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NOTES AND NEWS.

IT is gratifying to find that, outside India itself, practical sympathy with the sufferers from famine is by no means limited to the United Kingdom. The Ottawa correspondent of the *Times* telegraphed on April 19, that local committees had been formed in all parts of Canada to raise subscriptions for the relief fund. "In the House of Commons to-day several members urged the Government to make a substantial grant to the famine fund. The Premier announced that the Government was in communication with the home authorities on the subject." It is earnestly to be hoped that the home authorities—among whom the India Office will presumably have the determining influence—will do nothing to discourage the proffered liberality of Canada. On the same day a telegram from Washington stated that the Navy Department had secured a 5,000 ton steamship to carry to India the foodstuffs collected by private citizens. Again on Monday last it was reported from Berlin that a meeting of the leading representatives of German industry and finance had that day been held, under the presidency of Dr. Koch, the president of the Imperial Bank, to open a famine fund. A sum of nearly 400,000 marks was subscribed before the meeting closed.

The Famine Code is supposed to have been elaborated to perfection, and no doubt it does embody a wide variety of experience. What one regrets to find is that it does not seem to get fair play when it comes to be put in practice. The special correspondent of the *Manchester Guardian* throws opportune light on the working of the organisation. The Native officials, he reports, "are working splendidly"; and no doubt so are the European officials—as many as there are of them. But the service is "overworked and understaffed to a degree which makes anything approaching close or constant supervision impossible." This is really a statement of alarming significance. The correspondent gives examples of the divergence of the practice from the principle of the Code. Thus: the Code assumes the universal provision of huts at the famine camps, but huts, he finds, are not provided in the Poona collectorate. Again, the Code explains that arrangements may be made for providing the people gratis with fuel; but the correspondent "has not found as yet one camp where this is done: at some camps fuel is sold, at others the people are left to collect it for themselves—at their peril." Further, the Code assumes that every one will have at least a blanket; "but so far as I have been able to observe there is a grievous lack of blankets in some of the camps, and too many of the people in camp have worn their clothes to shreds." Elsewhere we refer to the fact that whereas the famine-stricken people are supposed to get 16lb. of grain to the rupee, they often in fact get only 14lb. In practice, these little things become serious elements of inefficiency.

In the Ahmednagar collectorate, where more than one in four of the people are on relief, the work is about fairly divided between stone-breaking and road-making on the one hand, and on the other hand embankments in connexion with schemes of irrigation and water-supply. The *Manchester Guardian's* special correspondent concludes that "the ten years' stock of 'metal,' which will be the chief monument of the famine, will be largely wasted, whereas the water-schemes, supposing only one out of ten to be

carried through before the next famine comes, will lessen the area of want and sprinkle the rainless districts with a few more patches of grass." He lays stress on the superior suitability of earth-work as an employment for the people in camp: "it is unskilled and comparatively light work, whereas stonebreaking is an art, and an art without teachers takes time to pick up and is a cruel business at best when payment is by results." It seems a great pity that so much labour should be practically wasted, except for its use as a test. Even the work on embankments does not appear to have been planned and to be executed in such a manner as to give promise of any lasting results. One very painful feature in the correspondent's report is his description of the effects of famine and labour upon the women; and another is the concomitant collection of revenue from people that have been scourged first with plague and then with famine, and are now threatened with cholera and small-pox.

Cholera "is now attacking one famine camp after another in West Khandesh." "Hundreds and hundreds of deaths have taken place from starvation," and "the bodies of starved Bhils" have littered the roads. "The condition of the miserable creatures who herd inside the poor-houses is not to be described: they are mere rags and remnants of human beings." And cholera has appeared. At Devala camp, near Taloda, forty deaths have occurred, and 3,000 out of the 4,000 people fled to the jungle. "All over the camp the people were lying dead or dying." The cholera spread to Serai, whither 2,000 had fled; to Talwada works, twelve miles off; and to other camps. Talwada camp was only getting over an outbreak of small-pox, which had attacked 600 and carried off 100, when cholera broke out. "I hardly have the heart," writes the correspondent, "to describe what I saw in the cholera huts and on the ground around them to which the stricken creatures had crawled." Anything like proper attention to the sick was impossible. "At intervals the dispenser came round with the medicines, and food was served out, but the people was left to suffer and did as best they might." "There is not what we at home should call a nurse in all the famine camps in India":—

Is it necessary that the people whom we have saved from famine should be left to die like sheep of disease: that little children should moan themselves to their last sleep, as I have seen them do, curled up on the earth alone, except for the company of a group of men and women collapsed with cholera; that such children should have no hand to wipe the flies from their poor mouths? I do not know if anything is possible, but I do know that India can do no more.

At Dhulia, the same correspondent found that the best place for the wretched people was the gaol. He writes:—

The gaol is far cooler than the sites of famine camps, which are always exceedingly hot and unsheltered, and then the work is light and the daily ration is double that of the famine minimum, and a good deal more than double the penal minimum. The day being Sunday, the criminals of Dhulia, including a real live money-lender, described to me as the terror of Khandesh, were going to dine on meat. The ordinary weekday fare is as follows: 1lb. 3oz. flour or jowari, 5oz. pulse, 3oz. vegetables, and oil into the bargain. "India must be an honest country to resist such a bill of fare as this"—especially in such circumstances outside the prison walls.

The summer is upon us (writes our Bombay correspondent on April 7) and the tale of the distress from the afflicted parts is harrowing. The question is, What can be done? Even the doles now given by way of daily relief amount to millions; and the Government is sitting tight on the treasury. Yet one cannot understand why, if the distress grows deeper and deeper, a larger and more liberal expenditure should not be incurred. If we have war loans by crores, why not famine loans? The last cannot mount up so high as the first. The Cassandras are already shaking their heads and predicting a second

deficient monsoon. That would be a portentous calamity. Let us hope they will prove false prophets of evil.

The loss of cattle in Gujerat and Khandesh has been so great that, unless outside assistance is obtained, agricultural operations cannot be resumed. The drought may come to an end and the new season may open as favourably as possible, but the effects of the famine will still continue, unless the oxen are replaced. The Government have, therefore, according to the *Pioneer*, made enquiries in the Punjab as to whether plough cattle can be purchased there at the beginning of the next cultivating season. But the Punjab is itself badly off, and is not likely to be able to afford much help.

The Government of India, though it takes credit directly or indirectly for all the creditable things done by the Native rulers, declines responsibility for the famine operations in Native States. It simply lends money and expert officers. The money available for the preservation of the Meywar Bhils in Rajputana appears to be extremely limited. A correspondent for whom Colonel Jasper Burne vouches (*Times*, April 14) says the Government grant amounts to Rs. 50,000, which is brought up by various other contributions to about Rs. 60,000. This seems but meagre provision for a district of 71,000 inhabitants, 40,000 of whom are starving, while "the dead and dying lie all over the place." The correspondent writes:—

It is horrible to go into the Bhil huts and see a row of living skeletons waiting for death; they just look up as I go in and say "Salaam, father," and relapse into silence. Every tree capable of being used that way has been stripped of bark for food; every palm tree has been cut down, pounded between stones and eaten; and now only the black rocks and sun-dried mud are left. All cattle are dead and eaten, and water is dried up in nearly all the wells.

The correspondent adds that "under no circumstances could more than 50 per cent. escape; but, unless aid of a very substantial kind comes, and that soon, 10 per cent. only will be alive in July." Reports like this ought to tear to shreds the wretched optimism of officialdom.

Mr. Clinton Dawkins's Budget minute is handled very trenchantly in an article in the *Investors' Review* (April 21). The editor has read it in the columns of *Capital* (Calcutta), and finds it "marvellously insipid." It keeps coolly clear of the "many burning questions" that must be agitating India at the present time. Thus:—

One might have reasonably expected that a gentleman in the position of Finance Minister for India would have dealt first and foremost with the questions most intimately affecting the well-being of the Natives of India; would have attempted, for instance, to investigate in some manner more or less complete the incidence of taxation upon the people and given us some data whereby we might be able to form an opinion on our own account. Or failing this, it was surely reasonable to look for an estimate of the loss of revenue, of remissions and reliefs, in the present distressed state of the country. There is not a word on these subjects from beginning to end of Mr. Dawkins's essay.

The editor "fails to see the force of Mr. Dawkins's logic" about the currency experiments, but "admits that his plausibilities show considerable ability and ingenuity": "the weakest point about them is that he writes as one totally unacquainted with India."

The figures of imports and exports for the ten months of three years, ending with the present year, "unquestionably show expansion." "This," says the *Investors' Review*, "is all properly comforting to the purblind order of souls, yet no matter whether we take the figures for isolated periods of this kind or for prolonged terms of years, the fact remains, as we have again and again painfully endeavoured to demonstrate, that India is not in any sense paying her way."

The minimum yearly average amount of money or money's worth that her people have to export before getting anything whatever back is £50,000,000—was that years ago, and is probably somewhat higher than that now; and no matter how you reckon up the totals of her trade, she is never possessed of a sufficient surplus of exports to cover this terrific drain, so that the only means by which insolvency can be staved off is through importations of capital.

Hence the cry for European capital. But those that cry out for European capital "never penetrate below the surface and try to discover whether the capital already in India is doing any good there, whether India wants it, whether the burden it imposes is not increasing the impoverishment of the Indian people."

But these kinds of questions are not in the brief. The business of all high functionaries is to uphold the impregnable wisdom of the

bureaucracy and all its ways and devices, and subjects outside the prescribed range must be ignored.

"For whom is development undertaken? Not for the people, assuredly, but for us, and us alone." This is tolerably plain speaking, and it goes unerringly to the point.

An Anglo-Indian writes:—"The grand scheme to establish one central bank for all India no longer stands where it did. In the course of the 1898 Currency Committee's proceedings certain suggestions were made by Mr. Hambro regarding the supposed need and possible scope of such an institution. Lord Rothschild at one time was understood to have supported the project, though in effect that support did not go much beyond the stating of certain leading conditions essential to safe working. The next stage was reached when the Indian Finance Department was prompted by some proposal (no one seems to know how arising) for the amalgamation of the three existing Presidency Banks. It was understood that one of the objects aimed at in this scheme was to facilitate the introduction of a gold currency in connexion with some assistance which the bank could give by being entrusted with a certain share in the management of the existing currency note issues. With Mr. Clinton Dawkins's energetic aid the project in this later form seemed to have come to sudden ripeness towards the close of last year. In January last year the Finance Minister made an eloquent and hopeful speech on the matter. Following on that—though probably with modifications due to the strong opposition in India—the Government of India 'submitted comprehensive representations to the Secretary of State.'

"On the occasion of his Budget speech Mr. Dawkins, partly by way of meeting current criticisms, took pains to repudiate any description of the scheme as a 'State bank.' Nevertheless, speaking on behalf of the Financial Department, he was still enamoured of the project, and spoke with apparent confidence of its being carried through. This result does not now seem likely. Before the House rose for the recess questions had been framed intended to elicit some statement that might indicate how the project is regarded by those on this side who must have the deciding voice as to whether so large and novel an institution shall be founded. It was then too late for formal answer to be given in Parliament; but I am able to indicate the draft of the answer, which would have run somewhat thus:—

"The comprehensive recommendations of the Indian Finance Department have received and will receive very careful attention from the Secretary of State in Council. They have not been welcomed here with anything like the eagerness that Mr. Dawkins seemed to anticipate when he made his Budget speech. Wider considerations have to be taken into account than were comprised in the 'recommendations,' and before conclusions on the subject, even in a provisional form, can be adopted by the Secretary of State in Council an opportunity must be given to Parliament and the public of fully appreciating all the issues that must be involved in the undertaking.

From this your readers may be disposed to infer that the project of an 'all-India bank' has had a set back."

While Mr. Buchanan signed the Majority Report of the Indian Expenditure Commission, he appended a minute of "reservation" which contains some noteworthy points. The specific recommendations of the Commission by way of relief to the Indian Exchequer, "if carried out, do not, in my judgment," he says, "satisfy the claim which India has put forward to more liberal treatment as regards apportionment of charge." He points out in detail how differently India is treated from the Colonies, and he remarks especially upon the diplomatic and consular charges, the naval charges, the charges for military operations beyond the frontiers, and the military charges (which "are by far the largest and most important"). He thinks "it is clear that India should be relieved of all charges for Missions and consulates in Persia, China, and other places." The sum of £100,000 for general naval expenses may be defensible, yet "it is a very small item in a naval expenditure of over £27,000,000, and considering the comparative resources of the two Exchequers and the important part that India's military power plays in maintaining British supremacy in the East, it is perhaps hardly worth exacting." India, Mr. Buchanan thinks, should pay the whole cost of transfrontier expeditions, "except in those instances in which, although the im-

mediate contest is with the enemy over the border, the real struggle is with a European or other Great Power beyond"; but the Home Exchequer should bear all the expenses, extraordinary as well as ordinary, "in all cases in which the Indian Government is called upon by the Home Government to furnish troops, European or Native, for an expedition beyond the maritime frontiers of India." On the military charges, he would forgo the capitulation charges altogether. Apart from equitable financial adjustment, he recognises that "it is also of the highest political importance to endeavour to remove, in a practical and substantial way, the sense of harsh treatment which has been given expression to by every Indian Government of the last generation, and which undoubtedly prevails in the minds of the Indian public."

In an article headed "Plague Lessons from Satara," the *Times of India* enforces the thesis, now a truism, but not so long ago a seditious paradox, that plague regulations must be carried out with due regard to the wishes and feelings of the people. In Satara plague was practically stamped out in three months, and at an expense of only Rs. 400 per month, an unexampled record of celerity and cheapness. The principle adopted by Major Faulkner was that "reliance on the co-operation of the people can only be effective if harassing regulations which they dislike and resent are avoided. But this is now universally recognised." Where Major Faulkner showed his originality was in abandoning at the outbreak of the epidemic some even of the preventive measures which had previously been in force in the district.

He seems to have gone upon the excellent principle of avoiding, as far as possible, all stringent and irksome regulations, and of trusting to the common sense and intelligence of the people. A little throng of minor officials, Karkoons, and police guards engaged in plague work was disbanded. Even the camps of detention which had been in existence prior to the advent of plague were abandoned.

Major Faulkner believes that no system of surveillance can be worked with complete efficiency, and therefore it is best to trust to the common-sense of the inhabitants which should lead them to report cases. It is at least certain that for the first time the monthly cost of an outbreak of plague was less than that previously incurred for preventive measures.

The late Sir Donald Stewart's Field Marshal's baton has been placed in the hand of General Sir Neville Bowes Chamberlain, G.C.B., G.C.S.I. The new Field Marshal is four years older than his predecessor. He joined the Indian army as long ago as 1837. In the first Afghan War he was wounded no fewer than six times. He fought at Maharajpur, at Chilianwala, and at Gujerat; and he was severely wounded at the siege of Delhi, where he was Adjutant-General of the besieging army. As commander of the Punjab Frontier Force he conducted with conspicuous success several expeditions against the tribesmen, notably the Ambeyla expedition of 1863, in which he was again severely wounded. In 1875 he was appointed to the command of the Madras Army. In 1878 he was chosen by Lord Lytton to head the mission to the Amir Shīr Ali, the turning back of which led directly to the second Afghan War. For some time he was military member of the Governor-General's Council. He retired from the service in 1886. Probably no living officer has a more thorough knowledge of the North-West Frontiersmen than Field Marshal Chamberlain; and this gives special weight to his steady opposition to every form and manifestation of the Forward Policy. We cordially wish him many years of enjoyment of the high honour which his conspicuous and prolonged services have amply merited.

Lord Curzon's reply to the deputation of Eurasians—or as they prefer to call themselves, the Imperial Anglo-Indian Association—is approved alike by English and Indians. The Eurasians have made two great mistakes. First, they have tried to separate themselves more and more from the Indians, in order to attach themselves to the English in India, who do not want them. Secondly, they have looked for salvation to entering the public service by some conveniently opened back door—a proportion of appointments reserved for them, is the way they express it—instead of fitting themselves for the arena of open competition. It must be admitted, indeed, that their

position is a difficult one, and it will be all the more honourable to them if in the end those difficulties are surmounted.

Mr. John Ernest Beard, having pleaded guilty to assaulting his cook, who seems to have got a black eye, was fined Rs. 10 at Calcutta. At Silchar, Mr. Eike prosecuted his Burmese cook for hitting him in the eye. The man had been dismissed after a few days' service and claimed his fare back to Calcutta, where he had been engaged. He was sentenced to two years' rigorous imprisonment, the highest sentence allowed by law. The two cases are reported in the same number of the *Amrita Bazar Patrika*.

Here is another case as told by the prosecutor. An Indian named Mukerji, a partner in the well-known firm of T. C. Mukerji and Co., was travelling in a second-class carriage from Barrackpur to Calcutta. At Belghariah some European volunteers entered and one named Watson relieved the tedium of the journey by pouring some beer over his Indian fellow-passenger's clothes. Mr. Mukerji had the temerity to protest and was assaulted by Watson, whom the other volunteers to their credit did their best to restrain.

Mr. Mukerji's case, however, has had a more pleasant termination than at first seemed possible. The defendant has sent the following written apology:—

SIR,—With reference to the charge you have brought against me in the Sealdah Police Court under different Sections of the Penal Code, I beg to assure you that I am exceedingly sorry for my conduct towards you in the train on the 16th instant. Indeed, I deeply and sincerely regret that I should have so far forgot myself as to behave like that at all.

There was no justification whatsoever for any such conduct on my part, and you will believe me when I say that its wanton cowardliness has sorely offended me since, and I have felt ashamed of calling myself a gentleman.

I know and feel that the injury that I have done you is irreparable, still I may hope that a gentleman of your position in life will be so good as to forgive and forget a wrong done, when he appears before you, truly repenting for what he has done. And in this hope I do hereby tender in open court my sincere expression of regret and unreserved apology to you coupled with the assurance that I will in future take care never to behave in the way I did on the occasion referred to above.—I remain, Sir, yours faithfully,

W. A. WATSON.

Mr. Mukerji has in consequence withdrawn from the prosecution.

The Senate of the Calcutta University are asking the Government to enact that members of the University convicted by a Criminal Court may be deprived of the degrees and licences which have been granted them. The policy of thus giving graduates an additional punishment which other criminals escape, and of making an ill-spent maturity take away what has been already gained by the industry and good conduct of youth, has been doubted in many quarters, both Indian and English. The *Pioneer* thinks it would be better to amend the law in the direction of giving the University greater control over the conduct of its undergraduates and greater opportunities of moral influence over them.

Our Bombay correspondent writes (April 7):—The "Simla exodus" has begun. Many officials connected with the Government of India are already on the hill, and others are on the way. The Viceroy does not arrive there till nearly the end of the month. He is at present somewhere in the North-west, on his way to Quetta, for an inspection of Chaman, which overlooks the Kandahar plain. No doubt the Political Agent, Mr. Barnes, has kept him well informed of the movements on the other side of the border. But it is more than doubtful whether the Russians will try to create scares and frighten John Bull, who is already wide awake and quite on the warpath. The Jingo fever in England has scarcely abated. But the more assuring fact is that related about the Czar who is not a personage to be trifled with by the Chauvinistic party in the Kingdom, at whose head is the diplomatic Count Muraviev. If that august personage will not like to see his imperial will thwarted, there is every chance of the present pacific policy being maintained. Moreover, Russia has enough of its own difficulties in Manchuria and Northern China to contend with.

ASPECTS OF THE FAMINE.

THE numbers of famine-stricken persons on relief are now rapidly approaching six millions. The Viceroy's telegram this week gives the latest figures at 5,319,000. The rate of increase will continue to be accelerated as the resources of the wretched people diminish, for yet another two months. The prospect is appalling. The situation is rendered all the more painful by the evident inability of the Government, in spite of the Viceroy's statement that "relief arrangements in British India are equal to the increasing strain," to cope effectively with the attack, and by the recollection that the sources of public charity in Britain have been frozen up to some extent by causes which are inexcusable. There is, no doubt, deep cause for gratitude to those benevolent people who have contributed readily and freely to the various Famine Relief Funds. Still, the great exemplar, the Mansion House Fund, has grown but slowly, and as yet it has only reached £200,000. There is perhaps small reason for surprise at this; for, as we have again and again remarked, the Secretary of State undoubtedly discouraged British liberality by his initial delay in sanctioning the opening of the Fund, by his postponement of the day of opening when he did at last sanction it, by his ill-timed remarks upon artificial surplus and the imaginary "elasticity" and "prosperity" of India generally, and by his damping down the pronounced willingness in the House and in the country to send a national contribution in sympathy with our distressed fellow-subjects. His influence we fear is not likely to be limited to the three kingdoms. The Canadian legislature has indicated a desire to make a sympathetic contribution, and has of course referred the matter to Whitehall for sanction. How the India Office can sanction for Canada what it has discouraged at home it is hard to imagine; and accordingly we fear that consistency in folly may be maintained at the cost and suffering of the poor people of India. The Berlin contribution, which mustered the very handsome sum of £20,000 at the first meeting of the promoters, will happily not fall under the same ban. Meantime Mr. Smeaton reports that "the misery in parts of Bombay, Rajputana, and Central India is beyond description and unparalleled," and that "relief is urgently needed"; and Reuter adds that "contributions to the Famine Fund are greatly required." It is a situation of poignant tragedy.

There are, however, penetrating to the British public a few more rays of light upon the conditions of the famine. The careful letters of the Special Correspondent of the *Manchester Guardian* are attracting more and more attention. So far as he has gone, his experience has contradicted the allegation of Lord Curzon that the people are undergoing demoralisation and attempting to take undue advantage of the relief works. Writing from Ahmednagar on March 27, he said:—

If I am wrong and the life really does attract the people, why have so many of them put off coming? The famine has been going on and camps have been opened in the Collectorate for several months. Moreover, the Famine Code lays it down that the village patel, or headman, "shall do their utmost to induce distressed villagers to go to relief works," and judging by appearances the new arrivals to have yielded to the patel's urgency long since. If the people are so demoralised as is alleged, their delay in coming to camp is unaccountable.

The correspondent also puts another pointed question:—

Assuming, for the sake of argument, that a large percentage of the people are skulking, what evidence have the Government got for the assumption that the villagers are leaving their homes for the works without compulsion, and that the old feelings of pride and independence have yielded to the attractions of free quarters and light work?

On his description at first hand it is anything but apparent where are the "attractions." The life in camp, especially where no huts are provided and where the blankets (if blankets the wrappings can be called) are threadbare and thin, is sufficiently repulsive; and the futile stone-breaking is also heart-breaking. When people "prefer to struggle along on wild fruits and whatever they can pick up," as at Valak and Khamshet, the charge of demoralisation may be taken as discredited.

This charge of demoralisation, however, is worth money to an impecunious Government. It enables the Government to enforce what is called "the penal minimum." A circular is issued "decreting that all gangs performing less than half the maximum task—an imaginary standard, by the way, which no single gang had accomplished during

the week in question (the third week in March)—should be paid twenty-five per cent. below the minimum." Let us see what this means—this grievous punishment for a most doubtful offence. What is "the minimum," which is penalised by twenty-five per cent.? It was laid down by the Government, and confirmed by the recent Famine Commission in these terms:—

In respect to the standard to be adopted we accept without hesitation as sufficient, and not more than sufficient, the full and minimum rations laid down by the Government of India in the Provisional Code, which were based upon the suggestions of the Famine Commissioners, and were the result of much practical Indian experience and expert enquiry. The only alteration we propose is a very small addition to the extra items of the minimum ration.

Now this ration—which has been so carefully determined "as sufficient, and not more than sufficient"—and which is paid in money equivalent, is this: 15oz. common grain, 2oz. pulse, 3oz. salt, 3oz. ghi or oil, 1oz. condiments and vegetables, with five per cent. added for margin. The correspondent's comment is this:—

Is this an excessive allowance? Its money equivalent at present prices works at 10 annas and a half a week, without taking into account the margin, which has been knocked out of the Bombay Code. Is that in itself other than a penal minimum ration—a ration which is bound to leave the worker hungry and reduced? The Government have lately, in view of the high price of grain, increased the allowance to prisoners from an anna and a half to two annas and a half a day, and one would think that a minimum of some 70 per cent. below convict subsistence was not too much to allow the people who have been exhausted by years of acute privation. Let me add that it was a reduced ration on a rather more generous scale than the present penal allowance that was held accountable for the epidemics which swept off multitudes of famine workers in previous famines.

Now cut 25 per cent. off this "minimum," which is itself some 70 per cent. under "convict subsistence." Consider, further, that "about a third of the recipients of the minimum and the penal minimum were children, and their wages in the case of the lowest class came to only four and a-half annas for the week." "Seeing also," says the correspondent, "that more than half the adults are women, I think it must be admitted that the punishment is indiscriminate as well as severe." Even in the case of men, any one man may work his heart out over the stones, and yet his gang of thirty may involve him in the common penalty. But, says the Government, look at the careful system of grading. Yes, careful on the pages of the Famine Code. But "the service is short of administrators, short of engineers, short of doctors, short of medical assistants, short of material, short of tools for the workers"—"overworked and understaffed to a degree which makes anything approaching close or constant supervision impossible." Again, in some places, while the people are paid at the rate of 16lb. per rupee, the dealer gives only 14lb., he being obliged to give 16lb. only at the bazaar, and not some distance away from the bazaar. "Allowing nothing for fuel"—for the people get fuel in the forest, when the Forest Department does not raid them for trespass!—and assuming that the dealer still gives his 14lb. per rupee while the people are paid at the 16lb. rate, what does this leave but a pound of grain a day as the sole subsistence of grown-up persons?—and it was the one-pound ration that played such havoc in previous famines." These things may well make Lord George Hamilton hide his head, and release the beneficent streams of British benevolence.

In another part of our present issue will be found a paper which Sir William Wedderburn contributed to the *Speaker* last week. Sir William persistently tries to direct people's minds to a fundamental remedy by prevention. He first exposes the ignorant and misleading argument of Sir Henry Fowler, who ridiculed the idea that the Government of India could be held responsible for the failure of the monsoon. Sir William points out once more that famine, which is death by starvation—by the way, the *Manchester Guardian* remarks that the Government officials in India have discovered 'another palliative synonym, "emaciation"—arises not from drought alone, but from drought plus destitution. "Nature may be responsible for the missing harvest; but surely the responsibility of the Government comes in when it is a question of the missing domestic store," and this responsibility, which is admitted by all Governments, is "specially cogent in India, where the Government is the universal landlord, and also jealously retains all direct power in its own hands." But Sir Henry Fowler, so far from allowing that the rayat is destitute, boasts that he is prosperous—prosperous under and by reason of the blessings of British

rule. Why, then, has not the rayat "an abundant domestic store, whether of food, money, or credit?" That question still stands for Sir Henry to answer. But, beyond that the people do in fact hold the Government responsible for drought; and, more than even that, Eastern rulers themselves (always excepting such rulers as Sir Henry Fowler and Lord George Hamilton, who have neither been in India nor informed themselves in Indian ideas) "acknowledge and accept the responsibility." Sir William illustrates this point from a recent Proclamation by the Empress-Dowager of China, and also from the example of King David (with which Sir Henry Fowler might have been supposed to be familiar). "This inability to understand, or even imagine, the point of view from which others look at current events," says Sir William, suggestively, "is for us a great source of weakness as rulers of men, and may in certain cases be the cause of serious disaster."

Sir William, however, presses the charge home. "The Tartar invasion," he quotes Burke, "was mischievous; but it is our protection which destroys India." "So," says Sir William plainly, "it has been in the case of the rayat, whose conditions of existence have been upset by revolutionary changes introduced by us without due consideration of their effect on the delicate fabric of Indian rural life." He gives three examples. First, the invasion of free trade, pure and simple, suddenly destroyed the Indian industries. "How long will it be before technical education in the schools will produce the muslin of Dacca, the pottery of Sind, and the silk brocades of Ahmedabad?" Second, civil courts on European models in the rural districts have produced (according to Sir George Wingate, confirmed by Mr. A. O. Hume) an "antagonism of classes and degradation of the people, which is fast spreading (and has now spread) over the land." Third, the substitution of a rigid cash assessment of land revenue (collected at the wrong season and from all the rayats of a district on the same day) in place of the old customary payment of a proportion of the crop in kind, has proved frightfully oppressive. And yet the rayat is skilful, industrious, and frugal, and has a fine climate and a rich soil. The Government of India has no responsibility, forsooth; "The Government of India is under dangerous delusions with regard to the condition of the rural population, and until those delusions are dissipated by careful and impartial enquiry we can have no hope of improvement." Again we ask: What has the British electorate to say about the famine in the light of these astounding representations?

POINTS AND PRINCIPLES OF THE MINORITY REPORT.

THE Report of the Minority of the Royal Commission on Indian Expenditure, signed by Sir William Wedderburn, by Mr. Naoroji and, with some reservations as to arguments and conclusions, by Mr. W. S. Caine, may almost be said to constitute an epoch in the long controversy on Indian Government and finance. It is true that there is nothing startlingly new in the document. Every argument and almost every fact will be familiar to the diligent student of Indian affairs. The point is that here the arguments of the leaders of Indian opinion are found in measurable compass and are recorded in permanent form within the covers of a State document. Almost every question which can arise out of Indian finance and many questions which to the superficial observer may appear only remotely connected therewith, are here discussed. Nor do the Minority confine themselves to mere criticism of their colleagues or of the Indian Government. Stating succinctly the reasons of their disagreement, they go on to offer a series of practical recommendations founded on certain general principles, especially the equality of British subjects before the law as laid down in the Proclamation of the Queen when she assumed the government of India. Dividing their recommendations under the three heads of Financial Control, Progress of Expenditure, and Apportionment of Charge, they give weighty advice on each.

Though to some it might seem that the Viceroy in Council was the representative of the interests of the Indian people, and though for interested motives his consent is often taken as the consent of India, it is evident that this is to wholly mistake his alien and unrepresentative position. In the

words of Gladstone, "It appears to me that to make such a statement that the judgment of the Viceroy is a sufficient expression for that of the people of India—is an expression of paradox really surprising, and such as is rarely heard among us." The Viceroy's Council, indeed, represents certain interests, but they are the interests or rather the work of particular departments. As the Minority Report says:—

The first important point to be borne in mind is that, the administration of India being purely official, there is a strong natural tendency towards increasing expenditure. Each official, seeing within his own sphere great opportunities of useful public expenditure is eager to obtain the necessary funds, while he has no occasion to consider the effect of such demands in the aggregate upon the public treasury. And the financial danger arising from this tendency has very much increased owing to the increasing power of great centralised spending departments: these are highly organised and ambitious, and each of them being represented in the Executive by some member of the Viceroy's Council, their combined pressure is brought to bear upon the Financial Department, which is expected to find the ways and means.

Against this combined pressure the only protection is the opposition of the Financial Member and possibly of the Viceroy himself. Now whether the Viceroy, who may himself be much interested in some particular scheme of benevolent expenditure, will come forward as the defender of economy must always be doubtful. Even with the best intentions, in order to interpose effectively, he must be a man of sufficient strength of will to resist the pressure of the high officials, but obviously if the power of the non-official members were increased the chances of economy would be much greater.

Two checks on the Viceroy in Council remain—the one official, the other constitutional—the Secretary of State for India in Council and the House of Commons. The former would be more effective were the Indian taxpayer directly represented in the Secretary's Council, as Disraeli originally proposed. The latter would be less ineffective if the Indian Budget were not systematically brought on at the very end of the Session. An earlier debate, and a debate made businesslike by the Budget having been previously submitted to a Select Committee, would be of some use. But the control of the House of Commons over the general course of Indian finance—and a control over details is not suggested—can never become real while information seems to be by placing the Secretary of State's salary on the Estimates of the United Kingdom. That this denial of information is no idle grievance the question of wars beyond the frontier will show. The Government of India Act of 1858 requires the consent of both Houses of Parliament for the expenditure of Indian revenues on military expeditions beyond the frontier. It is, therefore, of great importance that the frontier of India should be known. Yet neither party has been willing to give any definite information on the point.

When we turn from the control to the increase of expenditure, two striking facts appear—(1) the continual rise in both the civil and the military outlay, and (2) the great advance of the military as compared with the civil expenses during the period from 1885 to 1898. It will thus be seen that the financial difficulties of the country are not due to causes over which the Government has no control. On the contrary, the greatest source of increased expense flows from the trans-frontier policy which began to bear full sway after the departure of Lord Ripon. But it is not only in this particular branch of the expenditure that the policy of the Government has created the financial troubles of the country. The true remedy, as the Minority Report points out, for the inordinate expensiveness of Indian government is the greater employment of Indians. This is not merely the view of educated Indians, whose opinions some may be inclined to discount in advance as those of interested office-seekers. It is the view also of English statesmen and Anglo-Indian officials. Thus Sir William Hunter said:—

You cannot work with imported labour as cheaply as you can with Native labour; and I regard the more extended employment of the Natives not only as an act of justice, but as a financial necessity.

The Duke of Devonshire declared, as Secretary of State for India, "If the country is to be better governed, that can only be done by the employment of the best and most intelligent of the Natives in the service." Nor could any other policy but this be the logical result of Lord Idlesleigh's declaration that our duty to India can only be discharged "by obtaining the assistance and counsel of all who were

great and good in that country." It is, indeed, affirmed by many Anglo-Indian administrators that for good government the number of European officials must never fall below a certain limit; but if for these reasons it be necessary to fix a minimum to the number, for reasons of finance it is at least equally necessary to fix a maximum, so as at once to relieve the taxpayers of the heavy salaries necessary to tempt Europeans into the Service, and to stop the economic drain from India to Europe.

One other point in this section of the Report deserves a word of notice, for it admirably shows the tendency of the Indian Government to throw the blame for everything on Providence. The loss by exchange, which has figured so largely in Indian finance, seemed at first sight to be entirely beyond the control of Government, unless they were willing to take drastic measures for re-establishing the currency, which, now that they have been taken, many are inclined to think worse than the disease. But the Minority Report shows that the loss by exchange was really attributable to three causes: (1) a fall in the exchange value of the rupee; (2) an increase in sterling charges; and (3) compensation given to employes of Government not included in the terms of their original contract of service. Now it is only the first of these causes that can for a moment be considered outside the bounds of Government intervention. The second was increased by the policy of the Government, and would have been diminished by the employment of Indians in greater numbers. The third was a gratuitous creation of the authorities.

The suggestions of the Minority Report as to the employment of Indians are not confined to proposals for opening the existing services to them on fairer terms. A proposal is made that, in the interests of economy, collectorates might be administered on the model of well-ordered Native States, the collector taking the place of the Rájá, and an experienced Indian colleague that of Diwan or Prime Minister, while the Central Government would inspect and advise rather than administer. This arrangement would obviously effect an enormous decrease in expense.

There remain many other interesting questions, such as the division of revenues between the Central and the Provincial Governments, but it is necessary at the moment to pass on to the last head—the Apportionment of Charge. The Minority Report lays it down that the maintenance of British rule in India is a great Imperial interest:—

The main instruments by which British rule in India is maintained are a strong European military force, a European Civil Service, and a contented Indian population. Without these combined factors the conditions necessary to British rule could not be produced. The maintenance of these instruments of British rule is therefore clearly an Imperial interest, and we are of opinion that the Imperial Exchequer should bear a proper share of the expense involved.

As a fair working arrangement it is suggested that England should pay for all Europeans employed upon Indian work in England, and India for all Indians employed in India, while as regards Europeans employed in India or Indians in England the expenses should be shared equally by the two countries. War expenditure beyond the Indian frontier should be primarily borne by England, India contributing only in proportion to the benefit accruing to her; nor should the expenditure for wars beyond her frontiers in the past be left wholly out of account. Other military savings should be effected. But above all some impartial tribunal should be created which should, in the words of Lord Salisbury, "obtain the confidence of the taxpayers of both England and India," and the Minority believe that such a tribunal might be found in the Judicial Committee of the Privy Council.

THE FAMINE IN INDIA.

5,319,000 PERSONS ON RELIEF.

The Secretary of State for India has received the following telegram from the Viceroy on the subject of the famine:—

"As anticipated, recent rainstorms have not improved situation. Numbers demanding relief have continued to increase. Relief arrangements in British India are equal to increasing strain. Numbers in receipt of relief:—Bombay, 1,281,000; Punjab, 179,000; Central Provinces,

1,594,000; Berar, 390,000; Ajmere-Merwara, 127,000; Rajputana States, 474,000; Central India States, 162,000; Bombay Native States, 567,000; Baroda, 72,000; North-Western Provinces, 3,000; Punjab Native States, 48,000; Central Provinces Feudatory States, 61,000; Hyderabad, 342,000; Madras, 18,000; Kashmir, 1,000. Total, 5,319,000."

(THROUGH REUTER'S AGENCY.)

CALCUTTA, April 23.

Mr. Smeaton has returned to Calcutta after his inspection of the famine districts.

He says that relief is urgently needed. The misery in parts of Bombay, Rajputana, and Central India is beyond description and unparalleled.

It has been resolved to distribute immediately the 50 lakhs now in hand. Contributions to the Famine Fund are greatly required.

SIMLA, April 23.

Official reports arriving here confirm the accounts of the terrible nature of the famine, especially in Bombay and Rajputana. One district has lost a million cattle out of one million three hundred thousand, and a number of people are dying of starvation. Children are found wandering, homeless, ill-clad, and emaciated, and cases are reported of their having been sold for money. Several districts show an abnormal death-rate, believed to be due to the prevailing scarcity, and grass in some localities is as dear as grain.

The Indian Charitable Relief Fund and the Government are doing their utmost to relieve the distress, but the former fund urgently needs further help to enable it to carry out the work of relief. Thousands of persons will require advances to enable them subsequently to resume their ordinary labour.

The mortality among cattle, as shown by the latest indications, is so severe that the possibility of adapting the usual tillage implements to manual labour is now being carefully considered. It is believed that the use of human power for work usually done by bullocks is a thing hitherto unknown in the severest scarcity in Hindustan.

THE MANSION HOUSE FUND.

The Indian Famine Fund at the Mansion House slightly exceeded £200,000 on Wednesday evening. The Lord Mayor made a further remittance of £10,000 to the Viceroy for relief purposes, making a total sent out so far of £194,000.

THE MANCHESTER FUND.

The *Manchester Guardian* announced on Wednesday that the subscription list of the Manchester Indian Famine Fund then amounted to £29,660.

THE "INVESTORS' REVIEW" FUND.

We take the following from the current issue (April 21) of the *Investors' Review*:—

Subjoined is the list and amount of subscriptions received for our little fund up to date. May we again repeat that it is a fund, every farthing of which will be put to good uses, especially in helping the starved cultivators to replace their lost cattle, and that the more help we can give in this direction the sooner will the distressed provinces and Native States—for they cannot be forgotten in the present misery—recover some of their ancient prosperity? Cheques and postal orders should be drawn to A. J. Wilson, crossed Union Bank of London, Famine Fund Account.

LIST OF SUBSCRIPTIONS.

Amount acknowledged last week	£408 6 0
"In Memoriam Charles Bradlaugh"	11 0 0
Daniel Chamier, Esq., London, S.W.	5 0 0
"In Memoriam S. K." Altrincham	11 7 6
A. M., Glasgow	0 10 0
Miss Reeve (second contribution), per India	5 0 0
Wm. Maynard, Ledbury	10 0 0

Total to date £461 3 6

The *Manchester Guardian* wrote (April 25):—

The letters from our Special Correspondent who is studying the Indian famine on the spot, grow more and more gloomy as he proceeds with his investigations. On landing at Bombay he found the plague raging more furiously than ever. He began his tour in the Bombay Presidency with a visit to Poona, where he found comparatively little distress prevailing, though the numbers of applicants for relief were increasing daily. Going northward to Ahmednagar, he found that the distress was much more serious, one in four of the population being in receipt of relief. Passing on,

further north, to Nasik, he heard that cholera had made its appearance there, though the famine had not yet been felt very keenly. He journeyed on, still northward, to Khandesh, in the hill-country of the Deccan, and there, as the letters which we have printed yesterday and to-day show, he found that to severe famine was joined a terrible outbreak of cholera. Khandesh is normally the richest district of the Deccan, with a fertile soil watered by the great Tapi River that flows into the sea below Surat. It was but slightly affected by famine in 1897, when the rest of the Deccan suffered cruelly—only 16,000 people were forced to resort to the relief works in that year in Khandesh, when in other Deccan districts they were to be counted by the hundred thousand. This year Khandesh is as severely affected as the rest of the Deccan; no less than 250,000 of its people—probably one-fifth of the whole—are receiving relief from the Government. Scurged by cholera as well as by famine, the district seems now to be suffering as much as any district in India.

The appearance of cholera in the famine camps intensifies the horror of the situation. It is difficult enough for the Indian Government to feed the starving when they are collected in these camps, not so much because it cannot find the money to buy food for the millions who need it as because its staff of officials is far too small to exercise thorough supervision over the work of relief. But now that cholera is attacking the camps the unhappy people who have flocked to them for food will disperse over the country, and the task of feeding them will become almost insupportable. In the Daula camp in Khandesh, for instance, 4,000 refugees had assembled; cholera broke out among them, and three-fourths of the people at once fled to the jungle, where, it is to be feared, many will perish of starvation, as many had done before the relief works were opened. These poor folk, many of whom belonged to the wild and roving hill-tribes, such as the Bhils, have, indeed, only a choice of evils. If they stay in the camps they have small chance of escaping the cholera, for little or no medical help is available in these remote districts. If they leave the camps they give up almost all hope of obtaining food, for the relief officials, already overworked, cannot track them all to their villages. There is the further consideration that the frightened peasants, flying from the camps where cholera has appeared, are only too likely to spread the infection far and wide at a time when the ravages of famine have lowered the vitality of the people and made them less able to resist the disease. So far the cholera has mainly been confined to Khandesh, but it has appeared, as we have said, further south at Nasik, and may be expected to appear at other famine centres in Bombay. It is hard to say what the Government can do to stop the progress of this new outbreak in districts already affected. But the outbreak of cholera is a very good reason for raising the standard of relief all round. If the workers in the famine camps are well fed they will have a better chance of escaping the cholera; if, on the other hand, their rations are reduced for one reason or another to the "penal minimum," which seems inadequate to support life, the refugees may be expected to fall ready victims to any epidemic. The Indian Government, no doubt wisely, fears to encourage the vagrants by giving relief on too generous a scale; it must not fall into the opposite error of giving too little and thus encouraging the spread of disease. Even in the interest of public order it may be questioned whether the Government is wise in feeding the occupants of its relief camps less well than the criminals in its gaols; but the spread of the cholera is more to be feared than any temporary increase in crime occasioned by a desire on the part of the more unscrupulous to share the comparative luxuries of prison life in time of famine. If they may be hoped, then, that the Indian Government will reconsider its recent decision to lower the standard of relief before it is too late.

But there is a limit to the resources of the Indian Government. Working upon a carefully planned system, through a host of generally able and devoted officials, it is expending large sums in the attempt to alleviate distress and save lives. But the area affected by the present famine is so vast, and the numbers of people brought to the verge of starvation so great, that the Government is almost overwhelmed by the task. The pitiful scenes described by our correspondent are, it must be remembered, only typical of what is occurring all over Western and Central India. The gloomy tone of his letters is reflected in the official statements of the Viceroy, who has this week reported that the situation has not improved, that the numbers demanding relief have continued to increase, and that the number of persons receiving relief is now 5,319,000—an appalling total, which far surpasses that reached in any earlier famine of the century. It is certain, too, that things will grow still worse before they improve, and no improvement can be expected for at least three months. Under the circumstances, then, India's appeal for help is irresistibly true. It has been heard and acted on, as the setting up of an Indian Famine Fund in Berlin sufficiently proves. But no more ought the appeal to awake such a hearty response as in this country, which has profited so much by India for centuries past. So far the British public has not fully awakened to the gravity of the situation in India. The various relief funds have grown slowly and steadily to the respectable total of between £250,000 and £300,000, but this sum, though considerable, is very far below the amount collected two or three years ago, when the famine was not so bad as it is to-day. However, we do not doubt that, as the need for relief is better understood, the funds will grow rapidly. Our duty to India as her rulers, as well as common humanity, obliges us to come to her help in this her time of direst need.

SIR W. WEDDERBURN, M.P., ON GOVERNMENT RESPONSIBILITY.

The following signed article by Sir W. Wedderburn, M.P., appears in the current issue (April 21) of the *Speaker*:—

During the recent debate in the House of Commons Sir Henry Fowler declared that he could not see where the responsibility of the Government came in with regard to the causes of a famine in India. He said that the cause of famine was the failure of rain, and he did not see how the Government could fairly be blamed for a bad

monsoon. This may be true as far as it goes. But it is not the whole truth. For famine, which means death by starvation, is made up of two factors: drought and destitution. In order to produce death by hunger in a village there must be not only failure of the year's harvest, but there must also be a failure of domestic stores. Nature may be responsible for the missing harvest; but surely the responsibility of Government comes in when it is a question of the missing domestic store. All Governments admit responsibility for the condition of the people, and this responsibility is specially cogent when the Government is the universal landlord, and also, in India, where the Government is the universal landlord, and also jealously retains all direct power in its own hands. With regard, therefore, to the causes of famine, I affirm that if the Government is not responsible for the drought it is responsible for the destitution, without which drought and scarcity need never deepen into famine.

When we enquire how the Government fulfils this responsibility we come to Sir H. Fowler's second line of defence. For he alleges that the rayat is not destitute but prosperous, and that this prosperity has been on the increase for many years on account of the blessings of British rule. But if this view be correct, the rayat ought by this time to have an abundant domestic store, whether of food, money, or credit. As regards food, we know, on the authority of the Famine Commissioners, that in former times he was able to keep a stock by him to meet emergencies; for they state that the custom of storing grain, as a protection against failure of harvest, used to be general among the agricultural classes. If this was the case formerly, then, with his ever-increasing prosperity, we should expect to find the rayat now still more securely provided against possible starvation. We should expect to find his domestic store overflowing. Like the rich man in the parable, whose ground brought forth plentifully, he would now be saying within himself, "What shall I do, because I have no room where to bestow my fruits?" He would pull down his barns and build greater, and there bestow his fruits, so as to have much goods laid up for many years. Or if he followed more modern methods, and preferred to turn his surplus produce into cash, he would have a comfortable balance at his bankers. But do we find that this is the case? Not at all. On the contrary, although the grain store has disappeared, there is no substitute in cash. The rayat has indeed pulled down his old barns, but he has built no new ones in their place. And the balance with his banker, who is the village money-lender, is altogether on the wrong side. Not only does he possess nothing, but he possesses much less than nothing, as he owes to the money-lender far more than he can ever hope to pay. Being in this condition he is not only without food and without cash, but also without credit. And any further advances from the money-lender, which he will also the while be asked to make, are of the nature of charity—not business. Now I ask, how is this condition of things compatible with the official theory of the rayat's fitness and prosperity? How do our official guides explain the fact that the failure of one harvest causes the rayat to die of hunger unless he is fed by the State? I think some better answer should be forthcoming than that accepted the other night by the House of Commons, that no enquiry is necessary, and that the question of the rayat's destitution must be left to these officials themselves.

I will presently indicate some of the causes of the rayat's destitution. But before leaving the question of Government responsibility I should like to refer for a moment to a view of the case which is little, if at all, understood in this country. Sir H. Fowler said that the Government is not responsible for the failure of rain and consequent drought. He no doubt considers that to believe otherwise is the climax of absurdity. But he will be perhaps "surprised to learn" that this belief, which he considers absurd, is almost universal in the East. Not only do the people themselves date days of their lives from drought, but the rulers themselves acknowledge and accept the responsibility. This fact cannot be better illustrated than by a proclamation recently issued by the Empress-Dowager of China; an interesting and in some respects a touching document. It runs as follows:—

The recent drought and lack of rain in this portion of the empire caused us to pray earnestly and frequently to High Heaven for gentle showers to quench the thirst of the parched earth, but we regret that these prayers have been of no avail, and we are led now to think that we have incurred in some way the wrath of Heaven. This dynasty has always considered the welfare of the people the paramount subject of Government. Is Heaven then angry because . . . the murmurs of the people have reached Heaven's ears? Are the officials neglectful of the people's welfare, and their sufferings have therefore moved the compassion of Heaven?

And the august lady then admonishes all the heads of departments and orders them to see that their subordinates duly perform their duty towards the people, and that they use up to date days of their lives from drought, but the rulers themselves acknowledge and accept the responsibility. This fact cannot be better illustrated than by a proclamation recently issued by the Empress-Dowager of China; an interesting and in some respects a touching document. It runs as follows:—

Reverting to the causes of the rayat's destitution, I am reminded of a saying of Edmund Burke regarding our connection with India, when he stated that our friendship brought greater ruin than the hostility of former invaders: "The Tartar invasion was mischievous; but it is our protection which destroys India." So it has been in the case of the rayat, whose conditions of existence have been upset by

the revolutionary changes introduced by us without due consideration of their effect on the delicate fabric of Indian rural life. That most of these changes have been well intentioned does not at all mend matters; indeed it is an obstacle in the way of reforms, for the *conscienti recti* is more hard to move than the meanest conscience. There is not here space to go into detail, but I will note two or three familiar instances which will be readily understood. Take, for example, diversity of employment. There dwelt in each rural village a number of skilled artisans; spinners and weavers of cotton, wool, and silk, dyers, potters, glass-blowers, metal-workers, and so forth, whose earnings formed a considerable portion of the village income. We open up the country, and suddenly introduce free-trade purity and simple. This may be an excellent thing in itself, but its immediate effect was to kill the village industries by the competition of cheap machine-made goods, and the whole population, including many engaged in agriculture, was thus thrown upon the land for its support. I was glad to hear Lord George Hamilton, in the course of the debate, promise that he would do all he could to vary and diversify the occupations of the Indian people. That is well; but it is not easy to restore a class of highly skilled artisans when once destroyed. How long will it be before technical education in the schools will produce the mullah of Dacca, the potter of Sind, and the silk broadens of Ahmedabad?

So much for the effect of free-trade on village economies. Again, we introduce in the rural districts civil courts on the European model. What could be more wise and beneficial? Justice brought to every man's door; and the raiyat convinced of the unspeakable blessings of British rule? Not so in practice. Every one knows that the effect has been simply to transform the money-lender from a useful village servant to a mischievous village tyrant. The decree of the Court in his hand, and the whole power of the Empire at his back, he is lord of all his serfs; and the raiyat succumbs after long struggling, and his industry is paralysed. How does Sir George Wingate, the father of the Bombay revenue system, describe the situation?

"This miserable struggle between the debtor and creditor is," he says, "thoroughly debasing to both. The creditor is made by it a grasping hard-hearted oppressor; the debtor a crouching false-hearted slave. It is disheartening to contemplate, and yet it would be a weakness to conceal the fact, that this antagonism of classes and degradation of the people which is fast spreading over the land, is the work of our laws and our rule." I will refer to only one other instance of a revolutionary change made with good intentions but fatal results; the substitution of a rigid cash assessment of land revenue in place of the old customary payment in kind. The ancient Hindu law gave the Government a certain share of the gross produce; and this method suited the people, acting as a sliding scale, so that in a bad year the raiyat had to give but little; if he had no crop he gave nothing; but in a bumper year the Government shared in the general prosperity, the raiyat giving gladly out of his abundance. Under this system the raiyat was not forced to go for cash to the money-lender, because the claim of Government did not arise till the crop was reaped, and then all that the Government had to do was to take its share. Now this is all changed. Instead of taking the revenue in kind according to the amount of the crop, we have fixed a rigid cash assessment on each field, and this amount must be paid punctually in cash on a certain day, whether the crop is good or bad. This method of fixing an average demand, to be levied in cash irrespective of the actual return, may suit the case of capitalist farmers; but it has fairly broken the back of the raiyat, who is a mere peasant living from hand to mouth. As a class the raiyat possesses no cash. So the immediate effect of this new method was to drive him to the moneylender, as a suppliant, in order to get the necessary rupees. And this was the beginning of his sorrows. Further, the position of the raiyat as a borrower is made all the more difficult because the Government demands payment on a date when the crop is unripe and still upon the ground. The demand therefore comes upon him before his crop is marketed, and when all his resources have been expended in its cultivation and maintenance. The whole Province being in the same dilemma on the same day, the money market is abnormally tightened, and Shylock can exact such terms as he pleases from the prostrate raiyat.

I have given these few instances to show how Government is directly responsible for the destitution and indebtedness of the raiyat. The raiyat is skilful, industrious and frugal, and with the fine climate and rich soil of India he ought to enjoy a solid share of prosperity, if he is not over-taxed or interfered with by insupportable laws. But the heavy taxation placed upon him, and the revolutionary changes introduced with regard to alienation of land, have upon the conditions of his existence, and by paralysing his energies, have rendered him incapable of resisting such visitations as famine and plague.

The Government of India is under dangerous delusions with regard to the condition of the rural population, and until those delusions are dissipated by careful and impartial enquiry, we can have no hope of improvement.

THE INDIAN TRIBUTE.

In a letter which appeared in the *Westminster Gazette* on April 24 Mr. H. M. Hyndman wrote:—

I contend, as I have contended in season and out of season for nearly a quarter of a century, that the growing impoverishment of the people of British India is due mainly to the fact that we drain away from them, year in and year out, an amount of produce without return which has now reached the appalling total of £30,000,000 annually. I am much understating the matter when I say that we have thus taken out of India by way of economic tribute, on Government account and for private remittances, £500,000,000 in the past twenty-five years. That is to say; at the very least, the total net land revenue of all British India, heavily assessed and relentlessly collected as it now is, flows out from India without return and is spent on English account. If British India were a rich country such

a drain would in time reduce her to poverty. Being, as by common consent she is, deplorably poor, this unceasing drain means the manufacture of almost continuous famine. The raiyats are utterly denuded of their resources and have nothing to fall back upon in time of pressure. Surely, Sir, even "the average man" must see that, if being entitled, according to our own ordinances, to withdraw £19,000,000 reckoned in gold from British India on Government account without return, we actually do thus abstract £16,000,000 out of the £19,000,000 in this year of awful famine—at the present moment 85,000,000 people are affected and fully 5,500,000 are in receipt of relief—the average man, I say, must surely recognise that the withdrawal of this huge sum cannot fail to intensify the famine; whereas it would be greatly mitigated, if not entirely stayed, were the Government to use the £16,000,000 for the advantage of the distressed population from whom, as the famine itself shows, the bulk of that sum never should have been taken at all. Were India an independent country, or were she in any way effectively represented, the drawings for home charges would be suspended for this year at least. India is far indeed from being independent, and almost equally far from being effectively represented. I do hope, however, that the recurrence of famine will compel the people of these islands, who are really responsible for the ruin of the greatest dependency the world ever saw, to take the whole question most seriously into their consideration. British India cannot any longer support her present system of government, and the economic crash which I predicted in the *Nineteenth Century* and elsewhere in 1878 and 1879 is now close upon us.

I may say in conclusion that my views on this matter have been and are shared by such men, dead and living, as Mr. Montgomery Martin, Sir George Wingate, Mr. James Geddes (Bengal Civil Service, hero of the Orissa famine of 1860), Sir Louis Malet (for many years Permanent Under-Secretary of State for India), Colonel Osborne, Major Bell, Mr. Robert Knight, Sir William Wedderburn, Mr. Chester Macnaghten (late Principal of the Rajkoti College, Rajkot, Kattywar), Mr. William Digby, Mr. Dadabhai Naoroji and many more; and I believe I should not be very far wrong if I added Lord Salisbury and another ex-Secretary of State for India to the list.

THE ROYAL COMMISSION ON INDIAN EXPENDITURE.

THE MINORITY REPORT.

The following is the text of the Minority Report (which is signed by Sir W. Wedderburn, M.P., Mr. Dadabhai Naoroji, and Mr. W. S. Caine) continued from page 195 of our last issue:—

C.—PRACTICAL RECOMMENDATIONS.

I.—Financial Control.

26. From 1883 to 1887 Sir Auckland Colvin held the office of Financial Member of the Viceroy's Council or of the Finance Minister, as he is commonly called; and on 17.850—Sir David Barbour held the same office from 1888 to 1893. These two witnesses therefore can speak with authority as to the practical working, during this most important decade, of the machinery for controlling Indian expenditure; and they are both clearly of opinion (Q. 1833, 1930, 2909-11) that this machinery is defective, and that the Indian Administration does not give sufficient attention to financial considerations. In order to remedy this defect they are not prepared to put forward any definite scheme. But Sir A. Colvin (Q. 3123) would look for the remedy in the direction (1) of strengthening the financial interests in the Council of the Secretary of State; and (2) of trying in some way, without undue interference with the authority of the Government of India, to establish a control emanating from Parliament as the ultimate authority. With reference to this second point Sir D. Barbour (Q. 2183) thinks that the general control of Parliament over Indian expenditure is most valuable, while he deprecates interference in matters of detail. As regards the method by which the control should be exercised he suggests (Q. 2235-7) that in dealing with Indian affairs Parliament should appoint a Select Committee from time to time to report upon particular questions, and he is of opinion that it is most dangerous for Parliament to interfere without first taking the report of a Select Committee or of some other special body.

27. The problem is thus presented to this Commission under two natural headings (a) control by the Secretary of State in Council, that is, official discipline; and (b) control by the House of Commons, that is, constitutional control; and the question is, how can the existing machinery be made effective as regards each of these headings? But before going into these considerations it seems desirable briefly to notice an unsuccessful attempt to adapt to the case of India the machinery which has been found effective in controlling Imperial expenditure. The control over Imperial expenditure is exercised under the provisions of the Exchequer Audit Act of 1866; and the Chairman (Q. 1841 and 1850) has pointed out that under that Act the Comptroller and Auditor-General by his Appropriation Audit, renders valuable service in two distinct directions; (1) he supports the Chancellor of the Exchequer, as head of the Treasury, by assisting him to maintain the orderly administration of the finances throughout the public service; and (2) he controls the Chancellor of the

Exchequer by reporting to the House of Commons any irregularity on the part of the Treasury, and the House of Commons through its Standing Committee pronounces judgment on such irregularity. It is evident that these two duties of the Comptroller and Auditor-General are not only distinct but also diverse in their aim and object. On the one hand he helps the financial head of the executive to enforce discipline upon all grades of the official hierarchy; and on the other hand he helps the House of Commons, representing the taxpayers to exercise constitutional control over the whole executive, and especially over the Treasury which controls all the rest. In other words the objects aimed at by the Act are those desired by Sir A. Colvin and Sir D. Barbour, viz., (a) official discipline; and (b) constitutional control.

28. In England the system has been found to work well; and a printed correspondence has been placed before this Commission showing that between 1881 and 1893 an attempt was made to extend to Indian expenditure, *mutatis mutandis*, the benefits of the Imperial system of an Annual Appropriation Audit. But, unfortunately, sufficient account was not taken of the difference between the Indian and British systems of Administration; and the consequence is that the audit has been applied at the wrong place, with the result that (at considerable cost) a new and superfluous check has been imposed upon subordinate officials in India, while leaving untouched the vital problem of enforcing Parliamentary authority over the whole body of the Indian Executive. The error seems to have arisen from carrying too far the technical analogy between the Viceroy in Council and the House of Commons, as the authority which appropriates the supplies; and also the analogy between the Finance Minister in India and the British Chancellor of the Exchequer in England. The Financial Member of the Viceroy's Council is no doubt the financial expert, and he frames the Indian Budget; but for the purposes of the Appropriation Audit his position does not correspond with that of the Chancellor of the Exchequer. As regards the Appropriation Audit the Chancellor of the Exchequer is the central figure, not because he is the financial expert, or because he frames the Budget, but because he is the responsible head of the Treasury. And the responsible head of the Indian Treasury is not the Finance Member of the Viceroy's Council, but the Secretary of State for India in Council. To create, therefore, any constitutional control, the check should be applied at the point of contact between the India Office and the House of Commons. Instead of this, the report of the Indian Comptroller and Auditor-General takes effect several places down the official scale, somewhere between the Viceroy and the Financial Member of his Council, with this result, that instead of being a constitutional instrument (as in England) of the highest value, it is evidently of no value at all for such a purpose. And as regards official discipline, the day to day audit already does all that is required; so that Sir H. Waterfield and Mr. Jacob (Q. 949-957). Sir David Barbour (Q. 2250-1), and Sir A. Colvin (Q. 3107) all agree that as regards control of any kind the Annual Appropriation Audit Report in India is of no practical use at all. Indeed Sir D. Barbour goes so far as to say (Q. 2156) that the report of the Appropriation Report "rather troublesome," as being merely a "rehash" of questions disposed of twelve months before. This supposed check, therefore, as at present applied, is illusory and mischievous, as tending to create a false sense of security. Nor does it appear that any practical advantage could be gained by submitting an Indian Appropriation Audit Report to a Committee of the House of Commons as the House (Q. 1118-9) does not vote or sanction the Indian Budget, and has no interest or responsibility in seeing that its provisions have been complied with. Also (Q. 966) it has been pointed out that a Committee of the House could not deal with the technical details of such a report without explanation from officials whose duties keep them in India.

29. From these considerations it seems clear that, although the objects to be attained are similar, the British machinery of an Appropriation Audit is not suited to the peculiar conditions of Indian administration, where the authority which sanctions the Budget, and the authority which ultimately makes the expenditure, is one and the same, viz., the Indian Executive. For them the Budget is not a binding instrument; it is only a voluntary expression of anticipated expenditure, which they can afterwards abide by or not, according to circumstances and their own discretion. If the ultimate expenditure does not correspond with the original anticipation, it may be a matter for criticism, but is of no constitutional importance. We cannot, therefore, support the proposal referred to in para. 80 of our colleagues' Report, regarding the appointment of a Comptroller and Auditor-General; and we must fall back upon the suggestions (noted above, paras 26 and 27) of the expert witnesses, as regards (a) control by the Secretary of State in Council, and (b) control by the House of Commons; and, looking to the actual conditions of Indian finance, consider how best the machinery can be made effective under each of these headings. The first important point to be borne in mind is that, the administration of India being purely official, there is a strong natural tendency towards increasing expenditure. Each official, seeing within his own sphere great opportunities for useful

public expenditure, is eager to obtain the necessary funds, while he has no occasion to consider the effect of such demands in the aggregate upon the public treasury. And the financial danger arising from this tendency has very much increased owing to the increasing power of great centralised spending departments: these are highly organised and ambitious, and each of them being represented in the Executive by some member of the Viceroy's Council, their combined pressure is brought to bear (Q. 1928) upon the Financial Department, which is expected to find the ways and means. Now as against this general and continuous pressure towards expenditure, what are the checks tending to economy? Speaking generally, it may be said that the only permanent check upon public expenditure arises from the unwillingness of those who have to provide the funds. This check may be direct and absolute as in this country where the money is doled out by the representatives of the taxpayers; or it may be indirect and remote, as in India, where the taxpayers have no voice in the matter of supplies, but where their feelings indirectly influence the Finance Minister, who has to propose and justify the taxation by which the funds are provided. A similar but less personal instinct towards economy may ordinarily be assumed to exist in the Viceroy and the Secretary of State, who are responsible for the general peace and contentment of the Indian taxpayers. Finally there is the House of Commons, which somewhat remotely, on behalf of the British taxpayer, has an interest in economy, on account of contingent liability for the solvency of India. How, according to the evidence recorded, do these influences towards economy now operate in practice, as regards (1) the Viceroy in Council; (2) the Secretary of State in Council; and (3) the House of Commons? And how can they be so strengthened and organised as to constitute an effective control upon expenditure?

30.—(1) *The Viceroy in Council.* Under this heading an important factor (Q. 1855 and 2923) is the great power of the Viceroy as the head of the Government in India. He is in constant confidential communication with the Secretary of State, of whose support he is practically assured; the professional prospects of his colleagues are very much in his hands; and he has the distribution and ordering of the business. If therefore he actively supports the Finance Department in its efforts at economy, that department will prevail; but, if he supports the military

or other great spending department, the Financial Department is practically helpless. Unfortunately also the (Q. 2957) decentralisation scheme, which gives to provincial governments charge of internal progress, has weakened the inclination of the Viceroy towards economy by tending to

engage his personal interest in foreign, military, and railway matters which involve large expenditure. If the Viceroy is a man trained to public life in England, he will be more fitted to resist the influence of his

official surroundings; and if he communicates freely with the non-official members of his Legislative Council, he will be better able to hold the balance among contending interests. But, in any case, it appears that the personal disposition of the Viceroy must always remain both a preponderating and an uncertain factor in determining the financial policy of the government. Next in importance comes the Finance Minister, whose professional bias is decidedly in favour of economy. But, as a member of the Viceroy's Council, he is only one of seven, including the Viceroy, and, as all his colleagues are more or less interested in spending departments, he is at all times liable to be out-voted. Also (Q. 2924) within the last ten years, since the establishment of Russian authority in Central Asia his power of control has been radically affected owing to the great preponderance given to military considerations, in consequence of the apprehensions of British officials in India. It must further be admitted that his position as an advocate of sound finance is seriously weakened by the fact that, as Financial Member of Council, he must bring forward in his Budget, and defend, the financial proposals approved by the majority of his colleagues, even although they do not entirely commend themselves to his judgment. He is, therefore, as the mouthpiece of the Government and himself obliged to controvert arguments in favour of economy brought forward by non-official members, when personally he may be inclined to agree with them. And this point brings us to consider the position of the non-official members of the Viceroy's Legislative Council, who, so far as they represent the Indian taxpayers, may be regarded as a continuous influence tending towards economy. Under the Indian Councils Amendment Act, 1892, the non-official members are nominated by the Viceroy, partly on the recommendation of certain representative bodies in India, and they have the power of discussing in the Council the provisions of the Budget. But the check thus provided upon expenditure would be exercised with much greater effect and sense of responsibility if, as proposed by the late Mr. Bradlaugh, the non-official members were more directly representative of the Indian taxpayers; if they were empowered to move amendments and take divisions upon the various provisions of the Budget, which should be passed item by item; and if the points raised by them were brought formally under the

Q. 17,970-80.

Q. 17,081.

Q. 18,005.

Q. 18,028.

Q. 19,186, 2206, 2208, 17,147-9, 18,008, 17,307, 18,184, 19,142, 19,000-1, 19,005.

cognisance of the India Office, and afterwards of Parliament.

31. It is true that Lord Cromer, Lord Northbrook, Lord Ripon, Lord Lansdowne, and Lord Roberts did not support the complaint made by Sir A. Colvin and Sir D. Barbour as to the weakness of the Finance Minister's position. But the value of this objection is largely discounted by the fact that Lords Cromer, Northbrook, and Ripon had no personal experience of the altered condition of things since the Russian advance about 1885; while Lord Lansdowne and Lord Roberts were themselves responsible for developing the frontier policy which caused the weakness of the Finance Minister's position.

32.—(2) *The Secretary of State for India in Council*.—Sir D. Barbour (Q. 1853-5) states that the Secretary of State is a friend of the Financial Department, that is, of

Q. 17,988.

economy; and Sir A. Colvin confirms (Q. 29356) this view of the case, except that (Q. 3165-7) he says that the Secretary of State stimulates expenditure on railways. Further, Sir D. Barbour desires that the Secretary of State should be a stronger friend to economy than he now is; and Sir A. Colvin (Q. 3123) wishes the financial interests in his Council to be strengthened. How are these objects to be attained? Under the Government of India Act, 1858, the consent of the members of the Secretary of State's Council, commonly called the "Indian Council," is necessary for expenditure; but the value of this check must depend very much upon the personal inclination of these members; and unfortunately for the cause of economy the Council is mainly recruited from the official

Q. 17,806.

class which has previously represented the spending departments in the Viceroy's Council. Financial interests at the India Office would no doubt be strengthened if at least one seat in the Council were invariably reserved for retired Indian Finance Ministers. But what is wanted in order to keep the question of economy continually before the India Office is the presence there of some more direct representatives of the Indian taxpayer. It will be remembered that Mr. Disraeli in his original scheme for an Indian Council proposed that four seats should be reserved for members elected by a "Special Indian constituency." And

Q. 17,622.

19,160.

India has made great progress since then, so that men could easily be found there whose ability and experience would be a source of real strength to the Council of the Secretary of State. Another weak point which requires attention is this, that although a member of the Indian Council can record a dissent, such dissent (Q. 3179) is neither published nor (Q. 2946, 3181-2) communicated officially to the Finance Minister in India. The check therefore intended to be imposed upon expenditure does not operate either as regards the Executive in India or as regards the House of Commons, which does not know that such a dissent has been recorded. Indeed, the Government appears to claim the right to withhold all such knowledge from Parliament, for recently in an important matter it refused to place a Minute by a member of the Indian Council upon the Table of the House of Commons. Further, it is complained (Q. 1887-9) that the Finance Minister in India is not in touch with the authorities in England, and that he is very much in the dark as to the policy of the Secretary of State, although he obtains a certain amount of information (Q. 2946-7a) by private correspondence with members of the Indian Council. This want of touch involves considerable loss of power; and it seems desirable that there should be some arrangement for systematically combining the action of these various authorities and focussing their attention at least once in the year upon the condition and prospects of Indian finance.

33.—(3) *The House of Commons*.—Sir H. Fowler's declaration that all the members of the House of Commons were "members for India" was received with enthusiasm; so we may assume that there exists in Parliament a sense of duty towards the Indian taxpayer. But it must be admitted that the promptitude and rigour with which the House, assisted by a Standing Committee, scrutinises British expenditure for weeks together contrasts unfavourably with the belated and casual proceedings given to discuss the intricate finances of the whole Indian Empire. Sir A. Colvin (Q. 3173) points out that this annual debate takes place long after the period to which it refers is closed, at the end of the Session, when everyone is very anxious

Q. 18,001-2.

to get away, in a very thin House, and among persons many or most of whom are neither competent nor careful to weigh the matter they are discussing. This debate never takes place before August. In the Session of 1895 it took place in November, and the accounts dealt with by the resolution of the House were for the year ending March, 1894. No preliminary investigation into the accounts is made by any Parliamentary Committee; and under all these circumstances we cannot wonder that the witnesses (Q. 2239-49) agree that for purposes of control this annual debate is practically of no value. As regards British expenditure the Chairman (Q. 1934) has pointed out that the unspurring criticism of the party in opposition is the special force which gives effect to financial discussions. But in the case of India this party criticism is absent, the occupants of the Opposition Front Bench usually limiting themselves in this annual debate to compliments addressed to

Q. 19,025.

19,090.

their successors in office. The duty of criticism is thus thrown upon a few independent members, who, as regards Indian questions, have no constituents behind them, and who have the greatest difficulty, by questions and motions for returns, in extracting the facts and figures necessary to test the validity of the official statements, which are naturally of an optimistic kind. How the control of Parliament can thus be rendered nugatory has been strikingly illustrated with reference to section 55 of the Government of India Act, 1858, which requires the consent of both Houses of Parliament for the expenditure of Indian revenues on military expeditions beyond the frontier. The evidence has made it abundantly clear (Q. 2267-9, 2912, 3260-1) that the chief Indian expenditure needing control is the military expenditure, and especially, within the last ten years, that connected with frontier expeditions. It is therefore of the highest importance to know where the frontier is; whether these expeditions have been beyond the frontier; and, if so, whether the previous sanction of both Houses has been duly obtained to the expenditure of Indian revenues. Yet, in spite of continuous questioning in the House of Commons, it has been found impossible to extract from the Government of either party any definite information on these important points; the demand for maps showing the frontier, as it stood from time to time, has been refused or evaded; and no answers are forthcoming as to the steps taken legally to incorporate in British India the various frontier territories acquired since the passing of the Act of 1858. Until the salary of the Secretary of State for India is placed upon the estimates it will continue impossible to compel him to supply the information absolutely necessary to enable the House of Commons to perform its duty to India and to itself. In the meantime (Q. 2266, 3191) the question of the legality of this frontier expenditure does not appear to have received the consideration of the Government of India.

34. Such being the existing machinery for the control of Indian expenditure, what practical recommendations can be made by this Commission to cure the defects now brought to light, and to establish a system which will (a) strengthen and organise the influences throughout the Indian administration making for sound finance; and (b) enable Parliament to exercise effective control as the ultimate authority? In order to make the annual Parliamentary review of Indian finance a reality it is necessary to give a judicial character to the proceedings. And for this purpose the House of Commons must hear both sides, that of the taxpayer as well as the official; it must have definite issues upon which to pass judgment; and it must give sufficient time and care to the consideration of the facts. At present these conditions are wanting. And to supply the deficiency the following summary of proposals is submitted:

Q. 19,180.

19,097, 18,767.

17,147.

That each year, as soon as may be after the Budget has been passed at Calcutta, the House of Commons should appoint a Select Committee to

enquire into, and report without delay upon the financial conditions of India, as shown in the Budget and the accounts of the two previous years;

That the materials for this enquiry should consist *inter alia* of (1) the debates upon the Budget in the Viceroy's Legislative Council and any dissents recorded by members of that Council, (2) a despatch from the Viceroy in Council, including a special report by the Finance Minister, on the financial position, and (3) a financial statement by the Secretary of State in Council, with any dissents recorded by members of that Council;

That in order to give the Indian taxpayer an opportunity of making his voice heard the non-official members of the Viceroy's Council should (1) be made more directly representative of the Indian people, and (2) should have the right to move amendments and divide the Council upon the provisions of the Budget, while (3) a sufficient number of representative Indians of position and experience should be nominated to the Council of the Secretary of State on the recommendation of the elected members of the Viceroy's and Local Legislative Councils.

It is also desirable that there should be at least one Indian in the Executive Council of the Viceroy.

35. In order to maintain the controlling authority of the House of Commons over Indian expenditure, the salary of the Secretary of State for India should be placed upon the British Estimates.

36. In the time of the East India Company a Parliamentary enquiry into the whole administration of India was held every twenty years, before the renewal of the Charter.

Q. 19,167.

16,481, 19,255.

From these enquiries date the most important reforms for the benefit of India. Also the prospect of such an enquiry tended to check abuses. This old practice should be revived by statute.

37. At present, owing to the frontiers of India being undefined, it is difficult to give effect to the provisions of section 55 of the Government of India Act, 1858, as to expenditure beyond the Indian frontier. The frontiers of India should, therefore, be defined by Parliament, and should not be altered without the authority of Parliament.

II.—Progress of Expenditure.

38. We cannot accept as an accurate presentation of the facts the summary review of Progress of Income and Expenditure set out in paras. 95 to 115 of our colleagues' Report. In our opinion not only are the methods of dealing with the accounts adopted in that review faulty, but many of the estimates upon which are founded the conclusions arrived at are unwarranted by the facts. As the figures, estimates, and comparisons contained in paras 95 to 115 of our colleagues' Report are the foundations upon which are built the detailed observations and the final conclusions of that Report; and, moreover, from the treatment of these summary figures, which are comparatively easy to trace, may be deduced the treatment of more detailed figures in the body of the Report less easy to trace; we think it desirable in the first instance to set out some of our main objections to this review of Income and Expenditure, and also to give one or two instances of actual error in the treatment of the figures. In this connexion we wish to comment, more particularly on the following matters:

- (i) The selection of the year 1861-2 as a starting point in the review of Indian Finance.
- (ii) The sense in which "net revenue" has been used.
- (iii) The treatment of Land Revenue.
- (iv) The treatment of Provincial Rates.
- (v) The character of some of the estimates adopted.
- (vi) The want of uniformity in dealing with the figures.

39. The adoption of the year 1861-2 as a starting point for any comparative review of Indian Finance is open to grave objection.

The chief authorities deprecate making comparisons between accounts separated by the year 1875-6. Mr. Stephen Jacob gave evidence as to the impossibility of making a fair comparison of the expenditure of years prior to 1875 owing to different methods of keeping the accounts.

Questions 4,199-208.

Appendix 9,
Vol. II, p. 69.

And we have been informed by the authorities of the India Office that we cannot rely, for purposes of comparison, upon the figures showing the expenditure of the various departments for years earlier than 1875-6.

Under these circumstances it would appear to be doubtful whether any value attaches to even a general review of income and expenditure, beginning with 1861-2, in which comparisons are made between that year and years subsequent to 1875-6. Assuming, however, any such general review to be desirable, the review in our colleagues' Report, with its specific determination in percentages of the elasticity of the net revenue, of the increase in naval and military expenditure, and in the cost of civil administration, would appear to run counter to the expressed opinions of authorities like Mr. Stephen Jacob and Sir Henry Waterfield.

40. Apart from these larger considerations the financial year 1861-2 was an abnormal year, still under the influence of the Mutiny Budgets. Mr. Laing, in opening the Budget of 1862-3, said: "The circumstances of the last Budget (i.e., 1861-2) were remarkable." But not only was Indian finance still showing the effects of the great mutiny, but apparently the extraordinary confusion. During the early months of 1862 Sir Charles Wood, the Secretary of State for India, wrote on more than one occasion, criticising adversely the estimates and accounts of the Government of India. Under date, London, June 9, 1862, he writes:—

"7. In endeavouring to obtain from the statements forwarded by you a clear view of the finances of each year, and to satisfy myself as to the accuracy of the conclusions at which you have arrived, and the expediency of the measures which you have adopted, I have experienced much inconvenience from the changes which have been made in the general headings of the statements and estimates of revenues and charges.

11. I must call your attention to the great want of care which is apparent in these statements. . . .

20. I proceed now to the consideration of the estimates for the year 1861-2.

29. There are, however, items of expenditure omitted, which I consider it necessary to add, and the addition of which will, I am sorry to say, materially alter the financial result of the year, as shown in both the Budget and Regular (i.e., Revised) estimates received from your Government.

54. I have now to refer to the course which your Government has pursued in these two years (1861-2 and 1862-3), acting on the erroneous views of the finances stated by Mr. Laing.

It would appear from the correspondence that some of the accounts and estimates appearing in Parliamentary Paper No. 354 of 1862 were not accepted as correct at the time by the highest authorities in the Government of India, the Secretary of State and his advisers at the India Office. Yet it is precisely

from these discredited accounts and estimates that the quotation in para. 96 of our colleagues' Report is taken.

41. We have reason to know that the accounts of 1861-2 and other years were subsequently re-cast and printed in a book known at the India Office as the Green Book. But neither with these figures nor with those in the accounts of the Government of India at the time, nor with any published accounts in our knowledge, do many of the figures given in our colleagues' Report relating to 1861-2 agree. We would also observe that the Commission has had no opportunity, sitting as a body to receive evidence, of testing the accuracy or the appropriateness of the figures relating to 1861-2 incorporated in the report. They were not in evidence, and we have no official knowledge of their source. The present system of keeping the Indian accounts dates from 1884-5; but an appendix to the Financial Statement for 1886-87, 1886-87 gives the figures for the years 1875-6 to 1884-5 re-cast in the present form. These figures, Paper 172 of 1886, p. 5 and we submit, are the only safe basis for a review of Indian Income and Expenditure during these years, and by reason of the fact that the re-casting of the accounts in their present form has never been carried back beyond 1875-6, preclude profitable comparisons with previous years.

42. The use of the term "net revenue" to mean revenue less cost of collection, as is done in our colleagues' Report, is open to serious objection. Net revenue properly means, as accepted by the best authorities to-day (vide Sir H. Fowler's Returns for England and India, and recent Statistical Abstracts), all money taken from the taxpayers, or acquired by the Government in commercial undertakings, or received in the way of interest on investments, after deducting the amount actually returned to the taxpayer—e.g., in drawbacks or refunds—the working expenses and interest on capital involved in the commercial enterprises of the Government, and certain cognate sets-off under the head of interest on money temporarily borrowed. The cost of collecting the revenue includes a large part of the salaries of Government officers, and such expenditure should not thus be withdrawn from a general purview of an increase in expenditure.

Thus, according to the figures adopted in the Report, the charges for collecting the revenue were as follows for the years 1861-2 and 1895-6:—

				Rx.
Para. 105.	1861-2	..	..	5,897,000
Para. 130.	1895-6	..	..	10,351,000
	Increase	..	..	4,494,000

Obviously such additional cost of collection, if treated as a set-off to revenue raised, conceals the true rate of increase in the revenue between the two periods, and would bring about an actual understatement of the increase in the revenue during a given period.

There are other serious objections to deducting the so-called cost of collecting the revenue in order to ascertain the so-called net revenue.

1. The allocation of the charges between cost of collecting revenue and civil administration has varied from time to time.

2. The amounts charged to collection of revenue are not regarded as correct by some authorities. Note Compare also para. 135 of Mr. Jacob's views referred to in para. 133 of the Reportat p. 52.

3. These charges do "not include the furlough and the non-effective charges of the revenue service." They are, therefore, incomplete in themselves, and do not represent accurately what they profess to be.

43. One of the principal deductions founded on the Review of Indian Income and Expenditure in paragraphs 95-115 of our colleagues' Report appears to be that the Indian revenue is a strikingly elastic revenue. In this connexion we must enter a protest against the assumption, made throughout the investigation of this alleged elasticity, that the opium revenue is tax revenue, although it is in no sense a burden on the people of India, and that the whole of the increase in the land revenue is evidence of this elasticity, whereas it is largely due to the enhancement of assessments at the periodic revision of land settlements.

Thus with regard to opium it should be noted in para. 105 of our colleagues' Report that in arriving at the estimate of Rx. 8,089,000 as representing elasticity of revenue during twenty-three years, "opium" has been wrongly treated as taxation. Consequently, this total includes nearly Rx. 1,600,000, or some twenty per cent. of the whole, having no relation to elasticity of tax revenue, which is the objective of the investigation at this point.

				Net Opium Revenue.
				Rx.
(Green Book) 1861-2	..	..	..	4,898,505
Average 1883-84 and 1884-5	..	..	..	6,470,000
	Increase	..	..	1,571,495

¹ Arrived at after deducting from the revenue charges for collection, contrary to the accepted practice of modern authorities.

NOW READY.

CONGRESS GREEN BOOK.—No. III.

The Proposed Separation OF Judicial and Executive Duties in India.

MEMORIAL

FROM

- RT. HON. LORD HOBHOUSE, K.C.S.I.
(Late Legal Member of the Viceroy's Council, Member of the Judicial Committee of the Privy Council).
- RT. HON. SIR RICHARD GARTH, Q.C.
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