

*Saturday,
7th March, 1914*

ABSTRACT OF THE PROCEEDINGS

OF THE

Council of the Governor General of India,

LAWS AND REGULATIONS

Vol. LII

April 1913 - March 1914

ABSTRACT OF PROCEEDINGS
OF
THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA

ASSEMBLED FOR THE PURPOSE OF MAKING
LAWS AND REGULATIONS,

From April 1913 to March 1914.

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GOVERNMENT OF INDIA.
LEGISLATIVE DEPARTMENT.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA
ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS
UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 to 1909
(24 & 25 Vict., c. 67, 55 & 56 Vict., c. 14, AND 9 EDW. VII, c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on
Saturday, the 7th March, 1914.

PRESENT :

The Hon'ble SIR HARCOURT BUTLER, K.C.S.I., C.I.E., Vice-President, *presiding*,
and 49 Members, of whom 43 were Additional Members.

DEATH OF LORD MINTO.

The Hon'ble the President :—“I have been requested by His
Excellency the Viceroy to read out to this Council the telegrams which passed
between himself and the Countess of Minto :—

Telegram from Viceroy to Countess of Minto, dated 2nd March, 1914.

The President, Vice-President and Members of the Legislative Council of the Governor
General have learnt with deep regret the sad news of the death of the late Viceroy, the Earl
of Minto, and desire to convey an expression of their very deep and heartfelt sympathy with
you in the grievous loss that you have sustained.

Telegram from Countess of Minto to His Excellency the Viceroy.

Please convey to all Members of Council my deep appreciation of touching message of
condolence in my irreparable loss.”

QUESTIONS AND ANSWERS.

The Hon'ble Mir Asad Ali asked :—

1. “(a) Will the Government be pleased to state the number of Muham-
madan Inspectors of Schools in each of the Indian provinces ?

Muham-
madan In-
spectors of
schools.

[*Mir Asad Ali; Mr. Sharp; Mr. Porter; [7TH MARCH, 1914.] Maharaja Manindra Chandra Nandi.*]

“(b) Whether all Muhammadan schools for boys are brought under the direct supervision of these Inspectors? If not, will Government be pleased to state whether they propose to bring all Muhammadan schools in India under the supervision of Muhammadan Inspectors by adequately increasing the number of the latter?”

“(c) Have the Government appointed a Muhammadan Inspectress of Schools in Bombay? Has this been done as an experimental measure; if so, will the Government be pleased to state the result of the experiment? Do Government propose to try the experiment at other important educational centres?”

The Hon'ble Mr. Sharp replied:—

“(a) Inquiries will be made regarding the number of Muhammadan Inspectors of Schools in each province, and the figures, when obtained, will be laid on the table.

“(b) Inquiries will be made whether all schools to which Muhammadans only are admitted are brought under the direct supervision of Muhammadan Inspectors of Schools. Whatever the results of this inquiry, the matter to which the second part of the question relates is one for consideration by the Local Governments.

“(c) As regards the appointment of a Muhammadan Inspectress in Bombay and its success, the Government of India are not in a position to make any statement. The Government of India, however, made certain suggestions regarding a special inspecting agency for Muhammadans in their Circular letter No. 585-595, dated the 2nd April, 1913. It was recognised in that letter that it is impossible to lay down a single line of policy for every province or even part of a province.

“The manner of giving effect to this suggestion and the extent to which it can be adopted, including such questions as the appointment of Muhammadan Inspectresses, are matters for the decision of Local Governments.”

The Hon'ble Mir Asad Ali asked:—

Amendment
of Madras
City Municipal
Act.

2. “(a) With reference to my question regarding the amendment of the Madras City Municipal Act, and the reply given thereto on the 17th of September last, will Government be pleased to state whether they have communicated their considered opinion to the Government of Madras? If not, whether they propose to do so?”

“(b) Has the attention of the Government of India been drawn to the proceedings of the last annual session of the Madras Presidency Muslim League published in the *Madras Mail* of the 15th of December 1913, at which a Resolution in favour of Muhammadan elective representation on the Corporation of Madras was unanimously passed?”

The Hon'ble Mr. Porter replied:—

“(a) The Government of India have replied to the letter from the Government of Madras regarding the proposals of the Royal Commission upon Decentralization as contained in paragraphs 864—870 of their report.

“(b) A statement to this effect has been made in the public press. The Government of India have no special information on the point.”

The Hon'ble Maharaja Manindra Chandra Nandi asked:—

Executive
Council for
United
Provinces.

3. “Will the Government be pleased to state whether it is in contemplation to take steps with a view to the creation of an Executive Council for the United Provinces? If so, when do the Government expect to be in a position to take such steps?”

[7TH MARCH, 1914.] [*Sir Reginald Craddock; Maharaja Manindra Chandra Nandi; Sir T. R. Wynne; Raja Kushal Pal Singh; Sir Fazulbhoj Currimbhoy.*]

The Hon'ble Sir Reginald Craddock replied :—

"The Government of India are about to address the Secretary of State on the subject, and are not at present in a position to make a statement on the subject."

The Hon'ble Maharaja Manindra Chandra Nandi asked :—

4. "(a) Will the Government be pleased to state what are the existing arrangements for 3rd class female passengers in the trains on the Simla-Kalka Railway?"

Arrangements for 3rd class female passengers on Kalka-Simla Railway.

"(b) Are third class compartments reserved for women in these trains? If not, are the Government aware whether the want of such compartments is felt as a hardship by the travelling public on this railway, and do the Government propose to refer the matter to the Superintendent of the line?"

The Hon'ble Sir T. R. Wynne replied :—

"Third class compartments are reserved for women on the Kalka-Simla Railway when necessary, but the hill-women generally prefer to travel with their male relations in the non-reserved compartments. It must be also recollected that the accommodation available in a Kalka-Simla Railway train is very limited owing to the steep grades of the line and the narrow gauge, and that it would not be reasonable that the railway should be expected to furnish the same accommodation as may be properly expected from a broad or metre gauge railway running in the plains."

The Hon'ble Raja Kushal Pal Singh asked :—

5. "Is it a fact that in the Rohilkund and Kumaon Railway and Rajputana Malwa Railway, Achnera-Cawnpore Branches, there are no cushions in Inter-class carriages?"

Cushions in Inter-class Carriages on Rohilkund and Kumaon Railway and Achnera-Cawnpore Branches.

"If so, do the Government propose to call the attention of the above-named railways to this matter?"

The Hon'ble Sir T. R. Wynne replied :—

"The attention of the two Railways referred to will be drawn to the Hon'ble Member's question."

The Hon'ble Raja Kushal Pal Singh asked :—

6. "Is any famine allowance paid by the East Indian Railway authorities to any of their servants? If so, does the Government propose to ask them to consider the case of their lowest paid servants?"

Grant of famine allowances to East Indian Railway servants.

The Hon'ble Sir T. R. Wynne replied :—

"The Government of India have made inquiry on this subject from the East Indian Railway Company, whose Agent reports that they have paid grain compensation allowance to all staff in the United Provinces, Bihar and Orissa and Bengal from the same dates and under the same terms as were sanctioned by the several Provincial Governments for their own staffs."

"In these circumstances, Government do not propose to take any further action in the matter."

The Hon'ble Sir Fazulbhoj Currimbhoy asked :—

7. "(a) Has there been any correspondence between the Secretary of State for India in Council and the Government of India, between the Government of India and the various Local Governments and Local Administrations, and between the Government of India and the different Railway Companies on the

Construction and management of Feder Railway.

[*Sir Fazulbhoj Churrimbhoy; Mr. Clark; Mr. Rama Rayaningar; Sir T. R. Wynne.*] [7TH MARCH, 1914.]

subject of the construction and management of Feeder Railways, or what are better known as Light Railways?

“(b) If so, do Government propose to lay it on the table?”

The Hon'ble Mr. Clark replied :—

“There has been considerable correspondence between the Secretary of State, the Government of India, Local Administrations and various Railway Companies on the subject of the construction and management of feeder railways and of the terms which the Government of India should give in order to assist in the raising of capital for such lines. The terms applicable to Branch line Companies were largely improved in 1910 and subsequently further concessions have been made by Government in order to make them more attractive to capitalists.

“I lay on the* table a copy of the branch line terms circular of November 1913, which includes the modifications made in the terms up to that date, but Government do not consider it necessary to lay on the table in addition the somewhat voluminous correspondence which has passed on the subject.”

The Hon'ble Mr. Rama Rayaningar asked :—

Shortening
of railway
journey
from
Madras to
Delhi.

8. “Will Government be pleased to state if there is under consideration any railway scheme to shorten the journey from Madras to the Imperial Capital?”

The Hon'ble Sir T. R. Wynne replied :—

“At the present moment no such scheme is under consideration.”

The Hon'ble Mr. Rama Rayaningar asked :—

Construction
of a Rail-
way line
between
Ballarpur
and War-
angal.

9. “Will the Government be pleased to state if any proposal for the construction of a railway line between Ballarpur and Warangal has been sanctioned, and, if so, when the construction of the line is likely to be taken in hand?”

The Hon'ble Sir T. R. Wynne replied :—

“The proposed line from Ballarpur to Warangal has not yet been sanctioned though it has been surveyed. The Government of India are unable to state when it is likely to be put in hand.”

The Hon'ble Mr. Rama Rayaningar asked :—

Removal of
inequality in
speed
between
Delhi-
Manmad
Punjab
Mail
and Delhi-
Madras
Express.

10. (a) Is it a fact that the distance between Delhi and Manmad is 795 miles and the distance between Manmad and Madras is 77½ miles by the shortest route?

“(b) Is it a fact that the distance between Delhi and Manmad is covered by the Punjab Mail in 22 hours, whereas the Delhi-Madras Express from Manmad covers the other distance in 3½ hours?”

“(c) If so, does the Government propose to take any steps to remove the inequality in speed of the two aforesaid trains on the two sections, and, in any case, to make arrangements for the arrival of the Down Delhi Express at Madras in the forenoon instead of in the evening as at present?”

The Hon'ble Sir T. R. Wynne replied :—

“The facts stated under (a) and (b) are correct. Government will bring the matter to the attention of the Railway Administrations concerned, but they doubt whether the number of passengers desirous of proceeding from Delhi to Madras is sufficiently large to justify any considerable acceleration of the present service.”

[7TH MARCH, 1914.] [Sir William Meyer; Maharaja Ranajit Sinha of
 Nashipur.]

FINANCIAL STATEMENT.

FIRST STAGE

* **The Hon'ble Sir William Meyer** :—“ Sir I beg to open the first stage of the discussion on the Financial Statement for 1914-15.”

RESOLUTION *RE* GRANT TO BENGAL FOR MEDICAL AND SANITATION.

The Hon'ble Maharaja Ranajit Sinha of Nashipur :—
 “ Sir, with your permission, I beg to move the Resolution that stands in my name. The Resolution runs thus :—

That this Council recommend to the Governor General in Council that a non-recurring grant of 5 lakhs be made to the Bengal Government for Medical and Sanitation.

“ Sir, I find from the Financial Statement laid before the Council by the Hon'ble Finance Member that, owing to a shortage of rains in some Provinces there had been a large amount of remissions and suspensions of revenues so it was a difficult task for the Finance Member to produce a satisfactory budget this year. Notwithstanding that, he has been able to make a recurring grant for Education and to keep the previous grants in tact without having them curtailed ; so the Finance Member is to be congratulated for the Financial Statement he has been able to lay on the table.

“ Sir, we are grateful to the Government and the Hon'ble Financial Member for the recurring grant of Rs 1,50,000 for Education to the Bengal Government. The Province of Bengal needs special attention as regards sanitation. I think there is not a single province in the whole of India which is so badly off in respect of sanitation as Bengal. If we go into the interior districts of Bengal, we find that almost all the houses are surrounded by jungles, and there is not a single family who is not suffering from malarial fever. The malaria there lasts for about 7 or 8 months in a year, and almost everybody living in the interior suffers from malaria and from liver and spleen on that account.

“ Sir, we find from the Administration Report on the sanitation of Bengal that, notwithstanding all the precautions that have been taken to check malaria, nothing has been found practicable. The death rate in the year 1912 was very much increased, and about 71 per cent was due to malaria alone. Out of 128,193 number of deaths, 76,917 were from malaria fever, and 27,717 from cholera. The Government has made a munificent grant for the improvement of sanitation as regards rural areas by giving up the entire portion of the Public Works cess ; but the urban areas have got no such help from the Government, and it is for these areas that I plead for the money. There are 112 municipal towns in Bengal, out of which 65 towns recorded the highest mortality in the year 1912, and we find from the Census Report that the population of some of the towns is gradually decreasing. With your permission, Sir, I should like to mention the names of a few towns. In Midnapur in 1901, there was a population of 14,525, and in the Census of 1911 it came down to 12,064. In another town called Khirpi in the Midnapur district, 5,047 was the previous population and now it is 4,605 ; and such is the case as regards municipalities in Murshidabad, Hughli, Nadia and some other districts. In 20 districts of Bengal the population has been reduced considerably, and so something should be done in this respect. The Government of Bengal is doing as far as it is practicable, but they want large amounts for that purpose. Sanitation and Education should go hand in hand, and last year Sir Guy Fleetwood Wilson justly remarked that Sanitation and Education are twins of phenomenal development. I know full well that the Government of India is giving special attention to Sanitation, and considering the financial condition of this year, I have not demanded a very large figure. For medical purposes, we also require a large amount for female medical aid—I mean the

[*Maharaja Ranajit Sinha of Nashipur; Sir Ibrahim Rahimtoola; Maharaja Manindra Chandra Nandi of Kasimbazar.*] [7TH MARCH, 1914.]

female nursing institution and the Dufferin Fund. So I hope that the Hon'ble the Finance Member will be able to see his way to complying with my modest prayer. I have not asked for a very large figure, but only for 5 lakhs of rupees.* I know that the Government of Bengal could not as yet spend the entire amount allotted to that Government. But they are bound to prepare the budget according to the amount available to them, and if they get a large amount of grants from the Government of India, I am sure they will provide for a liberal contribution in that respect. Further, in the province of Bengal, as it is now constituted, there is not a single district which is a healthy one, except Darjeeling, and so we require a sanitarium on the plains where the people could resort while they suffer from malaria and other diseases. The Indians as a rule do not like to go to Darjeeling, it being very cold; and for this purpose we also require money. So I hope that the Government will be able to grant a larger sum for the purposes of sanitation and medical aid in Bengal."

The Hon'ble Sir Ibrahim Rahimtoolah:—"Sir, I should like to say a few words on this question. The request of the Hon'ble Member asking for 5 lakhs more is a modest one. But there is one point which, I think, he might have elucidated for the information of this Council. The cost for Sanitation in towns is admitted to be a local charge, and it ought to be ascertained what is the contribution which local residents make towards their obvious obligations in this direction. Sir, I am induced to make these remarks, because, in spite of the fact that Bengal is considered to be one of the richest provinces in India—some people attribute this to the permanent settlement—the municipal taxation in Calcutta works out at less than Rs. 9 per head, per annum, while the city of Bombay annually pays Rs. 11-⁰ per head. With a population approximating one million in each case, Bombay pays over 25 lakhs per annum more for its municipal requirements than Calcutta does. I should like to know whether the other towns for which this claim is put forward contribute their due share towards their local needs. If they do so, and the amount is still insufficient, I can quite understand that a case would arise for an appeal to the Government of India. Sir, unless this information is forthcoming, I am not prepared to support the Resolution."

The Hon'ble Maharaja Manindra Chandra Nandi of Kasimbazar:—"Sir, I beg to support this Resolution. I do not lose sight of the fact that the financial outlook for the forthcoming year is not so favourable as it has been for some years past. The Hon'ble the Finance Member in his speech introducing the Financial Statement has proposed to make recurring grants of £60,000 and £40,000, respectively, under the heads of Education and Sanitation to Provincial Governments. In paragraph 47 of his speech the Hon'ble Member says:—"The Local Governments have already received very material assistance in regard to the recurring outlay which the progressive policy in Education and Sanitation must entail. For the future, they can rely, first, on the recurring grants already given; secondly, for a time at any rate, on the large unspent balances which they have still in hand, and thirdly on the growth of their own revenues—a factor which must not be entirely neglected. I have already indicated that I hope that next year, if circumstances are propitious, I may be in a position to give stronger practical proof of the Government of India's continued sympathy in this matter. Meanwhile, the large donations already made have gone far beyond the immediate spending power of the Local Governments, and it cannot be said that further advance is being prejudiced for want of funds." We are very grateful for the assurance held out by the Hon'ble the Finance Member, but the Resolution contains a very modest prayer for a non-recurring grant of 5 lakhs only to the Bengal Government under the head Medical and Sanitation. The sanitation of Bengal is in urgent need of improvement, and any grant for this purpose is sure to be well spent. I respectfully hope that the Government will find themselves in a position to accede to the request made in this Resolution."

[7TH MARCH, 1914.] [*Rai Sita Nath Ray Bahadur; Mr. Porter; Maharaja Ranajit Sinha of Nashipur.*]

The Hon'ble Rai Sita Nath Ray Bahadur:—"Sir, I have very little to add to what has been stated by my Hon'ble friend the Maharaja of Nashipur. All that I can say is that nothing can be more desirable and nothing can be more necessary than that persistent and sustained efforts should be made for carrying out measures which would go to improve the health of the people living in rural areas, and which can only be done by supplying good drinking water and by improving the water-ways, which, as is well-known, are gradually silting up and it is this which adds to the insanitariness of rural areas. It is well known that in Bengal the two things which prejudicially affect the sanitation of rural areas are bad drinking water and the gradual silting up of the once navigable rivers. It is therefore necessary that more money should be secured for supplying good drinking water and also for improving the natural water-ways.

"As regards the prayer for medical aid, I may inform this Council that cholera and malaria are the two characteristic diseases which generally infest rural areas and commit great havoc there, but nevertheless poor people living in distant parts of the Presidency that is far away from the headquarters of a district cannot get a drop of medicine when they are attacked by cholera or any other epidemic disease. It is therefore necessary that more dispensaries should be opened in rural areas.

"With respect to the inquiries made by my esteemed friend, Sir Ibrahim Rahimtoola, that he would like to be informed as to what the people themselves have been doing and as to whether the people have contributed sufficient funds to justify the demand for more money, all I can say is that they have to pay, in the shape of road and public works cesses, about 70 lakhs, and that that money was intended to be used entirely for securing different direct benefits to the people, as, for instance, for supplying them with good drinking water and village paths, etc. But the sums that are obtained by the levy of road and public works cesses are now mostly diverted to hundred other purposes and not confined to the making of roads or to the supplying of good drinking water. However, it is enough to say that they contribute very large sums of money in the shape of road and public works cesses, which, on account of the different ways in which they are used or misapplied do not leave enough to secure proper medical aid and good drinking water. Under the new distribution of the provinces, the resources of the Bengal Government have been very much restricted and curtailed, which renders it all the more desirable that the Imperial Government should come to the rescue of the Local Government."

The Hon'ble Mr. Porter:—"I am afraid we cannot accept this Resolution, and that for two main reasons. In the first place, the Hon'ble the Mover has not indicated what particular Peter is to be robbed to pay his Paul; and in the second place, I think the seconder admitted that the grants already made to the Bengal Government have exceeded their spending capacity. I was rather astonished to hear the Hon'ble Mover say that no grants had been made for urban Sanitation in Bengal. During the last 3 years non-recurring grants, amounting to 40½ lakhs, have been made mainly for urban Sanitation, and recurring grants amounting to 5 lakhs. The unspent balance, according to the estimates of the Local Government, on the 1st April 1915, will be Rs. 16,75,000.

"With regard to Malaria a grant of Rs. 50,000 was made sometime ago for jungle-cutting, etc., but owing to some difference of opinion, among experts I believe, that money has not yet been spent. In addition to that 5 lakhs non-recurring have been given to the School of Tropical Medicine and a grant of 1 lakh from the Indian Research Fund for the same purpose. A grant of 1 lakh was also made for medical Institutions in Bengal in 1913-1914. I think the Council will see from these figures that more money has been given than can be spent within the next three or four years, and for this reason I must oppose the Resolution."

The Hon'ble Maharaja Ranajit Sinha of Nashipur:—"Sir, what I meant to say was that in the coming year no provision has been

710 RESOLUTION *RE* GRANT TO BENGAL FOR MEDICAL AND
SANITATION; RESOLUTION *RE* GRANT FOR SANITA-
TION TO THE UNITED PROVINCES.

Maharaja Ranajit Sinha of Nashipur; Rai Sri Ram Bahadur. [7TH MARCH, 1914.]

made for Medical and Sanitation grant. I did not mean to say that the Govern-
ment have not made any grants in previous years: I know full well that they
made a very liberal grant in those respects. As regards Sanitation, it is
true that the Local Government have not spent the entire amount already
allotted; but the amount left with the Government of Bengal is not much
more than is needed for the medical and sanitary requirements of the Province.
If it is not possible to make a liberal grant, I beg to ask that a small grant may
be made this year as a non-recurring grant for the two purposes.

"My friend the Hon'ble Sir Ibrahim Rahimtoola asked whether the people
of Calcutta are doing their best to raise funds for these objects. I was not
prepared for the attack, and I don't know what is being done there, being a
non-resident of Calcutta, and I have not studied the figures for Calcutta.
But, as far as I know, Calcutta contributes the highest municipal rates and
there is no room for expansion; but Sir, to-day I have not asked for any grant
for Calcutta, but for the *mofussil* municipalities where the people pay the
highest municipal rates and contribute their mite for improving the sanitation
of their own towns. My friend does not seem to have any idea that in the
municipalities of Bengal the population is very small and so it is not possible
to meet the heavy cost of drainage and water-supply from the amount
raised in the form of taxes."

The Resolution was put and rejected.

**RESOLUTION *RE* GRANT FOR SANITATION TO THE
UNITED PROVINCES.**

The Hon'ble Rai Sri Ram Bahadur :—"Sir, I rise to move the
Resolution which stands in my name. It is in these words:

That this Council recommends to the Governor General in Council that an addition of
12 lakhs be made in the grant for Sanitation to the United Provinces.

"My object in moving this Resolution is to place funds in the hands of the
Local Government to meet the expenses which are required for improving the
sanitation of the sacred places situated in the United Provinces. We know that
last year a Committee, presided over by the Hon'ble Major Robertson, Sanitary
Commissioner to the Government of India, was appointed, and my friend
sitting on my right was a member of that Committee. That Committee has
gone thoroughly, I hope, into the requirements of these sacred places. The
principal requirements, as we know, are the improvement of water-supply,
drainage and other sanitary measures which are calculated to improve the
sanitation of these places.

"Sir, the money which will be spent or which is required for these places
is not for local benefit only; it is for the benefit of the whole of India, because
to these sacred places, Hindus from all parts of the country resort, and they
when returning from these places, carry with them, in many cases, the germs
of diseases, especially of cholera; and in this way the whole population of
India is affected. Therefore any sums spent on the improvement of the sani-
tation of these places will be for the benefit of the whole of India. I may
just mention some places which are in immediate want. One of these is
Ajodhya. There some sanitary works have already been taken in hand, for
instance, the improvement of the water-supply and drainage. The water-works
are calculated to cost 6 lakhs and drainage $1\frac{1}{2}$ lakhs more. These are the
figures for only these two measures of sanitary reform. As regards others, *i.e.*,
roads and other measures of sanitation, a further expenditure will be required.
Then we may take the case of Hardwar; a place which is the resort sometimes
of a million people and at another of half a million people on one day. We
know how epidemic diseases are carried from that place to other parts of India.
I am not in a position to say at present what sum will be required for that

[7TH MARCH, 1914.] [*Rai Sri Ram Bahadur ; Raja Kushal Pal Singh ; Pundit Madan Mohan Malaviya ; Mr. Porter.*]

place ; but the measures which are necessary for the improvement of its sanitation are the supply of pure drinking water, drainage, and certain other improvements in the shape of carrying on the platform which has been built there near Harkapadin further on towards the north. There are other sacred places also where sanitation requires early attention. Mathura is one, and Brindaban, which is situated in that district, is another. Then come Bindachal in the Mirzapur district, Soron in the Etah district, and Nimsar in the Sitapur district. In this enumeration I do not include Allahabad and Benares, which are also sacred places of Hindus. Measures of sanitary reform are being carried out there by the municipalities of those places. The facilities given by the Government to the Hindu pilgrims who resort to Balrinath and Kedarnath by providing sanitary measures for them on the route leading to those places have earned the gratitude of the Hindu population to the Government of India. Government have been pleased to give a recurring grant of Rs. 20,000 a year for the improvement of medical and sanitary arrangements of the route. They have also given one lakh of rupees generally for improving the pilgrim route, its water supply and general sanitation, and work has already begun, and there is a further promise of one lakh a year for five years more to complete the work. This liberal act on behalf of Government has earned the gratitude of all Hindus.

“Sir, it must be borne in mind that the first instalment of 12 lakhs, which is the amount asked for the coming year in my Resolution, will not be enough for improving the sanitation of the places about which I have spoken ; and I hope that this modest request for providing in the budget 12 lakhs for the improvement of the sacred places will meet with the approbation of the Government of India, so that the Local Government may be placed in a position to begin the work in those places. With these words, Sir, I move the Resolution.”

The Hon'ble Raja Kushal Pal Singh :—“ Sir, I rise to support the Resolution. Most of the principal places of Hindu pilgrim resort lie in the United Provinces. The influx of pilgrims is enormously large. They hail from all parts of India. The sanitary condition of these places of pilgrimage and of pilgrim centres is anything but satisfactory. Improved sanitation in these places will be a benefit to all the provinces of India. Without betraying the contents of the report of the United Provinces Pilgrim Committee, which will shortly be laid before the Government, I can unhesitatingly say that it will disclose the absolute necessity for a very large grant of money by the Government of India. The liberal grant by the Government of India for the pilgrim route to Badrinath has laid the entire Hindu community under a deep obligation.”

The Hon'ble Pundit Madan Mohan Malaviya :—“ Sir, I beg to support the Resolution.”

The Hon'ble Mr. Porter :—“ Sir, the Hon'ble Rai Sri Ram Bahadur has dealt with his Resolution mainly on the point of improvement of pilgrim centres, and I think the next Resolution, that of the Hon'ble Pundit, deals with the general question. The Hon'ble Mover has recognised the liberal assistance that has been given for the improvement of the Badrinath pilgrim route. As yet we have not received the report of the committee which has been sitting in the United Provinces. A grant of 6 lakhs recurring has been placed at their disposal this year, and when the time comes for the allotment of this sum, the Hon'ble gentleman's recommendations will receive due consideration. For the present, however, it is impossible to accept the Resolution, on the same grounds as the previous one, namely, that there is no indication as to where the money is to come from, and that the funds already given to the United Provinces have exceeded their spending capacity, inasmuch as on the 1st April 1915, 9 lakhs will remain unspent as balance.”

712 RESOLUTION *RE* GRANT FOR SANITATION TO THE UNITED PROVINCES; RESOLUTION *RE* INCREASE OF RECURRING GRANT FOR SANITATION AND MEDICAL RELIEF TO THE UNITED PROVINCES.

[*Rai Sri Ram Bahadur ; Pundit Madan Mohan Malaviya*] [7TH MARCH, 1914.]

The Hon'ble Rai Sri Ram Bahadur :—“ Sir, with the assurance which my Hon'ble friend Mr. Porter has given me as regards the consideration of the subject of this Resolution, I beg to withdraw the Resolution with your permission.”

The Resolution was, by permission, withdrawn.

RESOLUTION *RE* INCREASE OF RECURRING GRANT FOR SANITATION AND MEDICAL RELIEF TO THE UNITED PROVINCES.

The Hon'ble Pundit Madan Mohan Malaviya :—“ Sir, the Resolution which I have the honour to place before the Council runs as follows :—

That the recurring grant to the United Provinces for sanitation and medical relief be increased by 8 lakhs.

“ Sir, the Council is fully aware that the United Provinces are the first among all the major Provinces of India in point of population, having a population of over 48 millions. They also contribute, as it has been my duty repeatedly to remind the Council, the largest amount in land revenue and other revenues taken together. But if the Council will turn to page 69 of the memorandum presented to us the other day, it will appear that notwithstanding the two facts mentioned by me the provision in the Budget for 1914-1915, under the head ‘Medical,’ which includes medical relief and sanitation, for my Province is only Rs. 44,82,000, while the provision under the same head for Bombay is Rs. 49,05,000, and that for Bengal is Rs. 47,81,000. Now, Sir, sanitation and medical relief have to be provided for among a people according to the number of the people; the larger the population the greater obviously the need for medical relief and for sanitation. And I submit that, considering that Bombay with a population which is about half of that of my province gets 49 lakhs for medical relief and sanitation, and that Bengal also with a population less by several millions than my provinces, gets 47 lakhs and odd a year, under the same head, my request that 8 lakhs more should be added to the recurring grant for sanitation to the United Provinces, for both sanitation and medical relief, is not unreasonable. I do not wish to dwell at any length on the needs of the United Provinces in the matter of sanitation. I have referred to them on past occasions, I would only say that in no part of India is the death rate higher than unfortunately in the United Provinces. In days gone by the province was one of the healthiest; but owing to the absence of adequate sanitary measures, the provinces are paying a heavy toll both in deaths from plague and from general fever and other diseases. We have lost from plague alone a much larger number of people than even the Punjab; and in the matter of deaths from fever also, we are worse than the other provinces. I am among those, Sir, who believe that such deaths are largely preventible; and it is a satisfaction to think that the Government of India do not require to be convinced about it. They have been spending large sums with a view to promote public health, and to reduce the death rate. We are grateful to them for doing so.

“ I also gratefully acknowledge the help that has been given to the United Provinces in the matter of sanitation. But, Sir, while we are thankful for the grants that have been made in the matter of sanitation and medical relief, the pressing needs of our Provinces in these directions compel us to ask that our standard of expenditure under these heads should be raised to the standard of Bombay, and that if that cannot be done at present, at least the same amount should be allotted to us in the next year's budget as has been allotted to Bombay. I need hardly repeat that the revenues contributed by my pro-

[7TH MARCH, 1914.]

[*Pundit Madan Mohan Malaviya; Raja Kushal Pal Singh; Rai Sri Ram Bahadur.*]

vince fully justifies my request, that ours is not an appeal for charity. As regards the needs of my province, I have had occasion to travel almost from one end of it to the other, and I can assure the Council that there is not a district which does not stand in need of a couple of lakhs a year for sanitation. Something has been done in the matter of sanitation in towns, but in villages, where the great mass of the people live, the people who contribute the largest share of the land revenue, the sanitary arrangements are deplorably unsatisfactory, so much so that even the provision of good and sufficient water for people to drink is wanting in many places; the roads, where they exist, are often in a deplorable condition and there are no roads in numerous places where they should be; the provision of medical relief is very small as compared with what obtains in other parts of the country. I do not mean to suggest that the provision in Bombay or Bengal is sufficient, I think it should be increased even there; but it will be conceded that it is only fair that it should be first increased for the Provinces which have the largest number of people to look after, and where the provision at present is smaller than in those other Provinces. With these words, Sir, I submit my Resolution for the acceptance of the Council, and I hope that I shall be more fortunate this time than I have been on several other occasions."

The Hon'ble Raja Kushal Pal Singh :—" Sir, the great bulk of the people live in villages and their sanitary improvement is therefore a matter of great importance. I can say from my personal knowledge that the condition of villages is insanitary in the extreme. Refuse of all kinds, filthy water, decaying vegetation, and the excreta of men and animals lie round every village, and pollute the air, which passes, thus poisoned, over the village. Butchers, slaughterers, and tanners ply their trade anywhere they choose. Filthy and polluted water sinks into the ground all round wells of drinking water. Stagnant and foul water lies in pits and hollows and is the fertile source of malaria. Such being the general state of things, it is no wonder that villagers are swept off by epidemic diseases in enormously large numbers. Infant mortality is terribly great.

" No financial consideration ought to carry weight with the Government in devising means to provide sanitation and medical aid to the people living in rural areas, who are the backbone of the country. It is the rural population which pays the greatest amount of taxation in the shape of land revenue, cesses, etc., for the up-keep of the Government without having a fair share, owing to unavoidable circumstances, in the comforts of civilization which the benign British rule has brought in its wake. The Hon'ble Mover has drawn the attention of the Council to the deplorable state of drinking wells in rural areas. I fully endorse what he has said on the subject. The most frequent cause of diseases in India is bad water. Deadly outbreaks of epidemics are traceable to putrid and decaying matter in water.

" A pure water-supply is the great sanitary need of rural areas.

" The Government will be conferring a great boon on the people by constructing wells for drinking purposes in such villages as stand in need of them. In view of the increasing havoc which epidemics make in rural areas, the allotment of money for sanitary and medical purposes should be increased. The number of travelling dispensaries which have been doing most useful work in the United Provinces should be considerably enlarged. The loss of life due to the ravages of plague which has become endemic in the eastern districts of the Province of Agra is simply appalling. Considering the various needs of the United Provinces in the matter of medical relief and sanitation, a liberal grant by the Government of India is urgently required. For the above reasons, I beg to accord my whole-hearted support to the Resolution before the Hon'ble Council."

The Hon'ble Rai Sri Ram Bahadur :—" Sir, I also rise to support the Resolution of my Hon'ble Friend Pandit Madan Mohan Malaviya.

RESOLUTION *RE* INCREASE OF RECURRING GRANT FOR
SANITATION AND MEDICAL RELIEF TO THE UNITED
PROVINCES.

[*Rai Sri Ram Bahadur*; *Mr. Porter*; *Pundit* [7TH MARCH, 1914.]
Madan Mohan Malaviya; *Sir William Meyer*.]

The vivid picture of the deplorable condition of sanitation in the rural areas given by my Hon'ble Friend Raja Khushal Pal Singh leaves nothing more to be added to. Any one who goes to those localities will find the necessity for immediate action to be taken to improve water-supply and the dirty surroundings of the village sites. The Government, if I may be permitted to say so, have not done much; they have done very little towards improving the sanitation of rural areas. We are thankful for what the Government have done for the improvement of urban areas. In the year that is coming to a close, Rs. 50,000 was allotted by the Sanitary Board of the United Provinces for improving the water-supply—and this sum was for a Province which contains more than a lakh of village sites and a rural population of more than 42 millions. I am told that another sum of Rs. 50,000 was to be given for that purpose. For an area which is inhabited by a large rural population and the high mortality of the Province in the past years, I think that the amount which is asked for by my Hon'ble friend is a modest one, and I hope Government will be pleased to make the grant and have the amount earmarked for the improvement of rural areas. With these remarks, Sir, I support the Resolution."

The Hon'ble Mr. Porter :—"Sir, I am afraid that I must oppose this Resolution. I think the Hon'ble Mover said that he did not desire to take any money from other provinces, but only to ask for just dues of his province. He did not, however, indicate how this is to be done. He admits that the province has been treated with great liberality in the past few years.

"The non-recurring grants in the last three years amount to 46 lakhs and the recurring grants to 6 lakhs, exclusive of the special grant which has been given to improve pilgrim routes. As I said, the unspent balance on the 1st April 1915 will be 9 lakhs. In addition to that, I must point out that the provincial balance at the present moment is 112 lakhs for general purposes, and that the Government are not limited to these 9 lakhs for expenditure on sanitation. The Hon'ble *Rai Sri Ram Bahadur* and the Hon'ble Mover dealt with rural sanitation. The district boards have benefited by the transfer of the old land cess to the extent of 32 lakhs per annum, and I think that constitutes an increase in the income amounting to about 40 per cent. I know that, in the Meerut district, the income was 8 lakhs, and it will now be 4 lakhs, and we can reasonably hope that a considerable portion of that will be spent on improving rural conditions and dispensaries.

"I do not think there is anything more to be said, Sir, and I must oppose this Resolution on the same grounds as the previous Resolutions."

The Hon'ble Pundit Madan Mohan Malaviya :—"Sir, I am thankful to the Hon'ble Member for assuring me of the sympathy which he has for the United Provinces. I am thankful not to him alone, but to many other members of Council on the official benches, who have from time to time expressed sympathy with my provinces. I know that their sympathy is genuine and that it would be a real pleasure to them if they could help us. But I sincerely wish that the reality of the situation in the United Provinces were more clearly realised than perhaps it is done at present. I have drawn attention to the fact that of all the provinces, we have got the largest population to deal with, and that we are not receiving for medical relief and sanitation an amount even equal to that which is given to Bombay and to Bengal with a smaller population."

The Hon'ble Sir William Meyer :—"Look at Madras."

The Hon'ble Pundit Madan Mohan Malaviya :—"Madras also is unfortunate, and I wish that my friend will provide more money for

RESOLUTION *RE* INCREASE OF RECURRING GRANT FOR 715
SANITATION AND MEDICAL RELIEF TO THE UNITED
PROVINCES; RESOLUTION *RE* INCREASE OF UNITED
PROVINCES' GRANT FOR INSURANCE AGAINST FAMINE.

[7TH MARCH, 1914.] [*Pundit Madan Mohan Malaviya; Rai Sri Ram Bahadur.*]

Madras; but I fear when it comes to the turn of Madras, it will have as little sympathy from my friend as my provinces have had.

"Sir, the Hon'ble Mr. Porter has observed that I do not want to take the money from other provinces. I do not. I have already said that both for medical relief and sanitation there should be more money given to every province. But then he asks where is the money to come from? The Council is aware that the amount of £40,000 set aside in the Budget for sanitation has not yet been allotted, and I submit that out of that sum, the Government can without any difficulty give the amount that I ask for in this present year, and then provide for the future after other Resolutions of which I have given notice have been discussed.

"Then my Hon'ble friend has referred to the unspent balance of 9 lakhs to which I already drew attention. The unspent balance of 9 lakhs in the United Provinces is more than equalled by the unspent balances of the other provinces. For instance, as against the 9 lakhs balance in my province, there is a balance of 16.75 lakhs in Bongal, and a balance of 15.5 lakhs in Madras. Therefore, Sir, the fact that we have a balance of 9 lakhs should not really stand in the way of my request being granted. Then as to the general provincial balances: there again my friend will find that other provinces have got huge balances in their hands. I submit that the existence of these balances is not a reason why my request should not be granted. These balances are in the hands of the Provincial Governments, and I am sure, as the Hon'ble Finance Member has himself mentioned in the Statement, they expect to spend these balances in the coming year, and if they do not, I submit that the Government of India should ask them to be a little more expeditious and to spend the money allotted in the directions needed. So far as my Province is concerned, I have no doubt this balance will be spent. Sir James Meston has the report of the Sanitary Committee now before him, and many other projects of sanitation are before Government, and I am sure that if the increase which I ask for is made in our budget for medical relief, the money will be very usefully and very economically spent. For these reasons I beg the Hon'ble Finance Member and the Hon'ble Member for Education to consider whether at any rate the unallotted sum under the head of Sanitation should not be given to the United Provinces this year, and provision be made in future years for at least a similar grant."

The Resolution was put and rejected.

**RESOLUTION *RE* INCREASE OF UNITED PROVINCES'
GRANT FOR INSURANCE AGAINST FAMINE.**

The Hon'ble Rai Sri Ram Bahadur:—"Sir, I move the Resolution that this Council recommends to the Governor General in Council that the annual sum allowed to the United Provinces, under the head of 'Reduction or Avoidance of Debt for Insurance against Famine' be raised from 4½ lakhs to 12½ lakhs, either by a readjustment of the amounts given under that head to other provinces, or by making an additional grant from the general revenues.

"The geographical situation of the United Provinces with regard to their atmospheric conditions is very peculiar. They are situated just on the borderland of the monsoon current which comes from the Bay of Bengal and that which comes from Bombay, and therefore it is not unoften that we find them suffering from the vicissitudes of the monsoons. There is one tract in the

[*Rai Sri Ram Bahadur.*] [7TH MARCH, 1914.]

United Provinces, namely, Bandelkhand, which is specially unfortunate in this respect, and it is there that almost every alternate year there is a complaint against the vagaries of the monsoons, and rainfall there is often very scanty. The consequences of the present famine cannot be better described than in the words of the Hon'ble Finance Minister himself. In his speech of the 2nd March delivered by him when presenting the Financial Statement, he said ' In the United Provinces the worst tract comprises an area of 46,000 square miles and 19 million people, and may be taken to include the whole of the Agra, Rohilkand and Bandelkhand Divisions and parts of the Allahabad and Lucknow Divisions. The failure of the monsoons in the parts most affected in this tract is worse than the famine of 1907-08.'

"The figures given in the Gazette of the United Provinces published on the 28th February, show that there are 95,188 people on relief works, and on the test works their number is 23,058. From these figures the seriousness of the situation in the United Provinces can more readily be judged than described. Our provinces, Sir, have been visited with famines successively. The first one was in 1877 which is now a matter of history, then came another in the year 1896-97 when Sir Antony McDonnell (now Lord McDonnell) was our Lieutenant-Governor. That was a famine of a very severe type. Then came a third one, in 1907, in Sir John Hewett's time, and scarcely more than six years have passed we have another which has been so well described by the Honourable Finance Minister in his speech already quoted.

"We are thankful to the Government of India for the measures of relief which they gave to the United Provinces in the past famines and also for what they are doing in the present, especially by advancing large sums for distribution among agriculturists as *takavi*. But there is one matter in connection with the provision for famine which requires special consideration. We find that in the Finance and Revenue Accounts of the Government of India for the year 1912-13 the amount allotted to the United Provinces under the head of Reduction or avoidance of debt for assurance against famine is 4½ lakhs of rupees a year, and the same amount I have found in the Finance and Revenue Accounts of the previous years also. I am told that this arrangement came into force from the year 1907-08. The inadequacy of this annual allotment will be very well established from a consideration of the large population of the Province, which is more than 47 millions, and the treatment which is accorded in this respect to other provinces with smaller populations. The Central Provinces and Berar, with a population of nearly 14 millions, get Rs 12,80,000 a year as given at page 131 of the said Accounts. The Bombay Presidency, with a population of about 19½ millions, gets Rs. 13,70,000 a year. This figure also I have taken from the same page of the Accounts.

"The amount required to meet the expenses of the present famine, so far as it has been estimated by the Local Government comes as follows. The total expenditure proposed on famine relief during the current financial year is Rs. 20 lakhs, out of which Rs. 19,47,000 falls on Imperial and Rs. 53,000 on Provincial funds. Of course by Imperial fund is meant the money which is given by the Government of India from the Famine Insurance Fund. The estimate for the ensuing year is put at Rs. 35 lakhs, the Imperial share of which is Rs. 19,75,000 and the Provincial is Rs. 15,25,000. The above represents only the expenditure on direct Famine relief. Indirectly, provincial expenditure will also be largely increased under various heads, more especially under jails and the grain compensation allowances and also for maintaining the special staff for the distribution of *takavi*. So Sir, in this way the amount which is spent on Famine is much increased by the expenditure on other indirect heads, and the items under the latter class come from provincial funds. The amount which I have given, namely, 12½ lakhs, if accumulated for 4 years, will give the provinces a capital of 50 lakhs, and taking what has happened in the past, the interval at which a Famine occurs, namely, 5 or 6 years, there will

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Sir William Meyer.*]

be a sufficient insurance to meet the expenditure on the coming famine. Hence in this Resolution I have moved that the annual grant should be increased from 4½ lakhs to 12½ lakhs. I know that the system on which the calculation of figures given at page 131 of the Accounts is made, is a complicated one, and perhaps it would require mature deliberation on the part of the Hon'ble Finance Member and his department to arrive, at a subsequent time, at some proper solution of the difficulty. But I think it was my duty to represent to this Council the insufficiency and inadequacy of the annual allotment to the United Provinces, and hence I have moved this Resolution. With these words I commend the Resolution to the acceptance of the Council."

The Hon'ble Raja Kushal Pal Singh:—"Sir, in the United Provinces, the most noticeable feature of the last two decades has been a series of years of drought and scarcity. The average duration between the years of deficient rainfall has been 4 years. Owing to the frequency of famines which have afflicted our Provinces the grant for insurance against famine has been found, as has been pointed out by the Hon'ble Mover, to be altogether inadequate. I therefore associate myself with the request made by him for raising it to 12½ lakhs a year."

The Hon'ble Sir William Meyer:—"Sir, I have been wondering a little to-day whether we are sitting in the Imperial Legislative Council or in that of the United Provinces, because nearly all of the Resolutions appear to ask us to do things which one would naturally expect Hon'ble Members to ask the Lieutenant-Governor there to do. However, by way of a change, my Hon'ble friend Mr. Sri Ram has produced a Resolution which the Governor General in Council may legitimately be called on to consider.

"As my Hon'ble friend has said, the arrangements in regard to the matter he mentions are rather complicated. However, I can put the gist of the position before the Council, I think, in a few words. Prior to 1907-08, famine charges were wholly Provincial. Of course when the provincial balances were utterly exhausted, when provincial expenditure of all but the most necessary description had come to a standstill, the Government of India had to intervene and help, but till then the whole loss fell on the Provinces. In 1907-08, an important change was made, for which I venture to take a little amount of personal credit, as I was Secretary in the Department at the time and helped to initiate the scheme. First of all we said that famine expenditure should hereafter be shared half and half between the Central and the Local Governments. Secondly, we said—'we will do more than this, we will make up for you a sort of insurance fund; we will put aside to your credit so much a year from Imperial revenues, which will gradually accumulate if times are good and from which you will draw as a famine fund when they get bad. And until that fund is exhausted you won't have to spend *any* money on direct famine relief from provincial revenues'. I think even my Hon'ble friends from the United Provinces have to admit that that was a very material advance on the previous state of things, and I tried to bring out in my speech the other day how very materially the United Provinces, which unfortunately is the part most stricken by famine to-day, has profited. During this year and the next together provincial revenues will only have to find about 15 lakhs of rupees in direct famine relief, and incidentally, and it is a very important point, the Province has had a minimum amount of land revenue guaranteed to it. 'But' says my Hon'ble friend, 'this 4½ lakhs which you give my province every year from your insurance fund is not enough; you must give us more.' And from what he says he does not seem quite to understand the way in which these contributions were fixed. He says that because the Central Provinces is much less populous than the United Provinces, it is monstrous to give the Central Provinces more insurance money for famine relief. This is news to

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FOR INSURANCE AGAINST FAMINE; RESOLUTION *RE*
INCREASE OF GRANT FOR EDUCATION AND SANITATION

[*Sir William Meyer; Rai Sri Ram Bahadur; [7TH MARCH, 1914.]*
Pundit Madan Mohan Malaviya.]

me, Sir. I have never before heard that famine mortality and famine distress are in strict accord with population. In that case the greatest ravages of famine would obviously be in the delta tracts of Bengal and Madras. What we did in 1906-07, when we were working out the scheme for 1907-08, was this. We took a total figure of 37½ lakhs, which was just half of what we previously allotted to Reduction and Avoidance of Debt, and we found that that sum was also just about half the average annual amount of famine expenditure. We then took the average famine expenditure in the different provinces for a period of 25 years, between 1881-82 and 1905-06, and we distributed the amount accordingly. In the United Provinces, the average annual expenditure was 8.64 lakhs, and as I said we were able to provide that about half this should be provided from this special allotment, and so their strict proportion would have been 4.32 lakhs. We gave them 4½ lakhs. That, I think, will show the Council that we went on principles of as strict equality as we were able to do.

"However several years have passed since then. Of late years the United Provinces have suffered beyond the average. In these 7 years various other circumstances have happened which may justify a reconsideration of the present allotments. It is, as I have said, a complicated matter which cannot be taken up at once, but I promise my Hon'ble friend—in fact the thought had already occurred to me to do it—that in Simla next season I will carefully consider in what respect these arrangements may possibly be revised, and if, having regard to justice and equity all round, I find myself in a position to do more for his Province, nobody will be more pleased than I. I think my Hon'ble friend must be prepared to accept that. I cannot pledge myself further; and he must also remember that the matter is not entirely in the hands of the Government of India. The Secretary of State approved of the existing arrangements, and any modifications will have to be referred to him."

The Hon'ble Rai Sri Ram Bahadur:—"Sir, I am much obliged to my Hon'ble friend, the Finance Member, for giving me an assurance that the matter of the allotment made under this head to the United Provinces will be taken into consideration by him. As regards the remark made by him in the opening that it appears that we are sitting, as it were, not in the Council Chamber of the Government of India but of the United Provinces, because it is the needs of those provinces alone which are so continuously pressed here, I think, Sir, that I may be permitted to make the observation that that fact shows the reality of the wants of our Province; otherwise we would not have heard all the Resolutions moved and the speeches made with regard to the United Provinces alone. That establishes the real need of our Province. However, Sir, the assurance which my Hon'ble friend has given satisfies me, and I will ask your permission to withdraw the Resolution for the present."

The Resolution was, by permission, withdrawn.

RESOLUTION *RE* INCREASE OF GRANT FOR EDUCATION AND SANITATION.

The Hon'ble Pundit Madan Mohan Malaviya:—"Sir, I beg to move—

That this Council recommends that the grant for Education and Sanitation be increased by £640,000, and that the unallotted surplus of £1,280,000 be reduced by that amount.

"The surplus, Sir, which the Hon'ble Member wants to reserve in his hands this year is £1,280,000. He has said on page 7 of his Budget speech that the Imperial surplus which we hope to obtain in 1914-15 is £1,280,000,

[7TH MARCH, 1914.] [Pundit Madan Mohan Malaviya; Sir William Meyer.]

and in present circumstances it is desirable to have an unallotted balance of about this amount to assist us in our heavy capital commitments.' Now, Sir, the surplus comes out of the ordinary revenues of the year. The capital commitments which the Government wants to make are generally made under the heading of Capital expenditure for which a great deal of borrowing is done. To take away from the ordinary revenues of the year a large sum like £1,280,000 is, I submit, wrong to the people. Out of the ordinary revenues a crore of rupees is provided in the Budget for the expenditure on Delhi, and it is again from the ordinary revenues that £1,280,000 is to be reserved in the hands of the Government, in order largely, I won't say wholly, that it may help in the heavy capital commitments which the Government have to make. I submit, Sir, that the revenues and the surplus derived from the revenues should, in the first instance, be applied towards measures which improve the welfare of the people. For increased grants under the heading of Sanitation and Education which the Hon'ble the Finance Member, I am happy to find, describes as 'among the primary objects of the policy of Government,' he has been able to provide only £100,000. The insufficiency of that amount has been apparent to the Council in the discussions that have taken place even this morning, in the reply given by the Hon'ble Mr. Porter to the prayer that there should be more money allotted for sanitation, and we may be sure that on the Resolution about education the same reply will be repeated. We are told that there is not money enough in the hands of the Government of India to make further grants. But, Sir, the needs of education and sanitation are very pressing. This is well known to the Government. If there is a surplus, I submit it is only right that that surplus should go, after reserving a reasonable amount in the hands of the Government, to meet unforeseen contingencies, to disbursements under these two important heads. If my Resolution is accepted, the Government will still have nearly a crore of rupees in their hands as a reserve surplus, and I submit that a crore of rupees should be regarded as sufficient as such a surplus when we bear in mind that the ordinary requirements of every department of the Government of India and of every provincial Government have been provided for in the estimates before us. I submit, Sir, that having thus provided for the requirements of Imperial and Provincial expenditure on the ordinary scale, it is not right to retain such a large surplus in the hands of the Government of India, and for that reason I recommend that it ought to be cut down by two and that the amount thus saved should be allotted to education and sanitation."

The Hon'ble Sir William Meyer:—"Sir, I think I heard my Hon'ble Friend say that we were going to spend from revenues one crore of rupees on Delhi. I should like to ask him where he got that."

The Hon'ble Pundit Madan Mohan Malaviya:—"That is the amount reserved for expenditure on Delhi in your Budget."

The Hon'ble Sir William Meyer:—"Delhi received £700 000 out of a *capital* outlay of about 18 millions, and if my Hon'ble friend had done me the honour to follow the exposition of capital expenditure which I gave in my speech on the Financial Statement he would have seen that the capital expenditure account, though it gets some assistance from current revenues in the shape of the unallotted surplus, is mainly met from other sources—chiefly borrowing. Therefore I entirely repudiate his statement that the Delhi outlay is met from current revenues. If you want to discriminate between the objects of capital expenditure, the item which may be considered to be specially financed in part from current revenues is railways. And seeing that railways will yield us next year a net profit of £3·9 millions, I think it is exceedingly reasonable, from that point of view, that a sum of about 1½ millions should be transferred, as one may say, from the revenue to the capital budget in order to assist in the development of the railway estate—"

[*Pundit Madan Mohan Malaviya*; *Sir William Meyer*; *The Vice-President*.] [7TH MARCH, 1914.]

The Hon'ble Pundit Madan Mohan Malaviya :—“ Do I understand my friend to say that this one crore that is set apart for expenditure on Delhi will be obtained by borrowing, and that it is not met out of the ordinary revenues ?”

The Hon'ble Sir William Meyer :—“ It is not met out of the ordinary revenues.”

The Hon'ble Pundit Madan Mohan Malaviya :—“ Will it be met by borrowing ?”

The Hon'ble Sir William Meyer :—“ There will be no special loan for Delhi. But if my friend will study the budget estimates—I ask him to do that before he makes criticisms—if he will study the budget figures, he will see that Delhi accounts for about 1/4th of the capital outlay for the coming year, and he will see how the capital outlay for the coming year is financed.

“ To a certain extent the capital outlay of the current year is financed from the surplus. My friend has realised that himself, because he has brought forward this Resolution on the subject. But if he looks at the large extent to which we borrow, he will see the gross unfairness of saying that the grant for Delhi is provided from current revenue.

“ Then he talks as if the whole expenditure on education and sanitation for next year was £100,000. I have shown in the figures in different parts of the Financial Statement that the £100,000 is the special addition we are making from Imperial Funds—.”

The Hon'ble Pundit Madan Mohan Malaviya :—“ I did not say so.”

The Hon'ble Sir William Meyer :—“ It might have been inferred from what the Hon'ble Member did say.”

(Further interruption from the Hon'ble Pundit Madan Mohan Malaviya.)

The Hon'ble the Vice-President :—“ Order, Order.”

The Hon'ble Sir William Meyer :—“ The Hon'ble Members from the United Provinces appear entirely to forget that the main object of the provincial settlements was to give to the Provinces resources of their own for heads of expenditure which they had to meet. Sanitation and education are primarily matters of provincial expenditure. The Government of India, under the auspices of our Vice-President, have indeed come most liberally to the assistance of the Provinces, and if the total expenditure is looked at—I analysed it in my Financial Statement speech—it will be seen how enormously the expenditure on Education and Medical has increased, mainly through special grants by the Government of India. I do not, however, accept what appears to be my Hon'ble friend's view that the financial settlement of the United Provinces is made just to keep them in pocket-money so to speak, and that any increased expenditure under any head of administration is ultimately for the Government of India to meet.

“ Nor does my friend say whether the amount he proposes to allot is recurring or non-recurring. Perhaps he would kindly enlighten me on the point. Is it £640,000 recurring or non-recurring ?”

The Hon'ble Pundit Madan Mohan Malaviya :—“ I did not say recurring.”

The Hon'ble Sir William Meyer :—“ Then I assume it to be non-recurring.”

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The Hon'ble Pundit Madan Mohan Malaviya:—"For the present."

The Hon'ble Sir William Meyer:—"For the present it is to be non-recurring. Well, if my Hon'ble friend will again study the figures that I prepared, he will see that the Provinces are in a position in which they cannot yet spend the amount of money already placed at their disposal. They have huge balances in hand, and even if they spend the full amount they anticipate next year, they will still have nearly two millions remaining from the Government of India's grants. Is it then a practical proposition that these swollen balances should be further increased by £640,000; for that is what the suggestion comes to.

"Then, apart from that, it is suggested that we should reduce the surplus by £640,000. Well, what would be the result of that? That my Hon'ble friend considers the remaining £640,000 a sufficient contribution from the revenue to capital outlay for the coming year. I beg respectfully to differ from him *in toto*. I gave the Council a full exposition of the difficulties we had in facing the capital outlay of the coming year, in keeping up a proper and adequate expenditure on railways and irrigation, and I pointed out that, though we were borrowing to a much larger extent than we have done before, we can no longer reckon on the previous assistance we received from abnormal balances, and we have to face that position. I am not giving more from the surplus than we have given in recent years, and I consider that it is a very moderate amount to give, seeing that it amounts only to one-third of the amount of profits from Railways only. As I said in my Financial Statement speech, I think it may very well be claimed that a part at least of the profits from Railways should go to the development of the Railways of the State, a measure which is also for the benefit of the people. I need not repeat what I said on that point. Therefore, if we were to cut this surplus down to one-half, something would have to disappear from the capital outlay of that year: Railways would have to be curtailed or irrigation works would have to be curtailed; something would have to be done, and that my Hon'ble friend does not condescend to bother about.

"Further, I beg to point out that the circumstances of this year are difficult. We have had a partial failure of the monsoon. I have estimated—as one must estimate in my position—for a normal monsoon next year; but the monsoon may be abnormal. There may also be other things besides famine; other unexpected calls upon us. It is always prudent for the Government of India to have a considerable surplus in hand. As I have said, in normal years that surplus goes into the Capital account. Suppose however the abnormal happens, suppose we have a bad famine year, then we have this to fall upon; because although it is bad to reduce capital expenditure, it is better to do that than to increase taxation, which is really the other alternative. We are not like the Home Government, which can suddenly issue Treasury Bills or resort to other momentary expedients. The Government of India have to frame their estimates with prudence and to keep a considerable reserve against unforeseen circumstances, and for that reason I am quite unable to adopt my Hon'ble friend's proposal. I want this unallotted reserve for a double purpose—first of all, if the monsoon is normal, to hand over to the capital outlay; and, secondly, if the monsoon is abnormal, to have as a reserve against the unkindness of Providence."

The Hon'ble Pundit Madan Mohan Malaviya:—"Sir, I fear that I have offended the Hon'ble the Finance Member by saying that the expenditure for Delhi was provided out of ordinary revenues. My friend has explained that it is not entirely met out of ordinary revenues, but that it is provided for under the heading of Capital expenditure which has to be met only partly out of revenues. If that satisfies my friend's official conscience that he is fair and that I was unfair in what we have said, I have nothing more to

[*Pundit Madan Mohan Malaviya; Sir William Meyer.*] [7TH MARCH, 1914.]

say to him. It seems to me, however, that when a certain sum has to be provided for Capital expenditure which includes expenditure on Delhi, partly by borrowing and partly out of the surplus of the year, it cannot be said that part of the expenditure provided for Delhi will not be met out of ordinary revenues—”

The Hon'ble Sir William Meyer :—“ If you take the sum, the proportion is 1 to 26.”

The Hon'ble Pundit Madan Mohan Malaviya :—“ My Hon'ble friend says it will be in the proportion of 1 to 26. Be it so. What I put to the Council and to my Hon'ble friend is this. If the expenditure for Delhi is not to be met by raising a special loan for it, and if you provide that it shall come out of the capital expenditure which you have provided for next year—towards which the surplus of the year is to go—it does not lie in the mouth of my Hon'ble friend to say that the expenditure will not be met out of the surplus—at any rate, to a certain extent. The surplus of the year is, in the words of my Hon'ble friend, a reserve partly to meet capital commitments and partly for other purposes. I will quote again my Hon'ble friend's own words. He says: ‘The Imperial surplus which we hope to obtain in 1914-15 is £1,280,000, and in present circumstances it is desirable to have an unallotted balance of about this amount to assist us in our heavy capital commitments.’

“That is the first consideration put forward. Then the Hon'ble Member goes on to say: ‘Such a surplus also serves the purpose of a reserve against unforeseen contingencies, seasonal or otherwise, the occurrence of which might otherwise embarrass us’ This is a secondary consideration held in view. I do not object to such a reserve surplus being kept in hand as may be necessary to meet unforeseen contingencies. All that I object to is, that a large part of the surplus should be kept in hand in order to help towards meeting heavy capital commitments.’

“Sir, the Hon'ble the Finance Member seems to be somewhat sore on the question of provincial settlements; because even in the present discussion he goes back to that question, and argues that the burden of meeting charges for sanitation and education primarily rests upon the Provincial Governments. It should hardly be necessary to say that under the existing Provincial settlements the Provincial Governments are able to meet expenditure on sanitation and education up to a certain standard only. When that standard has to be raised, all expenditure beyond that standard has to be provided for by the Government of India.

“The Hon'ble Member has spoken as if in providing for such increased expenditure, the Government of India were giving something to the Provincial Governments which they were not entitled to. But our whole contention throughout has been that, whenever the Government of India have in their hands a larger sum than what is required for their expenditure, the balance must go back, as it does in practice go back, to the Provinces. It is true as my Hon'ble friend has said that expenditure on education and sanitation has been recently very much increased. We are grateful for it; but it has not yet, Sir, reached one-fourth of the proportion to which it must rise, if the educational and sanitary wants of the country are to be fairly and fully met; and that standard can only be attained if my Hon'ble friend will religiously set apart every available surplus of revenue for these purposes in the years to come.

“The Hon'ble Member has raised another very important question. He says that the surplus which may go towards Capital expenditure on Railways will be only 1/3rd of the amount of railway profits; and he has repeated the view, held by some people, that railway profits ought to go entirely towards furthering the construction of railways—.”

RESOLUTION *RE* INCREASE OF GRANT FOR EDUCATION AND 723
SANITATION; RESOLUTION *RE* REDUCTION OF CAPITAL
EXPENDITURE ON RAILWAYS.

[7TH MARCH, 1914.] [*Sir William Meyer; Pundit Madan Mohan Malaviya.*]

The Hon'ble Sir William Meyer :—" I never said 'entirely,' I said 'partly'."

The Hon'ble Pundit Madan Mohan Malaviya :—" My Hon'ble friend says 'partly'; I am thankful to him for the correction. I would like my Hon'ble friend to specify what part of the profits he means, because it is difficult to carry on the discussion when the apportionment which my friend would make is not known. But anyhow, I would say this, Sir, that in urging that railway profits ought to go even partly to the further construction of railways, the Hon'ble Member, and those who think with him, would seem to be under the idea that railway construction does not owe anything to the people of India; he and they would seem to forget that the people of India have paid enormously in past years towards railway construction. Taking into account the whole of the profits earned by railways, it will be found that on the 324 millions of pounds which have been invested in railways, the income which is now derived really comes to not much more than 1 per cent of the total outlay; and I do not think, Sir, that there can be any justification for the view that the profits should, even in part, go towards railways except in so far as it may be necessary to carry on the railways, like any other working concern, in an efficient condition, as being the assets of the people. Well, Sir, my Hon'ble friend has concluded by saying that this reserve is held for a double purpose. If the season is normal, it will be handed over towards capital outlay; if the season is not normal, that is, if it is abnormal, then it will go towards meeting unforeseen expenditure. I submit that having regard to all the circumstances, it would be amply sufficient to have one crore in hand, and that there is no justification for keeping two crores in hand, if the wants of the people are to be properly met in other directions."

The Resolution was put and rejected.

RESOLUTION *RE* REDUCTION OF CAPITAL EXPENDITURE ON RAILWAYS.

The Hon'ble Pundit Madan Mohan Malaviya :—" Sir, I beg to move—

That this Council recommends that the provision for £12 millions for capital expenditure on Railways be reduced by £2 millions, and that a corresponding reduction be made in the charges for interest.

Further that the saving thus effected in the interest charges be added to the grant for Education and Sanitation.

" In the speech with which the Hon'ble the Finance Member introduced his Financial Statement he pointed out that the provisions for £12 millions for railway expenditure is somewhat exceptional in the sense that it was only last year that this figure was reached in practice. He pointed out that, though the Mackay India Office Committee of 1907-08 had recommended that the programme of Capital expenditure on Railways should be at £12½ millions per annum, but that this figure has never yet been attained. In paragraph 54 of his speech he said : ' We are extremely reluctant to go back, even temporarily, on a standard once attained, notwithstanding that that standard was only reached this year, and under totally exceptional conditions. Whether it will be possible to maintain it in subsequent years, I do not know and can in no sense guarantee. I must also warn them, however, of the difficulties implied. This figure involves a large advance on anything we have really been accustomed to in the past. From 1908-1909 to 1912-1913 inclusive, the average budget provision for railway capital expenditure was something under £10 million, and there was no observable tendency in this period

[*Pundit Madan Mohan Malaviya; Sir Ibrahim Rahimtoola.*] [7TH MARCH, 1914.]

to any progressive increase. The actual expenditure—and this is an important point—was considerably less. It averaged only about £8½ million, the lapses in one year going to swell the budget provision of the next.

“In the last year, my Hon’ble friend says, the Railway Board were able to fully utilise the £12 million which had been provided for, and he anticipates that an equal amount which he is now budgetting for will be spent in the next year. I submit, Sir, that from the statement made by the Hon’ble Member it is clear that the working up to a programme of £12 million last year was due to fortuitous and abnormal circumstances, and that the Government cannot reasonably expect to finance such a programme except in years when they happen to receive abnormal assistance from balances, *i.e.*, from unexpectedly large surpluses, from heavy lapses, and so on. The Hon’ble the Finance Member has himself pointed out that, in arranging to finance so high a programme, the Government are really advancing the effective standard of railway capital expenditure in two ways. They are, in the first place, raising the budget provision to a level attained for the first time this year, and secondly, they have made arrangements which debar them from counting on any material lapse in that figure.

“I submit, Sir, that in view of the experience to which the Hon’ble Member has drawn attention, it is not right to do this. Bearing in mind the fact that except in the last year the Government have not been able to work up to beyond £8½ million, and bearing also in mind that the average budget provision for railway capital expenditure during the last few years was under £10 million, it would be wise to limit that provision to £10 million. In the circumstances of the case, there seems to be little justification for advancing the budget for railway programme in the Budget before us in the double way which my friend has mentioned, *viz.*, providing for a programme of £12 million and providing against any material lapse in that figure.

“The objection which I have to the proposal of the Hon’ble Member is this. If £12 million is to be provided for for railway expenditure, the Government will keep an unnecessary large surplus in hand to partly finance it, and it will have to make provision for the interest on the large amount which it will borrow. This means that on the one side greater provision is being made to meet capital expenditure from current revenues, and on the other side a heavier burden is being thrown upon them in the shape of increased charges for interest. The provision for the proposed higher railway programme thus involves a double injury to the people. The Hon’ble the Finance Member has pointed out the difficulty of keeping up to a railway programme of £12 million a year. But even if he can manage to maintain that programme, in future years which I very much doubt, I submit that it is not desirable in the general interests of the people that the programme should be so kept up. It certainly ought not to be kept up, if it can only be kept up, by starving the other needs of the people. With these remarks I beg to commend the Resolution to the consideration of the Council.”

The Hon’ble Sir Ibrahim Rahimtoola:—“Sir, it would have given me much pleasure to have supported the Hon’ble Member’s Resolution if it had stopped at recommending the reduction of capital expenditure on Railways from £12 millions to £10 millions, without indicating, as he has done, that the amount of capital borrowings contemplated in the Budget should be reduced and thereby effect a saving in the interest charges for the year. Sir, I feel that, if it is possible for the Government of India to borrow the amount required for railway construction, it is but right that they should be allowed to do so and maintain the standard of capital expenditure on railways.

“Sir, the extension of railways in the country is undoubtedly beneficial in many ways, but there is one point in connection with it to which I should like to invite the attention of the Hon’ble Sir Robert Carlyle, namely, what effect it has upon the domestic economy of the tillers of the soil. It would be interesting

[7TH MARCH, 1914.] [Sir Ibrahim Rahimtoola.]

to know whether the extensive programme of Railway Construction has had any adverse effect upon the employment of the cultivator outside agriculture and the earning capacity of agricultural cattle used for carrying the produce to the nearest market. When railways are carried to the places where produce is gathered, it must be apparent that the demand for labour and carts for the movement of the crops would be greatly reduced, manufactured goods would by these means reach such places in larger quantities and would sell more cheaply than before, and the cost of living would increase.

"What is the actual effect of all these changes on the domestic economy of the agriculturists is a question which, I think, requires careful investigation.

"Sir, as I have already said I cannot join in advocating any reduction in the amount proposed to be borrowed for capital expenditure on railways. I cannot therefore support in its entirety the Resolution which the Hon'ble Pundit has placed before the Council. I do contend, however, that the system which has been introduced of utilising revenue balances and portions of railway profits towards capital expenditure on the construction of railways is not sound finance. Railways are productive public works; they yield a profit after meeting all the charges for interest on borrowed capital. The question then is whether the present practice of utilising our revenue surpluses for the construction of capital works is sound, and is to the best advantage of the people of this country. It is an admitted canon of public finance that the State is not entitled to take in the form of taxation more money from the people than is actually required for the purposes of administration. If that principle is followed, it will be apparent that the Government policy of financing railway construction out of revenue balances is unfair to the present generation. During the ten years preceding 1908-09, there were surpluses, while in that year there was a deficit of about 6 crores.

"In the following year, *i.e.* in 1909-10 proposals were put forward and carried in this Council for the imposition of fresh taxation which has resulted in an additional revenue of about one million pounds. If the policy of using revenue balances towards capital expenditure had not been followed, there would have been no occasion for this additional taxation. If we examine the accounts carefully, we find that the additional revenue which has been obtained by the imposition of this extra taxation has practically in every year gone towards capital expenditure on the construction of railways. Now, Sir, I think it will be admitted that it is not right that taxation should be maintained at a high standard in order that a substantial sum of money may be found from revenue sources for capital expenditure. The Hon'ble the Finance Member in his reply to the previous Resolution stated that this year, in addition to the revenue balances of last year, the amount appropriated in the Budget for capital expenditure was about one-third the sum which was expected as profits on railways. Now, Sir, that leads me to another point, and that is, whether it is correct to designate this income as profit on railways, or whether it is not in reality indirect taxation on the people. Receipts from railways, posts and telegraphs in Imperial finance and from water and *halalkhor* taxes in municipalities are payments for services rendered. The governing principle in all such cases is that the body charged with the duty of providing such services and authorised to levy taxation for the purpose shall not obtain a sum in excess of the amount required for meeting the charges for rendering these services. If that principle is followed railways should show no profits. Be it remembered that the State has a practical monopoly of the railways in India, and if they are so inclined Government can, by raising rates for the carriage of goods and passengers, raise the revenue from this source to an excessive figure; this income may be called profits, but to my mind it is clearly obtained by way of indirect taxation imposed upon the people. If that is conceded, then it obviously follows that the portion of the railway profits which is proposed to be devoted to capital expenditure is current revenue, and ought not to be utilized for capital purposes. The whole question to my mind requires to be carefully considered. By reducing the amount of capital

[*Sir Ibrahim Rahimtoola ; Sir Robert Carlyle.*] [7TH MARCH, 1914.]

provision of £12 millions in the Budget to £10 millions, we ought to that extent at least prevent revenue receipts from being utilized for capital outlay. The amount so saved if not required for revenue expenditure should be either kept as a separate reserve to equibalance the years of surpluses and the years of deficits, and thereby obviate the necessity of imposing fresh taxation or remitted by way of reduction in taxation. If the latter course is adopted, the amount would remain with the tax-payers as a reserve to be taken from them when the needs of the administration may require it. I am sure, it will be apparent to the Council that it is unreasonable that taxation should be maintained at a high standard in order to finance capital expenditure on railways. For this reason I submit that, if Government is unable to borrow the required amount, it would be better to reduce the Budget provision of capital expenditure on railways from £12 millions to £10 millions rather than utilize revenue receipts for the purpose.

"I should like in this connection to invite the attention of the Council to an interpellation which I put on railway matters in Simla.

"My question was :—

Out of the total amount invested by Government in Indian Railways, will Government be pleased to state how much has been found from borrowings and how much from current revenue?

"The answer I received was as follows :—

In regard to item (Z) the total amounts specifically charged to revenue (mainly on strategic and protective railways) and met from borrowed funds, respectively, will be found on pages 249 and 252-253 of the Finance and Revenue Accounts of the Government of India for the year 1911-12.

The capital expenditure on ordinary railways is met from a variety of sources, *e.g.*, loans, post office, Savings Bank Deposits, surplus revenues, etc., and it is not possible to say with precision to what extent the current revenues have contributed to this expenditure in the past. The resources from which the capital expenditure is derived were not classified until 1905-06. From that year onwards, however, the information will be found recorded at pages 252-253 of the Finance and Revenue Accounts already quoted.

"Sir, in looking over the financial accounts to which I was referred, I find that the total expenditure indicated there on railways (it is a statement which includes railways and irrigation) is put down at £202 millions, out of which £182 millions are stated to be found from capital and about £20 millions from revenue. But, Sir, when we know that the total capital expenditure on railways is £334 millions, the figures quoted will have to be supplemented in order to give us a correct idea of the actual proportions. This much is however certain that very large sums of money have been found in the past from revenue receipts for capital expenditure. We are therefore entitled to ask whether the policy of maintaining taxation at a figure largely in excess of the actual requirements of revenue expenditure for the purposes of administration is one which should be continued, or whether even at this late date a change should not be made in such a policy in order that undue burdens may not be imposed on the present generation. I do not think it can be seriously contended that the present generation should be required to pay not only for all the needs of the administration, but also for providing out of revenue funds such reproductive permanent public works as railways and canals.

"Sir, the question is such that one is tempted to speak at considerably greater length, but I have tried to make my point clear briefly within the time allowed, and I trust that the Hon'ble Member will enlighten us on the points submitted by me for the consideration of this Council."

The Hon'ble Sir Robert Carlyle :—"Sir, I rise to speak only to one point raised by the Hon'ble Member who has just spoken. My experience is that the construction of railways is for the benefit of the cultivator, and that it leads not to a decrease, but to an increase in carting."

[7TH MARCH, 1914.] [Raja Kushal Pal Singh; Rai Sita Nath Ray Bahadur; Mr. Clark.]

The Hon'ble Raja Kushal Pal Singh:—"Sir, Sir Ibrahim Rahimtoola desired to be informed what the tillers of the soil think about the expansion of railways. Coming, as I do, from a part of the country which has been seriously affected by famine, I can bear testimony to the value of railways as an agency for mitigating the severity and intensity of famine. Had it not been for the railways, the loss of cattle in the district of Agra would have been fourfold, and the distress among cultivators would have been much greater than it is at present."

The Hon'ble Rai Sita Nath Ray Bahadur:—"Sir, it is a matter of deep regret that I should not be able to see my way to support my Hon'ble friend's Resolution which is indeed of a noble character, in the sense that the Hon'ble Mover asks that the railway grant be reduced by 2 million pounds, and the savings that would be effected in interest charges should be utilised in raising the grant for education and sanitation which are indeed very desirable objects worthy of receiving additional bounties. But what strikes me, as it would strike other Hon'ble Members of this Council, is that a serious proposal should be made that the railway grant should be reduced. If my Hon'ble friend had been a merchant and experienced the hardship and loss, not to speak of difficulties and inconvenience, that are every year sustained and suffered by the mercantile community, especially by the jute and coal merchants, on account of the shortage of wagons, my Hon'ble friend would not, I am sure, make such a request. The cry everywhere is for wagons and more wagons, and it is accentuated in the height of the jute season, especially when there is a sudden rise in the price of jute, when every attempt is made to move jute to Calcutta. My friend has not seen the unique spectacle of several thousands of bales of jute stacked on the damp and sandy *chur* lands of the river Palna exposed to sun and rain, nor heard the cry then raised for wagons. The sufferers are mostly Indian merchants and traders, and the same complaint is heard on the East Indian Railway line and comes from coal merchants and colliery owners who, for want of wagons, cannot keep up their engagements. Consequently the cry has been repeated year after year that there should be more wagons, more railways and more feeder lines, and I do not go too far when I say that it is the present net work of railways which has contributed so much to the expansion of trade and commerce, and it is commerce alone which has materially contributed to the prosperity of this country as a whole. I regret therefore that, as a merchant, I cannot give my support to a proposal which would go to handicap commerce. Personally speaking, being largely interested in an inland steam navigation company, I would like that there should be no addition to the Eastern Bengal State Railway, but that is not the proper view to take, especially as I come here as a representative of the mercantile community.

"Then there is another aspect of the question, whether the whole of the 12 million pounds should be applied solely to the construction of railways, and whether a part of it should not be utilized in improving the natural watercourses of the country. In other countries, and especially in European countries, huge sums of money have been spent for improving the natural watercourses, but in this country unfortunately it is generally the case that the Railway Department views with a jealous eye the natural watercourses of the river, and as such very little attempt has hitherto been made to keep open these rivers which are gradually silting up. My suggestion is that out of the 12 million pounds allotted for the construction of railways, a portion should be utilised for the improvement of watercourses. However I regret I cannot give my support to the Resolution."

The Hon'ble Mr. Clark:—"Sir, I hope my Hon'ble Friend Pandit Madan Mohan Malaviya will forgive my saying that he seems to me to take a somewhat shortsighted view of railway finance. His proposal is that the provision for capital expenditure on railways in the ensuing year should be reduced by £2 millions, and that the interest charges saved in that way should

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ON RAILWAYS.

[*Mr. Clark; Sir Ibrahim Rahimtoola.*] [7TH MARCH, 1914.]

be devoted to education and sanitation. Now the first point I will ask Council to consider is whether, apart from the merits or demerits of a progressive railway policy, this is a sound proposal, even in the interests of education and sanitation for whose sake it is put forward. It seems to me to overlook the fact that the capital put into railways is reproductive; in other words, it produces for the State a net revenue in excess not only of working expenditure but of the interest charges. No doubt this revenue is apt to fluctuate with climatic conditions, with the state of trade and so on, and it may be pointed out that four years ago the net profits disappeared altogether.

"But that was a very exceptional year. It was a year when we were pushing forward working expenditure with a view to the improvement of open lines, and that forward policy happened to coincide with a bad agricultural year and a fall in revenue. And the mere fact that that expenditure was undertaken, that the improvement of open lines was pushed forward and has been pushed forward steadily ever since, has greatly increased the carrying capacity and consequently the earning capacity of our railways and made it far less likely that there will be a recurrence of such an unhappy combination of circumstances in future. Therefore we can look to the railways to furnish a certain steady revenue to the State. It is quite true that the railway receipts may not show a very large profit over and above interest charges and working expenditure, but they do show a profit, and even a profit of something over 1 per cent is not so negligible as my Hon'ble friend seems inclined to consider. In the current year it represents an actual net revenue, after payment of working expenses and all charges, (some of which might properly be debitable to capital) amounting to $4\frac{1}{2}$ millions sterling. This amount goes to swell the general revenues of the State from which expenditure is met for all objects, including those which the Hon'ble Member has been advocating to-day. If we were to adopt his policy, it might enable my Hon'ble Colleague, the Finance Member, to allot more to education and sanitation during the ensuing year, but it would check proportionately the expansion of the railway revenue, which is a far more important matter if we look ahead into the future. That would mean that the expansion of expenditure on such objects as education and sanitation would have to be curbed in the future, or it would have to be met from other sources, and possibly from additional taxation.

"My Hon'ble friend, Sir Ibrahim Rahimtoola, approached this question from a different angle. He, I gather, is entirely on my side as to the importance of keeping up the development of our railways, but he differs as to the means by which we should raise funds for our capital programme, and he is disposed to support the Resolution in so far as it proposes a reduction of the capital programme from £12 millions to £10 millions. He thinks we should not take any part of the revenue surplus for use for capital purposes. The revenue surplus budgetted for in the ensuing year amounts to £1,290,000, and one obvious criticism of his proposal, as it stands, is that a reduction of £2 millions would mean, not only not utilising the surplus for capital purposes, but in addition reducing our borrowings by some $\frac{1}{4}$ ths. of a million. But—

The Hon'ble Sir Ibrahim Rahimtoola.—"Part of the surplus also."

The Hon'ble Mr. Clark.—"But the real weakness of the Hon'ble Member's position is that his argument rests practically on the assumption that we can borrow as much as we please. That is not so. Although our railway capital is reproductive, we cannot borrow to an unlimited extent; it is an error to suppose that we can substitute further borrowing for the amount which is now put into the capital account from the revenue surplus. Therefore, if my Hon'ble friend's view were accepted, what it would really mean would be a retraction in our capital programme, a reduction of the expenditure on railways which, as he has told us, he does not wish to see take place. My Hon'ble

[7TH MARCH, 1914.] [Mr. Clark; Pandit Madan Mohan Malaviya.]

friend the Finance Member has already explained that it is necessary to have this large surplus which serves a dual purpose. It is a guarantee against famine and the fluctuations to which we are subjected in this country by the climate. It is a guarantee against that on the one hand, and on the other hand, when we realise our surplus, when nothing does go wrong, we are able to utilise it for productive capital purposes. As far as I follow the Hon'ble Sir Ibrahim's argument, he would like, when we realise a surplus, to bank it and use it for future generations in some way which he did not very clearly explain. I think it is far better to place it, as we do, into our railway expenditure, which enables us to utilise the revenue for various purposes, including the purposes which the Hon'ble Pandit has been advocating to-day.

"I need not, Sir, after what has been said by the Hon'ble Sir Ibrahim, dwell at any great length on the urgent necessity of pushing forward the improvement of our railways. Hon'ble Members will remember the acute congestion of the last two cold winters preceding this present season and the harm that was done. That means loss to all classes of the community, not only to well-to-do traders and wealthy men of business, or to great commercial corporations, but losses also to the indigent *rayat* and agriculturist. It means that in periods of famine or scarcity, such as the recent scarcity in the United Provinces, there is danger of railways being blocked and the much needed supplies of fodder being delayed. Great improvement has been effected in the last two years, but at the same time there is room for yet further improvement, as I shall explain more fully to the Council when I introduce the Railway Head of the Financial Statement. Quite recently, for instance, there has been considerable congestion in certain areas owing to the scarcity in the United Provinces. Again, not only is money wanted urgently for railways, but it can be spent and it can be spent both quickly and efficaciously, and so as to produce almost immediate results. Last year we over-spent by a slight amount our capital grants, and as my Hon'ble Colleague explained in his Budget speech, there is no doubt that we shall be able to spend up to our capital grants in future. The money therefore will not be wasted. Nor can it be said that Government has been backward in supplying funds for education and sanitation. My Hon'ble Colleague the Finance Member showed in the Financial Statement that since 1910-11 the scale of expenditure under Education and Medical has practically doubled, and there has also been an increase of 64 per cent under Civil Works, much of which is due to the construction of schools and other works of the kind. But at the same time there has been undoubted difficulty about spending the grants which have been provided. I need not dilate further on that point as my Hon'ble Colleague has already dealt with it in replying to an earlier Resolution this morning. There is no question, of course, of setting up railways against education. The Government of India have equal care for progress in either direction. But at the present moment there is a specially urgent case for expenditure on railways, and the funds provided can be spent quickly and efficiently on schemes which are alike beneficial to the people of this country and to the revenue from which the annual grants for education and sanitation are derived. Our capital expenditure is not prejudicing, as the Hon'ble Member would seem to imply, the provision of funds for educational and sanitary progress. The provision made for Education and Medical for the coming financial year shows increases of three-quarters of a million sterling and of half a million sterling respectively over the revised estimates for 1913-14.

"This is what the Hon'ble Pandit calls starving education and sanitation. It is very doubtful whether, if the Hon'ble Member's Resolution were accepted, the additional sums available could be spent on the purposes which he advocates, whereas the capital in question can be utilised immediately for much-needed reproductive expenditure on our railways. In these circumstances, Government cannot accept the Resolution."

The Hon'ble Pandit Madan Mohan Malaviya :—"Sir, I want in the first instance to correct the impression, if such an impression exists

[*Pandit Madan Mohan Malaviya.*] [7TH MARCH, 1914.]

anywhere, that I am altogether opposed to the Railway Programme. The motion that I have put forward before the Council is that the provision for capital expenditure on Railways should be cut down by 2 million, and not that it should be obliterated from the budget. I regret also to find that the reasons which I have urged in support of the motion have not been properly appreciated. I have drawn attention to the fact mentioned in the speech of the Hon'ble the Finance Member that, except in the last year, the Railway Board have never yet been able to utilise even 10 million in any past year. The Hon'ble Member has stated that from 1908-09 to 1912-13 the average budget provision for Railway Capital expenditure was under 10 million, and the actual expenditure averaged only about 8½ million. Taking my stand upon these figures, I have suggested that the provision for railway capital expenditure during the next year should be only 10 million, which is much above the actual average of the last few years. Now, Sir, in the view that I have presented the remarks which have been made about the great utility of railways lose some of the force that might ordinarily attach to them. I have only drawn attention to the fact that an unreasonably high Railway programme entails an unjustifiable drain upon the current revenues. It is true that Railway expenditure is met mostly from borrowed capital, but it is true also that it is met partly from current revenue, and provision has to be made out of the same revenues for interest on the increased Railway debt. And it is for these reasons that I have urged that the budget provision should be cut down by 2 million.

"The Hon'ble Mr. Clark has dwelt upon the fact that railways yield an income. I do not deny it. My friend thought that I made somewhat light of the fact that there was an income of only a little over 1 per cent on our total capital expenditure on railways from the beginning to this day. I did not make light of it. I am glad to find that the railway receipts are bringing us more and more every year. Indeed I hope to see much more and more coming in to us, particularly when railway companies cease to manage our State Railways, and the sum of nearly one crore which they receive as surplus profits at present is secured to the people by the Government taking the management of all State Railways into its own hands. But what I do submit is that the fact ought to be borne in mind that the needs of the people in matters which affect their vital concerns more immediately than the railways, require a larger provision from current revenues than is made at present, and that providing for a high Railway Programme which will necessarily lead to a stinting of the growth of expenditure in other necessary directions, is wrong and essentially unsound. It is hardly necessary to say that the most important of these are education and sanitation.

"The Hon'ble Mr. Clark has dwelt, and rightly dwelt, upon the great advances which have been made in both these directions by the Government of India—in the direction of Education and Sanitation. Every one of us rejoices in this and sincerely thanks the Government for it. But what I do say—I repeat it—is that the total amount which has been granted and which is being spent by the Government on these beneficial purposes is still not more than one-fourth of what should be spent in order to secure to the people the full benefits of universal education and the full benefits of such sanitation as, living under the enlightened Government that they do, they are fully entitled to have. I submit, Sir, that that figure will not be attained except by religiously setting apart every pice from the current revenues of the year which can be so set apart. I object to the present provision for the railway programme because it makes it impossible for Government to attain to that standard of expenditure. I quite admit that there is absolutely no question here of railways *versus* education. Nobody in his senses would imagine raising such a question. The only question is whether, when you are financing railways partly from borrowed capital and partly from current revenues, you should not so limit your expenditure, that it should not trench unduly upon current revenues. The Hon'ble Rai Sita Nath Ray Bahadur felt somewhat anxious that if my Resolution is accepted the supply of wagons

[7TH MARCH, 1914.] [*Pundit Madan Mohan Malaviya ; The President.*]

might be checked and that trade might suffer. As the Hon'ble Mr. Clark has pointed out a great improvement has been made in this matter during the last two years. There has been a very large amount spent in increasing the supply of wagons, and if £10 million is provided for every year, my friend may rest assured that it will help to provide all the wagons that trade demands. But even when money is available, you cannot always have all the wagons you want in one year. So that is no reason why other important interests should not receive the consideration that they deserve, and should be sacrificed at the altar of the anxiety of trade. I said that a railway programme of £12 million should not be kept up by 'starving' Education and Sanitation. My Hon'ble friend has taken exception to that word. I did not mean to say that Education and Sanitation were being utterly starved. All that I meant to say is that they were not receiving the amount of support from current revenues which they are entitled to receive in order that the people should receive the fullest measure of advantage from them. I regret, Sir, that I cannot withdraw my Resolution. I think that it is right that the programme for capital expenditure on railways should be reduced by £2 million, and I submit the Resolution to the Council for its consideration."

The Resolution was put and rejected.

The Hon'ble the President:—"The next Resolution will be taken on Monday morning. The Council will now adjourn to Monday, 11 o'clock."

The Council adjourned to Monday, the 9th March, 1914.

W. H. VINCENT,
Secretary to the Government of India,
Legislative Department.

DELHI :
The 13th March, 1914.