Acts they administer. The chairmen of these committees are in a most responsible position and devote much time and trouble to their work. The results come before the councils in the form of reports at their periodical meetings and may on occasion be criticized but are seldom interfered with. The officials are carefully selected and usually adequately paid and both deserve and obtain the confidence of their employers. Even in England however it has been found that, in order that the best results may be obtained, some measures must be taken to protect the higher officials, and to lessen their dependence on their councils, and to make them in a sense the agents of the central authority. Under the Local Government Act of 1888, the Clerk of the Peace in each county became the Clerk of the County Council, and though the County Council pays him, it cannot appoint or dismiss him or fix his salary. The appointment and salary are determined, subject to the approval of the Home Secretary, by a Standing Joint Committee composed partly of members of the County Council and partly of the County Justices and he holds office 'during good behaviour.' A county medical officer of health cannot be removed from office without the approval of the Local Government Board; nor can the medical officer or inspector of nuisances in the employ of any other local authority if any part of his salary is paid out of money voted by Parliament; and the promotion of security of tenure is one of the objects with which in all urban and rural districts and some boroughs one-half of the salary of these officers is paid from funds supplied from the Exchequer to the County Councils. It is hoped to obtain security of tenure for the surveyors employed by local authorities under the Ways and Communications Bill now before Parliament, and it may be said that the tendency is to secure the same privilege for all officers who have responsible duties to perform; and for the purpose of still further improving their position, the introduction of superannuation schemes towards which the State will contribute is under discussion. It stands to reason that insecurity will tend to prevent the best men entering the employment of local bodies or giving them their best services; and we are of opinion that under the new conditions which will prevail in India any fresh legislation on Local Self-Government should provide specifically for control over the appointment, removal and salaries of the principal officials of the local bodies. If necessary this control may be based on the payment by Government of a part of their salaries in view of the probability that many of them may be required to undertake work for Government.

9. We consider that the position of the auditors who deal with the accounts of local bodies in India needs strengthening, and, with the employment of auditors of really good standing and capacity, we would like to see introduced the English practice under which the public has the opportunity of being present and raising objections to items in the accounts and responsibility can be enforced by means of surcharges, allowances and disallowances. As things are, waste or misapplication of funds is seldom brought into prominence, or comes to light so long after it has occurred, that it is difficult to fix responsibility and almost impossible to penalize a guilty party. We think that the auditors should have full authority to surcharge on individuals or bodies and that they should be given the duty of recovering all surcharges and disallowances in a court of summary jurisdiction if

the parties affected do not immediately take the prescribed steps to obtain remission. In England it is very seldom necessary actually to recover surcharges since the mistakes found are generally not to be ascribed to dishonesty or gross negligence, but it may be noted that an auditor has power even to surcharge an authority or officer in the rare event of neglect to collect the rates.

10. Before concluding our report we wish to place on record our sense of obligation to the various officers of the Ministries of Health and Education and of the local bodies who have assisted us in our enquiries. They have met us everywhere with the greatest courtesy and attention and all have given time and trouble ungrudgingly to enable us to obtain the information we wanted.

(Sd.) R. A. GRAHAM, *Chairman.*

„ B. C. ALLBN.

„ O. A. CLARKE.

„ O. F. LUMSDEN.

„ E. G. TURNER.

„ G. G. SIM.

„ J. D. SIFTON.

„ J. H. LINDSAY.

„ S. N. BANERJEA.

LONDON ;
1st August, 1919.

Report to the Government of Bengal by the Hon'ble Mr. Surendra-nath Banerjea on the working of the English system of Local Self-Government:

I have signed the Collective Report of my colleagues. By the terms of our reference each member of the Committee is required "to advise his own Local Government as to the desirability of adopting any feature of the English System in provincial legislation". This note is intended to meet this particular point in the reference. It applies to Bengal, though I think in view of the close relationship between the different systems of Local Self-Government throughout India, all deriving their basal principles from Lord Ripon's Resolutions of 1881 and 1882, my observations will have a general and more extended application, subject of course to varying local conditions.

2. My first suggestion is the creation of a Local Government Board for Bengal, and I see no reason why a similar institution should not be established in all the provinces where the conditions are not dissimilar. With the introduction of responsible Government, the institution of Local Self-Government will enter upon a new phase. The Montagu-Chelmsford Scheme recommends (paragraph 188) that "there should be as far as possible complete popular control in local bodies and the largest independence for them of outside control". This two fold object would be secured by making the local bodies wholly elective in their personnel and constitution as under the English system, by relieving them largely of the restrictions to which they are subjected in regard to the details of administration which indeed has been done in a considerable measure in Bengal, and by placing them under the supervision and control of a Local Government Board as in England. The English system of having aldermen on municipal boards may be considered and perhaps tried. This will help to do away with the system of Government nominations and yet secure the services of persons of distinction who may not care to contest elections and of men belonging to small minorities who may have no chance of success in open elections. The proposals for the creation of a Local Government Board has been under the consideration of the Government ever since the inception of the institutions of Local Self-Government. It was considered for Bengal in 1882 and was negatived by the Secretary of State. Lord Morley

referred to it in his despatch of the 27th November 1908 observing that it should be considered "how far in each province it would be desirable to create a department dealing exclusively with these local bodies, guiding and instructing them, correcting abuses in a form analogous to the operations of the Local Government Boards in this country." The question came up for consideration before the Decentralization Commission in 1909 and was rejected by them though the late Mr. R. C. Dutt, the only Indian Member of the Commission was in favour of it. Indian opinion, whenever it has had an opportunity of expressing itself, supported the idea of a Local Government Board. A Resolution was moved in the Imperial Legislative Council in 1914, recommending the creation of Local Government Boards. It was largely supported by the non-official Indian members, but the Government did not see their way to accept the recommendation. The views of the Government of India, however, like those of all progressive Governments have now undergone a change; and in their Resolution, dated the 16th May 1918, they "suggest for the consideration of the Provincial Governments the constitution of a central body which should co-ordinate the experience of the local bodies and provide improved control and guidance by entertaining further inspecting establishments if necessary". The Resolution goes on to add: "Such a central body should be in direct touch with the Government and might fitly be presided over by a member of the Executive Council. It should further be considered whether in place of a formal board there might not be a standing committee for local and municipal affairs in direct contact with the Government to be largely drawn from elected members of the Legislative Council.

3. The Government of India recognize the need of co-ordinating the work of the local bodies. In Bengal, and I presume it is the case in other parts of India, the local bodies are supervised by the Magistrate of the District and the Commissioner of the Division where there is one. The result is that the degree and the quality of the supervision differ in different places. There is no guarantee of the continuity of a definite policy or of the steady growth of sanitary and other improvements. I have been informed of works of sanitary improvement started by one Magistrate which were suspended by his successor on his transfer to another district. If there was a central supervising authority, such a contingency would be impossible. Under existing conditions the efforts of local bodies are often dissipated. Acting in their individual spheres and as isolated units without a central co-ordinating authority they often lack method, initiative, expert knowledge and organized effort which at times as in the case of drainage and water works must extend beyond their immediate local jurisdictions: Local Government in the conditions which are now about to be established in India must play an increasingly important part in the administration of the country. It will deal with sanitation which, in Bengal, is the most vital problem and also very largely with the sphere of education. Expert knowledge and guidance will be needed. Obviously the District Officers, and I mean no reflection upon them, are not as a rule experts in these matters; and if even they were, the demand upon their time and attention are so multifarious in connection with the general administration of their districts that it would be impossible for them to do justice to them. The Government of India indeed express the view in the Resolution to which I have referred that "the powers of Collectors and Commissioners should be maintained" in connection with local affairs. I submit that, if there is to be a central authority, the interposition of intermediary authorities would not only be unnecessary but would complicate the working of the machinery and cause avoidable delay. It should be open to the central authority to invoke the assistance of the Collectors and the Commissioner for information and report, but neither the District Officer nor the Commissioner of the Division should have a recognized or statutory place in the new machinery of Local Government.

4. It will be seen from the extract which I have quoted that the Government of India suggest for the consideration of the Local Governments the formation of a Local Government Board. It should, in the opinion of the Government be "a formal board or a standing committee for local and municipal affairs in direct contact with the Government and to be largely drawn from elected

members of the Legislative Council." The views of the Secretary of State are somewhat different, though both these high authorities are agreed that there should be a Local Government Board for instruction and guidance. The Secretary of State says in his despatch of the 29th November 1918:—

"Such powers as are possessed and in practice frequently exercised by the Local Government Board in England seem to be a necessary part of a well administered system of self-government in local areas, and I do not consider that the place of such a permanent department can effectively be taken by a standing committee of the Legislature. A body such as you contemplate would, I doubt not, prove very helpful to the Local Government and would be analogous to the advisory committees that are often established in this country by ministers of departments for the purpose of reference and consultation. That such committees cannot exercise the continuous control and guidance that is required and are merely ancillary to the permanent establishment of trained officials and experts who form the department and who discharge the duties of supervision and control which by law or statutory rules are assigned to the central authority. The expert inspecting establishment which you suggest might eventually be entertained by the standing committee, would according to the English practice form a permanent department under the minister, and would report to him and act under his instructions. It would be for him to decide the cases in which and the manner in which he would take the advice of the standing committee. I make these remarks because the English practice is the outcome of long experience and, in my opinion, maintains a necessary distinction between the duties of the permanent executive staff, the individual responsibility of the minister and the functions of an advisory committee."

5. The principles laid down in the concluding passage of the despatch I have noted, will, I venture to think, commend themselves to Indian public opinion. There should be the undivided responsibility of the minister, and no institution should be created calculated in any way to minimize or to reduce it; and it is equally clear that he should be aided by an inspecting and supervising staff who would be subordinate to him but whose responsibility to him in their own spheres must be equally clear and well-defined. In this connection I may perhaps add that it would be expedient to provincialize municipal and district board service in its higher branches above a certain pay. In England, the Local Government Board means the minister, and he is not assisted by a board or standing committee, unless he chooses to call one to his aid for any special purpose. As the experiment of a popular minister controlling a great department could be altogether new, and it is possible that he may not have personal experience of the working of local boards, I would recommend the formation of a standing committee purely advisory in its scope and functions to assist him, the committee consisting of not more than three or four members to be selected by the minister himself from amongst the elected members of the Legislative Council. Such a body, if properly chosen, would place him (and he would have the strongest motive to make a wise selection) in possession of first-hand knowledge and experience and at the same time his responsibility would remain unaffected as he would be under no obligation to follow their advice. The committee may be further strengthened by two additional members, one representing the municipalities and the other the district boards of the province chosen by them. The initiative would remain with the minister, his sense of responsibility would be unimpaired; his schemes of improvement would be bold yet tempered with caution, the result of helpful and well informed advice, and yet he would be firm in their execution. After a time such an advisory committee may not be needed, but it seems to me to be a desirable safeguard at the start. The existence of such a committee need not interfere with his calling to his aid such other expert advice as he may think necessary.

6. The Local Government Board in England is vested with large powers of control and supervision. But it is not to be understood that it is autocratic in

the exercise of its powers. Persuasion rather than compulsion is the chief weapon in its armoury, and persuasion having behind it substantial authority which may at any moment be called into operation is usually found to be effective. Public opinion plays a prominent part in the working of the entire machinery of Local Self-Government in England; and I feel that with the transfer of the departments to popular control with a minister responsible to the Legislature and with a sense of growing power in the electorate, popular opinion will within a reasonable distance of time become a powerful and inspiring factor in determining the administration of our system of Local Self-Government. I have no fears as to the autocracy of a Local Government Board. For the board will mean the popular minister responsible to the Legislature and amenable to its control and in the last resort to that of the electorate.

7. The efficiency of an administration, local or provincial, largely depends upon its funds and much of the usefulness of local bodies and of their capacity to cope with their legitimate work will be determined by the measure of their financial resources. Lord Morley, in his despatch of the 27th November 1908, to which I have already referred, says in regard to this aspect of the question, that funds have not existed for an efficient executive staff. The friends of Local Self-Government in India from Mr. Gokhale downwards have all deplored the inadequacy of the resources available to the local bodies. In England the local bodies possess unrestricted powers of taxation, of which considerable use is made. But it is idle to think of local bodies in India emulating the local authorities in England in this respect. With our growing wants and the pressure of public opinion to meet them the rate of local taxation will rise; but even then a large margin of local wants will have to be supplied from resources other than local. In England substantial grants are made by the State to local authorities for what are called semi-national services, such as primary education, tuberculosis, child-welfare, housing, etc. Here is an extract from an essay by Captain C. M. Lloyd on constitutional problems which appears in the Local Government Series, No. 1, page 40:—

“But modern economic changes and the development of public opinion have led in the last few years to a rapid growth of the grants-in-aid, especially on the national or ‘semi-national’ services. By the year 1910, the total subventions from the national exchequer to the local authorities in England and Wales (which, in 1870, was under £2,000,000 and in 1900 about £10,000,000) amounted to £23,160,815. And the sum, of course, has continued and will continue to rise with the recent extension of the principle in the sphere of public health (*e.g.*, grants-in-aid of clinics, maternity services, treatment of tuberculosis and venereal disease), and the large subsidies promised in respect of housing in the near future. The bulk of these subventions, it is important to notice, do not pass through the local Taxation Account, but are “monies voted annually by Parliament,” and these represent a re-action against the Goschen system, and a return to the old plea of direct grants. Of the £23,160,815 mentioned above only about eight and a half millions come from the local Taxation Account, and the proportion of the direct grants is steadily increasing.”

The above demonstrates the growing tendency of Parliament to make grants to the local bodies out of State funds in aid of semi-national services. The volume of these grants has steadily grown from year to year. Water-works, drainage, primary education, anti-malarial measures, and such as may be adopted for the prevention of eradication of cholera and plague and others which might be named, should be regarded as semi-national services in the English sense. I strongly recommend that the Government should follow the English example in this respect and assist the local bodies with their subsidies. Something has been done in this respect by making over to local bodies the proceeds of the Public Works Cess; but the policy is one that in view of our growing local wants is capable of considerable expansion. In the Provincial Budget a fixed allotment should be provided for

subsidies to local bodies and also provision should be made for loans to be advanced to them.

8. There is only another matter to which I desire to refer in this Report. In England, primary and even secondary education are controlled by the local authorities, subject to the supervision and control of an education board presided over by a minister responsible to Parliament. The local authorities may appoint the teachers, lay down the curricula and generally control the administration of details, but they must follow the policy and the programme laid down by the board. In Bengal, primary and in some cases even secondary schools are maintained by grants made from the local funds; but the local bodies have little or no control over them. They are managed by school committees controlled by the Government Department. This is in violation of the elementary principle that, where there is financial contribution, it must be accompanied by administrative control. But what is more important from the practical point of view is that the control of the local bodies conversant with local conditions and inspired by local patriotism would add to the efficiency of these schools and in the end promote the general interests of education. This is the case in England, as I have been told by high authority, and there is no reason why the same result should not follow in India from the operation of similar conditions. Next to religion, education is our most sacred concern; and nothing would afford a more powerful impetus to the development of local public spirit than this new sphere of public duty; and the awakened public life of the locality would react upon the entire range of local concerns and exercise a bracing influence over them all. Increased expenditure would be cheerfully acquiesced in and local resources would gladly respond to the new local demands. Increased power would foster responsibility and stimulate the spirit of sacrifice to meet it. English rate-payers are wealthy, but the readiness and spontaneity of their local efforts have their roots in the consciousness of the possession of power and responsibility. I recommend the adoption of the English system, subject to variations dependent upon differences in local conditions. The recommendations of the Calcutta University Commission for the creation of a board to control secondary education need not interfere with the suggestion which I have made. The board will be in the position of the Education Board in England, and subject to the general control which it may exercise and the policy which it may lay down the details of administration in connection with the secondary schools may be left to the local bodies. If, indeed, it should be deemed inexpedient to start a new experiment in secondary education such as is recommended by the University Commission with a large measure of power vested in local bodies unused to educational problems of this character and magnitude, the school classes below the high schools may be made over to the control of the local bodies.

9. I consider it desirable to adopt the above features in the system of Local Self-Government in Bengal, and as I was the only Indian member of the Committee I may, perhaps, be permitted to suggest that their applicability to the other provinces of India should also be considered.

LONDON,

Dated the 19th August 1919.