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INDIA
IN
1922-23

A Statement prepared for presentation to Parliament in accordance with the requirements of the 26th Section of the Government of India Act (5 & 6 Geo. V, Chap. 61)

BY

L. F. RUSHBROOK WILLIAMS

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Director of Public Information

Government of India

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The task of preparing this report for presentation to Parliament has been entrusted by Government of India to Professor L. F. Rushbrook Williams, O.B.E., and it is now presented under authority and with general approval of Secretary of State for India but it must not be understood that approval either of the Secretary of State or of the Government of India extends to every particular expression of opinion.

FOREWORD.

THE period covered by this Statement presents a striking contrast with its immediate predecessor. From the economic standpoint, the year 1922-23 witnessed a gradual return to more normal conditions. Harvests were good ; prices on the down-grade; and wages steady. The improved economic conditions were reflected in the politics of the period. As the failure of the Non-Co-operation programme to achieve its appointed ends became patent, wild and unreflecting enthusiasm gradually yielded to a more sober spirit. The process was aided by the contrast, which grew daily more marked, between the sterility in positive achievement of Mr. Grandhi's movement, and the steady tale of fruitful activities which stood to the credit of the new constitution. In the ranks of the Non-Co-operators the opinion gained ground that the Legislatures were exercising a great and growing influence upon the Executive ; thit a continued boycott of these bodies would condemn the party practising it to political extinction. The result has been a split in the Congress ranks between those who recognised the failure of their original programme, and those whose reason was still held captive by the power of Mr. Gandhi's personal prestige. Time will show whether the former group will enter the Legislatures in sufficient numbers to exercise a decisive influence upon the course of the Reforms ; and whether they will employ destructively or constructively such power as they may possess. For while on the one hand the general atmosphere of responsible sobriety which characterises the Reformed Councils may be expected to modify the activities of those who enter them for the first time ; on the other, the working of the new constitution has abundantly revealed the necessity for much give-and-take between the Legislature and the Executive if deadlocks are to be avoided. Indeed the somewhat halting operation, at least in certain directions, of the machinery set up by the Montagu-Chelmsford Reforms has served to stimulate a demand, by no means confined to the Left Wing, for further constitutional advance, which seems likely, after no long time, to become a dominant feature in Indian politics.

L. F. RUSHBROOK WILLIAMS.

CONTENTS.

PAGE.

FOREWORD iii

NOTE vii

LIST OF MAPS, DIAGRAMS AND GRAPHICAL CHARTS ix

CHAPTER CONTENTS xi

CHAPTER I.

INTERNATIONAL RELATIONS 1

CHAPTER IL

THE BURDEN OF CITIZENSHIP 52

CHAPTER III.

THE ECONOMIC STRUCTURE 102

CHAPTER IV.

PROBLEMS OF PROGRESS 192

CHAPTER V.

THE POLITICAL RECORD 252

APPENDIX I.

SOURCES 301

APPENDIX II.

His EXCELLENCY THE VICEROY'S SPEECH 306

PAGE

APPENDIX III.

THE FISCAL COMMISSION'S REPORT 314

APPENDIX IV.

NATIONAL LIBERAL FEDERATION RESOLUTIONS 319

APPENDIX V.

37TH INDIAN NATIONAL CONGRESS RESOLUTIONS 321

APPENDIX VI.

SECRETARY OF STATE'S DESPATCH ON THE REFORMS 325

APPENDIX VII.

INCHCAPE COMMITTEE'S REPORT (SUMMARY). 327

NOTE.

Except where otherwise mentioned a pound sterling is equivalent to fifteen rupees. To minimise confusion the rupee figures are also given in important statistics. Three crores (30 million) rupees may thus be taken as equivalent of £2 million sterling ; and three lakhs (300,000) rupees are equal to £20,000.

List of Maps, Diagrams and Graphical Charts.

	Opposite Page.
1. Raids on the North-West Frontier Province 1919-20 to 1921-22	41
2. The voters of British India	53
3. How each Rupee of Revenue was made up in India 1921-22	107
4. *How* each Rupee of Revenue was spent in India 1921-22	108
5. Variations in the shares of the principal articles in the Import and Export trade of British India	120
6. Variations in the shares of the principal countries in the Import and Export trade of British India	126
7. Yield of principal crops from 1912-13 to 1921-22	150
8. Railway Development, 1872	178
9. Railway Development, 1922	178
10. Development of goods and passenger traffic during the last fifty years	180
11. Railway receipts and expenditure on State-owned lines in India 1921-22	181
12. Growth of postal traffic since 1880-81	187
13. Existing and proposed telephone trunk systems	189
14. Famine relief operations in 1922	192
15. Rainfall June to November 1922	193
16. Rainfall chart of India for 1922	193
17. Strikes in the Bombay Presidency, 1921-22	209
18. Progress of Co-operative Movement in India, 1907	211
19. Totals of literates and illiterates : British India	234

CHAPTER I.

International Relations.

	PAGE.
India and the Commonwealth	1
East and West	2
Indians Abroad	2
Indians in the Dominions and in the Colonies	3
The Imperial Conference	4
South Africa	S
Indian Feeling Stirred	6
Attitude of the Government	7
Mr. Sastri's Mission	7
Its Results	9
Australia	9
New Zealand	9
Canada	10
Indians and Mandated Territories	11
Kenya	12
Uganda	14
Tanganyika	15
Emigration	15
Powers of the Indian Legislature	10
Their Employment	16
Indians Overseas and Public Opinion	17
India's Naval Defence	19
An Indian Navy	19
India's Defence by Land	20
North Eastern Frontier	20
North-West Frontier	21
Central Asia and the Islamic Renaissance	21
Soviet Exploitation	22
Reaction against Russian Tyranny	23
Enver Pasha	23
Russia and thE British Empire.	24
Mustapha Kemal Pasha	24
Turkey and Russia	25
The Near Eastern Imbroglio	25
Struggles and Triumph of Turkish Nationalism	20
Turkey and the Allies	27
The Lausanne Conference	27
The Khaliafate Vaticanised	28
Prospects of Peace	28
Bolshevik Intrigu	28
The New Afghanistan	29
Britain and Afghanistan	30
Mischief-Makers	31
The Borderland : Tribal Territories	31
The Border in 1922.	32
The Yusufzais	33
The Khyber	33
The Kurram	34
Waziristan	34
Past Difficulties	35
Their Slow Solution	35
Guerílla Warfare	36
Recent Development	37
Baluchistan	38
Easier Conditions	39
The Persian Border	40
The North West Frontier Province	40
What Raiding Means	41
Public Indignation	43
The Enquiry Committee	43
Public Interest in Border Policy.	44
Decision of Government	45
The Foreign Secretary's Announcement	45
The "Forward" and the "Close-Border" Policies	46
Results Anticipated	46
National Defence	48
Indianisation	48
The Territorials	49
Economies	50

CHAPTER IL

The Burden of Citizenship.

The Reformed Constitution	52
Dyarchy	54
The Central Government	55
Local 3elf-Government	56
Indigenous and Imported Elements	56
Official Control and Popular Apathy	57
Municipalities and Boards in India	58
Work of Municipalities	58
District Boards	58

Economic Structure—*concld.*

	PAGE.
Exploitation	173
Minor Industries	174
Research	174
Fisheries	**175**
Bengal	175
Madras	176
Bombay	176
Punjab	176
Communications	**177**
Roads	178
Deterioration of Roads	178
Railways	**178**
Financial Difficulties	179
Traffic in 1921-22	179
Passengers	179
Goods	179
Railways and the public	180
The Aeworth Committee's recommendation	181
The Five-year Programme	**181**
Rehabilitation and Depreciation	182
The Railway Board	182
State *versus* Company Management	183
Overcrowding	183
The Third Class Passenger	184
Railway Risk Notes	185
Railway Stores	185
Indianization	185
Technical Training	186
Post Offices	**187**
Mail Runners	187
Public Utilities	188
Financial Results	188
Telegraph Branch	188
Wireless	189
Telephones	189
Aviation	**190**
Its Possibilities in India	190

CHAPTER IV.

Problems of Progress.

The Year 1922	**192**
The Bengal Floods	192
Foodstuffs situation in 1921-22	**193**
Wheat	193
Rice	194
Export and Scarcity	194
Town *versus* country	194
Cost of living in 1922	**195**
The condition of the masses	196
Indirect evidence of growing prosperity	196
Direct evidence of growing prosperity	197
Madras	197
Bombay	197
Tndian poverty; some causes	198
India not organized for wealth	199
Thriftlessness.	199
Prejudice and Ignorance	200
Consumers and Producers	200
Religious sentiment	201
Uneconomic Diet	201
Awakening of the Masses	**202**
The Town Dwellers.	203
The Middle Classes	204
The Town Labourer	204
Characteristic of Industrial Labour	**204**
Welfare Work	205
State Investigation	206
Legislation	206
The Factories Act	207
Mines Bill	207
Workmen's Compensation	207
Trades Unions	**203**
Strikes	209
International Labour	**210**
India's Place	210
The Co-operative Movement	**211**
Recent Obstacles	211
Present State of the Movement	212
Bombay	212
Co-operative Banking	213
Madras	214
United Provinces	214
Punjab	215
Bihar and Orissa	215
Bengal	216
Central Provinces	217
Sanitation	**217**
Difficulties	218
Sanitation a Transferred Subject	219
Financial Stringency and its effects	220
Infantile Mortality	221
Social Reform	**221**
Caste	222
The Depressed Classes	222
Self-Help	222
State and Voluntary Effort	223

Problems of Progress—*contd.*

	PAGE.
Future Prospects	224
Social Reform and Political Movements	225
Nagpur	225
Gaya	225
Criminal Tribes	225
The Parda System	226
Other Topics	226
Drink and Drugs	**227**
Non-co-operation and temperance	228
Government's position	228
Drugs	229
Opium	**230**
Opium in India	230
Government Control	230
The Indian States	231
Progress	231
Export of Opium	232
Rigid Control	232
The League of Nations	232
Implications of Educational Progress	**233**
The Present Position	233
Limited Scope	233
Indian Education Ill-balanced	234
Problem of Illiteracy	234
Special Difficulties	235
Education a Transferred subject	236
Enthusiasm for Primary Education	236
Secondary Education	237
Present Deficiencies	237
Future developments	238
Universities old and new	238
Transfer of Education : Unfavourable Circumstances	**239**
Financial stringency	240
Provincial revenues and educational estimates	240
Provincial *per capita* educational expenditure	241
Economy and efficiency	241
Two requisites	242
Co-operation	242
Compulsion	242
Non-co-operation	243
National Education	244
Its failure	244
Education provincialised—some Tendencies	245
Centralisation and decentralisation	245
Provincialism	246
Adult Education	246
Female Education	248
Difficulties	248
Muhammadan Education	249
European Education	249
Depressed classes	250
Technical Education	250

CHAPTER V.

The Political Record.

Origin of Non-co-operation	**252**
The Khilafat Movement	253
Mr. Gandhi's Opportunity	254
Constitutional Aspirations and Disappointed Hopes	254
The Khilafat, the Punjab, and Swaraj	255
Swaraj	255
Mr. Gandhi's Apotheosis	256
The "Triple Boycott"	256
The Policy of the Liberals	**257**
Mr. Gandhi captures the Congress	257
The National Volunteers	258
Government's Policy	**258**
The Reformed Constitution	259
The Central Legislature	260
Co-operation and its Results	**260**
Results of Non-co-operation	**261**
Mr. Gandhi's Progress	262
His Difficulties	262
Diverse Activities	263
Gathering Clouds	263
Civil Disobedience	**264**
Non-violence Belied	264
Achievements of the Reforms	**265**
Mr. Gandhi's Zenith	**266**
First Postponement	267
Government's Rejoinder	267
A Delicate Situation	267
Mr. Gandhi's Credit suffers	268
His Miscalculations	268
The Second Postponement	269
Its staggering consequences	270
Mr. Gandhi arrested	271
Causes of the Decline of Non-co-operation	272
1. The Royal Tour	272
2. Success of the Reforms	272
3. Aggressive Activities Decline	273

The Political Record—*contd.*

	PAGE.
Notably in the Punjab	273
Where Sikh troubles had been serious	274
4. Lack of Leadership and Confused counsels	275
Discouragement and Uncertainty	275
Signs of Discomfiture	276
Disunion	277
Mr. Gandhi's Dead-Hand	278
The Services	**278**
The old Position	279
The New	279
The O'Donnell Circular	280
The " Steel Frame " Speech	280
Effects of the Speech	281
Punjab Situation	**281**
The Guru-ka-Bagh Affair	282
The Simla Session	**283**
The " Princes' Protection Bill "	284
First Exercise of Power of Certification	284
Condition of Non-co-operation	**285**
Communal Dissensions	285
Hindu-Muslim Unity Suffers	286
The Turkish Victories	286
Muharram Riots	287
The Civil Disobedience inquiry	287
Council-entry or Boycott ?	288
Opposing Parties	288
The Gaya Congress	**289**
Congress dominated by Gandhism	290
Congress-Khilafat-Swaraj party	290
The Programme of Mr. C. R. Das	291
The two Parties	291
National Liberal Federation	**292**
The Delhi Session 1923	**293**
The Royal Commission. The Reforms Despatch	293
Fiscal Policy	293
Railway Management	294
Racial Distinctions	294
The Finance Rill	294
The Salt Tax	295
Certification and its Results	295
Mrs. Besant's Conference	**296**
Fresh Communal Dissension	**297**
Mr. Gandhi's Success or Failure ?	298

India in 1922-23.

CHAPTER I.

International Relations.

India and the Commonwealth.

Since the World War in 1914, the position of India within the British Commonwealth has undergone a profound change, due directly to the influence exerted upon her own domestic polity by nationalist ideals of a new type. Prior to the outbreak of that struggle, the aspirations of many educated Indians had been confined to securing the modification of certain specific features of the administrative machine which did not meet with their approval. But as a result first of the moral effect upon Imperial opinion of India's contribution to the victory and secondly, of the immense stimulus to democratic ideas resulting from the course of the conflict, the national movement in India rapidly assumed a form at once more definite and more far-reaching than it had previously known. In response to this new orientation, the policy of His Majesty's Government was carefully examined and clearly defined. The result was the momentous Declaration made in the House of Commons on August 20th, 1917, which laid down as the goal of British Rule in India the progressive realization of Responsible Government of the kind enjoyed by the self-governing Dominions. The seal was shortly set upon the new policy both from the internal and from the external point of view. The Reforms which go by the name of Lord Chelmsford and Mr. Montagu provided a first step towards the attainment by India of Responsible Government. The association of India with other parts of the Empire in the successive Imperial Conferences ; the signature of the Peace Treaty by representatives of the Indian Government ; the admission of India, as an original Member of the League of Nations ; and the recent inclusion of India by the International Labour Office among the eight leading industrial nations of the world, represent a complementary, and perhaps more dramatic, advance in the world of external affairs.

East and West.

The change which has thus come over the position of India is of a magnitude and a complexity not generally realised. It will readily be perceived that there are in reality two aspects to be considered ; India's status as a unit in the Commonwealth ; and her relations with the other component elements therein. So far as the former aspect is concerned, the goal has been clearly defined, and the steps towards its attainment are plainly in sight. But in the case of the latter, the difficulties, as will be made clear in succeeding paragraphs, are still far from solution. The problem is perhaps among the most formidable which has ever confronted the British Commonwealth as a whole ; for upon its solution may well depend not merely the permanence of the connection between the Indian and the British peoples, but also in no small measure the future peace of the world. The impending struggle between East and West, foretold by many persons who cannot be classed either as visionaries or as fanatics, may easily be mitigated or even entirely averted, if the British Commonwealth of Nations can find a place within its wide compass for 320 millions of Asiatics fully enjoying the privileges, and adequately discharging the responsibilities, which at present characterise the inhabitants of Great Britain and the self-governing Dominions.

Indians abroad.

Vitally important as are these larger issues of the Indo-British connection, they must yield in immediate potentialities for good or evil to what may be termed the domestic side of the question. For upon the equitable solution of this problem must be held to depend not merely the continued connection in a remote future between India and the rest of the Empire, but also the permanence of that belief in British good-faith upon which the immediate peace and prosperity of India necessarily depends. It cannot be emphasised too often or too clearly that Indian opinion regards the satisfaction of its aspirations to Responsible Government at home, and the equitable treatment of Indian citizens in other parts of the Commonwealth, as but two closely related aspects of the same national demand. From many points of view indeed, it is by no means impossible that the external aspect is more important than the internal. Upon the question of her advance towards Responsible Government, some division exists in the ranks of educated India. There are those who believe that the present scheme of Reforms is but ill-adapted to the end it has in view ; there are those who assert that the scheme is right in principle, if inadequate in substance ; there are even those who maintain that the future

of India does not lie at all in the direction of Responsible Government as understood by the West. But upon the question of the treatment of Indians in other parts of the British Commonwealth, and the recognition of the claims of India's nationals to enjoy full equality of citizenship in every part of the Empire, there is complete and solid unanimity.

Indians in the Dominions and in the Colonies.

It must be frankly admitted that in the past, as to a large degree at the moment of writing, the treatment accorded to Indians in certain of the self-governing Dominions and in the Colonies is not such as befits the nationals of a country whose destiny has been solemnly recognised by His Majesty's Government to be Dominion status, and equal partnership in the Britannic Commonwealth. The principal points at issue on this matter between India and other parts of the Empire are in general, the right of franchise and the conditions under which Indians can emigrate and obtain and retain domicile; and in Africa, further, the right of Indians to hold land, to enjoy trading facilities, to escape from compulsory segregation. It should be clearly borne in mind that Indian opinion here recognises a distinction between the Colonies and the self-governing Dominions. So far as the latter are concerned, it is realised that the British Government has no direct control over their domestic affairs ; that the Dominions themselves are responsible for the treatment which they mete out to Indians. But in the case of the Colonies, Indian opinion holds Great Britain directly responsible for any legitimate grievances in respect of which Indians may complain. This distinction conies out most clearly in the matter of emigration. Let us take first the case of the Dominions. In the Imperial Conference of 1918, there was passed what is generally known as the Reciprocity Resolution. This Resolution affirmed the right of each community of the Commonwealth to control, by emigration restrictions, the composition of its own population ; but recommended that facilities should be given to Indians for visit and temporary residence ; that domiciled Indians should be permitted to import their wives and minor children and that the removal of the civic and social disabilities to which these Indians were subjected should be given early consideration. This position is accepted by reasonable Indian opinion, which has no desire to reopen the main question. Should the Dominions desire to exclude Indian immigrants, it is recognised that they have a right to do so ; but if there is any worth in the conception of Imperial citizenship, the exclusion must be based not upon racial and political grounds, but upon reasons of an economic or social character. There is thus ne

question of a conflict between India's claims and such expressions of Dominion feeling as are embodied in what is rather unfortunately called "The White Australia Policy". On the other hand, Indian opinion is not prepared to accept the policy of exclusion in the case of territories under the direct administration of the Colonial Office. This is among the principal causes of the intense feeling which has been aroused during the last two years upon the question of Kenya. Here, and in the case of other parts of the Empire which do not possess Dominion Status, India claims a right of immigration, subject to such reasonable restrictions as may be arrived at in agreement between herself and His Majesty's Government. She does not admit, for example, that the European settlers in Kenya who are inferior in numbers to her own nationals, have the right to close the door against Indian settlers.

The Imperial Conferences.

Apart from the question of the admission of Indians to the Dominions and the Colonies, which Indian opinion divides in the manner outlined above into two separate aspects, there remains the further question of the treatment of Indians already settled in other parts of the Commonwealth by the Governments of the territories concerned. With the exception of New Zealand and Newfoundland, Indians resident in other parts of the British Empire have for long been subject to certain humiliating disabilities. Against these disabilities Indian opinion has lately protested with greater and greater vehemence; and in the year 1921, the Dominions representatives assembled in the Imperial Conference, with the unfortunate exception of the South African delegates, formulated a resolution which admitted the justice of Indian claims. The Conference, while re-affirming the principle that every community of the British Commonwealth should enjoy complete control of the composition of its own population, recognised that there was an incongruity between the position of India as an equal member of the British Empire and the existence of disabilities upon British Indians lawfully domiciled in some other parts of the Empire. The Conference therefore went on to express the opinion "That in the interests of the solidarity of the British Commonwealth it was desirable that the rights of such Indians should be recognised". At the same time, a further advance of great future potentialities was made, when it was suggested that from henceforth India should negotiate direct with South Africa in matters in which her nationals were concerned. The significance of these events whose importance is scarcely recognised in many quarters even to-day, is two-fold. In the first place they indicate that from the broadly Imperial standpoint the

principle of equality for which India has been contending is conceded, and all that remains is to put it to practical application. In the second place, the institution of direct negotiations between India and "the self-governing Dominions constitutes a guarantee that the Indian case will be presented with all possible force and freedom.

South Africa.

In South Africa, where the number of Indian residents amounts to some 160,000, the position has for some time been from the standpoint of India very unsatisfactory. Early in 1920 a decision of the Transvaal Provincial Court had endangered certain rights, which it was hoped had been Secured beyond dispute by an agreement arrived at in 1914 between General Smuts and Mr. Gandhi. The trouble, it should be explained, occurs principally in Transvaal, where Indians are politically helpless ; and in Natal, where, although they possess the Municipal franchise, their position has lately been the object of serious attack. No difficulties arise in the Orange River Province, where Asiatic immigration is not allowed, or in the Cape Province where Cecil Rhodes' policy of " equal rights for every civilised man'' prevails. As a result of anti-Indian agitation, the South African Government appointed, two years ago, a Commission to enquire into the question of Asiatics trading and holding land in the several provinces of South Africa, The Commission sat from March to July 1920, and its proceedings caused considerable excitement in India. The Government of India took pains to secure the adequate presentation of the Indian case by means of an experienced officer of their own, Sir Benjamin Robertson, who was placed on deputation for the purpose. When the Commission reported, it was seen that the representation of the Government of India, while failing to achieve all that had been hoped, had undoubtedly effected an alteration of the position in favour of the domiciled Indian community. The Commission recommended, it is true, the retention of a law prohibiting the ownership of land by Asiatics, but declined to recommend compulsory segregation. In respect of Natal unfortunately the Commission was of the opinion that there would be no great hardship in confining to the Coast Belt the right of Indians to acquire and own land. The Government of India, after considering the Report of the Commission earnestly protested against the withdrawal from Indians of the right to acquire lands in the Upland region of Natal. This protest has been successful, for it is understood that the Union Government have since that time -definitely abandoned the proposal. On other issues also the Government of India presented the Indian case strongly to the Union Government.

It is to be regretted that in Natal two Ordinances were introduced shortly afterwards which seemed likely to endanger still further the position of Indians. These Ordinances were vetoed by His Excellency the Governor General of South Africa ; but, together with a third, were*once more introduced during the period covered by the present Report. The Government of India have been active in correspondence with the Union Government regarding the various questions raised by the Asiatic Enquiry Commission ; and although no agreement in principle has yet been reached, they are still engaged in attempts to arrive at a better understanding. Time and justice are on India's side, and with patience and good will the Indian Government do not despair of a satisfactory solution. And in connection with the three Natal Ordinances previously mentioned, it is to be noticed that the Union Government, by withholding for the present their approval to two, and pressing for certain modifications in the application of the third, have once more given proof of their desire that careful enquiry should be made before any step is taken which is likely adversely to affect the position of Indians in any part of the South African Union. It is encouraging, moreover, to learn that after the end of the year the Natal Rural Dealers' Licensing Ordinance, which is being introduced for yet a third time, has now embodied certain amendments which go some way to meeting the objections previously entertained in India.

Indian Feeling Stirred.

The course of the negotiations with the South African Government, like all other aspects of the problem of Indian nationals overseas, has been followed with the most painful interest by educated India. In March 1922 an official deputation consisting of members of the Council of State, of the Legislative Assembly and of the Imperial Indian Citizenship Association of Bombay, together with delegates of the Transvaal British Indian Association and of the Natal Indian Congress, waited upon His Excellency Lord Reading. The deputation urged upon the Viceroy the grave importance of the questions connected with the position of Indians resident in South Africa. Considerable alarm was expressed lest the working of the scheme embodied in the Asiatic Enquiry Commission's Report for the voluntary repatriation of Indians might be utilised to drive Irdians out of South Africa. The Government of India was requested to urge the Union Government to settle satisfactorily the Indian question once and for all. In his reply to this deputation Lord Reading demonstrated that his Government were fully alive to the importance of the whole matter. The Government of India, he said,

felt that, so long as Indians did not enjoy full parliamentary and municipal franchise throughout the Union, they could not dissociate themselves from responsibility for the welfare of a community whose very existence Originated in an organised system of recruitment to which they themselves had been in the past a consenting party. Public opinion throughout the Empire, he said, was moving in the desired direction, and the Government of India were doing everything in their power to secure a satisfactory settlement. Deep-rooted prejudice and long misunderstandings could not -of course be swept away in a day, but His Excellency assured the deputation that the points raised in their address would be borne in mind and that His Government would not fail in their attitude of constant watchfulness and in their policy of urging the justice of Indian claims.

Attitude of the Government.

"I note with pleasure" he added, "your statement that the domiciled Indian community in South Africa desire to progress in education and are determined to prove themselves in all respects as deserving as the Europeans of the full rights and responsibilities of citizenship. This, I am confident, is a true avenue of advance. The British citizen, in whatever part of the world he may be, has a strong sense of fairplay ; and I feel sure that when he finds his Indian fellow citizens in the Union steadfastly proving themselves by their conduct useful and loyal members of the body politic he will not persist in withholding from them the status which they justly claim. I am glad that you recognise that it is to the Union Government that Indians must look for the redress of their grievances. While' we are determined to do whatever lies in our power to forward the reasonable aspirations of Indians domiciled in the self-governing Dominions, and to press constantly and consistently for the recognition and application of the broad principles of equal citizenship for which we contend, we are sure that you will agree that we must respect the principle of non-interference in the domestic affairs of the self-governing Dominions, and that any interference which might seem to infringe this principle would not be conducive to the good of the Indian community."

It is gratifying to notice that in other self-governing Dominions the period reviewed in this Statement has been marked by considerable advance in the desired direction. At the meeting of the Prime Ministers and Representatives of the United Kingdom, the Dominions and India which was held in London in the summer of 1921, it was informally suggested. that a

Mr. Sastri's Mission.

deputation from India should visit Canada, New Zealand and Australia as soon as possible after the termination of the Imperial Conference in order to assist the Governments of the Dominions concerned to give effect to the Resolution recognizing the rights of Indians lawfully domiciled in other parts of the Empire. The Dominion Governments officially endorsed this proposal and a deputation, which consisted of the Rt. Hon. Srinivasa Sastri accompanied by Mr. G. S. Bajpai, as Private Secretary, left India in May 1922 for Australia, New Zealand and Canada. In addition to his primary task of inducing the Dominions to give practical effect to the aforementioned Resolution of the Imperial Conference, Mr. Sastri was generally instructed to look into any other disabilities of Indians resident in the three Dominions and to request the authorities concerned to remove them. In Australia, there are certain small disabilities, in their sum total inconsiderable, which Indians share with other Asiatics. In regard to political status, an Indian cannot be an elector for the Senate or the House of Representatives unless he is entitled under the Law of his State to vote in elections for the more numerous House of the Parliament of that State. In Queensland, Indians are disqualified from membership of the Legislative Council and the Legislative Assembly and from voting at Assembly elections ; while in Western Australia Indians may not be registered as electors for the Assembly in respect of a free-hold qualification. In regard to property there are certain other disabilities. All. Indians like other Asiatics, are disqualified from obtaining leases of land in certain irrigated and reclaimed areas. In regard to employment and occupation they labour under some disadvantages. Bounties paid under the various Bounties Acts can be enjoyed only by goods grown or produced by white labour, while in Queensland certain Acts dealing with dairy produce, with sugar refinement and cultivation and with banana industries prohibit the employment of persons who have not passed an educational test which in practice excludes Asiatics. In Western Australia moreover mining rights may not be issued to Asiatics or Africans, though British subjects, without the Ministers' approval. Indians are further disqualified throughout the Commonwealth for receiving invalid and old-age pensions, while they also encounter some difficulty in the administration of passport regulations, especially in regard to the admission of substitutes for resident Indians wishing to return temporarily to India. It was to the removal of these grievances that Mr. Sastri addressed himself. His brilliant advocacy of the cause of his countrymen domiciled in Australia met with a

friendly reception from the various Commonwealth and State authorities. As regards the franchise, the Governments of the Commonwealth and of Western Australia have promised sympathetic consideration ; while the state of Queensland, the only other state in which the right is not possessed by Indians, awaits the lead of the Commonwealth Government. It will be recognised of course that the Ministers of a responsible Government are unable to act in advance of public opinion, since they have to sound and educate the electorate before they can safely commit themselves to legislation ; but certain very tangible indications of good-will are provided by the fact that the Queensland Government have approved regulations exempting Indian British subjects from the disqualification of the Banana Industry Preservation Act ; while in South Australia the Government have decided to remove the only disability from which Indians suffer in that Colony by amending their Irrigation and Reclaimed Lands Act. The Commonwealth Government have given an assurance that steps will be taken at an early date to enable Indians in Australia to participate in the benefits of old-age pensions equally with other citizens of the Commonwealth. In the matter of Passport Regulations, no action appeared to Mr. Sastri to be called for except a closer scrutiny of passports issued by the local Governments in India to persons proceeding to Australia, to make sure that the Australian regulations are properly complied with. In New Zealand, the conditions under which domiciled Indians live are as satisfactory as anywhere in the Empire. They enjoy the franchise in common with all British subjects, and are only excluded from the benefits of the old-age pensions. So far as this disability is concerned, the New Zealand Government has promised to give sympathetic consideration to Indian representations when the Act comes up for revision. But since it is unlikely that any Indian will fulfil the conditions regarding the age required by the Act for some years to come, no great hardship should result from the matter being allowed to stand over for the present. The representations made by Mr. Sastri regarding the New Zealand Immigration Restriction (Amendment) Act of 1920 resulted in the stipulation as to the number of permits or passports to be issued yearly by the Government of India being withdrawn ; while the Government of New Zealand has agreed that such permits will in every necessary case be extended in order to enable the visitor to complete the purpose of his visit. The Government of New Zealand has further agreed to amend the

Its Results.

Australia.

New Zealand.

Regulations providing that Indians lawfully resident in New Zealand **can** leave the country only for four years without loss of domicile, if it is found that the time fixed can be safely extended with due regard to the prevention of fraudulent use of the old certificate. In Car ada Mr. Sastri's mission addressed itself to three tasks, first to secure the federal franchise for such Indians as do not already enjoy it; secondly to obtain the provincial and municipal franchise for Indians resident in British Columbia, which is the only province which withholds these rights ; and lastly to enquire into such other grievances as might exist. As a result of Mr. Sastri's representations, the Prime Minister of Canada gave an assurance that at the earliest favourable moment his Government would invite the consideration of Parliament to the request that natives of India resident in Canada should be granted Dominion Parliamentary franchise on terms and conditions identical with those which govern the exercise of that right by Canadian citizens generally. Since the present Electoral Act should come up for revision in the near future, and since Mr. Sasbri estimates that the attitude of politicians and the public generally will be favourable to the desired measure, primarily on its merits and secondly on account of its beneficial influence on the relations between India and Canada, it is hoped that this question may receive early solution. Regarding the provincial and municipal franchise in British Columbia, Mr. Sastri found that difficulties existed on account of the economic rivalry between the white and the non-white races ; in which, while Indians do not share to any appreciable extent, popular prejudice is deeply involved. While immediate results cannot be expected, the ultimate success of continued endeavours is probably beyond doubt. The other difficulties experienced by resident Indians arise mainly out of applications for the substitution of children of relatives whom resident Indians wish to send to school in Canada. Sympathetic consideration has been promised by the authorities for Indian grievances under these heads, and the Government of Canada has professed its readiness to administer the rule regarding the entry of wives and children of resident Indians under the Reciprocity Agreement of 1918 with sympathy and fidelity.

Canada.

That Mr. Sastri's mission has been accompanied by direct and indirect results highly beneficial to India and to the Empire needs no proof. His eloquence and his personality have made a deep impression in the Dominions, thus securing a friendly reception for the representations which he has submitted on behalf of the Government of India. The warm welcome accorded to him should be a matter of pride and grati-

tude to every citizen of his own country ; while the constitutional importance to India of negotiating directly with the Dominions on matters of mutual interest through an accredited representative is too evident to need elaboration.

But while the prospect of ameliorated conditions for Indians resident in all the Dominions save South Africa has shown distinct signs of improvement during the year under review, it must be regretted that elsewhere, the position has manifested few changes of any advantage to India. It will be convenient at this point, before treating of the grievances of Indians in certain of the Colonies, to outline their position in regard to mandated territories.

Indians and Mandated Territories.

The former German Colonies of New Guinea, Western Samoa and South-West Africa are now administered by the Commonwealth of Australia, the Dominion of New Zealand and the Union of South Africa respectively under mandates which have been conferred upon them by the League of Nations. Article 82 of the Covenant of the League empowers the mandatory to administer these areas as integral portions of its territory under its own laws. These Dominions have extended their emigration laws to each of these territories with the result that Indians can no longer go there for purposes of permanent settlement. In the case of New Guinea and Samoa the position has thus altered for the worse, since the German administration did not discriminate against British Indian subjects. In South-West Africa the German administrator had the power to exclude any class of immigrant, but no instance is known of the power having been exercised against an Indian. Some resentment is naturally felt in this country at the attempt of the Dominions to extend to these territories a policy of exclusion which, in the case of their own territories, India has only accepted as an inevitable concession to their political autonomy, and their socio-economic ideals. No such restrictions apply in the case of Nauru, of which the British Empire is mandatory. Indian opinion fears that the Dominions are trying to exploit their own mandates in a manner which the framers of the Covenant never contemplated. The promotion of the interests of the indigenous population does not seem to be incompatible with economic equality for the nationals of all members of the League. At any rate India is not prepared to concede that the mandatory is the sole judge of how this supreme trust of civilization can best be discharged. The question is not merely of theoretical importance to India. New Guinea and Samoa

-are both situated in the equatorial belt, and suited to Indian colonisation although there is little likelihood of any Indians going there at present. Indians are barred from the tropical parts of Australia and New Zealand, owing to the determination of these communities to admit no extraneous racial elements. The same attitude in regard to mandated territories which are not part of the British Empire, and to the composition of whose population the same ideals are not applicable, can never be accepted by Indian opinion. India is a member of the League and to that extent one of the trustees for these peoples. She played a magnificent part in the war and contributed to the common victory. She cannot acquiesce in any arrangement which discriminates against her nationals on the unconvincing ground that discrimination is necessary to promote native interests. The immigration into these mandated tracts of unskilled labour from India is barred : but India does not admit that the immigration of skilled labour from her shores is likely to compete more severely with the native inhabitants, or to do them more harm, than the immigration of white settlers. These sparsely populated tracts must have colonists and in that colonization India is entitled to have her share. It is to be hoped that the Dominions concerned will recognise the justice of her contention. To any reasonable measure of protection of native interest, which is strictly impartial in its scope, India will never object. Against invidious measures she feels she must protest.

Turning now to the position of Indians in the Colonies, we must notice that the situation in Kenya has long been from the standpoint of India, most unsatisfactory. This is the more unfortunate in that, as already explained, Kenya is regarded by many influential sections of Indian opinion as an acid test both of British good-faith and of the possibility of securing satisfaction for India's national aspirations within the boundaries of the British Commonwealth. That Colony owes much to Indian labour and Indian capital; Indian settlers have played a very large part in its development; they were in many directions the pioneers upon whose past efforts its present condition depends; moreover they out-number the European population. In this connection, we may notice that at the beginning of the period under review, the following passage from Mr. Winston Churchill's " East African Journey " was quoted with great effect by Mr. N. M. Samarth, a Bombay representative, in the course of a debate in the Legislative Assembly upon the question of equality of citizenship for Indians overseas :

Kenya.

" It was the Sikh soldier who bore an honourable part in the conquest and pacification of these East African countries. It is the Indian trader who, penetrating and maintaining himself in all sorts of places to which no white man would go or in which no white man could earn a living, has more than any one else developed the early beginnings of trade and opened up the first slender means of communications. It was by Indian labour that the one vital railway on which everything eke depends was constructed. It is the Indian banker who supplies perhaps the larger part of the capital yet available for business and enterprise, and to whom the white settlers have not hesitated to repair for financial aid. The Indian was here (that is, in Kenya) long before the first British official. He may point to as many generations of useful industry on the coast and inland as the white settlers—especially the most recently arrived contingents from South Africa (the loudest against him of all) can count years of residence. Is it possible for any Government with a scrap of respect for honest dealing between man and man, to embark upon a policy of deliberately squeezing out the native of India from regions in which he has established himself under every security of public faith ?"

Nevertheless, the Indians are labouring under certain notable disabilities, some of them sentimental—though none the less serious on that score—others very practical. In the first category may perhaps be placed the existing prohibition against the transfer to Indians of agricultural lands in the highlands of the Colony. As these lands are at present, entirely held by Europeans, the question of their ownership by Indians may he regarded, save from the point of view of national sentiment, as of importance rather in the future than in the present. It should however be remembered that the highland region stretches across the road to Uganda, with its cotton-fields where Indian interests are already considerable : and on this ground alone it is difficult for Indians to acquiesce in their own exclusion from this tract. But unfortunately race feeling between the Indian and the European settlers has risen to such a height that Indian opinion fears lest compulsory segregation, the denial of franchise to Indians, and the prohibition of Indian immigration may be forced upon Kenya by the intolerance of the European minority. In 1921, Indian opinion had been relieved to learn that the then Secretary of State for the Colonies, the Right Honourable Winston Churchill, had expressly accepted the recognition of the Imperial Conference that there is an incongruity between the position of India as an equal member of the Empire and the existence of disabilities upon

British Indians lawfully domiciled in some other parts of the Empire, and that in the interest of solidarity of the Commonwealth it was desirable that the right of such Indian citizens should be recognised. Mr. Winston Churchill did indeed state that the principle, although embodying the only ideal which the British Empire should set before itself, had to be very carefully and gradually applied ; but, he continued, he hoped to find means of overcoming difficulties in its application. Most unfortunately, however, the period we are now reviewing has contributed but little to the solution of India's troubles in Kenya. Since the close of the period under review, the Colonial Office have invited the Governor of Kenya, accompanied by delegations representing both the European and Indian communities in the Colony, to proceed to London for the purpose of discussing the terms of a final settlement. The Chambers of the Indian Legislature have sent a deputation to England consisting of two members of the Assembly and one member of the Council of State to cooperate with the Kenya Indians and to use their influence in their support. The Government of India have from the first put themselves at the head of Indian opinion in claiming what they regard as elementary rights for the nationals of India there settled ; but the whole country is watching the situation with the most anxious and earnest attention. This attention is in no way diminished by the conjectures put forward in certain quarters regarding the political future of the East African region. There are many who believe they discern signs of a tendency towards ultimate union in one great self-governing Dominion of Rhodesia, Tanganyika, Nyassaland, Uganda and Kenya. The mere possibility of such a development seems to make it essential that the Indians throughout East Africa should make good their present foothold, and acquire a recognised status which may secure them against invidious treatment and enable them to play their due part in the future of the land they have adopted as their dwelling place.

The position of Indians in Uganda and Tanganyika although more satisfactory than their condition in Kenya has also been the cause of some andety. In 1921, there was reason to fear that the disabilities under which Indians labour in Kenya would be extended to Uganda, despite the very material difference which exists in the circumstances of the two colonies. The Government of India entered a strong protest against such a policy, as a result of which the one burning question, that of segregation, was deferred pending a general settlement of the questions affecting Indians throughout East Africa. In the summer of 1922, news was

Uganda.

received from Uganda that it had been decided to give effect to the scheme for assigning to Asiatics in the Township of Kampala a residential site separate from those assigned to Europeans. The Government of India again made representations, but the Colonial Office were unable to agree to the suspension of the Kampala scheme, owing to the serious inconvenience which would have followed from holding up European leases. But the sanction of His Majesty's Government to the scheme is fortunately subject to any alteration of policy that may be decided upon in the future. The particular question of Kampala is not perhaps very serious, but it would be idle to deny that a feeling of some anxiety was occasioned in India by the inauguration of a precedent capable of being turned to the disadvantage of Indians resident in Uganda.

Tanganyika.

The Territory of Tanganyika, which is administered by His Majesty's Government under a mandate from the League of Nations, presents fewer difficulties. In the course of 1921, assurances had been received from Lord Milner that Indian settlers in the territory would be treated on a footing of complete equality with other settlers, and that no discrimination would be made in their disfavour. Large numbers of Indians took the fullest advantage of the facilities afforded for purchasing ex-enemy property in various parts of the Colony. It is however unfortunate that three ordinances introduced by the Tanganyika administration for fiscal purposes just after the conclusion of this year, contain provisions which have aroused great resentment among the Indians resident in the territory and have caused an extensive *hartal* which persisted up to the middle of April. The Government of India during the year under review made representations to the Colonial Office regarding certain restrictions on first class railway travelling by Indians which had been temporarily enforced but were subsequently withdrawn.

Emigration.

Among the many consequences of India's desire for progress towards Dominion status may be mentioned the increasing sensitiveness of Indian opinion upon the question of the emigration of labour, either unskilled or otherwise. The assisted emigration of unskilled workers from India has for some years been forbidden save in the case of Ceylon, the Straits Settlements and the Federated Malay States; but the representatives of educated India have become convinced that the whole question of emigration from India to other parts of the British Empire requires careful investigation and control. During 1922, this feeling was responsible for

securing the embodiment of the policy of the Government of India in a new Emigration Act, providing that assisted emigration for the purpose of unskilled work shall be unlawful, except to such countries and on such terms and conditions as the Governor General in Council may specify. The Act further prevents the issue of any such notification until it has been laid in draft before both Chambers of the Legislature, and has been approved by resolution in each Chamber either as it stands or with modifications. The Indian Legislature has thus been given practically full power over the organized emigration of unskilled labour, which can now be regulated and controlled by the popular representatives.

Powers of the Indian Legislature.

A Standing Emigration Committee, composed of 13 prominent members of the Council of State and the Legislative Assembly, has been appointed to advise the Government of India on all major emigration questions, and more particularly with regard to the terms and conditions on which the emigration of unskilled labour should be allowed. The Committee have already defined the terms and conditions which they consider appropriate to Ceylon, the Straits Settlements and the Federated Malay States, to which territories the provision of the new Act became applicable in March 1923. It cannot be doubted that the effect of associating Indian public opinion with the Government of India in exploring and redressing the grievances of Indian emigrants is destined to lead to a material improvement in the conditions in which unskilled Indian labourers live and work in other parts of the Empire. An example of this is to be found in the improvement which has recently taken place in the conditions of labour in Ceylon. The Ceylon Government, as a result of negotiations with the Government of India, have repealed the penal provisions of their labour law, and have faced the very grave question of indebtedness among the labourers. Other salutary changes in the system previously existing refer to recruitment methods, the limitation of contracts, repatriation, and an examination into the possibility of a minimum wage. At the same time, there is noticeable on the part of the Assembly a tendency to pitch very high the terms upon which Indian labour may be admitted to certain colonies. On the face of it, this is no bad thing: and the knowledge that the consent of an elected legislature is vital to such emigration is bound to exercise a liberalising influence upon the labour regulations of those colonies which need Indian settlers. It would, however, be regrettable if this tendency

Their Employment.

were carried to the point—which it seems almost to have reached in one instance—where the interests of Indians already resident, who fear the competition of fresh arrivals and a consequent reduction of wages, would operate to the damage of intending settlers. Quite apart from the fact that the countenancing of such economic exclusiveness would "give away" the whole of India's main case against the non-admittance of her nationals into Colonial territories, it is plainly to the advantage of India that the open doors of the Empire should be utilised as widely as possible by the more enterprising of her sons ; while it is to the advantage of the Empire that an additional unifying factor should be provided by the presence of Indians in various parts of the wide-flung Commonwealth. In the course of the period under review, it is interesting to notice, deputations came both from Ceylon and Malaya to discuss in detail the proposals which had been placed before their respective Governments as a condition of continued emigration from India. The Government of Mauritius is similarly anxious that Indian emigration to the Island should be reopened, and a deputation arrived early in the present year to discuss the terms and conditions which have been suggested by the Standing Emigration Committee. Like Ceylon, the Governments of Malaya and Mauritius have already adopted legislation abolishing imprisonment as a penalty for labour offences. As a practical example of the interest which is taken by the Indian Government and Legislature in the fortunes of Indian nationals overseas, may be mentioned the fact that last year two deputations left India for Fiji and British Guiana to examine local conditions with a view to ascertaining whether these Colonies offered suitable lands for colonization by Indian emigrants. Both deputations have now returned to India and their reports are under the consideration of Government. So far as the former Colony is concerned, there seems reason for fearing that on account of the slump in the sugar industry, Indians in Fiji are no longer able to earn a living wage. The Government of India are pressing for suitable arrangements to facilitate the repatriation of those Indians who are entitled to return to India at the expense of the Colony, and wish to avail themselves of this right.

Indians Overseas and Public opinion.

From what has been said in the preceding paragraphs it will be realised that the problem of Indians overseas now ranks among the most vital of the questions with which Indian opinion is concerned. That any long continued refusal of what India regards as justice to her sons in other parts of the Empire will produce a regrettable reaction upon

Imperial solidarity needs but little proof. It should be remarked in this connection, as an index of the depth to which Indian feeling is stirred, that the reception of news of a character regarded as adverse to the fortunes of Indians in other parts of the Empire is invariably attended by motions for adjournment if the Legislature is sitting, and by numerous and influential public meetings. Such non-official bodies as the Imperial Indian Citizenship Association, which is located in Bombay, conduct an active and well-reasoned propaganda with the object of educating their own countrymen in the position of Indians abroad ; and that certain parts of the country are now fully alive to the importance of the whole question may be gathered from the fact that in November 1922, the Bombay Municipal Corporation, which is one of the most powerful and most wealthy public bodies in India, adopted, with only two dissentients, a Resolution to the effect that in view of the humiliating treatment of His Majesty's Indian subjects by the Governments of certain Dominions and Crown Colonies, the Bombay Municipal Corporation would place no insurance with Companies registered in these Dominions or Colonies ; would invest no funds in banks there registered, and would employ no persons born in those localities in the capacity as Agent, Contractor or servant. It is impossible to dismiss action of this kind as being merely a petulant protest. As to its advisability, opinions will doubtless differ; but no one who is closely in touch with Indian opinion will be prepared to deny that it indicates an attitude of mind which is likely to be aggravated rather than relieved in the near future until such time as the sentiments on which it is based are adequately respected.

Intimately connected with the whole question of the relations between India and the British Empire are the problems of India's own defence. Vulnerable as she is both by sea and by land, her interests as well as her present sentiments dictate her continuance within the boundaries of a Commonwealth which, when the necessary adjustments have been made, will provide at once scope for her progress along Dominion lines and a strength in unity against which external foes may beat in vain.

Since the rise of modern sea-power India's long coast line, rare harbours and rich sea-borne trade, have combined to make adequate naval protection a postulate of her national existence. Should her surrounding seas fall under the dominance of her foes, she can never sleep secure from invasion ; should her ocean-ways be shut against her traffic with the world, she can never advance along the road to pros-

perity. Her connection with the British Commonwealth has hitherto assured her in respect of both these dangers. During the War it was the fleet of Great Britain which preserved her coasts well nigh inviolate; but the exploits of the "Emden," fruitless as they were, serve to point a moral by indicating the possibilities which India offers to successful attack from the sea. The problem of India's maritime defence may be expected to loom larger with the passing of years. It is indeed very improbable, so long as her connection with Britain persists, and so long as the naval power of the Empire remains adequate for the discharge of its responsibilities, that India will have to reckon with invasion from the sea or with major naval action near her coasts. But minor raids upon her shores and spasmodic attacks upon her sea-borne traffic she may well have to bear at some future date. Meanwhile in this matter as elsewhere, her advance towards the goal of Dominion status entails concurrent and increasing responsibilities. At present India maintains the transport and survey service known as the Royal Indian Marine, and contributes the sum of £100,000 yearly towards the up-keep of the East Indies Squadron of the British Navy. It is uncertain whether this arrangement can be permanent. From the standpoint of her own national aspirations, India must in the future bear a greater share of her peculiar burden. The naval defence of the individual components of the British commonwealth cannot now be left to Great Britain alone, and the plans for general naval security entail a due degree of contribution from each. And while the duty of India is primarily to herself in securing the protection of her sea communications, of her ports and of her coasts, its performance will automatically constitute a contribution to the safety of the whole Empire. The question of the eventual development of an Indian Navy is thus one which is fast becoming a question of practical politics. Progress in this direction must necessarily be gradual, first on the score of financial stringency, and secondly on the ground that India is not as yet in a position to furnish a fleet unit fully manned by Indian officers and men. But the national aspirations of the country, as voiced in her Legislature, are tending steadily towards the formulation of a future for India upon the Seas. Demands have already been put forward for the establishment of a Nautical College and training ships; for the admission of Indians to the superior ranks of the Royal Indian Marine—which at present is not a combatant service—and for the encouragement of India's national commerce. The country

India's Naval Defence.

An Indian Navy.

had in ancient time a definite tradition of sea-power, which found practical expression in extensive settlement and colonization overseas; while as recently as the Great War the gallantry of Indian seamen showed that at least the material from which a naval personnef can in course of time be evolved should be forthcoming without undue difficulty.

While the defence of India by sea represents a problem of comparatively recent origin, her defence from the landward side has throughout the whole course of her history been fraught with difficulty and danger. For a country indeed which possesses so extensive a land frontier, India is comparatively well sheltered. But there are gaping joints in her armour. On the north the invulnerable barrier of the Himalayas protects her from invasion; and only by the Churnbi Valley pass is there easy access between India and her great neighbour Tibet. The general condition of this country remains rather medieval than modern : and neither from Tibet itself nor from the region beyond it does an invasion of India at present seem a practical possibility. Quite apart from which the relations between India and Tibet are markedly friendly : a telegraph line from Gyantse to Lhassa was opened for traffic in the summer of 1922 : and towards the end of the year General Pereira travelled overland from China to India, *vid* Lhassa, where he was most hospitably received.

India's Defence by Land.

To the North-east, while there are some practicable passes upon the frontier of Assam, the difficulty of the country seems here also to militate against the possibility of serious invasion. The frontier of Burma, however, marches some thousand miles with that of China and is not entirely deficient in communications fit for bodies of civilised troops. Indeed, during the course of the year under review, the peace of this section of the Frontier was threatened by persistent rumours of impending incursion from the borders of Mongmao and Chefang. A band of some 200 men, acting under the aegis of one of the most important of several exiled Burmese Princes, attacked the village of Muse in the North Hsenwi Shan State. A concentration of several detachments of Military Police both from the posts in the Bhamo district and from the Northern Shan States was rapidly effected, and the raiders were driven off within four days of their first attack with a loss of nearly half their number.

North-Eastern Frontier.

But although the present unsettled condition of China makes the North-East frontier a possible object of isolated raids by small bands of marauders, it is upon the North-west Frontier that the eyes of India are now, as in times past, principally turned. Here lie the groat gates through which the tide of invasion has ebbed and flowed. From the region beyond have come those frequent and fatal incursions of warlike peoples which time after time in India's history have shattered into fragments her successive attempts to create a national unity. At the present moment, when new-ideals of nationhood are so precious to the educated classes in all parts of India, the necessity of peaceful development undisturbed by invasion from the North-West is perhaps more acutely recognised than at any previous time. For if India, as a result of the peace and order of British rule is changing rapidly, and accomplishing in mere decades a progress which for many centuries in the past has been thwarted again and again by the impact of successive invasion, Central Asia, that great home of predatory peoples, can boast now as in former days of many racial elements who are casting covetous eyes upon the fertile plains and rich bazaars of Hindustan, and only wait their opportunity.

North-West Frontier.

Unfortunately the present political position to the West and North-West of India holds out no certainty that this country will be assured in the future of neighbours upon whose friendly conduct she can always rely. A brief sketch of the Central Asian situation will serve to make this statement clear. Even before the commencement, of the Great War there were signs of a tendency in the Middle East towards the union of Mussulman peoples of great military potentialities in an endeavour to redeem the power and prestige of Islam in a world where Western civilization seemed for the moment all-dominant. This movement was largely accelerated as a result of the Great War. The fact that the Islamic world was divided in its allegiance between the Allies and the Central Powers combined with the delay and uncertainty in the settlement of the Peace Terms between Turkey and the Allies, produced a rapidly increasing restlessness. Had the conditions of the time been normal, there is little doubt that peace might quickly have been restored throughout the Middle East; and the reviving sentiment of Islamic unity might before long have found for itself an adequate place in the sunshine of the modern world. Unfortunately, however, the development of this uneasiness throughout the Middle East and Central Asia coincided with the commencement of the sinister machina-

Central Asia and the Islamic Renaissance.

tions of Bolshevism. The revolutionary Government of Soviet Russia with its avowed aim of setting the East ablaze, has for the last four years done its best to exploit for its own ends the Islamic renaissance.

In previous reports mention has been made of the difficulties to which the Bolsheviks found themselves exposed by the fact that many portions of the old Tsarist Empire fell away from Russia after the revolution of 1917, and constituted themselves into separate States. In the course of the next four years, the first care of the Soviet Government was to overthrow the freshly formed political units of Daghistan, Azerbaijan, Armenia and Georgia ; and to regain control of Russian Turkistan by crushing the Khan of Khiva and the Amir of Bokhara. These States were granted nominal autonomy, becoming soviet republics within the Russian Federation. But their autonomy remained the merest shadow, and the miserable inhabitants were reduced to subjugation beneath the iron heel of a brutal terrorism. The tyrannical and oppressive methods of the earlier Bolshevik officials caused a series of rebellions in Trans-Caucasia and Turkistan. These rebellions were ruthlessly crushed,

Soviet Exploitation.

but not before they had given much trouble to the masters of Soviet Russia. It became obvious to the Moscow autocrats that the attempt to dragoon Centrl Asia into blind obedience was likely to fail. The Bolsheviks thereupon devoted their attention to exploiting and prostituting, in pursuit of their designs against the peace of the world, the movement towards Islamic union which has already been briefly mentioned. They endeavoured to show that the obvious and fundamental discrepancies between the tenets of Bolshevism and of Islam were purely imaginary ; that Russia despite her past record and her present tyranny was now bearing to Central Asia the olive branch of peace and the banner of freedom. But these efforts met with small success. The Mussulman peoples of Central Asia were not slow to realise the essential incompatibility between Bolshevism and Islam and the flagrant discrepancy between Bolshevik theory and Bolshevik practice. Any such alliance as that at which the Bolsheviks aim is indeed wholly unnatural, for while they themselves frankly desire to control the Middle East in order to make it the nucleus of a movement for world revolution, which would sweep away, along with all other landmarks, the institutions of Islam, those who are labouring for the Islamic renaissance naturally include within their programme the interests of millions of Mussalmans now under the stern and inflexible domination of Russia.

That this strange alliance has not broken up earlier must be ascribed to the disturbed political situation of the world. Having failed to convince the Mussalman population within her reach of the identity of Bolshevism and Islam, Russia ha- fallen back upon the frankly opportunist policy of endeavouring to use for her own ends the nationalist and cultural aspirations which she is powerless to modify. But already there are significant signs of an approaching rupture. For some time a movement of rebellion against the Bolsheviks has been smouldering in Eastern Bokhara and in the neighbouring province of Ferghana. In the course of 1922 Enver Pasha, late Minister of War in Turkey, having seen for himself the falsity of Bolshevik pretension, renounced allegiance to Moscow, put himself into touch with the rebels and finally assumed the leadership of the insurrectionary movement. His presence provided a sudden access of strength and unity which was seriously embarrassing to the Russians. He saw that the tribesmen if left to their own unaided efforts, were bound to fail, and therefore made strenuous attempts to enlist Afghan co-operation. But the Afghans, though sympathetic, issued a declaration of non-intervention in Bokharan affairs. At the same time Russia made her first serious demonstration of strength and the movement was speedily crushed. Enver met his death on the 5th August, fighting bravely in a cause which he must have known to be hopeless. Russian domination over Bokhara is now once more firmly established, though the profession of Bolshevist economic principles has in great measure been abandoned. Since then, with Tashkend as their advanced base, the Bolsheviks have launched yet another intensive campaign of propaganda against India and the frontier tribes which, formidable enough as it is, would have been far more serious but for the action of the Amir of Afghanistan in removing Indian revolutionaries from his dominions. The Bolsheviks appear to be also casting covetous eyes on Chinese Turkistan to which they have despatched a series of Missions, so far without result.

Reaction against Russian tyranny.

Enver Pasha.

The unpopularity of Russia with the Mussalman peoples of Central Asia, as typified by Enver's revolt and the constant turbulence of kingdoms whose autonomy was ruthlessly repressed, has doubtless been a source of considerable discouragement to the Moscow statesmen who have hoped to fan the flame of revolution by their intrigues in this locality. But it is plain that Russia has not abandoned her original designs, and that she still cherishes the hope of indefinitely delaying the recovery

of the world from the disorders of the late war. The defiant utterances of Lenin and Kameneffduring 1922 show that England is still regarded as the greatest enemy in the world of the Red International. And it is in India that the Bolsheviks believe they see the Achilles' heel of the British Commonwealth. Towards the end of the period under review there was published in Germany, by an Indian revolutionary who enjoys the support of the Third International, a militant programme of action for the fomenting of revolution in India, the erection of a Soviet Government in the country and the rupture of the ties between India and Great Britain. It is of course easy to make light of such schemes as this and to contrast the chaotic condition of Russia herself with her ambitious ideas of dominance in Asia. At the same time, it would be idle to deny that the Bolsheviks, aided by the present political uncertainty, have been to some degree successful in deferring the consummation of peace in the Near East. This has been particularly noticeable during the last two years.

Russia and the British Empire.

Enver's ill-starred adventure was but little known and made small Btir in India. It deserves mention therefore rather for the effects that it might have had, than for any other reason. But the same cannot be said of Enver's opponent and successor as the man of destiny in Turkey, Mustapha Kemal Pasha. This remarkable leader had distinguished himself as a military commander during the war, and foreseeing the victory of the Allied Powers had as early as 1917 advocated the conclusion of a separate peace. Until May 1919, when a Greek force disembarked at Smyrna, he had remained at Constantinople, more or less obedient to the Turkish Government there established. This event decided him to go into Anatolia and organise a national resistance against the Greeks. His success was rapid and astonishing. The presence of hereditary enemies in Anatolia infused into the disordered remnants of the Turkish Army a real spirit of nationalism which made them once more militarily formidable. Mustapha Kemal's success, first in avoiding defeat, and later in routing the Greek forces enabled him both to rally the local elements of national resistance and also stand forth i n the eyes of the Muslims of India and Central Asia as a champion ofslam, fighting a religious war. In January 1920 the Assembly which he had created at Angora, as the instrument of government of the Turkish people, signed the famous National Pact. In August of 1920 the Allied Powers presented for signature the Treaty

Mustapha Kemal Pasha.

of Sèvres ; but the draft, though accepted at Constantinople, was rejected by the Nationalist Government at Angora. That Treaty has, therefore, remained unratified, and technically the Allied Powers are still at war with Turkey, though they have no vital interest in a struggle which has completely changed its character since 1918.

Throughout 1919 the Allies were endeavouring to establish a neutral zone between the Greek and Turkish armies until peace should be signed. This led in the earlier stages of the Greco-Turkish war, when the Greeks were the stronger, to constant interference with the Greek Commanders, but in the summer of 1920 the Greek armies advanced and without serious difficulty drove the Nationalist forces in Anatolia before them. In their extremity the Nationalist Turks turned for assistance to Russia and indeed to every other possible quarter, including Afghanistan. They got little save moral support and two treaties ; of which the first, that with Russia, reveals nothing more clearly than the deep mistrust which either party had for the other ; and the second, that with Afghanistan, remained unratified for nearly three years.

Turkey and Russia.

The Bolsheviks did not fail to take advantage of their position to introduce their peculiar doctrines and subversive propaganda. But Mustapha Kemal and the strong party which supports him in the Assembly have never cherished any illusions regarding the interested intentions of Russia. They steadily opposed all attempts at domination on the part of their ancient enemy and temporary but most uncomfortable ally. While welcoming supplies of munitions, they rigorously excluded propaganda. Materially re-inforced, they evaded a final defeat at the hands of the Greeks, whose disappointment at this turn of events led to the fall of Venizelos and the return of king Constantine, a change which adversely affected British and French opinion. Many changes in the Commands and staff of the Greek Army followed the accession to power of the Royalist party in Greece, which further reduced the military value of the Greek Army.

In May 1921, the Allied Governments officially proclaimed their neutrality, and in June of the same year the British Government invited both belligerents to accept mediation. The Greeks refused and once more embarked on an attack in which they advanced as far as Afiun-Kara-Hissar but were unable to maintain thmeselves beyond the river Sakaria. After heavy fighting they were driven back to their original lines just east of Eski Shahr, and military affairs seemed thus to have reached a position of stalemate. The Greeks were weary and dis-

The Near-Eastern Imbroglio.

pirited and had begun to realise that retention of the Smyrna Vilayet was beyond their strength. The Turkish Nationalist Forces, on the other hand, although the country was desparately in need of peace, were on a rising tide, and the Franklin Bouillon agreement with France, implying as it did recognition by one of the Great Powers, further strengthened their position. In March 1922 therefore a meeting was arranged in Paris between the Foreign Ministers of the three Allied Powers ; at which an armistice and mediation between the belligerents were once more proposed ; and as a basis of discussion it was suggested that Eastern Thrace should be restored to Turkey, who was also to regain unimpaired her sovereignty over Smyrna, Asia Minor and Constantinople.

The terms thus put forward clearly show the influence of the Indian Government, whose representations made just before the conference assembled, had been published by the Secretary of State for India. They were accepted by Greece and by the Constantinople Government, but the Angora Government, while agreeing to them in principle, were stiffened by Bolshevik influence into insisting on the immediate evacuation of Anatolia by the Greeks. The Greeks would not agree to this and determined once more to attempt to reach a solution by force. On June the 7th their fleet bombarded Samsun in the Black Sea, a port where large quantities of Turkish material were said to be stored. This event caused considerable excitement in India, where it was thought though erroneously, that the passage of the Greek fleet through the Straits and Bosphorus constituted a breach of Allied neutrality. But in the following month confidence was in a great measure restored by the prompt Allied refusal, in which Great Britain took the lead, of the Greek request to allow their forces to occupy Constantinople. In the same month the Greek High Commissioner in Smyrna was instructed by his Government to transform the occupied area into an autonomous protected State to be called Ionia. This move, together with other events which took place about the same time, convinced the Turks that only force would end the struggle, and force was now on their side. Towards the end of August they delivered a fierce attack on the Greeks at Afiun-Kara-Hissar, which railway junction formed the centre of the Greek line. No effective resistance was offered and the Greek army was speedily everywhere in full retreat towards the Sea. A fortnight later Turkish cavalry entered Smyrna. Their entry was followed, after a few days interval, by the burning of a large part of the town, an act for which either side still blames the other. Pillage, rapine, and massacre followed

Struggles and Triumph of Turkish Nationalism.

the fire and Smyrna was reduced to a heap of ruins, whence Allied ships were only able to rescue a small proportion of the homeless fugitives.

The debacle of the Greek army produced a violent re-action in Greece. A revolution took place; King Constantine was forced to abdicate and a number of Ministers and Generals held responsible for the calamity were executed. But Greek resistance was now obviously at an end, and the question for determination by the Powers involved issues which amounted to no less than a general settlement of the whole Near Eastern question, immensely complicated by the events of the preceding years. Lord Curzon at Paris was able to induce Italy and France once more to accept the principle of Allied solidarity, although on the banks of the Dardanelles the forces of those two countries were withdrawn from giving any support to the British detachment. The show of force made by the British alone was however sufficient to bring the Turkish armies to a halt; and an armistice, in the negotiation of which General Harington, Commander of the British forces in the Near East, took a leading part, was signed at Mudania early in October. The terms of this armistice, which of course was between Greeks and Turks, involved the cession of Eastern Thrace to Turkey, and with its conclusion the danger of a wider conflict seemed to have passed. The disappointment of the Bolsheviks, who had been eagerly awaiting the commencement of another world war, must have been acute ; but the relief of more benevolent Powers was correspondingly obvious. Among these must be counted Afghanistan, who forthwith proceeded to ratify her treaty with Angora. A Conference of the Powers concerned was forthwith summoned to Lausanne on the 20th of November, where it remained in discussion for the next two months. Russia, it should be noted, was admitted by the Allies to the discussion on questions connected with the Straits, but not to the Conference as a whole, while the United States of America, though taking no part in the Conference, was officially represented by a delegate with a watching brief. Despite prolonged negotiations and very substantial concessions, the Allied Powers, who throughout acted in close concert, were unable to reach a settlement in all respects agreeable to the Turks. The actual rock on which the split took place was the question of economic concessions, in which France and Italy were interested rather than Great Britain, and so far as Great Britain was concerned the Turks were willing to conclude a separate peace, the question of Mosul being reserved for separate discussion. This

Turkey and the Allies.

The Lausanne Conference.

separate peace Lord Curzon, the chief British representative at the Conference, felt himself unable to accept, and the present position is that the Turkish delegates after consultation with their principals in Angora have returned with counter proposals for presentation to the Allies. Previous to this momentous events had been happening in Constantinople. On the conclusion of the Mudania armistice, representatives of the Angora Government took over the civil administration of the city, with the result that the Turkish Sultan, whose position had been represented to India as being endangered by the presence of Allied troops in his Capital, was compelled to flee for his life. He embarked secretly on a British warship which conveyed him to Malta. After a short stay he left fox the Hedjaz on the invitation from King Hussain. No sooner had he departed than the Assembly at Angora declared him to be deposed, not only as Sultan but also as Khalifa, and proceeded to elect in his stead his nephew Abdul Majid Effendi as Khalifa but not as Sultan, thus bringing about that very vaticanisation of the Khilafat which Indian theologians had been declaring to be wholly foreign to Islam.

The Khalifate Vaticanised.

The general upshot of these events seems, at the moment of writing, to be hopeful. The negotiations between Turkey and the Allies have removed all major difficulties from the path of a resumption of the old amicable relations between Turkey and Great Britain. Indeed there seems reason to hope that the Bolshevik efforts to hinder the settlement of the Near Eastern question will ere long prove to have failed both patently and ignominiously ; and that Mustapha Kemal and the reformed Turkish Government will shortly be able to free themselves from the mesh-work of Russian intrigue which has endeavoured to make of the National Government of Angora a cat's paw to pull Bolshevik chestnuts out of the fire.

Prospects of Peace.

Apart from the gain to the anti-British plans of Russia resulting from the anxiety caused to the Mussalmans of India by the uncertainty of relations between Turkey —the protagonist of Islam—and the Allied Powers, there have not been wanting attempts on the part of the Bolsheviks to operate in less circuitous fashion. Mention was made in last year's Report of the difficulty in which the Amir of Afghanistan found himself, occupying as he does a position of great strategic importance between two mighty neighbours, with neither of whom does he wish to quarrel. In the summer of 1921, the Soviet Government had succeeded in securing the ratifica-

Bolshevik Intrigue.

tion of a Russo-Afghan Treaty which they hoped might provide them with the channels they desired for conveying their propaganda into India. At the worst they hoped that the Russian Consulates they were to secure under the Treaty so near to India as Kandahar, Ghazni and Jalalabad would prevent the immediate establishment of the close amity and friendliness between the Amir and India which it was the desire of all true friends of Afghanistan should be concluded. But, as we saw, the Amir of Afghanistan refused to give free transit through his country to Bolshevik agents ; and Russian intrigue was powerless to prevent the conclusion of a Treaty between Afghanistan and Great Britain, which implied if not close friendship at any rate neighbourly relations. A further blow to Bolshevik aspirations was given by a written assurance on the part of Afghanistan that Russian consulates—which means in other words propaganda bases—should be excluded from the neighbourhood of the Indo-Afghan frontier.

The New Afghanistan.

Afghanistan, in fact, is determined to maintain her jealously-guarded independence, and she cannot afford to be exploited for the ends of any neighbour. The attempt of the Bolsheviks to make use of her has already failed ; for the advantage which it first enjoyed from the aftermath of feeling consequent upon the 1919 hostilities between Afghanistan and India has been largely nullified by the glaring discrepancy between Bolshevik professions and Bolshevik practice in Central Asia. The spectacle of the recent overthrow of a monarchy so ancient and apparently so well established as the Amirate of Bokhara necessarily conveyed to Afghanistan something of the dangers inherent in Russian domination. At the same time, bordered* as she is by Russian territory, she necessarily desires to live on terms of amity with Moscow. Her diplomacy has been successful, as we have already noticed, in securing treaties with Russia and with England. She has recently, further, concluded an alliance of mutual defence with the National Government of Angora. Thus buttressed in her foreign relations with her neighbours, she has embarked upon a new era of internal development. During the current year Afghan newspapers have been full of evidence of the reforms which are being carried out, very largely under the personal guidance of His Majesty the Amir Amanullah. The number of schools has been greatly augmented; Afghan students are being sent abroad for training in the arts and sciences of the West; the whole administrative structure is being overhauled with a view to increased efficiency. Experiments are also being made in customs and revenue regulations

to find the means of taxation which will at once promote individual enterprise and the interests of the Treasury. At the same time advantage is being taken of the establishment of Missions or Legations at Teheran, Angora, Moscow, Berlin, Rome, Paris and London to despatch trade-agents whose business it is to explore the possibilities of developing foreign trade between Afghanistan and the rest of the world.

Britain and Afghanistan.

The new era in British relations with Afghanistan initiated early in 1922 by the appointment of an Afghan Minister at the Court of St. James and of a British Minister at the Court of Kabul, has opened harmoniously. The benefit of the steadying influence which the British Minister at Kabul has been able to exert has since been felt in many ways and has proved a valuable sedative to the Turkish and Russian irritants. The Amir has shown at once a sense of his treaty obligations and a disposition towards strengthening the bonds of friendship towards himself and Great Britain. This policy has great promise for the future and does credit alike to the sagacity and to the patriotism of the ruler. The entry of Afghanistan upon diplomatic relations with various foreign powers marks the abandonment of her old traditional policy of isolation. The extent to which her welfare depends on good relations with India, on whom she must rely wholly for means of access to the sea and in a great measure for communication with the outside world, has been illustrated by the Afghan Government's desire for assistance in a variety of ways. Among these may be cited requests for the training of Afghan telegraphists and wireless operators in India ; the conduct of amicable negotiations for a Trade Convention ancillary to the Treaty of 1921—which are expected shortly to reach a successful conclusion—and the linking of Kabul with the Indian telegraphic system through a land line now just opened. The materials for this line, it may be noticed, were presented to the Amir by the British and Indian Governments; while the skilled staff which erected it were provided from India though paid by the Afghan Government whilst at work in that country. At the same time, in the realm of internal development it has been typical of the Amir's policy to avoid giving an opening either to Russia or to India; he has sought assistance in other quarters. Hence it comes that there are in Kabul Italian prospectors, German engineers, French professors, Turkish officers and American company-promoters, all of whom have been invited by the Afghan Government to assist the progress of Afghanistan towards wealth and

civilisation. Indeed, this progress is a matter of some importance, if the newly established foreign legations are to be for long maintained in so many distant and expensive capitals. The presence of foreigners of many nationalities in Kabul must be a cause of satisfaction to those who desire the establishment of a firm friendship between India and Afghanistan. The entry of Afghanistan into the general comity of nations is on all grounds desirable ; while international competition will provide the Afghans with a standard of comparison such as will eventually enable them to judge which of the nations they may honour with their trust and respect. It may be mentioned in passing that a serious obstacle to the development of more harmonious relations between India and Afghanistan lies in the potentialities for mischief of the colony of Wazir desperados who quitted Waziristan in 1919 and 1920 and settled down at Shahjui in the province of Kandahar. Here they have made themselves a great nuisance to all and sundry. In 1922, as we shall notice in another place, large numbers of them returned to Wana at the bidding of the notorious firebrand Haji Abdur Razak and made an attack on the Indian Officer and the Khassadars holding Wana Fort. Air force operations and the removal of Abdur Razak to Kabul under orders from the Amir quashed the trouble for the time being ; but in December the Wazirs tempted fortune once again and sallied forth in strength. One party went right across Afghanistan by the Helmand route and brought off some successful robberies in Sistan. But the gallantry of a force of local levies deprived them of much of their booty and they returned discomfited with the loss of one of their leaders killed and certain other casualties. The other party entered Baluchistan, but were even more unsuccessful. The Afghan Government is apparently taking serious measures to prevent any recurrence of the incident and has appointed a new Governor to the Kandahar Province.

Mischief-Makers.

The difficulties of India upon the North West Frontier are not confined to causes which operate beyond her own borders. Between Afghanistan and British India there lies a tract of territory which, though part of India, is not directly administered by the Government. Here dwell, in rocky and desolate fastnesses, a number of warlike and fanatical tribes, who eke out the meagre subsistence their land affords by raiding their more peaceful and prosperous neighbours. Their martial spirit and their fierce devotion to what they understand of the Muslim faith make them formidable antagonists; while their barbarity and savage

The Borderland : Tribal Territory.

independence constitute a standing menace to the security of India. At any moment, a fanatical preacher, a wild rumour, or a hostile intrigue may start a flame which may sweep the border from end to end, and unite in common hostility to civilisation and peaceful progress the 130,000 fighting men, equipped with modern rifles and ageless savagery, who constitute the muster of the tribes. It is the presence of these potential enemies within her very bounds, the permanent advance-guard as it were of foreign invasion, which rivets the eyes of India upon the Gates of the North. Year in and year out, the unceasing labours of the British and Indian Officers of the Political Department are devoted to the task of influencing the tribes in the direction of peace and order ; allowances are paid for good behaviour, and the more sober elements are coaxed to play their part in the work of civilisation; while Frontier Constabulary and regular troops keep watch and ward over the Border.

The Border in 1922.

Although the general disquiet of the Islamic world of the Middle East has exerted during the last three years a disturbing influence upon the North West Frontier of India, it is gratifying to be able to record that during the year 1922, as during 1921, there has been a steady improvement. Conditions are returning to a state more nearly approximating to that which obtained prior to the recent hostilities with Afghanistan ; and the progress towards normalcy though gradual has been marked. Throughout the major portion of that restless portion of India which separates the districts under direct British administration from the * Durand Line ', marking the frontier of Afghanistan, conditions have been more satisfactory than at any time during the previous three years. The process of recuperation has been facilitated by improved economic conditions. During 1921, there had been severe famine, only alleviated by rains towards the end of the summer. Scarcity continued throughout the border country into 1922 : on the other hand the rains in most parts were steady and seasonable with the result that crops in tribal territory were ample and the grazing good. There was thus less incitement to lawlessness than in the previous year. More powerful still, it may be noticed, as an influence to peace in the Trans-Frontier tracts, is the gradual cementing of friendly relations with Afghanistan. There is far less tendency on the part of irreconcilables to create trouble for the Government of India when they know that their efforts are not supported by outside influences. But while there was thus less anti-British intrigue than in the previous year, the situation is not without disquieting features; among which may be mentioned particularly the revived

activity of the fanatic colonies in tribal territory who are financed from Bolshevik sources. On the whole, the general situation of the border during the period under review assisted the political officers in their task of maintaining peace and improving the general disposition of the tribes. Recent Administration Reports show that the villagers of British India have begun to display a greater tendency to combine with the frontier constabulary in dealing with bandits from trans-border territory ; with the result that many notorious raiders have been eliminated.

The Yusafzais.

A brief survey of the border from north to south will give the reader some idea of the actual situation which obtained during the period under review in this troublous zone. Taking first the country north of the Khyber it may be noticed that the personal ambitions of the chiefs of the Yusafzai tribes living in the basins of the Swat and Panjkora rivers have resulted in a continual state of war. The two leading rulers, the Nawab of Dir and the Mian Gul of Swat embarked on hostilities for the settlement of a long standing dispute over the province of Adinzai on the left bank of the Swat river, close to the British bridge head at Chakdarra. There was little hard fighting, since the two forces took up positions about a thousand yards, apart and commenced a tedious sort of trench warfare. Both sides embarked upon a series of intrigues which gradually brought the leading men of the neighbourhood directly or indirectly into the struggle* Wearied with ineffectual efforts, the combatants before long agreed to suspend hostilities until August. The opposing forces withdrew to their own country, the strong points in their lines being left to the care of watchmen. Towards the end of the year hostilities of the usual inconclusive kind were again resumed, but up to the time of writing have produced little result.

The Khyber.

In the Khyber region, the general improvement in the tone of the Afridi tribes which was remarked in last year's Report has continued. Progress on the Khyber railway which will ultimately connect Peshawar with Landi Khana, continues to be steady. The earth-works and tunnels are well advanced and the project should be completed in December 1923. It is hoped that this line will do much to open up the tribal country through which it passes, and will facilitate in marked degree the overland trade between India and Afghanistan. As regards labour on the works and relations with the local tribesmen there has been little trouble, and the situation continues satisfactory. It may be noticed that in the period under review the Zakha Khel Afridis, who had formerly opposed construction

being carried on through their limits, withdrew their opposition. Once this matter was settled there has been no other cause of dispute and the progress here has been as good as upon other portions of the line. It is, however, typical of the general condition of the Khyber area that before the year closed a small incident seriously disturbed the serenity of the Afridis. Between the Afridis and the Mohmands there is a small tribe known as the Mullagori. They number some 1,100 fighting men, and succeed, though indifferently armed, in holding their own against their powerful neighbours with whom they are continually at feud. On the 24th December 1922, a party of Frontier Constabulary crossed the administrative border into the Mullagori country, surrounded a village and arrested a noted outlaw. The Mullagoris being much incensed at this, appealed to their powerful neighbours the Afridis and the Mohmands to help them in resenting such a violation of "tribal " territory. Some feeling has been created among the Afridis by the incident, and their tribal councils categorically demanded that the outlaw should be released.

The Kurram.

Further south, in the Kurram valley the year opened with a section of the Orakzais and a settlement of the Wazirs in Sangroba being under blockade for various offences. In the middle of the year, these sections settled with Government and paid in the rifles and fines due from them. The situation in the Kurram is thus at the time of writing more satisfactory than it has been for some time. But an old feud between the Suliman Khel of Ningrahar in Afghanistan and the Turi inhabitants of Zeran north of Parachinar was revived in May ; when the Suliman Khel came over the frontier and killed a havildar of the Kurram Militia and wounded two villagers of Zeran. Incidents such as these can be disposed of most profitably by mutual agreement and the Afghan Governor of the southern Provinces appears to be anxious to adopt this course. It is hoped that a meeting between British and Afghan frontier officials will shortly be arranged to settle such outstanding cases between the subjects of both countries.

Waziristan.

In Waziristan, there was until the beginning of November 1922 a certain improvement, less marked indeed than elsewhere, in correspondence with the condition of the rest of the border. It may be recalled that during the last two years the Government has been compelled to take punitive action against the Mahsuds and the Wazirs. Ever since we inherited from the Sikhs the task of controlling Waziristan ; and especially since Amir Abdurrahman of Afghanistan formally recognised this tract as lying within our sphere,

an attempt has been made to follow the policy of non-interference. With the exception of granting subsidies intended to enable the chieftains to keep their young bloods from raiding, and the maintenance of posts garrisoned by militia locally recruited, the British administration has had as little as possible to do either with the country or with its inhabitants. But, as was remarked last year, the hope that if they were left alone they would leave British India alone has proved fallacious. On an average every four years their repeated misdeeds have necessitated active operations of a major or minor importance. Since 1852 there have been seventeen of these operations, and since 1911, four; all occasioned by deliberate provocation on the part of the tribesmen who have ravaged the plains whenever they saw an opportunity. Alike during the Great War and during the Afghan War of 1919 their depredations grew bolder and more intolerable than ever; and after the signature of the peace treaty with Afghanistan, they absolutely refused the lenient terms offered them by the British Government. Punitive operations involving severe fighting, were accordingly undertaken during the year 1920 against the Mahsuds. The end of that year saw British troops firmly established at Ladha in the heart of the Mahsud country. Throughout 1921 there was almost continual trouble. Irreconcilables from the fanatic colonies strove to keep alive the opposition to the British Government. A regular campaign had to be conducted against the gangs who made their living by kidnapping British subjects and raiding the villages in the plains. As recently as December 1921, considerable casualties were suffered at the hands of the Wazirs by a convoy returning from Datta Khel down the Spinchilla pass in Northern Waziristan. In central Waziristan throughout the whole of that year the state of affairs was even more disturbed. Intensive campaigns were conducted against our lines of communication and almost daily attacks were made upon convoys and pickets. But towards the end of 1921 the situation somewhat improved; one of the most turbulent sections, the Abdullais, in particular suing for peace and ceasing their opposition on the 29th December. In southern Waziristan also the antagonism of the tribesmen had been considerably reduced by steady operations, and on the 14th September 1921 the Wana Wazirs had signed a treaty accepting our terms. The troops on the Wana line were accordingly withdrawn and their places taken by small garrisons of Khassadars, local men who provide their own arms, ammunition, equipment and food. At the commencement, therefore, of 1922, the prospects of peace in

Past Difficulties.

Their slow solution.

Waziristan were comparatively bright; and it was hoped that there would be a gradual but steady improvement in the political situation. In the Tochi it was necessary to deal with the aftermath of the Spinchilla affair ; and air operations were conducted against the principal refuge of the offenders. Khassadars were raised during January and February, and many brushes occurred with the Ahmedzai section. At the end of April, however, these tribesmen moved off to their summer grazing grounds* Early in March, unfortunately unfavourable developments showed themselves in the vicinity of Wana. The fanatically anti-British leader Haji Abdur Razak, as we have already noticed, made a bid to disturb the peace and work up the hostile elements to attack the newly raised Khassadars. The monthly convoy was waylaid, the Khassadar escort being out-numbered and forced to retire. Worse was to follow. Wana itself was boldly attacked on the 4th April. But the Indian officer in charge of the post made a stout defence in which the Khassadar garrison loyally co-operated. Help was shortly forthcoming. From the 7th to the lOtli March the Royal Air Force bombed and machine-gunned the hostile Wazirs with such good effect that they abandoned the siege *o.nd* dispersed to their homes, in the course of these operations an exciting incident occurred. One of the planes was compelled to make a forced landing near Wana. A party of mounted men dashed out from the post placed the pilot and observer on ponies and took them off in the direction of Ladha. After fighting a rearguard action for 15 miles they fell in with some friendly Mahsud chiefs and were by them escorted into safe refuge.

Guerilla Warfare.

The troops on the Ladha line also came into conflict with Mahsuds of the Jalal Khel and Abdur Rahman Khel sections. Early in March successful air action was taken against the Jalal Khel with the result that their activities were for the moment suspended. They soon commenced their usual practices. Like all Pathans they leave little to chance in their forays, sparing no pains to ensure success. The utmost care is taken in the selection of the ground on which their ambush is to take place, and they study in minute detail the habits and movements of their opponent. Two incidents which occurred during the summer illustrate this fully. The first occurred in the vicinity of Khajuri in the Tochi. After watching a platoon for days some men of the Jalal Khel laid an ambush directly in the track over which they expected the troops to move. Good cover existed and a platoon walked into the trap. There was a sudden burst of fire, most of the platoon were down before they could realise the situation; and with the loss only of three men the gang were off with a

Lewis gun and 22 rifles, having killed 21 and wounded four of our men. The second incident was also an example of careful preparation. The Jalal Khel had evidently made a study of the methods adopted by the Khassadars in carrying out protective duties : for they selected the 1st of July, one of the days on which the picqueting of the road fell to the Khassadars, to raid the convoy. Accordingly a party of about 100 men lay up near Ahmadwam, half a, mile north of the Barari Tangi Villagers, who were evidently in collusion, were peaceably working in the fields. All seemed quiet, when suddenly two Mahsuds who were walking along by the convoy stabbed Captain Edmiston, the officer in charge. This was the signal for an attack. Eight men of the 81st Transport Corps were killed, three wounded and 40 mules were carried off. Mobile columns moved out as quickly as possible after the raiders, but the enemy were out of reach with their spoils before they could be brought to action.

Recent Developments.

In pursuit of the policy which will be explained in greater detail at a later page, work was commenced in August on a new road taking off from the main Tochi road at lsha, which is intended eventually to form a portion of a mechanical transport road from Tochi to Razmak. Work proceeded steadily throughout the autumn, and at the end of December it had reached a point within nine miles of the Razmak Pass. Its construction was carried out peacefully under the protection of locally raised Khassadars. An announcement was made that a garrison of either regular troops or scouts would be placed somewhere in the vicinity of Razmak. The Wazirs readily agreed to this; indeed they were probably relieved by the prospect of troops being located in the vicinity ; for the encroachments of the Mahsuds are felt by all their neighbours, and not merely by the peaceful inhabitants of the settled districts of India. But in spite of the evident intention of Government to carry out their policy, rumours soon began to float through the Mahsud country that the whole of Waziristan was about to be evacuated. The effect of these rumours was decidedly bad, and in November 1922 the situation among the Mahsuds deteriorated in marked degree. The Jalal Khel were first in the field and committed an impudent raid between Dera Ismail Khan and Pezu. On the 10th November they held up a motor car and abducted two Indian officials, whom they earned off to their own country together with a Canal official whom they met on return journey. The captured officials were subsequently released without ransom on the 20th November. In December, also, the troops employed in making the Razmak Road were shot at by some of the

Abdullai Malisuds. Air operations were promptly undertaken against the offending sections and continued until the end of the year. While these operations were proceeding, the 7th Indian Infantry Brigade established themselves without incident at Razani about 8 miles from their objective Eazmak. The situation at the end of the year 1922 was therefore that the Tochi Wazirs were quiet, but the Mahsuds in a disturbed state. The Wana Wazirs were also quiet with a garrison of 500 scouts at Wana. In January 1923, the dominating position of Razrnak: was occupied while a road from it to the Tochi stood nearly completed. This road is to be taken on to join up with the road from Jandola, and a second road is to be made from Jandola to Sarwekai where a strong post of scouts is to be located to support the Wana Khassadars. As soon as the roads are completed the troops are to be withdrawn and road protection will be left to scouts and Khassadars. The future scheme for controlling this turbulent country is described more fully below ; it is sufficient here to say that the tribes are to be enlisted on the side of law and order by allowances and by service in the Khassadar force ; while supervision is to be provided by scouts in strategic positions linked up by roads to regular troops in peace stations.

Baluchistan.

South of the Gomal, there is a more cheerful story to tell. Since the days of Sir Robert Sandeman, the province of Baluchistan, marching as it does with the frontiers of Afghanistan and Persia, has been an oft-quoted example of the success of what is sometimes called the Forward Policy—the policy of extending the administrative boundaries of British India until they coincide with the political boundaries of India herself along the line of the Afghan border. By enlisting the weight of local opinion upon the side of peace: by strengthening the authority of the tribal leaders : by providing scope for youthful enterprise in the Khassadar companies; and by securing to the inhabitants that autonomy which they value so highly, the British Administration has made Baluchistan contented and law-abiding. During the last Afghan war, it is true,, the structure of peace and order was severely strained : but its foundations stood unshaken. Since the cessation of hostilities Baluchistan has been the first of the Frontier tracts to show rapid recovery. The fact that at the end of 1921 a treaty had cemented neighbourly relations between India and Afghanistan was hailed with relief by all the best elements in the province. Certain results became visible almost immediately. Across the frontier the local Afghan officials began to display a new desire for a good understanding, manifesting

itself in a readiness to co-operate for the suppression of petty border crime. This attitude was, generally speaking, maintained throughout the year and gave reason to hope that the Afghan Government would make strong measures to prevent the colony of Wazirs in Shahjui, of which mention has already been made, from raiding into British territory. Indeed by degrees small parties of them began to drift back to Waziristan. In the last month of the year, as we have seen these irreconcilables launched two impudent raids, one down the Helmand and the other in the Quetta district. As a consequence, the Afghan authorities took serious notice of the conduct of their turbulent guests, whese activities are not likely to remain long unhampered. Another problem, which has for sometime been exercising the local authorities, seems also in a fair way of settlement. Incessant raids have been made during the last few years by two nomad tribes, the Suleman Khels and the Kharots, who migrate yearly during the cold weather from Afghanistan into India, and from whose depredations the inhabitants of the Zhob agency have for long suffered severely in lives and property. Towards the end of the year a tribal council was held at Fort Sandeman, attended by the leaders of the nomad tribes on the one hand and by the headmen of Zhob and Loralai on the other. An agreement was successfully negotiated providing for the payment of compensation by the offenders and a promise of good conduct in the future. If the Suleman Khels abide by these terms, the tribesmen in the Zhob agency will be relieved of an intolerable burden. As symptomatic of the gradual settling down of the province it may be mentioned that the inhabitants of British territory behaved well throughout the year. Many outlaws came in to have their cases settled under the auspices of their political agent; and there was undoubtedly a disposition to return to the older allegiance which the Afghan War had so severely strained. Thanks to the co-operation of the tribesmen, the majority of those concerned in the murder of the R.A.V.C. officer last year were captured or killed — another piece of evidence of an increasing desire for the resumption of good relations. The amelioration of the situation has been further facilitated by the fact that in the middle of 1922 the severe economic strain to which the people of Baluchistan have been subjected during the last two years came to an end. Conditions improved almost everywhere. Considering the premium which poverty places upon violent crime the good behaviour of the tribesmen throughout the early part of 1922 is the more laudable.

Easier Conditions.

Such was the general condition of affairs on the Northern and Eastern border of Baluchistan during the period under review. On the Western border, however, a new situation arose The Persian Government which has lately shown signe of regaining its former stability decided to take up the task of administration throughout its dominions and in the beginning of 1922 a Governor was installed at Duzdap, The position therefore became somewhat anomalous, for inspite of this outward sign of the resumption of their jurisdiction, the Persian Government continued to acquiesce in the existing control of the Sarhad and of the Railway. The arrangement has so far worked with very little friction, although in December, certain complaints on the part of the non-Persian trading community of Duzdap against the Governor necessitated a discussion—resulting in amicable agreement — between the Persian official and the local authorities of Baluchistan. But while the Sarhad itself remained quiet, affairs in Mekran, a territory within the state of His Highness the Khan of Kelat, were not entirely satisfactory; the year opening with a spirit of unrest and a general feeling of insecurity along this portion of the border. The experiment was tried of nominating the brother of His Highness the Khan with very full powers as Governor of Mekran; but after a brief interval he resigned, and the attention of the local Government was directed to devising in co-operation with His Highness the Khan, a strong system of administration for this difficult border tract.

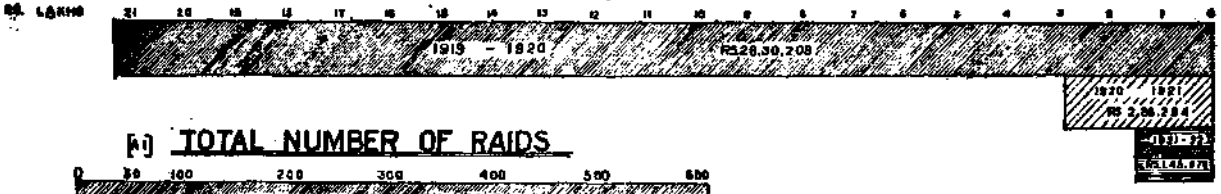
The Persian Border.

So far as the general internal situation of Baluchistan is concerned, there is little to record. As in previous years, the people as a whole continued to show a preference for their own methods of political development and paid little heed to the disturbed currents which agitated many of the other provinces in India. The policy of associating the people as much as possible with the administration; of taking their advice, as ascertained in tribal councils of the elders, upon larger questions of policy as well as upon merely tribal matters, has been steadily pursued ; and the close personal relationship which exists between the Administrative officers, both British and Indian, and the people themselves adds to the general contentment by giving reality to popular influence.

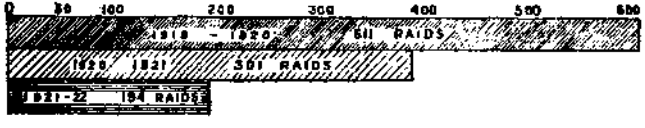
From this brief consideration of the tract which on the North-West and West constitutes the extreme political limit of India, we may now turn Eastward to those settled districts of British India which form part of the North-West Frontier Province. In general it may be noted that economic conditions were considerably easier in 1922 than in

The North-West Frontier Province.

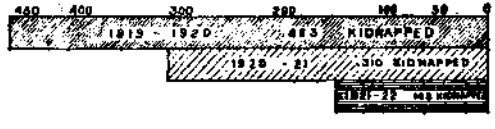
[E] TOTAL VALUE OF LOOT



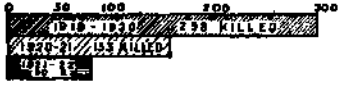
[A] TOTAL NUMBER OF RAIDS



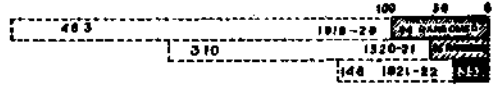
[D] TOTAL KIDNAPPED



[B] TOTAL KILLED



[F] TOTAL RANSOMED



[C] TOTAL WOUNDED

[G] TOTAL RELEASED WITHOUT RANSOM

the previous years. Both the spring and the autumn crops were good; and the prices of food grains fell largely in consequence. The gradual return of the province to normal conditions, after the unrest which has been a heritage from the third Afghan War and the general disquiet consequent upon the world struggle, is indicated by the increasing success of the Administration in suppressing the raiding nuisance. The vigorous policy of dealing with outlaws initiated in 1921 was continued; the Frontier Constabulary, the Police and the village levies achieving a large number of successes against raiding gangs. A reference to the diagram on the opposite page shows the steady decrease in the number and the seriousness of the raids on the four trans-Indus settled districts which have been the greatest sufferers during the last three years. A comparison of the figures for the three "official years" comprising the 12 months ending on the 31st March 1920, 1921 and 1922, affords remarkable proof of the general success of the efforts by Government in restraining raiding operations. In the year ending on the 31st March 1920 there were no fewer than 611 raids in the settled districts of Peshawar, Kohat, Bannu and Dera Ismail Khan. During the year ending in 1921, this number fell to 391. By the 31st March 1922 it had been reduced to 194. The improvement was most marked in the Peshawar and the Dera Ismail Khan districts; in the former the raids fell from 145 to 57 and 15; the kidnapping from 105 to 22 and 1; the value of property looted from Rs. 3¼ lakhs to Rs. 13,000 and Rs. 4,000. In Dera Ismail Khan the raids fell from 198 in 1920 to 84 in 1921 and 51 in 1922; the kidnappings from 127 to 36 and 17; and the lootings from Rs. 12 lakhs to Rs. 88,000 and Rs. 56,000.

What Raiding Means.

A study of these figures may perhaps convey little save to those who have some personal experience of what the raiding pest really means. It has been said that with the trans-frontier tribesmen, especially the Wazirs, plunder is more than a propensity; it reaches the dignity of a principle. The tribesmen especially pride themselves upon their dexterity and bravery in this kind of enterprise, regarding the property of all neighbouring tribes and especially of the inhabitants of the settled districts as their lawful prey. It may be explained that the methods pursued by raiders are of two kinds. The first is the raid with a definite objective which is planned beforehand; the second is the raid which materialises as opportunity presents itself. To take the former first. A few years ago, when the raider was sure of his line of retirement into his hilly fastnesses, he could make his plans, collect his gang and move on his objec-

tive with a knowledge that his project was unknown either to his intended victims or to those whose duty it was to protect the villagers. Each clan has a number of picked warriors who are able and practised robbers, in many cases outlaws from British justice. These picked men hava their spies in British territory, and are immediately informed whenever a tempting prize presents itself. A gang of sufficient strength to carry out the raid then collects and sets off in the direction of the scene of the proposed action. The gang is usually divided into three parties. The first party consists of the warriors who have won their fame in previous forays, accompanied by some of the most promising of the younger men : the second party consists of the unblooded men and boys ; and the third of the men whose fighting days are almost over. The second and third parties are dropped at points between the starting point and the objective. When the spies report that the coast is clear, the first party descend upon their prey, loot, murder and burn. In the commotion which ensues they retire upon the second party who take over the booty, and then in their turn retire upon the third party as fast as they can. Meanwhile the first party disperses and its members make their way individually to their homes ; an example which is followed by the second party so soon as they have handed over their loot to the third. When safely back in tribal territory the gang recollects and distributes the booty according to the share of work which has been taken in the actual raid. It is interesting to notice that in the past few years this type of raid has become rarer and rarer. Since regular and irregular troops are now in possession of strategic points in tribal territory, the raiders find that it is impossible to carry out operations on such an extensive scale with reasonable hope of the necessary secrecy. Further the British policy of organizing armed parties of villagers, which work in co-operation with the frontier constabulary, has of late been very successful in securing the interception of raiding gangs and the recovery of lost property. Hence of late there has been a tendency to indulge rather in the second type of more haphazard raiding, for which only small gangs are required. This type of operation is carried out by a few men, who merely seek to carry off what chance may deliver into their hands. Cattle is a favourite objective, together with prominent local individuals, who are kidnapped and removed to tribal fastnesses until such time as a ransom is paid. In dealing with this type of raid, the village pursuit parties and the frontier constabulary have done admirable work ; but it seems unlikely that these forays can be entirely stopped until some method is found of civilizing the trans-border tribes-

men and enabling him to "live of his own." The statistics already quoted show the measure of success hitherto achieved ; but the problem is not one which yields to any instant or ready-made solution. There are some sections of opinion indeed who advocate the wholesale distribution of arms to villagers in British territory. But there is considerable reason to suppose that such a step, so far from preventing raids, would actually encourage them ; since on the one hand a rifle is more valuable loot than a goat or a cow ; and on the other the villagers cannot perpetually be moving about in sufficiently large parties to resist the onset of raiders.

Mention was made in last year's Report of the feeling aroused throughout the rest of India at the intelligence of the hardships endured by the inhabitants of the settled districts of the North-West Frontier Province at the hands of trans-border raiders. We noticed that much weighty criticism was directed, particularly in the Legislative Assembly against this condition of affairs ; the heavy cost of administration throughout the North-West Frontier Province being contrasted with the apparently meagre success of the authorities in suppressing the raiding nuisance. The attention devoted to the whole question by representatives of educated India led, as we saw, to enquiries as to the desirability of retaining or reversing Lord Curzon's policy of separating the North-West Frontier Province from the Punjab. These enquiries were stimulated by a belief among some sections of educated Indian opinion that the more advanced inhabitants of the settled districts of the North-West Frontier Province suffer both in their political status and in their judicial administration from their association with a government mainly concerned with the direction of comparatively uncivilised trans-frontier tribesmen. As a result of a resolution brought forward in the Legislative Assembly in September 1921 by Sir Sivaswami Aiyer, a Committee was appointed by the Government of India to examine the administration of the North-West Frontier Province. Among the most important of the subjects to which the enquiry was directed was an investigation of the working of the Province since its separation, the advisability of reamalgamation with the Punjab, and the possibility of the extension of the Montagu-Chelmsford Reforms to the Frontier by the constitution of a legislature. In the spring of 1922, the Committee toured throughout the areas concerned, and recorded evidence from various quarters. Its sessions excited con-

Public Indignation.

The Enquiry Committee.

siderable interest, since the central question, that of the maintenance of the North-West Frontier Province in its present condition, or its amalgamation with the Punjab, showed signs of becoming a Hindu-Muslim issue. Broadly speaking, the Hindu element of the population both in the Punjab and in the North-West Frontier Province seemed, to judge from the evidence, to favour amalgamation. The Muslim element on the other hand was generally desirous of retaining the predominantly Muslim entity of the North-West Frontier Province in its present condition. In which connection it is interesting to notice that early in August 1922, the Punjab Legislative Council, thanks to the Mussalman vote, expressed itself against the desirability of the amalgamating the Frontier districts with the Punjab. The Report of the Committee was presented to the Government of India in September, but is still under consideration and up to the moment of writing has not been published. Two Hindu members of the Committee Messrs. Kangachariar and Samarth, of the Legislative Assembly, wrote a minority report in which they describe the separation of the North-West Frontier Province from the Punjab as an experiment which has failed to justify the hopes of its designers.

Generally speaking the vivid interest in Frontier affairs which was so noticeable a characteristic of non-official opinion during the year 1921-22 declined somewhat during the period which we are now reviewing. This was probably a result first of the relief experienced through the fortunate resumption of neighbourly relations with Afghanistan, and secondly of the success of the authorities in dealing with the raiding nuisance, which last year had excited in all parts of India such widespread sympathy with the unfortunate victims. But during the whole of the year 1922 there was noticeable in the public press of India a tendency to discuss in its broader aspects the policy which the Government ought to pursue in regard to the Border in general and Waziristan in particular. The growth of intelligent interest in a problem which, if vitally important to India is none the less hedged round by many technical difficulties, must be ascribed largely to the success of the new policy of publicity adopted by the military authorities. During the last two years, earnest efforts have been made to educate the general public to an appreciation of the Frontier menace, with its inevitable reactions upon the main problem of India's defence; and there is reason to believe that a measure of success has already been achieved. At the beginning of the period now under review a party of

Public Interest in Border Policy.

journalists made a tour of the Border, and under the guidance of experts from the General Staff, acquired a working knowledge of the conditions governing the relations of British India with the tribal territory as yet unadministered. As a result of the popular interest thus aroused, there has been considerable discussion in the press as to the relative advantages of the so-called " forward " and " close border " methods of dealing with the thorniest tract of the Border belt, Waziristan. This discussion has naturally been influenced very largely by the conditions of financial stringency prevailing in the country; and by the assumption that the military operations conducted during recent years in Waziristan constitute a source of unprofitable expenditure. There was thus a demand in many quarters for the adoption of the policy of the " close border "—that is to say, the retirement of our troops to a position within the directly administered districts of British India ; and the erection of some modern equivalent to the Great Wall of China for the exclusion of the tribesmen inhabiting the territory between these administered districts and the frontier of Afghanistan. But the technical objections to such a policy, and the reasons animating Government in adopting the plan outlined upon a previous page, were clearly indicated in an important speech delivered towards the close of the period under review by the Foreign Secretary of the Government of India. Speaking before the Legislative Assembly on the 5th March, Mr. Denys Bray began by outlining the three ingredients of the Frontier problem—the State of Afghanistan, the so called Independent Territory and the settled districts. He pointed out that north of Baluchistan, British India and Afghanistan do not possess a conterminous frontier ; that while the Indian border, in the strict sense of the term, marches with that of Afghanistan, the border of British India does not. It is between the limits of British India and of India in the wider sense that there lies the belt of so-called Independent Territory. This is not really " Independent" at all; for only from the point of view of the British districts can the tribes inhabiting it be considered as trans-frontier men. Ever since the demarcation of the Durand boundary line between India and Afghanistan in 1893 these tribesmen have been India's responsibility; and from the international point of view they belong to India. Mr. Bray proceeded to describe how, subsequent to the 1893 agreement, Amir Abdurrahman of Afghanistan inaugurated campaign after campaign against his own frontier tribes in order to extend Afghan rule up to the Indian

Decision of Government.

The Foreign Secretary's Announcement.

border. In so doing he was pursuing the policy associated with the name of Sir Robert Sandeman in Baluchistan, where the sphere of British administration had already been extended up to the Afghan frontier. But the task which was successfully accomplished for Baluchistan twenty years ago by Sandeman is now infinitely more difficult for other parts of the Border; principally because the tribesmen in the belt between Afghanistan and India, who have from time immemorial descended from the mountains to raid and pillage the inhabitants of the plains, are now vastly better armed than at any previous period. Accordingly, in the present time of acute financial stringency, a thorough-going forward policy, which would have as its effect the administration of Indian territory right up to the borders of Afghanistan, must remain a mere counsel of perfection. But though this be granted, Mr. Bray proceeded to argue, it does not follow that the " close border " system is the proper solution even for the moment. Lines of barbed wire linking up posts strongly held at intervals, with mechanical transport roads running right along the border, patrolled by constabulary in motor cars, although they might gain for the settled districts of British India a momentry respite from tribal raids, would result in a legacy of infinitely worse trouble for the future. Such a policy he stigmatized as a policy of negation and nothing more. To leave the tribesmen in isolation would in reality be leaving them free to brew incalculable mischief. Accordingly he said, the policy which the Government of India are determined to pursue is that of bringing the Mahsud country, the strategic heart of Waziristan, under control. Military occupation is, for financial reasons, beyond the resources of India, and it will shortly cease. It will be replaced partly by a system of internal control based on scouts and Khassadars ; and partly by external supervision from the two posts of Manzai and Razmak, which though outside Mahsud territory, effectively overlook it. A mechanical transport road, now almost complete, is to link up the Tochi to Razmak and Jandola. With its construction, all regular troops will evacuate the Mahsud country; and the protection of the road will be committed to locally enlisted Khassadars, supervised by scouts at Sararogha and Kotkai, who in their turn are to be based upon the regular troops at Razmak and Manzai. The result of this policy will be to rob the Mahsuds of the inaccessibility which has been the root cause of that persistence in utter barbarism which has made them a by-word among other Pathans. At the same time the Khassadar system

The "Forward" And the "Close Border" Policies.

Results Anticipated,

will give the tribe a stake in the administration of law and order ; while the construction of some 140 miles of road in Waziristan itself will provide the channels through which civilization may gradually penetrate. In the opening up of the Waziristan country, in the penetration of civilization to these inaccessible mountain tracts, Government has found the only solution to the Waziristan problem. For until the inaccessibility of the Mahsud country can be broken down, the economic stringency, the crass ignorance and the barbaric cruelty which result from it will continue. As the Foreign Secretary pointed out, in so far as the forward policy means a move forward to the Durand line, the policy now enunciated is not fairly entitled to be thus classed. For the new post at Razmak is further from the Durand line than the old established posts in the Tochi, and whereas Wana, close to the Afghan border, has been held by regulars and irregulars since 1894, it will from henceforth be held by Khassadars only. But in the wider sense of the word the Government policy is a forward policy in that it is a policy of progress ; a big step forward on the long and laborious road towards the pacification through civilization of the most backward and inaccessible, and therefore the most truculent and aggresive of all tribes on India's border.

While it remains true to say that in many respects the interest which has been taken by educated India in the problems of defence is, on account of the more assuring Afghan situation, less painful than that which we noticed in the year 1921-22, there persisted, during the period now under review, the healthy symptom of an increasing demand that Indians should take their part in defending their country. This demand has taken two distinct shapes; first a request for the rapid Indianization of the commissioned ranks of the regular Army ; and secondly for the extension of the existing facilities for training Indians in the Territorial Force. In connection with the first the interest taken by the Legislature has continued unabated during the period under review. Government has not been unresponsive, and the progress achieved in this direction, although far from satisfying the newly-voiced demands of Indian nationalism, is none the less very real. Since the War, as was pointed out by His Excellency the Commander-in-Chief in speaking on a motion in the Legislative Assembly in January 1923, the story has been one of steady and continuous advance. Mainly as War rewards to Indian officers holding the Viceroy's Commission in the Indian Army, 371 honorary King's Commissions have been granted. In addition to these there are now some 66 Indian officers holding the full King's

Commission and serving in the regular Indian Army or doing the normal period of attachment to a British regiment which is required of every officer whether British or Indian before he joins the Indian Army. There are also some 23 Indian cadets under training at the Royal Military College at Sandhurst, who if successful, will shortly qualify for King's Commissions. Further, in order to enable Indian boys who desire to enter the Army to acquire the qualifications for admission to Sandhurst, there has been established, as was mentioned in last year's Report, the Prince of Wales' Royal Indian Military College at Dehra Dun. In January 1923 there were 38 boys in residence at the College and it is hoped that by April 1923 there will be 70 boys. Government also contemplate the establishment of other military institutions which will provide an education preliminary to the training to be obtained at the Dehra Dun College. This is being done because it has been realised that if the Indianization of the superior ranks of the Indian Army is to be given the fullest chances of success, it is essential that Indian boys who desire a military career should have precisely the same opportunities and facilities in the matter of education, both physical and mental, as have always been enjoyed by English boys destined for a career in the Army. In March 1923 Lord Rawlinson made in the Legislative Assembly a very important announcement, stating that eight units of the Indian Army had been selected for complete Indianization as soon as possible. The Units so selected include two from Cavalry, five from infantry, and one Pioneer battalion. These are the 7th Light Cavalry (late 28th Light Cavalry), 16th Light Cavalry (late 27th Light Cavalry), 2-lst Madras Pioneers (late 64th Pioneers), 4-19th Hyderabad Regiment (late 98th Infantry), 5th Royal Battalion, 5th Maratha Light Infantry (late 117th Royal Maratha), l-7th Rajput Regiment (Queen Victoria's Own Light Infantry, late 2nd Q. V. O. Rajput Light Infantry), l-14th Punjab Regiment (late 19th Punjabis), 2-lst Punjab Regiment (late 66th Punjabis). The process will necessarily be gradual; since the earliest date by which the eight units can be completely officered by Indian officers holding the same qualification as are laid down in respect of British officers and having had same advantages of training and experience as British Officers, would be approximately 22 to 23 years from the present time. It might be possible to shorten this

National Defence.

" Indianisation."

period to some extent if Indian officers of outstanding capacity come to the front during the process of development. But such an expedient could not be relied upon as a normal procedure. Moreover, it might not be regarded as fair to place upon the first generation of Indian officers a burden of responsibility which normally a British Officer of corresponding age and experience would never be asked to shoulder. Upon the future potentialities of the experiment thus inaugurated it is difficult to lay too much emphasis. It represents a great advance in principle towards the satisfaction of India's ambition to bear the burden of her own defence. At the moment of writing there is reason to believe that Indian opinion does not fully appreciate either the magnitude of the progress herein foreshadowed or the pledge which it constitutes of the earnestness of British intentions in the matter of Indianization. Upon those with whom rests the responsibilities of pronouncing upon the success of this and other experiments in the direction of Indianizing the Army, a heavy burden lies; for while on the one hand the national aspiration of educated India to assume an increasing share of the responsibilities for the defence of the country must be met and satisfied; on the other hand the security of the country as a whole, its opportunities for peaceful progress along the path of reform, and the maintenance of its integrity against external invasion, are not lightly to be imperilled.

The Territorials.

Turning to the Indian Territorial Force we may notice that the constitution of the first batch of experimental units in 1921 has been satisfactory. During 1922-23 the number of battalions rose to 20, with an establishment of 14,760 and by the end of 1922 the enrolled strength exceeded 11,000. In the Punjab, the Territorial units now designated the 11th Battalions of the 1st, 13th, 14th, 15th and 17th Regiments, have been completed, except the last, which was started at a late date. The number of applicants is far in excess of the authorised strength. Similarly in the United Provinces the 11th and 12th Battalions of the 7th Rajput Infantry and the 11th Battalions of the 9th Jat Infantry and the 18th Royal Garhwal Rifles are already up to strength save the last. In Bengal the single battalion has filled to about 1-3rd of its authorized strength, while in Madras the 11th, 12th, 13th and 14th Battalions of the 3rd Madras Infantry have been filled. The 11th Battalion of the 20th Burma Rifles is also up to strength, while in Bombay the 11th and 12th Battalions of the 2nd Bombay Pioneers have been formed from the Parsi community which has entered into the movement with enthusiasm. But the 11th Battalion

of the 5th Maratha Light Infantry has failed to attract more than one company of recruits. In Ajmer-Merwara a start has been made with the 11th Battalion of the 4th Bombay Grenadiers; and in the North-West Frontier Province the 11th Battalion of the 12th Frontier Force Regiment promises to develop into a local levy of fine material. One of the great problems connected with the development of the forces is the provision of adequately trained officers. It has been found necessary in the first instance to provide regular officers for the command of battalions and companies ; and the continuance or modification of this system must depend upon the degree of efficiency attained by Territorial Force officers. Among the sections of the Territorial Forces which have attained a large measure of popularity may be mentioned the University Training Corps. There are now six battalions located at Bombay, Calcutta, Allahabad, Lahore, Madras and Rangoon ; while separate companies have also been constituted for Patna and Benares. While it is yet too early to judge of the military value of the Territorial Force the progress achieved in the first year of training has surpassed expectations ; and there is some reason to hope that the beginning now made will constitute a nucleus out of which there may grow, in the future, a Citizen Army capable of taking its share in the defence of the country.

Throughout the period under review, the demand noticed in last year's Report for economy in military administration has been voiced with added emphasis by every section of Indian political opinion. Indeed, with the gradual alleviation of immediate anxiety connected with India's relations towards Afghanistan, and the initiation of a period of greater calm in Indian political life, this demand shows signs of developing into an *idee fixe*. On the part of the military authorities, there is not wanting a realisation of the heavy burden which the present figure of military expenditure imposes upon the finances of the country : and during the period under review, strenuous efforts have been made to effect economies. The reduction of the Army in India to a post-war footing has been continued. The only units which now remain surplus to the establishment sanctioned for India are one Indian Cavalry Regiment, two pack batteries, one field company Sappers and Miners and 12 Indian Infantry and Pioneer Battalions. These surplus units are all serving overseas and are maintained at the expense of the Imperial Government. When the situation permits of their return to India without relief, a 3orresponding number of units will be disbanded. In addition the military authorities, like all other branches of the Government of India are making effort?

Economies.

to reduce their expenditure in accordance with the recommendations of the Retrenchment Committee presided over by Lord Jnchcape. The total military grant budgetted for the year 1921-22 amounted to Rs. 62.2 crores; by 1922-23 this figure had risen to Rs. 65.10 crores for the establishment charges, Rs. 2.13 crores for Waziristan expenditure and Rs. 52 lakhs for demobilization charges, making a total of Rs. 67.75 crores. After taking into consideration the recommendations of the Retrenchment Committee a reduction of lis. 51/3 crores has been made in the budget for 1923-24. It is proposed in the course of the ensuing year to embark upon certain reductions in troops, but the full effect of this and other proposals for the limitation of military expenditure cannot for practical reasons be expected during that period. Could they have been fully and effectively in operation by the 1st April 1923 the net military budget for 1923-24 would have been Rs. 57.75 crores. It will thus be seen that a very real attempt is being made to give effect to the demand of educated opinion for economy in military expenditure. That India spent upon her military organisation a sum of Rs. 62 crores out of a " Central " expenditure of Rs. 204 crores, which was the Budget of the Government of India as distinguished from that of the Provincial Governments, is a fact upon which Indian opinion has begun to express itself with increasing frankness. But it is not always realised by Indian spokesmen that nowhere else in the world is the defence of nearly 320 million people secured at a cost of between 2 and 3 rupees per head.

CHAPTER IL

The Burden of Citizenship.

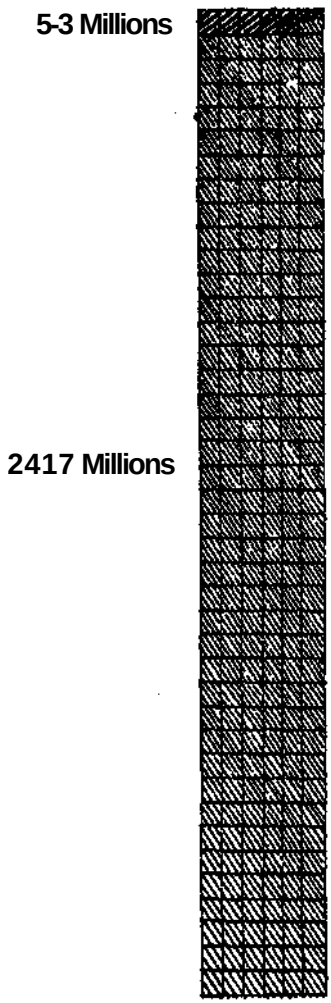
In last year's Statement, mention was made of the radical change effected in the administrative system of India through the introduction of the new Reforms. While it will be unnecessary to recapitulate what has been written in previous volumes regarding the scope and intention of this great constitutional measure, it will none the less be desirable to recount in barest outline some of its more obvious results.

Perhaps the most striking consequence of the Montagu-Chelmsford Reforms has been a separation of the spheres of the central and of the provincial Governments along something like federal lines. From the year 1833 to the year 1919 the administrative system of India was of the most centralised character, being vested in the hands of the Governor-General in Council subject to the superintendence, direction and control of the Secretary of State and Parliament. In the latter year, the Government of India Act was amended in such manner as to permit the gradual realisation of responsible Government in India.

The Reformed Constitution.

In practice there had been considerable devolution in matters of detail; but the Government of India, as Agent for the Secretary of State, had their say on all the major matters of Indian administration. Such a system as this presented obvious disadvantages in the case of a country so vast as India; and the increasing complexity of the administrative machine led successive statesmen to devote moreandmore attention to the problem of decentralization. The despatch of Lord Hardinge's Government of the 25th August 1911, stated that the only possible solution appeared to be " gradually to give the provinces a larger measure of self-government until at last India would consist of a number of administrations autonomous in all provincial affairs with the Government of India above them all." From that time forward there has been a steadily increasing tendency towards what for convenience is generally called provincial autonomy ; that is, the gradual abdication of Parliament and of the Government of India in the sphere of provincial

The Voters of British India



N. B. Each square represents 1,000,000 of population

administration. A long step forward in this direction has been taken by the new Government of India Act and the rules made thereunder. In the first place, the subjects administered by Governments in India have been divided definitely into the two spheres of Central and Provincial. A number of very important administrative subjects, henceforth technically known as " Provincial" subjects, have been entrusted to the local Governments. Among these are included local self-government, medical administration, public health and sanitation, education, public works and water supply with certain reservations, land revenue administration, famine relief, agriculture, fisheries and forests, co-operation, excise, the administration of justice subject to legislation by the Indian Legislature, registration, industrial development, police and prisons, sources of provincial revenue and many miscellaneous items. But having thus provided for a large measure of devolution from the central Government to the Provincial Governments, there still remained the problem of strengthening and increasing the element of popular control. It was difficult to do this at a stroke ; for in the first place some reasonable continuity of administration had to be provided ; and in the next place, the popular elements upon whom responsibility would in future fall were lacking in experience and might easily in their early days have jeopardised the working of the whole administrative machine. The framers of the Reforms therefore decided to divide the function of government in the provinces between two authorities, one still amenable to the British Parliament, the other henceforth amenable to an authority now for the first time to be called into being—the new Indian electorate. Hence under the Reformed constitution now in operation, the provincial executives consist of two portions. The first is constituted by the Governor working with Executive Councillors nominated by the Crown, the second is constituted by the Governor working with Ministers selected from members of the local legislature. The former administers the class of subjects known as " reserved," and for them is responsible to the Government of India and ultimately to the British parliament. The latter deals with a class of subjects termed " transferred " and is amenable to the Indian electorate. The transferred subjects include a very large proportion of those functions of the administration upon the development of which India's progress depends. Among the most important of these may be mentioned local self-government, medical administration and public health, education, public works, agriculture, fisheries, co-operation, **excise, industrial development, registration, and other minor items**

Dyarchy.

The division of the provincial executives into two halves, a plan which has come to be known as " dyarchy," was adopted because in the circumstances of India at the time of the Reforms, those in control found it difficult to devise any alternative method of combining stability with progress. In all the provincial legislatures there is now a decisive majority of elected non-officials, who have it in their power at any time to force back the Governor and his Executive Councillors upon the reserved authority which has been conferred upon them for the purpose of obviating deadlocks. Fortunately the elected members of the various legislatures have on the whole used their power in a manner both wise and temperate ; with the result that the provincial administrations have worked with far greater harmony and smoothness than was anticipated by that large body of opinion by whom the experiment of dyarchy was condemned as inherently unsound. As might have been expected in a country such as India where local conditions differ so widely from province to province, the local administrations, although starting on a common basis, have in practice developed upon somewhat divergent lines. Broadly speaking there has been a general inclination to gloss over in practice the division between the two halves of the executive. Indeed, during a time of acute political unrest it is scarcely surprising that the Heads of many provinces should have done their best to associate with the side of the Government in charge of the reserved subjects—in which law and order are included—the popular ministers who under a strict interpretation of the constitution have no responsibility in this connection. As a result, there has been a noticeatle tendency for the Ministers in many provinces to work in far closer relationship with their Executive Colleagues than with the Councils to which they are in theory responsible ; so that the fact that the popular half of a provincial Government may differ from the official half, both in its relation to the legislature and in the discharge of its administrative functions, is still not generally appreciated by the public. To this broad statement there is at least one notable exception. In Madras, for example, there is such a strong identity of interests and outlook between the Ministers, who are non-Brahmins, and the dominant non-Brahmin party of the Legislature, that observers have noticed a reality in the relationship between the two, which is lacking elsewhere. That this relationship should be based rather upon a keen communal sentiment than upon any advanced appreciation of the constitutional position is, of course, regrettable. Nevertheless, its effects in producing a *régime* which approximates more closely to dyarchy than anything that

can be found elsewhere in India, are undeniable. In the sphere of the central Government, the Montagu-Chelmsford Reforms would appear to have realised the intentions of their designers earlier than in the sphere of the Provinces. Faced by an elected non-official majority, the Government of India in many aspects of their activities necessarily come under the control of the Indian Legislature ; but since they are not constitutionally responsible thereto and cannot be removed by an adverse vote, the control is not complete. The very fact that this control may in practice be operative, and is exercised by a body which has no constitutional responsibility for carrying on the business of Government, renders a dangerous deadlock at any time possible. Hence the framers of the constitution conferred on the Governor-General certain powers which in grave emergency enable him to override the Legislature, and thus to secure the legislation which he deems necessary for the continuance of the administration. The exercise of these powers is naturally distasteful to the Legislature : but their employment in certain circumstances is rendered inevitable by the nature of the present transitional constitution. It says much both for the reasonable temper generally displayed by the elected majority and for the honest efforts of the administration to make the new constitution function, that situations calling for the intervention of the Governor-General's reserve powers have arisen so infrequently. During the period under review, as is pointed out elsewhere, there have been two such occasions : one in connection with the Bill for protecting the Indian Princes against attacks in the Press : the other arising out of certain changes made by the Legislative Assembly in the Budget of 1923-21. In each instance the use of these powers aroused both disappointment and resentment; and it is extremely doubtful whether they can be utilised in future, in anything but the very gravest of emergencies, without detriment to the general political situation. This fact is the more important on account of the natural, indeed, inevitable tendency for the Central Legislature to increase the scope and influence of its deliberations, at the expense of the sphere which technically has been reserved from its control Among the most important of the conventions which have grown up in this direction is the opportunity which has been afforded, during the allocation of funds at the time of the budget, for the discussion of subjects which, though technically outside the competence of the Assembly, possess inherent connection with items

The Central Government.

for which money is demanded by the Executive. This has been particularly noticeable in the case of military and political expenditure, which, while removed from the sphere over which the Legislative Assembly can exercise its vote, are nevertheless in practice subject to ito criticism and investigation through their connection with certain items over which the Assembly exercises effective control. That such a position, if a permanent feature of any constitution, would inevitably lead to the old dilemma of the irremoveable Executive and the irresponsible Legislature seems undeniable ; but in the state of transition through which India is now passing, the practical experience which the Assembly is in consequence Acquiring may reasonably be deemed a substantial gain.

Local Self-Government.

In order that the advance foreshadowed in the Montagu-Chelmsford Reforms should be realised at an early date, it is very necessary that administrative capacity and civic consciousness should be developed, not merely among elected members of the legislatures, but among all those who enjoy the franchise. Only upon foundations thus solidly erected can the future self-governing India stand secure. This consideration lends particular importance to the institutions of local self-government, which in every democratic country provide at once the birthplace and the training ground of public-spirited activities for the service of the State. Unfortunately in no other branch of national life is the contrast between India and Western countries at present so marked. Both in Europe and in America these institutions are planted deep in the consciousness of the people, and upon them the structure alike of freedom and of democracy has been firmly based. But in India the situation is different. It should be noted that for centuries prior to the foundation of British rule, certain

Indigenous and Imported Elements.

indigenous institutions containing the elements of a structure of local self-government, existed in some parts of India. They seem, it is true, to have confined themselves to somewhat trivial affairs ; but they may well have played a considerable part in the life of the average citizen during the long centuries of Indian history. From the standpoint of present requirements they appear to have suffered from two principal defects. In the first place, they were largely based, not upon elective institutions, but upon hereditary privilege or caste exclusiveness: in the second place, they were in no Way correlated with the institutions of superior administration. During the anarchy of the 18th century they were in large measure destroyed and the early British administrators found few traces which they were able or willing to utilise among the

foundations of modern India. It is therefore true to say that the institutions of local self-government in their present form are mainly a creation of British rule, and to this extent are alien from the spirit of the people. They have struck their roots more deeply year by year, but have displayed no very rapid progress. This is attributed in most quarters to the fact that for many years they have been kept under strict official control. It is perfectly true that so far back as 1882, a Resolution of Lord Ripon's Government laid down the principle that the object of local self-government is to train the people in the management of their own local affairs; and that political education of this sort must generally take precedence over considerations of departmental efficiency. Despite this pronouncement, there continued a natural inclination to administer the institutions of local self-government through official agency, which was highly efficient, directly on the spot, and both able and willing to relieve the non-official members of the small responsibilities actually allotted to them. In consequence, for many years, the institutions of local self-government in India have failed to enlist the services of that class of pub lie-spirited men, conscious of an ability to wield power, upon which the system depends so largely for its success in England and in America. Hence there came into existence a vicious circle : municipalities and district boards remained apathetic because the powers entrusted to them were, as a rule, insignificant. On the other hand these powers continued insignificant because of the lack of public spirit among the members. The description which has recently been given of the Attock District Board may well stand as typical of many similar institutions under the *regime* which has recently passed away. " The Attock District Board unofficial members are mostly worthy men of old-fashioned ideas. They perform their duties up to their own standard, attend meetings well, considering the imperfect communications, assist to some extent in supervising works in their neighbourhood, and form a steady consultative body. On the other hand, few of them are awake to the needs of the time or take an active practical part in the economic and educational progress of the district ; nor are they sufficiently critical of, or interested in, the executive work of the officials of the board—initiative is lacking—and the number of benefactions for the public weal is surprisingly small. Nearly *every* public work is dependent for its motive power on official drive, and on funds raised by taxation, or doles from Government."

Official Control and Popular Apathy.

Municipalities and Boards in India.

A brief survey of the condition of Municipalities and District Boards in India in 1919-20—the latest date for which complete statistics are available—will reveal the amount of leeway which has to be made up before these institutions can range themselves on a footing equivalent to those which exist in the West. Taking first Municipalities, it is to be noticed that there are some 739 in British India with something under 18 million people resident within their limits. Of these municipalities, roughly 546 have a population of less than 20,000 persons, and the remainder a population of 20,000 and over As compared with the total population of particular provinces, the population resident within municipal limits is largest in Bombay where it amounts to 17 per cent., and smallest in Assam, where it amounts to only 2 per cent. In other provinces, it varies from 3 to 8 per cent, of the total population.

Work of Municipalities.

Turning to the composition of municipalities, we find that considerably more than half the total members are elected, and this proportion has been very largely increased in the course of the period under review. *Ex-officio* members are 12 per cent, and nominated 30 per cent. Elected members are almost everywhere in a majority, and outnumber the officials by nearly five to one in all the municipalities taken together. The work which is discharged by municipal institutions falls under the heads of public safety, health, convenience and instruction. For the discharge of these functions there is a municipal income of Rs. 11.41 crores (£ 8 millions), nearly two-thirds of which is derived from taxation, the remainder coming from municipal property, from contributions from provincial revenues, and from miscellaneous sources. Generally speaking the income of the average municipality is small; the four great cities of Calcutta, Bombay, Madras and Rangoon together providing nearly 38 per cent, of the total. The heaviest items of expenditure come under the heads of conservancy and public works amounting to 17 per cent, and 14 per cent., respectively. Water supply comes to 9 per cent., drainage roughly to 6 per cent. Education has hitherto amounted to not more than 8 per cent; but in some localities the expenditure is considerably in excess of this average and seems generally on the increase. In the Bombay Presidency, excluding Bombay city, the expenditure on education amounts to more than 18 per cent, of the total funds, while in the Central Provinces and Berar it is over 15 per cent.

District Boards.

In view of the fact that only 10 per cent, of the population of British India lives in towns, municipal administration, however efficient, cannot affect in any large

degree the majority of the people. Particular importance therefore, attaches in India to the working and constitution of the district boards; which perform in rural areas those functions which in urban areas are assigned to the municipalities. In almost every district of British India, save the province of Assam, there is a board, subordinate to which are two or more sub-district boards ; while in Bengal, Madras and Bihar and Orissa there are also union committees. The total number of district boards throughout India at large amounts to some 200, while subordinate to them are 532 sub-district boards with more than 1,000 union committees. Leaving aside the union committees, the members of the boards numbered nearly 13,000 in 1919-20, of whom 57 per cent, were elected. During the period under review, as we shall notice, the tendency has been to increase the elected members of the district boards at the expense of the nominated and the official members. In forming a conception of the nature of these boards it is to be remembered that they are practically manned by Indians, who constitute 95 per cent, of the whole membership. Further, they are predominantly non-official, for only 17 per cent, of the total membership of all boards consists of officials of any kind. The total income of the boards in 1919 amounted to Rs. 929 lakhs (£6 millions), the average income of each district board together with its subordinate boards being Rs. 5-2 lakhs (£34,000). The most important item of revenue is provincial rates, which represent a proportion of the total income varying from 21 per cent, in the Central Provinces to 51 per cent, in Bengal. The income is mainly expended upon civil works, such as roads and bridges, the other principal objects of expenditure being medical and sanitary works, and during the period under review, above all, education'

New Era in Local Self-Government.

After the momentous announcement of the 20th August 1917 had laid down once and for all the ultimate aim of British rule in India, it was impossible to allow local institutions to continue in the stagnant condition that then characterised them. In commenting on this announcement in the Imperial Legislative Council, Lord Chelmsford explained that there were three roads along which advance should be made towards the goal of self-government. Of these the first road, he said, was in the sphere of local self-government, the village or rural board and the town or municipal council. He described the domain of urban and rural self-government as the great training ground from which political progress and a sense of responsibility have taken their start; and

he felt that the time had come to quicken the advance, to accelerate the rate of progress and thus to stimulate the sense of responsibility in the average citizen and to enlarge his experience. Accordingly in 1918 a Resolution was issued by the Government of India the object of which was to indicate the manner in which they desired future progress to be made. While reiterating the principle enunciated long ago by Lord Ripon's Government, the new Resolution went on to affirm that the general policy must henceforth be one of gradually removing all unnecessary Government control, and differentiating between the spheres of action appropriate for Government and for local bodies, respectively. Hardly had these principles come into operation, when the introduction of the Reforms transferred local self-government to Ministers responsive to the Legislatures and elected by popular suffrage. Almost everywhere, the local Governments displayed themselves anxious to move in the desired direction. In last year's Statement we noticed that a review of the legislative work undertaken by the provincial councils testified plainly to a growing popular interest in the sphere of local self-government. In the Punjab, for example, the local Government took up three Bills of considerable importance, providing for the creation of Improvement Trusts, for the more effective administration of smaller towns, and for the establishment of village councils. In Bihar and Orissa, a Village Administration Bill was introduced ; in the Central Provinces, the existing Municipal Act was expanded ; in the United Provinces a Bill was drafted providing for increased powers of local self-government in rural areas. In other parts of India corresponding progress was noticed. This activity has been continued during the year under review as a short summary of the more important legislative measures will show.

Local Sell-Government as a Transferred Subject.

United Provinces.

In the United Provinces, the District Boards Bill was passed by the council in November 1922, and came into force on the 1st February 1923. Under this measure District Boards will become entirely elective save for the reservation of two seats to be filled by the nomination of the local Government. They will also become entirely non-official, and internal and external control will be relaxed as much as possible, while the powers of taxation conferred by the Bill carry with them some measure of financial independence. During the same period two Bills were introduced to amend the United Provinces Municipalities Act. The first was a formal measure regularising the fixing of joint toll limits for cantonments and municipalities ; the second a non-official Bill to reduce municipal electoral qualifications to

the level of the corresponding qualifications required for electors to the legislative council. In the Punjab, the District Boards Act has given district boards wider powers of taxation than they had before ; while the reconstitution of all boards on an electoral basis, with an increased elective element for those boards already partially elected, is at present proceeding. In the same province the revision of municipal committees is being undertaken. Here the elective system is to be substituted for nomination in most of those committees where it is not already in force ; and wherever it already exists it is to be further extended.

The Punjab.

In Bihar and Orissa, two very important pieces of legislation found their way upon the Statute Book. The Village Administration Act provides for the creation of Unions consisting of a number of villages ; and the constitution therein on an elective basis of union boards which may be given certain important duties including the control of village police. In their administrative sphere the boards can be entrusted with sanitation, medical relief, primary education and the maintenance of village roads. The Municipal Act has for its object the revision of Municipal Law in accordance with the recent demand that municipalities should become as representative as possible, with an increased proportion of elected members. The franchise has been widely extended and the sex disqualification to some extent removed. Further, direct official control is being withdrawn from the district boards, and the privilege of electing non-official chairmen has been offered to all boards except those of the backward tract of Chota Nagpur.

Bihar and Orissa.

In Bengal, the elective system is now in force in all except five municipalities, and the election, as opposed to the nomination, of chairmen is general. Here also Legislative activity continues to be marked. A Bill for the reconstitution of the Calcutta Municipality upon more liberal lines is at present before a Select Committee ; another measure, non-official in its origin, dealing with village self-government did not however commend itself to the local Legislative Council.

Bengal.

The fresh infusion of life into the machinery of local self-government, due to its transference to popular control, has found expression in a certain readiness to undertake experiments. In this connection we may notice that the charge has not infrequently been made against Government that insufficient use is made of the ancient basis of local administration, the village panchayat or Committee of Elders. In the United Provinces in parti-

Experiments.

cular, an interesting attempt has been made to utilize this institution, by establishing village panchayats to assist in the administration of civil and criminal justice and to effect improvement in the sanitation and other common concerns of the villagers. The Act provides for the establishment, at the discretion of the Collector, of a panchayat for any village or group of villages, with power to deal with petty civil suits, with petty criminal offences and with ordinary cases under the Cattle Trespass Act and Village Sanitation Act. In the case of panchayats especially empowered these functions may be considerably enhanced. The first panchayats under the new Act were established in July 1921, and by the end of September 1922 they had increased in numbers to 3830. Reports on their workings vary considerably ; and while individual panchayats in nearly every district appear to have won the confidence of the inhabitants, popular satisfaction with the standard of work is by no means universal. A high percentage of these bodies seem as yet to have done but little, although the successful panchayats seem likely to be not merely useful but self-supporting. The whole experiment has so far been designed and conducted on a small scale and has been confined to a very few villages selected with the utmost care as exceptionally suitable. In these circumstances, the success so far attained can hardly be described as remarkable ; but a certain degree of popular interest has unquestionably been roused which it is hoped may be sustained in the future. A similar provision for the constitution of panchayats exercising judicial powers both in civil and criminal cases exists in Bihar. The powers here conferred are considerably wider than the corresponding Acts in other provinces. Hitherto no detailed information is to hand regarding the working of the system.

Revival of Panchayat System.

But in general, there is reason to believe that village self-government in India has a great future before it. Both in Bengal and in Bombay, village boards are steadily increasing in numbers year by year ; although the non-co-operation campaign, with its accompaniments of misrepresentation and suspicion, has caused a temporary set-back in certain localities. This is probably no bad thing, for it has obliged the local authorities to prepare the ground carefully for the formation of new boards, by explaining to the villagers the advantages as well as the obligations associated with the system. Progress in this direction is particularly valuable as leading among the people at large to the awakening of a sense of their own responsibility for self-improvement.

Village Self-Government: Some Difficulties.

In this connection, we may notice that at present, village boards share with all other local bodies in India a most marked reluctance to tax themselves even for the accomplishment of strictly local utilities. The majority of those who serve on them are as a rale quite alive to the advantages of improved administration, but they are unwilling to face the corresponding financial obligations. There is still prevalent the curious theory that the Provincial and Central governments possess an inexhaustible purse, out of which they are only prevented by contumacy from drawing supplies to relieve all the financial embarrassments and limitations under which the institutions of local self-government at present labour. The realization that the Treasury can only pay out from what is paid in, is still rare ; and it is by no means exceptional to find Indian gentlemen of eminence in their locality delivering themselves of the sentiment that it was high time that Treasury paid more and the people less towards the cost of local improvements.

Civic Improvement.

It may be noticed that during the last few years, considerable activity has been displayed by the great cities of British India in the direction of civic improvements. In Bombay and Calcutta the Improvement Trusts have continued their beneficent work in ameliorating the conditions under which the masses live and in dealing with the housing problem. In both places rising prices and shortage of funds have combined to curtail in some degree the progress which it was hoped to accomplish. But the operations nevertheless continue upon a very large scale. The scheme projected for the reclamation of Back Bay in Bombay will challenge comparison both in its magnitude and in the results which its success may achieve, with municipal enterprises almost anywhere else in the world. The Improvement Trusts up to date have borrowed no less than £10 millions, and large development schemes are being pursued hand in hand with schemes for industrial housing. In Bombay at present there are altogether 15 suburban schemes at various stages of development involving an area of more than 15,000 acres. Of these the most important is perhaps the industrial housing scheme, which provides for the completion of -50,000 tenements for the industrial classes. In Calcutta also, the scarcity of house accommodation and the abnormal increase of house rent have induced the Improvement Trust to undertake several housing schemes, some of which are nearing completion. Main roads are being -constructed in the central parts of the city and the development of suburban areas is steadily proceeding. In other large cities the example of Calcutta, Bombay and Rangoon is being followed. Improve-

ment Trusts have been constituted in Cawnpore, Lucknow, Allahabad in the United Provinces; and in several of the larger cities in other parts of India. The well directed activity and continuous response to public interests of the larger municipalities stands in refreshing contrast with the apathy and poverty of municipal administration in towns less fortunately situated.

General Tendencies of the Period.

During the period under review the attention which has been directed both by the press and the public to the working of the institutions of local self-government has brought to light certain general tendencies which may be briefly summarised. Among the most interesting developments of the year 1922-23 has been the entry of a number of non-co-operators into the municipal committees in certain parts of India—a measure which, it should be noticed, is in no way discountenanced even by Mr. Gandhi's own programme. Two years ago, at a time when the movement of non-co-operation was just beginning its impetuous career, certain municipalities had been entirely captured by its adherents, with the result that the local Government found itself obliged to supersede them. But with the change which has come over the political atmosphere, the recent entry of the non-co-operators has been attended by no such catastrophic consequence. None the less the working of local bodies containing a substantial element of this complexion is of considerable importance, and not without its bearing on future happenings in a wider sphere. While political questions do not as a rule come within the purview of such bodies, the interest which has been displayed by the non-co-operators in municipal and district administration is largely tinged by their own political convictions. As examples of which reference may be made to the presentation of Municipal addresses in certain towns to prominent representatives of the non-co-operation movement, such as members of the Civil Disobedience Enquiry Committee : to the attempts in at least one city to hoist the so-called " Swaraj Flag " over the Town Hall, and to certain other manifestations of a similar nature. The available information seems to show, however, that in several quarters, at least, the introduction of the non-co-operating element has been accompanied by a distinct awakening on the part of members of local bodies, and especially of certain larger municipalities, to their obligations towards the public at large. There has been a tendency for the proceedings to become more lively; for the City Fathers to shake off the somnolence into which they sometimes fall;.

Non-co-operators enter Local Bodies.

and to put themselves more closely in touch with the vital problems of the area under their administration. As symptomatic of this new spirit may be mentioned the increasing keenness which is displayed at municipal elections, the canvassing which is vigorously pursued and the election pledges which are given by candidates. It may be noted as an interesting fact that at the moment of writing, the success which non-co-operating candidates have achieved in several urban areas does not seem to be repeating itself in the case of district-board elections. In rural localities, Mr. Gandhi's followers do not bulk so largely as in the town, and the influence of landholders and men of property is frequently cast into the scale against them. But their candidature has lent to the district-board elections in certain provinces an atmosphere of liveliness, which has dispelled the apathy so generally characteristic of rural politics. It is perhaps inevitable that the increased vitality lately displayed by the members of municipal committees and district boards should be accompanied by the introduction of national politics into local affairs. A tendency has been noticed in municipal and district committees towards the formation of Hindu-Muslim cliques, which display mistrust of each other and waste time in mutual recrimination. The constitution upon municipalities and district boards of regular parties with a definite policy is of course all to the good; but when these parties are merely communal in their outlook, they tend rather to the obstruction than to the transaction of business. Moreover lines of cleavage which are not based on matters directly affecting the prosperity of the area administered, but depend solely upon communal and sectarian differences, neither stimulate an interest in the task in hand nor foster that pride in the efficiency of municipal institutions which is essential to the growth of local self-government.

Communal Divisions.

A further general tendency which becomes apparent from an examination of the provincial reports is the financial stringency which has overtaken the majority of the municipalities and district boards in India. The problem of finance has indeed dominated the sphere of local self-government during the period under review. Expenditure has increased not merely through higher prices but through expanded schemes of education and medical relief. The consequence is that in many provinces both municipalities and district boards are in debt, and without a system of rigid economy which they seem as a rule reluctant to adopt, their finances will expose them to many difficulties in the future. We have already noticed in a

Financial Stringency.

previous paragraph the reluctance of local bodies in India to tax themselves. This reluctance is particularly marked when the taxation is direct. The assessment entails considerable unpopularity and certain difficulties in collection. At the same time the universal determination to undertake schemes of expansion, in education in particular, would seem to leave municipalities and boards no alternative but to increase their revenue at all costs. As might perhaps be anticipated the gradual emancipation of municipalities and district boards from the official leading strings in which they have been kept for some years has been accompanied both by isolated acts and by general policies which are not invariably conspicuous for wisdom. There has been a great tendency to indulge in schemes for the promotion of some particularly favoured activity—generally education—at the expense of less ostentatious but equally essential services, such as health and communications. From some provinces it is reported that municipalities have evinced a desire to dispense with their health officer and have failed to recognise the necessity for better sanitation. Roads, whose upkeep is always a heavy item of district board administration, are showing grievous signs of neglect in many parts of India. Fortunately, these remarks are by no means of universal application. In Bengal in particular, the district boards are displaying a keen interest in sanitary measures ; while in certain other provinces they are no less alive *to* the importance of maintaining adequate communications. In general it may b e remarked that the existing defects in the administration of municipal and local boards are such as will cure themselves, when the first flush of inexperienced enthusiasm has passed away. There can be little doubt that the plant of local self-government in India is striking its roots deeper year by year, and those roots have been nourished by the transfer of the whole subject to popular control in a manner which gives reason for hoping that their future in the development of India towards Dominion status may be great indeed.

Distribution of Expenditure.

A brief review of the various provincial activities in the sphere of local self-government during the period with which we are concerned may well conclude this section. In the United Provinces, there was a notable increase in the total number of municipal meetings, although a considerable number proved abortive for want of a quorum. The municipal expenditure rose by Rs. 28-5 lakhs (£190,000) from Rs, 118-8 lakhs (£790,000) to Rs. 1474 lakhs (£980,000), while the total municipal income rose

United Provinces.

from Rs. 112 lakhs (£740,000) to Rs. 126 lakhs (£840,000).- In the sphere of education the work which was done by the Boards showed a distinct tendency to increase. No fewer than 32 boards expressed their willingness to introduce compulsory education for boys, and the expenditure on educational heads increased from Rs. 9-7 lakhs (£64,000) to Rs. 11-3 lakhs (£75,000). Unfortunately the same statement cannot be made of sanitation, which is a subject which rarely rouses enthusiasm. The advice or warnings of technical advisers are, it is said, too often dismissed with a perfunctory resolution or even entirely neglected. Further, the condition of roads continues to deteriorate, and in their straitened financial condition municipalities show a tendency to economise upon the upkeep of communications, which at the best of times is a very costly and somewhat " uninteresting " item of expenditure. Municipal water-works again are almost all run at a loss, and very little attempt is made to check waste. Indeed, the waste of water which is permitted is pronounced by the authorities to be a serious reflection upon the efficiency of the local bodies. So far as the District Boards are concerned, a new era will open with the introduction of the District Boards Act to which we have already referred. The circumstances under which this departure is made will not be easy. The boards are at present half-way through a big programme of educational expansion which they will not have the money to complete. The contribution of Government will be reduced at an early date, and unless they tax themselves, they cannot expend in sanitation or communications. The remedy is of course for the Boards to tax themselves ; but, as has been mentioned, it will probably prove to be one they are reluctant to apply.

The Punjab.

In the Punjab, the municipalities shared in the general financial stringency ; and as a result of the growth of expenditure on various services the total expenditure of municipalities exceeded the total income by Rs. 7 lakhs (£46,000). On the other hand, there has been a general awakening of interest in municipal administration, and several of the municipalities have made real attempts to purge their employees of corruption. Advantage has been taken by the local Government of the powers delegated under the Devolution Act to simplify the procedure under which municipal committees may come forward for loans to finance large projects of importance. Among the municipalities which have made progress in such large projects may be mentioned that of Multan, which during the period under review has started a water-works secheme, a drainage and an electric scheme. Everywhere educational activities are being keenly

pursued, and in several localities compulsory primary education has been introduced. Sanitation is also not neglected ; and a notable innovation has been the engagement by certain municipalities of paid lantern lecturers to impart instructions to the public in sanitary matters. There is a certain interest also taken in town planning, and municipal adornment, due mainly to the enthusiasm of individuals, but full of promise for the future. The Punjab district boards have also shared in the financial difficulties of the municipalities, and in some places have made courageous attempts to explore fresh avenues of taxation. Profession taxes have in certain localities been imposed, on those who do not pay land revenue, and in the Ambala district such a tax was successfully inaugurated in the face of serious opposition. It seems unlikely, generally speaking, that District Boards in the Punjab can attain solvency without drastic economy in expenditure. For such economies, educational expenditure would seem to afford the most scope. In this connection it should be noticed that while the expenditure on the important heads of medical relief and communication has not increased as prices have risen, expenditure on education has increased fourfold within the last five years ; and what was formerly regarded as a reasonable proportion—25 per cent, of the net income—is now quite commonly surpassed in the enthusiasm for educational expansion. Generally speaking, the working of district boards in the Punjab shows encouraging signs of increasing efficiency, and when once the present financial stringency can be overcome, the way should be clear for future progress.

North-West Frontier Province.

In the North-West Frontier Province, as has been remarked in previous years, the institutions of local self-government are somewhat of a foreign growth. Certain of the municipalities are still reported as lax in the discharge of their responsibilities, and display slight interest in the affairs under their control. But during the period under review, an innovation was made in the constitution of municipalities by the election of non-official Vice-Presidents from among the members of those bodies. In the district boards, there has been a marked improvement over the previous year in the attendance of non-official members. This is attributed to the introduction of the system of travelling allowances ; but whatever be the explanation, it is at least a hopeful development. Among the notable activities of the District Boards may be mentioned the opening of cheap grain shops; the encouragement of primary education, the improvement of cattle breeding, and the sinking of wells. Generally, the expenditure of the district

boards in the North-West Frontier Province has followed the main lines which have already been described in outlining the activities of similar bodies in other parts of India ; the expenditure on education was twice that on public works ; on the other hand, the outlay on repairs to roads was scarcely equal to one-third of the total expenditure on the latter head. The financial condition of the boards continues to be unsatisfactory ; and without the aid of Government grants, they are unable to meet their estimates in education, veterinary and medical. The time has therefore arrived here as elsewhere when local bodies must take serious steps to deal with the financial situation and introduce drastic measures of economy. They will also have to consider the possibility of increasing revenue by extra taxation whatever the resulting odium may be.

Bombay.

In Bombay, as already noticed, there has been, during the last two years, considerable progress in the liberalization of the constitution of all municipal bodies. In the year 1920 some 75 out of 157 municipalities possessed two-thirds-elected as against one-third-nominated members ; but since that time, the nominated element has been reduced to one-fifth; all Presidents are now elected; and the municipal franchise has been considerably widened. Here, as elsewhere in India, financial difficulties loom large : and almost everywhere, the municipalities of Bombay are struggling with the difficulty of balancing their budgets. The policy of appointing a non-official President has been extended both to the district and sub-district boards during the period under review, And a large number of non-officials have proved very successful in the discharge of their duties. A Bill has recently passed through the Bombay Council which will increase the powers of the district boards in the sphere of taxation ; will confer upon them greater authority in respect of sanitation ; and will considerably widen the franchise upon which they are based. The elective element is, moreover, to constitute three-fourths of the total strength of members. The development of village self-government is also proceeding as a result of an Act for constituting And increasing the powers of Village Committees.

Madras.

In Madras also the institutions of local self-government continue to progress in an encouraging manner, the number of sub-district boards and municipal councils is alike increasing. While the average imposition of taxation per head of population for local Government purposes is still only about 4 shillings, expenditure upon major schemes such as water-works, the expan-

sion of educational institutions and sanitation, continues to be a marked, feature of the activities of this area.

Bengal.

In Bengal, there are now only five municipalities which do not elect their own chairman, and interest both in the transaction of municipal business and in the elections to municipal councils continues to increase. Despite the very low average incidence of taxation, which amounted only to Rs. 2-11-0 the municipalities of Bengal are as a whole in a comparatively prosperous financial condition. About one-third of the 115 municipalities closed the year with a balance exceeding one-fourth of their total expenditure ; and only in 13 cases were the balances insufficient to meet outstanding liabilities. The amount spent on education was about 3½ per cent, of the municipal income as against 4-2 per cent, in the preceding year. The Bengal municipalities have directed considerable attention to the improvement of sanitation. Steps have been taken to prevent the spread of cholera and small-pox, efforts have been made to deal with epidemics such as influenza ; and an additional vaccination staff has been engaged. In many cases, the efficiency of municipal administration is still handicapped by an unwillingness to employ powers amply provided for the collection of rates. It has been noticed that in certain localities, municipal commissioners themselves are among the defaulters and are often too ready to intercede for other defaulters among their own constituencies. In one division of the Bengal Presidency, it is stated that 7 per cent, of the current demand is in arrears as compared with ½ per cent, in England ; and almost three-fourths of the collections are realised during the last quarter of the year. So far as district boards are concerned, a further stage has been reached in the withdrawal of official control. All district boards in Bengal now enjoy the right of electing their own chairman ; and in 20 boards the elective elements have been raised from one-half to two-thirds. As in the case of municipalities, the district boards of Bengal have a keen appreciation of their obligations in the matter of public health. But here as elsewhere the inadequacy of their funds is a constant handicap. There has been an interesting tendency during the year under review to cut adrift from the wrong policy of dispensary-building of the old expensive type, with the realization that means for affording relief to the masses can be quickly multiplied by the construction of dispensary buildings of the cheap model on which private dwellings in rural areas are constructed. Among the measures taken under the auspices of the district boards for the improvement of public health may be mentioned the establishment of

anti-malaria leagues ; the enrolment of unpaid voluntary workers in the anti-mosquito campaign and the distribution of quinine ; the subsidization of medical practitioners; and the organization of definite campaigns for enlisting the co-operation of the public in the suppression of such scourges as cholera. Considerable progress has also been made in the expansion of education, the sum contributed by the district boards from their own funds rising from Rs. 9½ lakhs (£63,000) to Rs. 11-3 lakhs (£75,000)—an increase mainly due to the greater attention paid by most district boards to the expansion of primary education in rural areas. Female education has made satisfactory progress during the year, while technical and industrial education continue to receive special attention. So far as financial resources are concerned it may be mentioned that the receipt from all sources amounted to Rs. 122-7 lakhs (£818,000), against Rs. 129 lakhs (£860,000) in the previous year. There was also a corresponding decrease in the total disbursements which fell from Rs. 130-7 lakhs (£871,000) to Rs. 122.7 lakhs (£818,000).

Bihar and Orissa.

In Bihar and Orissa, as has already been mentioned, one of the leading features of the year has been the development of the system of union committees under the Village Administration Act. All union committees are to be elective, and it is hoped that with the extension of the system the rural population will realise that these bodies are both created for their benefit and are subject to their control. The development of such small unions for local self-government should contribute largely to the political progress of the country, and it is hoped that within a short period a network of responsible governing bodies will exist within every district. The number of district boards has undergone no increase ; but their work shows signs of greater efficiency through revived interest due to the new *régime*. Their chief problem is still that of finance ; for the existing revenues of most boards are not sufficient to meet the ever-increasing demands upon their purse ; while Government are not in a position to supplement the deficiency by grants. As is natural, there are large and justifiable demands for the expansion of medical relief and the development of primary education ; and the Bihar Legislative Council has passed resolutions advocating increased expenditure upon these heads, as well as upon the development of industries and the improvement of water supply. The district boards are already, it is understood, devoting their earnest attention to these problems.. During 1920-21,. the income of the district boards amounted to Rs. 1-12 crores (£746,000) and their expenditure to Rs. 1-06 crores (£706,000), as compared with.

Rs. 1-23 crores (£820,000) and Rs. 1-20 crores (£800,000) for the previous year. The heaviest item of expenditure was that on public works, which amounted to 55 per cent, of the total. Education came next with nearly 18 per cent, and "Medical" was close at hand with just under 9 per cent.

Central Provinces.

In the Central Provinces, the continued reduction of official members and nominated chairmen, together with the wider powers of control given to local bodies under new Local Self-Government Act, will, it is hoped, exercise a marked influence upon popular interest, and lead to an increased appreciation of responsibility towards the general public. Here as elsewhere, the municipal and the district councils alike require development on the financial side before they can fulfil the tasks lying before them. They are still mainly dependent upon government grants, but in view of the existing financial stringency, they must in the near future expand their local sources of revenue if they are to make proper progress. This remark is particularly apposite in the case of education. In this direction the cost to Government is very disproportionate to the contribution of the local bodies, being far in excess of what may be regarded as the equitable proportion of one half.

Assam.

In Assam the elective system is now in force in 16 municipalities, only three of which at present have an official chairman. Here as elsewhere in India, financial problems are a source of great difficulty. The collection of taxes is not realised with due efficiency and until these collections are put upon a proper footing, the resources of the municipalities must continue embarrassed. The importance of providing and maintaining a good system of water supply, of drainage and of conservancy is not everywhere realised. During the period under review, the constitution of local boards has been changed. Election to these bodies has been placed on a more popular basis and their franchise is now identical with that of the legislative councils. Certain localities continued, during the year under review, to attach importance to industrial development. Technical schools were maintained, and demonstrators employed to teach weaving, carpentry, cane and bamboo work. The elected element among the board members are commended as having discharged their duties with tact and efficiency ; and the prescribed minimum number of meetings during the year has in all cases been held. The political agitation characteristic of the earlier portion of the period under review has naturally exercised a somewhat cramping influence upon village authorities ; but on the whole,

it is reported, the good sense of the inhabitants of the province failed to* justify the hopes of the non-co-operators.

LAW and Order.

Having thus briefly described the working of the institutions which lie at the root of progress towards self-government, we may now proceed to consider the machinery by which society, in securing itself from disorder and anarchy, makes this progress possible. The principal arm of the State for the preservation of peace among the 247 millions of persons who inhabit British India is the Police Force. This force consists of some thousand officers of the rank of Deputy Superintendent and upwards, and a little over 200,000 officers and men of lower grades. In addition to the Civil Police, there are some 30,000 officers and men of the Military Police located in " backward tracts" of whom more than half belong to. Burma.

The Police.

Perhaps the most salient characteristic of the Police Force of India is its cheapness. That it is run on very economical lines will be plain from the statement that whereas the average yearly cost of a policeman in the counties and boroughs of England and Wales is just under £270,. the average annual cost of the Indian policeman varies from £38 (Rs. 575) in Burma to £19 (Rs. 294) in the United Provinces. The pay of the force is fixed at a figure correspondingly low. The salary of a sub-inspector varies from Rs. 116 per mensem in Bombay to Rs. 97 per mensem in Burma ; while the pay of the constable varies fron Rs. 21. per mensem in Bombay to Rs. 17 per mensem in Bihar and Orissa. Indeed, the incidence of the cost of police protection upon the Indian tax-payer amounts to less than one shilling per annum. It is not therefore surprising that the constabulary in general, while remarkably efficient considering the money spent upon them, must be graded much below the level of the corresponding Force in England. Roughly half the policemen in India are illiterate. In certain provinces indeed, the average of literacy is comparatively high, for in Madras 91 per cent, of the Force can read and write. But in other provinces the figure falls far below this level; and until it can be raised to the same standard it is idle to expect much greater efficiency than is at present to be found. The Administration is fully alive to the necessity of bettering the pay and prospects both of officers and constables and thereby attracting a better class of men to service in the Force. During the last few years measures have been taken to staff the intermediate ranks by the direct,

Economy *versus* Efficiency.

recruitment of men of good family. This is already producing beneficial results upon the morale and integrity of the police. So far as the rank and file are concerned, within the last two years schemes for providing them with suitable accommodation, for maintaining a more adequate leave reserve ; and for increasing the rewards for good service, have been put into operation almost everywhere in India. In addition, various special concessions, such as outfit allowances, uniform allowances, and increased allowances payable to candidates under training, have been granted in various provinces. Before this was done, shortage of recruitment was causing anxiety to the authorities, inasmuch as small pay, heavy work, and leave difficulties were discouraging suitable men from joining the service. At present, however, the reports from the various provinces show that the police cadres are beginning to fill up. Discipline shows steady signs of improvement and departmental punishments are on the decline.

Peculiar Difficulties.

This state of affairs is all the more gratifying when it is considered that the position of the police in India is somewhat peculiar. Even in the most law-abiding and advanced of lands a force run on lines so economical might well encounter difficulties in the discharge of its duties. But in India there are certain supererogatory disadvantages which must be overcome. In the first place, there is an extraordinary diversity of race, language and customs among the people who inhabit British India. At one end of the scale there are to be found the highly civilised inhabitants of great cities, whose standard of life and whose ingenious criminal population will in every way bear comparison with those of the most advanced Western countries. At the other end there stand wild and almost savage tribes, who delight to indulge in human sacrifice and other undesirable practices surviving apparently unchanged after thousands of years. In illustration of much that might well surprise a Western observer, it may be mentioned that the superstition of human sacrifice is by no means confined to backward communities. Even during the period under review, serious riots have been caused in certain parts of India by the belief that children were being kidnapped by strangers for sacrifice at the opening of bridges, the foundation of buildings, and even the firing of foundries. Among communities so conservative and so heterogeneous there necessarily exist acute differences of custom and creed which may at any time precipitate a violent conflict between those who hold them. In India popular excitement is readily aroused, particularly on religious questions, and nothing is more remarkable

than the celerity with which a community of apparently peaceful and law-abiding persons may be metamorphosed, within a few hours, into a dangerous and bloodthirsty mob. Moreover, in a population so large, the major portion of which is engaged in comparatively primitive pursuits, there are naturally to be found a considerable number of persons of bad livelihood. Crime of all kinds consequently flourishes ; and in suppressing it the police find more than sufficient scope for their available energies. But they are considerably hampered by what may be termed for convenience the second of the peculiar difficulties arising out of Indian conditions. Throughout India, the sense of civic responsibility is still curiously undeveloped. While the laws are based upon the assumption that the man in the street is actively on the side of justice and order as against the criminal, the fact remains that one of the most formidable obstacles in the way of successful police work is the apathy of the general public. In the eyes of the vast majority of the inhabitants of the British India, the State is something wholly external to themselves ; a mysterious organization which owes them certain duties—chief among which they count protection—but to which they have no obligations beyond the payment of certain dues. In their eyes the machinery of the administration ought to function automatically. If it does not, they consider that they are being cheated. They have no conception of the State as being something belonging to themselves ; something of which each individual is an integral part; something which has claims upon their co-operation, upon their time and upon their energies. And since the average Indian does not distinguish between the general organization of the society in which he lives, and the Administration in power for the moment, he is prone to visit upon the police the brunt of any general grievances which he may cherish against the Government. Public opinion therefore tends to look upon the constable as a symbol of oppression and restraint, and refuses to believe that strong measures in the suppression of disorder, equally with clemency in dealing with individual offenders, may spring from honest striving after the public good. Unfortunately this prejudice is not absent even from such responsible sections of the population as those who enter the local legislatures : and there has been a marked tendency in certain provinces for the members of the legislative councils to demand a reduction both in the cadre and the pay of the police. No argument is necessary to prove the serious implications of such attempts to lower efficiency.

Popular Apathy.

In addition to these permanent factors operating to the disadvantage of police work in India, there have been during the last three years certain temporary influences of an adverse nature. As has been pointed out elsewhere, one effect of the non-co-operation campaign has been to inoculate the masses far and wide with a contempt for constituted authority. The constant declamations against law and order of the emissaries of Mr. Gandhi, and the advocacy of resistance—even non-violent resistance—to the existing administration, would probably of itself have sufficed to encourage law breakers and to place a premium upon disorder. But this tendency was further enhanced by the fact that many ignorant and credulous persons mistook for weakness the tolerance displayed by Government in their dealings with honest exponents of the non-co-operation doctrine. So much was this the case that in many parts of India, during the year 1921 and the early months of 1922, it was actually believed that the administration no longer possessed power to enforce its will. There was thus a general relaxation of the restraint upon violent crime and unlawful activities which the forces of order normally impose ; and a dangerous narrowing of that margin, at the best of times none too wide, which divides desire from accomplishment in the minds of those whom fear of the law alone prevents from indulging in designs at the expense of their peaceful neighbour. Of the suffering which resulted it is unnecessary to speak in detail. It will suffice to quote from the Report of the Inspector-General of Police of the Bombay Presidency, who remarks : " If some of those who were responsible for the Non-co-operation movement could have studied the crime reports that came weekly from the various parts of the Presidency, the conviction would have been forced upon them that their activities, so far from emancipating their country, resulted in causing untold misery to hundreds of their countrymen whose cause they professed to espouse. The same tale is told in the Reports of the Punjab and Central Provinces and, I feel convinced, will be repeated from other parts of India."

Non-co-operation.

As will be gathered from what has already been said, the variety of work which the Indian police are called upon to perform, the many different classes of criminals with whom they are obliged to deal, and the peculiar difficulties imposed by the conditions amidst which they have to carry on their duties, make it extremely difficult for them to satisfy every one. Their critics, who are neither few nor tolerant, make little allowance for their shortcomings, and give but scant credit for much, excellent work. The policeman, it must regretfully be stated, has a

bad name in India : he is accused both of tyranny and of corruption. It would indeed be strange if these faults were entirely absent from a force which is still largely illiterate, none-too-well paid, and wholly unstimulated by healthy public opinion; but that they are steadily diminishing is the opinion of all competent observers. The remedy lies in the hands of the general public, which cannot expect much improvement, so long as it maintains its present attitude of critical apathy.

Police and Public.

Until the police of India, like the police of England, enjoy the whole-hearted support of the average citizen; until their efficiency becomes a matter of pride to their fellow countrymen ; and until the supreme importance of their function is adequately appreciated, India can never possess the kind of force she needs, but must content herself with that which the civic sense of her population happens to deserve. The existing distrust between police and public, though not as marked at the moment as in times past, is still sufficiently regrettable. Moreover, in times of political excitement, when the policeman and the demagogue are brought directly into conflict, the former necessarily suffers in popular estimation. In India, as in every other country, the professional exponent of things which are, and the earnest advocate of things which ought to be, rarely appreciate the importance of each other's place in the scheme of creation. Somewhat naturally therefore the non-co-operation campaign, in which the police bore not merely the brunt of unpopularity but the major portion of the attacks levelled against the administration, was responsible for widening the gulf between the police and the public. The constabulary were thrown more than ever on their own resources, and even in their relations with the professional criminal they ceased for the moment to enjoy such a restricted measure of popular support as normally falls to their lot. In the circumstances, the general conduct of the force throughout India cannot be too highly praised. In face of increasing unpopularity, imminent danger, and social boycott of a kind which western countries can scarcely understand, the police as a whole remained true to their salt. The number of resignations was inconsiderable ; the spirit displayed in the discharge of duties normally unpleasant and frequently dangerous, remained the admiration of all unbiassed observers. Despite attempts to seduce them from their allegiance by religious fulminations: despite constant obloquy and sedulous abuse, the force was practically uninfluenced either by overt threats or by the more insidious force of persuasion. But in common fairness it was found necessary during the period under review to protect

them against those who desired to incite them to disaffection and disobedience, and a measure known as the Police (Incitement to Disaffection) Bill was passed by the Central Legislature to prescribe certain penalties for this offence.

During the year 1921-22 as was noticed in last year's report, the Police system of India was exposed to very severe strain. From every province came complaints that work of a normal kind was seriously hampered, not only by the aggravated complications of the political atmosphere, but also by the antagonistic attitude adopted by the public. The criminal classes naturally took advantage of the situation, with the result that offences of the more violent kind increased to a level hitherto unknown. During the early months of 1922, despite the falling prices and sustained wages which under normal circumstances might have been expected to reduce the statistics of crime, this unfortunate state of affairs persisted. It may here be mentioned that in many parts of India one of the most formidable problems with which the police are called upon to deal is that of dacoity or gang robbery. Bands of depredators, composed commonly of men of violent character and bad livelihood, combine to rob and murder, in circumstances of almost inconceivable brutality, harmless villagers or helpless travellers. Having committed the crime, they disperse to enjoy their booty, only to rally once more when another opportunity presents itself. Favoured by the difficulty of communications, the immense areas,- and the multitudinous jurisdictions which characterise many parts of the country, they frequently escape retribution. Two or three successful enterprises of this kind suffice to gain for the leader of the band the reputation of a local Robin Hood, in whose achievements all but his immediate victims seem to find some perverse satisfaction. Hence, apart from the fact that these dacoits terrorise their victims by atrocities so horrible that few villagers can be found to give evidence against them, the general lack of sustained public support for the activities of those responsible for law and order invariably results in considerable local sympathy for the outlaws. The constant warfare thus raging between anarchy and security is directly affected by the general political situation. One example, which may stand for many, will make this clear. Prior to the outbreak of the non-co-operation campaign, the police in the United and Central Provinces and in Central India, regions where dacoity is particularly prevalent, had made considerable progress in the suppression of this evil. But as a result of the general

Dacoity.

relaxation of restraint, due to the non-co-operation movement, and the pre-occupation of the police with other forms of crime, dacoity once again raised its head in 1921 and 1922. In the United Provinces, for example, although the number of dacoities throughout 1921 was almost unprecedentedly high, the first six months of the year 1922 showed nearly double the number of cases reported during the last six months of 1921. In Central India, during 1922, nearly three thousand dacoits are said to have been at large, the property involved in their depredations being valued at nearly two lakhs of rupees. Fortunately, during the latter portion of the period 1922-23, the situation changed. The explosion of the non-co-operation movement and the resulting amelioration of the political almosphere led to a certain rally of public opinion on the side of the police. The force, being freer than at any time during th previous two years to devote itself to the suppression of crime properly so called, and being further assisted by the growing disposition among the public to favour constituted authority, were able once more to gain the upper hand over professional criminals. In dealing with decoits in particular, the police disp ayed, during the period under review, as in former years, the greatest possible gallantry, while the increasing resistance offered by villagers when attached by brigands is a symptom or growing confidence in the strength of law and order.

Unpleasant Duties.

During 1922 23, the police force of India found itself obliged to undertake certain special duties which would occasion surprise to the constabulary of other countries. Perhaps the most thankless and unpleasant *was* that of opposing and dispersing the bands of Akali Sikhs who, shaibing religions songs and vowed to raise no finger of violence, advanced unflinchingly against the cordons which bared the road to Guruku-Bagh. The Indian press resounded with praise of the Akalia for their marvellous exhibition of self-restraint ; but few indeed were che writers who did justice to che police lor their behaviour in circumstances which tried to the utcermost their loyalty, their discipline, and their good temper. Before long as fortune willed, those who had been ioudes in their condemnation or the force for the " beatings of Guruka-Bagh " were driven to acknowledge that even a policeman might have his uses. Mention has been made in another part of this statement of the tension which has recently grown up in certain parts of India between the Hindu and Muhammadan communities. During the last two or three years, as a result of the efforts of the non-co operation leaders to combine Hindus and Muhammadans upon a common platform in opposition to Govern-

meat, there has been a marked and gratifying absence of religious nous. The success of the leaders of both sections in producing the semblance of a good understanding between their followers had been so pronounced from 1919 to 1922, that statements were frequently made in public press to the effect that Hindu-Muslim unity, at least in regard to "national" matters, had been finally achieved. With the weakening of the bond which held Hindus and Mussalmans together for the moment—a bond which apparently consisted largely of race-hatred against the British administration—the claim so boldly advanced has been proved premature by the most brutal of facts. In September 1922, in consequence of a dispute arising out of the Muharratu procession in Multan city, a very serious riot occurred between the Hindus and the Mussalmans of that locality. The police promptly intervened, and to their devotion and courage must be ascribed the fact that the casualties were fewer than might have been anticipated. The upshot of the Multan affair, which has done much to revive communal differences not merely throughout the Punjab, but indeed throughout the whole of India, has been to secure a certain, if still halting recognition on the part of their critics that the Police Force is sometimes, at least, the enemy of disorder and not invariably the oppressor of the private citizen. In another part of India, there occurred about the same time an incident illustrating the narrow margin which alone divides anarchy from order. In the Gudem hills, formerly a part of the Vizagapatam district of Madras, but now in the Kampa sub-division of the Agency Tracts, a man named Raza, a native of the Kistna district, who had been living in this locality for the past two years in the odour of sanctity, suddenly collected a band of malcontents and raided three police stations, secured 26 carbines and a large quantity of ammunitions. He then proclaimed himself king and declared war on the Government. His followers, who at one time seem to have reached 200 in number, had arms varying from sporting guns to bows and arrows. Taking advantage of their superior mobility and knowledge of the country, which consists of steep, jungle-covered hills, they entirely baffled the local police. Their leader Raza, both on account of his reputation for sanctity and his successful opposition to Government, enjoyed considerable local support from the villagers in whose area he dwelt. The police who were despatched to operate against him received little or no assistance from the populace. Handicapped by the difficult nature of the terrain, they were subjected to a series of clever ambushes and on

Communal Riots.

Brigandage.

one occasion sustained a severe reverse, in which two promising young English officers and two Indian constables were killed. No impression could be made on this small rebellion until a considerable body of special police from Malabar had been brought to the Agency Tract. In the first week of December 1922 two engagements were forced upon the gang with the result that it was broken up. But the whole incident is instructive as showing in how slight degree the police can rely upon the active support of public opinion in the discharge of their task of maintaining law and order.

Anarchy.

In completing our account of this section of administrative work, we may notice that during 1922 as throughout 1921 anarchical crime was noticeable for its absence. It would be premature to conclude that the old party of anarchy in Bengal has either disappeared or has abandoned its designs. But the spirit of modern India is changing, and young idealists can now find an outlet for their energies in directions more profitable both for their country and for themselves than the organization of anarchical outrage. The idealism characterising some aspects of Mr. Gandhi's movement must certainly not be deprived of its share of the credit for the achievement of this state of affairs. It should also be noticed that there is a promising growth of public opinion against anarchic enterprises. The help afforded throughout the year by individual citizens in Bengal *in* bringing dangerous criminals to justice also serves to show that the sense of civic responsibility in some parts, at least, of India is on the increase.

Jails.

A necessary part of the general machinery for the protection of society is constituted by the Jail system. In India there are 42 Central Jails, 179 District Jails, and 552 subordinate jails and lock-ups. The daily average prison population is some 116,600, of whom the bulk come from the agricultural labouring class, and 65 per cent, of the convicts are incarcerated for terms not exceeding six months. As a whole, the persons are extremely healthy, the average death rate per cent, being 197 as compared with 3 per cent, for the free population. All told, the expenditure on prisons amounted in 1920—the latest year for which complete statistics are available—-to Rs. 153 lakhs, against which must be set Rs. 20 lakhs earned by the prisoners in printing, oil pressing, brick-making, weaving and paper-making.

Since jail management falls in the provincial sphere, subject to all-India legislation, it is conducted by local Governments in fashions which

differ widely according to local conditions. As has been noticed in previous years, there has been in the past too little intercommunication between the agencies responsible for this work, with the result that local administrations do not always derive the benefit which should come from pooling experiences. The advisability of proceeding on certain general principles of uniform application, while perhaps insufficiently realised in the past, has recently been emphasized by the publication of the very valuable report of the Jails Committee. This contained the first general survey of Indian prison administration which had been made for 30 years ; and its recommendations are likely to give rise to far reaching developments. In general it laid stress upon the necessity of improving and increasing the existing jail accommodation, of recruiting a better class of warders, of providing education for prisoners and of developing prison industries so as to meet the needs of the consuming departments of government. Among its other recommendations may be mentioned the creation of childrens' Courts ; the adoption of the English system of release on license in the case of adolescents, and the separation of civil from criminal offenders. The Committee in commenting upon the existing present system of India noticed a general opinion that the Indian jails did not exercise a good and healthy influence on their inmates and that as a whole the reformative side of the system was too little developed. Accordingly the Committee recommended the segregation of habituals; separate accommodation for undertrial prisoners ; the provision of religious and moral instruction ; the institution of the " star " class system in jails and the abolition of certain disciplinary practices which are liable to harden or even possibly degrade the prison population. Strenuous efforts have been made, during the period under review, to initiate changes of procedure in the direction of the recommendations of the Jails Committee. Unfortunately, many of the recommendations involve the provision of new jails or special institutions and in consequence considerable expenditure ; owing therefore to financial stringency, many projected improvements have to be kept in abeyance. There are, however, reasons for believing that the problem of overcrowding is at present not so serious as it was when the Jails Committee were conducting their investigation. In some provinces there are still complaints that the population of the jails exceeds the accommodation available ; but in the major portion of India, the congestion has to some extent been relieved. At the same time, judging from the slowness with which the local governments are able to remove convicts from the

The Jails Committee.

Andamans it would appear that many administrations still find it difficult to provide the necessary additional jail accommodation which will be required by the decision to abandon Port Blair as a Penal Settlement. But much has been done to improve jail conditions. The Government of India have for the most part confined their attention to laying down certain general principles in regard to which uniformity is possible in the various provinces ; or to recommending to local Governments acceptance of principles which can be adapted to local requirements. Local governments in their turn have not been slow to respond. Fresh rules have been drawn up on many matters such as jail punishments, jail offences, whipping in jails and the like. Solitary confinement has been abolished as a jail punishment : endeavours are being made to secure a uniform system for the employment of convict officers : the remission system has been improved. Attempts are being made to teach trades which will prove helpful to the convict on release and will assist him fighting the battle of life and becoming a useful citizen. In order to encourage the free interchange of ideas among those directly in charge of jails, a conference of Inspectors-General of Prisons was held in Delhi during the cold weather of 1922-23; and such conferences will in future be held not less than once in every two years. It is hoped that this plan, while leaving local administrations discretion in matters of detail, will secure their common observance of such general principles as those laid down by the Jails Committee and accepted by Government.

Action upon the Recommendations.

It would be a mistake from what has been said to assume that the reformative side of prison work in India has been neglected. Such is far from the truth. In point of fact during recent years increasing attention has been paid to the ameliorative treatment of criminals, with the object of reclaiming them for decent society. Particularly in the arrangements for youthful prisoners, India has for some years been following the lines laid down by modern administrations in other parts of the world. The Borstal system is flourishing in several provinces and excellent work is being done by boys in industrial classes. Many of the provincial governments are devoting particular attention to the problem of the juvenile offender and the institution of Children's Courts is finding increasing favour in the eyes of the more important administrations. It may be mentioned in this connection that both Bengal and Madras have passed Children's Acts, doing away with the penalty of imprisonment in the case of children

Reclamation.

under 14, and providing a machinery by which children, other than those belonging to a criminal tribe, who show a tendency to lapse into crime, may be removed from pernicious surroundings and handed ever to approved custody But in India as elsewhere, the ultimate success of any movement for reclaiming criminals, whether youthful or adult, must remain in the hands of the general public. Valuable work is now being done for discharged prisoners by the voluntary welfare organizations which exist in various parts of India. The Salvation Army makes a special point of caring for these unhappy men and of providing a respectable livelihood for prisoners conditionally released. Its work, the value of which is perhaps insufficiently realised by the public at large, deserves the utmost sympathy and support. In Bombay, Madras and other large centres, Released Prisoners Aid Societies continue to perform a valuable function. They find their principal work in discovering employment for those prisoners who seek it; restarting men in their old business; providing them with food, clothing and shelter; and generally assisting to establish them again as useful members of society. In addition, they make efforts to reclaim habitual offenders from a life of crime, and do their best to prevent casual offenders from lapsing into habitual offenders. At the same time they endeavour to organise and focus public opinion, for the purpose of securing that sentences of imprisonment shall be passed only in cases which cannot adequately and properly be dealt with in any other way, such, for example, as by placing offenders under the supervision of probation officers appointed by the Societies themselves. Work such as this, although eminently valuable from the standpoint of society as a whole, wins but little sympathy and support from the general public. Fortunately, during the period under review, there have not been wanting signs of a slightly increasing interest in the welfare of the prison population. Honorary visitors have been forthcoming for appointment in many places; and the ministration of Muhammadan and Hindu preachers to the jail population is everywhere spreading. This voluntary work, which affords a splendid opening for true patriotism, is at present carried on in almost every locality by a small number of devoted persons. But its mere existence leads to the hope that by degrees the public at large may be roused to interest in the reclamation of prisoners and the amelioration of their condition both before and after release. Should this hope be realised, the work of the administration in the Jail Department will be rendered not merely much easier but infinitely more effective.

*' Political Prisoners."

Particular interest has centred round the treatment of offenders convicted of offences in pursuance of political objects. The arrest of considerable numbers of non-co-operators for deliberate defiance of authority brought the matter prominently to public notice. The Government of India, after a con* ference with representatives of local administrations, issued general instructions with the object of ensuring that the treatment of prisoners convicted of offences connected with political movements should be regulated along certain broad lines. It was agreed to exclude, from the category of those entitled to special treatment, all persons convicted of an offence involving violence or of an offence against property, or of inciting others to commit such offences; all persons hired to commit offences in connection with political movements; all persons convicted of attempts to seduce soldiers or police from their allegiance and of offences directly involving criminal intimidation. With these exceptions, it was laid down that each case was to be considered on its merits, and that selection for differential treatment was to be based upon the status, character, and education of the prisoner, and the nature of his offence. Prisoners so selected were to be separated from ordinary prisoners : might import their own food and bedding and wear their own clothes : might possess books and magazines : receive visitors and letters at stated intervals, and enjoy exemption from labour and from menial duties. Finally, jail punishments such as whipping were only to be inflicted in the last resort, for particularly grave offences, and then by the order of the local Government. Generally speaking, local Governments had already framed rules in the spirit of the Jails Committee's recommendations for dealing with prisoners of this class ; and while the actual conditions under which political prisoners were permitted to serve their sentence varied considerably from province to province, the number of well-grounded complaints steadily declined during the latter portion of the peiiod under review. It will of course be obvious that the imprisonment of a large number of persons of a type very different from the customary jail population must place a very heavy strain upon any administrative system. But this is particularly the case in a country such as India, where the prison staff is as a rule accustomed to deal with rough, illiterate and dangerous men. Strict discipline is therefore vitally necessary for the mere safety of the Jail. The resulting conditions, even if relaxed in matters of detail, are particularly irksome to educated persons fresh from the excitement

Their treatment.

of political and religious agitation ; persons whose whole creed depends upon an assertion of the independence and the dignity of the individual. Hence, despite the efforts of Government to afford all possible indulgence to " political " prisoners, the attitude they assumed was, at any rate in certain cases, the very reverse of reasonable. The discipline of individual jails suffered severely in consequence.

Difficulties.

It is therefore no matter for surprise that during the period under review there were in the jails of India some five riots, three of which must be accounted serious. Among those particularly worthy of notice may be mentioned the occurrence on the 26th April 1922 in the Presidency Jail at Calcutta, when no fewer than nine persons and one warder were killed and 30 of the jail staff including the Superintendent were injured. It must be realised that in these cases the " political " prisoners although their example may possibly have had some influence upon the deterioration of jail discipline leading up to the trouble, took no part in the rioting themselves. Fortunately, the " political " element in the jail population shows signs of rapid diminution, and with its disappearance, an embarrassing situation will terminate. Towards the close of the period under review, as has been mentioned in another place, " political " prisoners were released from the prisons of the United Provinces. It is sincerely to be hoped that with the relaxation of the tension which for the last two years has characterised the general atmosphere, the number of persons who go to prison for their deliberate defiance of authority will be reduced to infinitesimal proportions.

From this consideration of the machinery by which the law is enforced throughout British India, we may now turn to the manner in which the law is shaped. It should in the first instance be remarked that as a result of the introduction of the Montagu-Chelmsford Reforms, the law-making bodies of India have undergone considerable modifications both in size and in composition. In the local Legislative Councils the proportion of official membeis has been fixed at a maximum of 20 per cent., while at the same time the total personnel has been considerably increased. In Madras, Bombay, Bengal and the United Provinces, the number of members of the legislature is fixed by statute at a minimum figure varying from 111 to 125 ; but in point of fact, these numbers have been exceeded except in the case of Bombay. Madras, for example, has 9 more members than the statutory minimum ; Bengal has 14, and the United Provinces 5. In the case of the Punjab, Bihar and Orissa

Provincial Legislatures.

and the Central Provinces, the statutory minimum varies from 70 to 98. In the Central Provinces this minimum figure is adhered to ; but Bihar and Orissa has 103 as against the statutory minimum of 98, and the Punjab has 93 as against the statutory minimum of 83. Throughout the Provincial legislatures the elected members are required by statute to predominate in the proportion of at least 70 per cent.

The work accomplished by the Provincial legislatures may best be judged by a summary review of their achievements during the year 1922. Perhaps it was in the sphere of local self-government that they showed the greatest activity. Among the enactments passed or introduced dealing with this subject are to be found three Acts from Madras concerned with Municipalities, local Boards and City Councils ; one Act from Bombay ; one from Calcutta, two from the United Provinces, four from from the Punjab, three from Burma, two from Bihar and Orissa and two the Central Provinces. Questions of revenue were also taken up by most provinces. Court Fees and Stamp Amendment Acts were introduced or passed in Madras, Bombay, Bengal, the Punjab, Bihar and Orissa, and Assam. Among other notable enactments may be mentioned the Prevention of Gambling Act, an Act to regulate cotton contracts, and an amending Act in connection with the Prevention of Cruelty to Animals, from Bombay ; a Children's Act, an Amusements Tax Act, and an Excise Amendment Act from Bengal; a Town Improvement Act and a Sikh Gurdwarasand Shrines Act in the Punjab ; an Anti-Boycott Act, and a Midwives and Nurses Act from Burma; private and minor Irrigation Works Acts from Bihar and Orissa ; College and High School Education Acts from the Central Provinces and the United Provinces. In addition to these enactments there was a great deal of miscellaneous legislation of the kind necessitated by the transfer of sa many subjects, hitherto controlled by the Central Government, to the authority of the new provincial administrations. Considerations of space unfortunately forbid us to deal in detail with the activities of all the local legislatures. In last year's Report a brief review was given of the work of the Legislative Council of the Presidency of Bengal, a legislature which may be considered in many ways typical of its sister bodies in the other great presidencies. In this present statement for the sake of completeness we may deal very briefly with the work of two of the important legislative bodies of northern India, the Council of the United Provinces and the Council of the Punjab-

The United Provinces Legislative Council.

During 1921, perhaps the most important achievements of the reformed legislative council of the United Provinces had been the abolition of the system of impressed labour; and the curtailment of the annual migration of Government to the hills. The legislative programme had embraced measures of capital importance, including the Intermediate Education Bill, the Allahabad University Bill and the Oudh Rent Bill. The record of the Council in 1922 shows an equally high level of solid achievement. In general we may notice that while the attitude adopted by the non-official members of Council towards certain questions has been pronounced to be slightly disappointing to the authorities, there have in other directions been ample causes for satisfaction in the measure of support which the Legislature has accorded to the Executive. Moreover, where Government have been unable to carry the Council with them it has generally been plain that the opposition has faithfully voiced the sentiments common in the country among the more responsible section of the politicians. Among the non-official members of the legislature, the landlord class are in a majority ; but although there is also a fairly strong contingent of the Liberal element; party politics have scarcely developed. In practice, both groups have discovered common interests in many questions ; and from time to time, they unite in opposition to the Government.

General attitude 1922.

Legislative activity 1922.

The legislative programme of the United Provinces Council during the year 1922 has been both important and fruitful. Perhaps the most far-reaching measure under consideration was the Bill introduced by the Minister for Local Self-Government to increase the power and add to the functions of the District Boards. The Bill excited a considerable amount of interest both inside and outside the Council, principally on account of the enhanced powers of taxation which it proposed to confer upon these local bodies. At one time it seemed by no means unlikely that the Bill would be wrecked ; but fortunately a compromise was arrived at on the question of taxation ; and the Bill, after passing the Council in November 1922 came into force on the 1st February 1923. Indeed, the question of taxation is one upon which the Council has showed itself remarkably sensitive on various occasions. In illustration may be cited the case of the Court Fees (Amendment) Bill, which Government hoped would remedy a comparatively large deficit in the provincial budget. But the Council would have nothing to do with it, and negatived the motion to refer

the Bill to the Select Committee. Some very important legislative measures were successfully brought forward by private members ; among these may be mentioned the United Provinces Municipalities (Amendment) Bill which was designed to bring the municipal franchise into line with the provincial council franchise; and the Agra Pre-emption Bill the effect of which will be to consolidate and simplify the law of pre-emption. Perhaps of greater interest even than this legislative work, were the resolutions from time to time brought forward in the course of the year. These afford an accurate index to the outlook of the non-official members, and indicate with clearness their attitude towards the current questions of the day. The most important of these

Resolutions.

resolutions were of a political nature, and referred mainly to the Criminal Law Amendment Act, and the steps taken by Government under it to deal with the Non-co-operation movement. The first resolution of this kind, moved in January 1922, recommended the immediate withdrawal of the Criminal Law Amendment Act from the Province, the release of all persons convicted and the withdrawal of all pending prosecutions in accordance therewith. This somewhat sweeping Kesolution was not carried, the Council preferring an amendment recommending the withdrawal of the Act from the more peaceful Districts, the examination of the cases of persons convicted under the Act, and the issue of instructions to the executive officers to apply the provisions of the Act with restraint and discretion. A subsequent resolution towards the end of the same month, recommending Government to request the High Court at Allahabad and the Judicial Commissioner's Court at Lucknow to satisfy themselves as to the legality and propriety of the orders and sentences passed in political cases, was withdrawn in view of the fact that Government proposed to refer to an independent Judicial Officer of high standing all cases under the Criminal Law Amendment Act in which sentences of imprisonment of three months or more had been passed. Towards the end of the year, doubtless on account of the settling down of the political situation, the question of the withdrawal of the Criminal Law Amendment Act was taken up by the Council with increased vigour. In October, a resolution was adopted, despite Government opposition, urging the total withdrawal of the Act from the province. Another Resolution passed in the face of Government opposition recommended that, in view of the improvement of the political atmosphere, Government should grant a general amnesty to all political prisoners, including both those convicted under the Criminal Law Amendment Act and under the Penal Code. The conclusion may thus be drawn

that while the United Provinces Council supported the executive Government in the use of the Criminal Law Amendment Act where it was convinced that the employment of this measure was necessary, it was at the same time not slow to urge immediate withdrawal as soon as it thought that such a measure was safe. From the speeches delivered on the occasion of the Resolutions to which we have referred, it was plain that the Council exhibited mistrust not so much of Government as a whole as of the District Officials whose function it is to carry out the orders of Government, and in particular, of the Police. This is further illustrated by the fact that the Council adopted in the face of Government opposition a resolution recommending the appointment of a Committee of officials and non-officials to enquire into the conduct of the police of the Basti District in connection with certain incidents which occurred in April 1922. The Council, further, from time to time displayed considerable anxiety regarding the treatment of political prisoners. In March 1922 a resolution was brought forward urging that all political prisoners, including non-co-operators, should be treated as similar prisoners are dealt with in England ; and that pending the introduction of the necessary arrangements, facilities in the matter of food, clothing, reading, interviews and communications given to European prisoners should be extended to them. On the Home Member giving his assurance that it was the desire of Government to meet the wishes of members in the matter as far as possible, the resolution was withdrawn. Along with other motions which deserve mention, may be included resolutions for the appointment of Committees to work out a scheme for the separation of executive and judicial functions ; to consider the possibility of abolishing or curtailing the number of Commissioners; to examine and report on various questions connected with excise ; to make recommendations for the reorganization of the Public Works Department; and finally, to deal with the difficult question of retrenchment. Among other activities of the United Provinces legislature during the year under review mention must be made of the very considerable number of questions asked by members. Some undoubtedly served a useful purpose in eliciting information on which to base specific recommendations regarding the policy of Government. The answers to others, it is stated, might well have been obtained by the members themselves from Government publications. Speaking generally, however, the questions are said to disclose a perennial desire for knowledge of the details of

Mistrust of Executive Officials.

Appointment of Committees.

the administration, not infrequently accompanied by a tendency to interfere in the exercise of executive discretion in such matters. Here as in other directions the United Provinces Council has shown that there is no branch of public activity in which it does not take a keen interest; it is quick to detect and inquire into any apparent weakness and to impress on Government its views on the most important questions of the day.

The Punjab Legislative Council.

In the case of the Punjab Legislative Council many of the general statements just made also apply, with certain modifications. The composition of this House lends itself to the supremacy of the Muhammadan vote; and the topics which excited the greatest interest during the period under review were those involving some communal question. In addition to the cleavage into Hindu and Muslim groups, there has also been a noticeable division between urban and rural interests. The views of town and country members have proved in practice to be diametrically opposed upon such questions as settlement policy and its bearing upon the incidence of taxation ; or again upon such subjects as restrictions upon the export of food supplies, the acquisition of land for industrial purposes, and for model towns. It may be remarked that the past year has witnessed a decided improvement in the relations between the official and the non-official benches. When the Punjab Legislative Council first met, the criticism of the elected members was unsparing and apt at times to assume a somewhat heated character. But there has been a growing appreciation, on the part of some of the severest critics of the Government, both of the sincere desire of the official members to make the reforms a success, and also of the difficulties which beset the administration of a province such as the Punjab during these times of unrest. To this result the creation of Standing Committees to advise on all important branches of Government activity contributed in no small degree. Informal discussion in such committees brought hard facts home to the minds of the most critical; and fostered among the members generally a sense of responsibility. In the character of the speeches delivered, it is said, there has also been a change full of promise for the future. Impassioned oratory devoid of matter, once so highly favoured, has begun to give place to more sober and businesslike contributions to the subject under debate. But here, as in the United Provinces, parties are hardly sufficiently defined and disciplined to eliminate speeches more numerous than the occasion demands. Most debates are there-

Changing conditions.

fore characterised by frequent repetition of the same arguments. On the whole, no unprejudiced observer can escape the conclusion that the Punjab Legislative Council has begun its career in eminently worthy fashion. This must be ascribed in large degree to the public spirit displayed by the Members, who as a rule take a keen interest in their duties and have devoted great time and industry to the service of the province both in Council and in Committee.

Here as elsewhere the subjects dealt with both in questions and in resolutions accurately reflected the prominence for the time»being of the various topics which came under public notice. Among the most common content of questions during the period under review may be mentioned communal representation in the services, political trials, the alleged ill-treatment in jails of political prisoners, the Guru-ka-Bagh affair, the Akali activities, and the imposition of punitive police ; and it is not without significance that topics ordinarily so popular as education appeared to have receded somewhat into the background during 1922. Among the most important of the resolutions discussed may be mentioned those dealing with the amalgamation of the Frontier Province and the Punjab ; with the removal of restrictions on the export of wheat ; with means for hastening the construction of the Sind Sagar Canal; with the Guru-ka-Bagh affair ; with the Hindu-Muslim riots in Multan; and with communal representation in the Services. Generally speaking it may be noticed that the non-official voting on most matters followed communal lines ; the Muhammadan members voting together on one side, and the Hindus, usually supported by the Sikhs, on the other. The same principle, unfortunately, was applied to such important measures of legislation as the Bill dealing with the Gurdwara Shrines. This measure was passed by the combined official and Muhammadan vote, against the conspicuous opposition of the Hindu and Sikh members. On the other hand, the lines of cleavage did not correspond with communal groupings when urban and rural interests came into conflict. A notable occasion was provided by a motion recommending Government to bring into force a previous resolution for the enhancement of the emoluments of certain minor officials known as Zaildars and Lambardars. This was carried by the rural members against the combined strength of the officials and the representatives with predominantly urban connections. An encouraging feature of the period under review has been a tendency of the Council to take its own line, irrespective of the pressure which external

Questions.

Resolutions.

influences, such as the press, occasionally seek to bring to bear upon it. Examples of this are to be found in the large majority by which the Council carried the motion for holding the summer session of the Council in Simla rather than at Lahore ; and in the decisive refusal of the members to endorse the project for the amalgamation of the North-West Frontier Province with the Punjab. Among the most important of the legislative measures during the period under review, we may notice the Sikh Gurdwaras and Shrines Bill to which reference has already been made ; the Court Fees (Amendment) Act and the Indian Stamp (Amendment) Act which were passed with a view to increasing the provincial revenues.

After having thus briefly summarised the nature of the proceedings and the work accomplished in two typical Provincial Legislatures, we may return to a consideration of the Centra[1] law-making bodies of India, and to their activities as revealed in the course of this period. We may recall the fact that the new Government of India Act has substituted for the former Imperial Legislative Council, a bi-cameral Legislature composed of an Upper and a Lower House, known as the Council of State and the Legislative Assembly. The Council of State consists of 59 members of whom 33 are elected and 26 nominated. Among the nominated members only 15 are officials. The Legislative Assembly consists of 143 members, of whom 103 are elected and 40 nominated. Of the nominated members 25 are officials. As was mentioned last year, analysis on a communal basis shows that the elected members of the Council of State and the Legislative Assembly taken together include 70 Hindus, 42 Muhammadans, 13 Christians, 5 Parsis, 4 Sikhs and 2 Buddhists. Classified by profession the members include 46 Lawyers (4 in the Council of State and 42 in the Assembly) ; 42 land-holders (17 in the Council of State and 25 in the Assembly) ; 26 merchants, traders and businessmen (9 in the Council of State and 17 in the Assembly); 7 retired Government officials, one professor, one political pensioner ; one confectioner, one grocer and 12 members whose professions are unclassified.

The Central Legislature.

On another page of this Statement a brief account is given of the political activities of the Central Legislature during the sessions which fall within the period 1922-23. It is only necessary here to summarise certain other aspects of the important work therein accomplished. To take first the Delhi session of the Central Legislature. At the commencement of the Budget session of the year 1922, current topics excited a large share of the atten-

tion of both Houses and occupied a proportionate amount of their time. Various members moved for adjournments in connection with matters of urgent public interest. Among these may be mentioned the resignation of the Rt. Hon. E. S. Montagu; the strike on the East Indian Railway; the prosecution of Mr. Gandhi; the position of Indians in East Africa and one or two minor matters. In the majority of cases these motions for adjournment were disallowed on the score that the matters sought to be raised were already before the House in the form of substantive motions. The question of the resignation of Mr. Montagu led to animated discussions both in the Council of State and in the Legislative Assembly ; and speeches delivered by the non-official members displayed a deep and abiding sense of regret at the departure from office of a Secretary of State who had rendered such invaluable services to India and to the Empire. Another resolution which excited the greatest interest was that recommending the abandonment of the so-called " repressive" policy pursued by Government in dealing with the non-co-operation movement. Those who demanded the abandonment of this policy based their plea on the ground that repression would lead nowhere. Non-co-operation, they contended, was a symptom and not a disease ; the causes that fed the movement should be examined at a conference and a solution, if possible, be found. On the other hand, the opponents of the motion emphasized the difference between constitutional and unconstitutional agitation. In their view the choice lay between the maintenance of law and order and a general relapse into chaotic anarchy. The House decisively rejected the original motion as well as certain amendments moved thereon, and recorded its intention to support Government in the steps which they were taking. A similar endorsement of Government's policy was pronounced in connection with a resolution asking for the release of the Ali Brothers. The powerful speech of Sir William Vincent exercised so remarkable an effect upon the House that not a single vote was recorded in favour of the resolution, which was declared to have been unanimously defeated. There were also two debates in connection with the Moplah outbreak at Malabar, in which, after a full explanation by Government of the policy which they had been adopting, motions urging the withdrawal of Martial Law and the appointment of a Committee to report on the disturbed condition in Malabar were withdrawn. As usual, the subject of constitutional advance excited great attention. A motion recommending to the Governor-General the immediate abolition,

Budget Session 1922.

Political Resolutions.

of the distinction between votable and non-votable items was carried by the co-operation of the non-official Europeans and the Indian Members. A reference, however, to the Law Officers of the Crown revealed the fact that in their view the Governor-General was not competent to declare as votable those items which by Statute had been classified as non-votable. This reply caused a good deal of disappointment to the non-official members. There was a motion in the Council of State for the introduction of the constitutional practice of voting an address after the " Speech from the Throne," that is to say, after the Viceroy's speech at the opening of each session of the Indian legislature. The Government members pointed out that the Viceroy's speech was a statutory right ; it expressed his personal views and was made largely on his individual responsibility. Hence, they urged, it would be neither fair nor proper for members of the Government to be called upon to defend such a speech on the floor of the House. The resolution was lost. Yet another right which the elected members sought to secure for the Legislature was that of choosing India's representatives to the Imperial and other such Conferences. Government, however, pointed out that there was no precedent for any country sending a representative elected by its Parliament to a Conference where various powers entered into negotiations ; and resolutions in these terms were lost both in the Council of State and in the Legislative Assembly. Financial matters naturally attracted great attention in the course of the session. Resolutions were moved in both Houses, dealing with the questions of currency and exchange, with Reverse Councils and with the contributions from Provinces to the Central Government. In both Houses also much stress was laid upon the necessity for retrenchment; and largely as a result of some forceful expressions of the non-official view, Government announced later in the session that a Retrenchment Committee was to be appointed. Great weight was attached by non-official members of the Legislature to the increasing association of Indians in the administration. Resolutions were carried for the appointment of Standing Committees in connection with the various Departments of Government in order to enable non-officials to familiarise themselves with the working of the administrative machine. Several resolutions were also moved on the position of Indians in the Services ; on the recruitment of Indians for the Royal Indian Marine; on the training

Constitutional advance.

Finance.

Indenization.

of Indians abroad in technical subjects ; on the increased appointment of Indians to Railways and Port Trusts, and to posts in the Foreign and Political Department. The Legislature also displayed itself intensely interested in the encouragement of Indian industries ; and in the management of Indian Railways. The position of Indians abroad excited great anxiety ; and in the debate raised upon the position of Indians in East Africa, strong protests were voiced at the disadvantages under which India's nationals suffered in this part of the Empire. The budget for the year 1922-23 was, as briefly mentioned in last year's statement, the subject of careful scrutiny and lively criticism. The deficit amounted to Rs. 34 crores and was due to a fall of Rs. 20 crores in revenue and to an excess of Rs. 14 crores in expenditure. The Finance Member proposed to meet the deficit by an increase in Railway passenger fares, by enhanced postage rates, by an increase of the general customs *ad valorem* duties from 11 to 15 per cent., of cotton excise duty from 3½ to 7½ per cent, and of the duty on sugar from 15 per cent, to 25 per cent.; while further increases were to be placed on imported yarns, machinery, iron and steel, railway material and alcoholic liquors, on matches and salt and on articles of luxury. It was also proposed to raise the income-tax, and the super-tax. In the discussion of the demands for grants, the Legislative Assembly cut some Rs. 95 lakhs from the various Departments of Government; it also refused to raise the salt duty, the cotton excise duty, and the existing duty on machinery and on cotton goods. The result was, therefore, as is noticed in another place, a total uncovered deficit estimated to be something over Rs. 9 crores. The firm stand taken by the Assembly was undoubtedly instrumental in determining Government to embark upon the course of thorough-going retrenchment, of which the results are described elsewhere. Among the Legislative measures which came before the Assembly and the Council of State during the Delhi Session of 1922, mention may be made of the Bills giving effect to the recommendations of the Repressive Laws Committee, and of the Press Law Committee. A Bill was referred to Select Committee providing a penalty for spreading disaffection among the police and for kindred offences. A Bill consolidating the law relating to income-tax and super-tax was passed by the Assembly after a disagreement between the Assembly and the Council of State that resulted in a compromise. Bills to establish a University at Delhi and to amend the Benares Hindu University Act received the endorsement of the Legislature, which also passed measures to amend the Electricity Act

The Budget.

Legislation.

and the Factories Act, and to give effect to certain international obligations imposed upon India by the Washington Conference. Among these last may be mentioned, in addition to the Amendments to the Factories Act, a Bill to regulate Child labour in the Ports of British India.

Simla Session 1922.

The work performed in the Simla session of 1922 though perhaps less striking than that of the Delhi Session was none the less important. Among the current events which excited the interest of the Assembly, may be noticed the affair of Guru-ka-Bagh, concerning which an account is given in another chapter. As a result of a motion for adjournment, the Home Member presented to the House a statement of the facts of the case. A project was also mooted to secure an adjournment to consider the Near Eastern situation, which at the moment was causing no small concern to Indian Muslims. But as His Excellency the Viceroy consented to receive a deputation to discuss the matter informally with the members of the Indian Legislature, no motion for adjournment was actually made. Among the most important resolutions which came up for discussion in the Simla session, three may be selected for particular mention. The first was a recommendation to the Governor-General that political prisoners who were not convicted of violence to person, of destruction of property, or of incitement thereto, should be treated, as in England, as first class misdemeanants. The official spokesmen pointed out that it Was far from being the case, as was commonly supposed in" India, that all persons connected with political offences were in England treated as first class misdemeanants. The Government of India had laid down that the selection of prisoners for preferential treatment should be based on their status, character and education, as well as on the character of the offence for which they had been convicted. The resolution was ultimately withdrawn by the mover after two hours' debate. The lamentable train tragedy in connection with the transit of political prisoners in Malabar once again engaged the attention of the House, in connection with the Resolution that suitable action should be taken against those officers who were directly or indirectly responsible for it. After Government had explained their attitude and voiced their regret, the Resolution was defeated. Perhaps the most important debate of the session concerned the speech delivered by Mr. Lloyd George on the 7th September 1922. Non-official opinion had been deeply stirred by the implied suggestion that India would remain for all time under the perpetual rule

Resolutions.

of a nucleus of British officials. This in the view of most Indians was tantamount to denying the country all claim to full responsible government in the future. Despite the explanations which were given by the administration, a resolution conveying the view of the Assembly that the tenor of the then Premier's Speech was in conflict with previous declarations made by His Majesty's Government, and was ca'cu'ated to cause serious apprehension in India, was carried by a substantial majority. Both the Legislative Assembly and the Council of State devoted a considerable share of their attention to economic subjects. A Resolution was carried in the Lower House asking for the removal of the embargo on the export of food grains—a remarkable reversal of non-official opinion as expressed two years ago. This was accepted by Government, and the embargo was subsequently removed. A resolution recommending the termination of the system of monopolies given to Government contractors for the sale of salt in certain districts in the Punjab was withdrawn, when it was explained by Government that the system prevented profiteering and had reduced the wholesale price of salt by nearly 30 per cent. Among other topics which excited the interest of the legislature mention may be made of a resolution for the reduction of the contributions which the Provinces at present make to the central exchequer. This was defeated as a result of the differences which arose between the non-official representatives of the various provinces. A resolution asking Government to improve travelling facilities for third class railway passengers in various detailed respects, was carried unanimously ; and several other resolutions dealing with railway subjects were also brought forward. In the sphere of legislation the work of the session was very heavy. A Bill to assimilate the law in British India relating to Official Secrets to the law in the United Kingdom was referred to a Select Committee ; while the Police Incitement to Disaffection Bill after a considerable amount of discussion was finally passed. As is mentioned in another place, the Assembly refused to allow the introduction of a measure to which Government attached great importance, the Indian States (Protection against Disaffection) Bill. Consequently, the Governor-General in Council certified that the Bill was essential for the interests of British India and a constitutional crisis of some importance was thus resolved. Among other measures brought in by Government mention may be made of a Bill to abolish the punishment of transportation ; to compensate workmen for injuries suffered in the course of their employment; and to amend the Criminal Procedure Code. A number of non-official members

Legislation.

also brought in Bills of considerable interest, among which may be mentioned the Civil Marriage Bill introduced by Dr. Gour.

Delhi Session 1923.

The Delhi Session of the Legislative Assembly and the Council of State, which began in January 1923 was among the most momentous of all the meetings which have taken place under the Reformed Constitution. The deliberations of both Houses extended to a number of matters of great importance. Among them may be mentioned the despatch of the Secretary of State, which, in reply to the opinion of the Assembly, announced that no -immediate political advance seemed expedient, or possible, it is noteworthy that while extreme dissatisfaction was voiced by the non-official members of the Assembly at this pronouncement, the debate was adjourned without the motion expressing it having been carried. And in connection with matters constitutional, it may be mentioned that the Assembly succeeded in vindicating the convention which had grown up as to their power of debating non-votable subjects in the budget discussion by the device of moving nominal reductions in closely allied voted heads. When the point of order was raised, the President ruled that such discussion was strictly inadmissible. But on the suggestion of the Home Member that, *in* view of the order of the Governor-General, this discussion might be allowed, the President waived his objection. The point is important, since a discussion of this nature enables the Assembly to familiarise itself with the administrative details -of such important spheres as the Army and the Foreign Departments, in the control of which it has at present no voice. In other respects also the session was notable for advances in various directions consistently advocated by non-official Indian opinion. We have mentioned in another place the announcement of the Commander-in-Chief that Government had decided upon the Indianization of the commissioned ranks of eight* regiments. The vindication of India's desire to control her own fiscal policy in such a manner as to foster domestic industries, was a cause of legitimate satisfaction to the members of both Houses ; as was also the announcement of Government's decision to take under the State management two railways whose contracts were about to fall in. The passage of the Racial Distinctions Bill, introduced as a result of the appointment of a Committee to investigate the differences in the criminal trials of Indian and European subjects of the King, marked an important stage in the attainment of equality between the two races in India. Resolutions were also carried urging the appointment of Indians in increasing numbers to high offices in the

Secretariat of the Government of India ; and the fixing of a reasonable proportion of Indians in the cadre of traffic inspectors on Indian State Railways. Much attention was devoted to industrial subjects. On the motion of non-official members, Government undertook to enquire into the question of Industrial Banks ; to review their statistical publications in such a manner as to facilitate the preparation of a census of production ; and to award scholarships for promising Indians to pursue approved lines of study in foreign countries. The atmosphere of harmony between the legislature and the executive, which had hitherto been sa marked, showed some signs of injury during the course of the session. The announcement of the appointment of a Commission to enquire into the Public Services was made the occasion of an adjournment of the Assembly ; and somewhat bitter comparisons were made between the respective attitude of the authorities towards constitutional advance, and towards service grievances. Moreover, although the budget for 1923-24, in its thorough-going retrenchment, represented a considerable triumph for the opinions of the elected members, the later stages of the Finance Bill, accompanied as they were by the dispute over the salt tax, considerably disturbed the harmony which had previously prevailed. We shall have occasion in other portions of this Statement to advert in greater detail to the circumstances of this dispute ; and it is here only necessary to say that the " restoration " by His Excellency the Viceroy of the estimates refused by the assembly for the Public Services Commission, for certain expenditure under the heading of railways ; and for the enhanced figure of the salt tax, were bitterly condemned by elected members of the legislature as a blow both to the prestige of the Assembly and to the progress of the reforms. But a session which includes, in addition to the triumph of Indian opinion in the sphere of fiscal policy, such achievements as the weakening of racial distinctions, Indianization of the army, and state management of certain railways, cannot be justly condemned as infructuous. A varied but very solid legislative programme was successfully carried through, including the revision of the Criminal Procedure Code, which introduced many improvements on the existing law ; measures providing for the compensation of workmen ; for the revision of the Mines Act; and for the suppression of certain offences in connection with the White Slave Traffic. There was in addition a quantity of important non-official legislation, mainly of a social character. In their disappointment over the Viceroy's certification, many elected members of the legislature went back to their

Stormy atmosphere.

constituents with the complaint that the Reforms had failed ; and that autocracy was once more dominant. It is, however, a curious commentary upon this attitude intelligible though it may be -that the session whose conclusion had filled certain members with such despair was by far the most fruitful and by far the most important of any which had hitherto been held under the Reformed Constitution.

CHAPTER III.

The Economic Structure.

In India as in other countries the basis of good government is sound finance, and no apology seems necessary for describing in some detail the steps which have been taken, during the period under review, to redeem the credit of the administration from the reproach cast upon it by five years of unbalanced budgets. India occupies a more fortunate position than that into which many other countries have fallen since the War; and now that a supreme and successful effort has been made by her Government to secure financial equilibrium, she does but await an improvement in general international trade to embark, without a backward glance, upon an era of industrial and commercial expansion. By way of introduction, it will be necessary to summarise briefly the general conditions regulating the finances of the country. Taking first of all the external aspect, it should be noticed that India has large commitments in London in payment for which a sum averaging over £25 millions sterling is annually required. The major portion of this sum is interest on capital lent to India for the purpose of internal development. Another item in the sum annually remitted to England is payment for Government stores of a kind not hitherto obtainable in India. This head is destined gradually to disappear with India's increasing Industrial development, and strenuous efforts are already being made to reduce it. Finally come the payments made to England for the leave allowances of government servants, and for their pensions after they have retired from service in India. An item which has now disappeared from the annual remittance between India and England, is the charge for the maintenance of the whole of the India Office. As a result of the changed relations between the two countries consequent upon the declaration of August 20th, 1917, a portion of the expense of the India Office now falls upon the British Exchequer; and in substitution for this, comes the cost of maintaining the Indian High Commissioner who discharges functions in England similar to those of the High Commissioners representing the self-governing Dominions.

General Conditions of Indian Finance.

Centralisation and Devolution.

From the external we turn to the internal aspect of India's finances. She differs from many other countries in the fact that a large proportion of the revenues of Government is derived not from taxation but from such sources as land revenue, customs, opium, railways, forests and irrigation. As a natural consequence, since India is still in the main agricultural, the revenues of the country are always predominantly influenced by the character of the season. This fact, it may be mentioned in passing, accounts for many of the difficulties financial and otherwise, through which India has passed of recent years. The financial organisation of the country was for many years influenced by the system which the Government of India inherited from the East India Company. Originally, centralisation was the watchword. All revenues went into the coffers of the Government of India, whose orders were necessary for all but the most trifling expenditure. From this system there was evolved in course of time the plan of " divided heads ". The budget of the Government of India was still made to include the transactions of the local Governments, but the revenues enjoyed by the latter were mainly derived from sources of income shared between themselves and the Central Government. Out of these incomings the Government of India paid for defence charges, for the upkeep of railways, posts and telegraphs, for interest on debt, and for the Home charges. The Provinces met the expenses connected with land-revenue and general administration, with forests, police, courts and jails, with education and with medical services ; while charges for irrigation, and for certain other heads such as ordinary public works were common both to the Central and to the provincial governments. But with the introduction of the Montagu-Ohelmsford Reforms and the decentralisation therefrom resulting, this state of affairs has passed away. Indeed, among the most important consequences of the whole administrative reorganization was the complete separation brought about between the finances of the Central Government and those of the various provincial Governments. The authors of the Reforms recommended that no head of revenue should henceforth be divided; that land revenue, irrigation, excise and judicial stamps should be completely provincialised; and that income-tax and general stamps should become central heads of revenue. Inasmuch as under this re-arrangement the Government of India's resources would be substantially curtailed, it was proposed that contributions should be levied on the provinces to make good the deficit In January 1920, : Committee appointed to investigate the future finan

cial relations between the local and central authorities proposed that in 1921-22 the provincial governments should contribute Rs. 983 lakhs (£6½ millions) to the Government of India. The Committee also suggested that there should be fixed a standard contribution for each province as its proportion to the total sum necessary to make good the deficit of the central exchequer. The recommendations of the Committee were revised and to some extent altered by the Joint Select Committee of both Houses of Parliament; it being finally settled that from the year 1921-22, a total contribution of Rs. 983 lakhs (£6½ millions) or such smaller sum as may be determined by the Governor General in Council, shall be paid by the local Governments, provision being made for reduction when the Governor General in Council fixes as the total amount of the contribution a sum smaller than that payable in the preceding year. Unfortunately, since the separation between Central and Provincial finances, the local Governments, like the Government of India, have undergone a period of financial distress. Their expenditure has necessarily been on the upgrade ; and the non-co-operation agitation has exercised a baneful effect on some of their items of revenue. The hope that the resources of the provinces, increased as a result of the new financial settlement, would assist them in finding the money for large schemes of economic and social development has not, therefore, been realised up to the time of writing. Considerable sums are indeed placed at the disposal of the local governments over and above those which would have accrued to them under the previous arrangements. This is particularly marked in the case of an agricultural province like the Punjab, which gains the net surplus of Rs. 114 lakhs (£760,000) a year. Provinces which contain large commercial centres are probably not equally fortunate. But so far from being available for meeting new demands under various heads, this money, for reasons largely beyond the control of the local authorities, has had to be devoted to increased administrative charges due primarily to the general rise in prices from which India in common with other countries of the world has for the last two years been suffering. Naturally there has grown up in all provinces a strong feeling against the system of contributions, which has become considerably aggravated by the realisation that the " nation-building " departments newly made over to popular Ministers have no resources to undertake large schemes of expansion of the kind which public opinion so keenly demands. In the year 1921, this feeling found strong expression in the case of Bengal, which had

Provincial Contributions.

Provincial Stringency.

indeed been recommended to the special consideration of the Government of India by the Joint Select Committee on the Government of India Act. Accordingly in the September session of the Legislature, a resolution was moved by the Finance Member recommending the remission of the Bengal contribution for a period of three years. This was accepted by the Assembly, which felt that for political reasons at least it was advisable to help Bengal in her distress. The concession, however, naturally led to similar demands from other provinces, Madras being exceptionally vociferous in her insistence on a revision of her contributions. Since it had by this time become clear that the finances of the Central Government were such as to make it wholly out of the question to reduce the figure of provincial subventions, the demand could not be met. But the fact that the estimated revenue and expenditure of the nine local Governments for the year 1922-23 revealed that only Bengal and Burma were working to a surplus, necessitated a careful examination of the whole position. Accordingly a conference was held in Simla in April 1922 with 'the Finance Members and other financial authorities of the provincial Governments. It was found that the aggregate deficits of the seven provinces which had not attained equilibrium between current revenue and expenditure amounted to Rs. 352 lakhs (£21/3 millions). As already remarked, an immediate reduction of the provincial contributions was for the moment unthinkable, since its only effect would have been to transfer responsibility for a further deficiency of revenue to the Government of India in such manner as would have been highly prejudicial to the credit of India as a whole. Various proposals were received for dealing with this difficult problem, among which may be mentioned a suggestion by the Bombay representatives that a system of divided heads might again be considered. But the representatives of the other provinces together with the Government of India themselves, were generally of the opinion that the clear division of revenues between the central and local governments was the basis of the whole scheme of Reforms. The Government of India therefore, with the concurrence of the Secretary of State, determined to uphold the new financial settlement, at the same time renewing the undertaking previously given in Lord Chelmsford's time that they would work out their financial policy in the direction of reducing and ultimately abolishing the existing financial contributions. But they made it clear that unless a marked revival in trade should result in the narrowing of the existing gap between revenue and expenditure, no

Investigations.

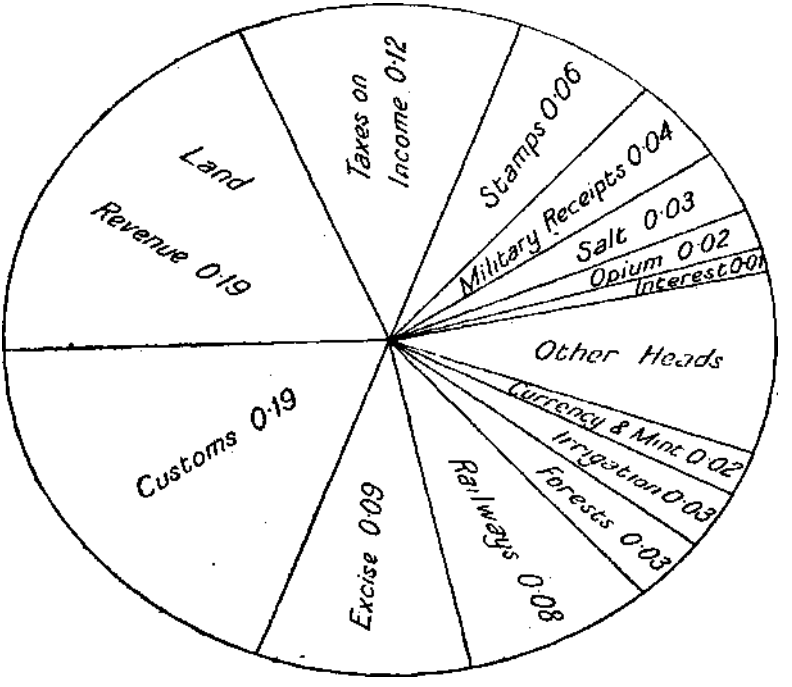
reduction of the provincial contributions would be possible without either very considerable retrenchment or substantial additional taxation. As will be clear from what follows, it was ultimately found necessary to have recourse both to the one and to the other expedients. During the financial year 1922-23 every provincial Government found the very greatest difficulty in balancing its budget. Most provinces proceeded to examine all possible avenues of retrenchment, and at the same time requested their legislative Councils to sanction new taxation. The feeling that they could expect no help from the Central Government acted in the majority of cases as a great stimulus to efforts in this direction ; and there is reason to hope that during the course of the year 1923-24, the majority of the provinces will be able to show balanced budgets. In which connection the following paragraph may be quoted from the speech of the Finance Member of the Viceroy's Council, Sir Basil Blackett, who assumed charge of his office in January 1923.

Promise for the future.

" It has been suggested to me by more than one spokesman for the provinces that there is a feeling in the minds of the provincial Governments and of their legislatures that it would be unwise for them to show balanced budgets. They are, it is hinted, taking a leaf out of the book of some charitable and religious bodies which make a habit of showing an annual deficit in order to make a striking appeal to their supporters to come to their rescue. The provincial governments, think, it is said,, that they will get more sympathy from the central government and get rid of their provincial contributions quicker if they can show a handsome deficit and appeal to the charity of the central government. I should like to say for my part that the strongest appeal that the provincial governments can make to me in this matter of the provincial contributions is to show themselves worthy of assistance from the central government by strenuous and successful endeavours to make both ends meet for themselves ".

It will be made abundantly clear from what follows, that the Government of India have placed in the very forefront of their financial policy the necessity of relieving the provinces as soon as possible from the burden of contributing to the central Exchequer, in order that the money so placed at their disposal may be available for those large projects of social and industrial improvement upon which the true success of the Reform Scheme so largely depends. To realise the full implications of this intention we must briefly consider the financial difficulties to which the Central Government has lately been exposed-

How each Rupee of Revenue was made up in India 1921-22. (Provincial and Central together.)



The Rupee of Revenue 1921-22.

Finances of the Central Government.

It must be remembered that until five years ago, the accounts of the Government of India consistently revealed for a quarter of a century great financial strength. With the exception of one or two abnormal years, there have generally been surpluses on the revenue side, which led to the division of large sums among the provinces for expenditure on education, sanitation and other agencies. Further, substantial amounts were set aside from the revenues for productive purposes and the State borrowings were kept at a low figure. Unfortunately, that happy state of affairs has now passed away. In 1918-19, the deficit amounted to Rs. 6 crores (£4 millions), which was left uncovered. Next year, mainly owing to the unforeseen expenditure caused by Afghanistan's unprovoked invasion of India, the deficit amounted to Rs. 24 crores (£16 millions), while the final accounts for 1920-21, swollen by the adjustments of various items, revealed a deficit of 26 crores (£171/3 millions). When the budget of 1921-22 was presented to the new Central Legislature at the outset of its career, it was found that there was an anticipated deficit of more than Rs. 18 crores (£12 millions), which had to be covered by new taxation. As was made clear in last year's statement, the members of the Assembly rose to their responsibility, and accepted with few modifications the proposals of Government. The additional taxation was mostly under Customs, and included an increase of the general *ad valorem* duty from 7½ per cent, to 11 per cent, and a special duty of 20'per cent, on luxuries, such as motor-cars, silks and the like. It was hoped that these measures would leave a small surplus on the current year's revenue. Unfortunately the ensuing twelve months proved most disastrous. The collapse of buying power in Europe and the United States led to acute trade depression, while India at the same time experienced the aftermath of the failure of the rains in the previous year. The price of wheat rose to almost unexampled figures, with the result that the Government of India were forced both to continue the embargo on the export of this commodity, and to encourage heavy importations from abroad. Labour troubles in the collieries curtailed the raisings of coal; and the service of the railways could only be maintained by the purchase of foreign coal at greatly increased expenditure, with detrimental consequences to the trade balance. Further, owing to the course of exchange, many million pounds' worth of imported goods were locked up through the inability or the failure of importers to take up their contracts. The whole export trade suffered a severe reaction after the post-war boom ; India's exports

which had reached their height with Rs. 31 crores (£20§ millions) in March 1920 attained their nadir in June 1921 with Rs. 16 crores (£102/3 millions) ; customs, income-tax, opium, railways, posts and telegraphs failed to reach the returns anticipated when the budget was framed. The combined effect of all these adverse forces was to reduce the estimated revenues by Rs. 20 crores (£131/3 millions). Unfortunately the effect of this reduction was aggravated by an increase of expenditure. Interest charges were higher ; the military expenditure was heavier by Rs. 23/4 crores (£1| millions); the loss on exchange amounted to Rs. 5f crores (£34/5 millions). The total effect of the year was estimated to produce a deficit of Rs. 33 crores (£22 millions). In these circumstances, Government decided to budget for a deficit in 1922-23. Extra taxation would, it was hoped, yield Rs. 29 crores (£191/3 millions), leaving Rs. 3 crores (£2 millions) uncovered.

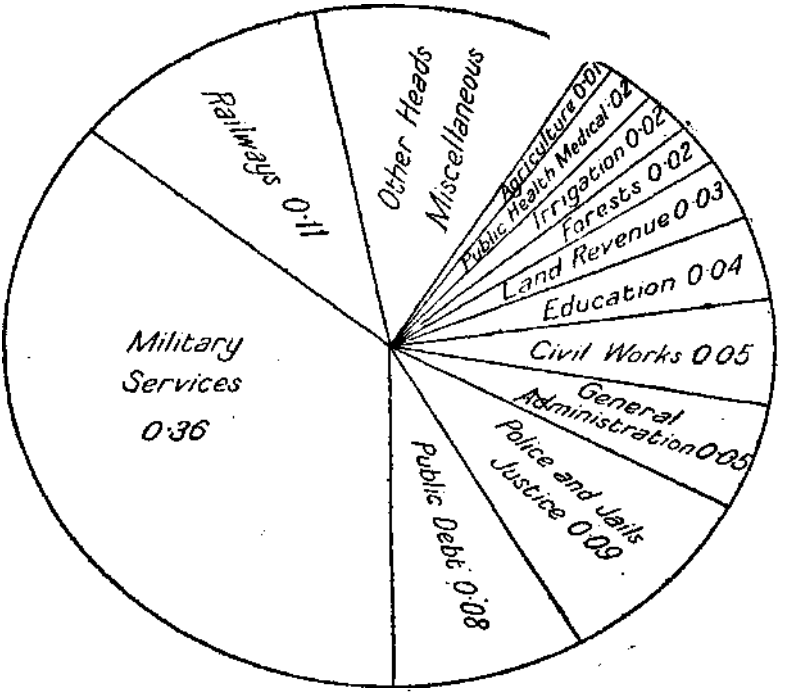
The Budget of 1922·23.

As is remarked elsewhere, the budget was received with something like dismay both by the Legislature and by the country at large. It was pointed out that although Rs. 19 crores (£12| millions) of fresh taxation had been imposed in the past year, and further taxation to the figure of Rs. 29 crores (£191/3 millions) was proposed for the current year, there was no promise of financial equilibrium. The Legislative Assembly emphatically voiced its belief that the country could not stand expenditure on such a scale ; and that the taxation proposed to meet it was being brought perilously near the operation of the law of diminishing returns. It proceeded to insist upon a general 5 per cent, cut in the expenditure of all Civil Departments. It rejected the proposed increase in the duty of imported piece-goods, as also the suggested enhancement of cotton excise. It rejected a proposed increase of the salt duty from Re. 1-4 to Rs. 2-8 per maund of 82 lbs. The effect of these changes made in the Finance Bill was to increase the estimated deficit to Rs. 9 crores (£6 millions).

Deficits and Debt.

Thus in 1921-22 for the fifth year in succession India laboured under a deficit; the accumulated total of which amounted in 1923 to no less than 100 crores (£66| millions); and this despite the fact that in the last two budgets additional taxation had been imposed, estimated to bring in, during the year 1922-23, the sum of Rs. 28 crores (£18f millions). As a result of these defîcits India's debt had grown from a total of Rs. 411 crores (£274 millions) on the 31st March 1914 to an estimated total of Rs. 781 crores (£520| millions) on the 31st March 1923. These figures should not mislead the reader into underestimating India's fundamental finan

How each Rupee of Revenue
was spent in India 1921-22.
(Provincial and Central together)



The Rupee of Expenditure
1921-22.

cial strength. Of the total debt, no less than Rs. 557 crores (£3711/3 millions) is classed as productive, leaving only Rs. 224 crores (£1491/3 millions) as ordinary or unproductive debt. It should also be noticed that while India has not entirely escaped the evils of taxation through inflation, she has come off well as compared with many other countries. Out of the total deficit of Rs. 100 crores (£662/3 millions) during the last five years, it is estimated that only Rs. 31 crores (£202/3 millions) has been covered by the creation of paper money. The remainder, amounting to Rs. 69 crores (£46 millions), has been raised by borrowing, of which Rs. 22 crores (£14| millions) represents the issue of Treasury Bills to the public. Further, this sum of Rs. 22 crores (£14| millions) in Treasury Bills represents the residue after the reduction of 32 crores (£21J millions) of Treasury Bills during 1922-23 out of the proceeds of long term loans. But for all these indications of underlying stability, the situation of the country in March 1922 appeared sufficiently disquietening.

Demands for Retrenchment.

In these circumstances, as can well be understood, the general demand for retrenchment appeared as well grounded as it was insistent. Accordingly as a result of resolutions put forward in the Legislative Assambly and the Council of State, the Government of India announced in May that they were contemplating the appointment of a Committee, based as far as possible on the lines of the Geddes Committee in England, of which the terms of reference were as follows :—

The Inchcape Committee.

" To make recommendations to the Government of India for effecting forthwith all possible reduction in the expenditure of the Central Government, having regard especially to the present financial position and outlook. In so far as questions of policy are involved in the expenditure under discussion, these will be left for the exclusive consideration of Government. But it will be open to the Committee to review the expenditure and to indicate the economies which might be effected, if particular policies were either adopted, abandoned or modified."

The personnel of the Committee was later announced. The Right Honourable Lord Inchcape was appointed President, while the members included Sir Thomas Catto, Mr. Dadiba Dalai (now High Commissioner for India), Mr; Purshotamdas Thakurdas, Sir Rajendra Mookerjee and Sir Alexander Murray. "The announcement that gentlemen so prominent in the commercial and industrial world had agreed to serve upon the Committee, was generally accepted as evidence that the Government

of India were prepared to make the most drastic efforts to reduce the figure of their expenditure. This impression was confirmed when, towards the end of May, His Excellency the Viceroy received an important deputation of the organised commercial bodies, both European and Indian, of the whole country. In their address the deputation impressed upon him the paramount necessity, in the interests of commerce and industry, for drastic retrenchment, particularly in military expenditure,, so that financial equilibrium might be established and confidence revived. Lord Reading in his reply assured the deputation that Government would be content with no half and half measures ; and that even pending the investigations of the Retrenchment Committee, all steps possible would be taken to reduce expenditure. In accordance with His Excellency's announcement, the various Departments of the Government of India, in consultation with the Finance Department, radically overhauled their commitments during the summer of 1922. Every effort was made to curtail unnecessary expenditure, and to facilitate in the utmost degree the work of the Retrenchment Committee. After a period of preliminary investigation at the India Office, Lord Inchcape arrived in India in November 1922, and the Committee commenced its sittings in Delhi forthwith. Having devoted more than two months to a minute and searching scrutiny of the expenditure of every Department of Government, the Committee submitted a Report which was placed in the hands of the public in March 1923.

Insistence on Economy.

This document proved to be as remarkable as it was authoritative. The members were unanimous in recommending ne reductions amounting to Rs. 19¼ crores (£124/5 millions) in the expenditure of the Government of India. These reductions were based upon the budget estimates for 1922-23, and thus included a certain number of economies and automatic savings already effected during the course of that year. At the same time, the Report pointed out that it would not be possible to secure in the year 1923-24 the complete tale of reductions proposed, since some period must necessarily elapse before their full effects could be reached. A summary of the principal recommendations of the Retrenchment Committee Report will be found in the appendix to this volume, but it may be convenient here to mention very briefly some of the more striking features. The largest item of economy proposed was in military expenditure, where the reduction amounted to nearly Rs. 10½ crores (£7 millions). The Committee recommended that the total

The Retrenchment Report.

net budget for military services for 1923-24 should be fixed at Rs. 573/4 crores (£38½ millions), subject to such addition as might be necessary on account of the delay which must ensue in carrying out the proposed changes. This reduction was accomplished by a saving of Rs. 3 crores (£2 millions) in the strength of the fighting services, due to a reduction of more than 5,000 British Infantry, and more than 6,000 Indian Infantry, through diminishing the numbers of the peace-establishment battalions. In addition, it was proposed that 3 British cavalry regiments and 10 per cent, of the artillery establishment should be retrenched. Considerable reductions are also suggested in mechanical transport, in the supply services, in military works, and in the Royal Indian Marine. The next most important head under which reductions were proposed was that of Railways. Here the proposed economies amounted to Rs. 4½ crores (£3 millions). The Committee recommended that the expenditure on unremunerative lines should be curtailed ; and that the general working expenses of all railways should be reduced in such fashion as to ensure an average return of at least 5½ per cent, on the capital invested by the State. They also recommended that the present system of programme revenue expenditure should be abolished, adequate provision being made annually by each railway for the maintenance and renewal of the permanent way and rolling stock. They pressed for the immediate appointment of an experienced financial adviser to ensure that financial considerations were given due weight before expenditur was incurred. The third major head upon which the Committee found it possible to make large savings was Posts and Telegraphs. Here they suggested a reduction of Rs. 1.3 crores (£866,000), exclusive of a reduction of 50 lakhs (£333,000) in the capital expenditure on the Telegraph Department. The main economies proposed were in the reductions of the staff; in the expense for the conveyance of mails ; in the construction and maintenance of postal buildings chargeable to revenue ; in the reserve stocks of stores, and in certain other smaller items. Under the head of general administration, the Committee suggested the large reduction of Rs. 50 lakhs (£333,000), to give effect to which they proposed a re-allocation of the business conducted by certain Departments of the Government of India and a regrouping of portfolios. They suggested the abolition of certain advisory appointments ; the curtailment of the functions of several offices, the reduction of the net cost to the Indian revenue of the India Office and of the High Commissioner's office. In short they subjected to the minutest scrutiny every branch of the activities of the Government of India,

proposing the abolition or curtailment of every function which did not appear in their eyes to be vitally necessary for the essential work of administration.

The Year 1022-23.

In order to appreciate the situation in which the Government of India found themselves at the time of the presentation of this Report, it will be necessary to review in brief the financial history of the year 1922-23. As already noticed, the budget estimates as finally passed provided for a deficit of over Rs. 9 crores (£6 millions) ; the estimated revenues including new taxation being Rs. 133.23 crores (£884/5 millions) ; and the expenditure Rs. 142.39 crores (£95 millions). The revenue estimates were not based on the hope of any marked or striking revival in trade ; although Government expected some slight improvement upon the general conditions of the previous year. This anticipation was on the whole justified. During the earlier part of the summer of 1922 there was considerable stagnation ; but except perhaps in the Cotton Mill Industry in Bombay, the general feeling prevailing throughout the business community was one of mild optimism. Considering the disorganised position of many of India's former customers, her exports showed a promising recovery ; and so far as merchandise alone was concerned the balance of trade in favour of India during the first ten months of the financial year 1922-23 was Rs. 62 crores (£411/3 millions), a figure which may be contrasted with the adverse balance of Rs. 29½ crores (£192/3 millions) in the corresponding ten months of the year 1921-22. As against this there had to be set a substantial net import of bullion, after which there still remained a net balance of Rs. 20 crores (£131/3 millions) in favour of India as compared with an adverse balance of Rs. 33 crores (£22 millions) in the first ten months of the preceding year. Under customs,

Budgetings and Actuals.

a total net revenue of Rs. 45½ crores (£301/3 millions) was anticipated, but owing to fluctuations in the import of sugar ; to a lessening of receipts under excise duty, through a reduced output from the mills due to the high price of cotton and a fall in the price of cotton cloth in the internal markets; and to some deficiency in the revenue from other manufactured articles, a customs revenue some Rs. 3 crores (£2 millions) short of the figure budgetted for was expected. The revenue from railways was also disappointing. The increased passenger fares imposed during the year added some Rs. 6 crores (£4 millions) to the receipts, but owing to trade conditions, traffic fell off seriously ; and as against the estimated gross receipts of Rs. 99½ crores (£661/3 millions), Government did not hope to

realise more than Rs. 92 crores (£611/3 millions). The Posts and Telegraph Department was expected to show a diminution of Rs. 106 lakhs (£706,000) in the anticipated receipts ; while in income-tax, owing to a variety of causes, Government expected a deterioration of Rs. 3½ crores (£21/3 millions). On the expenditure side, however, there was a substantial saving of Rs. 186 lakhs (£1¼ millions) in the budget provision for interest on debt, owing to the fact that a full half year's interest, despite the unexpectedly large rupee and sterling borrowing of Government, did not fall due until 1923-24. There was a saving of Rs. 35 lakhs (£233,000) in the special " political " provision of Rs. 60 lakhs (£400,000) debited to Waziristan and a saving of Rs. 75 lakhs (£500,000) on other civil expenditure mainly as a result of retrenchment carried out during the year. In military expenditure it was found possible to effect a saving of Rs. 46 lakhs (£306,000) despite an increase in the anticipated expenditure on Waziristan and charges for demobilization, through a reduction of the established charges of the Army from Rs. 65.10 crores (£432/3 millions) to Rs. 60.5 crores (£401/3 millions). There was thus a saving of Rs. 4.14 crores (£24/5 millions) on the expenditure side, but since the revenue was anticipated to be Rs. 12.48 crores (£81/3 millions) less than the estimate, Government anticipated a deficit at the end of the year 1922-23 of not less than Rs. 17½ crores (£11§ millions).

It was of course impossible, as the Retrenchment Committee itself clearly realised, that Government should obtain the full value of the proposed reductions in the first year of their operation. Further, the difficulties in giving effect to the proposals of the Committee were enhanced by the fact that the Report was received after much of the work of preparing the 1923-24 budget had been completed. None the less, by strenuous efforts, Government succeeded in including the major portion of the proposals of the Retrenchment Committee in their 1923-24 budget. In the non-military portion of the budget, excluding interest, the Committee had recommended reductions of about Rs. 8½ crores (£52/3 millions) on a total estimate in 1922-23 of Rs. 103.9 crores (£69¼ millions). Government had themselves already effected a reduction of Rs. 2.6 crores (£14/5 millions) ; and they now assumed the responsibility of a further reduction of Rs. 4 crores (£22/3 millions). Hence, as against the Inchcape Committee's ultimate recommendation of Rs. 8 crores (£51/3 millions) the Government succeeded in making an immediate reduction of Rs. 6.6 crores (£42/5 millions) even in 1923-24 budget. The difference between the two figures, amounting to Rs. 1.4

Government's Efforts at Retrenchment.

crores (£933,000), represented the allowance which it was thought necessary to make for the fact that many of the recommendations of the Committee, even if accepted, could not come into full operation during 1923-24. In the case of military expenditure, the total for which the Assembly was asked to provide funds in 1923-24 was Rs. 62 crores (£411/3 millions). This total, which included Rs. 1.69 crores (£11/8 millions) for expenditure in Waziristan, may be compared with the estimate of Rs. 67.75 crores (£45 1/6 millions) for 1922-23, when it will be seen that an immediate reduction of Rs. 5.75 crores (£34/5 millions) was made in the 1923-24 budget. As in the case of the Civil Estimates, the reductions suggested by the Inchcape Committee for the military side could not be brought fully and effectively into operation during the ensuing financial year. The total effect of these and certain other reductions may be summarised in the statement that as compared with the original budget estimates of expenditure for 1922-23 of Rs. 215.27 crores (£143½ millions) inclusive of the working expenditure of commercial departments, the total expenditure of the Government of India for 1923-24, taking sterling expenditure at the rate of exchange of Is. 4d per rupee, was estimated at Rs. 204/37, crores (£136½ millions) *a* reduction of Es. 11 crores (£71/3 millions) in spite of an increase of Rs. 175 crores (£11/6 millions) for interest. Unfortunately even a reduction so large was not estimated as sufficient to balance the revenue and expenditure during 1923-24. This was made plain by the Finance Member on March 1st, 1923, when he introduced the budget.

The Budget of 1923-24.

In forecasting the revenue for 1923-24 Sir Basil Blackett assumed that general trade conditions would not show any startling change. Under customs, he anticipated a total net revenue of Rs. 45.09 crores (£30 millions) or Rs. 279 lakhs (£14/5 millions) more than he expected to collect in the current year. Income-tax, he assumed, would yield a revenue of Rs. 19 crores (£12f millions), which was roughly the same as was expected in the year about to elapse. Under Railways, considering the excellence of the autumn harvest and the promise for the spring crop, he expected a certain amount of revival; but did not consider it safe to put the gross, traffic receipts higher than Rs. 954 crores (£632/3 millions), or Rs. 3½ crores (£21/3 millions) better than the revised estimate for 1922-23. He estimated there would be a net profit for the year of Rs. 35 lakhs, (£233,000), as compared with a net loss on the budget for 1922-23 as then revised of Rs. 92.6 lakhs (£61/6 millions). In the case of Posts and Telegraphs he budgetted for an estimate of Rs. 147 lakhs (£980,000)

under net receipts as compared with net receipts of Rs. 24 lakhs (£160,000) in the year 1922-23. In consequence, the budget position for 1923-24 on the basis of existing taxation worked out thus : As against an expenditure of Rs. 204.37 crores (£136¼ millions) there was an expected revenue of Rs. 198-52 crores (£ 1321/3 millions).

Necessity for Balancing the Budget.

After presenting his statement the Finance Member exhorted the Assembly to secure equilibrium by means of such taxation as should cover the threatened deficit. He pointed out that the continued deficits of the last five years were threatening to impair India's credit in the market both at home and abroad. And while there was an almost unlimited field in the country for capital expenditure on new development, India had spent not less than Rs. 100 crores (£662/3 millions) out of her capital in the last five years solely in financing deficits, thereby diminishing to a corresponding extent the resources available for her own industrial advance. There was a further reason, he said, in addition to the necessity of rehabilitating India's credit, for making a supreme effort to balance the budget. This was the necessity of reducing at an early date, and eventually extinguishing, those contributions paid by the provinces to the Central Government which were exercising such an unfortunate effect both upon provincial development in general and indeed upon the successful working of the whole reform scheme. In spite of drastic cuts in expenditure the budget of the Government of India did not balance. The Finance Member therefore pleaded eloquently for an increase in the salt tax from the figure of Re. 1-4 to the figure of Rs. 2-8 per maund of 82 lbs. He estimated that this would suffice to cover the deficit, to balance the budget and to leave a small surplus.

As is pointed out in another place, the Legislative Assembly, influenced by a variety of reasons, did not consent to the proposed imposition. Certain members put forward proposals which, if accepted by Government, would have had the effect of reducing the deficit on paper ; but Government maintained that such a course was ruled out by considerations of sound finance. Various alternative suggestions such as the imposition of an import duty on silver, an enhancement of the customs duties, and an increase in the income-tax figure, were proposed by various sections of the legislature ; but it was found impossible in effect to secure the assent of a majority of the House to any one of them. The Finance Bill, including the increased salt duty, after being passed by the Council of State, was referred back to the Legislative Assembly, and by them

again rejected. It was thereupon certified by the Viceroy, in the manner described in another chapter. In the course of the pronouncement announcing his certification, Lord Reading stated that in view of the past accumulated deficits, he considered it essential in the interest of India to balance the budget. He pointed out that the conditions of March 1923 differed from those of March 1922 in that only on the latter date had the possibilities of retrenchment been fully and indeed exhaustively explored. In 1922, when the Assembly had refused to agree to the salt tax, the Government of India had been deeply impressed first with the necessity of carrying out retrenchment as a preliminary to any further taxation ; and also by consideration of the fact that the then high prices of food grains might have caused an enhanced salt tax to press heavily upon the poorer classes. But in March 1923, the possibilities of retrenchment had been fully taken into consideration ; the balancing of India's budget was not a measure which could be further delayed without damage to her credit ; and the circumstances of the year were such that the enhancement of the salt duty would press lightly on the poor on account of the decline in the price of food-stuffs relative to wages. His Excellency pointed out that between October 1921 and December 1922 the price of food grains fell by 20 per cent. ; and that -between January 1922 and January 1923 the retail prices of wheat had fallen by no less than 100 per cent, in important centres of Northern India. Statistics showed that in the case of mill labourers, the amount spent on salt represented only |ths of one per cent, of their expenditure on food. The Viceroy therefore concluded that the increase in salt tax must have an infinitesimal effect at such a period and that in the discharge of the responsibilities placed upon him, he felt bound to " Certify " the enhancement until March 31st, 1924, when the matter would one again come before the Legislature.

Budget Balanced by Certification.

With the political effects of His Excellency the Viceroy's certification, we are concerned not here but in another place. Financially it is sufficient to notice that the Government of India after *five* years of deficits have at last achieved a balanced budget. There are thus good grounds for optimism in the future. The monsoon of the year 1922 was favourable, and, as will be demonstrated below, India's export trade has already taken a turn for the better. Her currency is in a secure position, and the metallic reserve of silver seems fully ample to maintain the convertibility of her paper. Between December 1921 and December

Present Position and Future Prospects.

1922, the circulation of currency notes had increased only from Rs. 17,253 lakhs (£115 millions) to Rs. 17,418 lakhs (£1164 millions), while the silver coin in the currency reserve had increased from Rs. 6,976 lakhs (£46½ millions) to Rs. 8,204 lakhs (£542/3 millions). In addition, there was in March 1923 in the paper currency reserve a sum of £24 millions in gold, and 5|- million sterling in sterling securities easily convertible into foreign exchange. Over and above and outside these reserves, India possessed £40 millions in the gold standard reserve.

Further gratifying evidence of India's general financial stability was provided in the course of the year 1922 by the success of her rupee and sterling loans.

Loans.

The 1922 rupee loan was for an unlimited amount and consisted of two series, 5-year 6 per cent, bonds, 1927, free of income-tax; and 10-year 6 per cent, bonds, 1932, also free of income-tax. The bonds were issued at par and subscriptions in cash were received from 3rd July to 14th August inclusive. The total amounts realised were nearly Rs. 47 crores (£311/3 millions), of which Rs. 27.38 crores (£18¼ millions) were realised by the 5-year 6 per cent, bonds. As compared with 1921 loan, there was a marked increase in subscriptions for the longer term bond. In that year, the percentage of subscriptions to the 5-year and 10-year bonds were 77 and 23 respectively, but in the previous year, the proportions were 58 and 42. The general dullness of trade and ease of the money market, which was commented on in connection with last year's loan, was equally marked on the present occasion, and must be held in no small degree responsible for the unqualified success achieved. The total value of cash subscriptions to the loan amounted to Rs. 42.3 crores (£281/5 millions), as against the corresponding figure of Rs. 37.1 crores (£244/5 millions) for the previous loan. The balance was paid in 5½ per cent, war bonds, which accounted for Rs. 3.3 crores (£21/5 millions) and in Indian Treasury Bills. Effective steps were taken to advertise the loan, as in 1921. The co-operation between the Finance Department and the Publicity Department enabled posters in English and in vernaculars to be displayed prominently at railway stations, post offices and other common meeting places. Lantern slides were exhibited in the more important cinematograph theatres throughout India ; and leaflets were issued to leading banks and firms for enclosures in letters to their clients. The borrowings of the Government of **India**

during this period were not confined to rupees. Both in June 1922 and in October 1922 loans were floated in London. In the first month a loan to the nominal amount of £12½ millions sterling, bearing 5½ per cent, interest and repayable at par in January 1932, was issued at 96. The amount was quickly subscribed. In October 1922, a long term loan to a nominal amount of £20 millions, bearing interest at 4½ per cent., was issued at 85. The terms of the loan provided that if not previously redeemed the stock will be repaid at par in May 1955 ; but the Secretary of State for India reserved to himself the right of giving three calendar months' notice to redeem the loan at par on any half-yearly interest date after May 1950. The success of both these loans was gratifying.

Indian Banking.

In previous reports mention has been made of the importance to the development of Indian trade, of the extension of the banking facilities with which India is now so imperfectly provided. There have been of late years certain steady, if slow, improvements in this direction. According to the latest figures available, the pre-war year 1913 showed 12 Exchange Banks doing business in India, while in 1921 the total number had risen to 17. Before the War, the aggregate capital and reserve of the Banks amounted to £37 millions, and their deposits in India to £31 millions. By 1921, the aggregate capital and reserves amounted to £111 millions and deposits in India to £75 millions. Indian Joint Stock Banks with a paid-up capital and reserve of Rs. 5 lakhs (£33,000) and over have increased from 18 in 1913 to 27 in 1921 ; while their capital and reserves have increased in the same period from Rs. 364 lakhs (£22/5 millions) to Rs. 1,239 lakhs (£8¼ millions). The deposits of the three Presidency Banks which are now amalgamated as the Imperial Bank of India rose from Rs. 588 lakhs (£4 millions) in 1913 to Rs. 977 lakhs (£6½ millions) in 1921. The amalgamation to which reference has just been made was consummated in January 1921 by the disruption and reconstruction of the three Presidency Banks of Bengal, Bombay and Madras.

The Imperial Bank.

The idea of a Central Bank had been under discussion for over three-quarters of a century; but it was principally as a result of war experience that the three banks realised the necessity of coming to an arrangement among themselves. Under the Imperial Bank of India Act, the nominal capital of the Bank is trebled, the capital of the three Presidency Banks being Rs. 3| crores (£2½ millions) and the additional authorised capital Rs.7½ crores(£5 millions) in shares of Rs. 500 (£33) each. The control of the policy of the Bank is in the hands of a Central Board of Governors, while

local affairs are controlled by local Boards at Calcutta, Bombay and Madras, which are the lineal successors of the Directorates of the old Presidency Banks. The Presidents, Vice-Presidents and Secretaries of these local Boards are on the Central Board upon which the Governor General in Council is empowered to nominate four non-officials. The Board is completed by two Managing Governors and the Controller of the Currency or another officer nominated by the Governor General. The Act retains with some slight modifications the limitations of the class of business in which the Bank may be engaged. The greatest innovation is the constitution of a London Office. By agreement with the Administration, all the general banking business of Government is conducted by the Bank, which is intended to hold all treasury balances wherever it has branches. The Bank further undertakes to open one hundred new branches within five years, the location of one in every four being at the absolute discretion of Government. One of the important clauses of this agreement empowers the Governor General in Council to issue instructions to the Bank in respect of any matter which in his opinion vitally affects his financial policy or the safety of the Government balances. It further provides that the Controller of the Currency or other officer nominated by the Governor General in Council to the Central Board may prevent any action being taken by the Board until the previous approval of the Governor General in Council has been attained, if he considers such action detrimental to the financial policy of Government.

That the number of Banks at present existing in India is wholly inadequate to the real needs of the country must be perfectly plain, from the fact that there are at present in all India under 100 head offices of Banks with 322 branches. The proportion of the total towns in India with a population of 10,000 and over in which Banks and their branches are situated is still only 25 per cent. Moreover in some 20 per cent, of the 75 towns possessing a population of over 50,000 there are no banks at all. Unfortunately the habit of investment is still comparatively undeveloped in India, its place being taken by hoarding and by the conversion of bullion into jewellery. Everyone who has studied the subject agrees that a wonderful era of prosperity awaits the country the moment that investment becomes anything like as general a practice as it is in England and in France. The Administration is fully alive to the necessity of increasing banking facilities throughout the country at large ; and among the essential features of the Imperial Bank scheme

India and the Investment Habit.

just described is the undertaking that 100 new branches will be opened within five years. The Government of India is contemplating, at the moment of writing, a systematic effort to increase public interest in the sales of post office cash certificates. If non-official effort can be enlisted in such a way as to second the action of the Administration, it should be possible by the development of the cash certificate system to finance a considerable portion of provincial capital expenditure. The stimulus, both to thrift and to industry which will result therefrom might well, in the course of a few decades, change the whole economic position of India.

Trade in 1921-22.

In sketching the financial situation of India, we have already described in summary form the general economic characteristics of the year 1921-22. For the sake of completeness, we may now proceed to analyse briefly the trade returns both of this year and of the remaining months of the period with which this volume is concerned. It may be noticed that there were serious depression and stagnation in most lines of trade during the year 1921-22. For overseas trade in particular it was a poor year. The total sea-borne trade of India, including private and Government merchandise and treasure, amounted to Rs. 579 crores as against Rs. 675 crores in the preceding year. The imports of private merchandise declined seriously from Rs. 335 crores in 1920-21 to Rs. 266 crores in 1921-22 ; while the total exports of private merchandise revealed a less serious decline, amounting to Rs. 245 crores as against Rs. 258 crores in the previous year. These figures reflect the almost unrelieved depression of 1921-22, a consequence first of the heavy stocks on hand of most of the commodities which India imports ; and secondly of the lack of purchasing power of most of the markets to which «he normally exports her own commodities. In this connection it may be noticed that a comparison of the values of imports and exports of merchandise only, on the basis of the declared values in 1913-14, reveals an approximate decline in total trade from Rs. 427 crores in the pre-war year to Rs. 306 crores in the year under review.

Imports.—1. Cotton.

Taking first of all the import trade we find that cotton manufactures are still the most prominent of individual items The total imports under this head decreased in value from Rs. 102 crores in 1920-21 to Rs. 57 crores in 1921-22. The decline was principally due to the deadlock over exchange, and secondarily, though in a less important degree, to the vigorous revival

of the campaign in favour of Indian-made piece-goods. This latter fact was probably instrumental in encouraging the imports of cotton twist and yarn, which increased in quantity from 47 million lbs. in 1920-21 to 57 million lbs. in 1921-22. There was a striking increase in the imports of 31's and over, from 28 million lbs. in 1920-21 to 36 million lbs. in 1921-22. It may be noticed that this is the class of yarn most suitable for handlooms ; and, in addition to the large quantities imported, this class accounts for the major portion of the increased production of cotton twist and yarn by Indian mills themselves, which amounted to 692 million lbs. in 1921-22 as against 660 million lbs. in 1920-21. Of the reduced importation of cotton piece-goods, the most striking feature was the preponderance of grey goods and the very small quantity of coloured, printed and dyed goods. It may be noticed that as compared with the previous year the United Kingdom considerably improved her position in Indian cotton markets, *vis-d-vis* Japan ; her percentage share in the imports of grey goods rising from 72 to 83 ; and of white goods from 969 to 97'8. Under grey goods a striking feature of the year was the importation of 21 million yards from the United States as compared with 8 million yards in 1920-21. It should be noticed that a certain amount of grey cloth, both imported and Indian mill-made, was sold in India as homespun *(khaddar)*; but this was a very minor factor in the increased demands for grey goods.

2. Machinery.

The second place in the import trade during the year 1921-22 was occupied by machinery and mill work; the total value of importations increasing from Rs. 24 crores in 1920-21 to Rs. 35½ crores in 1921-22. The value of the total textile machinery imported rose from Rs. 673 lakhs to Rs. 1,282 lakhs, of which 97 per cent, came from the United Kingdom. Of the total imports of machinery and mill work including belting for machinery and printing machinery the United Kingdom enjoyed 83 per cent., as compared with 79 per cent, in the preceding year ; the share of the United States falling from 17 per cent, to a little over 13 per cent. Third among the commodities of India's import trade was sugar. India has resumed her pre-war normal

3. Sugar.

position as the third largest importer of sugar in the world, following only the United States and the United Kingdom. The total value of sugar imported during the year under review amounted to Rs. 27½ crores. By far the largest quantity, namely, 623,000 tons out of 717,000 tons, came from Java ; while Mauritius was a poor second with 61,000 tons. Imports of beet

sugar, which have been considerably interrupted since the war, rose to some 14,000 tons, the major portion coming from Belgium. The fourth most important item in India's import trade during 1921-22 was iron and steel. Since most of the Continental countries had considerable quantities of war scrap available, and since standards of living were there much lower, measured in sterling, than in the United Kingdom and in the United States, there were drastic cuts in prices, with the result that a great deal of Indian trade went to Germany and to Belgium. The former country supplied 10 per cent, and the latter 26 per cent. ; while imports from the United Kingdom declined to 46 per cent, in proportion, and in quantity to less than half the 1913-14 figure. Towards the end of 1921-22 supplies from Germany became irregular, delays occurred, and dates of delivery uncertain. Belgian supplies also suffered from the same defects, though not so markedly. In consequence, the rush to place orders on the Continent was to some extent restrained ; the promptness and the certainty of British supplies counterbalancing higher prices. Next in importance comes the heading of railway plant and rolling stock. Large orders were placed on account of post-war reconstruction and replacements ; with the result that imports on private and Government account combined were valued at Rs. 2,133 lakhs in 1921-22 as compared with Rs, 1,648 lakhs in 1919-20. The somewhat unusual features of the period 1921-22 are reflected in the prominence of the two next items. Owing to the shortage of the wheat crop there was a large importation of wheat from Australia and from the Pacific Coast of the United States, amounting to 440,000 tons valued at Rs. 914 lakhs. This large figure was a result of the stimulation of imports both on Government and on private account. The importations of coal were also quite abnormal, due first to local shortage resulting from labour troubles in the Indian collieries, and secondly to sensational reductions of prices in the United Kingdom. During 1921-22 no less than 1.5 million tons were imported into India as compared with 86,000 tons in the preceding year. Of this quantity 705,000 tons came from the United Kingdom. The item of hardware which includes such things as tools, metal lamps, enamel ironware, agricultural implements and the like declined in value from Rs. 9 crores in 1920-21 to Rs. 6 crores in 1921-22. The United Kingdom increased her share from 58 per cent, to 62 per cent., while both the United States and

4. Iron and Steel.

5. Railway Plant, etc.

6. Wheat.

7. Coal.

8. Hardware.

Japan suffered in comparison with Germany whose share rose from 3 per cent, to 10 per cent. In mineral oils there was also a decline, the figure of imports falling from 57 million gallons in 1920-21 to 46 million gallons in 1921-22 ; but it may be noticed that coastwise imports from Burma to India proper increased to 116 million gallons as compared with 100 million gallons in the preceding year. As prices of kerosene had a downward tendency during the year under review, the value of the imports declined from Rs. 431 lakhs in 1920-21 to Rs. 346 lakhs in 1921-22. The figures for the imports of motor-cars and motor-cycles reflected the extreme satiety which prevailed during this period after the excessive importations of the preceding years. The motor-car habit had been steadily growing in India before the war, and after the armistice there was a large unsatisfied demand backed by a considerable accumulation of purchasing power. Importers overestimated to a serious extent the scope of the real market, so that the importation of more than 25,000 cars in twenty-four months left very heavy stocks on the hands of dealers at the beginning of the year under review. As against the importation of 15,432 cars valued at Rs. 782 lakhs in 1920-21 there were imported into India during 1921-22 only 2,895 cars valued at Rs. 174 lakhs. Of these, 790 came from the United Kingdom, 576 from Canada and 802 from the United States. Among other items which showed a marked decline were raw and manufactured silk—a natural consequence of the year of severe trade depression—and imported liquors, particularly of the more expensive kinds, such as wines, brandies and liqueurs.

9. Mineral Oils.

10. Motor-cars.

11. Silk and Liquors.

Turning now to the export trade of India during the year under review, we may notice that the most important item was jute. The world demand for jute is based on its being the cheapest fibre available for bagging agricultural produce. But during 1921-22 there were many factors which tended to reduce consumption. Central Europe and Russia were widely disorganized ; the demand from South America declined owing to trade fluctuations. The shipments of both raw and manufactured jute were therefore much reduced; falling in weight by 15 per cent, and in value by 36 per cent, below last year's figure. Cotton is second only to jute in its importance to India's export trade. Exports of raw cotton increased to 2,989 thousand bales in 1921-22 as against 2,074 thousand bales in 1920-21. The principal consumer, as in

Exports.—!. Jute.

2. Cotton.

previous years, was Japan, who imports no less than 50 per cent, of her overseas cotton from India. It is doubtful, it may be noticed, how long this state of affairs will continue, since Japan is making every effort to increase the amount of home-grown cotton available, and the cotton output of Korea is rapidly increasing. Turning from raw to manufactured cotton we may notice that the cotton spinning industry had another prosperous year. The internal demand Was strong enough to absorb not only larger imports, but also the greater production of the Indian mills. This must be ascribed in considerable degree to the political movement in favour of the wearing of homespun *(khaddar),* a term which was so stretched as to include not only cloth woven by hand from mill-made yarn, but even mill-made cloth of a low count. The markedly reduced imports combined with the absence of serious labour troubles constituted a great source of strength to Indian mills during 1921-22. The total export of piece-goods increased from 146 million yards in the previous year to 161 million yards in the year under review. The total production of Indian mills increased from 1,580 million yards to 1,731 million yards ; but as the importations fell off from 1,509 million yards to 1,089 million yards, the total balance available for local consumption, after the deduction of the exports of Indian and foreign piece-goods, declined from 2,883 million yards to 2,587 million yards. The third most important item in India's export trade during 1921-22 is represented by hides and skins. The quantities of these commodities exported rose to 48,000 tons from 31,000 tons in 1920-21. This, however, was accompanied by a serious reduction in price as a result of which the value only increased from Rs. 525 lakhs to Rs. 598 lakhs. There had been abnormally heavy shipments to the United Kingdom and the United States in 1919-20, which resulted in those markets being heavily overstocked. The United Kingdom remained in this condition throughout the year under review, but the United States, although they reduced their takings of hides to a negligible figure, very considerably increased their consumption of skins.

3. Hides and Skins.

Oil-seeds,partieularly linseed, rape and sesamum, have always bulked largely in Indian export trade, and in 1921-22 they increased their total share from 7 per cent, to 8 per cent. The United Kingdom took a much reduced quantity of linseed, 83,000 tons as compared with 136,000 tons in the previous year ;. but Continental consumption almost doubled, the increase being most marked in the case of France and Italy. The most notable increase in this class of export was represented by ground-nuts, the quantity shipped

4. Oil-seeds.

from India rising to 236,000 tons as against 104,000 tons in 1920-21. The major portion of this increase is due to a striking growth in the quantities taken by France, who imported 149,000 tons in 1921-22 as against 39,000 tons in 1920-21. In view of the serious competition which Indian ground-nuts have to meet from Senegal, this figure must be regarded as satisfactory. Another interesting characteristic of India's export trade during the year is the recovery under tea. In 1920-21 this commodity had experienced a most disastrous slump; but thanks to a short crop and fine plucking the year closed with no stocks of unsold tea in India as compared with 40 million lbs. in the previous years. Nearly all gardens showed a profit on the year's working, some paid dividends and most were able to wipe out previous deficits. The percentage of India's share of the total imports of tea improved in the case of the United Kingdom to G4 per cent, as compared with 58 per cent, in 1920 ; in the case of France to 18 per cent, as against 15 per cent, last year, and in the case of Canada to more than 60 per cent. The total quantities of tea exported from India in 1921-22 was nearly 314 million pounds as against 286 million pounds in the previous year. Food grains and flour which usually bulk so large in India's export trade declined from 13 per cent, in 1920-21 to 5 per cent, during the year under review. The important crops of wheat and rice remained under control throughout. In the case of the latter commodity, licenses for export were freely granted during the early part of the year; and a strong German demand led to 1.4 million tons being exported as against 1 million tons in 1920-21. In the case of wheat, exports receded, owing to control, from 0.24 million tons valued at Rs. 410 lakhs to 0*08 million tons valued at Rs. 147 lakhs. The bulk of the whole Indian crop was either consumed locally or went to augment local stocks depleted on account of the failure of the monsoon in 1920. Among other items of the export trade we may notice that the exports of lac reached 435,000 cwts., the highest total recorded since 1909-10. As prices fell considerably, the total value increased only from Rs. 758 lakhs in 1920-2,1 to Rs. 792 lakhs. As usual, the bulk of the shipments went to the United States. Exports of raw wool improved from 23 million lbs. to 32 million lbs., but here again the value increased only by the small margin between Rs. 226 lakhs and Rs. 254 lakhs.

5. Tea.

6. Food Grains and Flour.

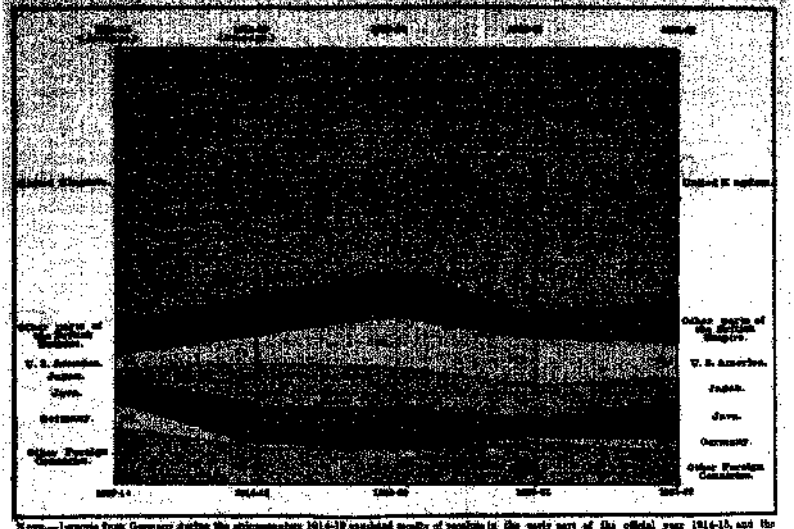
7. Miscellaneous.

In examining the direction of trade, we shall find that India's exports usually exceed her imports in the case of all countries with which she

deals in large quantities excepting the United Kingdom, where the reverse has always been the case. It will be noticed from the charts that the United Kingdom has not yet entirely regained the share of trade which she lost during the war to the United States and Japan ; her percentage share in imports falling from about 61 in 1920-21 to 57 in 1921-22, and in exports from 22 to 20. On the other hand, the share of the Dominions and other British possessions in the import trade improved from 5 to 10 per cent, and in the total trade from 12 to 15 per cent. The British Empire as a whole had 54 per cent, of the total trade (67 per cent, of the imports and 41 per cent, of the exports) as against 56 per cent. (66 per cent, of the imports and 43 per cent, of the exports) in 1920-21. The United States has not been able to maintain the strong position she acquired during the war, but her share both in imports and exports is still distinctly higher than in 1913-14. The same remark applies to Japan on the import side ; but on the export side her share was swollen in the year under review by receiving large quantities of cotton. Germany, it is interesting to notice, though still far from regaining her pre-war position of the second most important country in India's foreign trade, has already improved very considerably as compared with 1919-20. A remarkable feature both of the import and the export side is the steady growth of India's trade with East Africa and Zanzibar. If we observe the direction of trade in a few of the more important commodities we shall discover that the United States has consolidated in iron and steel the position which she built up during the war. During 1921-22 the United Kingdom lost seriously both to Belgium and to Germany. In machinery, while the United States retained a good deal of the ground she won during the war, the United Kingdom improved her share from 78 per cent, to 83 per cent. The position as regards these countries is approximately the same in the case of hardware also. Under the heading of motor-cars the United Kingdom; improved her position from 31 to 50 per cent., while the United States fell back from 53 per cent, to 25 per cent. In railway plant the position of the United Kingdom remained unchallenged. Upon the export side, the most remarkable features relating to tea are the disappearance of Russia and the considerable increase in the share of the United Kingdom. Under raw jute, the considerable increase in the share taken by Germany of the small exports of 1912-22 is particularly noticeable ; since it improved from 14½ to 30 per cent. Raw cotton exports are going very much more to Japan and China than before the war and very much

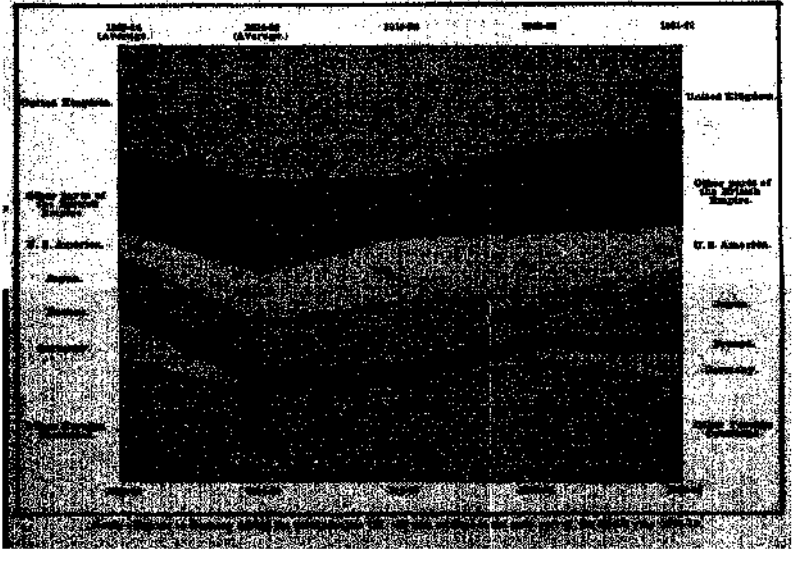
Direction of Trade.

Some Comparisons.



Note.—Imports from Germany during the principal years 1914-18 consisted mostly of receipts in the early part of the official year 1914-15, and the receipt of cargoes of prize vessels imported during the war period.

EXPORTS.



less to the Continent. Exports of hides and skins were, as already noticed, on a comparatively low level; but the share taken by the United States improved from 33 to 34 per cent., and that of Germany from 4½ to 9½ per cent.

The share of individual countries is a matter of some interest. The imports from the United Kingdom decreased by 27 per cent, to Rs. 151 crores ; while the value of the exports to that country showed a decline from Rs. 56 crores to Rs. 49 crores. Nearly 31 per cent, of the total imports consisted of cotton manufactures, which were valued at Bs. 47 crores as against Rs. 81 crores in the previous year. The other important groups, namely, metals and manufactures, machinery, railway plant and rolling stock, accounted for 41 per cent.' of the total imports as against 29 per cent, in 1920-21. The principal articles exported to the United Kingdom were tea (over Rs. 16 crores), raw and manufactured jute (nearly Rs. 5 crores), seeds (Rs. 4 crores), food grains (Rs. 3 crores), raw and tanned hides and skins (Rs. 3¼ crores) and raw wool (Rs. 2½ crores). As regards other British possessions, the total imports rose from Rs. 17 crores to Rs. 26 crores, while the exports fell from Rs. 54 crores to Rs. 52 crores. It may be noticed that the trade with South Africa has expanded considerably. Imports from the Union were valued at Rs. 16 lakhs in 1920-21 as against Rs. 145 lakhs in 1921-22, the increase being mainly attributable to large imports of coal from Natal. Exports to the Union increased from Rs. 182 lakhs in 1920-21 to Rs. 227 lakhs in 1921-22. The value of the total trade with Australia likewise increased from Rs. 750 lakhs to Rs. 1,349 lakhs, to which exports contributed Rs. 405 lakhs and imports Rs. 944 lakhs. The increase was due principally to the importation of 400,000 tons of wheat, but India also increased her purchases of wool and condensed milk. From India, Australia took less jute bags, rice and linseed, but increased her imports of tea, coffee and raw goat-skins. Japan succeeded in ousting the United States from the second place in India's foreign trade, the value of her total trade increasing by Rs. 2 crores to Rs. 52 crores. As in the previous year, Japan supplied the bulk of the imports of glass-ware, matches and silk manufactures. Of the exports to Japan, raw cotton accounted for 84 per cent, of the total value. Shipments to Japan of raw jute, gunny bags, indigo, paraffin wax and certain other commodities increased, while opium decreased. The United States, which fell back to third place in India's foreign trade in 1921-22, decreased her exports to India by Rs. 14 crores

Other .British Possessions.

Japan.

to Rs. 22 crores; while her imports of Indian goods decreased by Rs. 12 crores to Rs. 26 crores. The principal articles shipped by the United States were motor-vehicles, mineral oils, iron, steel, machinery, mill work and hardware. The bulk of the exports to the United States consisted of raw and manufactured jute, shellac and hides and skins. As we have already noticed, Germany made considerable progress during the year under review in the restoration of her trade connections with India. Imports from this country increased in value by 52 per cent, to Rs. 725 lakhs. India's exports to Germany expanded no less than 85 per cent, to Rs. 1,634 lakhs. Even so, the imports were 23 per cent, below the pre-war average and the exports 27 per cent. As compared with the preceding year increases were particularly noticeable in dyes, iron, steel, hardware, machinery, glass-ware, beer and printing-paper ; while there were decreases under salt, cotton goods, and silk goods. There was, however, a substantial recovery of India's pre-war trade with Germany in raw jute, raw cotton, hides and skins, seeds, raw hemp and rice.

United States.

Germany.

Before examining the balance of trade in the year 1921-22, we may point out that in normal years there is a* large surplus of exports over imports of private merchandise, which is liquidated by the payment of interest on debt and other Home charges, together with the importation of precious metals. The average credit balance of merchandise was Rs. 78 crores in the five pre-war years and Rs. 76 crores during the war years. In 1919-20, a year of unprecedentedly large volume of trade, this credit balance rose to Rs. 129 crores. In 1920-21, on the other hand, there was a debit balance of nearly 78 crores ; which during the year under review had improved to a debit balance of Rs. 21 crores. The total visible balance of trade as measured by statistics of merchandise, treasure, enfaced rupee paper and the like during 1921-22 was against India to the extent of Rs. 32 crores as compared with a debit balance of Rs. 48½ crores in the previous year. This reduction in the adverse balance indicates a tendency to return to normal conditions.

Balance of Trade.

In the preceding paragraphs we have been dealing with India's trade during the financial year 1921-22, which is the latest date for which the detailed analysis presented in the annual publication known as the Review of the Trade of India is available. During the last nine months of the calendar year 1922 the tendencies which have been indicated continued to operate.

Calendar year 1922.

As compared with the corresponding period of 1921, the value of India's imports in the nine months April to December 1922 decreased by Rs. 24 crores to Rs. 173 crores ; but the total exports, including re-exports, increased by Rs. 48 crores to Rs. 220 crores. The grand total of imports, exports and re-exports amounted to Rs. 393 crores, an increase of Rs. 24 crores or 6 per cent, over the previous year. Owing to the improved conditions of India's own food stocks, the nine months April to December showed a decrease of Rs. 4 crores in the value of imported food grains. There was also a large decrease amounting to Rs. 11 crores in the amount of sugar imported, while the return to a more normal condition in the matter of coal supply is indicated by decreased imports to the extent of nearly 1½ crores. The value of electrical instruments imported declined by Rs. 1.7 crores. Among the most important increases may be mentioned Rs. 4.8 crores in grey goods, Rs. 2.9 crores in coloured goods and Rs. 1.9 crores in white goods—figures which may be taken as an indication that the piece-goods trade is beginning to revert to normal conditions. As already noticed, India's exports have shown a marked tendency to increase during this period. Among the heaviest items may be mentioned an increase of Rs. 9 crores in exported rice ; of Rs. 8.6 crores in raw jute ; of Rs. 6.1 crores in gunny cloth ; of Rs. 5 crores in raw cotton ; of Rs. 3.9 crores in linseed ; of Rs. 3.6 crores in tea, and Rs. 2.6 crores in rape-seed. Every month from April to December 1922 revealed a substantial increase in the export trade over the corresponding figures of the previous year, varying from Rs. 1.2 crores in September to Rs. 8.1 crores in November. This improvement in the export trade, which is all the more encouraging considering the impoverishment of a number of India's former customers, is symptomatic of gradual return to normalcy in India's trade conditions. One notable feature has been a great increase in the trade between India and what may be called for convenience "distressed Europe," including therein Germany, France, Russia, Belgium, Italy, Austria-Hungary and Turkey. During the eleven months ending November 1922 India's exports to these countries increased to Rs. 5,009 lakhs as against Rs. 3,134 lakhs in the corresponding period of 1921. The imports into India from these countries also increased to Rs. 2,035 lakhs from Rs. 1,611 lakhs. There is thus reason for mild optimism even in the near future, particularly when it is remembered that during the first ten months of the financial year 1922-23 the net balance of trade has swung over in favour of India to the extent of 21 crores.

Gradual Return towards Normalcy.

Summary for 1922-23.

During the first three months of the calendar year 1923, these encouraging tendencies became still further marked. In March, the value of the exports of Indian produce and manufactures surpassed all previous records, touching high-water-mark at Rs. 3,120 lakhs ; while the wheat crop now being harvested is confidently expected to give a record yield. The latest summary returns for the official year 1922-23 show that while India's imports of private merchandise have declined from Rs. 26,635 lakhs to Rs. 23,259 lakhs, her exports have increased from Rs. 23,138 lakhs to Rs. 29,885 lakhs. Re-exports increased from Rs. 1,406 lakhs to Rs. 1,516 lakhs. As a result, the balance of trade at the end of 1922-23 has swung over in favour of India to the extent of Rs. 2,832 lakhs ; which is a striking contrast to the balance of Rs. 13,180 lakhs against India which marked the year 1921-22.

The Tariff.

Vitally connected with the commercial prosperity of India is the question of the tariff. For the last quarter of a century Indian political opinion has consistently demanded the formulation of some scheme of protection, under the aegis of which the industrial progress of the country might be assured. In this sphere, as in so many others, the introduction of the Montagu-Chelmsford Reforms marks the commencement of a new era. In consequence of the changed relations between India and Great Britain resulting therefrom, it has been laid down that India will control to an increasing extent her own fiscal policy. As a matter of convention it is agreed that the Secretary of State should normally refrain from interference in fiscal matters, where the Government of India and the Indian Legislature are at one. In accordance with a strong desire on the part of non-official members of the Council of State and the Legislative Assembly, that early steps should be taken to realise the fullest possible benefit which India can derive under the new convention, the Government of India appointed, in October 1921, a Commission of officials and non-officials with the following Terms of Reference : " To examine with reference to all the interests concerned the Tariff policy of the Government of India, including the question of the desirability of adopting the principle of Imperial Preference, and to make recommendations." The Commission consisted of Sir Ibrahim Rahimtoola, as President, and Mr. T. V. Seshagiri Aiyar, Mr. G. D. Birla, Mr. J. C. Ooyajee, Sir M. B. Dadabhoy, Mr. Jamnadas Dwarkadas, Sir E. Holberton, Mr. R. A. Mant, Mr. Narottam Morarjee, Mr. C. W. Rhodes, and Sir M. deP. Webb. Professor J. M. Keynes, who was among the

original members appointed by the Government of India, was unfortunately prevented from serving upon it. The Commission began its investigations in November 1921, and the conclusions of the members were published in the summer of 1922. The main report was signed by all the members of the Commission, but the President, and Messrs. Seshagiri Aiyar, Birla, Jamnadas Dwarkadas and Narottam Morarjee appended a minute of dissent. The preliminary conclusions formulated in the Report recommended the Government of India to adopt a policy of protection, to be applied with discrimination along the general lines hereafter indicated. In the selection of industries for protection and in the degree of protection to be afforded, it was stated, care should be exercised to make the inevitable burden on the community as light as is consistent with the due development of industries. The Report recommended the creation of a permanent Tariff Board, consisting of three members nominated by Government, to investigate the claims of particular industries to protection, to watch the operation of the tariff and generally to advise the Government and the Legislature in carrying out the policy formulated by the Commission. This Tariff Board, in dealing with claims for protection, should satisfy itself that the industry seeking protection possessed natural advantages ; secondly, that without the help of protection it was not likely to develop ; and thirdly, that it would eventually be able to face world competition unprotected. The Commission further proposed that raw materials and machinery should ordinarily be admitted free of duty, and that semi-manufactured goods used in Indian industries should be taxed as lightly as possible. Industries essential for the purpose of national defence and for the development of which Indian conditions are not unfavourable should receive adequate protection so far as necessary. It was also recommended that no export duties should be ordinarily imposed except for purely revenue purposes and then only at very low rates, but that when it was considered necessary to restrict the export of food grains such restriction should be effected by temporary export duties. Dealing with the question of Imperial preference, which was among the most important items of their terms of reference, the Fiscal Commission suggested that no general system of Imperial preference should be introduced, but that the question of adopting a policy of preferential duties on a limited number of commodities should be referred to the Indian Legislature after the Tariff Board had conducted a preliminary examina-

The Fiscal Commission.

Recommendations.

tion. This policy was to be governed by certain principles. In the first place no preference should be granted on any article without the approval of the Legislature ; no preference should be given in such a way as to diminish the protection required by Indian industries ; and no preference should involve on balance any appreciable economic loss to India. It was further proposed that any preferences which it might be found possible to give to the United Kingdom should be granted as a free gift, but that in the case of the other parts of the Empire, preference should be granted only by agreements mutually advantageous. Among the subsidiary recommendations which the Commission put forward was the abolition of the cotton excise duty ; the promotion of industrial development by providing opportunities for apprenticeship, for the increased mobility of labour, and for a greater industrial bias in primary education. The report also suggested that difficulties in the shape of shipping rebates or unfair advantages like dumping, depreciated exchange, and bounty-fed imports from abroad should be investigated and, where possible, removed. No obstacle should be raised, it was asserted, to the free inflow of foreign capital, but Government monopolies and concessions should be granted only to Companies incorporated and registered in India on rupee capital and with a reasonable proportion of Indian directors. The supplementary Minute of Dissent, while not disagreeing with the conclusions set forth above, considered that the recommendations of the Committee were hedged in by conditions and provisos calculated to impair their utility. Those who signed the minute maintained the necessity for an unqualified pronouncement that the fiscal policy best suited for India is protection. The signatories also desired to underline and strengthen the language of the main report in certain places where they considered it as half-hearted and apologetic. They expressed disagreement with their colleagues on the matters of excise, foreign capital, Imperial preference and the constitution of the Tarifi Board. Generally speaking, however, the broad unanimity of the recommendations put forward by the Commission as a whole was little impaired by the Minute of Dissent, of which indeed the outspoken language served to commend the entire document to sections of Indian opinion who might otherwise have denounced the conclusions as half-hearted.

The Minute of Dissent.

The Report inevitably met with severe criticism from many quarters. On the one side, the European commercial community, which is predominantly free-

Reception of the Report.

trade in its views, joined hands with the landed and agricultural interests to denounce the burden which a policy of protection would necessarily impose upon the vast consuming population of India. On the other, advanced political opinion, together with the indigenous manufacturing interests, condemned the Report as mealy-mouthed and unsatisfactory in its cautious reservations. Between these two extremes was to be found almost every degree of dissatisfaction, ranging from traders' comments upon the meagre degree of protection aimed at, to Labourite denunciations of the " plutocratic " character of the Commission. Two facts, broadly speaking, emerged from the war of words. The first was that such Indian sentiment as exists in vocal shape upon the Tariff question is predominantly protectionist; the second, that many Indian politicians and Indian commercial magnates cherish an almost childlike belief in the prosperity which would attend the adoption of such a policy. These facts would seem to show that while the producer-class of India has devoted considerable attention to the whole matter, the mass of the population, who so far as the foreign trade is concerned are principally consumers, take little interest in it.

Attitude of Government.

In these circumstances, it was obviously necessary for Government to move with caution. That steps would have to be taken in the general direction recommended by the Commission, appeared plain. The opinion of the politically minded classes was insistent upon the necessity of some form of protection, and the Legislature echoed the demand. Moreover, as a result of the changes introduced into the Tariff during the last two years for revenue requirements, India is already for practical purposes under a kind of protectionist system, which possesses the disadvantages of being unscientific, haphazard, and insufficiently co-ordinated with commercial considerations. On the other hand, there remained with Government the responsibility of safeguarding, so far as might be, the interests of the vast majority of the rural population, who are largely un vocal and wholly una wakened to the damage which they might suffer from a policy framed in the interests of the manufacturers and of the towns.

The New Policy.

It was accordingly decided to accept in principle the recommendations of the majority Report, but to lay stress, in so doing, upon the fact that India's tariff policy must be guided as well by the requirements of revenue as by the interests of industry. When this was granted, there was every reason to revise the tariff upon a more scientific basis, which, while bringing:

the necessary income into the coffers of the State, might at the same time afford adequate protection to deserving enterprise. The standpoint of Government was clearly indicated early in 1923 by Mr. C. A. Innes, the Commerce Member of the Viceroy's Council, in moving the adoption by the Legislative Assembly of a motion accepting in principle the proposition that the fiscal policy of India may be legitimately directed towards fostering the development of industries in India. In the application of this principle, the mover explained, regard must be had to the financial needs of the country and the present reliance of Government upon customs and excise ; as well as to the necessity for discrimination as laid down by the Fiscal Commission's Report. He announced that Government had decided to appoint a Tariff Board of one official and two non-officials, to hold office for one year as an experimental measure, and to constitute an investigating and advisory body, whose counsel might be at the service of the Administration in fiscal matters. After an animated debate, in which the conflicting interests of commerce and agriculture found clear expression, the Assembly adopted the official motion as constituting a reasonable compromise.

The future.

That the decision of Government and of the Assembly in the matter of fiscal policy represents a definite step in the direction which Indian national senciment has for long been advocating, will be at once apparent. Whether the acquisition by India of unrestricted fiscal autonomy would be followed, as many people now seem to believe, by a protracted era of rigorous protection, may well be doubted, in view of the marked effect which such a policy would quickly produce upon internal prices. At present, there is reason to believe, the advocates of extreme protection derive much of their strength from the feeling, becoming every day less justified, that India is not really free to experiment in the manner she desires. Now that a beginning has been made, it is hoped that the question of the country's real interest may be settled in accordance with the dictates of common sense rather than the prejudices of political sentiment.

Indian Shipping.

In. another direction, also, the year 1922-23 has witnessed an advance of a kind which has of late been insistently demanded. Partly in consequence of the shortage of shipping which characterised certain of the years since 1914, and partly owing to a belief that India, with her long seaboard, cannot realise her national aspirations by land alone, there has been growing up a desire for the establishment of an indigenous Mercantile Marine.

It is perhaps regrettable that an aspiration so entirely legitimate should have been buttressed, at least in certain quarters, by appeals to postulated naval glory in the past, and by exaggerated denunciations of "foreign" shipping combines in the present: but it should be remembered that Indian enterprise has been heavily handicapped by the lack of any encouragement or protection, and few Indian shipping companies have been able to survive the keen competition and severe rate-cutting that from time to time obtains in Indian waters. Early in 1922 the Legislature took up the matter in right earnest. The Assembly adopted a resolution moved by Sir Sivaswami Aiyar for the appointment of a committee to consider the nautical training of Indians and the establishment of an Indian Mercantile Marine : while the Council of State accepted a similar resolution by Mr. Lalubhai Samaldas. Government accordingly appointed a committee early in 1923 to consider what measures can usefully be taken to further the objects of the Resolution ; and this Committee is at the moment of writing pursuing its enquiries.

The State and Industries.

The general dependence of Indian trade upon the prosperity of Indian industries needs no lengthy demonstration. The war-period gave a considerable shock to those who were anxious for the industrial progress of the country, since the notable report of the Indian Industrial Commission showed that India was unable to produce more than a small fraction of the articles essential for the maintenance of ordinary civilized activities. Rich as she is in raw material, India is still very poor in industrial achievements ; and in several important branches of industry, she has to buy back manufactured articles towards which she has already contributed raw materials. The difficulty has hitherto been that without active support on the part of the Administration few Indian industries, except those based upon some natural monopoly, could hope to make headway against the organized competition of western countries. The English tendency to allow matters to follow their natural economic course accordingly prevailed, until war-experience served to change current notions as to the function of the State in relation to industries. In justice to the Indian Administration it must be remarked that some time prior to the war certain attempts to encourage Indian industries by means of pioneer factories and Government subsidies, were effectually discouraged from Whitehall. Fortunately for India, the history of the war-period has effectively demonstrated the necessity of Government playing an active part in the industrial development of India. As was mentioned in preceding reports, the labours of the

Industrial Commission led to the formulation of proposals for the organization of a central Department of Industries.

The Department of Industries and Labour.

In February 1921 the Secretary of State sanctioned the creation of such a department as a permanent branch of the Government of India. Its scope included industries and industrial intelligence, industrial exhibitions; central institutions for industrial training; geology and minerals, including the Geological Survey of India, the administration of the Indian Mines Act, the Indian Explosives Act, the Indian Petroleum Act. The Indian Factories Act and other labour legislation also fall within its sphere ; while patents and designs, copyright, legislation relating to electricity and to steam boilers, stores, stationery and printing, inter-provincial migration, and salt were also transferred to it. To these important functions, after the regrouping of subjects consequent upon the Retrenchment Committee's Report, were added Meteorology and Civil Aviation, Posts and Telegraphs, Irrigation and Public Works ; while salt was transferred to the Board of Inland Revenues, working as part of the Finance Department; and exhibitions to the Department of Commerce. The new department from henceforth will be known as the Department of Industries and Labour.

Central and Local Shares in Industrial Development.

With the introduction of the Montagu-Chelmsford Reforms, the development of industries has become a provincial transferred subject. The policy to be pursued in the matter of granting assistance to industries, the development of technical and industrial education, and to a large extent the research work necessary to establish the value of raw materials, is now determined by the Minister in charge of the provincial departments of industries. The constitution, however, permits the Central Government to retain control over industrial subjects when it considers such a course to be necessary. For example, the establishment of pioneer industries for the conduct of which on an adequate scale the resources of any province would be inadequate ; or the establishment in similar circumstances of institutes for carrying on research and training which affect the country as a whole may bo made the direct concern of the Government of India. Such questions as that of making India self-supporting in the matter of stores required for military purposes also fall within the scope of the Central Department of Industries and Labour; in which connection it may-

Some Activities of the Department of Industries.

be mentioned that during the year under review an enquiry was made as to whether any firms in India could undertake the manufacture of dynamite glycerine. The Calcutta Soap Works Ltd. intimated their readiness to undertake the manufacture provided they received certain financial assistance from Government. Provision was accordingly made for the grant of a loan to the Company to enable it to purchase special refining plant, and the details of the contract were under consideration at the close of the year. Further, the Central Government is proceeding to establish a school of Mines and Geology and ultimately a Central Chemical Research Institute. The latter scheme has had to remain in abeyance on account of the financial position ; but a certain progress has been made with the Dhanbad School of Mining and Geology. The scheme originally submitted by the governing body was found too expensive and a revised scheme was called for. The Legislative Assembly, which was alive to the importance of the project, voted Rs. 1 lakh for the collection of materials for the building; but in pursuance of a recommendation of the Retrenchment Committee, further expenditure on the construction of the School has been temporarily postponed.

Purchase of Stores.

Among the most important of the immediate proposals made by the Industrial Commission was probably that of the local purchase of Government and Railway stores. Although the principle that Government stores should be purchased wherever possible in India has long been accepted, the absence of any institution for the amalgamation of indents and for technical inspection during manufacture has rendered its practical application difficult. Manufacturing industries could not of course be started without a sufficient and continuous market, while orders could not be placed so long as there existed no adequate means of manufacture. The first means for breaking down this vicious circle was the institution of a machinery for bringing Government buyers into effective touch with local manufacturers. In 1919 a Committee was appointed to scrutinise Government indents with a view to their being executed in an increasing degree in India, to consider methods by which the purchase of stores could be shared by the central and local governments ; and to examine the possibility of assisting railway companies and other public bodies to do the same thing. Subsequently the Secretary of State signified his approval to the constitution of an Indian Stores Department.

The Indian Stores Department.

The Chief Controller assumed charge of his post at the beginning of 1922, and proceeded to formulate a detailed scheme for the

organization. On the purchase side the Department has taken over the work of purchasing textile goods for the Army and certain civil departments. During the year under review, purchases were effected to the value of Rs. 1.7 crores. On the inspection side the two existing organizations of the Metallurgical Inspectorate at Jamshedpur and the Government Test House at Alipore have been incorporated in the Department. During the year the Metállurgical Inspector carried out tests on about 117,000 tons of material. The Test House inspected materials to the value of Rs. 1.4 crores and performed more than 4,000 tests. Among the most important of the stores now purchased in England may be mentioned those which are required for railways. Owing to the circumstances already mentioned, demands have continued to be made on Great Britain for many articles and materials which might well have been manufactured in India. Keen interest has been taken in this subject during the period under review by the Indian Legislature ; and as the result of a resolution which was carried in the Assembly in March 1922, a Committee of both Houses was appointed both to advise Government on the manner in which the stores purchase rules should be revised, and also to consider what steps should be taken to establish industries capable of producing the material required by Indian railways. The Committee after two meetings decided to postpone further consideration of its terms of reference until the members had an opportunity of studying the recommendations of the Fiscal Commission. Now that these recommendations have been received their Report is shortly expected. The organization of the Indian Stores Department has led to a corresponding diminution of the work of the Surplus Stores organization, which is now only concerned with the disposal of surplus stores on behalf of His Majesty's Government. The total value of surplus stores of all kinds disposed of during the period 1st January to 1st September 1922, amounted to Rs. 286 lakhs, of which Rs. 178 lakhs was represented by textile stores, Rs. 97 lakhs by engineering and miscellaneous stores, Rs. 11 lakhs by medical stores and foodstuffs. With the gradual disposal of the stocks available, the Surplus Stores organization is destined to disappear; and already some proportion of its personnel has been absorbed into the new Indian Stores Department.

Railway Stores.

Surplus Stores.

Among the miscellaneous activities of the Department of Industries during the year under review, we may select for notice two or three of the most import-

Printing.

ant. The rapid increase in the expenditure on Government stationery and printing has been engaging the attention of the authorities for some time past; and eventually in January 1922 an experienced officer was placed on special duty to examine all possible avenues of economy. After a careful investigation, he put forward various proposals both for controlling the printing work of the Government of India and for regulating the employment of articles of stationery in the various offices. These proposals, which included a reduction of the number of forms used in the civil and military offices, and a thorough reorganization of the Government of India printing presses, were emphatically endorsed by the Inchcape Committee. To some of them effect has already been given, while others are under consideration. In connection with the general question of Government's large printing business, it may be mentioned that a scheme has recently been introduced for the training of Indian youths for supervising posts in presses ; and during 1922 three apprentices have been taken into the Government Central Press, Calcutta. Another activity of the Industries Department during the year under review relates to the question of revising the Mining Rules,

Revision of Mining Rules.

particularly in connection with concessions for oil. One of the proposals under consideration is the extension of the period of prospecting licenses ; and the empowering of local governments, where sufficient reasons exist, to grant mining leases for oil for a very much larger area than the rules at present permit. Among other industrial regulations of an important nature which were revised during 1922 may be mentioned those relating to

Steam Boilers.

Steam Boilers. As a result of the recommendations of a Committee appointed to consider the Boiler Laws, a Bill to consolidate and amend the law on this subject was introduced in the Legislative Assembly on the 6th September 1922 and has been finally passed by the Indian Legislature. The object of the legislation is to secure uniformity in every province in technical matters connected with Boiler Regulations, and to insist on the registration and regular inspection of all boilers throughout India. Draft Regulations prescribing the method of determining the permissible pressure for any given standard of construction and the like, have been prepared in consultation with the Board of Trade and leading Companies for promulgation when the new Act comes into operation. It may also *he* mentioned that during 1922 reciprocal arrangements for the protection of patents have been entered into with the

Patents Protection.

United Kingdom, New Zealand, South Africa

and Ceylon. The various very notable enactments falling under the head of labour legislation, which occupied a large share of the attention of the Department of Industries during the period we are now considering, will be described in the next chapter.

Salt.

During the year 1922 an important sphere of the activities of the Industries Department was represented by the control of salt, a subject which early in 1923 has been made over for management to the Board of Inland Revenue. Salt plays a prominent part in the domestic economy of India, and the shortage in this commodity which proved so serious a trouble during the years since 1916 has compelled the Northern India Salt Revenue Department to adopt certain unusual expedients for the protection of the consumer. Towards the end of 1920, as was described in last year's Statement, agents were appointed in every district in Northern India, as well as in certain Indian States, to whom an allotment of salt from Northern India sources could be made monthly on the basis of population. The internal distribution of salt within each district was controlled by the District Officer and within each state by the Darbar, the only requirement made by the Salt Department being the limitation of commission realised by the Agent. A percentage of salt was allotted to the old established traders at the sources with a view both to preserve their business and to keeping prices down to the minimum. The system had a marked effect on prices, which fell considerably throughout the United Provinces and the Punjab ; but it tended to oust the legitimate trader in favour of outsiders, and placed a serious additional burden of work both upon the Northern India Salt Revenue Department and the District Officers. Towards the close of the year 1922 accordingly the Government of India intimated that they hoped to remove the control as soon as such a step could safely be effected ; and it is hoped that a return to free trade in salt may be found possible during 1923. One main obstacle to the supply of cheap salt in adequate quantity arises from the fact that the output of the Northern India sources is unequal to the demand. The tendency towards high prices which results is aggravated by defects in the system of distribution. Railway transport presents a difficulty; and impositions on the part of vendors are not always easy to defeat. Considerable efforts are now being made to raise the output of salt from the Rajputana and Punjab sources, which supply the Punjab, the United Provinces, Rajputana, the Central India Agency, the nearer parts of Sind, and to some extent the Central Provinces and Berar; but in certain of these regions the output of the

Bombay and Sind sources competes with those of Northern India. In order to render the Northern area independent of imported supplies and unaffected by the operations of the speculator, it has been calculated that the output of the Rajputana lakes and the Punjab mines must be roughly doubled. Large schemes for the development of these sources estimated to cost over half a million sterling have been launched with the advice of expert engineers. The scheme for the development of the Sambhar lake is making satisfactory progress, and it is estimated that the extra brine saved by the machinery recently installed, when the rains failed at the lake in 1921, has saved Government in salt extracted more than the total expenditure on the whole scheme up to date. The new works at Sambhar were brought near to completion and salt handled by the improved methods was brought to the new central store with great advantage to the Railway and the despatching branch. The plant ordered for the development of the Khewra Mine in the Salt Range is beginning to arrive and rapid progress should now be made both in increasing output and in expediting despatch. The year has been a period of steady progress, the results of which have fully justified the expenditure involved, and brought well into sight an outturn fully equal to the Northern India demand.

New developments.

In connection with the general popularization of Indian industries in other parts of the Empire, mention may be made of the British Industries Fair of 1922, which was organized by the Department of Overseas Trade in London. The Governments of the United Provinces, the Punjab, Burma, and Bombay participated in the Fair; and a total floor space of more than 2,000 square feet was engaged. The Indian Trade Commissioner, who supervised the arrangements on behalf of India, reported that the work done was of real value. The sales effected, and orders booked amounted to about £5,000—a gratifying increase of 20 per cent, over those received at the Fair of the previous year. Steps are also being taken to secure that India takes her proper place in the British Empire Exhibition to be held in 1924. Government moved the Legislative Assembly to consent to the provision for funds from central revenues to meet the cost of participating in this enterprise. The Assembly duly sanctioned the expenditure, and it was agreed that from it there should be defrayed the initial cost of all buildings to be erected (except the Burma exhibit which desired to be separate); the cost of a Commissioner for the Exhibition whose duties it would be to advise and assist local Governments,

Exhibitions.

Indian States, and others participating ; and the cost; incidental to that portion of the expenditure with which the Central Government was particularly concerned. The Government of India with the consent of the Secretary of State proceeded at once with the preliminary arrangements for the Exhibition. The High Commissioner for India took charge of the work in England, assisted by the Indian Trade Commissioner and by Advisory Committees for India and Burma which were constituted in London. Diwan Bahadur T. Vijayaraghavacharya, of the Madras Civil Service, was appointed Commissioner for India for the Exhibition ; and after proceeding to England in July 1922 to make preliminary arrangements for the erection of the buildings and for other matters arising for consideration, he returned to India in October, embarking upon a tour of the Provinces and States which have decided to participate in the Exhibition. It has been decided to erect a building of Indian design covering a total space area of about 100,000 square feet, the cost of which is estimated at over £100,000. Instructions were sent to the High Commissioner to start building operations as soon as the estimate had been accepted by the Standing Finance Committee. It may be mentioned that only Indian timber will be used in the building. The main structure is to be divided into courts, a central space being reserved for exhibits of all-India interest, among which it has been decided to include a forest section and cotton exhibits. Separate courts will be allotted to Provincial Governments and Indian States which desire to have exhibitions of their own. Several of the major Provinces have intimated their desire for separate space, and there is every indication that the Exhibition will be enthusiastically supported. An Indian exhibit will also be sent to the Imperial Town Planning, Hygiene, and Tropical Diseases Section, while the Government of India will participate in the Imperial Fine Arts Section.

Co-operation between Central and local Departments of Industries.

From what has been said as to the importance of the part played by the new popular Ministers in the future direction of the industrial activities of the Provinces, it will be plain that the value of close consultation between the Central Department and the Provincial Departments is very great. During the year under review, the fourth of the regular conferences of Departments of Industries was held, at which all the provincial Ministers in charge of this subject were present except one. These conferences serve a very useful purpose ; for personal discussion enables the new relations between the Central and the Provincial Governments and the future

methods of co-operation between the Provincial Departments of Industries to be better understood. The opportunity is always taken to determine lines of policy on many questions of general importance for the industrial development of India. Among the more important topics which came up for discussion in the April Conference was that of instituting the all-India Industrial and Chemical Services recommended by the Indian Industrial Commission. The general opinion of the provincial Ministers was adverse to the creation of these two services ; but in view of the informal character of these conferences the Government of India addressed local Governments inviting their opinion as to whether, in view of the decision of the conference, they still wished to proceed with the institution of these services on the lines originally conceived. The difficulty apparently lies in the fact that the Indian Industrical Commission's proposals would involve the creation of new services with vested interests over which the local Governments would exercise only a limited measure of control, while the work which these services would have to perform would be entirely a provincial concern. There is thus a general feeling among the provincial Ministers that they would prefer to engage their own experts themselves on short time contracts. The idea of instituting such services has since been abandoned.

Provincial Departments of Industries.

A notable feature of the industrial progress of the country has been the increasing strength of the provincial organizations under the Ministers and Directors of Industries. A brief review of the work accomplished in particular provinces will indicate at once the importance of the field which now lies open to popular enterprise, and the unfortunate restrictions which have been placed upon its development by the financial stringency at present prevailing. In Madras, for example, considerations of economy have induced the Government to reduce the industrial engineering staff, despite the value of the work which it was performing. In other directions, however, the work of the

Madras.

Department of Industries continues to make a gratifying progress. An Advisory Board which was constituted at the end of 1920 sat at frequent intervals throughout the year under review ; the most important of the multifarious subjects discussed at its meetings being the question of State aid to industries, to provide for which a Bill was introduced in the Legislative Council and enthusiastically carried. As evidence of the manner in which industrial enterprises are gaining in popularity it may be mention-

ed that there was an increasing demand for the assistance of the Intelligence Bureau, which aims at aiding new industries and expanding existing enterprises by supplying private persons with expert advice on suitable markets, on sources of raw material and similar questions. The experimental enterprises carried on by Government continued to flourish. The demands on the soap factory at Calicut increased ; and the completion of the buildings for the Industrial Institute at Coonoor leads to the hope that jam-making will soon be established on a commercial basis. A demonstrational textile institute has been opened, and the expert on the staff of the department has introduced several time-saving appliances for the use of weavers. Ten weaving parties toured the Presidency demonstrating the advantages of improved methods. For the first time during the year under review the Madras Industries Department undertook the control of sericultural work, and towards the end of the year a mulberry farm was opened. Chemical research work investigations were conducted into the process of coir production and the utilization of limes and tamarind as sources of citric and tartaric acids. The ink and glue manufactured by the Department always find a suitable sale, while the Trades School and the Leather Trades Institute did excellent work. In Bombay industrial life suffered from a period of considerable depression save in the sphere of cotton spinning and weaving, which enjoyed another remarkably prosperous year. Village industries did fairly well and handloom weavers in particular enjoyed a boom. The Department of Industries continued to give instruction in the use of mechanical improvements, such as fly-shuttle sleys and mechanical dobbies. Demonstrations in Calico printing at Ahmedabad resulted in the establishment of one or two small factories ; and there are other signs of the Department's activities stimulating the revival of its industry. The demonstration casein factory in the Kaira district was also continued, and technical advice and assistance was furnished to a number of small industries. The production of magnesium chloride at Kharaghoda, in which the Department has taken special interest, declined through the remarkable fall in the price of the imported chemical, but the manufacturers have taken up the production of refined salt with promising results. In the pottery section, arrangements are being completed for producing floor tiles and teapots on a semi-commercial scale, while a large number of brick-making mixtures have been tested for the Bombay Development Directorate. Two State scholarships were awarded for study in Great Britain of tanning and of bleaching and dyeing, and two for the study

Bombay.

of technical chemistry and electrical engineering at the Indian Institute of Science, Bangalore.

Bengal.

In Bengal, as elsewhere, the severe depression from which almost all the industrial activities of India suffered throughout 1921 continued up to the middle of 1922, when industrial prospects began to brighten and a tendency towards inprovement set in. Among the obstacles to the industrial awakening of the Presidency may be mentioned the fact that in many industries, particularly in iron and steel, no real industrial community has yet established itself : the workmen being largely cultivators who spend a portion of each year on their land. The minor industries of the province suffered severely from the prevailing depression, and at the moment, capital even for sound industrial schemes can hardly be obtained. None the less, companies were at work, manufacturing machinery for the tea industry, and spare parts, replacement, and repairs for mill and other similar machinery. Rice mills, oil mills, and lac factories are working in the country districts, handlooms for weavers are finding favour and cottage industries are being attended with some success. Perhaps more important in its future potentialities than any other feature of the present situation, is the remarkable change in the attitude of the educated classes towards industry. There is a growing demand for technical and industrial training ; and an increasing readiness to take advantage of such facilities as the Department of Industries can afford private enterprise. In the United Provinces the Department of Industries has been considerably expanded of recent years. During 1921, in addition to the two Deputy Directors appointed in accordance with the recommendations of the Indian Industrial Commission, Superintendents of Industries were placed in charge of each of the 10 divisions of the province, in order to carry out a complete survey and to report the difficulties experienced by small enterprises. At the beginning of the period immediately under review, a Stores Purchase Department was opened with the special object of encouraging industrial development. Instructions were issued by Government that stores required for public service should in all suitable cases be of Indian manufacture. The result is that many orders which would formerly have gone abroad have been placed in India; and substantial economies made possible by consolidation, and purchases in bulk have in many cases been effected. There is at Lucknow a Central Emporium in connection with the School of Arts and Crafts for the maintenance of a proper and uniform standard of work; for the

United Provinces.

regulation of supply and demand and for the discovery or adequate markets both within and without India for the products of provincial industry. Despite the prevailing trade depression, orders have been placed and goods sold for a considerable amount. Among other features of industrial activity in the United Provinces mention may be made of the Technological Institute which is to provide a place where students will be taught the elements of engineering and the chemistry of their particular subject; and at the same time will receive practical training on a factory scale in the line which they are studying. The project was mooted before the war, but it was not until 1919 that a beginning could be made. The foundation stone of the Institute building at Cawnpore was laid by His Excellency Sir Harcourt Butler in November 1921, and plans for its completion are being pushed on as rapidly as possible. The Technical School, Lucknow, is to be extended into a college for the instruction of mechanical and electrical engineers as soon as funds will permit; while the Central Wood Working Institute, the Leather Working Schools of Cawnpore and Meerut and the various Weaving Schools continue to do excellent work.

The Punjab.

In the Punjab, the Department of Industries continues to discharge its useful functions; but before any marked industrial developments can take place in this predominantly agricultural province, the three requisites of cheap power, facilities for transport and marketing, and technical education, must be provided. In the absence of an adequate supply of coal, attention is being directed to the development of the hydro-electric power which exists in the province. Meanwhile, railway transport facilities have been improved; and the Tramway Engineer has been fully employed in making surveys for agricultural tramways to assist in the marketing of agricultural products. The marketing of cottage industries is being facilitated by the establishment of the Arts and Crafts Depot in Lahore. Here inlaid brass and ivory work, painted and chased lacquer work, pottery, damascened metal work, silver and enamelled jewellery, turned and carved ivory, carpets, embroidery, printed goods, and numerous other artistic productions of the Punjab are collected and offered for sale. Facilities for technical education of a very thorough kind in mechanical and electrical engineering, motor-car work, tanning, dyeing and boot manufacture, will shortly be available, as special institutions far these purposes are under construction by Government.

Bihar and Orissa.

In Bihar and Orissa the most important development in the Department of Industries took place in the branch of technical

ana industrial education. An institute for the training of young men in the iron and steel industry was opened at Jamshedpur with the help of Government, on condition that one-third of the vacancies are reserved for boys domiciled in Bihar and Orissa. The East Indian Railway has also agreed to establish a similar institute at Jamalpur, where about 200 apprentices will be engaged, of whom half will be Indians. To this institute also the local Government have agreed to contribute On the industrial side the chief work accomplished was in the textitle branch Considerable progress was made during the year under review in.the introduction of the fly-shuttle loom, and a scheme for the estaublishme. of seven more demonstration parties was approved. A silk institent was established at Bhagalpur, and an experimental station for cotton weaving at Ranchi and a blanket factory for hand looms at Gaya. In

Central Provinces.

the Central Provinces, very important work was transacted by the Advisory Board which is associated with the Director of Industries. The officers now employed by the Department include an Electrical Adviser, a Textile Expert, a Leather Expert, an Inspector of Factories and Boilers, an Inspector of Industrial Schools, a Commercial Agent, and several other specialists. The use of electricity is being developed in the province wherever possible, and in this direction local bodies are being given every assistance. Good progress is being made in textile work, and more than 2,000 improved sleys have been sold to weavers as against 1,000 in 1920. It has been calculated that the introduction of 3,000 sleys has added Rs. 17 lakhs to the earnings of a percentage of the weavers in the province. Efforts to induce local talent to make and sell dobbies have met with gratifying, success and shuttles are now stocked in many bazaars. It may be noticed that for instructional purposes in technical schools the cinematograph has been used with good results, but there is some difficulty in obtaining suitable films. For the exhibition and sale of the products of village or cottage industries, an emporium has been opened in the Central Museum, Nagpur. Despite its small and modest beginnings this enterprise has been strikingly successful, sales having of late averaged between Rs. 500 and Rs. 600 per month. Even more important is the fact that shop-keepers visit the emporium to inspect the exhibits and to obtain information regarding sources of supply. As a practical example of the benefits derived from this institution by the local trade, mention may be made of the fact that Nagpur shopkeepers are now buying toys from Saugor, silks from Champa, coloured handkerchiefs from Burhanpur, and penholders from Hoshangabad. Like the provinces of British India, the more ad-

vanced Indian States possess their own Departments of Industries. Mention may be made in this connection specially of the work done in Hyderabad, Gwalior, and Baroda. In the last named State, during the year under review, important investigations have been made into the existence of natural gas at Jagatia and Baroda, while investigations into the improvement of woollen manufactures and fish-canning were continued. Handloom demonstration parties succeeded in introducing many improved looms.

From what has been said it will be plain that the development of Indian industry is now a subject to which much attention is being directed. Nevertheless, for many years to come, the prosperity of India seems destined to rest upon agriculture rather than upon industries. Three persons out of every four in India gain their livelihood directly from the soil; hence it is that the improvement of that livelihood constitutes the readiest way of regenerating the economic life in India. The world's progress has affected agriculture equally with other occupations, and unless the Indian agriculturist can be equipped with knowledge as well as capital for developing the resources at his disposal, it is difficult to see how he will in future support his share of the economic burden from which no nation on the road to self-government can escape. During recent years, an extraordinary change has taken place in the position which the Department of Agriculture occupies relative to the agricultural population. In many places the cultivator has already learnt to look the expert as a friend and a guide, and his old attitude of suspicion towards new methods is beginning to be substantially modified. When the success of new methods can be quickly and plainly demonstrated, they spread with remarkable rapidity. The so-called conservatism of the Indian cultivator is generally merely that of the sound practical farmer, who requires good reasons for departing from well-established practice. The economic influence of high prices, combined with the intensified demand, resulting from the war, for higher production, has stimulated in great degree the adoption of improved practice. On the other hand, the question of initial resources continues to be of importance. To the farmer possessing the necessary capital to supply irrigation water, plenty of manure and efficient tillage implements, the question of the suitability of crops to local conditions becomes a matter of little importance. But to the Indian agriculturist possessing few of these advantages, crop varieties are all-important, and

Indian agriculture.

Progress and conservatism.

the first and obvious step in the improvement of his agriculture is to provide him with those which are suitable to existing conditions. He is already awakening in many places to the fact that he is not extracting from his land all that it is capable of producing. Indeed the willingness of the agriculturist to learn how to improve the quantity and quality of his crops is being held by those in a position to form a sound judgment of the matter as the dawn of an era of intensive cultivation. The major operations of the Agricultural Department naturally accord with these tendencies. They have been in the direction of the introduction of improved varieties of existing crops. The other side of the question, namely the improvement of soil and other local conditions, will be a matter of slower growth ; since increased capital or at least extended credit, will have to be forthcoming for its fulfilment.

The Departments of Agriculture.

If only the Central and Provincial Departments of Agriculture can be expanded proportionately to the magnitude of the task before them, the future prosperity of India may be regarded as assured. Great areas of land, at present either wholly unutilised or insufficiently exploited, lie ready to yield, after the application of labour, manure and water, tons of valuable crops. Hitherto unfortunately, it has not been found possible to expend upon scientific agriculture that amount of money which India's necessities really require. The Imperial Department of Agriculture which has its head quarters at Pusa in Bihar and Orissa is maintained at a cost slightly more than £96,500 ; while the total expenditure of all the Provincial Departments amounted in 1921-22 to £1,047,870. This works out at a total charge on the country of about one half-penny per acre per annum.

Their work.

A brief note of the work accomplished by the Agricultural Department in dealing with particular crops will do more than many pages of argument to demonstrate its utility to the country. First in importance of all the grain crops in India is *rice*. Its yield is a vital factor in the country's welfare. Accordingly, to the selection of improved varieties and to the supply of suitable seed, the Agricultural Department devotes much of its attention. The demand for this improved seed now far outruns the supply ; and in the four principal rice-growing provinces—Bengal, Burma, the Central Provinces and Madras—the areas under improved varieties are now not less than 56,000; 73,000; 61,000; 29,000 acres respectively.

Rice.

This is not a matter for surprise when it *is* observed that one of the departmental strains

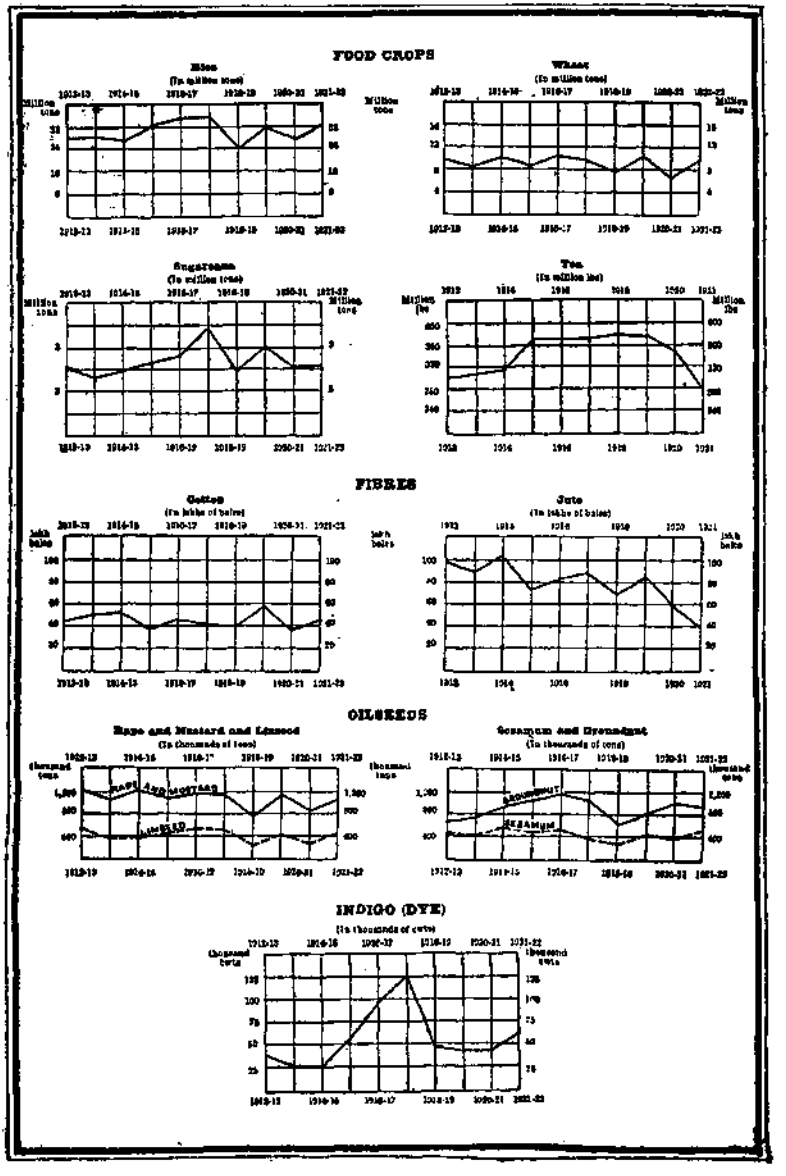
-which has been planted in the Madras Presidency yields no less than 3,771 lbs. per acre, representing a net profit to the cultivator of nearly £23 per acre for the crop. Some of the departmental selections of Burma rice yield per acre from eight to ten baskets of 51 pounds each more than the best local varieties ; while the Bengal varieties have been yielding 246 to 492 lbs. more per acre than the varieties they are replacing. In the Central Provinces a variety of rice introduced by the Department yields 470 lbs. of paddy more than the local variety and thus fetches an increased income of about £1 per acre to the cultivator. If the rice crop can be improved throughout the country in something like this measure, it will enhance the prosperity of a larger proportion of the people of India than can be effected by the improvement of any other single crop, for it occupies a larger area and is used as a staple food by a greater percentage of the population of the country than any other stock. During the period under review, this crop in fact suffered a reduction from a revised figure of 81*9 million acres in 1920-21 to 81·2 million acres, but thanks to the well distributed rainfall the yield of rice rose from 27.7 million tons to 33 million tons.

Next to rice in importance in the list of Indian crops stands *wheat.*

Wheat.

During the year under review, the area under this crop rose from 25'7 million acres (revised figures) in 1920-21 to 28'2 million acres and the estimated yield from 67 million tons (revised figures) to 9.8 million tons. Indian wheat is as a rule of low quality and does not fetch good prices in the world's market. Accordingly, the work of the Agricultural Department upon this crop consists, first, in the evolution and distribution of strains possessing superior yielding power, better quality of grain, improved strength of straw and greater resistance to rust; and secondly in demonstrating the response of the crop to better cultivation. The improved varieties produced at Pusa have now been extended to all the wheat-growing provinces. In the United Provinces, the area under improved varieties, predominantly Pusa 4 and Pusa 12, has now reached a figure at which accurate estimates cannot be made by departmental agency. It cannot however fall far short of 241,000 acres, and each acre so cultivated gives the grower at a modest estimate an increased return of one pound sterling. Similarly in the Punjab, the improved varieties occupy over 772,800 acres. In the Central Provinces, about 40,600 acres are now sown with the high-yielding varieties of wheat supplied by the Department. In the North-West Frontier Province, during the short space of seven years from its first introduction, the Pusa 4 variety has almost entirely displaced

Yield of certain principal crops from 1912-13 to 1921-22.



the local wheats of the Peshawar district, and in 1921-22 it was sown on 150,000 acres.

Sugar.

Among the food crops next in importance, mention must be made of *sugarcane,* upon the improvement of which the Department has expended much labour. During the period under review, the estimated area of this crop fell from 2.5 million acres in 1920-21 to 2*3 million acres in 1921-22, but the estimated yield of Gur (refined sugar) increased from 2*52 million tons to 2.59 million tons. As in the case of rice and wheat, the outturn was considerably affected by the poor monsoon. Sugar is the only agricultural product in India in which the balance of trade lies decidedly against the country. Imports of foreign sugar amounted to 718,000 tons valued at Rs. 26.7 crores as against 237,000 tons valued at Rs. 17 crores in the preceding year. The increased tonnage may be largely attributed to the fall in prices during the year. The establishment in India of the Sugar Research Institute, the Sugar Research station and the large demonstration factory recommended by the Indian Sugar Committee to which reference was made in last year's report, has unfortunately been delayed on account of the state of the national finances. The Sugar Bureau established at Pusa with the object of furnishing advice to cultivators, manufacturers and capitalists is steadily expanding the scope of its activities. In addition to the publication, for the benefit of sugar firms in India, of statistical notes bearing on the production and consumption of sugar in different parts of the world and fluctuations in the world's price of sugar, the bureau has taken over the testing and multiplication of improved varieties of sugarcane for the surrounding districts and of arranging mill trials of the more promising varieties. One of the main features of the sugar work of the Agricultural Department has been the promising results attending the trials of the canes produced at the breeding station of Coimbatore in the Madras Presidency, whence improved varieties of seedling canes are evolved. Of the total sugarcane area in British India over half lies within the borders of the United Provinces. Here intensive cane cultivation has been most successful on land commanded by tube wells and pumping plants. Great possibilities for the improvement of cane cultivation will be afforded by the opening of the proposed Sarda Canal, of which mention will be made in a later page. This canal will irrigate a tract of soil which is especially suitable for cane cultivation. A future also awaits the introduction of power-driven machinery for crushing cane on a relatively small scale for the manufacture of rough sugar. Some idea of the prospects awaiting

the introduction of improved varieties of cane may be gathered from the fact that in the Central Provinces, one particular variety has given over a period of eight years an average outturn of 2,488 lbs.of rough sugar per acre more than the variety it has displaced. There are substantial indications that the older strains are losing favour with the cultivators; though in many places it would seem that the question of improved cultivation is of greater importance than the introduction of new breeds. Crude sugar manufactured on improved lines fetches from 6 shillings to 10 shillings more for every 500 pounds of produce than can be realised from older processes.

Cotton.

Of textile crops cotton is the most important. But while India stands second only to America in the total world's production, her cotton is shorter in staple, poorer in spinning value and smaller in yield per acre. The work of the Agricultural Department therefore tends mainly to increasing the yield per acre and improving the quality of the produce. The scope which exists for this work may be gauged from the fact that during the year 1921-22 the acreage under cotton amounted to no less than 18 millions, although this was in point of fact a falling of! of about 3 million acres from last year's figures, and the yield per acre was 97 lbs. as compared with 67 lbs. in the preceding year. In the case of cotton, considerations regarding the quality of the final product naturally operate in an overmastering degree, and the success of a selected variety often turns upon the possibility of obtaining a sufficient premium for the improved quality. In the most important cotton-growing province in India, which is Bombay Presidency, the area under improved strains is now about 88,000 acres. Some idea of the general extent of the operations of the Agricultural Department in supplying seed may be gathered from the fact that in the Central Provinces, the second in the list of India's cotton growing areas, cotton seed sufficient for 300,000 acres, was distributed during the period under review. There the area under the improved varieties was 0*24 million acres as against 0.36 million acres in 1920-21. In the Punjab, nearly half the total acreage of cotton is now of the American type introduced by the Agricultural Department. Improved varieties account for 0*36 million acres. The selected type known as ' 4 F ' is worth to the cultivator at least £1 per acre more than the local kinds ; and the increase in his profits represented by the rapid spread of this selection amounts in the aggregate to well over half a million sterling. In spite of the enormous area now occupied by American cotton in the Punjab, its introduction is a comparatively recent event; and it is only

to be expected that the present type will in time be replaced by something better. Indeed, a new variety, 285 F, is giving more satisfactory results in certain localities. From what has already been stated as to the importance of the Indian cotton crop, it will readily be realised that there is ample opportunity for close co-operation between those who trade in this commodity and the Department of Agriculture.

The Indian Central Cotton Committee, which was established last year on the recommendation of the Indian Cotton Committee, acts as a connecting link between the Agricultural Department and the Cotton Trade and serves as an advisory body to Government on questions affecting cotton. It affords a joint meeting ground for all sections of the Trade with those engaged in the improvement of cotton cultivation. On the recommendation of the Committee a Bill for the levy of a small cess of two annas a bale on the whole of the commercial cotton crop was introduced in the Indian Legislative Assembly and passed in March 1923. The proceeds of the cess, which will be levied at double the above rate for a period of three years from the commencement of the Act, will be devoted to the promotion of agricultural and technological research in the interests of the cotton-growing industry. Another Bill which provides for the restriction of the transport of short staple cotton into long staple cotton area to prevent admixture was also introduced into the Indian Legislature. Though the measure met with a somewhat mixed reception, it was felt that the deterioration of the cotton crop had reached such alarming proportions in Bombay as to call for early action. Accordingly after being referred to a Select Committee of both Houses it was eventually passed by the Legislative Assembly in January 1923.

Jute.

The world's supply of jute fibre is obtained almost entirely from North Eastern India. So long as plentiful supplies of raw material exist at moderate prices, India enjoys a monopoly of production. The area sown under jute from year to year is to a large extent governed by demand from abroad. During the period under review, glutted markets, combined with the high prices realised by food grains and the trade depression brought about by post war conditions, affected the area under this crop, which shrunk from 2*5 (revised figures) million acres in 1920-21 to 1.5 million acres in 1921-22. The value of the export trade for these periods was £69 millions and £44 millions respectively. The work of the Agricultural Department in connection with jute consists mainly in the isolation of superior yielding strains from the common mixtures found in the field. One of the chief difficulties lies in seed production, which is usually not profitable in Bengal

since the cultivators find that it pays better to cut the crop for fibre, A new field for seed growing seems to be opening in Madras, and in Western Bengal on lands too high for paddy. The Agricultural Department has also undertaken investigations into the manure requirements of jute, and lias demonstrated that the presence of sufficient potash and lime in the soil is of vital importance, although these elements are of no practical value except when used in combination.

During the year under report 39 tons of seed of improved varieties were available for distribution. Experience has taught the cultivator that the new jute varieties not only yield 25 per cent, more than the local races, but that they are also more paying in a bad season. The area annually covered by departmental jute seed is not far short of 200,000 acres, of which the net increased revenue to the cultivator approximates to Rs. 50 lakhs a year.

Indigo.

The area under indigo rose from 0*24 million acres (revised figures) in 1920-21 to 0'31 million acres in 1921-22 and the yield of dye from 41,200 cwt. (revised figures) to 60,900 cwt., showing a slightly more favourable season. The increase in area occurred chiefly in the Madras Presidency where the Industry is mainly in the hands of small holders ; and dye manufacture is often of inferior quality. In Bihar, where a superior type of dye is manufactured in large factories, the acreage has steadily decreased to the pre-war level. The work of the Agricultural Department on this crop has been directed towards increasing the quantity of indican contained in the plant and towards reducing the present losses in the manufacturing process. Very important investigations on the use of pure cultures of bacteria for the improvement of indigo manufacture are in progress ; and the use of the new sterilising agent made in the Pusa laboratory has brought the possibility of using pure bacterial cultures within the region of practice. The present position of the indigo industry nevertheless remains uncertain, since the German dye has again come upon the market in considerable quantities. In order that the natural product should be in a position to meet competition from synthetic indigo, it is necessary not only that the yield per acre should be increased, but that the present loss in the manufacturing process should be reduced to a minimum.

Tobacco.

In striking contrast with the somewhat doubtful prospects of the indigo industry, are those which seem to await the tobacco industry of India. With the recently imposed heavy duties on imported tobacco, the prospects for growing successfully the finer grades have improved considerably. That the

field is a large one is apparent from the fact that during the period under review cigarettes, etc., to the value of about £1.3 millions were imported into India. The demand for Pusa type 28, which combines yield and quality, and is suitable both for cigarette making and general cultivation, has increased during the year. Seeds sufficient for about 60,000 acres were supplied to cultivators. The area under certain acclimatised varieties of Sumatra tobacco has also increased considerably.

Vegetable Oils, etc.

India's consumption of vegetable oils and oil cake constitutes a very large proportion of her total production. The quantity normally absorbed by foreign markets constituted a useful surplus, which is drawn upon in bad years. The total quantity of oil seeds exported during the year was 735,000 tons (one-fourth of the total production) as against 624,000 tons in 1920-21. The Agricultural Department endeavours to select the best varieties of seeds, and to introduce them in the districts for which they are found most suitable. In Bihar and Orissa, the selected varieties of ground-nuts have been introduced on sandy soil in the Gaya district, where the average yield of the acre treated with ashes has amounted to 1,804 lbs. as against exactly half that yield from untreated areas. In Madras, where the cocoanut crop is of great importance, extensive study has been made of the cocoanut palm. This is expected to throw light on the cause of the great variations between yields of different trees grown under apparently identical conditions. As typical of the direct practical advantages of intensive study of this kind, the fact may be mentioned that the local practice of planting cocoanuts in deep pits sunk well below the ground level has been proved quite unnecessary. In Burma also the question of cocoanut planting has aroused considerable interest, and the local Department of Agriculture has taken up the subject.

Rubber, Coffee and Tea.

During the period under review, valuable work has been done in rubber, coffee and tea. A number of experiments directed to the study of manurial systems are being conducted on South Indian estates, as well as investigations into the diseases of the plants. A great advance has been made recently in the general use of green dressings on the rubber plantations. In coffee, good work has been done in Coorg with hybrids produced by the Agricultural Department, the seeds of which are now on the market and in great demand. One of these, 'Jackson's Hybrid,' has proved its quality in the London market. Not only does it yield heavily, but it produces a bean of very high quality. In tea, as has elsewhere been mentioned, the prospects of the industry are for the moment gloomy

owing to the glut of the Home market. Until the disorganisation caused by the war has been remedied, it seems doubtful whether the position will improve considerably. During the period under review the total area of tea was returned at 0.709 million acres against 0.704 (revised figures) million acres in the preceding year, but the total estimated yield was lower, being 274 million lbs. as against 345 (revised figures) million lbs. in 1920-21. Lately, the Indian Tea Association has decided to restrict production in considerable degree. Work upon the crops by the Department of Agriculture continues. In Southern India there is a special Deputy Director of Agriculture for planting districts who gives particular attention to tea. Demonstrations on the value of green manures, as a means of preventing wash and of increasing organic matter in the soil, form an important part of the work in progress.

Fruit.

As mentioned in last year's report, the fruit growing industry of India has a great field before it. Those who have hitherto devoted their attention to the improvement of Indian fruit have been too few and too scattered to permit of any considerable advance. But considering that the fruit industry, even under present conditions, yields a profit to those engaged in it, there is little doubt that a prosperous future awaits it. It has one considerable advantage in a country like India. A certain number of the educated classes, who do not take kindly to other species of farming, are quite willing to take up fruit growing as a profession. Efforts are constantly being directed towards the improvement of Indian fruit through careful selection of trees and proper tillage of the soil. In Bombay, an officer has been appointed to work solely on horticulture. In Madras the Pomological Station opened at Coonoor has now been fully planted up with all kinds of fruit trees and at the close of the year more than 1,600 grafted plants were ready for sale. In the Punjab efforts are being made to improve the date-palms by introducing Arabian varieties imported from Mesopotamia. The work done at Quetta and Tarnab has resulted in the establishment of a number of really good gardens, laid out and worked on uptodate lines, in Baluchistan and in North-West Frontier Province. Endeavours are being made in many places to popularise the better varieties of fruit and to introduce improved methods both of cultivation and of packing. But a more thorough investigation of the economies of fruit growing must be undertaken before satisfactory advance is possible. The possibility of establishing a system of co-operative marketing such as that employed by the fruit growers in California has yet to be tested.

Fodder.

Crops grown purely for fodder form a very small proportion of the cattle food of the country, and mainly for this reason have not been subjected by the Agricultural Department to the same systematic treatment as staple crops. In this connection it should be remembered that although an improvement in the yield of grain crops as a rule involves an increase in the straw as well as the grain, and thus indirectly increases the amount of available fodder, the fodder question is assuming increasing importance on account of the rapid extension of arable cultivation coupled with the stricter conserving of jungles as reserves, which has tended to restrict the grazing areas. Problems connected with fodder raising and storing continue to receive attention, and work of great value has been performed in demonstrating the possibilities of new sources of supply. In Bombay, a distinct advance has been made on the methods previously followed in the preparation of prickly pear as emergency fodder. In the United Provinces, also, it has been definitely proved that the troublesome weed known as Baisurai, which seriously affects the yield of unirrigated crop on account of its deep roots, can be advantageously utilised as fodder. It is estimated that through the employment of this weed, a saving of 0'22 million tons of other fodder can be effected in the United Provinces, a quantity considerably exceeding the total amount imported during the severest fodder famines of recent years. Large scale trials of berseem (Egyptian clover) have proved very successful at Pusa and Peshawar. In the North-West Frontier Province it has proved a better fodder than Shaftal and bids fair to oust the latter as a green fodder crop.

Soil Surveys.

Turning to the Chemical work of the Agricultural Department, mention must be made of the continued study of soils in various parts of India. In Bihar and Orissa, in the Punjab, in the Central Provinces, in Bombay and in Madras, considerable progress has been made in this important branch of work. These surveys afford useful guides as to the type of manure which will give the best results. In the Central Provinces, moreover much atten* tion has been paid to methods which will enable the soil to recover from the calls that high-yielding varieties of crops impose upon it; while in Bombay work of a fundamental character on the method of maintaining a higher amount of water in the soil of dry areas, is now being undertaken.

Crop Pests.

As was mentioned in last year's report, the study of pests, both vegetable and animal, is a matter of great importance to India. Diseases caused by parasites are

numerous and destructive ; the damage done annually to rice, sugarcane and cotton, in particular, by insect pests being very serious. Continuous attention has been devoted by the Agricultural Department to remedying this state of affairs ; but shortage of staff, as in other branches of its activities, continues to retard progress. One great difficulty with which the Department is faced is the patient apathy of the cultivator, who believes in the majority of instances that pests and blights are manifestations of heaven's wrath. Energetic propaganda has to be undertaken before people can be persuaded of the possibility of controlling such visitations. Attention has also been devoted to the question of storing grain in such a manner as to protect it from damage and from the depredations of insects and rats. These latter constitute no inconsiderable burden upon India's food supplies. Experiments seem to show that the average rat consumes about 6 lbs. of grain in a year ; and as the total rat population of India is estimated at about 800 millions the loss caused to the country by these animals must be something near £15 millions per annum.

Agricultural Engineering.

A very important branch of the operations of the Agricultural Department lies in the sphere of Engineering, mainly connected with improvement of the water supply in existing irrigation wells through connecting them with sub-artesian supplies by means of pipes and bores. Work of this nature is of the greatest practical importance, and its successful development has in many provinces added not a little to the prestige of the local Agricultural Departments. During the year under review, work has been handicapped by the high prices of materials ; but good progress has on the whole been made. For example in the Punjab the number of bores sunk in wells amounted to 343, of which no fewer than 82.2 per cent, were successful in increasing the supply of water. The Agricultural Engineer has designed a power-boring plant which is expected to reduce the boring cost to less than a half. In Bombay the demand for Mansfields' water finder to locate sites for digging wells is on the increase. Applications for the services of boring machines maintained by the Department are also much sought for ; and during the period under review 131 borings were made, of which 99 were successful. In the United Provinces 591 borings were made, of which 393 were successful: while 16 tube wells were completed and set to work and 20 more were in course of construction. In Madras, the work relating to pumping and well boring having been transferred to the Department of Industries, the main work of the Agricultural Engineer in this province

lies in the adapting of modern agricultural machinery and implements to local conditions, and the improvement of indigenous machines. In Burma the Agricultural Engineer has been employed in carrying out tests with various makes of cane crushers and boiling furnaces in order to find out a cheap design suited to local conditions. A furnace designed by him shows a saving of Rs. 22-8-0 in fuel consumption per acre of cane dealt with. In the Central Provinces an improved type of hoe, two types of ploughs and a new type of pump have been designed. In several of the Indian States, also, agricultural engineering is making considerable progress. In Gwalior the Agricultural Department has been successful in conducting several important lines of work. In Mysore, alterations have been made in the new model plough to meet the demands of cultivators ; while an American drill has been modified to adapt it to local requirements. In Baroda, there was a considerable demand for well borings ; and out of 45 bores sunk, 34 were successful. Useful work was also done in the installation of engines and pumps, for which the State advanced nearly £6,800 to 13 applicants.

Cattle.

Among the most important conditions of the success of Indian agriculture may be mentioned the improvement in the cattle population. The bullock is still the principal motive power, for cultivation ; indeed the total number of live-stock of the Bovine class in India is no less than 146 millions. According to the 1919-20 cattle census, the number of cattle per 100 acres of sown area ranges from 86 in Bengal to 33 in Bombay ; while the number per 100 of population varies from 86 in the Manpur Pargana to 33 in Delhi. The average for British India, as a whole, is 57 cattle per 100 acres of sown area and 61 cattle per 100 of the population. Very considerable numbers of these cattle are maintained at a loss, owing to their unfitness either for labour or for supplying milk. But the problem cannot be tackled upon the same lines as would be possible in Western countries, for the reason that veneration for the cow is universal throughout the larger proportion of the population in India. It is thus impossible to

Influence of sentiment.

treat the question as one of pure economics ; if only because popular sentiment will not agree to the elimination of the unfit and wasteful members of the cattle population. The amelioration of the position depends first upon improving the breed of cattle, and secondly upon its preservation both from disease and from famine. Increased breeding in the arable areas is now an imperative necessity, owing to the rise in the price of working

cattle. There is however a great lack in many places of stock bulls ; while the drain of the best milk cattle into the towns and their consequent loss for breeding purposes has ruined the milk breeds of the country districts. At Pusa, cattle breeding has been directed mainly along two lines, the grading up of a country milk-breed ; and experiments in cross breeding with imported cattle of high milking pedigree, the primary object of the latter being to obtain reliable information regarding the inheritance of the observable characters of both breeds. In the various provincial agricultural departments, also, considerable work is being done in the provision of stock bulls, and in the general maintenance and improvement of the chief local breeds. Progress continues however to be slow, largely on account of the magnitude of the terms in which the problem is stated. Simultaneously with the work in improvement of the breed, comes the preservation of cattle from famine and epidemics. Plainly, it is just as important to keep the existing cattle alive through periods of famine as it is to maintain and improve the breeds. Mention has already been made of the steps taken by the Agricultural Department to increase the fodder supply, and to make it readily available for the strain placed upon it by outbreaks of sudden scarcity. There can be little doubt that a considerable proportion of India's cattle population is under-fed, and that one way of increasing the percentage of useful individuals is to popularise those forms of fodder which at the present moment are neglected because unknown. The preservation of Indian cattle from contagious diseases presents certain difficulties peculiar to the country. It is necessary not merely to fight against the natural sources of infection, which are numerous, but also against ignorance, old-established custom, and prejudices on the part of the people themselves. Cattle owners, when disease is prevalent in a village, often remove their cattle to another locality ; and it is a long time before they can be made to realise that such movements of cattle are the means of spreading disease. Until the cattle owners themselves understand the importance of early information and segregation in the suppression of these periodical outbreaks, disease must remain a source of loss to them and a danger to agricultural interests in general. During 1921-22 there were 616 veterinary hospitals and dispensaries at work in India, of which 42 were opened during the year under review. The cases treated and operations performed at these institutions rose from 1 million in 1920-21 to 1.2 million in 1921-22. The number of animals treated by itinerant veterinary officers also rose from 0.67 million in 1920-21 to 0*76 million in 1921-

Cattle diseases.

22. It is gratifying to note that private persons are now taking interest in veterinary matters.

Veterinary work.

In Bombay a veterinary hospital was built during the year with the help of funds provided by the people ; in the Punjab substantial offers for help were received from private individuals for four hospitals. The Imperial Bacteriological Laboratory at Muktesar, which supplies the munitions of the campaign against contagious cattle diseases, issued about 3.34 million doses of different sera and vaccines, of which 2.93 million doses consisted of rinderpest serum. The percentage of deaths among inoculated animals was negligible, being only 0.30 per cent. A trial course of training for provincial veterinary officers, with a view to their qualifying for appointment in the Indian Civil Veterinary Department, was started at Muktesar in July 1922. The course covers a period of 2 years and is being attended by six officers—one each from the Provinces of Bengal, Bihar and Orissa, Bombay and the Central Provinces and two from Muktesar. Facilities have also been provided at Muktesar for a post-graduate instruction for officers of the Civil Veterinary Department extending over 4½ months. This training is designed to fit these officers for the special problems in disease investigation which confront them in the execution of their duties. Important results in connection with the manufacture of serum from animals of only moderate susceptibility has greatly simplified the problem of rinderpest serum production. Very promising work on the use of tartar emetic as a curative treatment of surra holds out hopes of this disease, which has successfully resisted many attacks, being at last brought under subjection.

Tractor cultivation.

The need for supplementing the cattle-power of the country has been felt for some time back, and has begun to strike those cultivators who have grasped the significance of improved tillage in the scheme of general agricultural improvement. Such crops as sugarcane depend on a more extensive tillage just as much as on increased supplies of manure and water. Accordingly, as a result of advertisements by several firms and demonstrations held in several places, much interest has of late been evinced in agricultural motor tractors. Several large land-owners have bought tractors and are trying them on their estates, while the various Agricultural Departments are also engaged in experimenting with different types. But in India the scope of tractor cultivation appears to be limited, since the most valuable of irrigated lands are not quite suitable for tractor cultivation, and the sizes of the fields are rather too small for the purpose.

Nevertheless tractor ploughing is likely to prove advantageous in areas where large stretches of land have gone out of cultivation.

Demonstration.

It is obvious that to a very large extent the utility of the work of the Agricultural Department depends upon the effective diffusion of a knowledge of improved materials and improved processes among the population of India. Since the large majority of Indian cultivators are illiterate, the methods of conveying information which are in vogue throughout more advanced countries, such as leaflets, circulars and lectures, cannot be relied upon to produce the desired effect. Wherever possible, ocular demonstrations are given ; and for this purpose, Government seed and demonstration farms, implement depôts, and the like are employed. But the most convenient means of assuring agriculturists that suggested improvements can be carried out by themselves, is the employment of small plots in their own fields for demonstration purposes. The whole question of demonstration therefore really resolves itself into the provision of an adequate and properly trained staff organised on lines dictated by experience.

In Bombay there is a close co-operation between the Agricultural and Co-operative Departments. Six divisional boards have been established which control the propaganda activities of both departments. Three taluks situated in the cotton growing tract which grow 37 million acres of improved cotton, have formed Agricultural Associations each of which employ paid demonstrators. In Madras too the agency of co-operative societies was found generally useful for propaganda work. Seeds of improved varieties of cotton sufficient to sow 70,000 acres ; 54 tons of selected paddy seed ; and 2 lakhs of sugarcane sets, were supplied to the cultivators. In Bengal public interest in agricultural matters shows a considerable increase. The important feature of the current year's work is the institution of agricultural associations on co-operative lines, which maintain their own seed farms. and also act as co-operative purchase and sale societies. Six such associations were registered during the year. Considerable progress has also been made in the formation of village agricultural associations, which are serving as useful links between the departmental officers and the cultivators. In Bihar and Orissa, also co-operative societies have been proved most valuable for propaganda purposes. In the United Provinces, the success achieved by propaganda work, is demonstrated by the fact that the total amount of seed distributed during the year amounted to over 2,000 tons, the largest figure on record. The number of private seed farms has risen

from 202 in 1920-21 to 300 in 1921-22. These fulfil very useful functions,, and assist the Agricultural Department in many ways, notably in demonstration work and in the production of seed. In the Punjab, demonstration work has been supplemented by the opening of demonstration farms both by the Co-operative department and by private individuals. The supply of seed of improved varieties is already a self-supporting organisation, 510 tons of wheat and 1,430 tons of cotton seed having been purchased and sold during the year. In the Central Provinces there are 14 departmental and 2,237 private seed farms which distributed cotton,, rice, wheat, sorghum and sugarcane seed sufficient to sow 389,985 acres. About 1,300 new implements and the same number of parts to the value of more than £11,000 were also sold to cultivators through Government farms, Agricultural Associations and other agencies. In Assam, seeds, manures and implements of the value of £0,400 were issued to the cultivators. The demand for sets of improved varieties of sugarcane was so great that only a small portion of it could be complied with. In Burma, the Agricultural Department distributed 350 tons of pure strain paddy, 17 tons of cotton seed, 36 tons of wheat, 55 tons of groundnut and a very large number of sugarcane sets. The State departments of Agriculture in the various Indian States continued their commendable activities. In particular, the well organised work of the Gwalior and Mysore Agricultural Departments in the introduction of improved implements, seeds and manures, produced excellent results. In Baroda, the State department distributed a very large quantity of improved cotton seed in co-operation with the Bombay Department of Agriculture. In Travancore, seed unions did excellent work during the year, while the more economical transplantation of rice has now become common practice. In Hyderabad State, the main feature of work was the distribution of pure seed of long staple cotton. In Kashmir 10,000 fruit trees were sold to local zemindars and about 50,000 more were ready for distribution, in the nurseries.

Irrigation.

Prominent in the sum total of the labour which has been devoted of late years to the improvement of Indian agriculture, must be reckoned the achievements of the irrigation system. India is justly proud of her progress in this important direction, and she stands second to no other country in the achievements of her engineers. For a fuller and more adequate description of the irrigation systems of India the reader of this statement may be referred to the new Triennial Review of Irrigation, of which the first was issued in 1922. The paragraphs which here follow

attempt nothing more than the barest outline of some of the more salient features of this important subject.

In the tropics cultivation can be, and in many cases is, effected by natural rainfall only, but there are many parts in which the artificial watering of some portion at least of the crops is essential. Every season the rainfall in some parts of India is insufficient to mature the crops ; while in other parts of India the rainfall, which in a normal year may be sufficient, is liable to uneven distribution throughout the season, or to such serious deficiency as to render the tract concerned famine striken in the absence of artificial protection. The Indian Irrigation Commission, which sat from 1901 to 1903 recorded that between the area in which the annual rainfall is invariably sufficient, and that in which it is so scanty that no agriculture at all is possible without an irrigation system, there lies a tract of nearly a million square miles which, in the absence of irrigation, cannot be deemed secure against the uncertainty of the seasons and the scourge of famine.

Methods.

There are various methods by which irrigation is accomplished in India. A very large area is irrigated by the cultivators themselves without assistance from Government, by the use of such means as wells, tanks and temporary obstructions to divert water from streams on to the fields.

Almost every known system of raising water from wells is found in India, ranging from the primitive plan of hand-lifting to the. modern device of power pumping, which, thanks to the efforts of Government Agricultural Engineers, is gradually growing more common. Exact figures regarding the number of these wells, and the area irrigated from them are not available ; but in the Report of the Irrigation Commission which was published some 20 years ago, it was stated that there were approximately 2½ million wells in India irrigating some 12¼ million acres. The capital invested in these wells is probably now not less than Rs. 100 crores. At present the water is lifted from them principally by cattle power ; and experiments made before the war at the prices which then prevailed showed that in certain districts, where the wells averaged from 35 to 40 feet in depth, the cost of irrigation with cattle power was Rs. 70 per acre per annum. The field for the introduction of small power pumps of a standardised pattern is very great ; land which is now producing crops worth Rs. 15 to Rs. 30 per acre can easily be made to produce crops of very much greater value when more efficient methods of water raising are available.

Government irrigation works comprise both tanks and canals, the former being mainly small works which derive their importance from their vast numbers. For example, in Madras alone there are nearly 50,000 such tanks, irrigating between 2½ and 3 million acres. Turning now to canals, we may notice that they are divided into two classes ; those drawing their supplies from perennial rivers and those which depend upon water stored in artificial reservoirs. The former are mainly found in connection with rivers which rise in the Himalayas, the snow upon which acts as an inexhaustible reservoir during the dry months of the year; the latter are naturally associated with rivers rising in the peninsula proper, where no such natural storage is available. These storage works are situated mainly in the Deccan, the Central Provinces and in Bundelkhand ; ranging in size from earthen embankments to enormous dams such as those now under construction in the Deccan, capable of impounding over 20,000 million cubic feet of water. Canals which draw their supplies from perennial rivers may again be sub-divided into perennial and inundation canals. The former are provided with headworks which enable water to be drawn from the river irrespective of its natural level; some obstruction being placed in the bed of the river that the water may reach the height required to secure admission to the canal. Within this class falls the great perennial systems of the Punjab and the United Provinces. Inundation canals have no such means of control, and water can only be admitted to them when the natural level of the river reaches the necessary height. The most important inundation canals in India are those of Sini; indeed the whole of the irrigation of that province is of this nature. They also exist in the Punjab, drawing their supplies from the Indus and its tributaries.

Irrigation under the Reforms.

With the introduction of the Reforms two important changes were made in regard to the classification of Government irrigation works. In the first place, irrigation was given the status of a provincial reserved subject. Enhanced financial powers were delegated to local Governments in order to give them a much freer hand than they previously possessed in respect of all the most important projects. Only those estimated to cost over Rs. 50 lakhs now come before the Government of India for submission to the Secretary of State with their recommendations. In the second place, the old and somewhat cumbersome classification of the individual works themselves had been abandoned, and all works are now classified as either productive or unproductive. Pro-

ductive works are such as satisfy the condition that within 10 years of the completion of construction they produce sufficient revenue to cover their working expenses and the interest charges of their capital cost. All other works are classified as unproductive. The classification no longer relates to the source from which funds for their construction were provided.

Irrigation in 1921-22.

During the year 1921-22, the total area under irrigation by all classes of works in India, excluding Indian States, amounted to about 273/4 million acres, representing 14 per cent, of the entire cropped area of the country. This was 1/3 of a million acres less than the previous record of 28.1 million acres irrigated in 1919-20. The total length of main and branch canals and distributaries in operation amounted to some 67,000 miles, while the estimated value of the crops supplied with water by Government works was some Rs. 170 crores, or more than double the total capital expenditure on the works themselves. The area irrigated was largest in the Punjab, in which province 10½ million acres were irrigated during the year. This figure was a record, being § of a million acres in excess of the previous maximum recorded in 1919-20, and 1¼ million acres more than the average for the triennium ending 1921. In addition nearly 700,000 acres were irrigated in Indian States by the Indian State branches of the Punjab canals. Next among the Indian provinces came the Madras Presidency with an area of 7¼ million acres, followed by Sindh with 3¼ million acres and the United Provinces with 2| million accres. The total capital outlay on irrigation works including works under construction to the end of the year 1921-22 amounted to Rs. 81 crores. The gross revenue was Rs. 9.7 crores and the working expenses 3.8 crores. The net return on capital was therefore about 7.2 per cent.

Sarda Kichha and Sarda Canals.

We may now briefly describe certain new projects under constructions or awaiting sanction. Certain alterations have beeen made in the Sarda Kichha Feeder project. The circumstances in which this scheme was prepared rendered it not only probable but certain that very considerable changes in the projected alignment would be necessary before the work of construction could be taken in hand. The original proposal for utilising the water of the Sarda contemplated the diversion of the Sarda water into the Ganges river above Narora at the headworks of the Lower Ganges Canal, thereby giving a large addditional supply to the Ganges and Agra canal systems. That project pro-

vided also for a separate feeder from the Ganges Canal to supplement the supplies of the Eastern and Western Jumna Canals. The principal item was a great feeder canal from the Sarda to the Ganges, which would have traversed at right angles the whole of the drainage of the submontane tract between the two rivers. This scheme, which was known as the Sarda Ganges Jumna Feeder project, was abandoned in favour of a canal which would provide irrigation for the north western districts of Oudh, with only a comparatively small branch running westwards across the Tarai for the irrigation of Rohilkhand, which would be known as the Sarda Kichha Feeder. It was considered advisable, in order to avoid delay in the commencement of work to prepare a project for this branch in advance of that for the whole Oudh scheme. The Sarda Kichha Feeder project received the sanction of the Secretary of State in December 1919. It was designed to take up the irrigation which was, under the earlier proposal, to have been effected by the first forty miles of the Sarda Ganges Feeder. No further surveys were therefore executed, the alignment decided upon the Sarda Ganges Feeder being accepted as suitable for the Sarda Kichha Feeder also ; but it was definitely foreseen at the time that it would probably be possible to find a more economical line. This has proved to be the case ; it is now proposed, by utilising certain of the natural drainage channels in the tract for the transportation of the supplies, to carry the whole volume of water further to the south, thus avoiding the malaria-ridden portion of the Tarai through which the original alignment ran. Great economy has been effected thereby and it is now believed that it will be possible to complete the work within the amount estimated when the project was ramed in 1914, in spite of the great increase in rates which has taken place since that time. The saving is expected further to cover the cost of substituting a barrage for a solid weir at the head of the canal. These modifications of the original scheme were, on the advice of the Inspector General of Irrigation, formally approved by the Government of India in January 1922.

The Sarda Oudh Canal takes off at the seventh mile of the Sarda Kichha Feeder and runs in a south-easterly direction. The Sarda canal project consists of a main canal with a length of 17½ miles, after which it divides into three branches. From these branches a network of distributaries covers the watershed as far as the eastern boundaries of the Rae Bareili and Bara Banki districts. The project comprises 478 miles of main canal and branches 3,370 miles of distributaries and 100 miles of escapes or 3,948 miles of channels in all. The canal will irrigate

1,368,000 acres and produce a return of 7¼ per cent, on the capital cost which is estimated at £7½ million. The sanction of the Secretary of State to this project was accorded in February 1921. Much actual as well as survey work has been done in connection with the Sarda Canals despite the difficulties encountered both in re3pect of the country operated in and its notoriously unhealthy climate. The operations carried out during 1921-22 involved an expenditure of Rs. 42 lakhs.

Sutlej Valley Canals.

There are, on either bank of the Sutlej in British territory on the north and in Bhawalpur on the south, a long series of inundation canals, which draw their supply from the river whenever the water level is high enough to permit of it. These canals are liable to all the drawbacks which invariably attend inundation irrigation. There are no weirs at their heads and, in many cases, there is no means of controlling the volumes entering them ; consequently, while a supply is assured in a normal year during the monsoon months, it is liable to serious fluctuations according to the seasonal conditions. In a year of inferior rainfall little water enters the canals ; in a year of high supplies they are liable to grave damage by floods.

The Sutlej Valley Project will effect three objects. Firstly, it will afford the existing canals an assured and controlled supply from April to October. Secondly, it will enable their scope to be extended so as to embrace the whole low-lying area in the river valley. Thirdly, it will afford perennial irrigation to the uplands on both banks which are at present entirely unirrigated and, owing to the low rainfall waste.

The project consists of four weirs, three on the Sutlej and one on the combined Sutlej and Chenab, with twelve canals taking off from above them. This multiplicity of canals and weirs may seem, at first sight, a peculiar feature of the scheme, until it is realised that the project really consists of four inter-connected systems, each of the first magnitude. The canals are designed to utilise 48,500 cubic feet of water a second during the monsoon and 7,000 cubic feet a second during the cold weather. Over 5 million acres will be irrigated of which 2 million acres will be in the Punjab, 2,800,000 acres in Bahawalpur and 350,000 acres in Bikaner. As a result, 3| million acres of desert waste will become available for colonization.

The project was submitted to the Secretary of State in March 1921 ; but before according his sanction to it he requested that the estimates of returns should be revised on the basis of the higher borrowing rate

now prevailing and that the Punjab Government should be asked to present the scheme to the local Legislative Council for its approval. He further called for assurances as to the ability of the Punjab Government and of the Bahawalpur and Bikaner States to provide funds for the execution of their respective portions of the project. In November 1921, the Local Government reported that the Punjab Legislative Council had unanimously approved of the project and had agreed to the provision by loan of funds as required for the construction of the British portion of the scheme. The Bikaner and Bahawalpur Durbars had also been able to satisfy the Punjab Government that they could finance their portions of the scheme from funds at their disposal and from the proceeds of the sales of land. The Government of India accepted these assurances and asked for the sanction of the Secretary of State to the immediate commencement of work upon the project, which was accorded on the 9th December 1921.

Sukkur Barrage and Canals Project.

The Sukkur Barrage project in Sind, which is the greatest irrigation scheme under consideration at the present time, was approved by the Secretary of State in June 1921 in so far as its administrative and technical aspects are concerned, but the commencement of construction was delayed pending the making of adequate arrangements for financing the project. These are now complete and final sanction to the project has been accorded. The object of the scheme is to give an assured supply to and extend, the irrigation now affected by the numerous inundation canals in Sind which draw their water from the Indus. This will be achieved by the construction of a barrage across the Indus, nearly a mile long between abutments — by far the biggest work of its kind yet built. From above the barrage seven canals will take off, irrigating over 5 million acres, of which 2 million comprise existing inundation irrigation to which an assured supply will be given, while the remainder is at present almost entirely uncultivated. The cost of the scheme will be about £18 millions.

Future programme.

The Cauvery reservoir project in Madras and three great irrigation schemes in the Punjab, which were referred to in the report for last year have not progressed beyond the stage of examination. Every province has several schemes under investigation which are not yet ripe for sanction, but, taking into consideration only those schemes which are likely to be constructed within a reasonable time, an addition of over 6 million acres to the area irrigated is anticipated from them.

The record area irrigated by Government irrigation works was attained in 1919-20 when 28½ million acres were irrigated. By the time the projects now under construction are in full working order, and assuming that the Sukkur Barrage is also built, a total of 40 million acres is confidently anticipated. Allowing for the most promising projects now under construction and for the natural expansion of existing schemes an ultimate area of 50 million acres is by no means improbable.

Forests.

It will be apparent from the preceding paragraphs that the Indian irrigation system, despite the scope which exists for its future expansion, is already highly developed. The same cannot be said of certain other activities designed for the development of natural resources. Among those forms of latent wealth which would unquestionably yield excellent results to intensive exploitation, Forests and Fisheries may be specially selected for a brief description.

Destruction of forests.

The injury that has been done to many countries by the destruction of forests is a commonplace, and India has escaped none of the penalties which arise from this form of negligence. The forests in the plains which once provided a hunting ground for the Moghul Emperors have mostly disappeared, and the land has either been taken into cultivation or has become a waterless deserted tract with ever-increasing ravines. On the hill sides the blind destruction of forests has led to many serious consequences ; after denudation water pours down from the hills with great force and volume, since the trees no longer discharge their functions of storing water and doling it out gradually. Deep ravines are formed, the vegetation and the fertile surface soil are swept away. The process of deforestation in India has probably been going on for hundreds of years but only in recent times has it attracted much attention. When the necessity of forest conservation became apparent under British rule, the evil had proceeded very far. Perhaps the most serious consequence which it entails is the necessity imposed on the population of northern India of seeking their fuel-supply elsewhere than from brushwood. The fact that the greater part of the animal manure of Hindustan is consumed as fuel, owing to the lack of suitable wood, has exercised a profound and most disastrous influence upon the husbandry of the country by depriving the land very largely of what properly pertains to it.

Forestation and popular Misconception.

Unfortunately, these broad national aspects of forestry are hardly realised in India. Much work still remains to be done is educating the public to an appreciation of the value of India's forests as a commercial asset. At present the lessons taught by the war to other countries are still imperfectly appreciated, and there is some reason to apprehend that the Forest Department may find itself increasingly in conflict with the politicians of India ; and that the protection of the interests of future generations may have to be subordinated to the expediency of satisfying immediate popular clamour. If this should unfortunately prove to be the case, the position built up by India as the pioneer of forestry in the British Empire is likely to be lost. In illustration of some of the special difficulties which in these days beset the working of India's forests, mention may be made of the conditions now prevailing in the Madras Presidency. Here the village ryot finds it difficult to understand the value of postponing immediate advantage to future benefit, and the forest restrictions therefore appear to him unnecessarily irksome. During the first few months of the year under review, the exploitation of the prejudices of the villager by the emissaries of the non-co-operation movement greatly enhanced the difficulties of the Department. As an interesting light upon the methods adopted by those responsible for this agitation, it may be noted that in one district where collections had been made for the support of this political movement, the villagers were led to suppose that the receipts granted to them by the travelling collectors covered also the right to graze in the forest reserves adjoining their villages. Later, as non-co-operation fell into discredit, the relations between the forest officers and the people improved : and there are even some indications that the educated classes are beginning to understand the importance of forest conservancy. The attention of Government has for sometime been specially devoted to endeavours to differentiate between real and fictitious grounds of complaint. Forest Committees have been organised to constitute an agency for the control of grazing areas and small reserves utilized primarily to meet village requirements. During the period under review, these committees are reported to have taken very little interest in their work, and lately a staff of inspectors has been sanctioned in the hope that better results will shortly be obtained. In order to secure systematic'exposition of the aims and objects of forest conservation for the enlightenment of the public, the local Government have created a standing Committee of the Legislative Council for the

In Madras.

purpose of dispelling misconception and of fostering the spirit of co-operation with the Department. These efforts are beginning to yield satisfactory results; and as a result of a special enquiry, orders have been passed with the object of meeting so far as possible the prejudices of the villagers. In the United Provinces, the ill-feeling entertained by the hill people against the forest policy of Government in Kumaun, led to a number of incendiary outbreaks which caused most serious damage. Most unfortunately, the outburst of lawlessness occurred in a particularly dry and waterless year, with the result that the immediate direct loss of revenue caused by these fires amounted to Rs. 3½ lakhs exclusive of the great injury inflicted on young trees in regeneration areas. A committee was therefore appointed to enquire into the grievances of the local population, and its recommendations were accepted by Government. From the point of view of forest conservation, it is feared that their general result will probably be the gradual destruction through the processes of burning, grazing and lopping, of all forests save those remaining under strict departmental control. The local Government, however, being convinced that the people of Kumaun would have been satisfied by nothing less than that which the Committee recommended, considered there was no alternative but to put the recommendations into force as early as possible.

In the United Provinces.

Despite all these difficulties, and the additional disadvantages of shortage of staff and hampered development due to financial restrictions, Indian forests yield a considerable revenue to the State. In the year 1920-21, the latest date for which complete figures are available, the surplus of revenue over expenditure of the Indian forests amounted to Rs. 1.77 crores. And in considering this figure it must be remembered that the accounts of the Forest Department are not at present thrown into full commercial shape. Experiments in the direction of opening special accounts for capital works, and removing from the revenue side all but the interest annually debited thereto, seem likely to yield very interesting results. In the Punjab, for example, it is found that when the forest accounts are thrown into a businesslike form, the revenue for the year shows a 35 per cent, return on the working expenditure. Further, it should be remembered that while the total forest area in India covers more than a quarter of a million square miles, less than 60,000 square miles have at present been brought under regular scientific management as prescribed by working plans. The immense scope which exists for expansion

Forests pay.

in the future, may thus be more readily imagined than described. Already there are signs of a beginning of a new era. The increased demand for timber and other forests products resulting from war conditions has undoubtedly stimulated forest development throughout India. Local Governments may now be considered to have completed in the main the reorganisation of staff necessary for development in the immediate future. The sanctioned staff of the Imperial Branch of the Forest Service has been raised to 399, of which number 353 are henceforth to be directly recruited and the balance obtained by promotion from provincial service. As an index of the success of the popular demand for the Indianization of the service, it may be mentioned that during 1922, nine probationers out of a total of 26 were Indians and one was a Burman. Unfortunately, at the beginning of July 1922, there was still a shortage of directly recruited officers amounting to more than 100, which was not balanced by the number of probationers then under training in England. If forest development is to proceed upon an orderly plan, it is of course necessary that circles and divisional charges should be divided as time goes on. Moreover it is also necessary to provide special posts for utilization and for research work : as well as to augment largely the staff of the Central Research Institute. Among the most important lines of future development may be mentioned that of forest engineering.

Hopeful signs.

One of the two consulting Forest Engineers, employed by Government on a temporary basis, whose appointment was extended by an additional year, has continued to investigate projects and to draw up schemes. Much valuable work has been accomplished, but it is to be feared that financial straits and the lack of any system of providing funds for considerable capital expenditure, however heavy the returns may be, will entail delay in the execution of these plans. How much remains to be done from the point of view of exploitation is indicated by the fact that the outturn of timber and firewood from all sources amounted in 1920-21 to just under 300 million cubic feet, which represents only about 2 cubic feet per acre from all classes of forests. This yield is far less than the forests of the country are capable of providing under more intensive systems of development, and by the aid of more up-to-date methods of extraction than exist at present.

Forest Engineering.

A certain progress has none the less been made in establishing and consolidating definite relations with the commercial world. The possibilities of utilising

Exploitation,

bamboos for paper pulp are now fairly established, and the number of firms to whom grants of concessions have been made for this purpose has increased. A considerable part of the extensive forest areas of bamboo and Savannah grass could no doubt be utilized for the manufacture of paper and paste board now imported. In the same way, large private concerns are now undertaking the extraction of timber, the manufacture of ply wood and the like, on long term leases. There is great need for development in this direction, for India, with her quarter million square miles of forests, still imports wood and articles made of wood. Much is however hoped from the introduction to *new* markets of Indian timbers hitherto little known. This cannot fail to be of advantage to the consumer in other parts of the world and to the development of the forest industry of the country.

Minor Industries.

Minor forest industries are also of growing importance. In the United Provinces the output of resin was considerably reduced during the year under review by the outbreak of incendiarism. The fires reduced the area under tapping from 86,035 acres to 32,975 acres. The number of channels *(i.e.,* cuts for tapping resin) fell from 1,850,000 to 700,000 and the yield of resin fell from 92,000 maunds to 27,408 maunds. It may be noticed that the policy of the United Provinces Government regarding the utilization circle includes the maintenance of model institutions employing the most up-to-date machinery and imparting instruction in the latest methods of work, with a view to facilitating and developing both the resin industry already mentioned as well as wood working in general. The investigation of numerous forest products and by-products presents a wide field for future development. The afforestation of denuded ravine lands, mentioned in last year's report, is steadily proceeding ; and in the period under review, some 2,000 acres of new plantation was laid down. The cost of afforestation is borne by Government and is recouped from the revenue receipts, the profits being afterwards paid to the owners of the soil. The results achieved are very successful. Erosion is arrested, good crops of grass obtained, and tree growth is established.

Side by side with commercial exploitation and the improvement of forest conditions must go research into forest economics and the investigation of the problem of reproduction and protection of forest crops.

Research.

The Industrial Commission laid stress upon the necessity for expert investigation into these and cognate problems on a more extensive scale than has hitherto been possible. The Commission considered that the Forest Research Insti-

tute of Dehra Dun did not possess equipment sufficient to meet the calls upon it; accordingly a general scheme for the enlargement of the Research Institute and of the scope of its activities was sanctioned. Fair progress has been made with the construction of the new Research Institute at Dehra Dun. It is hoped—provided the necessary funds are forthcoming—that the Economic and Zoological Sections will be completed shortly and that these two sections will then be able to function as a separate entity without any necessity for incurring immediate expenditure on finishing the whole of the 1¼ crore project, the completion of which will be deferred until such time as the financial situation improves. The activities of research continue to expand, but unfortunately, the lack of money is making itself felt, and as a consequence progress in the investigations which will lead to the fuller and better utilization of the raw products by Indian forest is being retarded. Owing to the present financial stringency the Tan section of the Forest Research Institute has been closed down, and the appointment of the Tan Expert to the Government of India has been abolished. It may, however, be mentioned that an up-to-date experimental paper and pulp plant has been obtained for use at the Institute, and as soon as machines are erected, it is proposed to carry out a complete series of tests on Savannah grasses. Among the more important functions of the Forest Research Institute is that of acting as a link between forest officers all over India. In order to promote co-operation and co-ordination between the local Research officers and the officers of the Institute, two conferences, one devoted to sylviculture and the other to Utilization were held in Dehra Dun in January 1922, and it is proposed to hold similar conferences periodically.

Fisheries ; Bengal.

In her fisheries also India possesses considerable national wealth, to which attention has been prominently directed by the Indian Industrial Commission. In many parts of India the consumption of fish in cities and towns within reasonable distance of the coast is both considerable and steadily increasing. For example, the statistics of fish imported into Calcutta during the year 1921-22 shows an increase of 1,747 tons, or about 13 per cent, over the figures of 1920-21, and of 33 per cent, over the figures for 1919-20. The significance of this increase will be realised when it is stated, that the total importations of fish into Calcutta have steadily advanced from 346,378 maunds of 82 lbs in 1917 to 417,684 maunds in 1921-22. To meet this steadily increasing demand, continuous

and ruthless fishing is carried on throughout the year—a fishing which does not spare even spawn and fry. There is thus every reason to fear that unless legislation can be introduced for the enforcement of a close season, the local fisheries of Bengal will soon become seriously depleted. The first necessity of the situation is the spread of sound ideas among the fishermen, who are at present of low caste, ignorant and uneducated. The Bengal Department of Fisheries is doing excellent work both in awakening popular interest to the importance of the whole subject and educating the fishermen themselves in sounder methods. In pursuit of the latter object the most effective method has been found to lie in the employment of co-operative societies, which are now steadily increasing in number. Special schools have also been established with considerable success for the teaching of children of fishermen.

Madras.

In Madras, where the Department of Fisheries has been long established considerable success has been attained in several useful lines of activity. The demand for the products of the Government Cannery is increasing ; the fish meal prepared at Tanur has already found favour of cattle breeders and poultry raisers. Improvements, tending to cleanliness and hygiene, have been made in many of the fish-curing yards, the curers being helped where necessary, by Government. The Department continued to supply zoological specimens to educational institutions throughout India ; and important research work, mainly connected with the life histories of the sardine and the mackerel, was undertaken during the year under review. From the Inland Piscicultural Section, which has had considerable success in the stocking of tanks with edible varieties of fish, good financial results are being obtained ; while the breeding and distribution of the larvicidal fish used in anti-malarial operations have continued. Continuous efforts are being made to raise the status and the prosperity of the fishermen. Co-operative Societies among this class of the population are flourishing ; and temperance and educational work, although hampered to some extent by political agitation, continue to show satisfactory progress. In Bombay the experiment in trawling which was begun in February 1921 was closed in May 1922 and the trawler sold, as it was apparent that trawling was not a commercial proposition in Bombay

Bombay.

waters. Owing to the need of retrenchment, the entire fisheries section was closed by the end of the year. In the Punjab the development of fishing as an industry, des-

Punjab.

pite its enormous potentialities, has until recently been frustrated by the use of unsatisfactory

methods. It was common for one contractor to take the fishing lease for a whole district, and to form up a monopoly from men of his own choice, to the exclusion of the remaining fisher folk living on the river side. As a result of the representations of the Fisheries Department, this monopoly system is being abolished. The middlemen who market the catch are being induced to open shops or markets in big towns where there is a considerable and regular demand for fish. Legal powers are still required for the enforcement of restriction on the size of meshes of nets ; for the institution of a close season and for other measures necessary for the preservation of the fish. The Fisheries Department finds at present that the main opposition to its activities comes not from the professional fishing castes, whose interests of course, it is designed to safeguard, but from outsiders ; who are not interested in the future propagation of fish so long as their baskets are well filled for the present. The increasing popularity of the Department among the fishermen themselves is largely to be ascribed to the system of lectures and propaganda, for explaining the work of the Department which has been for sometimes in operation.

Communications.

In the preceding pages we have briefly reviewed the course of India's economic life during the year 1922-23, and the progress which has been accomplished in the development of her natural resources. It now remains to describe the condition of what is perhaps the most indispensable of all requisites to her prosperity—her system of communications. Quite apart from the vast distances which have to be traversed, and the natural obstacles which must be overcome, in passing from one region of the Indian subcontinent to another, the internal communications, even of a restricted area, frequently break down altogether in the rainy season. Throughout the whole of India's history, the difficulties of communication have exercised a preponderating influence upon her political as well as her industrial development. These difficulties, despite railways, telegraphs, motor-transport, and other expedients undreamt of in older days, still persist as a formidable obstacle to the progress of modern industry. Unceasing effort and expenditure upon a scale hitherto impossible willl be necessary if the communications of India, whether by road or by rail, are to be adequate to the requirements of the country. During the period now under review, the utilization of mechanical transport for military and other purposes has continued to develop. But the use of mechanical transport depends upon increasing improvements in road communication.

The necessity for extending India's roads is becoming every year more apparent. At present the economic loss caused by the inaccessibility of many agricultural districts in the rainy season is considerable; and this cannot be remedied until the system of trunk roads is further developed. The progress which is being made year by year is wholly inadequate for the necessities of the country. The total mileage of metalled and unmetalled roads maintained by public authority is still only about 200,000. The matter should receive close and early attention by the responsible authorities, and public interest must be aroused in the question. At present this interest is dormant, with the result that in most of the provinces of India the roads, except in the immediate neighbourhood of large towns, are undoubtedly deteriorating rapidly. This is largely a consequence of the determination of the local bodies to spend the major portion of their resources on such "popular" and showy activities as education rather than upon the vitally important item of communications. Unless the reformed provincial Governments can devote to the roads within their area the necessary attention, and can impress upon municipalities and district boards the disastrous consequence of continued neglect, there is every prospect that in the near future the high way system of India, so far from extending in accordance with the needs of the country and the increase of motor road transport, will fall into serious disrepair. To judge from the reports of the local governments, the outlook is not hopeful; and measures should be taken without delay to check further deterioration of the road systems of the country side and draw up progressive programmes of road improvement with priority of financial outlay.

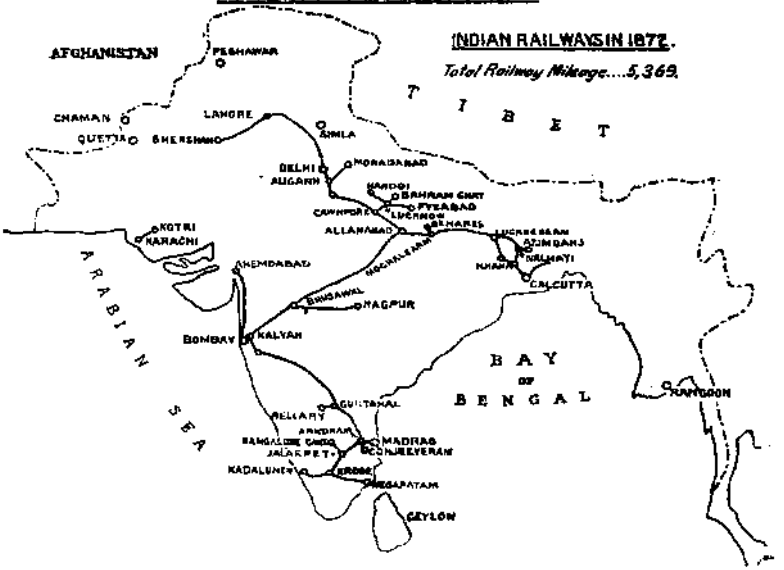
Roads.

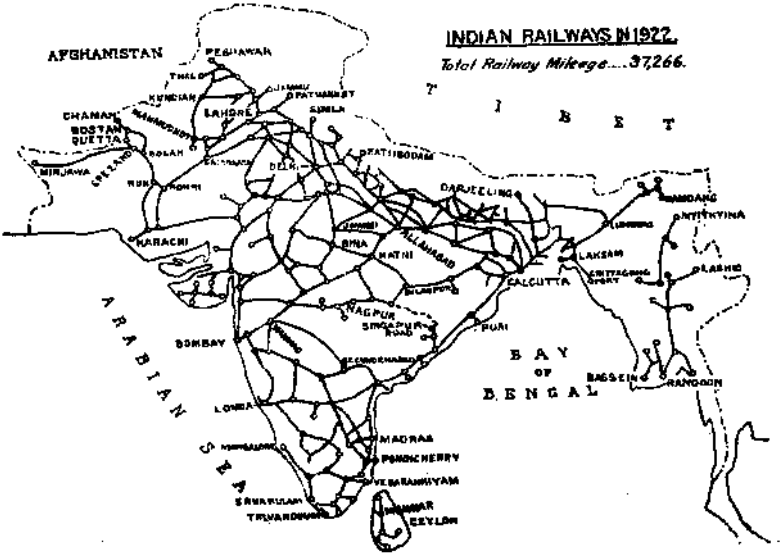
Deterioration of Roads.

Of all the means of communication in modern India, the most important is the railway system. A study of the maps illustrating railway development on the opposite page will show that in the course of the half century since 1872, the total railway mileage of India has expanded from 5369 to 37266. During the last 22 years the net gain to Government from the working of all railways has aggregated nearly Rs. 108 crores, after all interest charges have been paid, and after liberal contributions have been made in certain cases to the extinction of capital liability by payment of annuities. Unfortunately, during the year 1921-22, for the first time since 1900, the railways of India have fallen from the status of an important source of revenue to the position of a

Railways.

— RAILWAY DEVELOPMENT —





heavy liability. The receipts to Government from Indian railways in the year under review amounted to Rs. 81.94 crores; while the total charges worked out at Rs. 91.21 crores, representing a net loss to Government of Rs. 9.27 crores or just over 11 per cent. Fortunately, we are not justified in taking these results as any true criterion of the future of Indian railways ; still less as an argument that the railways themselves have ceased to be a paying proposition. The truth is that they have not been exempt from the efforts of a combination of unfavourable economic factors which have influenced every form of business in India and, indeed, throughout the world at large. For while the working expenses have risen in an unprecedented degree, the slump in trade has prevented the earning power of the lines from rising proportionately. India is not alone in her difficulty ; and in comparison with other countries, may even discover some grounds for congratulation. An analysis of the railway traffic for the year 1921-22 reveals many points of considerable interest. The total gross earnings of all lines, including therein the shares both of the Imperial Government and of other proprietors was Rs. 92.88 crores—nearly a crore of rupees greater than the figure for 1920-21, which of itself may be taken as remarkable evidence of a capacity for increased earning powers even under unfavourable conditions. This rise of nearly a crore is found to be made up of a fall in passenger earnings of half a crore and a rise under goods of about 1½ crores. The number of passengers carried during 1921-22 amounted to over 561 millions as against 559 millions during the year 1920-21. This increase is due principally to 3rd class passengers, the number of travellers by first and second and intermediate classes having declined. The small increase in numbers, in contrast with the rapid progress described in last year's statement, may be ascribed to the fact that economic causes have forced the third class passengers in India as elsewhere to forego indulgence in long journeys. Another factor operating in the same direction is probably the insufficiency of stock, which has forced many railway administrations to refuse to make special arrangements for the great fairs which in the ordinary course of events attract large numbers of passengers.

Financial difficulties.

Traffic in 1921-22.

Passengers.

Turning to goods traffic, it is interesting to notice that as compared with the year 1920-21 the tonnage lifted showed a decrease of over one million tons, while the earning went up by Rs. 1½ crores. This apparent anomaly is explained

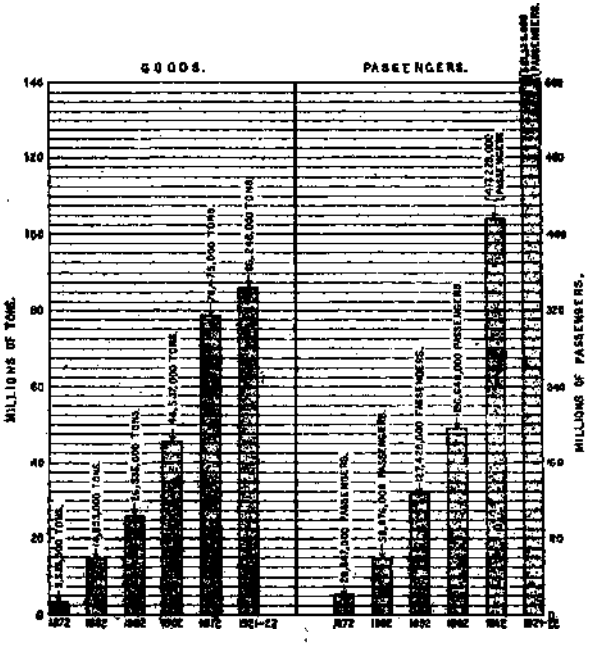
Goods.

by a fall in the transport on commodities carried at cheap rates—principally coal—accompanied by increases in some of the better paying commodities. So far as tonnage is concerned the most important commodity carried, as during the preceding five years, was still coal; which in 1921-22 represented about 22 per cent, of the total goods traffic. *It* should be noticed that the present output of domestic coal is barely sufficient for India's need; while during 1921-22, the raisings from collieries were seriously decreased as a result both of labour troubles, and of transportation problems aggravated by shortage of wagons. Indeed one of the causes underlying the unprecedented rise of working expenses, which forms a feature of the year's railway deficit, is found to lie in the great increase in expenditure on fuel, due to the higher prices paid for Indian coal and the necessity of importing at very high rates foreign coal to the quantity of no less than 0.7 million tons. In order to extend the sources of supply and to avoid the necessity of resorting to foreign sources, it was decided to devote any funds which can be spared to such new construction as will facilitate the opening out of new coal bearing areas. In the railway programme for 1922-23, provision has accordingly been made for two important coalfield lines. The first, the Talchar Coalfields Railway, will serve the newly proved coalfields in a feudatory State of Orissa known by that name; the latter, the Hesla Chandil Railway, will open out the Karanpura Coalfields. The construction of these fines, which is being undertaken by the Bengal Nagpur Railway Company, should eventually relieve the present situation in regard to coal supplies. With a view to removing those difficulties in the transport of coal, which continued to excite considerable complaint on the part of the public during the year under review, it has been decided to introduce a new method of regulating the supply of wagons in the coalfields of Bihar and Orissa and Bengal. This scheme is in effect a partial reversion to the system of wagon-distribution in force before the war. It was introduced experimentally for three months with effect from the 15th November 1922 ; and the results are still awaited. Fortunately, even before the end of the calendar year 1922, the coal situation in India showed signs of becoming more satisfactory. The world prices of coal have now fallen ; the railways and most of the industries have adequate reserves ; and accordingly it has been decided to withdraw the embargo , on the export of Indian coal which has been in force since July 1920.

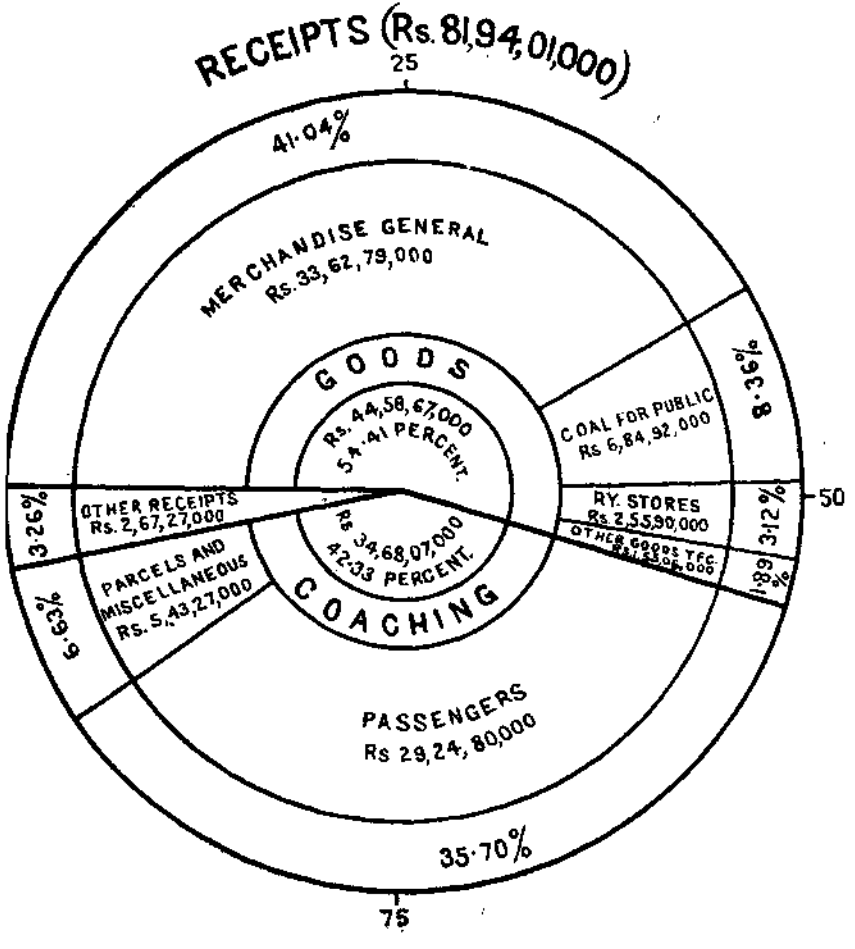
Railways and the Public.

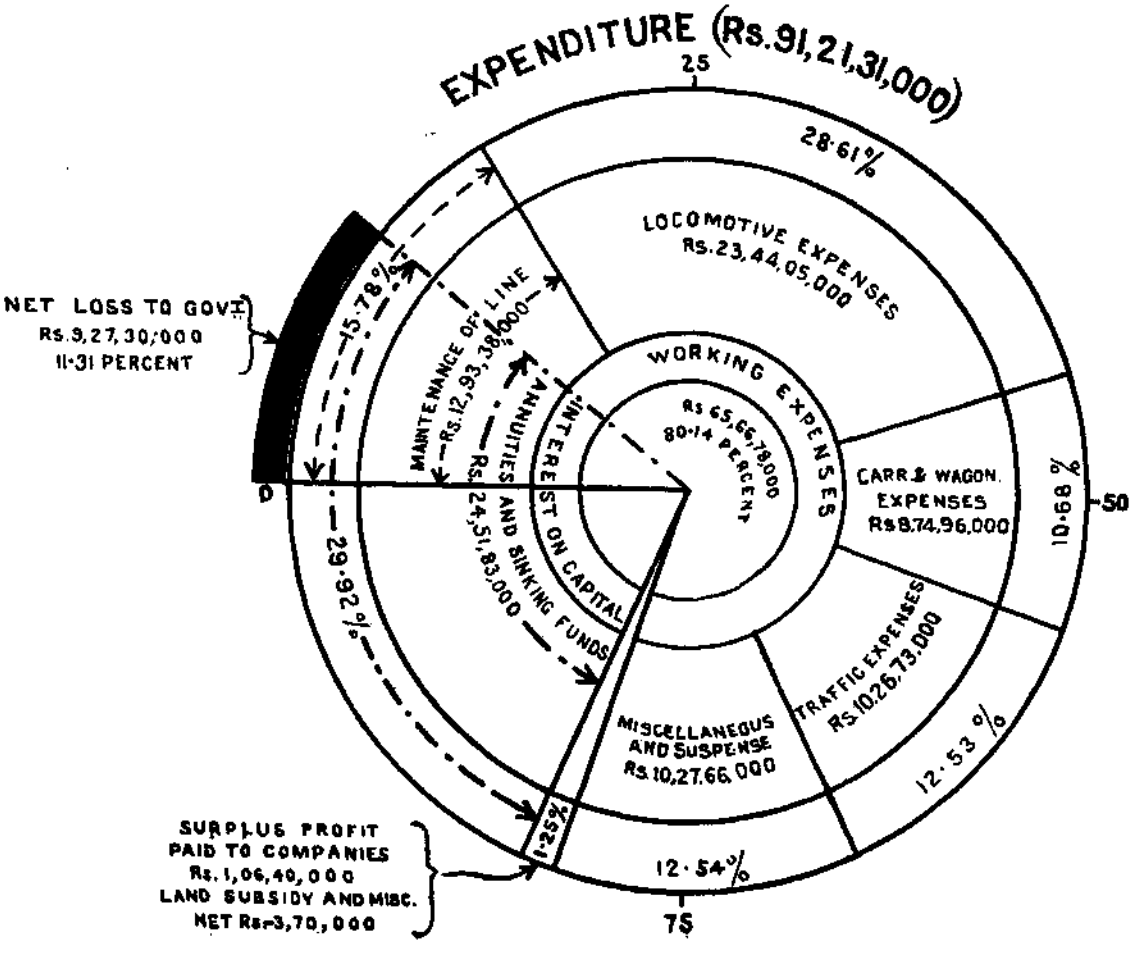
As was mentioned in last year's statement considerable public criticism has lately been directed against the shortcomings of the Indian Railways.

DEVELOPMENT OF GOODS & PASSENGER TRAFFIC
DURING THE LAST FIFTY YEARS.



RAILWAY RECEIPTS AND EXPENDITURE ON STATE OWNED LINES IN INDIA, 1921-22.





The complaint most frequently made against them is that of overcrowding. It is also pointed out that there are serious grievances in connection with the transport of the third class passengers who constitute the most remunerative portion of the travelling public. The absence of suitable waiting rooms, of water supply, and of conveniences in the carriages themselves, are frequently denounced in no measured terms by the Indian press. Other grievances of which complaints are frequently made are the uncivil treatment of passengers by the railway staff; the difficulty of securing compensation for goods lost or damaged in transit; and accusations of bribery in connection with the allotment of wagons necessitated by the various forms of government control in the war and post-war periods. These grievances were prominently brought to light by the Report of the Railway Committee presided over by Sir William Acworth to which reference was made in last year's Statement. It is unnecessary here to repeat the summary which was therein given of this comprehensive document, which deals with every phase of railway management and finance in India. We may confine ourselves to a brief description of the steps which Government is taking to discover a solution for the various problems brought to light.

The Acworth Committee's Recommendations.

Up to the time when the Railway Committee reported, the annual allotments for railway expenditure in India had been determined from year to year; and the amounts have consequently varied irregularly in accordance with the general financial position of the country. The unhappy results of this arrangement were very forcibly brought out by the Acworth Committee, which proposed a remedy of a very far reaching order. It was suggested that railway finance should be completely separated from the general finance of the Indian Empire ; and that railway management should be emancipated from the control of the Government Finance Department. As stated last year, these proposals were first considered by a special committee consisting of members of both Houses of the Indian Legislature, and afterwards by the Legislative Assembly. The Committee came to the conclusion that the question of separating railway finance on the lines laid down by the Acworth Committee was outside the domain of practical politics in the existing condition of India. They recommended, however, that the question should be re-examined three years hence, when it might be hoped that conditions would be more normal and financial equilibrium be

N. The Five-year Programme.

it is perhaps inevitable that they should take precedence over all' other railway matters in newspaper criticism. Indian Railways are now, as a result of the difficulties connected with the war period, insufficiently equipped to enable them to deal satisfactorily with all the passenger traffic to be carried. The direct remedy to this is obviously to construct more stock ; and during the year 1921-22 there were added 378 engines, 289 coaching vehicles, and 6,322 wagons. By this means the total rolling stock was brought up to 9,743 engines 25,240 coaching vehicles and "207,516 wagons. But the problem of overcrowding is not to be dealt with so simply. It is obviously useless to equip railways with a liberal supply of stock, unless provision is simultaneously made for increased engine power and for improving the capacity of lines in such fashion as to enable extra trains to be run. It is in this respect that the most formidable difficulties are encountered—difficulties which entirely fail to gain the recognition of those who criticise the present conditions of travel. Wherever a railway line is single, the number of trains which can be passed along it is strictly limited. Wherever gradients are heavy, the loads of trains must be limited. As platforms are short and yards inadequate, trains longer than those at present running cannot be accommodated. In such cases it is plainly useless to increase the number of carriages until there is more capacity to utilise them. Every possible effort is being made in the five year programme to deal with these difficulties ; but from their very nature they cannot be quickly removed. Much is being done. Already important terminal stations on several railways are being remodelled ; the doubling of lines is being pursued ; crossing stations are being provided ; suburban lines are being electrified to prevent local congestion. At the same time, efforts are being made to redress and remove the grievances of the third class passengers. Waiting accommodation and booking facilities are being improved ; water supply is being properly regulated ; conveniences in the carriages themselves are being ameliorated in all new constructions. The supply of food for passengers is being carefully investigated; and special refreshment rooms are being provided at all important stations. Indian passenger superintendents are being appointed on various lines whose sole duty is to look after third class passengers and to give them information and assistance. Stringent instructions have been issued to the railway staff that prompt notice will be taken of every proved incidence of incivility or want of attention. Further, a Committee has been appointed, as a result of a Resolution in the Indian Legislature,

The Third Class Passenger.

to report on the revision of railway risk note forms, in such a way as to safeguard the interests of the railways, while affording the general public greater facilities in claiming compensation for goods lost or damaged. Among the other steps taken by Government to give effect to the recommendations of the Acworth Report, mention may be made of the institution of a Central Advisory Council, which has been formed of selected members drawn from the Legislative Assembly and the Council of State. Local Advisory Councils are already feeing constituted in connection with certain of the large administrations, and a plan for giving general effect to the proposal will, it is hoped, shortly come into force.

Railway Risk Notes.

Two other topics of general interest in connection with the Indian railways may be briefly mentioned. The first concerns railway materials. A study of the figures of imported and indigenous materials purchased by the Indian railways in 1921-22 shows that imported materials were valued at Rs. 27.88 crores and indigenous materials at only Rs. 10.73 crores. Of the imported total, nearly half is represented by rolling stock. Until a few years ago, India's capacity to supply this item was practically negligible, and even now the output is small, and has been up till lately regretably uncertain. Fortunately however, private enterprise is now coming forward in increasing strength to meet this demand ; and a regular start has been made in the establishment of railway industries. Mention is made in another place of the appointment of a Railway Industries Committee, which, however, was unable to complete its investigation pending the publication of the Report of the Indian Fiscal Commission. There is one important point which must not be omitted from a consideration of this topic. If railways are to work economically in the best interest of the tax-payer, it is essential that they should buy their material in the cheapest market. Since prices in England and elsewhere are falling rapidly, Indian-made materials must keep pace if they are to take the place of supplies from abroad. It is hoped that measures now being taken will enable the stores balances on State owned railways to be largely reduced ; but until the enterprise of India's own manufacturers can make the country more independent of foreign sources of supply, a regretably large amount of capital will have to be locked up in stores.

Railway Stores.

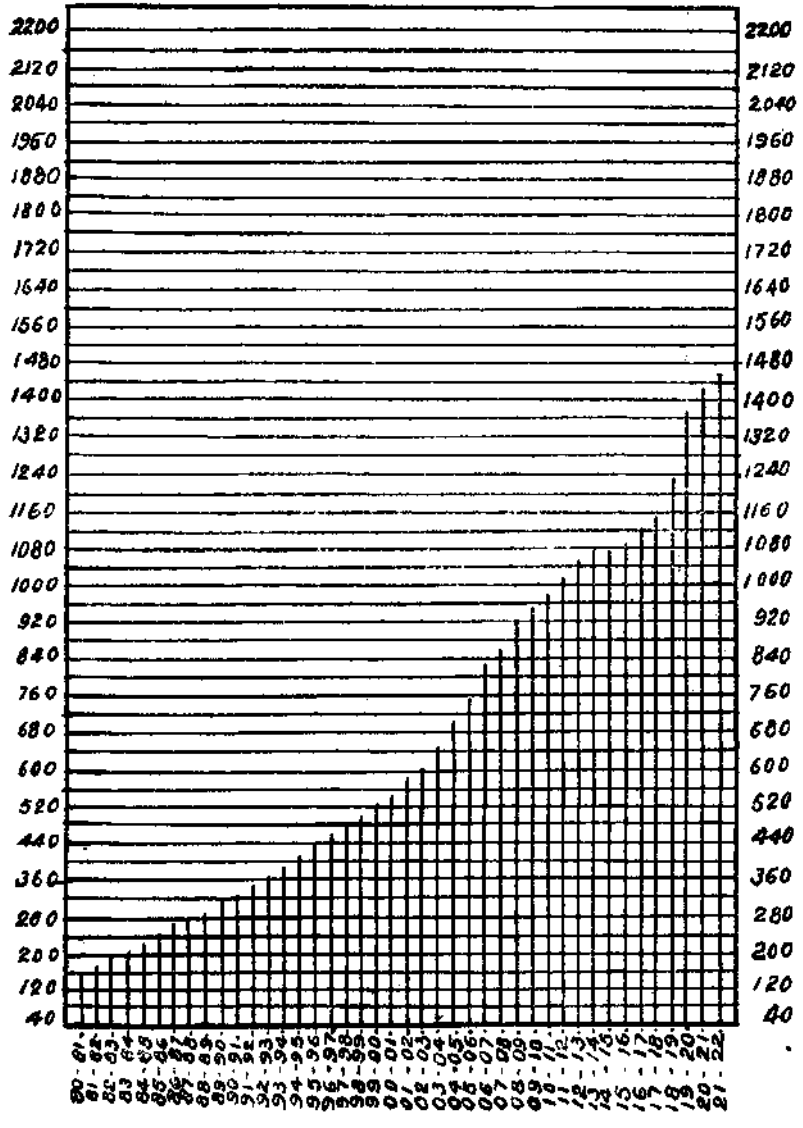
The second topic of which mention may be made is the progress achieved in satisfying the demand, constantly put forward in the public press, for the Indianization of the railway services. In accepting a resolution of the Council

Indianization.

of State in the Delhi Session of 1921-22, Government pointed out that they had already accepted the policy of gradual "Indianizing" the public services, and that the same policy would be applied to the higher railway establishments wherever possible. Something has already been done in regard to the superior establishment of State worked railways. In the Engineering Department, 20 per cent, of the officers are now. Indians; in the superior Traffic Department 25 per cent, and in the Superior Stores Department 8 per cent. In the locomotive and carriage and wagon departments, it has only been possible to make a small beginning. This is due chiefly to the lack of facilities for proper training. Extensive schemes for the training of mechanical engineers are now, however, under consideration. Every railway company in India has expressed entire agreement with the general policy laid down by the Government of India, and has given practical evidence of its desire to give effect to it. In this connection it is interesting to note the progress made during the last six years on all lines taken together. In 1916, the number of Indians holding superior posts in all Departments of Company and State Railways in India was 85 : in 1922 it was 212. Further advance is being carefully watched and all Agents have been required to furnish half-yearly statements showing the appointments made. Measures are being taken, in some cases with the assistance of local governments, to improve the existing facilities for training, particularly in the direction of mechanical engineering. Notable examples are found in the workshops of Jamalpur, Kanchrapara, and Lillooah, where apprentices are taken and arrangements also exist for theoretical instruction. The Bengal Government propose to meet the cost of the technical school at Kanchrapara, including all equipment and the educational staff. In Bombay the Great Indian Peninsular and the Bombay, Baroda and Central India Railways have long had apprentice classes; the Madras, and Southern Mahratta Railway provides for apprentices; and for the United Provinces classes already exist at Lucknow, Gorakhpur and Jhansi. At Lahore a college will shortly be opened for the training of electrical and mechanical engineers; and it will work in collaboration with the North-Western Railway shops; while the Bengal Nagpur Railway has arrangements for the training of apprentices in the workshops at Kharagpur, where night schools also exist for theoretical instruction. It is hoped that these arrangements to meet the needs of indigenous recruits for the railway service will be made more and more effective as years pass.

Technical Training.

DIAGRAM SHOWING GROWTH OF POSTAL TRAFFIC SINCE 1880-81 - ALL ARTICLES.



There can be no doubt that popular interest is growing in the question of Indian communications. Conjoined with this interest naturally goes the steady demand for improvement. Of this an index is afforded by the unchecked progress of the traffic handled by Posts and Telegraphs Department. When in 1854, the postal service of India was formed into a separate Department with a Director-General, it started with 700 offices. At the close of the year 1921-22, there were 19,557 post offices, 106,372 postal officials and 157,838 miles of mail line. During the year, 1421-6 million articles were handled, including 614 million letters, 648 million postcards and 78 million registered newspapers, an increase of 32 million articles over last year's figures. This increase is relatively small on account of the slump in trade and of an enhancement in the rates of postage. But it indicates how rapidly, even in an unfavourable year, the work of the Indian post office is expanding.

Post Offices.

Mails in India are transported by such means as runners, railways, horses, river craft, mail carts, camels and tongas ; but where practicable the slower means of conveyance are gradually being replaced by motor transport. There are however vast tracts of country where railway or motor transport cannot be used, and every year sees some addition to runners' lines as a necessary adjunct to the numerous small village post offices opened in the interior of districts. The runner therefore still holds, and will continue to hold for many years to come, a prominent place in the organization as an agency for the conveyance of mails. The annals of the Department furnishes numerous instances of runners having been carried away by tigers, drowned in flooded rivers, bitten by venomous snakes, buried in avalanches or murdered by robbers. During the year 1921-22 there were 57 cases in which the mails were plundered by highway robbers as compared with 36 in the preceding year. Seven out of the 57 cases were attended with loss of life and in 13 instances the mail carriers were wounded. As an example of the dangers to which mail carriers are exposed may be mentioned the fact that during the year under review three runners while crossing rivers were drowned, the mail bags and the bodies of the carriers being subsequently recovered. The runners on the mail lines to Gilgit and Leh incur great risks in crossing the high passes during the winter months. During this year two runners were buried under an avalanche while carrying mails ; one of them was extricated, the other was killed ; the mail was subsequently recovered and found intact. In the face of all these dangers the mai]

Mail Runners.

runners seldom shrink from performing their duty and no praise can be too high for the honesty, courage and devotion which they display.

Public Utilities.

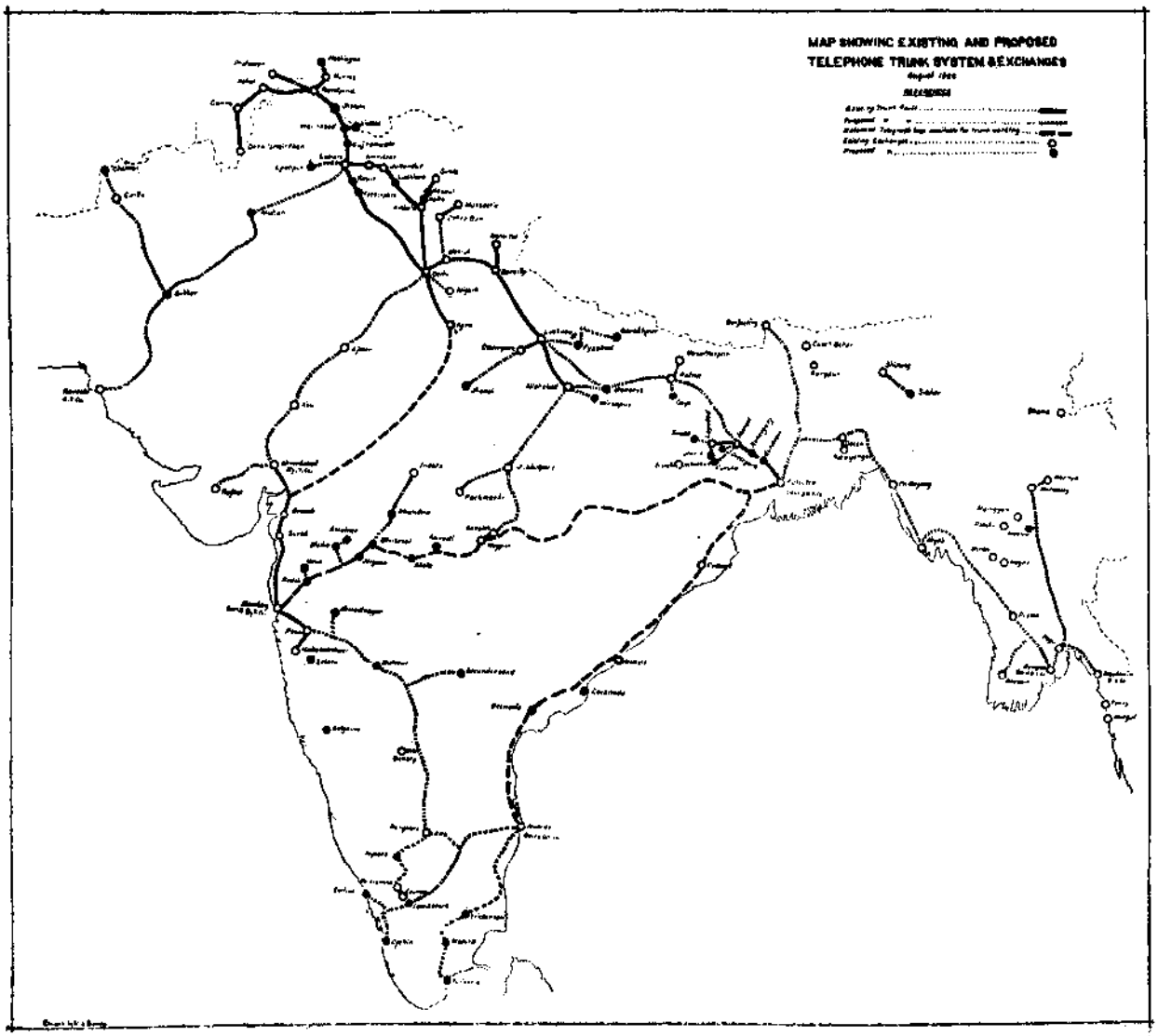
The public utilities of the Indian Post Office are not confined to the collection, conveyance and delivery of correspondence. In addition, it acts as a banker and agent of the public, it enables them to do their shopping from all distances, it sells quinine, it insures the lives of Government employees, it collects customs duty, it receives salt revenue, and it pays the pension of retired soldiers of the Indian Army.

Financial Results.

In 1920-21 the Post Office worked at a net deficit of Rs. 0.46 crores as a result of the increase of pay sanctioned for postal employees during that year. During the year under review a further revision was made in the pay of those officials whose case could not be considered in the previous year ; with the result that the net deficit rose to Rs. 0.58 crores. Receipts were Rs. 5.83 crores and payments Rs. 6.41 crores. Although the advantages of cheap postage to a country such as India are inestimable, it is none the less desirable that a public utility service such as the Post Office should be kept thoroughly efficient. As this efficiency can only be maintained so long as the Post Office pays its way without having to starve its various branches, the minimum rate of postage on a postcard was raised from a quarter anna to half-anna and that on a letter from a half-anna to one anna with effect from the 24th April 1922.

Telegraph Branch.

The Telegraph Branch showed a profit, its total receipts being Rs. 3.48 crores against working charges amounting to Rs. 3.02 crores. The total number of Inland and foreign telegrams disposed of during the year 1921-22 was 20-6 millions, showing an increase of 3 per cent, as compared with the figures of the preceding year. The total line and wire mileage continues to grow steadily; and now consists of approximately 92,000 miles of line and cable carrying 412,000 miles of wire. At the close of the year there were over 10,000 Telegraph Offices open in India including Railway and Canal offices ; and nearly 9,000 of them were open to the public. Notwithstanding the absence of a fairly large number of Telegraphists on Field Service and other duty during the year 1921-22, the resources of the Traffic Branch were not exhausted. In connection with the strikes of Railway signallers in 1921 and 1922, valuable assistance was promptly given to the Assam-Bengal and the East Indian Railways by the Telegraph Department, and the crisis was tided over. The re-organization


MAP SHOWING EXISTING AND PROPOSED
TELEPHONE TRUNK SYSTEM & EXCHANGES

of the Wireless Branch received, in a modified form, the sanction of the Secretary of State the Branch now consists of a Headquarters forming a part of the Director-General's office and two Divisions which include the Executive Officers and all subordinate staff. Progress was made towards placing the Branch on a satisfactory commercial footing by introducing as fa* as funds permitted up to date apparatus and other improvements. Licenses to establish, maintain and work Wireless Telegraphs (Fixed and Mobile Stations) in British India, were sanctioned by Government and are now issued to *bond fide* experimenters, amateurs, instructional establishments and to firms to establish wireless communication for business purposes, as well as for ships registered in British India. Licenses to import Wireless Telegraph apparatus were also sanctioned ; all wireless apparatus in India being thus kept under Government control. The legislation relating to Wireless Telegraphs in India has been brought up to date ; and includes the Indian Wireless Telegraphy {Shipping) Act, 1920 and Rules thereunder. Owing to the revision of charges for radio telegrams exchanged with ships at sea, in conformity with the charges in force in most other countries and the abolition of preferential rates for Government radio-telegrams, the total coast charge receipts were nearly double those of 1920-21, notwithstanding the fact that the number of radio-telegrams dealt with decreased slightly during the period under review. The receipt of the British Government press messages direct from Leaf!eld (near Oxford, England) was facilitated by special apparatus designed and constructed at Karachi. Considerable progress was made in the design of new receiving gear and the testing of up to date and modern transmitting apparatus. The Instructional Establishment continued to do satisfactory work and about 250 men were tested or trained during the year. Of these approximately 150 were for the Department and 100 for the Army.

Wireless.

Telephone development is still in its infancy. There has been considerable growth of late ; and at one time a notable expansion was anticipated within the next few years. But it is not now probable that these hopes will be realised as rapidly as is desirable. The Licensed Companies' systems at Calcutta, Karachi, Madras, Rangoon and Moulmein are all in the process of being modernised and, in the case of Bombay, arrangements are being made to instal automatic plant. The Post and Telegraph Departments also have in hand a programme for the installation of small automatic boards at some of the principal towns in India. The linking

Telephones.

up of the larger towns, especially in Northern India, by trunk lines, has steadily progressed. The trunk circuit mileage rose to 5,700 miles of wire against 5,600 miles in the previous year. On the 31st March 1922 there were in existence 256 exchanges with 11,973 connections owned and maintained by Government of which 159 exchanges with 1,343 connections were not operated by this Department. There were also 285 independent non-exchange systems with 1,110 telephones. The number of exchanges owned by the Licensed Companies fell from 11 in the previous year to 10; but the number of connections rose from 20,385 to 23,958. If Telephone development could be financed by Government it has an assured future.

Aviation.

Among other means of communication which in the future may play a great part in the development of India, mention must be made of aviation. Surveys of the primary air routes between Bombay-Calcutta, Calcutta-Rangoon, Calcutta and Delhi, Delhi-Karachi, have been completed; at some of the terminal stations aerodromes have been provided with landing grounds at intermediate points. Unfortunately, the general financial situation in India has brought civil aviation practically to a stand-still for lack of funds during the period under review. This is the more regretable since India and Burma, apart from the fact that they are on the direct line of communication to Australia and the East, are better situated naturally for the development of air transport than any other countries. Meteorological conditions throughout the most of the year are ideal; and any difficulties arising during the monsoon are easily surmountable. Geographical conditions by themselves invite the furtherance of aviation, since on many routes railways are practically impossible and the existing means of transport must continue slow and cumbersome. A notable example is the journey between Lahore and Srinagar in Kashmere, which at present involves some 24 hours exclusive of the usual halt of one night. By air the journey would be done in less than 2 hours and probably at a greatly reduced cost. Moreover the large commercial centres are situated at distances which conform conveniently to the speed of aeroplanes. A service between Bombay and Calcutta could be flown by night, departing with letters, etc., after business hours and arriving in time for their delivery next morning. This would mean a saving of two working days on each journey. Between Calcutta and Rangoon a night air mail service taking nine hours would save nearly three working days. With all the advantages that an increased develop-

Its Possibilites in India.

ment of civil aviation is likely to bring to India, it must be pronounced a matter of extreme regret that up to the moment of writing financial stringency has prevented all possibility of early progress. Nor is there very much hope for the immediate future ; a fact that will be realised from the recommendation of the Inchcape Committee's Report that the Post of Chief Inspector of Aircraft to the Government of India should be abolished.

In connection with the future of aviation, we may notice the important work of the Indian Meteorological Department, which by the determination of upper air movements, is steadily preparing for the day when precise information on this matter will be necessary to safeguard aircraft and to minimise the cost of flying. A feature of immediate public service has been evolved as a result of requests in 1920 and 1921 by the military authorities for balloon parties to attend artillery camps at which gun calibration and practice were to be undertaken. During the year 1922 there have been demands for eight or nine of these parties, and reports of their work show that the information derived therefrom is now considered indispensable. Among other important functions of the Meteorological Department may be mentioned the signalling of storm warnings. During the year under review 10 storms formed in the Bay, and for nine of these the warnings were correct. In the case of the tenth, the intensity of the storm was somewhat underestimated. Like other branches of Government activity, the Meteorological Department has been seriously hampered during the year under review by shortage both of finance and of gazetted staff.

CHAPTER IV,

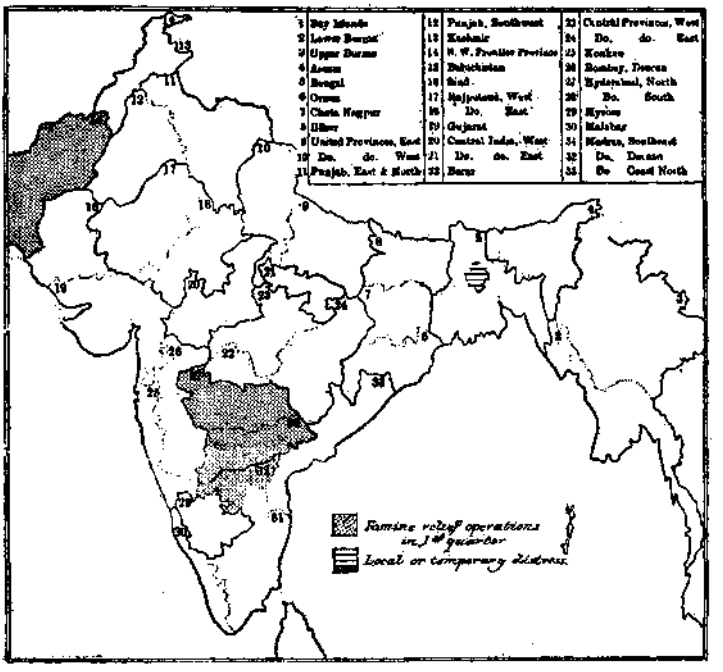
Problems of Progress.

The year 1922.

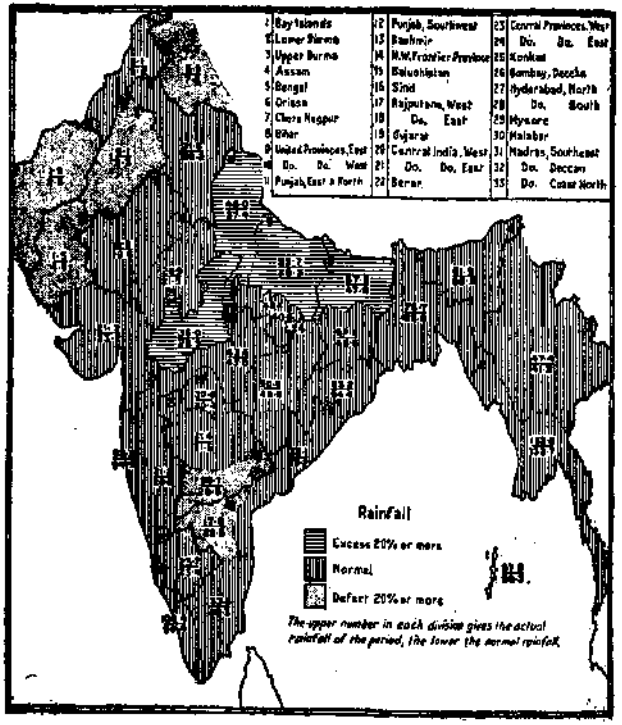
Mention was made in last year's Statement of the hardships undergone by the agricultural population of India in 1920-21. At the close of the year 1921, relief operations were in progress in the Deccan districts of the Madras Presidency, in Baluchistan, and in Hyderabad State. Fortunately the excellent monsoon of 1921 greatly alleviated the situation ; and in the first quarter of 1922, these relief works were close 1 down. But the want of sufficient rain in certain areas of the Kurnool district of the Madras Presidency caused relief works to be opened later on in the year. They were closed down in September ; when the satisfactory monsoon of 1922 had begun to exert its influence. The highest number of persons on the relief in the affected areas was only 10,575 as compared with 0'45 millions in 1921. As will be seen from the map on the opposite page, both the quantity and the distribution of the monsoon of 1922 were excellent. Unfortunately, the rejoicings which would normally have accompanied so prosperous a season were marred in Bengal by natural calamities in the Burdwan and in the Rajshahi divisions. Towards the end of June 1922 exceptionally heavy rainfall led to floods in parts of Bankura and Midnapur. Relief measures were promptly undertaken by the local authorities. But in September, disastrous floods were caused by three days' continuous rain, which raised the level of the Ganges at Goalando four to five feet higher than usual. The

The Bengal Floods.

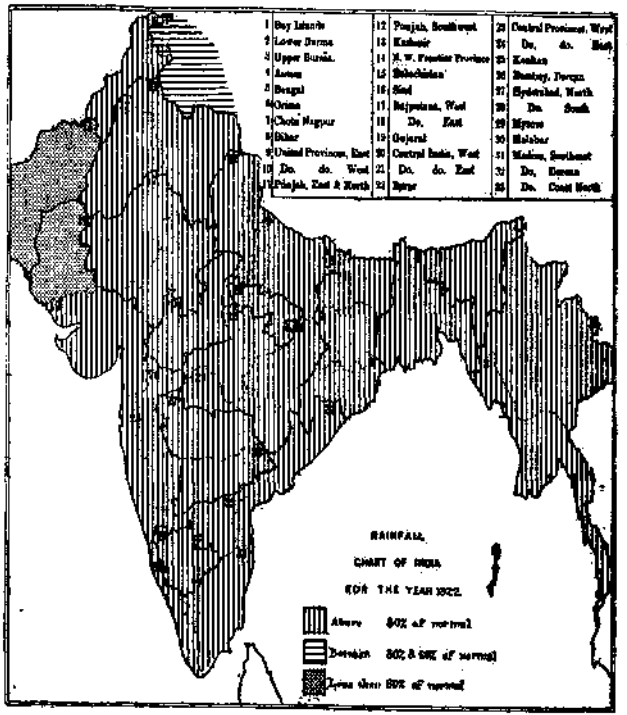
area affected involved 1,200 square miles in the Rajshahi district; an area in the west of the Bogra district of nearly 400 square miles, and smaller areas elsewhere. The waterway provided in the local sections of the railway embankments, although quite adequate for ordinary years, proved entirely insufficient for these abnormal conditions. The railway line was breached in several places and great damage was done to crops, houses and cattle. Some 14,000 head of cattle perished and many thousands of houses were demolished. For a calamity so widespread the doathroll was small; only 33 lives were lost in the Rajshahi district and 22 in the Bankura district. Prompt and gratuitous relief to meet distress was at once given *by* the district authorities and all necessary arrangements for carrying


1 Bay Islands
2 Lower Burma
3 Upper Burma
4 Assam
5 Bengal
6 Orissa
7 Chota Nagpur
8 Bihar
9 United Provinces, East
10 Do. do. West
11 Punjab, East & North
12 Punjab, Southeast
13 Kashmir
14 N. W. Frontier Province
15 Baluchistan
16 Sind
17 Rajputana, West
18 Do. East
19 Gujarat
20 Central India, West
21 Do. do. East
22 Berar
23 Central Provinces, West
24 Do. do. East
25 Konkan
26 Bombay, Deccan
27 Hyderabad, North
28 Do. South
29 Mysore
30 Malabar
31 Madras, Southeast
32 Do. Deccan
33 Do Coast North
Famine relief operations in 1st quarter
Local or temporary distress

RAINFALL FOR THE PERIOD, JUNE TO NOVEMBER, 1922.



RAINFALL CHART OF INDIA, 1922.



on the work were quickly made. Agricultural loans of seed and money were widely distributed; special attention was given to medical relief and the prevention of epidemics ; and in addition the door was opened to private charity to join hands with Government in measures for the general rehabilitation of the destitute. Splendid work was done by many non-official agencies, in particular the Bengal Relief Committee, which displayed great energy in pressing upon the attention of Government the magnitude and seriousness of the calamity. Loud complaints appeared in the public press regarding the alleged negligence of the railway to provide adequate drainage openings. An official investigation undertaken by Rai Bahadur Ralla Ram, Chief Engineer of the Patiala State, showed that in the opinion of the experts the drainage openings available in the embankments were normally adequate, according to the best information available during the past, and that no blame attached to those entrusted with the construction of the line if in the extraordinary circumstances of the year the waterways proved insufficient.

Foodstuffs situation in 1921-22.

It will be remembered that in last year's Statement mention was made of the serious problem presented by the food supply during the year 1921. The premature cessation of the 1920 monsoon had caused a widespread failure of the autumn harvest in northern, western and central India, with the consequence that autumn sowings and spring crops had been greatly restricted. In all India the wheat deficit was about 25 per cent, and in the Punjab the crop was 40 per cent, below the normaL

Wheat.

Towards the end of August 1921, there came a sudden rise of prices. Wheat leaped up to Rs. 9 and even to Rs. 10 per maund of 82 lbs, a price undreamt of at any time in the past. In order to increase public confidence, and to destroy belief in the rumours that Government were exporting large quantities of wheat to Europe, it was announced that no further exports of wheat and flour from India would be allowed at least until the end of March 1922. In point of fact, owing to the prices ruling in Europe and India at the time, the export of wheat from India to Europe was a sheer economic impossibility ; but the wild rumours continued until the publication of the announcement already mentioned. To prevent any depletion of stocks or enhancement of price owing to military requirements, the import of foreign wheat was encouraged, and the actual amount arriving in India up to the 31st December 1921 was 0-23 million tons. During the year 1922, however, the position changed ; and, as is explained elsewhere, it was found possible in September to remove all restrictions

upon the export of this commodity. In regard to rice also special measures had been taken during 1921, to conserve stocks for Indian consumption. Fortunately during 1922, the position greatly eased, and all restrictions on the export of rice were completely removed on March 15th of that year. Then followed a small but immediate rise in the price of rice ; but it was soon discovered that the demand for Burma rice was in no way above the normal, and the demand for Indian rice, far below it. The consequence is that by the end of the year 1922, the price of rice in India was lower in many parts of the country than at the time when the restrictions were removed in March.

Bice.

There exists in certain quarters in India a popular belief that the export of food-grains from the country is among the causes of high prices in an unfavourable year. Analysis shows that this conclusion rests on insufficient grounds. The average net export of grain and pulse from India in the ten years ending 1918—that is before the introduction of the system of control—averaged less than 1.5 million tons per annum, as against a total production of food-grains estimated at somewhere near 80 million tons. This small exportable surplus, which has of late been kept in the country by the restriction of export, has undoubtedly assisted India to pull through the crises caused by the monsoon failures of 1918-19 and 1920-21. Government have always held a permanent policy of restriction as entirely wrong in principle. To forbid export is to deprive the cultivator of a large portion of his market, with the inevitable result that he must cease in time to grow such commodities as he is not allowed to sell. The indefinite continuance of restriction upon the export of food-grains would naturally lead him to turn his attention to cotton and to oil seeds; thus reducing the food supplies of the country and destroying a margin against famine. The demand which is put forward in certain sections of the Indian press for complete and permanent restriction on the export of food-grains is thus wholly wrong. Incidentally, it is an urban as against a rural demand, and seems to arise from some obscure belief that it is the duty under all circumstances of the country districts to provide cheap food for the towns. During the year under review, thankn to excellent harvests and a general lowering in prices, the cultivating and land-holding interests were able to make their voice heard as against the towns, which, provided the prices of food-grains remained low, had no longer any interest in the question of free exports. A motion

Export and Scarcity.

Town *versus* country,

was introduced into the Legislative Assembly in September 1922 asking Government to remove all restrictions imposed on the export of wheat and certain other commodities. ID this debate the rural interests took a predominant part, effectively voicing the hardship which long-continued prohibition of export necessarily inflicted upon the cultivator of provinces like the Punjab, which are growing more and more wheat for commerce as opposed to consumption. Government pointed out that the relative prices in India and in England did not allow Indian wheat to be exported to England at a profit; so that it would make no practical difference to the export trade if the prohibition remained or was removed. Stress was, however, laid upon the view of Government mentioned above as to the undesirable effect of long continued restriction; and it was promised that provided the September rains, upon which the crop so largely depends, were favourable, the prohibition would shortly be withdrawn. This was subsequently done ; with the result that a slight sentimental rise in prices took place which before long again gave way to the general falling tendencies of the year.

Cost o! living in 1922.

Generally speaking, the tendency of the year 1922 has been in the direction of reduction of the cost of living. During the whole year the trend has been notably downwards throughout India. The figures published by the Bombay Labour Office show that the average index for the 12 months of the calendar year 1922 was 164, as compared with the standard of 100 in July 1914. This figure 164 may be fruitfully compared with the index number 173 for 1921, and 183 for 1920. The price of cereals fell continually throughout the year under review, and by the end of the period it was less by 24 points than at the beginning. Pulses, which constitute an important article of food for the poorer classes of India, have fallen by no less than 53 points since January 1922. Taking once again the figure of 100 in July 1914 as the standard, the index number for the retail price of food fell from 176 in December 1921 to 157 in December 1922. And while the cost of living thus showed a marked fall, there was no corresponding decline in the average of wages. There is indeed evidence to show that both in certain industries and in certain parts of the country, a substantial margin now exists between the real or effective wages and the present cost of living. Careful investigations undertaken by the Bombay Labour Office into the wages and cost of living of the cotton industry throughout the Bombay Presidency show that in May 1921, the wages of men-operatives in Bombay had increased by 90 per cent. while the cost of living had increased only by 67 per cent, over the

1914 standard. The real or effective wages of the men-operatives of Bombay in the cotton industry were 14 per cent, higher than in the pre-war period. Throughout the Presidency as a whole, the effective wages, after discounting the increased cost of living, worked out at 17 per cent, above the 1914 standard.

The condition of the masses.

The problem most frequently propounded both by the Indian press and by foreign travellers to those responsible for the administration of India, is whether the Indian masses are becoming poorer or richer under British rule. It is plain to the observer that there is considerable indirect evidence as to a growing prosperity rather than to an increasing poverty. The multiplication of third class passengers on the railways during the last decade would seem to indicate that more money is available after the bare necessaries of life have been met than was previously the case. The recently increased absorption of rupees, which two years ago threatened the whole currency system of India with inconvertibility, combined with the growing employment of silver for the purpose of adornment by classes of the population previously, and within living memory, accustomed to brass, would seem to point in the same direction. Indeed since the War, the unexpected and unprecedented wealth of the cultivator in certain parts of India has stimulated his tendency to hoard either bullion or ornaments. Of the £45 millions of gold exported from the United Kingdom in 1922, India took the second largest share, importing nearly £14 millions as against £26 millions sent to the United States on account of war payments.

Indirect evidence of growing prosperity.

The steady substitution of a monetary for a natural system of economy, with its complement of preference for imported cloth, for imported metal and for imported domestic utensils, seems to show that the contention sometimes put forward that the masses display no symptom of increasing prosperity is based rather upon personal prejudice than upon actual observation. Perhaps even more important as contributory evidence to growing comfort is the manner in which the agricultural population of India survived the scarcity and famine of 1920-21. It must be remembered that while in the old days a famine meant absolute shortage of food, due to some natural catastrophe, the same word nowadays connotes merely the inability of a section of population to purchase food which is for sale. Now during the year 1921 the proportion of the total population in the area affected by monsoon failure which was in receipt of relief was considerably less than three per cent. Few

things have been more striking during this period than the fact that even the depressed classes of the population, who within living memory were accustomed in times of shortage to subsist upon seeds and roots, were able to purchase corn when the price was four seers to the rupee.

Direct evidence of growing prosperity.

There is a certain amount of direct evidence available which points to an improvement in the economic position of the Indian peasant. Without an elaborate and costly survey, such as can with difficulty be organised for some time to come, the average income for all-India can hardly be determined with any exactness. But certain provincial Governments are directing their attention to the collection of statistics, the publication of index numbers and the investigation of family budgets. The work is still almost in its infancy ; but its importance is being recognised by the general public, and there is reason to hope that before long it may be taken up upon a larger scale. In Madras for example, the Statistical Branch of the Department of Agriculture has published an extremely careful estimate of the income which is earned by agriculturists in the form of agricultural products throughout the Presidency.

Madras.

It has been calculated that the total agricultural and non-agricultural income is somewhere near Rs. 434 crores. The population of Madras being 42-3 millions by the census of 1921, the average income per head works out at a little over Rs. 100. The publication of this figure has caused a certain amount of surprise in view of the oft repeated statement that " the average income for all-India is only Rs. 30 per annum." But this lower estimate was made ;at the close of the last century ; and even then was reckoned as a minimum and not as a maximum computation of the average income. During the year under review support has been lent to the Madras figure by the investigations pursued in Bombay. In connection with the census, information has been collected regarding the estimated income and expenditure of families in the Presidency outside Bombay city. The net per capita annual income, which is arrived at by dividing the gross income of the family (minus agricultural and business expenditure) by the total number of persons in the family, works out at about Rs. 100 for urban localities, and for rural localities at about Rs. 75. In Bombay city itself, it has been estimated as the result of investigations of nearly 2,500 family budgets, that the monthly income of an average working class family consisting of 1.1 man, 1.1 woman and 2.0 children works out at Rs. 52-4-6 per month

Bombay.

or 17 shillings and *5d.* per week. The percentage expenditure on main heads showed that of the total income, 56-8 per cent, was spent on food, 7-4 per cent, on fuel and lights, 9.6 per cent, on clothing, 7.7 on house rent, and 18.5 per cent, on miscellaneous. With the fall in food prices which has taken place during the period, there can be little doubt that the position of the masses in India is now more prosperous than it has been for some years. At the same time, the Bombay census estimate seems to show that the poorest classes of the population are still compelled to spend 68 per cent, of their income on food and 15 per cent, on clothing. Another 11 per cent, goes on other compulsory expenditure leaving only 6 per cent, for voluntary expenditure, including amusements, luxuries, education and the like. In certain particular parts of the Bombay Presidency, such as the Deccan, the income falls very far below the general level. Where rainfall is precarious and uncertain, and the soil shallow and poor, the income from all sources per head in a typical village has been calculated at Rs. 33.12 per annum ; as against a minimum of expenditure necessary for real needs in respect of food and clothing at Rs. 44 per annum. Any symptom of increasing prosperity such as we have already noticed must not disguise from the observer the fact that a considerable proportion of the masses of the Indian population is still beset with poverty of a kind which finds no parallel in the more exigent because less tropical climate of Europe.

Indian poverty: some causes.*

The theory that the Indian masses are ground down by the exactions of an extravagant Government, though a favourite them of eloquence in the newspaper press, will not hold water for a single instant in the face of facts. Despite the high salaries paid to her officials, India probably possesses at this moment the cheapest administration of any civilized country. Non-official estimates, carefully compiled, put the average incidence of taxation, including industrial profits, at just over Rs. 6 per head per annum. The actual demand of the State upon the land works out in most places to about 5 per cent, of the gross produce, a figure which may be compared with the corresponding average of 17 per cent, in the case of Japan. Further, it may be noticed, that in a province like the Punjab, the land revenue amounts to only half of one per cent, of the land value. The undeniable poverty of India is not due to her administrative system, but to the fact that she is not at present organised for the production of wealth. On every side, tradition and

•For a further discussion of many topics dealt with in the next few pages, the reader Is referred to H. Calyert ; *The wealth and welfare of the Punjab,* Lahore, 1923.

sentiment, rather than economic advantage, rule to-day as they have ruled for centuries; and exercise upon the Indian masses a cumulative pressure as universally crushing as it is commonly unrecognised. We are not concerned to consider whether this sentiment may or may not embody something nobler and more enduring than the commercial ideals of the West; whether the Indian outlook on life is higher, more spiritual, more closely in accord with eternal verities than the attitude of mind characterising the inhabitants of Europe and America. We are Concerned here solely with its consequences upon the economic situation of the Indian people, with whom it rests in the future to determine whether they will or will not undergo the sacrifices which an highly organised industrial policy must necessarily exact from them. Thus analysing the problem, not from the ethical but from the economical aspect, it may be roundly stated that the principal factors which still bind India to poverty are extravagance, sentiment, and ignorance.

India not organized for wealth.

Perhaps the most striking characteristic of the Indian peasant, as compared with the peasant of Western countries, is the absence of that thrifty fragality which grudges no sacrifice so only that the land may be improved. Since this was as true yesterday as it is to-day, the Indian peasant inherits from his forebears little but land already impoverished, or at least unenriched, by the culture of generations. He has nothing of the immense wealth which in Europe has been handed down to the present-day agriculturalists in the form of improvements, reclamations, and working capital. This fact of itself, together with his own illiteracy and imperfect education, combine to keep his average production very low. And while the average production is low, average earnings must necessarily remain low too. Moreover, he lacks the incentives which in more temperate climates have forced frugality upon the agriculturist. Throughout much of India the thriftlessness of the Indian peasant is due to the benevolence of nature. Large tracts of India are so fertile that men need do little beyond scratching the soil and scattering a handful of seed. Hence millions of Indians prefer to maintain a low standard of living with small exertion rather than to strive after a higher standard at a greater cost. This fact also accounts for the general shortage of labour, despite the vastness of the population. For while in India labour has commonly to be paid highly to induce it to put forward the exertion consequent upon employment, its inefficiency makes outturn very low. To these general characteristics of the Indian peasantry

Thriftlessness.

we must add the fact that there are no prudential restraints upon an increase of the population which multiplies up to the very margin of bare subsistence until calamity intervenes. And while the number of mouths increases year by year, so that India is now supporting a population greater than any she has known before, the means for filling these mouths are prevented from proportionately expanding by the bonds of uneconomic tradition. Further, if we include the Hindu joint family system, which does not permit lazy and incompetent persons to be thrown on their own resources, we have already a not inadequate explanation of the poverty of India.

Nor, in recounting the causes of waste, can we leave out of reckoning the large expenditure at present incurred upon festivals, which eats up so much that might go to improve the land. The debt which has frequently been cited as a proof positive of the poverty of the Indian labourer is due in no small degree to purely unproductive expenditure. The analysis of working class budgets in Bombay shows that no less than 40 per cent, of the families are indebted to money-lenders, the borrowing being normally undertaken for marriages, for funerals or for festivals. Where the average family working class income is Rs. 52-4-6 per mensem, the average cost of a marriage is Rs. 214, of a funeral Rs. 35, and of a festival Rs. 18. In no less than 4 per cent, of these Bombay families the expenditure on marriages alone represented more than the total family income for the year. In 23 per cent, it amounted to more than one half of the total annual income and in 73 per cent, to a something under one half.

Prejudice and Ignorance.

But in addition to this general thriftlessness, which may possibly be ascribed in large degree to centuries of unsettled conditions, we have to reckon the habits and customs of the people themselves. The attitude of the Indian masses is still not towards material things. There is a tendency to rely upon some higher power rather than upon individual effort; and, as has been somewhat cynically said, people expect either the Government or God to make good all their own deficiencies. Throughout India at large, manual labour is still associated with loss of dignity. A religious mendicant excites far more respect than an efficient artisan ; while whole castes avoid productive labour and are devoted to callings which add little or nothing to the wealth of the community. There is a marked tendency for consumers to increase at the expense or producers; and there is much uneconomical overlap in the organization of trade. No one can walk down an Indian

Consumers and Producers.

bazaar without noticing the multitude of tiny shops all selling similar things, of which 20 per cent, could probably discharge satisfactorily the proper economic functions of the whole number. In the Punjab, indeed the last census shows that there is one small shopkeeper for every 21 of the population—a figure ridiculously in excess of what the situation demands. And while India has shown little concentration upon the production of wealth in the past, and little desire for its systematic accumulation in the present, religious sentiment operates to prevent both the consumption and production of most valuable food. As a result of the almost universal veneration for the cow, horned cattle cannot be exploited for profit, while bones, hides, skins and other commodities of great value in the West, cannot be utilized to their fullest extent. Indeed it has been remarked by various observers that all who can afford it live in India on a somewhat wasteful scale. It is generally held that milk and clarified butter are among the bare necessaries of life ; but it never strikes Indian opinion that few countries can afford to use butter in the wasteful manner common in India. For example, large quantities of cocoanut oil are annually exported from poor India to wealthy England, where they are manufactured into a butter substitute which India herself would not dream of employing. If only the standard diet of India could be dictated rather by economic considerations than by religious sentiment, the whole problem of Indian poverty might assume a less formidable aspect. For example, the introduction on a large scale of the potato would at once lead to an immense saving of economic resources. This however does not seem possible for many years to come, owing to the unquestioned dominance of tradition. It must further be remarked that there is at present in India a great waste of available resources due to the custom and prejudice which prevent the employment of female labour on anything like an adequate scale. No advanced industrial community could maintain its economic standard if fifty per cent, of its population remained unproductive ; yet Indian opinion has scarcely begun to realise the obvious truth that the segregation of women and the prejudice against female labour constitute a serious hindrance to progress towards the condition of Europe. To all these causes there may be added in the case of the cultivator the ignorance which is only now beginning to break down before the devoted labours of scientific agriculturists. By far the larger proportion of Indian cultivators persisted in antique methods of extensive cultivation. The wasteful destruction of forests in past ages com-

Religious sentiment.

Uneconomic Diet.

pels them to use in the form of fuel most of their animal manure. Little goes back on the land and artificial manure is almost unknown. Despite the climatic conditions which compel the cultivator in many provinces to remain idle for more than one-third of the total working days of the year, subsidiary industries like sericulture, pig-keeping, fruit growing and poultry farming have not been taken up.

It will thus be realised that the problem of Indian poverty is a gigantic one, with its roots in certain long standing customs and deficiencies, which themselves make for distress as the population increases, while resources are confined within traditional limits by hide-bound precedent. As time goes on it may be hoped that increased development of these resources will gradually create a *per capita* figure of wealth sufficient for India's growing responsibilities as a nation. Meanwhile, all that the Administration can do is to labour for the spread of scientific agriculture, for the encouragement of thrift by co-operative machinery, and for the education of the masses out of a certain narrowness of outlook which at present constitutes the most serious obstacle to economic progress.

Awakening of the Masses.

Fortunately there are symptoms of awakening among the masses themselves which may in the near future be expected to assist powerfully the factors making for economic regeneration. The recent fall in the price of food, combined with the sustained wages of the agricultural labourer, have during the last few months given him a position of greater independence then he has for some time enjoyed. In various parts of the country complaints have been received of the "exorbitant" terms which casual labour now demands in such emergencies as harvest time. Moreover, there has been a conspicuous tendency towards joint action for the purpose of raising wages and exacting favourable conditions from employers. This of itself is characteristic of an improved economic situation; since persons who are weak and resourceless have not as a rule the spirit to improve their condition by combination. We saw in last year's statement that in various parts of India during the year 1921 the movement for tenants' unions or Kisan Sabhas had become increasingly prominent. These unions confined themselves to collective bargaining with local land-holders and overlords, securing therebv improved conditions of tenure and labour for their members. As a result, there has been an increased appreciation on the part of rustic labour of its own position in the scheme of things. The State stepped in to assist in the process of uplift. Impressed labour is now forbidden

in most provinces by legislative enactment; and the reformed looal Governments have devoted considerable attention to such matters as tenant right. Such measures as the Oudh Tenancy Act, while not achieving all that was hoped by those who favourad agrarian reform, have conferred substantial benefits upon the peasantry. Generally speaking, the attitude of the State towards the tenants' unions remained one of marked friendliness, until the activities of certain of these bodies were diverted into dangerous paths by the non-co-operation movement. At the beginning of 1922, the movement in the United Provinces known as Eka, a kind of " one big union " among the cultivators, spread very rapidly in certain districts. The more lawless elements of the population were encouraged to defy authority ; and the leadership of the movement fell into the hands of some bad characters. But with the suppression of disorder and the removal of certain genuine grievances which the tenants entertained against the land-holders, the dangerous aspect of the movement declined. This was assisted by a general easing of the economic situation due to good harvests and the low price of food-stuffs ; so that the tendency towards combination among the rural classes in India has assumed during the year 1922 a more peaceful and law-abiding character. Further, the decreased tension of the political atmosphere has operated to prevent the exploitation of working class grievances by carpet-bagging agitators. That a considerable increase in the class consciousness of rural labour has resulted from the course of the last three years is obvious ; and it cannot be denied that ample cause for anxiety will exist if in the future high prices and specific grievances lead the Indian villager, susceptible as he is to misguidance, to indulge in the sudden outbursts of unreasoning violence of which he is capable.

The Town Dwellers.

Having thus indicated in brief the general conditions during the year 1922 of the Indian countryside in which dwell some 90 per cent, of the total population, it remains to turn to the town dwellers. In a time of rising prices, as we noticed last year, the urban classes suffer in comparison with those who dwell in the country. The monetary income of the average villager, small though it may be, does not represent his total budget. His dwelling costs him little, while his food is mainly produced by his own labour and that of his family. In the towns, on the other hand, the monetary income of the individual respresents by far the largest proportion of his assets; and when the interval between prices and wages is at all considerable, great economic suffering results. This is particularly notice-

able in the case of middle classes. For the four years prior to 1922, small shopkeepers, clerks and the lower grades of State and commercial employés have experienced the pinch of necessity. With their small fixed incomes, their large families and their increasing expenditure, they have found cause for deep and widespread discontent. In contrast with the rural population, which is not as a rule vocal, the urban population is ever ready to voice its grievances and to blame the Administration for what is often a necessary consequence of the traditional economic organization of the country. The preponderance of its influence over that of the rural interests is indicated by the pressure which has been brought to bear upon Government since 1918 in connection with the export of food. During the year under review, as we have already noticed, falling prices and cheap food have deprived the urban population of its painful anxiety for the conservation of the food supply, with the result that rural interests have again made themselves heard. The whole year, 1922, indeed, was marked by a considerable improvement in the economic position, of which fact proofs have already been given in the paragraphs dealing with prices and the cost of living. Wages have remained at the level necessitated by the higher prices of previous years, while the cost of living has substantially declined. In consequence, the middle classes of the town population, have found themselves in somewhat easier circumstances; a fact which accounts in no small degree for the decline in political agitation so notable during the later months of 1922. A similar improvement has been noticeable in the position of the town labourer. He has many advantages from which the middle class man is usually debarred by obligations of social status. The market in which he competes is normally large ; and he can form himself into combines for extorting better terms from his employers. He can change as opportunity offers from one kind of labour to another if he be unskilled, and even if he be skilled, he has probably several strings to his bow. Though at present insufficiently organised, he is gradually acquiring a power, unknown to the middle-class man, of bringing his grievances urgently before the notice of the public by strikes which interfere with public utilities.

The Middle Classes.

The Town Labourer.

It has frequently been pointed out that Indian labour possesses certain characteristics which serve to differentiate it from the labour of other countries. One notable feature of the industrial organization is that the workers in practically all industries are recruited from the

Characteristics of Industrial Labour.

ranks of agriculturists. Hence despite the smallness of his wages, the Indian factory hand is not really economical, since his output is small on account both of his inefficiency and of his migratory character. In most industries throughout India, no real industrial community has yet established itself. Coming from long distances as the workers frequently do, they are prone to throw up one job for another on slight provocation, and even to spend a substantial portion of the year cultivating land in their own village. The result is an appallingly large turnover in practically all mills and factories, accompanied with an economic loss almost beyond estimate. If this loss is to be avoided, and the efficiency of the workmen raised, he must be encouraged to aspire to a higher standard of living, which must wait upon higher wages, better housing, and improved conditions. So far as the first of these is concerned, there is reason to believe that the wages of the labouring classes have now overtaken and surpassed the prices hitherto responsible for so much hardship. The recent investigation of working class budgets in Bombay, to which reference has already been made, reveals, in addition to the striking growth in real wages, the fact that sums of money are regularly remitted from the town to the village from which the labour hails. This remittance forms 3-2 per cent, of the income of the average family, and no less than 26-2 per cent, of the income of the single man.

Welfare Work.

Continuous efforts are being made both by private enterprise and by the State to improve the housing and general conditions of labour. In great cities such as Bombay and Calcutta, the Improvement Trusts are devoting very large funds to this object; and employers are displaying a greater and greater tendency to undertake housing schemes for their labour. Progress is necessarily slow, because accompanied by very heavy expenditure due to the necessity of laying out more land. In certain places attempts are being made to overcome this difficulty by buying land at some distance from the factory and connecting it up by suitable transit arrangements for the benefit of the workers. As symptomatic of the widespread interest now being aroused in the welfare of industrial labour, it may be mentioned that in April 1922 an All-India Industrial Welfare Conference, organised by Servants of India Society, was held in Bombay. Employers from different parts of India sent their welfare workers, while the Government of India and several local Governments were also represented. Many important subjects, such as housing, food-supply, indebtedness, medical aid, educational facilities and the like, were discussed, and resolutions embodying the opinion of the Conference were passed.

One practical outcome was the formation of a committee to give effect to the resolutions and to arrange for a repetition of the Conference in the future. This committee, it may be noticed, sent a representative to the International Welfare Conference held in France during the same year. Quite as important as the steps which have been taken during the year under review to improve the well-being of Indian labour outside the factories, are the measures taken by the State to ensure that this well-being is properly safeguarded during the hours of employment.

State Investigation.

Eeference was made last year to the draft Convention adopted by the International Labour Conference concerning the employment of women before and after childbirth ; and to the detailed enquiries into the matter that had been instituted by the local Governments of Bombay, Bengal and the Punjab. These special investigations have now been completed. The Report of Bombay aroused much interest, being placed before the Legislative Council and attaining wide publicity in the press. The Bengal report deals with the employment of women in jute and cotton mills, in the tea gardens and in the coalfields. A similar enquiry is soon to be started in Bihar and Orissa, which will embrace important coalfields situated an that province and will include subsidiary information as to the effect of underground work on the health of the women employed in the mines. Such enquiries as these will undoubtedly in the long run prove of great utility. In the course of investigation, questions relating to the possibility of granting benefits to women and to providing medical aid, have been discussed very fully with large employers of labour. The special needs of women workers have thus been brought prominently to the fore and interest in their well-being has been aroused. Even before the State came into the field voluntary agencies, as a typical example of which may be mentioned the Poona Seva Society, had been carrying on for some years admirable work among women and children employed in industrial enterprises in Bombay. Among other subjects of enquiry undertaken during the year by Government may be mentioned the question of ventilation and humidification. The absence of definite standards has up to the present stood in the way of securing hygienic conditions in textile factories. It is hoped that as a result of the information now collected, it will be possible to secure an improvement in the conditions amidst which parties in textile factories pursue their employment.

Legislation.

Certain pieces of positive legislation of great value from the point of view of labour generally, have been undertaken during the period we are

considering. We noticed last year that the passing of a Bill to amend the Indian Factories Act constituted a long step towards the amelioration of the conditions of Indian labour. The new provisions

The Factories Act.

came into force from 1st July, 1922; and included the introduction of a sixty hours week, the complete prohibition of night work for women ; the raising of the minimum and maximum ages of children from nine to twelve and fourteen and fifteen, respectively. A large number of other important reforms were also embodied in the Act. It was found necessary during 1922 to introduce a Bill to remove a difficulty in connection with the weekly holiday. As the provision now stands, persons employed on a Sunday must receive a holiday on one of the three days preceding or following that Sunday. A Bill was introduced in the Legislative Assembly to amend the Indian Mines Act of 1901. It was referred to a Joint Select Com-

Mines Bill.

mittee consisting of 18 members from both Houses of the legislature ; whose report was published on the 13th January 1923. The more important amendments introduced by this measure define the respective functions of the central and local Governments ; modify the definition of a mine so as to include exploitation of minerals regardless of depth ; raise the age of children employed from 12 to 13 years; prohibit the employment of young persons and children below ground ; restrict the term of labour to 60 hours per week for above ground and 54 for below ground workers ; and prescribe a weekly day of rest. Penalties are also increased for disobedience of orders resulting in death or serious injury to the workmen. But perhaps the most striking piece of labour legislation introduced during 1922 was a Bill for the provision of Workmen's Compensation.

Workmen's Compensation.

The subject was first mooted by the Government of India in 1920 ; and the intervening two years had been used to ascertain the views of local Governments, employers and workers throughout India and to prepare concrete proposals. The measure is without precedent in Indian conditions, and for this reason if for no other, is cautious in its scope. It applies to some three million workers in factories and mines, on railways and in the building trades and other occupations ; it is confined to those classes of labour who are employed in better organised industries and who run more than tfhe ordinary risks of life. Every effort is being made to avoid litigation and expense ; and a simple and inexpensive procedure of special tribunals has been devised. The measure has been so framed that men without expert legal knowledge such as the employer and his

workmen, can see for themselves whether any particular case of compensation is due, and if so what that compensation amounts to. Although the measure follows in general principles the legislation in force elsewhere, it strikes a distinctive note, and is adapted to meet the peculiarities of industrial life in India. The Bill after being referred to a Select Committee on the 13th December, was passed by the Legislature in February 1923, and will come into force on July 1st, 1924.

Trades Unions.

In last year's report mention was made of the economic restlessness of the year 1921, which expressed itself most plainly in combined action on the part of workers. During that period, labour unions came prominently before the notice of the general public on account of the magnitude and frequency of the strikes which took place. There seems little doubt from the growth of the trades union system in India that the movement has come to stay. At the same time this development is largely conditioned by the peculiar characteristics of Indian labour. The Indian workman, although in many respects alert and shrewd, is on the whole illiterate ; and he has few leaders from his own class to whom he can turn for guidance. As a consequence, trades unionism in India has been largely led by men from the middle classes, professional lawyers and others, who have not in all cases distinguished between economic and political considerations. Moreover, with the exception of the unions which have been built up in the larger towns, on the railways, and in some public utility services, the majority of trades unions originated in strike committees. Very often, as soon as a strike is settled, the union disappears, since it has no regular constitution or definite subscription, no system of auditing or publication of accounts, and no funds for providing help to widows and children in times of distress.

In 1920 a decision of the Madras High Court showed that it was possible to obtain an injunction restricting a trades union official or organiser from influencing labourers to break their contract with their employers by striking to obtain an increase of wages. The precipitation of an issue so grave before the main lines of union development had had time to settle themselves is certainly regrettable ; but Government have undertaken to prepare a Bill on the question. In the meantime, the passing of the Workmen's Compensation Act should open up a useful sphere of activity to trade unions, and thus encourage the growth of healthy combinations. Somewhat inchoate combinations of the kind common in India are of course most effective when the men have definite

and real grievances; particularly when there is a marked gap between nominal wages and the cost of living. But even during 1921 the features of economic hardship which had operated to produce successful strikes began to pass away: and throughout the year 1922, the steady increase in the proportion of unsuccessful strikes, continued. In the latter months, indeed, successful strikes were very rare. While prices fell in, the sympathy with the world tendency, India unlike other countries experienced no corresponding fall of wages. Where they did not rise they remained stationary. The result was to bring the workers a certain measure of contentment which has been notably absent for some years. The number of strikes during 1922 was fewer than those in the previous year by more than 100; their actual number being about 280. The most serious strike was that on the East Indian Kailway, which occurred in the first quarter of the year. It ended early in January 1922, but was followed by another on a much bigger scale which commenced in the United Provinces in the beginning of February, spreading rapidly to Bengal, Bihar and Orissa, and the Punjab. This strike did not end until the second week of April and involved more than 21,000 men. Later in the year a strike of the Tata Iron and Steel Company's workers at Jamshedpur lasted over a month and involved about 23,000 workmen. But while the number and seriousness of Indian strikes fell off considerably during 1922, the loss and dislocation caused by them was still serious. The question of Conciliation Boards and Courts of Inquiry has accordingly received attention from several administrations. The Government of Madras took the lead in setting up Courts of Inquiry to deal with individual disputes. The Government of Bengal appointed a strong Committee to deal with the whole question, and as a result of their deliberations, it was decided to provide a panel of persons qualified to deal with the disputes arising in public utility services. In Bombay during the period under review a committee explored the causes of industrial unrest and suggested the erection of a standing machinery for settlement. Among employers also, efforts have been made obviate possible causes of labour unrest by the institution of work committees or shop-committees on the lines recommended by the Whitley Committee in England. Similar committees have also been established in certain industrial organizations controlled by the State. With the general easing of the economic situation there has been noticeable in some quarters a tendency on the part of the labour unions to co-operate with the employers in the pursuit of such common interests as better

Strikes.

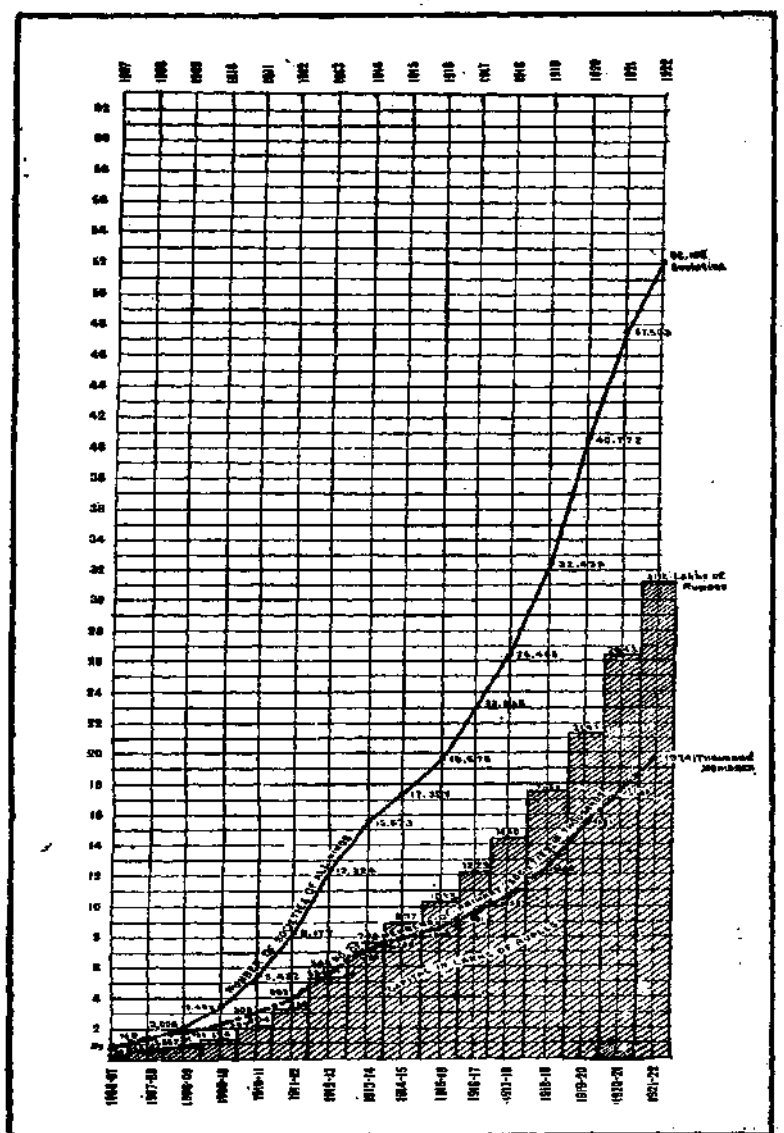
housing, cheap food, reduction of indebtedness, medical relief, education, and the eradication of the drink evil.

International Labour.

Under modern conditions, labour can no longer be considered a purely domestic problem, and as a member of the League of Nations, India has recently been called upon to consider and take action upon various draft conventions and recommendations. Measures to embody certain of these in the law of the land have been placed before the central legislature during the year under review. The principle of the draft convention relating to the weekly rest day has been embodied in the new Factories Act: and similar provisions find a place in the Mines Bill. The convention designed to safeguard young persons employed at sea was also approved of by the legislature. -In this connection we may notice that considerable interest has been aroused in the International Labour Office during the year 1922 by a change which has come over India's position therein. Under the Treaty of Versailles each of the eight States of chief industrial importance is entitled to nominate a member to the Government group of the governing body of the International Labour Office. When the first governing body was appointed in 1919 India, despite her claims, failed to secure a place among the eight States of chief industrial importance. Since then her title to be included among them has been consistently pressed, and it was finally examined by the Council of the League of Nations in August 1922. The case for India was ably advocated by Lord Chelmsford, and as a result of the discussion, India has now been recognised among the eight chief States. When the fourth International Labour Conference was held at Geneva in October 1922, the most important subject from the Indian point of view was the consideration of the proposed amendment of the Treaty of Versailles, which would have deprived her of the privileged position which she had just secured on the governing body. This was strenuously opposed by the Indian delegates, who received the support of Great Britain and the Dominions. The proposal was heavily defeated, and India's rights were conserved. The result is of great importance. In the first place it enhances her prestige, and impresses upon foreign countries the industrial advance which she has made of late. Of even great moment is the fact that India will now have a voice in the control of the general policy of the International Labour Organization, and will thus be in a better position to secure that the proposals made will

India's Place.

Progress of Co-operative Movement in India, 1907—29.



Note.—Capital is increasing faster than membership, being now nearly Rs. 156 per member, and the average membership per society is now about 28. The capital is over Rs. 5,000 per society.

not be detrimental to the interests of Indian industry and all those engaged in it within her borders.

From the brief survey undertaken in the earlier pages of this chapter, it must be plain that the most pressing need of India to-day is a systematic movement for economic uplift among the masses, both urban and rural. And in this connection every impartial observer must admit first that the stimulus to such an uplift is not likely to arise from among the people themselves, and secondly, that such impetus towards self-improvement as can result from the unsupported efforts of the Administration cannot of itself do much good. What is really necessary is to enlist upon the side of progress not merely the continuous and well directed efforts of the authorities, but also the instinct towards self-improvement, which, at present largely dormant, must be aroused in many directions before it can become an effective factor in the advance of India towards nationhood. Probably the most powerful single agency for improving the condition of Indian labour, both rural and urban, is found in the co-operative movement. A study of the diagram on the opposite page will reveal the very remarkable progress which has been achieved of late years in this development. Agricultural non-credit societies are particularly flourishing; and they deal with such useful matters as the joint sale of agricultural produce, the production and sale of implements and manures, the furtherance of irrigation projects and the consolidation of holdings. Their work spreads to many channels which bring practical benefits not only to their members but also to the surrounding locality. They open dispensaries and schools ; they assist the Agricultural Department in the spread of improved methods of cultivation; they maintain communication and build new roads. One of the most satisfactory features of the whole movement is the steady growth of public confidence in its potentialities* This was particularly noticeable during the year 1921. As we noticed in, last year's report the whole political atmosphere of India was at that period antagonistic to the purpose and ideals underlying co-operation. Contempt for authority, disregard for law, the encouragement of the idea that material prosperity is useless and progress a delusion, combined to produce in certain quarters a state of mind to which the movement made no appeal. But despite these unfavourable conditions, co-operation continued to make satisfactory progress, both during 1921 and during 1922. We may notice that its control has, as a result of

The Co-operative Movement.

Recent Obstacles.

the Reforms, been transferred to the Ministerial section of the Provincial Administrations; and Indian hands now command alike its widespread organization and its enormous potentialities for national uplift. That the co-operative movement is only at the beginning of its career is clear from the fact that at the end of the year 1921-22 there were still only 52,182 societies of all kinds throughout the country. This gave for British India an average of just over 19 societies for every 100,000 inhabitants, and for the four Indian States, Mysore, Baroda, Hyderabad and Bhopal, where the co-operative system has taken root, an average of just over 20 societies per 100,000 of the population. The total all-India membership in 1921-22 amounted to 1·9 million members, and the capital to Rs. 1,787 lakhs ; while the profits accruing from the operations of these societies totalled just over Rs. 61 lakhs.

Present State of the Movement,

A brief survey of what is being done in the various provinces to foster the progress of this admirable movement will reveal clearly the not inconsiderable and steadily increasing part which it is playing in the urban and rural economy of India. In Bombay, a province where co-operation has of late years flourished exceedingly, the total number of societies rose from 2,956 in 1921 to 3,411 in 1,922 ; with a corresponding increase from 271,958 to 327,831 in the number of members and from Rs. 3.34 crores to Rs. 4·35 crores in the working capital. As to the practical benefit accompanying this increase numerous examples may be adduced. For example, in the small village of Mahaswa in Khandesh, the head of almost every family in the village is a member of the Society. The old debts of members have been paid oil; not a single member borrows from money-lenders. Two per cent, of the value of the price of produce in regularly placed as a premium deposit in the Society, and the total deposits of this small village already exceed Rs. 18,000. For more than 10 years not a single civil or criminal case has gone to the Courts from Mahaswa, the disputes arising being settled by the help of the Society within the village itself. The mere fact of the Society's existence has, moreover, forced the money-lenders of the neighbourhood to lower their rates of interest to all. Non-credit agricultural societies have also shown a gratifying increase during the year under review. The best developed type throughout Bombay are the cotton sales societies, whose number has now increased to 13. There are also societies for the sale of grain; for the working of co-operative gins; for cattle

Bombay.

insurance; and for the supply of manure and agricultural implements. A striking feature of the year 1921-22 has been the extension of the business of the district banks. Including the Provincial Bank, the working capital increased by no less than 41 per cent.— that is from Rs. 89 lakhs to Rs. 126 lakhs — during this period. The introduction of the cheque and discount business, which was mentioned last year, continued to flourish. The aim recently set before the movement has been to provide those banking facilities which are necessary to every civilised country and which so far hardly exist in India outside of the Presidency towns. If the co-operative movement is able to erect, in every considerable town and in every district, banks which will help the artisan, the small professional man and the small trader, and which will at the same time, by popularizing credit and the instruments of credit, abolish the present difficulties of conveying money from place to place, an enormous boon will have been conferred on the country. The central co-operative Bank in Bombay takes a large share in the direction of this movement. A training class is held for Bank Managers and the candidates, in addition to receiving instruction at the head office, are taken round on tour to branches, to district banks and to unions. What has been accomplished in a short time is an indication, plain for all to see, that an immense future lies before this side of the co-operative movement. In Bombay, there has also been another interesting development during the year under review, in the direction of industrial production. Copper-smiths, salt owners, cobblers, and foundry workers are in some parts setting up business of their own account. Workshops, self-managed and manned by the artisans themselves, who perceive the results of their own energies and acquire from their labour the full surplus value, necessarily give an incentive to real craftsmanship and an interest to toil which cannot but result in a happier state of mind and in a saner morality. Overlooking all the branches of co-operative enterprise throughout the Bombay Presidency is the Central Co-operative Institute. Four branches of this now exist, for Bombay city, for the Deccan, for the Carnatic, and for Gujarat. Training classes are held for college students and for the public, for honorary organisers and for Bank managers, for secretaries and for other workers paid and unpaid in the field of co-operation. The institute itself entirely managed the Bombay Co-operative Conference, during the year under review, and good progress was made in the publication of vernacular literature; and in the preparation of magic lantern slides dealing with co-operation.

Co-operative Banking.

Madras.

In Madras, the remarkable growth of co-operation which we have noticed in previous Statements was well maintained during the year. Between the 1st of July 1921 and the 30th June 1922, the number of societies rose from 6,289 to 7,389, with a total membership, inclusive of the meitfbership of supervising unions, of just under half a million. As a result of the abnormal increase of the previous two years, it has been found necessary to divert a large portion of the energies of the staff to consultative work, to the stimulation of dormant societies and to the weeding out of societies which it has been found impossible to revive or to run on true co-operative lines. Systematic attempts have been made to educate supervising unions in their duties and responsibilities, so as to fit them to take an increasing share in the organization and direction of primary societies. The demand for the organization of societies for the benefit of the depressed classes — of which more later — continued and was met wherever possible. Three principally encouraging symptoms have been noticeable during the year 1922 — the improvement in the collection of outstandings ; the large amount of capital — almost Rs. 300 lakhs — employed in the movement, apart from the investments by one co-operative Bank in another; and the confidence displayed by the outside public in its stability, as evidenced by the fact that the major portion of the capital is derived from deposits by individuals who are non-members. In the United Provinces, the net increase in the course of the year ending 30th June 1922 amounted to 645 in the number of societies, 18,208 in total membership and Rs. 14.7 lakhs in working capital. This is particularly gratifying since, as was mentioned in last year's Statement, the remarkable expansion of co-operation throughout this area has necessitated a policy of special caution and watchfulness which places consolidation before mere development, and only allows banks whose position is beyond question satisfactory to organise new societies. The bulk of the increase in the number of societies was as usual in the agricultural section. Some progress was achieved in the sphere of non-agricultural co-operation; and societies of this type increased by seven to a total strength of 199. The number of societies consisting exclusively of members of the depressed classes continues to rise, 36 new organizations with this type of membership being enrolled in the course of the year under review. There are also encouraging symptoms of the growing popularity of the whole movement. The number of honorary workers has greatly increased and Directors who used to take only a nominal or

United Provinces.

indifferent interest, are now displaying real solicitude for the welfare of the banks under their charge. A Standing Committee of Co-operators has been constituted, to which important questions are referred for advice. During the year, particularly valuable services have been rendered by this organization. It is interesting to notice that in the winter of 1921-22 a Co-operative Exhibition was held at Allahabad which achieved remarkable success. In the Punjab as elsewhere, the Co-operative Department works in the closest touch with the Agricultural experts. It has collected a library on rural economics which will compare favourably with any in the world ; and excellent work is being done in directions which will make clear to a generation less handicapped by finance the lines on which progress is feasible. It is by preaching thrift that the Co-operative Department is doing perhaps its most valuable work. It is no longer considered sufficient that agriculturists should deal with co-operative societies instead of with the money-lenders ; they are being urged gradually to build up their own capital. The progress which has been achieved may be seen from the fact that between 1921-22, the total working capital of agricultural societies rose from Rs. 221 lakhs to Rs. 253 lakhs. This increase in deposits is all made by the rural folk. Two other very useful types of co-operative societies are beginning to flourish in the Punjab, those concerned with arbitration and with the consolidation of holdings. The first type, which attempt to settle village disputes by less costly means than resort to the Courts, are now beginning to give way to the machinery set up by the new Panchayat Act; but those dealing with the consolidation of holdings are making steady progress. The scattered strips of cultivation belonging to each owner in the Central Punjab villages are similar in form and in origin to those obtaining in the open field system of medieval Europe. By the consolidation of holdings it is hoped to achieve in the Central Punjab, without friction and without distress, the agricultural progress which resulted from the enclosure movement in England. In Bihar and Orissa, as elsewhere, the co-operative movement continues to show remarkable progress. Figures for the year 1921-22 indicate considerable increase in membership, working capital, and reserved funds. At the end of March 1922, there were 4,261 societies of all kinds, with an aggregate membership of 137,000. The Co-operative Federation, which is concerned with the direction of the movement throughout the provinces, held two meetings, as a result of which it was decided to start Divisional Boards,

Punjab.

Bihar and Orissa.

to consider all matters of importance concerning the co-operative movement within the area of each Division. In the year 1921-22 Rs. 45 lakhs were advanced as loans to members at an average rate of Rs. 15 per cent, interest. The savings deposits of the Central Banks are showing a considerable expansion; while the Provincial Bank had a successful year. Some central banks utilize their money by giving long term loans for land improvement; while no fewer than 24 new schools were opened during the course of the period, thereby raising the total number to the figure of 354. Co-operative stores have been started in various localities ; and the successful results achieved both in a backward area like Angul and in advanced industrial centres like Jamshedpur serve to indicate the prospects before this development. The material and moral improvements, whether the direct or indirect fruits of the co-operative movement, continue to be satisfactory. Not only have members of societies been able to get money on easy terms ; but in some areas, the local money-lenders have been compelled to reduce their rates of interest. Members have also been able to redeem their land and to swell their income by the purchase of additional land or cattle.' In some places, members have taken definite steps to check excessive drinking, gambling and litigation ; and a large number of disputes have been settled by the co-operative organization during the year under review. In Bengal, despite the adverse economic conditions, there has been an increase both in the number of societies and in their membership. The Central Banks succeeded in attracting a larger amount of local capital; and in consequence an increasing number are showing signs of backing the financial endeavours of the Provincial Co-operative Federation. Public confidence in this organization is proved by an enormous growth in deposits during the year under review. In Bengal a notable feature is now the attention bestowed on the development to forms of co-operation other than credit. Stores and Supply societies yearly increase in number ; and although their working still leaves much to be desired, they have achieved one satisfactory result in lowering local market prices. Efforts have also been directed towards the development of cottage industries. The possibilities of establishing stores for stocking and supplying yarn to weavers on a co-operative basis, have been explored; and proposals for the formation of industrial unions have been under consideration. Special attention was paid to weavers' societies with a view to the expansion of the handloom industry, while as a result of the propaganda work of the Department, the conch shell

Bengal.

workers of Dacca have combined to form a society which provides an assured and cheap supply of raw material independent of the middleman. Irrigation societies increased in number, and proposals for extending this form of activity in various areas throughout the presidency are under consideration. Associations of practical agriculturists have also been organised on a co-operative basis for the purpose of agricultural propaganda and for the introduction of co-operative methods among the cultivators. In the Central Provinces during 1921, as was pointed out in last year's Statement, the co-operative movement underwent a severe crisis through the inability of the Provincial Bank to finance the central banks. A committee was accordingly appointed to consider the whole organization of the movement. The Report showed that the recent crisis had been due to a disregard of ordinary banking principles by the provincial banks ; and it suggested methods by which the co-operative credit movement might be brought into touch with the commercial banking system of the country through an improvement of its business methods and of its accounting system. The major portion of the Committee's recommendations were accepted by Government, especially the general principle that in the interest of the movement itself, Government must disclaim responsibility for the future provision of direct financial assistance to co-operative institutions ; and that the principal function of the State should be the provision of adequate external supervision for co-operative banks dealing with a large and constantly increasing amount of money deposited by the general public. Despite the trials through which it has passed, the co-operative movement in the Central Provinces continues to expand in a most satisfactory manner, and the total working capital has risen from Rs. 2.99 crores to Rs. 3.2 crores in the course of the period under review.

Central Provinces.

Among the lines of progress to which organised effort, such as that embodied in the co-operative movement, will in the near future undoubtedly contribute, is one most necessary to the well-being of the Indian people, that is to say, sanitation. Mention has been made in successive Statements of the difficulties attending the task of the sanitary reformer in India. In the face of widespread popular apathy among the millions who dwell under British administration, the meagre resources of Government have been able to accomplish but little. If one may argue from the analogy of Europe and America, the necessary preliminary to any satisfactory advance in sanitary conditions among a large population

Sanitation.

is the growth among the educated classes of a humanitarian and altruistic spirit which will lead to the devotion of time, money and personal energy to the amelioration of the conditions in which their less fortunate brethren live. The problem is in the first place educational; and it is written in terms so enormous that its solution must necessarily be slow. The fact must plainly be stated that India can never be safeguarded from a heavy death rate, punctuated by disastrous epidemics, until a change can be introduced into the general ideas regarding hygiene now prevalent, intimately connected as they are with the religious and social customs of the people. The fact that the Indian masses are poor is of course a complicating factor ; but their poverty, as we have already noticed, really springs from the same root as their innocence of hygiene. In short, it is the tenacious adherence both of the classes and of the masses to social customs and observances as diametrically opposed to economic prosperity as they are to public health, which makes the problem of improving India's sanitation at once so acute and so difficult of solution. With an increase in the receptivity of the classes to new ideas, and with the amelioration of the social and economic status of the masses, it may be possible radically to remedy India's backwardness in this direction. So revolutionary a process cannot be accomplished in a day. The recent improvement in the margin of subsistence of the lower classes does not seem to have been accompanied by any manifestations of a desire for progress in public health. Through town and country alike there is urgent need of implanting the germ of elementary sanitary knowledge. The value of fresh air, pure water, and wholesome food, as well as the elements of domestic and personal hygiene, have to be brought into every day life of the population. Diseases are still generally attributed to the visitation of higher powers ; and when sickness occurs, the Indian prefers to take steps to propitiate offended deities rather than to disinfect his water supply and to prevent the contamination of his food. It is in the Indian home, and particularly among Indian women, that a better knowledge and a keener appreciation, of sanitary principles are most urgently required. For in this sphere the old conservative forces exercise their strongest opposition to the introduction of new and more healthful practice. For any real progress two things are essential. In the first place the administrative agency must enjoy the confidence of the people and must proceed along lines in conformity with their traditional mental processes. In the next place, it must supply the driving force necessary to overcome the dead

Difficulties.

weight of century-old inertia. So far as the first essential is concerned, it is probably in a fair way to be realised through the transfer of sanitation to popular control. It is the second requisite which is so lamentably to seek in India. When all allowances are made for financial stringency, it cannot be said that many Indian public men have thrown themselves enthusiastically into the improvement of public health. A good deal has of course been done during the past ten years, particularly in the sanitation of the larger towns ; but of late there has been a failure to maintain progress. The opening up of congested areas, or the replanning of cities on better lines are not only expensive, but very difficult; since they meet with considerable opposition from those in whose interests they are mainly designed. In the matter of rural sanitation, very little has been accomplished, and it is still not untrue to describe the average Indian village as a collection of insanitary dwellings situated on a dung hill. The co-operative movement is already accomplishing something towards the improvement of these conditions, although on a pitifully small scale. Certain of the local Governments seem to be directing attention to the prevention of epidemic diseases; but their efforts have been handicapped by financial difficulties. Some Municipalities and District Boards are devoting both money and energy to sanitation; but with their increasing freedom from official control, these institutions seem generally prone to divert funds from the improvement of public health to the inauguration of showy schemes for a rapid expansion of primary education. There are however hopeful signs of future progress in the increased attention which is devoted by the newspaper press to the question of disease-prevention. The reformed local Governments have not been slow to make a beginning. In most provinces, propaganda work is now carried on in rural areas by means of magic lantern lectures, informal talks with villagers, and the issue of pamphlets and leaflets prepared by the local Public Health Departments. In the more advanced provinces such as Bengal, a systematic expansion of work has commenced; and special officers are employed for the purpose of demonstrating to the general public the dangers of impure water, adulterated food and insanitary habits. In this connection it may be noticed that the floods in Northern Bengal, which have been noticed earlier in this chapter, have afforded a practical demonstration to the people in general of the value of sanitary measures and other organized methods of disease-prevention. More than half the personnel of the Public Health Department were employed in the

Sanitation a Transferred Subject.

flood area for a period of nearly three months, assisting both the local authorities and the voluntary organizations engaged in relief work. As a result of the joint action taken by all workers against disease, cholera and other epidemics were conspicuous only by their absence. In general it may be stated that there is an encouraging increase in the strength and number of the voluntary associations which display an interest in sanitary work. Private generosity both in money and service multiplies year by year — a development which is of itself promising for the future.

Financial Stringency and its effects.

Throughout the year, financial stringency has seriously hindered the progress of research. The school of Tropical Medicine and Hygiene, which owes its inception to Sir Leonard Rogers, was, it is true, successfully opened at the beginning of the period under review. But the project for a school of Tropical Medicine in Bombay, which has for some time been under consideration, has had to be abandoned for lack of funds. A similar fate has overtaken the scheme put forward two years ago for the maintenance under the Central Government of a body of epidemiologists whose services might be placed at the disposal of local administrations in coping with serious epidemics. The Indian Research Fund Association continues to conduct important enquiries dealing with such diseases as hook-worm, influenza, kala-azar, malaria, leprosy, pneumonia among the other epidemics which oppress India ; but as a result of recent measures of retrenchment, the staff of research workers which has been built up of late years for investigation into tropical diseases has been heavily reduced, and the income of the Indian Research Fund Association greatly curtailed. The output of work so essential to India's welfare will suffer considerable reduction. It is to be hoped that the necessity for such retrenchment will only be temporary.

Among the most pressing problems of India's health is that presented by the appalling infant mortality. It has been calculated that every year no fewer than 2 million Indian babies die; while many of those who survive continue weak and feeble through unhygienic surroundings in their infancy. Indeed although birth-registration is still too inaccurate to make precise figure reliable, it may be stated with confidence that one in five, or perhaps even one in four, of the infants both in India die within the first year of life. In crowded cities, particularly industrial cities, the rate is still higher. Fortunately

educated opinion is becoming more and more alive to the necessity for remedial measures. The Infant Welfare movement which owed much to the All-India Maternity and Children Welfare League initiated by Lady Chelmsford continues to make good progress under the patronage of Lady Reading. In all the centres of population, work is now being done for the training of midwives, for the instruction of mothers, and for the care of babies. Training schools for Indian and Anglo-Indian women have been opened for the spread of the elements of infantile hygiene in other parts of India. Most hopeful sign of all is the fact that Indian ladies are beginning to interest themselves in this work in larger numbers. In this sphere, the work of the Poona Seva Sadan Society deserves particular mention. At its headquarters in Poona infantile welfare work is being conducted along lines which are both admirable and highly practical. But such is the magnitude of the field that consistent and widespread effort on a scale hitherto impossible must be undertaken if any appreciable reduction is to be made in the appalling mortality of young children. The work done year by year by the National Association for supplying Female Medical Aid to the Women of India continues to enjoy support both of Government and of the Legislature. An increased subsidy to the figure of Rs. 3.7 lakhs is now paid to the Association from Central Revenues. The Countess of Reading has initiated a scheme for training Indian nurses and lady-doctors in larger numbers, which should do much to improve the situation as time goes on. Voluntary effort is also contributing in the same direction. Among the Bhatia community in Bombay the Poona Seva Sadan has started a maternity and infant welfare and nursing service which is manned wholly by lady-doctors and nurses, the products of the society itself.

Infantile Mortality.

Closely connected with the problems of sanitation, many of which depend upon the domestic customs of the people, is the question of social reform. Perhaps in few spheres of human activity have the democratic ideals encouraged by the war proved of more benefit than in the impetus they have afforded to social reform in India. The more characteristic problems in this country may be said to centre round the institution of caste, which, intimately bound up as it is with the structure of Hindu society, presents an obstacle almost insuperable to the penetration of modern ideas. Originally concerned with the preservation of ceremonial purity in social relations, the caste system has in course of ages developed into an institution which assigns inexorably to each individual his post-

Social Reform.

tion and his duties in the structure of orthodox Hinduism. The essence of the working of the caste system is that a Hindu is not affected by anything which is done outside his own caste. Thus not merely individuals, but whole classes of humanity, are separated, as it were, into water-tight compartments ; and some of them are subjected by immemorial tradition to degrading disabilities at once hereditary and inevitable. Indeed among the most difficult aspects of the whole problem is the elevation of the "depressed classes" .or the so called "untouchables" who form more than one fifth of the entire population. At present large numbers of them are obliged to reside in conditions of almost animal squallor outside the city or the village. They may not draw out water from public wells ; they may not enter the houses of people belonging to the touchable classes ; in some provinces they may not even use the public streets. They are denied the use of temples and inns ; their children are not customarily admitted into the ordinary schools and when admitted, are made to sit apart from others who would be polluted by their mere touch. These disabilities, although primarily social, extend to the minutest operations of daily life ; so that a labourer or agriculturalist belonging to the depressed classes is constantly a loser in ordinary commercial operations through his inability to enter a shop or even to pass through streets where shopkeepers dwell. Social ostracism so degrading persisting through immemorial centuries, has naturally constituted a most serious obstacle to manliness, independence and capacity for self-help. And the difficulty of the problem is increased by the fact that what stands most in the way of the depressed classes is the social tradition observed by a great majority of the cast community. The Administration can legislate to its heart's content; but even the most galling disabilities under which the outcastes labour cannot possibly be removed by this means. They will persist until the social sense of the Indian people advances to a level which entails the disappearance of these heritages from a more primitive age. Indeed it seems now plain that reform will come not so much from the efforts of philanthropists, as from organized assertion on the part of the depressed classes themselves.

Caste.

The Depressed Classes.

Since the War, the improving economic position of labour has changed the outlook of these classes perhaps more than that of any other stratum of the population. It has enabled them to cast their eyes beyond the immediate surround-

Self-Help.

ing of their every day toil; it has stimulated them to initiative, it has inspired them with resentment. In the course of the year 1922, there has been a notable tendency to combination among them. Particularly in provinces like Madras, where caste restrictions are still all-powerful, conferences have been held which were widely attended by representative members of the depressed communities. The proceedings of these meetings are very instructive ; they reveal a fixed determination towards political, social, economic, and moral uplift, combined with a steady resolve to resent the invasion of those social and natural rights to which as human beings they consider themselves entitled. There is much plain speaking, concerning the insanitary habits, and the educational backwardness, which prevent the depressed classes from rising in the world. These conferences although primarily social and economical are not without their political bearing. Generally speaking, there is a strong feeling of gratitude towards the existing administration on account of its impartial treatment of all classes, and its sustained efforts to assist those whom the caste system would condemn to hereditary degradation.

State and Voluntary Effort.

Indeed the problem of the depressed classes has for long been occupying the attention of Government. Everything that can be done by legislation has been done ; and so far as the letter of the law is concerned, there is nothing to prevent a member of these classes from rising to the highest position open to any Indian. Systematic efforts have also been made to encourage the spread of co-operation among these classes, and to give them the benefit of increased educational facilities. In many provinces, special scholarships are provided ; allowances are made for the purchase of books and other educational requirements ; and stress is laid upon the right of the outcastes to participate in the educational machinery by which their more fortunate brethren have for so long profited. The numbers under instruction are everywhere rising, although the proportion of depressed class pupils is still infinitesimal in view of the size of their community. In this benevolent and essential work, designed for the uplift of one-fifth of the total population of India, voluntary agency has been particularly successful. The work of the various Christian Missionary Societies is beyond all praise. Not only have they established a large number of schools for the education of the depressed classes, but in addition, they have resolutely insisted that pupils from this social stratum should be admitted side by side with members of the higher castes into colleges

under mission control. By this means they have gradually created a body of public opinion which recognises that the depressed classes have a claim to be treated as fellow human beings. Excellent work is now being carried on by a number of societies other than Christian.

Future Prospects.

Altogether there can be no doubt that we are now witnessing the beginning of a great change in the position of the depressed classes. This change is not however confined to them, but is coming over all the less exalted castes. Their traditional weakness is disappearing, they are beginning to recognise and to avenge social tyranny. As we noticed in last year's Statement, for the first time in the history of India the lower castes in one province, namely Madras, have asserted themselves as against the ancient intellectual oligarchy of the Brahmins, and have seized political power in their own hand. The true significance of a revolution so momentous can scarcely be estimated at this moment, but its influence upon the progress of India towards democratic institution must inevitably be profound. It seems scarcely too much to say that the first bulwark of caste-dominance in political matters has been stormed as a consequence of the recent constitutional changes. In this connection it is important to notice that the gradual awakening of the public conscience in the matter of untouchability has lately been echoed with increasing fervour from the political platform. The injunctions which Mr. Gandhi gave to his followers may well be ranked by the future historian as the most fruitful consequence of his remarkable campaign. In last year's Statement we saw that he had caused consternation in the orthodox camp by his slashing denunciations of the inhuman treatment meted out to the depressed classes. His influence has unquestionably aroused his followers to the seriousness of this grave social problem ; but it is interesting to notice that Mr. Gandhi himself has continued throughout the whole of his public life to be an energetic supporter of the caste system. Deprived of his leadership through his incarceration in Miarch 1922, some of his followers have gone very much further than the r master, and are now advocating the abolition of the whole structure- Perhaps fortunately, this is quite beyond the power of any group of individuals ; and will remain so for many years. But if a proportion of the energy so lavishly expended upon the furtherance of political progress were to be diverted to the advance of social reform, a great change might well come over the face of India in the course of the next two generations.

Social Reform and Political Movements.

During the year under review, social conferences were held both at Nagpur and at Gaya — the first under the aegis of the Liberal Association and the second in connection with the Indian National Congress.

Nagpur.

In the Nagpur meetings, great stress was laid upon the necessity of compulsory education : and it was pointed out what serious obstacles are imposed in the way of the education of the depressed classes, on account of the hostility of the upper castes. In this connection reference was made to a memorial actually drawn up in Bihar and Orissa at the time when the compulsory Primary Education Bill was being discussed. The Memorialists urged among other things that since it would be impractical to provide a separate school in every area for the untouchable classes children, all castes would have to sit together in the projected schools — a course which was " repugnant to the social customs and religious scruples of the people." The President of the Nagpur Conference went so far as to say that any Hindu who would be a true social reformer must accept in principle the destruction of caste. Speeches delivered, not be it marked, by members of the depressed classes, but by prominent representatives of the Indian intelligentsia, urged that so long as the stigma of untouchability remained, social progress was impossible. Bitter references were made to the oppression practised by some non-co-operators upon the depressed classes at the very time when Hindu-Muslim unity and national ideals were being loudly advertised. But, as we have already noticed, Mr. Gandhi's influence has made itself manifest to restrain intolerance among his followers ; and among the most interesting features of the great gathering of Congressmen at Gaya was the holding of a Social Conference. Resolutions were passed which in their way were far more drastic than those which found favour at Nagpur. They advocated the removal of untouchability; the abolition of the Parda system, the education of women, the encouragement of widow re-marriage, the prohibition of child marriage, and the elevation of the depressed classes.

Gaya.

Criminal Tribes.

The social problems of India are by no means confined to the lower or depressed classes strictly so called. There are certain communities known as criminal tribes, whose hereditary occupation is crime of one kind or another — burglary, highway robbery or even assassination combined in many cases with prostitution. Towards the uplift of these unfortunate beings,

who are a positive danger to the community as a whole, the Administration has long laboured. Criminal tribes are concentrated into settlements, managed either by Government or by some such organization as the Salvation Army. Here they are reclaimed, subjected to kind but firm supervision and assisted to gain a decent livelihood. Perhaps more important than all from the point of view of the ultimate disappearance of their hereditary occupations, is the system which has been adopted of influencing the younger generations. Special efforts are made to teach skilled trades to boys and to young men ; to find them employment; and to enable them to become self-supporting and self-respecting members of the community. With the adults all that can be done in most cases is to restrain their tendencies towards hereditary crime, and to keep them under careful supervision in pursuit of some honest occupation.

The Parda System.

But in addition to the problems which confront Indian society on account of the existence of the depressed classes and the hereditary criminals there are certain special characteristics of the life of the country which are repugnant to the reformer. For example, the seclusion of women behind the Parda, which is a semi-universal characteristics of middle and upper class life, operates as a great drag both upon the economic and the educational progress of India. The last few years seem to have witnessed a steadily increasing emancipation of Indian women from the restrictions under which they have for centuries laboured. They are now displaying a growing interest in political and social questions ; are assuming increasing prominence on the platform and in the press ; are showing much zeal in the cause of temperance, infant welfare and other philanthropic activities. Increasing numbers of both Hindu and Muslim ladies are cultivating the habit of mixing in society under the cover of a long veil; and it is notable that in political and social gatherings, the number of seats reserved for women is on the increase. But progress is very slow ; for the Parda system is considered fashionable : and no sooner does a class of society which has not hitherto observed this custom rise in the economic scale, than the seclusion of women is gradually introduced as being something which is a hallmark of respectability.

Other Topics.

Among other features of Indian life to which the reformer takes exception may be mentioned the early age of marriage and the prohibition of widow-marriage. Discussions of topics such as these, and endeavours to arouse public opinion to a sense of their gravity, are fortunately on the increase and

a growing amount of propaganda may now be observed. As practical Indication of the gradual growth of public opinion, we may mention that the solid and beneficent activities of such societies as the Servants of India, with the Seva Sadan in Poona and the Social Service League in Bombay ; the Bengal Social Service League and similar organizations, continue to increase. These societies carry on welfare work both in the towns and in the rural areas ; and in times of public calamity, they organise or assist special efforts at relief. They impart sanitary education by leaflets and lectures, and they open schools. Among the most valuable work performed by voluntary agencies of this type is certainly that of the various societies which direct their efforts particularly to women. As examples may be mentioned the Bhagini Samaj which has already fifty centres in Gujarat; and the Poona Seva Sadan which has trained over 700 women principally for medical and educational work.

In the preceding paragraph a brief outline has been given of some of the more outstanding and more characteristic difficulties which await the Indian social reformer. We must now briefly consider two social problems of a character unfortunately not confined to India alone ; the problem of drink and the problem of drugs.

Drink and Drugs.

The drink problem as visualised by Western reformers is almost unknown in India, save in those few places where heavy concentrations of industrial workers occur. This is largely due to the fact that in the majority of the communities which make up the Indian people, indulgence in strong drink is severely reprobated. It may be mentioned that this reprobation does not extend to intoxicating drugs but only to intoxicating liquor. Even so, the *per capita* figure of consumption of both combined is extremely low. The excise revenue per head, which includes what the State derives both from drink and from drugs, varies in different parts of India from just over four annas in the United Provinces to one rupee fourteen annas in Bombay. Between these two extremes come five annas in Bihar, eight annas in the Punjab, eleven annas in the Central Provinces, thirteen annas in Assam and Burma and one rupee two annas in Madras. The most notable feature of the year 1921-22, however, has been a marked decline in the excise revenue in almost every province of India. This is ascribed by the authorities principally to seasonal difficulties; and secondarily to a serious growth of illicit consumption which has attended certain of the activities of the non-co-operation movement.

Non-Co-operation and Temperance.

We noticed in last year's Statement certain of the features of the anti-liquor movement associated with the non-co-operation campaign. Most regrettably, this movement has been political rather than social in character. Its object seems to have been not to check the consumption of liquor generally on social and industrial grounds; but to curtail as far as possible the Government excise revenue by a boycott of the licit liquor from which that revenue is very largely derived. As we noticed, the temperance campaign was conducted not by means of lectures demonstrating the evils of drink, but by attacks upon those who took any part in the trade in licit liquor. In so far as the campaign was sincere and was not merely a political artifice, it seems to have been based upon the fallacious idea that Government creates and fosters a demand for drink, which would cease automatically if the State were only ready to forego the excise revenue. The idea that Government steps in to regulate consumption does not seem to have been considered. In point of fact the policy of the State both in the matter of drink and drugs may be summed up in the phrase "maximum revenue from minimum consumption"; and every care is taken to minimise temptation to those who do not drink, and to discourage excess among those who do. Indeed, Government intervention operates to regulate both the quality and the quantity of the liquor consumed—the quality by the prescription of a certain standard of strength of spirit, and the

Government's Position.

quantity by the levy of still-head fees which the consumer ultimately pays. It would be perfectly possible by this means to place such a duty upon licit spirit as to render its retail price prohibitive; but since the demand for liquor exists quite independently of Government, the only result would be an increase in the production and consumption of inferior illicit spirit. One unfortunate consequence of the campaign which was pursued during 1921-22 by the non-co-operating party against liquor was to drive much of the consumption underground. This is clearly shown by the increase in almost all provinces of prosecutions for breach of the excise regulations. For example, in the Central Provinces cases of illicit distillation during the year 1921-22 rose from 423 to 798; while in the first five months of the year 1922, they amounted to 680 as against 457 in the same period of the year 1921-22, and 236 in 1920-21. This is only natural in view of the fact that in certain provinces at least, the classes of the population which usually patronise liquor shops have invariably thought that it was the inaJien-

able right of every one to brew such liquor as he desired; and that the advent of swaraj would be accompanied by the withdrawal of all limitations alike upon the production and upon the consumption of alcohol. Indeed the experience of the year shows that the patient policy pursued by Government, that of steadily utilizing a real control over the drink traffic in the direction of abstinence, is absolutely necessitated by the fact that sources of illicit supply are far more accessible in India than in any European country. In Southern India, and for the matter of that in many districts of Northern India, liquor can be had from almost any palm-tree with no more skill than is required to cut an incision and with no more apparatus than a knife and toddy pot. In the large concentrations of industrial labour the situation is somewhat different. The Government of Bombay, for example, has been able to take comparatively drastic steps to meet the drink evil. During 1922, the strength of the spirit supplied was considerably reduced : while a firm rationing system was introduced which supplied the liquor shops in Bombay with 10 per cent, less than the quantities consumed in 1920-21. In several Indian provinces, Licensing Boards are being set up in the larger cities; which supervise the local conduct of the liquor traffic, recommend the abolition of liquor shops and shorten the hours of sale. Generally speaking, considering the small hold which the drink habit possesses over all but certain particular sections of the population, the activities of Government in reducing the drink evil are likely to be supplemented effectively by well-directed volunteer effort. Excellent work has been done by Christian Missionary Societies, by the Y. M. C. A., and by indigenous philanthropic bodies, in fostering an attitude of mind among the drinking community, which is calculated to result in permanent improvement; that is to say, the removal, not of the sources of licit supply, but of the desire for alcohol. Efforts which are pursued along these lines are proving far more effective than the violent operations of those who profess to carry out the orders of Mr. Gandhi.

While the drink problem has excited considerable attention in India during the period under review, the problem of drugs and particularly the use of opium, has come in for considerable attention from critics outside the country. The consumption of opium and hemp derivatives excites little reprobation in India, provided that the use of these drugs is not carried to immoderate lengths. Indeed, the whole position of opium in particular

Drugs.

is so different in India and in the West that a word of explanation is required. The appreciation of the peculiar characteristics of the opium question in India is unfortunately hindered by the great and increasing literature emanating from well-meaning and philanthropic people in other countries. Much of this literature is partisan and unbalanced, being written by those who have no first-hand experience of the Indian position. And the fact that the Government of India is directly connected for administrative convenience with the opium trade, has led to wild accusations being brought against it. Indeed that Government has been accused in some quarters of corrupting souls and ruining bodies for its own selfish purposes both in India, China and elsewhere. The broad facts of the opium question are in outline these. The soil of most parts of India will produce the opium poppy. The population of India had habituated itself for many centuries before the arrival of the British to the consumption of opium in small quantities. The vast majority of the people connect this drug, and undoubtedly to some extent justifiably, with certain medical properties. They have used it for many years on ceremonial occasions : they cannot and will not be broken of the habit suddenly. The total consumption per head is very small indeed ; for opium is rarely smoked in India, but is employed as a household remedy and as a refreshment on ceremonial occasions. As in the case of drink, the policy of Government is to control the trade in such a way as to ensure its most effective regulation, and to prevent it from passing into the hands of the type of persons with which it would readily, if uncontrolled, become associated. For over a century, Government has been engaged in the gradual acquisition of control over the production, transit and sale of the drug throughout the continent. This had been done by the practical concentration of the cultivation, so tar as British India is concerned, within restricted areas ; by the discontinuance of cultivation in many of the Indian States as the outcome of negotiations ; and by the inclusion of the different provinces in the general system as the necessity for regulation became manifest. The success of this policy is proved by the fact that, while the revenue from opium steadily rises, production and consumption steadily decline decade by decade. Rising prices and restricted supply are gradually causing opium to be used less and less for ceremonial hospitality or personal indulgence, and are tending to restrict its consumption to purposes more strictly medicinal. A typical example of

Opium.

Opium in India.

Government Control.

this process is found in the figures for the Madras Presidency. In 1911-12, the consumption of opium was 42.6 thousand seers, producing to the State a revenue of Rs. 0.13 crores. In 1920-21 the consumption had declined to 36.2 thousand seers while the revenue had risen to Rs 0.26 crores. But it must be remembered that the Government of India does not control the whole country. There remain the Indian States. By negotiation, certain Indian States have been brought into line with Government policy regarding the production of opium ; but while no opium produced within their territory can pass into British India except under permit, the Government of India can exercise no effective regulation regarding their production of opium for internal consumption. To attempt to enforce any policy of suppressing or restricting the cultivation of opium in Indian States, apart from any arrangements which may be entered into under Treaty obligations, would mean an interference with their internal administration such as the Government of India have no power to exercise either by prescriptive or by Treaty rights. Progress in the desired direction is none the less steady. During the year under review the legislative measures necessary to give effect to the provisions of the International Opium Convention were completed by all the Central Indian States. The majority have legislated on uniform lines and the standardisation of their regulations should prove conducive to the convenience both of State officials and of the public. The quantities which may be possessed by a single person without license have been generally reduced to three tolas for ordinary opium and half a tola for opium smoking preparations : while an appreciable numbers of States have absolutely prohibited the possession of the latter form of drug. But while during the last few years British Provinces have increased their taxation of opium with unexampled rapidity, it has been impossible for all the Indian States to keep pace with them. The difference between the prices at which opium is available in British India and in Malwa has already given an impetus to smuggling across the borders of the States. The active co-operation of the Railway Police and the Railway staff has been enlisted and there have been during the year under review important seizures of opium on the railways in Central India. The policy of Government so far as the consumption of opium in India is concerned must be counted definitely successful. The world however is far more interested in the question of the export of Indian opium to other countries. Attention has been directed to this matter

The Indian States.

Progress.

not merely by philanthropiss of many different lands, but also by the League of Nations itself. Here again, there is considerable misapprehension of the real position. People forget that India is only one of the four great and several small opium producing countries of the world. Of these, Persia and Turkey stand outside the Hague Convention altogether; while China, to assist whose emancipation from the drug evil India sacrificed a former revenue of £4 millions a year, now produces something like 70 per cent, of the world's total supply. The fact is that from the year 1915 the Government of India have continuously pursued the policy of endeavouring to supply opium direct to the Governments of consuming countries in substitution for sales by public auction. Last year about three-fourths of the total exports were made direct to such Governments. No obligations are imposed to take a minimum quantity ; and the Government of India on occasions have supplied less than the quantity required. Negotiations are already on foot for direct contracts with the remaining large importers of Indian opium, which include Japan, Portugal and France. Since the beginning of 1923, indeed, the import certificate system has been adopted by India as prescribed by the League of Nations. The effect of this is that opium may now be exported to any country only on the production of a certificate from the Government of that country that the drug is required for legitimate purposes. India, indeed, exports no opium to any country which prohibits import; she exports no opium in excess of the quantities which the Government of the consuming country desires to admit; and she has in practice voluntarily placed a limit on the total exports from India irrespective of what the particular demands may be. That there is considerable misconception regarding this attitude was shown by the proceedings of the Second Assembly of the League of Nations. At its first session the Assembly had recommended to the Council the appointment of an advisory committee to make suggestions regarding the more effective execution of the Hague Convention. At the second session, the committee proposed the appointment of a Board of Enquiry which would investigate and report on the quantity of opium required for strictly medicinal purposes and thus enable the League ultimately to restrict the cultivation of opium to this amount. But the Indian delegates protested, in that the recommendation took no account of the fact that in several countries the use of centuries sanctions the employment of

Export of Opium.

Rigid Control.

The League of Nations.

opium in circumstances which traditional empiricism fully justifies. They further pointed out, that India was the one important opium-producing country which had rigorously observed, and even improved upon, the recommendations of the Hague Convention. The Indian view was that the more effective observance of the terms of that Convention should be for the present the object of the League's efforts; but that if any enquiry was to be launched, its scope should be extended so as to include all legitimate uses of the drug. This view made a great impression upon the audience and finally prevailed.

From many points of view it is undeniable that the problems discussed in preceding sections of this chapter really group themselves round one single central issue, the paramount importance to India's progress of an adequate educational system. Only if the ideas of the people in general can be enlarged, and their outlook extended, does it seem possible for India to develop the energy necessary for advance along the lines of responsible government. Failing such a change, the masses of the population must continue poor and ignorant : the women-folk must remain for the most part consumers rather than producers, adding little to the national wealth either intellectual or material: the progress of sanitation, the conquest of disease and the achievement of physical well-being must be indefinitely postponed. In short, without a widespread system of education of the kind suited at once to India's capacity and to India's needs, the country cannot hope to realise those aspirations towards nationhood which are at present cherished by so large a number among her educated population.

Implications of Educational Progress.

The most obvious features of India's educational position at the present moment are two. First, the control of this important nation-building work has been transferred to Ministers responsible to the provincial Legislative Councils ; and secondly, an immense deal remains to be done before the educational structure can be placed upon a broad and substantial basis. We may take the latter aspect first. Out of the 247 million inhabitants of British India, only 8.38 millions are under instruction. In other words all but 3.39 per cent, of this vast population is still untouched by the existing educational scheme. Of the male population, 5.59 per cent, is under instruction, and of the female only 1.18. In the primary school, which must constitute the very. foundation of any sound educational struc-

The Present Position.

Limited Scope.

ture, barely 3 per cent, of the population is enrolled. On the other hand, we may notice that in the secondary schools the relatively remarkable proportion of 0-5 per cent, of the total population is under instruction. When allowance is made for the fact that females can be virtually left out of the reckoning, this is a proportion far greater than, the corresponding figures for England and Wales. Still more striking are the figures for University education, where the percentage of the population undergoing instruction is no less than 0.025 per cent. Since again the female population has almost to be eliminated, this figure compares strikingly with 0.054 per cent, of England and Wales. In other words Indian education is ill-balanced ; for while the poorer classes are predominantly illiterate, the middle classes are educated in a proportion equal to that of countries whose social and economic conditions are more highly developed. This remarkable characteristic has impressed itself upon the type of education generally fashionable. The middle class parent has, at least up to very recent times, emphatically demanded a literary type of education for his children, because he looks forward to their enlistment either in Government employment or in the legal profession. Primary education, which has so far been dragged behind* the chariot of secondary and higher education, is not merely defective in quantity, but is also unsatisfactory in quality. Investigations show that the majority of children attending primary schools are under instruction for between 3 and 4 years ; and for the majority of that time, four out of every five linger in the lowest class. The natural result is a tendency to relapse once more into* illiteracy, after the painfully short period of instruction comes to an end.

Indian Education Ill-Balanced.

It is therefore plain, that if national education is to be placed upon a solid foundation, the first and most vital task is an attack upon illiteracy. This problem,, however, is complicated by factors peculiar to India, some of which we have investigated briefly in the foregoing pages. Among these may be included the poverty to be found among the masses ; the persistence of disease; the inadequate condition of communications ; the persistence; of certain traditional ideals which at present regulate life and human relationship throughout the country ; the conflict of communal interest and the chasm between rural and urban life. These factors have, broadly speaking, operated to prevent the growth of any desire for education among the masses of the community.

Problem of Illiteracy.

TOTALS OF LITERATES AND ILLITERATES: BRITISH INDIA

LITERATES
18·6 Million
[each square represents 1,000,000]

ILLITERATES
[each square represents 1,000,000]

98·4 Million

The poor cultivator is frequently willing in theory to admit that education would improve his material well-being, and would assist him in avoiding the clutches of the money lender ; but it is not easy to convince people who are daily faced by the problem of poverty and who need the labour of their children, that the ultimate benefits of education are worth the immediate material sacrifice involved. Another serious difficulty is constituted by the financial position of the country. In the year 1921-22, the total expenditure on education amounted to Rs. 18.38 crores. This sum represents a fraction of the public resources of the country which compares not unfavourably with that devoted by other lands to the same purpose. But it is quite inadequate to the calls made upon it. Moreover, owing to the peculiar conditions of Indian life, this sum does not go as far as it should towards meeting requirements. For example, in all Western countries where compulsory primary education has been successfully introduced, more than three-fourths of the teachers in primary schools are women. Without the woman teacher it would be impossible to carry through a mass programme of popular education, not only because the supply of men teachers would be inadequate to the task, but also because the expense of paying them would be prohibitive. In India, for reasons already noticed elsewhere, the assistance of women is not usually available in primary schools ; and indeed owing to the shortage of qualified women, male teachers are sometimes engaged for the instruction of girls. There is a further difficulty in the organization of a system of primary education adequate for India's needs ; and it is this. The social conditions of the country discourage men of trained intellect from returning to the villages and from influencing the masses in the direction of education. The religious organisations of India do not offer to graduates the same opportunities of work and influence as fall to the clergymen in the West; there is not the same scope for the Indian medical graduate in the village as exists for a medical practitioner in the English country side ; finally the Indian landowner does not ordinarily proceed to the University, and if he does, he rarely spends the remainder of his life upon his ancestral estates. There is thus a marked absence throughout the Indian educational structure of the honorary services and personal interest of those better educated classes who in England, and indeed throughout the West generally, have done so much to increase the influence, add to the efficiency, and exalt the prestige, of the village primary school.

Special Difficulties.

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Education a Transferred Subject.

Returning now to the first of the most obvious characteristics of the present educational situation in India, we may notice that one effect of the transfer of education to the charge of popular ministers has been the strengthening of the contact between the Educational Department and public opinion. Broadly speaking it is now left to the Legislative Councils in the Provinces to determine the best method of adapting the educational system to the needs and circumstances of the local population. The Reports of debates in the various local councils show clearly how keen is the interest which the educational problem is arousing among the Indian intelligentsia. Almost every province in India is now displaying great educational activity ; and it speaks • well for the clear sighted perception of the Ministers in charge of education that in most places the major portion of their attention is being devoted to a concerted attack upon illiteracy in its very stronghold—namely the masses of the population. Even before the transfer, primary education Acts had been passed in almost every province, which permitted the local bodies to introduce, under certain conditions, the principle of compulsory education. Thus provided with a foundation upon which to work, the Ministers have been able to concentrate much of their attention upon the illiteracy problem. Many noteworthy experiments in this direction are being made, up and down India, which, in view of the peculiar difficulties to which we have already adverted, are already displaying a gratifying measure of success. Definite programmes had already been laid down in many provinces for the doubling of the number of children in primary schools ; for the location of primary schools in every area satisfying certain conditions ; and for the raising to a certain figure of the proportion of the population under instruction. Within the last two years, the funds devoted to these schemes have been augmented, and public interest keenly aroused. In Bombay and the United Provinces, to mention two localities in particular, the State has paid much attention to the task of placing " Compulsion " upon a more satisfactory basis. The former Government now possesses powers enabling it to impose compulsion without waiting for local option, and to enforce the principle by adequate measures. In the United Provinces, the Municipalities have been addressed with the object of encouraging them to apply the compulsory principle, and the results are said to be promising. At the same time, in view of the lamentable tendency of the primary

Enthusiasm for Primary Education.

school pupil to remain stagnating in the first class, much attention is being devoted to the more adequate training of teachers ; to an increase in their remuneration ; and to the cultivation of a professional pride in the success of their work. Further the educational curriculum is being revised in many places, and efforts are being made to devise courses of study which shall combine with a good general training some form of vocational instruction. In this respect, as in others, a real endeavour is being made to meet the needs of the masses, whose interests have not been favoured by the decided bias towards the literary side which Indian education, even in its early stages, has hitherto tended to display. A systematic investigation in various parts of India into the problems of mass education has shown that one of the most important needs of the country is the encouragement of backward districts. It is not difficult in practice to secure the improvement of primary education in a wealthy municipality ; but what is above all required is State assistance to those who have not the resources to help themselves.

Secondary Education.

The stimulus to popular enthusiasm in matters educational which has been a noticeable accompaniment of the transfer of a subject so important to popular control, is by no means confined to the primary stages. There has been of late an increasing realization among the provincial authorities that secondary and university education in India, although in a position quantitatively more satisfactory than primary education, have qualitatively certain very serious defects. Secondary education in particular is still of poor standard and badly regulated. In consequence, the major portion even of those boys who pass through the full secondary course enter the world with no training for citizenship ; with no formed ideals and with no aspirations save those connected with personal success. The demand for secondary education in India, although at the moment perhaps less marked, through economic stress, than at other periods during the last decade, is still almost inexhaustible ; and all efforts at improvement seem to be swallowed up in an overwhelming supply of cheap and bad institutions. The proprietors of private schools are able without fear of losing their pupils to manage their academies at the lowest limit of inefficiency ; for since the most necessary ingredients of education as generally understood, namely, social life and good physical conditions are not demanded, they are not forthcoming. These defects were for the first time authoritatively brought to notice by the Calcutta University Commission, whose Report represents a land mark in Indian edu-

Present Deficiencies.

. cational history. Fortunately, it is now generally admitted, at least in theory, that secondary education in India needs to be radically remodelled in order to bring it more closely into contact with the needs and aspirations of the country. There is a growing realisation that since, under the most favourable circumstances, the largest proportion of the population of India cannot hope to pursue its formal education beyond the secondary stage, the structure of secondary education must be well balanced and complete in itself. At present this is just what it is not, Indian boys who desire to obtain an education worthy of the name are still compelled to pass from the secondary school to the University, even though their aptitude and their choice of a future vocation do not fit them in the least for a university career. It was for this that the Calcutta University Commission desired to find a remedy ; and the proposals of the Report regarding the separation of secondary from university education; the erection of the former into a self-contained system ; and the confining of each to its proper sphere, are now being carried out in several Indian Provinces. Boards for Secondary and "Intermediate" education—stages which together constitute a complete pre-University course-—have been constituted in several parts of India ; and much attention is being directed both in the Legislative Councils and outside to the solution of the most pressing problems of this branch of development. Here, as in the sphere of primary education, the pay and status of the teachers are all important. Many Provincial Governments, in addition to raising the pay of their own schoolmasters, have come to the help of aided institutions with a grant for the improvement of staff pay.

Future Developments.

While the Government of India still retains certain functions in connection with Indian Universities, particularly in the matter of legislation, the general control of the university system has, with the exception of certain all-India sectarian institutions and the Delhi University, been placed within the province of the local Governments. Of late, university education in India has undergone a striking change as a result of the lead supplied by the recommendations of the Calcutta University Commission. The typical Indian university up to some two years ago consisted of scattered colleges, one often separated from the other by hundreds of miles. With inadequate staff and inconsiderable equipment, these colleges in the majority of cases attempted to convey instruction far more elaborate than lay within their compass ; while the University itself pursued a phantom existence as an examining body. In sub-

Universities Old and New.

stitition for this system, the Calcutta University Commission recommended the erection of " centralised unitary universities", residential and teaching bodies in which all instruction was to be given by University officers under the direct control of the University authorities. This change was to be accompanied by the removal from the University stage of all tuition which did not strictly belong to it; and the creation of new institutions to be called " Intermediate Colleges " which should provide a logical culmination to the training provided in the secondary schools.

The task of giving effect to such recommendations of the Calcutta University Commission as seemed to harmonise with local conditions has fallen to the reformed provincial governments. The lead was taken by the United Provinces, where new universities have lately been opened at Aligarh and at Lucknow, while the original University of Allahabad has been reconstituted in an attempt to follow the general lines recommended by the Commission. In Burma a centralised residential university has been incorporated at Rangoon ; in Bengal the Dacca University, constituted upon lines laid down by the Calcutta Commission is now in working order. The University of Calcutta, now under the control of the Bengal Government and not of the Government of India, is undergoing extensive modifications. The universities of the Punjab and of Bombay have developed new honours courses and added university teachers. A new University has been established at Delhi; while proposals are under consideration for the creation of a University at Nagpur which, it is hoped, may ultimately develop into a managing and teaching body. A bill has also been introduced into the Madras Legislative Council for the reorganization of the Madras University upon teaching and residential lines.

Transfer of Education : Unfavourable circumstances.

It will be plain from what has already been stated that the transfer of education to popular control has been accompanied by a marked development in many directions. It must however be realised that this transfer has been accomplished under circumstances the reverse of favourable. It coincided in the first place with the advent of widespread financial stringency ; and in the second place with the coming of the disastrous movement known as non-co-operation. Of the two the former has proved the more serious. In dealing with the financial situation of India, we have already pointed out that stringency in the provincial budgets since the introduction of the Montagu-Chelmsford reforms has served to starve many of

those nation-building departments which it was the prime object of the new regime to nourish. Among all the lines of development for the expansion of which educated Indian opinion has long raised its voice, education probably stands supreme. But the transfer of education to popular control has taken place at the time not only when provincial resources were, owing to the prevailing conditions in agriculture and commerce, at a low ebb, but also when the finances of the central Government made it imperative to call upon the provinces for heavy subventions. That the central Government has made a determined effort, along lines the significance of which is still not adequately realised by popular opinion, to put an end to this state of affairs, and to set free provincial resources for increased expenditure upon such important subjects as education, has already been made clear elsewhere in this Statement. It will be of interest, however, in this place to examine very briefly the financial disadvantages under which education, in common with other " transferred " subjects, has been compelled to labour.

Financial Stringency.

Taking all the revenues of the provincial Governments together, it is seen that out of a total of Rs. 101 crores Rs. 9.2 crores, or roughly 9 per cent, is devoted to education. The proportion however varies considerably province by province, the extremes being represented by the North-West Frontier Province, which spends 18*8 per cent, of its provincial revenue upon education, and Burma, which spends 3.7 per cent. Between these extremes come Bombay with 13.7 per cent. ; Bengal with 12.6 per cent. ; Bihar and Orissa with 9.7 per cent. ; the United Provinces, the Central Provinces and the Punjab with a little over 8 per cent. ; and Assam with 7.7 per cent. These might seem at first sight very respectable proportions ; and the provincial administrations might well be congratulated on devoting so substantial a percentage of their total renvenues to the encouragement of education. Unfortunately the impression they convey is somewhat misleading ; the provincial revenues themselves are in many cases so modest that the result is far from satisfactory in allotment per head of population. Judged by this standard, the proportions we have stated are no safe guide to the educational position of the various provinces. For while Burma has the smallest percentage of educational estimates to provincial revenues, her comparatively low population enables her to spend on instruction Rs, 0.46 per head. Per-

Provincial Revenues and Educational Estimates.

haps the most pitiable example of the other extreme is Bihar and Orissa which out of a provincial revenue of Rs. 5.6 crores devotes 97 per cent, or Rs. 5.5 lakhs to the education of 34 million people—an expenditure per head of Rs. 0.16. Fortunately, this pittance is by far the lowest figure of *per capita* educational expenditure. Bombay, which spends Rs. 0.94 per head of population, leads the scale. In between come the North-West Frontier Province, whose limited population enables her to spend Rs. 0.53 *per capita* ; the Punjab with Rs. 0.43; the Central Provinces with Rs. 0.4; Madras with Rs. 0.36 ; the United Provinces with Rs. 0-34; Assam with Rs. 0.29, and Bengal with Rs. 0.26. It is obvious that an expenditure *per capita* which works out at an average of Rs. 0.37 throughout the provinces of India is quite inadequate for the erection and maintenance of the educational structure which India's progress towards Responsible Government requires. The devotion of more adequate funds to educational development must be pronounced among the most pressing requirements of the country at this moment. That an adequate expansion cannot take place until such time as India's finances are in a more prosperous condition seems obvious ; but at least a beginning could be made if it were possible to release the provinces from the necessity of contributing to the central exchequer. That the Central Government is fully alive to the importance of an advance in this direction, we have already seen.

Provincial *per capita* Educational Expenditure.

But the general financial stringency under which Indian education has laboured since its transfer to popular control has produced results which are not entirely sinister. In the first place, it has led to a minute investigation into existing sources with a view to their more effective utilization. In certain provinces, notably the Punjab, experience has shown that there is room to combine rigid economy with increased efficiency. The principal device which has rendered this possible is a cautious application of the compulsory system. While for the reasons already mentioned, compulsion cannot be applied more hastily in the Punjab than elsewhere, it has been found possible to employ it in suitably selected school areas in several districts. Such a process eliminates waste in several directions. It ensures that pupils will stay at school at least for four years and will probably derive instruction ©f real benefit to them in later life. It further enables the size of classes to be increased ; and facilitates the concentration of the school-going population into institutions stalled by more than one teacher.

Economy and Efficiency.

The difference between a school of 160 pupils with a teacher for each class and four or five schools of 30 pupils with a single teacher taking all four classes, is, from the educational point of view, immense. The quality of the teaching and the character of the work turned out are as the poles as under ; and one multi-teacher institution is a far more effective means of advertising, the benefits to be derived from education than a large number of single-teacher schools. Further the cautious application of the principle of compulsion enables all existing buildings to be fully occupied ; with a consequent saving alike of new construction and of previous wastage. Other methods of economy which have been successfully pursued are the concentration of specialist teachers in a convenient centre in such manner as to make their services available for many districts rather than one ; the abolition of " watertight compartments " so that high schools can serve more than one district and training institutions more than one division ; and the revision of the inspecting system in such a way as to save overlapping. It is of course obvious that such methods as these demand two things, first a harmonious co-operation between the permanent officials at the head of the educational machinery and the responsible Minister to whose control education has been transferred ; and in the second place a public opinion which is prepared to sanction at any rate in principle, the gradual application of the compulsory system. It is indeed gratifying to be able to record that the first requisite seems present everywhere throughout India. But the same cannot be said of the second. While most Provincial Legislative Councils have shown themselves in theory favourable to the compulsory principle, the actual introduction of this principle and its operation by local bodies are generally attended with some difficulty. As we have already noticed in our discussion of the institutions of local self-government, there is a general reluctance on the part of the Municipalities and Boards to apply the compulsory principle even in such a vital matter as the collection of their own rates. It is therefore not surprising to discover that they display an even greater reluctance to employ coercion in the cause of compulsory education. In this connection we may notice that there is a tendency in certain quarters where " local option " compulsion is being stiffened into absolute compulsion, to place the onus of enforcement, and of proceeding against the recalcitrant, upon the shoulders, not of the local authority, but of the provincial executive. And while the adoption of such a device may seem

Two Requisites.

Co-operation.

Compulsion.

a curious commentary upon the present stage of progress towards responsible government, it may well afford a temporary solution to one of the main difficulties which at present hinder the general application of the compulsory system.

Non-Co-operation.

The second of the crippling disadvantages which have attended the transfer of the educational system of India to popular control has been the troubled political situation characterising the last two years, culminating in a concerted onslaught by the non-co-operators upon the whole existing educational structure. The withdrawal of pupils from Government and aided institutions ; the withdrawal of recognised institutions from all forms of Government control and aid; and the erection of a parallel structure of national education—such were the methods recommended by Mr. Gandhi and his adherents. The actual results of this organised attack varied from province to province, but everywhere it was responsible for enhancing immensely the difficulties of the reformed regime. It had little effect upon the teaching profession, who throughout maintained a splendid loyalty to what they saw to be the real interests of the country. But it did exercise a very serious influence upon educational finance, particularly in certain provinces. For example, the Vice-Chancellor of the Calcutta University estimated last year a total loss under the head " Examination Fees " of not less than Rs. 0.02 crores. It also gravely affected student discipline, leading to an increase in strikes and serious offences against school and college regulations. The interests of the student community suffered severely, because the call to national service and self-sacrifice found a quick response among the best, who threw to the winds their present obligations and their future prospects in order to take part in political agitation. Most regrettably, these debit items were not offset by any satisfactory entries on the credit side. The much advertised system of " national education " which the non-co-operators proposed to erect in the room of the structure they designed to destroy, has in large degree failed to materialise. A certain number of so»called " national " schools, " national" colleges, and even " national " universities have been set up, but with the exception of a mere handful of well-run institutions, the major portion seem already on the point of disappearing. While the worst have been content with a slavish imitation of the more hackneyed features of the system they professed to replace, even the best have not succeeded in calling into being a more truly indigenous type of education. With the exception of their fetish of compulsory spinning, their system does not seem to differ

very much in curriculum, in standards of teaching or in ideals inculcated from that which obtains in the less efficient government and private schools. The explanation of their failure lies in the fact that they enjoyed none of the advantages of the pioneer. In their insistence upon "national" education, the non-co-operators were only voicing a demand which has been in the mouths of all-Indian educationalists for many years. They differed from their predecessors only in so far as they considered that they could achieve their end by the destruction, rather than the remodelling of the present system of education, and by the elimination of all connection between Government and public instruction. Their failure to achieve, with amateur organisers and pitifully slender resources a result which the existing machinery, with its trained experts, long experience and nation-wide finances is still seeking after, is therefore readily intelligible. At the same time, the idealism which characterised the better side of the movement has not proved wholly infructuous ; since the conception of large educational institutions, carried on without help from Government is a distinct contribution to the future, even if the realisation is yet to come. That the so-called "national" institutions as exist at present, are unlikely as a whole to exercise much influence either upon the uplift of the masses or the instruction of the classes, is now obvious. But the healthy dissatisfaction with the present system which lay at the root of their early and fleeting success, is symptomatic of an awakened popular interest in the educational requirements of the country. That much of the instruction imparted in India is still but poorly adapted to the practical needs of the recipients remains unfortunately true and the significance of the cry for "national" education seems to lie in an increasing realisation of this fact by many who were unfamiliar alike with the complexities of the problem and with the devoted energy which has for long been addressed to its solution. Now that the control of the educational structure, the shaping of the curriculum, and the direction of policy, have passed into the hands of ministers responsible to the people of their province, there seems reason to hope that the laudable desire for a system of education that deserves the name of national will produce something far more permanent and far less wasteful than the ill-starred enterprise, redeemed from bathoe only by its idealism, which is Mr. Gandhi's contribution to India's most pressing; problem.

"National" Education.

Its Failure.

We have seen that the transfer of Indian education to popular control has been attended with certain accidental difficulties due to the conditions through which the country chanced at the time to be passing. It remains to consider briefly the working of the new machinery.

Education Provincialised: some Tendencies.

While it is still too early to determine with any exactitude the effect produced upon the educational system by the changes of the last two years, it is already possible to discern the emergence of certain tendencies. In the first place, there is a marked readiness to experiment with new methods, a zest in the preparation of new programmes, which were formerly absent. Upon these developments space does not permit us to enlarge ; but the record of almost every Province serves to illustrate the growth of a healthy spirit of investigation. Further, as has already been noticed in our brief study of the institutions of local self-governments there are encouraging symptoms of a new desire on the part of local bodies to devote a high percentage of their incomes to educational expansion. That there is room for considerable development in this direction is plain from the fact that in the year 1921-22 the respective cost to local funds and to provincial revenues of educating a single pupil in Board or Municipal schools amounted to Rs. 4.8 and Rs. 8.0 respectively. In other words, even to the branch of education with which local bodies are most directly concerned, they contribute only one-third of the total cost. When we push the comparison into other spheres, the proportionate share of local funds immensely decreases, with a corresponding increase of the burden upon provincial revenues. It has been calculated that the average annual cost of educating a pupil for all classes of institutions amounts to Rs. 17.8 per year. Of this sum provincial revenues bear Rs. 8.7, and local funds bear only Rs. 2.9. These proportions will have to be equalised or even reversed in the near future, if the expansion of education now so keenly desired is to materialise. A further feature which deserves notice in connection with the provincialization of public instruction is a divergency in the form of system now favoured in various parts of India. Broadly speaking, we may notice two opposing tendencies at work. On the one hand, there is a desire to secure, through every branch of educational activity, the direct and personal control of the Minister responsive to the Provincial Council. This line of advance seems generally favoured by the majority of the provinces. On the other hand, there is also noticeable in greater or lesser degree a tendency

Centralisation and Decentralisation.

precisely antithetical; a desire to decentralize educational control, and to erect in each District an Educational Council or some similar body which stands as it were between the Minister and the actual working of the educational institutions. It is impossible at the present stage to determine which of these divergent tendencies is likely to be attended with the more satisfactory result; indeed it may be that the widely different conditions in various parts of India are of themselves responsible for the existing hesitation between the two extremes. But the divergence in different localities is significant of an alarming tendency towards " provincialism " in the sinister sense of the expression. Some provinces are already showing a disposition to go their own way regardless of the developments favoured not only by their immediate neighbours, but by the country as a whole.

" Provincialism."

In view of the number of problems for which a purely provincial solution is quite inadequate, this spirit of provincialism deserves to be closely watched. It is plain in the first place that the decision reached by a single province upon an educational issue of all-India concern must generally be based upon inadequate data; may seriously embarrass other provinces and may even postpone indefinitely a satisfactory issue. Secondly, there is a broader aspect to be considered. The only method by which the idea of nationhood can be spread fruitfully among the vast population of India, which includes a multitude of diverse races, castes, and creeds, is through the creation of an educational system which, however flexible in detail and however adaptable to local needs, contains certain common elements of the nation-building kind. Extreme provincialism in public institutions may well result in accentuating rather than in softening racial, linguistic and provincial lines of cleavage, thereby hindering rather than helping the formation of a united nationhood.

We may conclude our review of Indian Education by a brief investigation into certain particular problems which at the moment present themselves for Bolution. Hitherto we have been dealing primarily with the Indian population of the school going age. But it will be obvious on reflection that a very large part of the education now needed in India is adult education ; and particularly adult education of a kind which will supply the new electorates with some guidance in the use of the suffrage which constitutional reforms have placed in their hands. Broadly speaking, adult education in India resolves itself into two distinct problems,

Adult Education.

since two distinct classes of people have to be considered. There is first of all the very numerous section of the population which has received no substantial instruction in early life. There is secondly a more favoured class which has enjoyed a fair general education, but after leaving school has lacked either the taste or the opportunity for developing its civic consciousness. This latter class being largely confined to the towns presents a straightforward problem, in the solution of which there is a great scope for the University Extension movement. Development along these lines is the more likely to be successful since university or collegiate institutions are to be found in the majority of places where this class of individual exists. Some progress, indeed, is already being made in various Indian cities during the period under review ; the attention of the thinking public has been aroused to the possibility of the University Extension ; and lectures have been arranged on such subjects as the Indian Fiscal Problem, Comparative Politics, and the like. The political importance of rapid advance in this direction is very considerable : since that ignorance of the immediate problems of administration and of government which characterises the average citizen of Western countries, is particularly noticeable even in the case of the intelligentsia of India. But the most formidable difficulty attending adult education is that of reaching the mind of the electors in particular, and the adult citizens in general, belonging to the class which has no educational background. The preponderating bulk of such people live in the country districts, where their inaccessibility aggravates the problem; but there also remains to be considered the industrial population of the large towns. So far as the education of the rural community is concerned,, whatever work is being done at present is carried on principally by the departments of Agriculture, Public Health and Co-operative Credit, which in various parts of India organise lectures on matters directly affecting the welfare of the people through travelling magic-lantern and cinematograph parties. Here as in other lines of advance, the work performed by Co-operation is beyond all praise; extending as it does to the formation of village libraries, to the subsidisation of travelling instructors, and to the formation of night schools and village institutes wherever local circumstances allow. Among the industrial classes in the towns, considerably more is being accomplished than might be expected, even in view of the greater facilities which their concentration affords. Such philanthropic associations as the Young Men's Christian Association, the Social Service Leagues and the Poona Seva Sadan, **are labouring nobly** among **mill** hands and industrial employees. **The**

popularity of night classes and of general lectures in such a centre as Bombay is of itself sufficient indication of the great demand which exists for adult education among classes of workers who have hitherto been contented to remain almost wholly illiterate.

Female Education.

Vast as is the problem of adult education, its solution is almost simple when compared with the complexities presented by another question, upon which depends the ultimate future of the whole country—the education of Indian women. We have already noticed from time to time the immense drag which the general illiteracy and usual economic unproductiveness of half of India's population must necessarily impose upon the progress of the country. Only by education will it be possible to break down the barriers which have hitherto shut the majority of Indian women folk from the world, and have prevented them from exercising to the full their Tightful influence upon the national development. It is sometimes said that the principal obstacle to female education in India is the purdah system. This is only true to a limited extent. A far more formidable difficulty is the virtually complete absence of effective demand. The importance of educating the female half of the community is not yet realised by the bulk of—predominantly male—public opinion; and indeed until recently the demand for such education was practically confined to a few advanced thinkers. This is partly due to the fact that hitherto the kind of education available has not squared with traditional ideas regarding the domestic position of India's womanhood. The difficulty of devising courses of instruction which will commend themselves to that substantial body of opinion which still regards female education with suspicion is not a small one; and there is reason to believe that the existing structure of Indian education needs to be modified radically before such a thing is possible. But quite apart from the present lack of effective demand, there are many grave difficulties connected with its creation and satisfaction. No rapid expansion is possible without an adequate supply of competent women teachers. And the fact must be faced that only a great social change can call them forth. The Calcutta University Commission Report pointed out in impressive terms the peculiar difficulties and dangers which surround young women who desire to adopt the teaching profession. " The fact has to be faced " the Report runs, " that until men learn the rudiments of respect and chivalry towards women who are not living in Zennanas, anything like a service of women teachers will be impossible." The problem therefore depends for its

Difficulties.

solution not merely upon the energy and devotion of those in charge of education administration, but also upon a gradual change in the whole public attitude of India towards woman-kind—which of itself is impossible without a widespread system of popular instruction among the men. At the same time, it must be stated that progress though slow is by no means wanting. Despite the difficulties and the disadvantages above mentioned, Indian ladies are commencing to come forward for service in the teaching and nursing professions. Several voluntary organisations such as the Young Women's Christian Association and the Poona Seva Sadan are encouraging in their healthy progress ; while certain local Governments are devising schemes for the training of Indian ladies for the nursing profession. In general it may be said that the outlook is by no means hopeless.

Among other special branches of educational work we may notice that the instruction of Muhammadans presents peculiar problems of its own. Every Muhammadan boy must spend a considerable time in imbibing religious instruction ; and this fact naturally reduces the period available for secular instruction. One consequence had been a general backwardness in education as compared with the Hindus. Fortunately there has been of late a marked appreciation among Muslim leaders of the need for improving the instructional level of their co-religionists ; and in many of the provinces of India a great impulse towards educational advance among the Muhammadan community has been noticed of late. To this, the foundation of the new Muslim University at Aligarh may be expected to contribute. Many local Governments now make special provision for the education of Muhammadans by means of grants to district boards, special systems of inspection, and the provision of ready avenues for the advance of promising boys. There is considerable lee-way to make up in most parts of India, but it would seem to be generally true to say that Muhammadan education is gaining ground in a manner not unsatisfactory.

Muhammadan Education.

Regarding the education of the European and the domicile community, there is little to record. Both these communities are comparatively small, realise the value of education and are prepared to pay for it. In the case of the domiciled community a certain amount of state aid is found necessary, not through unwillingness on the part of the members of this section to contribute to the cost of education, but through sheer lack of the necessary resources. Generally speaking, there is a very large amount of self-held and of charity

European Education.

available, the effect of which has been to raise the general level of education in both communities to a satisfactory height. European Education, it may be mentioned, is a reserved subject and is not under the control of the provincial Ministers. But it must be placed to the credit of the local legislative councils that no action likely to weaken the financial position of the European schools has been taken by them.

Depressed Classes.

Regarding the education of backward and depressed classes, we have already noticed in another place the tendency to self-help which is characterising these sections of the population. This has found its most practical expression in an increased demand for the benefits of education, with the result that in most parts of India additional facilities are now being provided and utilised in greater and greater degree. A powerful impulse towards the satisfactory provision of State aid to the instruction of backward and depressed classes is provided by the presence in the provincial legislative councils of elected or nominated representatives of these orders of society. Such men are as a rule able to place constantly and effectively before the administration the needs of their particular communities ; and to ensure that in the general distribution of educational facilities and educational benefits, the backward and depressed classes are not omitted.

Technical Education.

We have already seen symptoms of an increasing popular demand for technical and industrial education. Everywhere in India there has been of late a reaction against the purely literary type of instruction once so popular; and with the transfer of the educational curriculum to popular control, the introduction of a more practical side in the various courses of study has followed. At the same time it is interesting to notice that the poorer classes of the population do not seem to favour a rigid vocational education so much as might have been expected; revealing indeed the most praiseworthy acumen in their preference for a good general type of education intimately correlated with practical problems. In several parts of India for example, it has been found that the costly plan of providing practical training in agriculture for rustic boys in special schools is far less successful, because far less popular, than the attachment of agricultural classes to vernacular middle schools, where a general as well as a technical training is assured. For some years the principal difficulty of advanced technical education has lain in the lack of suitable openings for boys who had passed through the various Engineering Colleges and Schools of Engineering. This difficulty, which operated

powerfully for the discouragement of technological training, is gradually passing away with the expansion of Indian industries. So long, however, as this expansion continues at its present modest rate, there will be no scope for that vast increase in technical institutions which is advocated by certain sections of opinion . At present, while the Government Engineering Colleges continue to expand their registers, and the Schools of Engineering scattered up and down the country are prospering, there are no signs that they are unduly overcrowded or that their multiplication would for the present be profitable.

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CHAPTER V.

The Political Record*

In last year's statement we attempted a somewhat elaborate analysis of the inception and progress of the non-co-operation movement. It now falls to our lot to chronicle that movement's decline. While no attempt will be made to retrace in detail the path which was traversed twelve months ago, it will be necessary to describe briefly the origin and character of Mr. Gandhi's remarkable campaign, in order that the closing scene of the drama may become intelligible to those who have not themselves witnessed the earlier acts.

Origin of Non-Co-operation.

The non-co-operation movement was primarily a resultant of two forces ; the first the extraordinary personality of its author ; the second the post-war restlessness which India has shared with so many other countries. Mr. Gandhi, who is probably more widely known throughout the world than any other individual living in India to-day, has for the major portion of his life been convinced that modern civilization is a mistake. He believes, like his master the late Count Tolstoi, that the vast social and economic structure built upon the scientific discoveries of the 19th century is pernicious in its effects upon the individual man. He conceives that modern education developes in those subject to its influence the mentality of a slave ; that all the machinery of complex civilisation, hospitals, doctors, law-courts, railways, parliaments, do but serve to increase the gulf between man and God. The sole end of rightly directed human activity, according to Mr. Gandhi, is the freedom of the individual soul; and anything which, by adding to the complexity of life, threatens to hinder that freedom, is by nature bad. Mr. Gandhi believes that the only road by which man can attain natural and primitive simplicity, which in his eyes ranks so far above economic, political and industrial advance, lies in the mastery by spiritual force of material might. The weapon of passive resistance therefore appeals to him strongly, whether as a means of securing national regeneration through the consequest by love of evil-doers ; or as an irresistible lever for the redress of grievances suffered by a people at the hands of its government. After a striking success in South Africa, Mr. Gandhi determined to employ passive resis-

tance to his native country. The opportunity occurred in 1919, when he headed a campaign against the so-called Rowlatt Bill. From this sprang the spark which fired the Punjab, and produced a conflagration that embittered the political atmosphere of India for the next three years. The experience of this "Himalayan blunder" as he himself described it, taught Mr. Gandhi that the main obstacle to his scheme for the reclamation of his country from the insidious miasma of Western civilisation, lay in the readiness of the masses to resort to unreasoning violence. Accordingly, between the summer of 1919 and the autumn of 1920, he devoted himself to the ceaseless inculcation, among all those whom his influence could reach, of the blessings of non-violence and its efficacy as a means of redressing national wrongs. In this endeavour, he was greatly assisted by the political atmosphere which then prevailed. For long he had enjoyed among his Hindu co-religionists the authority with which India envelopes a saintly ascetic. Further, much of his doctrine was akin to orthodox Hindu practice. His insistence upon the supremacy of soul-force, his advocacy of national fasting as a means of influencing Government, his conviction of the irresistible power of passive resistance, have all three their basis in the ancient Hindu doctrine of *Dharna*. But had Mr. Gandhi confined his activities to his own co-religionists, his movement of non-co-operation would never have gathered the momentum which later distinguished it. It is at this point that his personal influence joins forces with the spirit of the time.

The Khilafet Movement.

Shortly after the Armistice, there had appeared in India a movement directed towards the obviation of any harshness in the terms to be offered to Turkey. Indian Mussalmans felt that they had contributed greatly to the defeat of the Ottoman Empire, and they naturally desired that the post-war settlement should accord with their own predilections. Little by little an enthusiastic section of advanced Muhammadan opinion, aided first by the delay in the conclusion of the settlement, and secondly by the Indian reaction to a wave of anti-Muslim feeling which swept Europe and America, succeeded in arousing the bulk of their community to a lively apprehension that the Christian powers of the world were about to destroy the last remaining bulwark of Islam. Gradually the whole of Indian Muslim opinion, Shia as well as Sunni, became consolidated into a united front for the support of Turkey's cause—a support which strengthened into violent partisan feeling when the terms of the Treaty of Sevres were published. Mr. Gandhi realised, as he himself stated, that this situation presented, "such an opportunity of uniting Hindus

and Muhammadans as would not arise in a hundred years." He promptly made the cause of Islam his own, accepted even the least reasonable claim of the Khilafat party as being dictated by the unalterable mandate of religion, and placed in the very forefront of his aims the satisfaction of Muslim sentiment.

Mrs Gandhi's Opportunity.

This stroke of Mr. Gandhi's was something unparallelled in the previous history of India. Never before had a leader, accepted with unquestioning reverence by members of one community, succeeded in placing himself at the head of demands formulated by the other. Of itself, such a circumstance would have been a portent; but occurring as it did in the then atmosphere of India it became doubly significant. For the country was at that time suffering from the full effects of the post-war reaction. The educated classes in particular were profoundly dissatisfied. We may recall that the Morley-Minto Eeforms of 1909 had been welcomed by Indian opinon; but before long, there was manifest an increasing disappointment at the meagreness of the results achieved. The outbreak of the World War and India's magnificent rally to the cause of the Empire, sweeping away, for the moment at least, all minor considerations, alone prevented constitutional agitation from rising to great heights. But the feeling from which this agitation would under normal circumstances have sprung, none the less persisted. It was indeed

Constitutional Aspirations and Disappointed Hopes.

stimulated by the declaration of the war aims of the Allies ; and by the hearty recognition which India's services evoked from English statesmen. But as the struggle dragged on, and the enthusiasm manifested at its outbreak waned, this feeling of dissatisfaction was fanned into distrust and suspicion. Fears were widely entertained that after her sacrifices, India would be left in the cold. The declaration of August 20th 1917, which laid down the ultimate aim of British Rule, to some extent allayed these apprehensions ; but India's expectations were now raised to great heights, and the Montagu-Chelmsford Report of 1918 was condemned by many sections of opinion as inadequate. Had it been possible to translate these recommendations at once into the law of the land, there can be little doubt that the new constitution would have been worked, if not with the enthusiasm, at least with the acquiescence of the educated classes. But between the appearance of the Report, and the passing of the new Government of India Act in 1919, occurred first the Punjab disturbances and second the Khilafat movement. Moreover, high prices and general economic pressure bore hardly alike upon the masses and

tie classes. In consequence, Mr. Gandhi found the whole political atmosphere of India in a state of dangerous saturation, awaiting only the emergence of a great leader or a great movement to crystallize into agitation of an unprecedented kind.

" The Khilafat, the Punjab and Swaraj."

Between January and March 1920, secure in the support of the Hindu community, and steadily acquiring a remarkable influence over the Muhammadans, he began to adumbrate a scheme for bringing the Government to their knees. He would accomplish this by gradually withdrawing the co-operation of the public from successive spheres of administrative activity. He fixed four main stages for the execution of the campaign ; first the resignation by Indians of titles and honorary offices ; secondly the withdrawal of Indians from all government services save police and military; thirdly their withdrawal from the police and military ; and fourthly, suspension of payment of taxes. This programme was extensively advertised and gained a very wide support, even if it did not secure adherents who were prepared to give practical effect to its proposals. In the middle of June 1920, Mr. Gandhi, finding that he was assigning to the goal of his movement a complexion so predominantly Muslim that he was likely to lose part of his Hindu following, extended its scope to cover the satisfaction of Hindu opinion in the matter of the Punjab. In previous Statements we have described in some detail the unfortunate occurrences of 1919; and the resentment they aroused among educated Indians. By voicing in his own characteristic manner the injured feelings of his countrymen, Mr. Gandhi found it easy to take full advantage of the wave of nationalism which had been stimulated and intensified by the other events we have briefly mentioned. [A little later he still further extended the scope of his movement to cover the achievement of " Swaraj ". This word, which had previously been understood to mean self-government, was permitted by him to bear a variety of interpretations. It shortly became a mirror of many facets, wherein each section of opinion could behold the image of its own desires.] To some it represented Mr. Gandhi's own ideal of government of the self. Others read into it Dominion home-rule ; to another party it represented complete independence; yet others interpreted it as Muslim supremacy. Above all to the masses suffering under a series of bad harvests, further aggravated by rising prices and low wages, it shortly became synonymous with the commencement of a golden age when prices should fall, when taxation should cease, and when the

" Swaraj."

State should refrain from interfering with the good pleasure of each individual man. Nor was Mr. Gandhi himself more definite in his interpretation, for he knew well that any attempt at precision would be accompanied by the withdrawal of one or more sections of opinion uport whose assistance he was relying. At one time he explained Swaraj as responsible government, whether within or without the Empire ; at another time as Dominion Home-rule. Later, as we shall see, he defined it has the universal employment of the spinning wheel; yet again he identified it with the triumph of the Khilafat party. A like inconsistency governed his statement as to the date on which the desirable consummation, was to be achieved. He foreshadowed it successively for September 1st, 1921; for October 1st, 1921; for October 30th, 1921 ; for December 31st, 1921 ; until finally he pessimistically declared that he could fix no date.

Mr. Gandhi's Apotheosis.

The summer and autumn of 1920 saw Mr. Gandhi gradually consolidating his forces, lifted by degrees upon a wave of sentiment both Hindu and Muslim, to a height which no Indian leader had ever previously attained. Considering all the circumstances the wonder is not that his influence extended so widely, but that there remained in India even a section of opinion which was not carried away by his personal character and by his public aims. Yet such was the case. For some months the success of his campaign hung in the balance ; and only after some hesitation did a large proportion of educated India, won by the attraction of his personality and by his skilful interpretation of their innermost predilections throw alike to the winds their caution, their instinct, and their previous political professions to follow the standard of the Mahatma. Even then, as we shall see, there remained a few who conquered the almost irresistible temptation. But to his side there flocked the big battalions.

The " Triple Boycott."

In September 1920 he obtained the support of a special Calcutta meeting of the Indian National Congress. He assured the assembled delegates that Swaraj could be gained in the course of a single year. In co-operation with a sub-committee he elaborated his programme, adding such items as the boycott of British Courts by lawyers and litigants; the boycott of Government schools and their replacement by national schools, and most significant of all—the withdrawal by Congress candidates of their candidature for election to the reformed councils, and the refusal on the part of Congress voters to vote for any candidate who might stand for election. It was in connection with this last item, that Mr. Gandhi encountered the*

obstacle upon which his movement was ultimately to shatter itself. The moderate or Liberal party, while they may have sympathised in many ways with Mr. Gandhi's objects, could not reconcile themselves with his methods. They had committed themselves from the first to an honest working of the Montagu-Chelmsford Reforms; and to this pledge they remained faithful. This is the more remarkable in view of the fact that upon the question of the Punjab and to a less extent, of the Khilafat, many of them felt as deeply as did the non-co-operators. Their hearts naturally responded to the nationalist sentiments voiced by Mr. Gandhi. They reverenced his personality ; they sympathised with his ends ; and, sharing as they did in the feelings of their countrymen, they had little more love for the Government than he had himself. But they were convinced of two things ; and when he proceeded to transgress the bounds of these convictions there could be no question of their joining his movement. They knew that the methods of mass agitation which he favoured would lead to disastrous results; and they firmly believed that the road to India's aspirations lay not through the boycott of the new councils, but through their employment, their mastery and their extension. The history of the succeeding two years has eminently justified their decision. As we shall notice later, the spectacular gesture of the non-co-operators in boycotting the elections and eschewing the councils recoiled upon their own heads. Before a year was over, this initial blunder of Mr. Gandhi was recognised by the coolest thinkers ; and the political history of India during the year 1922-23 is very largely determined by the desire of a growing section of the non-co-operating party to reverse a decision which injured only themselves.

The Policy of the Liberals.

But throughout the year 1920 and for much of the year 1921, these results were not apparent. In December 1920 Mr. Gandhi succeeded in capturing the whole Congress organization, exercising over the assembled delegates an influence greater than had fallen to the lot of any previous individual. The slightest divergence from his opinion was treated with marked intolerance by his followers, who were entirely carried away by his promise that they could obtain swaraj in a single year. The Congress " creed " was remodelled in such fashion as to omit the time-honoured reference to the British connection ; and other symptoms of a novel and dangerous spirit were manifest. Gradually Mr. Gandhi's position approached more and more closely that of a dictator—a position formally recognised a bare twelve months hence

Mr. Gandhi captures the Congress.

The Congress organization was his to make or mar ; and throughout the whole of 1921 he extended its activities in directions diametrically opposed to those which had been favoured alike by the founders of the institution and by those who had remained in control until the year 1919. He formulated a new programme, renouncing certain items which appeared unsuccessful and superfluous, and substituting for them certain others plainly aggressive in their character. He determined to establish non-co-operation in every village throughout India ; he planned to organize an Indian National Service, and to raise a " Tilak Swaraj Fund " to finance all these activities. In connection with this last enterprise, it may be observed that the association of the late Mr. Tilak's name with a campaign which on his very death-bed he had condemned, was an adroit attempt to conciliate the clear-thinking Maratha nationalists, who had hitherto manifested no great faith in soul-force. An era of almost volcanic activity ensued. One of the most significant characteristics of Mr. Gandhi's 1921 exertions was the organization of a body known as the National Volunteers, which embraced both the old Congress Volunteers, whose function had previously been confined to various kinds of semi-social service; and the newly organised Volunteers raised by the Khilafat Committee, who had from the first assumed a more militant appearance. The fusion of these two bodies, though not entirely complete, into a single organisation, resulted in placing at the disposal of local congress leaders a body of men, young, enthusiastic and hot-headed, who were vigorous in enforcing with scanty respect to the proviso of non-violence, such orders as were received in the matter of hartals, social boycott and intimidation. Before the year 1921 had come to an end most of the volunteers were in receipt of payment whether regular or occasional, and the body had developed into a disorderly and dangerous, if technically unarmed, militia for the enforcement of the decrees of the Congress Working Committee, which had been established to direct from day to day the details of the campaign against Government. It was the existence of these volunteers in numbers hitherto unprecedented, and their employment for the furtherance of certain items in the non-co-operation programme, which gave the movement a character progressively more anarchic and more dangerous to established order as the year 1921 proceeded.

The " National Volunteers."

As early as November 1920 Government had found it desirable to explain beyond the possibility of doubt their attitude towards non-co-operation. In face of

Government's Polioy.

this extraordinary campaign, throughout all its phases, the policy of the administration was entirely consistent and ultimately successful. While Government did not regard non-co-operation as constitutional, they determined to institute no proceedings against those of its promoters who advocated abstention from violence. They did not distrust their own powers of coping with it; but they believed it necessary to carry with them in any steps they took the approval or at least the acquiescence of Indian opinion. They knew that the movement was largely engendered and sustained in the case of the Hindus by national aspirations and in the case of the Muhammadans by religious feeling. They realised that in the changed position of India under the new constitution, it was impossible to embark upon a campaign of repression, which if effective, would have intensified racial hatred, paralysed the liberals and nullified the Montagu-Chelmsford Reforms. Their policy had both a negative and a positive aspect. On the negative side, vigorous action was taken under the ordinary law against those who by speech or writing attempted to incite the public to violence or the Forces to disaffection. Local Governments were impressed with the necessity of keeping the closest watch upon the growth of unrest among the masses ; of enforcing general respect for the law; and of prosecuting persons guilty of seditious speeches. They were also encouraged to enquire into all complaints of oppression by the non-co-operators; to promise protection to peaceful citizens and to form strong battalions of armed police. Action was taken against newspapers publishing seditious articles, while pamphlets and leaflets inciting to disaffection were confiscated. On the positive side the authorities trusted both to the enactment of such remedial measures as would remove legitimate political, agrarian and industrial grievances, and to the organization of counter propaganda. It was however made clear throughout that more vigorous measures against the non-co-operation movement could only be postponed so long as moderate citizens were successful in keeping its dangers within bounds.

The Reformed Constitution.

Time was soon to show that Government had not overestimated the effect of the reformed constitution of India as a corrective to the non-co-operation movement. From the beginning of 1921, the solid work achieved in the present and the great promise to be expected in the future, became more and more obvious. The success of the new councils, contrasting so cruelly with the disastrous confusion and chaos following upon the track of non-co-operation, gradually convinced all

those who could still think sanely of the magnitude of the mistake perpetrated by Mr. Gandhi. In the inauguration of the constitution the Royal House of Windsor played a noble part. As substitute for His Royal Highness the Prince of Wales, the Duke of Connaught accomplished in India a work which no one but a son of the Great Queen could have performed. Everywhere he emphasised the privileges, the opportunities, the responsibilities, which the beginning of the new era signified to the country ; appealing with touching earnestness to Indians and Europeans alike for sobriety, harmony and co-operation. His appeal did not pass unheard. In the provinces, work of a solid type was soon manifest. Before long, those who had taken upon themselves the burden of working the new constitution realised that the responsibilities now vested in the provincial legislatures were real and serious. In the central legislature, the non-official members revealed a growing sense of sobriety and of statesmanship. The atmosphere of trust and co-operation for which the Duke of Connaught had appealed was realised in the Councils with astonishing speed; and one of the earliest achievements of the new central legislature was to remove much of the bitterness remaining as a heritage from the Punjab tragedy. A frank and fair discussion, without acrimony on either side revealed at once the sincerity and earnestness of the Government's desire to assuage the feelings of Indians ; and the generous response of the Assembly, on Government's assurance that, so far as human foresight could avail, any repetition would be for ever impossible, to the Duke of Connaught's appeal to let bygones be bygones and to sink the whole lamentable affair in oblivion. The result of this historic debate initiated by Mr. Jamnadas Dwarkadas was gradually to remove the Punjab grievance as a living issue from the realm of practical politics. Mr. Gandhi, it is true, did not dare at the moment to drop this item from his programme, but he was compelled to give it the very form which he had himself on earlier occasions most strongly condemned, namely the demand for executive vengeance upon, as opposed to judicial punishment, of the impugned officials; and for the forfeiture of the pensions of General Dyer and Sir Michael O'Dwyer. Even there he was unable for long to sustain it in the public eye ; and before the end of the period we are now reviewing, the " Punjab question " had passed into the region of things which, if not forgotten, were remembered rather with sorrow than with acerbity. Nor was the other work performed in this first session of the central legislature less remarkable.

The Central Legislature.

Co-operation and its Results.

The extensive financial powers secured under the new constitution were consolidated by the election of Standing Committees for Public Accounts and for Finance. Committees with effective Indian majorities were appointed to examine the Press Act and certain laws commonly described as repressive with a view to their early removal from the Statute Book. The appointment of a Commission to examine the whole question of the tariff was a natural sequel to the pronouncement of the Joint Committee of Parliament on the subject of India's autonomy in fiscal matters. The policy of the administration towards non-co-operation, the exchange situation, the report of food-stuffs, the Khilafat movement and other questions of the day was elicited and approved by the legislature, as a result of debates upon these important matters.

Results of Non-Co-operation.

While the new constitution was thus early displaying practical results* of a most remarkable kind, the movement of non-co-operation continued to advance through delirium to disorder. We have already noticed in previous chapters the lamentable effects of the attack upon the educational system of the country ; but even more immediately formidable was the gradual inoculation of the Indian masses with a contempt for constituted authority. The resulting disturbances have been described in some detail in the Statement for the years 1921-22 ; and it is here sufficient to say that within twelve months there were no fewer than 60 outbreaks of disorder of varying seriousness in different parts of India. The members of the volunteer organizations spread themselves over the countryside. Economic unrest rapidly assumed a dangerous form when provided with the nucleus constituted by enthusiastic and vituperative political preachers. Muhammadan feeling rose to unprecedented heights, and remained unassuaged by the constant efforts of the Government of India to press their views on His Majesty's Government, in the direction of a revision of the Treaty of Sevres. Over the whole of this restless activity Mr. Gandhi threw the cloak of his personals reputation and of his insistence upon non-violence. In March 1921, apparently in answer to those who complained of the purely negative character of his activities, he put forward a new programme, proposing to concentrate all his resources for the next three months upon collecting as much money as possible, upon removing the curses of untouchability and alcoholism, and upon inducing every Indian home to practise Band-spinning and weaving. To the extreme consternation of many of his followers, he made the old-fashioned spinning wheel at once the

mascot of his movement and the key to India's freedom. As a result of pressure from various quarters, he was at length persuaded to reverse his previous denunciation of boycott, in favour of a campaign for the destruction of foreign cloth. This resulted in the adhesion to his movement of a certain proportion of the Indian mill interests, with a consequent augmentation of the Tilak Swaraj Fund. But already by middle of 1921, Mr. Gandhi was finding difficulty in controlling certain sections of his followers. As a result of the temporary concurrence of forces normally divergent, he had been able to achieve a working unity between the Hindu and the Muslim communities, overwhelming their deep and age-old antagonisms by concentrating their gaze upon a single fact, the magic of opposition to constituted authority. But despite his attempts to gloss over all differences by preaching the gospel of Hindu Muslim unity, a large section of the Hindus was being steadily alienated from the non-co-operation movement by the manifest intolerance and pan-Islamic ambitions of its extreme Mussalman supporters; while many of his Muslim followers were becoming impatient at his reiterated assurances of the necessity of non-violence, and at the apparent futility of his efforts to secure the solution of their religious grievance. In these circumstances, he redoubled his efforts. When the nature of certain speeches delivered by the Ali Brothers rendered it impossible for Government to hold their hand longer, he took the remarkable step of presenting himself before the Viceroy. As a result, the Ali Brothers published an apology regretting that any passages in their speeches were capable of bearing the interpretation of an incitement to violence and giving a public assurance that they would abstain from the advocacy of violence in the future. This struck a severe blow at their reputation for *intransigence* and Mr. Gandhi's reputation for consistency. At the same time the fact that he had been accorded an interview with Lord Reading, and had apparently been successful—even at the price of the apology—in warding off an impending prosecution, added considerably to his own prestige among the less sophisticated of his followers. During the remaining months of the summer he and his lieutenants continued to preach without ceasing the virtues of the spinning wheel, the satanic character of foreign cloth, and the evils of indulgence in drink. In all three directions his campaign was marked by an intolerance which in the long run hindered rather than helped the causes he had at heart. The attempt to boycott foreign cloth led to frequent breaches of the peace and intolerable intimida-

Mr. Gandhi's Progress.

His Difficulties.

tion; the spinning-wheel campaign, while it made home-spun fashionable among the upper classes, did little to achieve its professed object; the effect of the campaign against drink was, as is pointed out elsewhere in this statement, to discourage the use of licit sources of supply and to place a premium upon smuggling and home-brewing. These effects were not perceptible at the moment, at least to non-co-operators ; who found full satisfaction for their love of excitement and " self-expression "

Diverse Activities.

in the fresh activities constantly being suggested by Mr. Gandhi. All efforts were shortly concentrated upon the collection of ten million rupees for the Tilak Swaraj Fund, and at the end of July, amidst overwhelming enthusiasm it was announced that the desired sum of money had been raised. Quite apart from the impetus gained from this spectacular success, the effect of the monetary backing which he thus acquired was considerable. There shortly followed an immense accession of numbers to the National Volunteers and a great stimulus to the more aggressive forms of their activity. Mr. Gandhi then announced that he would concentrate all his efforts upon the boycott of foreign cloth, which was to be completely achieved before September 30th when Swaraj would be realised. He continued to ascribe mystic virtues to the spinning wheel, even advocating, as a solution of the North-West Frontier problem, its introduction among the warlike and predatory Border tribes.

But while these activities continued to fill the public eye, the stern

Gathering Clouds.

facts of human psychology continued to postpone indefinitely the realisation of a regenerated India. Month by month the tale of anarchy and disorder went forward. Riots in Bombay, Assam, Madras, Bengal and the United Provinces occurred in quick succession. In these circumstances the temper of the non-co-operators grew more and more truculent; the frenzied excitement aroused by the Greek offensive against Angora causing the extreme section of Khilafat opinion to throw prudence to the winds. At the Khilafat Conference held at Karachi, the Ali Brothers indulged in a violence of speech which exceeded all their previous efforts, and to their own undoing called upon Muhammadan soldiers in the Army to desert, alleging that military service under the present Government was religiously unlawful. This step finally exhausted the patience of a long-suffering administration, and after the interval necessary for *ke* examination of the evidence, the two brothers with certain of their adherents were tried and condemned to imprisonment in accordance with the law of the land.

Civil Disobedience.

At this particular period, Mr. Gandhi's main difficulty was caused by his own extraordinary success. Already he had gone beyond the Congress mandate, and had substituted for his former plan of passive resistance a new weapon which he entitled " civil disobedience ". This implied, not merely abstention from co-operation with Government, but active opposition, by all non-violent means, to the personnel, institutions and " non-moral " laws of the administration. Its employment was to be the ultimate means of compelling the authorities to surrender; its super-mundane efficacy was constantly proclaimed ; and its introduction was only to be delayed until the realisation of a " non-violent atmosphere " rendered its triumph possible without damage to Mr. Gandhi's ideals. In this weapon his followers professed the completest confidence. In certain provinces the non-co-operators supposed they had already broken the power of Government. They insistently demanded that civil disobedience to constituted authority should at once be proclaimed ; and that a national structure of administration should be erected in readiness for the coming of Swaraj. In the face of these demands Mr. Gandhi maintained with commendable consistency his determination to proceed with this programme only in so far as he believed that the country had been educated to the principle of non-violence.

Non-Violence Belied.

That he imagined such a consummation would shortly be realised appears certain. He was to have a terrible awakening. In August 1921 there burst forth in Malabar the terrible Moplah outbreak. A poor and ignorant population of fanatical Muhammadans, inspired by an excitement which spread speedily from mosque to mosque, declared a Khilafat Raj and rose in open rebellion against Government. But the main brunt of their ferocity was borne by the luckless Hindus who constitute the majority of the surrounding population. Massacres, forcible conversions, desecration of temples, foul outrages upon women, pillage, arson and destruction—in short, all the accompaniments of brutal and unrestrained barbarism, were perpetrated freely until such time as the troops could be hurried to the task of restoring order throughout a difficult and extensive tract of country. When the first natural incredulity at the seriousness of the outbreak was once overcome, a wave of horrified feeling spread among Hindus of every shade of opinion throughout Southern India, which was intensified when certain Khilafat leaders actually passed resolutions congratulating the Moplahs on the brave fight they were conducting for the sake of religion. Mr. Gandhi's endeavours to

conciliate Hindu opinion by explanations, denials, and censure of the authorities, did little to bridge the widening gulf between the two communities. Sane and sober opinion all over the country pointed to the conditions in Malabar as a foretaste of Swaraj, and as a practical example of the dangers inherent in the non-co-operation campaign. None the less Mr. Gandhi persisted in his course, and brushed aside the outbreak as a mere incident. In this he made a grievous miscalculation, for, as will later be apparent, the atrocities of Malabar were among the causes directly responsible for the break up of the Hindu-Muslim understanding upon which his movement principally relied for its strength. In the same month, as fate decreed, he made another mistake which was to exercise serious effects in the future. This was the publication of a fiat to his followers that if His Royal Highness the Prince of Wales should come to India, the non-co-operators were to boycott all functions arranged in his honour.

While Mr. Gandhi was thus covering the land with confusion and embarking upon lines of action which were destined ultimately to ensure the collapse of his movement, the reformed constitution was working harmoniously and well. If only the political atmosphere of India had not been so surcharged with excitement, it must have been evident to every intelligent man that the new legislatures were providing a plain and open road to the achievement of India's advance. All through the summer of 1921 ample evidence was afforded of the desire of the administration to work the reforms with a right good will. In the provinces, Englishmen and Indians, Ministers and Executive Councillors, laboured strenuously to the common good, while the non-official majorities in the new councils employed their power, some incidents apart, with a growing sense of responsibility. In the sphere of the Central Government, the achievements were of a most substantial character. The committees of officials and non-officials appointed to examine the Press Acts and Repressive Legislation produced in due season Reports which were a sufficient earnest of the possibilities of the now Reforms. In other directions also the first session of the central legislature had led to results full of promise for the future. A Territorial organization was started for different parts of India and Burma ; a scheme was initiated for the training of Indian lads for Sandhurst in an Indian Military College ; arrangements for the projected Fiscal Commission were well advanced. The tale of progress was continued in the September Session of the central legislature. As a result of the

Achievements of the Reforms.

Resolution of a non-official Member, Mr. Samarth, Government agreed to Appoint a Committee to see what amendments could be made in the provisions of the Criminal Procedure Code which distinguished between Indians and Europeans in the matter of criminal trials. Government agreed that Indians should be given opportunities of becoming qualified for responsible positions in the Imperial Secretariat. Further constitutional advance was debated ; and much useful legislation was undertaken. The whole atmosphere of the legislature and the solid character of the work which it was accomplishing stood in remarkable contrast to the dangers and futility of the non-co-operation campaign.

Mr. Gandhi's Zenith.

The damage which non-co-operation was inflicting upon the best interests of India was already becoming apparent. Racial feeling increased to such a degree that the position of Government officials—particularly British officials—became in certain localities almost unbearable. Defiance of constituted authority was plainly on the increase ; and the spirit of disorder was spreading. This was not restrained by the prosecution of the Ali Brothers ; although their conviction and imprisonment, without the slightest popular demonstration, was a blow to the hopes of that section of opinion which was losing its faith in the shibboleth of non-violence. As the year drew to a close the non-co-operators girded up their loins for a final effort. At the beginning of November the All-India Congress Committee authorized preparations for the commencement of civil disobedience, subject to the fulfilment of certain conditions, of which the most important were the guarantee of a non-violent atmosphere and—curious juxtaposition—the complete boycott of foreign cloth. It was agreed that the Bardoli Taluq in Gujerat should begin mass civil disobedience on November 23rd under Mr. Gandhi's personal direction. The activities of the party redoubled. The number of Khilafat and Congress meetings rose to unprecedented heights, and a steady stream of inflammatory oratory was poured forth. Hostility to Government increased, aggravating the tendency towards general lawlessness. The Volunteer movement became more formidable ; intimidation was freely practised, and the police were molested in the exercise of their duties. On the day when His Royal Highness the Prince of Wales landed, serious rioting broke out. In Bombay, the disorders lasted for nearly three days, as a result of which the total casualty list amounted to 53 killed and approximately 400 wounded. Throughout Calcutta and the principle towns of northern India there was a general cessation of business, produced in the majority of cases by undisguised

and open intimidation on the part of National Volunteers. The terrorism, practised by these bodies was widespread, organised and simultaneous.

First Postponement.

Mr. Gandhi's hopes for a non-violent atmosphere accordingly suffered a crushing defeat. He suspended his intention of starting civil disobedience on November 23rd at Bardoli; and announced his determination to concentrate upon the production of the peaceful spirit which he desired. Indeed, his embarrassingly candid pronouncement aroused the resentment of those of his followers who shared neither his high ideals nor his altruistic motives. He had however gone too far. It was obvious that the proviso controlling the abstention of Government from active interference with the course of the non-co-operation movement was no longer operative. The administration therefore determined to supplement their previous policy by employing for the defence of society certain Acts conferring extraordinary powers upon the executive. Local Governments were accordingly informed that for the purpose of checking the increasing volume of inflammatory speeches, the application of the Seditious Meetings Act to any district in which it was considered necessary would be sanctioned. They were also instructed that the provisions of part II of the Criminal Law Amendment Act of 1908 should be employed for combating the illegal activities of the Volunteer associations, whose drilling, picketting and intimidation were threatening the peace of the country. From this time forward a steadily increasing pressure was exerted upon those forms of non-co-operation activity which were directed towards the effacement of law and order. In the course which they had thus adopted, Government enjoyed the support of large sections of society which had hitherto remained comparatively unmoved by political activities ; and general relief was expressed when Lord Reading publicly announced the determination of his Government to spare no effort to protect peaceful and law abiding citizens against violence, coercion and intimidation. At the same time the wisdom of the policy previously observed became amply apparent, when it was seen that the first consequence of the action taken by the Government was the arrest of a number of persons who were believed by many Indians to be animated only by disinterested patriotism. It soon became evident that if Government were to carry with themselves in their anti-non-co-operation activities the support of any considerable section of Indian opinion, direct action could only be employed with the utmost caution. Accordingly the Administration resolved to allow the Liberal

Government's Rejoinder.

A Delicate Situation.

Party to experience for themselves that bankruptcy of reason and statemanship which distinguished the extreme section of the non-co-operators. Every effort was made to show that Government were not embarking upon a policy of indiscriminate arrest and vindictive severity ; and wore anxious only to protect society from those activities of non-co-operation which constituted a direct menace to peace and order. When certain of the Liberals displayed a great anxiety to arrange a compromise between Government and Mr. Gandhi, by means of a round table conference, it was the latter who displayed himself utterly unreasonable. The movement for a rapprochement thereupon broke down ; and Mr. Gandhi in the next meeting of the Indian National Congress proceeded to formulate resolutions of a type even more dangerous than those which he had previously put forward. He determined to extend Volunteer organizations, and to devote all his energies to the organization of civil disobedience, which he defined as the deliberate and wilful breach of state-made non-moral laws, for the purpose of diminishing the authority, or overthrowing, the State. He began to resume once more the thread of his former activities and to revive the preparation for civil disobedience at Bardoli. But there were not wanting ominous signs of a disruption of his party. The more extreme Khilafatists were frankly voicing their dissatisfaction at the utter failure of the non-co-operation campaign to advance the cause of Turkey. There were those, even among the ranks of staunch non-co-operators, who compared the steady and earnest representations made by the Government of India on behalf of Muslim sentiment with Mr. Gandhi's fruitless and ill directed activities. Nor was it the faith of the Khiiafatists only in the programme which was severely shaken. Swaraj had not been realised, despite successive postponements of the date of its arrival; and the passage of December 31st, 1922, without the introduction of the millennium, marked the beginning of the decline of Mr. Gandhi's influence among the unlettered masses. In contrast with the failure of non-co-operation to realise the expectations of its begetters, the writing on the wall was already foreshadowing the triumph of the forces which it had set out to destroy. Government were stronger than ever ; the Volunteer movement was steadily succumbing to the pressure of the authorities ; the stream of seditious eloquence, both from press and platform, was diminishing to insignificant proportions. More disastrous still, was the failure of Mr. Gandhi to gauge the realities of the political situation. He underestimated alike

Mr. Gandhi's credit suffers.

His Miscalculations.

the strength of the Administration and the damage which his own movement had suffered in the public eye from its many failures to redeem confident prophecies, notably the prophecy concerning swaraj. This became patent when, in the middle of January, a numbor of politicians outside the Congress ranks once more attempted to arrange a basis for a conference between the non-co-operators and the Government. But Mr. Gandhi showed himself uncompromising. Oblivious to his real weakness, he addressed an ultimatum to Government, declaring that a campaign of civil disobedience had been forced upon his party in order to secure the elementary rights of free speech, free association and free press—rights which the position he was even then occupying proved him to have exploited continuously, and enjoyed without intermission, from the very outset of his movement. In the issue of this ultimatum he probably reckoned on detaching the Liberals from Government. But the counter-manifesto published by the Administration recapitulated in a convincing manner the circumstances which had necessitated the adoption of comprehensive and drastic measures against certain of the non-co-operation activities ; concluding with a solemn warning that mass civil disobedience if adopted, would be met with measures of sternness and severity. Mr. Gandhi's position became more difficult than over. He had failed to overawe Government into accepting his terms ; the Liberal party showed no signs of abandoning their attitude; his Volunteer organisation was crumbling. Although his followers had succeeded in a few places in marring the unanimity of the heartiness with which His Royal Highness the Prince of Wales was welcomed, it was perfectly plain that they had utterly failed to interfere with the success of the Royal tour.

Mr. Gandhi, driven to his last resource, was on the point of launching the civil disobedience campaign, when there occurred at Chauri Chaura in the United Provinces on February 4th, 1922, the deliberate murder of 21 policemen and rural watchmen by a mob of Volunteers and infuriated peasantry. The consequences were momentous, and utterly fatal to his plans. That Mr. Gandhi was perhaps not unwilling to seize this excuse to postpone the preparations for civil disobedience may be suspected. Outrages as serious as that of Chauri Chaura had occurred several times in the preceding 12 months, without in the least affecting his programme. But on this occasion he took a step which would seem to show, that he had always regarded civil disobedience as dangerous, and now knew it to be hopeless. At a meeting of the Working Committee

The Second postponement

held at Bardoli on the 11th and 12th February 1922, he sounded the death knell of the whole non-co-operation movement. He suspended mass civil disobedience forthwith and instructed his followers to abandon every preparation of an offensive nature. He commanded Congress organizations to stop all activities designed to court arrest and imprisonment, all volunteer processions, all public meetings designed to defy the notifications prohibiting them. For the future, the activities of his followers were to be confined to a " constructive programme/' upon the accomplishment of which any further advance would depend. They were to devote their energies to the enlistment of 10 million members for the Indian National Congress ; to the popularization of the spinning wheel and home-spun cloth ; to the organization of national schools ; to the salvation of the depressed classes ; to the organization of the temperance campaign on less tumultuous and exciting lines ; and to the formation of village and town arbitration committees for the private settlement of disputes.

It may be questioned whether of all Mr. Gandhi's miscalculations, the announcement of the Bardoli Resolutions was not the greatest.

Its staggering consequences.

From this moment onwards may be traced among the best of his followers a marked decline of confidence in his leadership. His personality commanded all the old reverence, but his wisdom in matter political was henceforward openly and boldly questioned. Had it not been for the fact that religious feeling among Indian Mussalmans on the question of the Khilafat was still high, the whole non-co-operation party might well have dissolved into chaos. Fierce internal dissensions broke out between those who saw in Mr. Gandhi's latest pronouncement a confession of complete failure, and those who were convinced that it was only necessary to persevere under his guidance until all his aims were realised. At this moment, the Government of India took a step which went far to weaken the principal prop upon which what was left of Mr. Gandhi's power still rested. With the concurrence of the local Governments and administrations they laid before His Majesty's Government their conviction of the intensity of feeling in India regarding the Treaty of Sevres. In particular, they urged, subject to certain safeguards, the evacuation of Constantinople ; the suzerainty of the Sultan over the Holy Places, the restoration to Turkey of Ottoman Thrace including Adrianople and Smyrna. The publication of this representation produced a great effect upon Muslim opinion, for it strengthened the suspicion, which had long been growing in the minds of the coolest-

headed representatives of the Khilafat party, that there was more to be gained by supporting Government in its honest efforts than by adhering to the hitherto infructuous schemes of Mr. Gandhi. This struck the final blow to his political as opposed to his personal prestige. He had already lost the support of many of his followers by his refusal to persist in mass civil disobedience. He had forfeited the fickle trust of the lower classes by his failure to secure swaraj on the date when they understood him to have promised it. He had brought his movement into marked discredit with many persons by his ill judged and infructuous attempt to mar the harmony of the Royal visit. He had convinced the upper classes of the dangers to law and order inherent in his appeals to popular passion and prejudice. When the all-India Congress Committee met at Delhi to confirm the Bardoli Resolutions, his personal ascendancy even over his immediate followers was severely taxed. He was indeed successful in securing the confirmation of the Bardoli ball against mass civil disobedience ; but he was compelled to accept the position that individual civil disobedience, whether defensive or aggressive, might still be commenced by permission of the Provincial Congress Committee. Moreover individual civil disobedience was now defined in a manner which made the distinction between individual and mass civil disobedience of little practical moment.

Mr. Gandhi arrested.

The implication of the Delhi resolutions was obvious. Mr. Gandhi's control over the non-cooperation movement was no longer what it once had been. Plainly mass civil disobedience was only postponed ; it had not been repudiated. No one could say when Mr. Gandhi's hand might be forced by the more impetuous section of his followers. In these circumstances, the Administration decided to order his arrest, which took place on March 10th, 1922. This.step had long been contemplated, but had been postponed from time to time for various reasons. There had been a natural reluctance to incarcerate a man who was widely respected ; who had consistently preached the gospel of non-violence, and done all that he could to restrain the more impatient of his followers from embarking upon forcible methods. What precipitated the arrest was the realization that he might be driven shortly to undertake a campaign of mass civil disobedience which would cost the country dear : what gave it its psychological value was the fact that a substantial body of Indian opinion was now prepared to support measures against him. His political reputation was at its nadir ; the enthusiasm of his followers had reached the lowest ebb. Further, the publication of the Government of India's

memorandum, which went so far to conciliate Muslim sentiment; and the quickly following resignation of the Rt. Hon. E. S. Montagu, served to engross public attention. Mr. Gandhi's trial passed off with complete tranquillity ; and his removal from the sphere which he had so long dominated produced neither disturbance nor resentment. It was remarked by many as symptomatic of his weakened hold over the masses, that the Holi festival, which is not celebrated by Hindus when they are in mourning, suffered no interruption throughout India owing to the incarceration of the Mahatma.

Causes of the decline of Non-Co-operation.

During the early summer of 1922, the non-co-operation movement was in a position weaker than any which it had occupied since its triumphant inception. This condition of affairs was the consequence of a number of contributory causes which we have already examined and may now proceed to summarise. In the first place, the fact that the visit of His Royal Highness the Prince of Wales, despite the whole force of non-co-operation, achieved in many spheres a remarkable success, came of itself as a shock to those who believed that the non-co-operators spoke for India. Moreover, the Prince's personality exercised an astonishing influence Upon the whole situation. His keen interest in democratic institutions; his gracious replies to the addresses of welcome presented to him by the Legislative Councils Central and Provincial; his interviews with Indian Ministers and members of Council, combined to give a considerable impetus to the Reforms. Further, many substantial elements of society received additional encouragement in their loyalty ; while serving soldiers and army pensioners were greatly strengthened in their devotion to the Royal House by his spontaneous and kindly interest. Around his personality there rallied the deepest feelings of the real India; the powerlessness of the non-co-operators effectively to mar any item of His Royal Highness' programme, together with the outrageous conduct to which certain sections of them were driven in their despair, convinced many people who had previously been wavering between Government and non-co-operation as to where the real strength lay.

1. The Royal Tour.

In the next place, the steady growth in the reputation of the new Councils was already persuading many thoughtful men that the non-co-operation movement was on the wrong track!) The Delhi session of the Central Legislature in particular was a notable one. The Press Act of 1910, the repeal of which had been an object of interest to educated India for several years,

2. Success of the Reforms.

was removed from the Statute Book. No fewer than 23 Acts and Regulations supplementing the ordinary Criminal Law, including the "Rowlatt Act," were also repealed. A Resolution for associating Standing Committees with certain Departments of the Government of India, for the purpose of enabling non-officials to acquire administrative experience, was successfully carried. Resolutions to accelerate the recruitment of Indians for the all-India services were brought forward and sympathetically received by Government. More important than all as testimony to the influence of the new legislature, was the official announcement that speedy and effective measures were to be taken for the retrenchment of Central expenditure. A beginning was soon made* In the proposed taxation for 1922-23, the Legislative Assembly carried reductions to the extent of nearly Rs. 10 crores. The Government's decision not to employ its emergency powers for the restoration of the excised items, pending a full investigation into the possibilities and retrenchment, added greatly to the prestige of the Legislature and produced a profound political effect. The fact that an Assembly which was securing these triumphs gave steady support to the policy of the executive both in regard to the non-co-operation movement and to the Khilafat agitation, constituted a very serious blow to the cause of the non-co-operators.

3. Aggressive Activities Decline.

A third factor which was contributing substantially to the decline of non-co-operation movement was the failure of its followers to make good their boast of bringing Government to its knees. Enforcement of the law against those who had challenged its supremacy, continued without intermission. In areas where attempts had been made to refuse payment either of land revenue, of local taxes, or of the cost of punitive police, collections went steadily on. Several dangerous movements which had sporadically grown up, collapsed before the determination of the authorities to suppress all tendency to anarchy. Nowhore was this more evident, and nowhere was the triumph of law and order more notable than in the case of the Punjab. In last year's statement we noticed that the condition of this province had caused anxiety to Government. The occurrences of 1919 had left a painful legacy of bitterness, and to this had been added a serious agitation among the Sikh community. As we said, the " new " or reforming party had been for sometime dissatisfied with the management of numerous shrines, which for long years had bean controlled by resident Abbots. The reformers alleged

Notably in the Punjab.

that these Mahants were guilty of malversation and evil living; the old fashioned conservative party regarded the reformers as inspired only by a desire for plunder. Into this quarrel, primarily domestic to the Sikh community, the emissaries of non-co-operation had penetrated, with the result that the new Sikhs, and particularly the Akali Jathas—bands of volunteers forming the most militant section of the reformers—became strongly anti-Government and even revolutionary in their outlook. They organised themselves into disciplined companies and began to occupy shrines by a process of mass pressure. Inevitably bloody quarrels broke out. Of these the most serious was the terrible tragedy of Nankana Sahib, in which a Hindu abbot had massacred a band of Akalis who designed to eject him from his great and wealthy shrine. The upshot was the growth of a general feeling against the whole class of Mahants, in consequence of which the Akali movement spread rapidly among the Sikhs. Excitement rose ; and the reforming party gradually acquired mastery over the Sikh mind. The local Government had no desire to obstruct the reformation of the shrines, an end indeed in which it fully sympathised. But it could not allow incumbents in-lawful possession to be ejected by persons who took their stand, not upon the law, but upon their superiority in material force. It was perfectly open to the reforming Sikhs to investigate the conduct of all Mahants in accordance with the provisions of the law; and to replace any incumbents whose conduct was found after enquiry to be unsatisfactory. This they disdained to do, preferring to rely upon religious enthusiasm and the process of "rabbling." Government accordingly found it necessary to give police protection to certain abbots who asked for it; Whereupon a widespread and powerful propaganda was launched through-Out the Sikh community, with the object of identifying Government with the cause of obstruction and accusing the authorities of interference in a religious question. Government went as far as possible to meet the wishes of the reforming party; but could not, pending the decision of a Court of Law, abdicate its primary function of protecting individuals in the enjoyment of property of which they had long been possessed. Efforts were made to introduce legislation to simplify enquiries into malversation on the part of the abbots; but the dominant faction of the Sikh community under the leadership of the Sriromani Gurdwara Prabattdhak Committee, being largely influenced by non-co-operation had no real desire to arrive at an understanding. Meanwhile, bands of Akalis terrorised certain districts in the Punjab, marching in military

Where Sikh troubles had been serious.

formation, brandishing weapons, travelling by train without tickets and generally intimidating all with whom they came into contact. Early in the year 1922, however, the local Government took vigorous measures against these disturbers of the peace. Ringleaders were arrested; bands of fanatics disarmed; law and order enforced. The wild talk in which a section of the Sikhs had previously indulged as to the seizing not merely of the shrines, but also of the whole Punjab, and thereafter reviving the*Sikh Empire of Maharaja Ranjit Singh, became less fashionable ; and while, as we shall see, the religious aspect of the question remained to cause future trouble, the political anarchism which under the cloak of non-co-operation had begun to invade the Punjab encountered a severe reverse.

4. Lack of Leadership and confused counsels.

Last but not least among the causes leading to the decline of non-co-operation in the early summer of 1922, must be reckoned the circumstances amidst which Mr. Gandhi had been removed from its direction. His was the personality which had for long overshadowed the whole campaign, dwarfing all lesser leaders, and striving to unite for the moment the divergent aims and incompatible ambitions of various sections of his followers. His incarceration left; the movement headless at a time when his guidance was essential to its continuance. For non-co-operation was in the position of a Bank which has closed its doors. It had not redeemed its promise to the Nationalists in the matter of Swaraj ; to the Muhammadans in the matter of the Khilafat; or to the masses by an inauguration of the Golden Age. This was not the worst. The severest blow which the movement received, had been struck by its originator. The course of action laid down at Bardoli, even when modified by the Delhi resolutions, was of such a nature that it could have proved a popular battle-cry only under Mr. Gandhi's guidance. None but he could have moved the masses by a programme whose principal items were the production of homespun, the removal of untouchability and the prosecution of national education. Apart from the fact that he had fast bound the movement in fetters which only he could loose; the entire Bardoli pronouncement had come as a thunderbolt to the most vigorous and aggressive section of his followers. The changes made at Delhi, which gave the Provincial Congress Committees authority to declare a modified civil disobedience, did indeed leave a loophole for enthusiasm; but this loophole was soon blocked by a decision of the Working

Discouragement and Uncertainty.

Committee that the local bodies were only to use their power with the utmost caution. As a result of this seemingly indefinite postponement of mass civil disobedience, the most active protagonists of non-co-operation underwent severe searchings of heart. How long was the period of preparation to endure ? What guarantee was there that, after a lengthy and protracted interval of unexciting self-discipline, the militant measures which every enthusiast had in view would not again be postponed, suddenly and indefinitely, as they had been postponed at Bardoli ? It was this attitude of mind which more than anything else accounts for the decline of the non-co-operation campaign during the summer and autumn 1922. For, as was subsequently admitted in the Civil Disobedience Enquiry Report, there was a want of adequate faith in the " Constructive programme " even among those who had been Mr. Gandhi's principal henchmen. This was particularly marked among certain sections of the Khilafat Party. With their faith in non-co-operation shaken, and their conviction of Government's sympathy confirmed, they were in no mood to support a campaign which embodied an idealism rather Hindu than Muslim.

Signs of Discomfiture.

The combination of the circumstances here briefly recounted was instrumental in inflicting upon the non-co-operation movement a crushing tactical defeat. In the months that followed the arrest of Mr. Gandhi this became apparent to the most superficial observer. The disorders which had been so serious throughout the year 1921 were noticeably absent; there was a decline both in the numbers and in the importance of political meetings. The Volunteer movement collapsed, since many of its most enthusiastic supporters had been stricken to the heart by the Bardoli Resolutions* Further, the hartals or universal shop-shutting in sign of excitement or of mourning, which had been of almost weekly occurrence up and down India during 1921, virtually disappeared during the period we are now reviewing. More significant even than these symptoms of popular apathy and declining enthusiasm, was a tendency on the part of the non-co-operators to abandon specific items of their programme. As 1922 drew on, an increasing number of those lawyers who had resigned their practice, made their appearance once more in the courts. The temperance campaign which had been waged with so much destructive enthusiasm and so little positive result, declined notably in vehemence. Almost simultaneously with Mr. Gandhi's arrest foreign cloth began once more to recapture its popularity and to regain its sales. Large numbers of students who in" unbalanced enthusiasm had thrown up

their studies and embarked either upon political activity or upon the pursuit of such education as the " national " schools could give them, lost heart, bewailed the neglect of their interests by the non-co-operators, and returned to Government institutions. Beyond question, the transition to normalcy was immensely assisted by an excellent spring harvest, which caused the prices of food-stuffs to fall and brought contentment to the masses. In short, it is difficult to imagine a more dramatic contrast between the political atmospheres characterising respectively the early summer of 1922, and the late autumn of 1921. The great movement which had seemed on the point of razing the very foundations of law and order, had dissolved within a few short months into a welter of conflicting interests and divided counsels.

Disunion.

Some few leaders of non-co-operation did, indeed, labour valiantly to obey the behests of their vanished leader and to unite his now scattered following in pursuit of the constructive programme. In meetings of the Congress and the Khilafat Committees it was agreed to pursue the period of preparation until June, when the situation would once more be reconsidered. But serious disunity soon became apparent. Apart from the growing gulf between Muhammadans and Hindus, differences began to arise between the old Nationalists and the new Gandhists. Maharashtra, still under the influence of Tilak, had never taken kindly to non-co-operation, and had from the first regarded the boycott of the Councils as a mistake. Virile Maratha leaders soon raised their voice against the constructive programme, and demanded modifications such as would provide at once some outlet "for enthusiasm and some prospect of immediate advancement. In the Central Provinces, a Sub-Committee of the local Congress organization recommended the abandonment of the boycott of courts and councils ; a declaration that mass civil disobedience was impossible ; and ajctive preparation for contesting the next elections. Similar manifestations were noticed both in Berar and in Bengal. Local leaders who in the time of Mr. Gandhi's strength had bowed thejr better judgment to his behest, began to voice the doubts which they had long cherished as to the wisdom of his political programme. They saw that the new legislatures were enjoying a substantial share of power. They realised that the Montagu-Chelmsford Reforms, even if they did not give India all that she claimed, constituted a powerful lever for national advancement. They also realised that the practical success of the reformed constitution had made the pursuit of the old non-co-operation programme at once impossible and infructuous.

Mr. Gandhi's Dead-Hand.

None the less, so great was the power of Mr. Gandhi's name, that many of the most revered leaders of Indian nationalism were still unprepared to depart from his final injunctions. When in June a meeting of the Congress and Khilafat Committees took place in Lucknow, it was agreed by the majority of those present that the constructive programme must be pursued. Work was to be pushed on in such a way as to complete the period of preparation before the end of the year. A Committee was to tour the country to revive popular enthusiasm, and to report upon the possibility of Civil Disobedience. But it was plain from the proceedings of this meeting that the non-co-operation movement was losing its fighting unity. Ominously enough, not a single delegate from Maharashtra attended. Provincial jealousies were marked, and personal ambitions began to raise their head. It was, moreover, a significant commentary upon the condition of the country that several local Governments found it possible about this time to withdraw the Seditious Meetings Act from operation, and even to remove the ban placed upon Volunteer organizations. But an even more striking testimony to the weakness of the non-co-operation movement; and to the apathy with which it was now regarded by many persons, is shown by its failure to derive much profit from two occurrences of a kind which barely six months back would have provided it with new and invaluable battle cries.

The Services.

The first of these occasions arose in connection with the Imperial Services. For some time the present position, and future prospects of European officers in India, has been a cause of considerable anxiety, not merely to the Administration but also to important sections of British opinion. It must be admitted that nothing can be more inevitable and legitimate than the desire of Indians that the Services should be manned by men of their own race ; and this natural sentiment has of late been reinforced by financial considerations. The scales of pay which must be sanctioned if Britons are to be obtained for service in India, are inevitably higher than those which would be necessary if the services were largely manned by Indians on an Indian basic rate of pay. The demand for a more rapid Indianization of the services had from the first been pressed with much insistence in the Legislature; growing financial difficulties lent force to that demand, together with a substantial recognition in many quarters that the process would have to be accompanied by a readjustment of the pay of the Indian Services on a more economical basis than is now in force. At present a large majority of the members of each

of the all-India services are European; and the cadre of recruitment is divided proportionately in such a manner as to allow for a gradual increase of the Indian element. In the Indian Civil Service, for example, recruitment has been so arranged since 1920 as to provide that Indians shall constitute a proportion beginning at 33 per cent, and rising to 48 per cent, of the new entrants. In other services the proportion of Indians among new recruits is as high as 50 per cent. But the Legislatures have emphasized the fact that in the Indian Civil Service the present proportion of Indians is still only 14 per cent.; and though owing to the war, the increase of Indian recruitment in this and other services has been more rapid than was contemplated when the proportions mentioned were laid down, the rate of progress was still criticized as unduly slow. But while from the point of view of Indian national aspirations, the rate at which Indians were being recruited for the all-India services was tedious and unsatisfactory, yet from the standpoint both of the Government and of influential sections of English opinion, circumstances were such as to indicate a danger lest the services should decline both in status and in efficiency. For the last three years in particular, the recruitment of Europeans has presented considerable difficulties. In

The old position.

the old days, one of the principal inducements for able Englishmen to adopt an Indian career was the unique position which the conditions of work implied. Unlike other countries, where the permanent officials were controlled by Ministers, India's administrators not merely executed a policy : they also initiated it. For many years the Indian Civil Service was not merely an Administration; it was also a Government. As will readily be understood, the combination of great power, unusual freedom, and full scope for the best talents of heart and head, constituted a great attraction to some of the ablest products of the British Universities. But after the inauguration of the Reforms and the operation of the policy laid down by the Declaration of August 20th, it was plain that these conditions could not survive unaltered. Many people believed that the position of the higher administrative services in India would in time

The New.

be assimilated more and more to that of the permanent Civil Service in other countries; that is to say, the officers would become trusted advisers and capable agents of Indian politicians who themselves would determine the broad lines of national policy. Together with the prospect of these altered conditions, there were other circumstances which tended to minimise the attractions of service, The greatly increased cost of living during

the War and post-War years has operated to diminish if not to remove entirely the financial advantages of an Indian career. More powerful still has been the general uncertainty as to what the immediate future would bring to the English administrator in India,—an uncertainty aggravated by the depressing atmosphere of racial hatred which had begun to surround even those who were devoting themselves most wholeheartedly to the interests of their adopted country. The result of all these factors was a serious shortage in suitable European candidates for the various services. This shortage, combined with the plain desire of the Central Legislature that steps should be taken to secure an increased recruitment of Indians, induced the Government of India, with the consent of the Secretary of State, to consult local Governments on the issues involved. Accordingly a letter, which subsequently became famous as the " O'Donnell Circular ", was issued at the end of May 1922. This document reviewed, and invited the opinion of the Provincial Governments upon, the various considerations involved in the question of Indianization in order that the Government of India might consider the whole position. The letter which had not been written for publication, was given to the world through journalistic enterprise ; and at once certain sections of opinion, both in England and in India, began to accuse the Indian Government of betraying the cause of the Europeans in the services, and of jettisoning, for political considerations, the responsibilities which Great Britain still retains for the welfare of the people of India. This agitation, together with the existing anxiety regarding the future of the services, led Mr. Lloyd George to deliver a speech early in August, in which he declared that the Civil Services of India were the steel frame of the whole structure of administration. He stated that the constitutional changes recently made in India were the result of an experiment; that he could not predict the influence which non-co-operation would exert upon the next elections ; and that if there was a change in the character of the Legislature and in the purpose of those who were chosen to sit therein, the new situation would have to be taken into account. He declared that His Majesty's Government would stand to their responsibilities in India, and would take whatever steps were necessary to discharge or to enforce them. He further went on to say that he could see no period when India could dispense with the guidance and the assistance of a nucleus of the British Civil Services. The continued assistance of British Officials was, he said, necessary to

The O'Donnell Circular.

The " Steel Frame " Speech.

bring about the discharge of Britain's great trust in India; and it was not in order to relinquish this trust, but to bring India into partnership in its discharge, that the Reforms had been introduced.

Effects of the Speech.

Even in the House of Commons, at the time of the delivery of the speech, some apprehensions were felt lest its terms should be misunderstood as implying a doubt as to the policy of the Reform Scheme; and Lord Winterton, the Under Secretary of State for India, judged it advisable to give an unqualified denial to the suggestion that there had been any threat to withdraw the Reforms. In India, as might be expected, a storm of criticism was aroused; genuine anxiety was expressed, particularly by those who had co-operated most heartily with Government in working the new constitution, at what were mistakenly regarded as the Prime Minister's successive contradictions of the Declaration of August 20, of various Royal Proclamations, and of the solemn assurances of many British statesmen. In particular was resentment expressed at Mr. Lloyd George's assertion that he could see no period when India could dispense with the guidance and assistance of the British Civil Services. This was regarded at tantamount to a denial of the basic principle of responsible government. Immediate efforts were made by fehe Government of India to allay the growth of feeling on the subject; and His Excellency the Viceroy obtained from Mr. Lloyd George a clear authorization that nothing in the speech was intended to conflict with, or to indicate any departure from, the policy announced in the former declarations and in His Majesty's Proclamation. Lord Reading's assurances, while they went far to assuage, the suspicions which had been roused, did not for some time completely remove them ; and the temporary discouragement suffered by the Liberal Party, who were identified most closely with the Reforms, might in other circumstances have given the non-co-operators an excellent opening. Such was their own situation, however, that they failed to make any good use of it.

Punjab Situation.

The second of the two occasions which might well have afforded them a new opportunity occurred early in September. Although the situation in the Punjab had been relieved, by measures taken for the restoration of order causes for anxiety still persisted through the summer of 1922. The reforming party abandoned for the nonce their tactics of mass pressure, and did their best to come to terms with individual Mahants or heads of

lifciea for the third class travelling public ; and for other matters of similar utility. Nor was more dramatic interest lacking. The implications of Mr. Lloyd George's speech on the services were debated at length, and the Assembly certainly voiced the feelings of the educated classes in the country when it placed on record its grave concern at the tenor of the Premier's pronouncement. After an influential deputation had waited upon His Excellency the Viceroy, and secured from him the assurance of which mention has already been made, the suspicion and alarm previously aroused by the speech gradually passed away. Another instance of the manner in which the central legislature voiced feeling widely prevalent is to be found in connection with a Bill projected by Government to prevent the dissemination of books, newspapers, etc., containing matter calculated to excite disaffection against the Princes or Chiefs of States in India. In the opinion of Government this measure became necessary after the repeal of the Press Laws, on account of the Treaties existing with the Indian States. It may be mentioned that the Committee appointed to consider the Press Laws of British India had found it unnecessary to recommend legislation of this particular character, but had at the same time not closed the door to it in future. A meeting of the Chamber of Princes having'requested special protection for the Indian States to replace that taken from them by the repeal of the relevant provision in the Press Act, Government considered that they were pledged in honour to accord it. But the Legislative Assembly voiced the view prevailing among the educated classes of British India, and vigorously opposed any measure of special protection. [The members took the unprecedented course of refusing leave for the introduction of the Bill. This refusal provided the occasion for the first exercise by the Governor-General of the extraordinary powers allotted to him by the Government of India Act. He certified that the Bill was essential for the interests of British India; and recommended it to be passed in the form in which it was presented. It was passed by the Council of State ; and despite efforts to secure a compromise with the Legislative Assembly, the measure was compelled to continue on its course without the assent of that House. The incident excited considerable criticism ; but certain sections of opinion realised that in view of the refusal of the Assembly to allow the introduction of the Bill, Lord Reading had no alternative but to adopt the course just described.

The " Princes' Protection Bill."

First exercise of Power of Certification.

Condition of Non-co-operation.

At this time, the non-co- operation movement was at an extremely low ebb. The constructive programme had contrived to lose such small enthusiasm as it had once attracted. It was indeed in a moribund condition. The spinning wheel had declined in popularity; the temperance campaign had almost come to an end ; very few arbitration courts established by non-co-operators were functioning ; and the conduct of some of these sufficed to bring this item of the programme into disrepute. Further, national education had failed to realise the hopes of its designers ; and bitter complaints were received from disillusioned students who had sacrificed all prospects of a career at the bidding of Mr. Gandhi. They protested that no reasonable provision had been made for their education; that they had been thrown overboard and sacrificed ; that school after school and institution after institution which had been set up with hopes so high had collapsed from sheer apathy and lack of support. The failure of the constructive programme was not the only drawback under which non-co-operators at this time laboured. There were signs of a serious increase of communal dissenr sions in their ranks. As we have seen, the advanced sections both of Hindu and of Muhammadan political opinion had been temporarily combined upon a common platform. The fact that this platform was in practice, if not in theory one of racial hatred against the British, made it intrinsically insecure. From early in the year 1922, as we have noticed, certain sections of the Muhammadans had begun to feel that the non-co-operation movement was futile. They had made great sacrifices for it; in many cases they had borne the brunt of its conflict with the forces of law and order. But it seemed that their community was deriving no advantage therefrom. The Turkish question still remained unsolved ; and worse still, they were beginning to feel that its solution could not come even through the success of the prescribed programme. To this general dissatisfaction there had been gradually added during the course of the year 1922 a number of aggravating circumstances. Hindu feeling had been deeply stirred over the Malabar rising; and in many parts of India, Hindu preachers were denouncing the forcible conversions and other atrocities perpetrated by the Moplahs in terms which aroused ^ho resentment of followers of Islam. Particularly in southern India was the bitterness between the two communities very marked. In an attempt to throw the blame on some third party—for choice Government—the Congress had appointed a Committee to investigate the

Communal Dissensions.

causes of the Moplah rebellion. But a number of influential Hindu residents in Malabar promptly dissociated themselves from its activities bluntly stating that the direct cause of the rebellion was Khilafat propaganda. Further, throughout the Punjab, Hindu and Muslim interests took opposing standpoints upon the future administration of the North-West Frontier Province. This opposition was accentuated by a tendency among those Hindus and Mussalmans who were not non-co-operators to dispute with one another concerning the loaves and fishes of office ; in illustration of which may be mentioned an attempt on the part of the Hindu members of a certain local legislature to pass a vote of censure upon a Muhammadan Minister. Since any clash of interests between Hindus and Mussalmans is considerably more vital than the transitory division between co-operators and non-co-operators, this cleavage on communal lines, even in the ranks of co-operators, served greatly to weaken the boasted Hindu-Muslim unity in the anti-Government camp. Among the other causes leading to the growth of communal dissensions throughout the autumn of 1922, mention must be made of the stout fight which the Government of India had for some time been conducting on behalf of Muslim aspirations in the matter of the Turkish settlement. The opinion gradually spread among the Mussalman community that Government were doing far more for the satisfaction of their legitimate desires than the whole non-co-operation movement has been able to achieve. Fresh material for dissension was provided by the news of the victorious advance of Mustapha Kamal Pasha at the end of August and at the beginning of September. While the Muhammadans were jubilant and saw in the military triumph of a revived Turkey the promise that their religious aspirations would be realised, the Hindus displayed a general coldness. Indeed in certain sections of their press, alarm was voiced at the apparent renaissance of militant Islam; and the old fear, lest the Muhammadans should look to " Swords beyond the passes " for the re-establishment of Muhammadan supremacy in India, began once more to raise its head. But since Muhammadan elation gradually became merged in a feeling of anxiety as to the attitude of the Allies, Hindu-Musalman unity in the non-co-operation ranks soon received a slight fillip. It was, however, noticeable that while bitter attacks were levelled both in the press and from the platform against the policy which Great Britain was believed to be pursuing, there was a remarkable absence of animus against the Government of India, whose

Hindu-Muslim Unity Suffers.

The Turkish Victories.

championship of Muhammadan religious susceptibilities was at this time clearly realised. With the fall of Mr. Lloyd George's Government, the success of the Mudania agreement, and the commencement of the Laussanne conference, Hindu-Muslim unity once more underwent a severe strain. For old communal jealousies among the masses had lately revived. The Muharram celebrations had been attended by serious rots both in Bengal and in the Punjab. In the latter province in particular, communal feeling at Multan reached very serious heiglis; and although thanks to the efforts of the district authorities, the carialty 1st was comparatively small, a great deal of damage was done to property. More serious than the actual occurrence was the legacy of bittern us which was left—a bitterness which in the locality of Multan itself has not yet passed away even at the time of writing. Strenuous efforts were made by Congress leaders to reconcile the two communities; and prominent politicians toured up and down India delivering emphatic warnings as to the danger which beset the nationalist movement from these lamentable divisions. But the structure so painfully erected by Mr. Gandhi had crumbled hopelessly beneath the stresses we have already recounted; and towards the close of the year 1922, the difficulty of maintaining even the semblance of an agreement between the political sections of Hindus and Musalmans was becoming apparent.-

Muharram Riots.

A further serious blow to the non-co-operation movement resulted from the enquiry undertaken into the possibility of proclaiming civil disobedience. Many enthusiastic politicians looked for an authoritative and intelligible lead as to their future course of action. They were bitterly disappointed. The Congress leaders who conducted the investigation, while unanimous in their agreement that mass civil disobedience was quite impossible throughout the country at large, were evenly divided en the question whether members of the Congress organization should or should not contest the next elections and enter the councils. We have already noticed on an earlier page the growing tendency among various sections of Mr. Gandhi's followers to revolt against the boycott of the new Legislatures. During the year 1922, the power and influence of these sections steadily increased ; and although the rank and file of Congressmen considered themselves bound to abide by the Mahatma's decision, the party which favoured change included a number of the most eminent politicians in the whole non-co-operation campaign. Among these leaders there was, it is true, an attempt to

The Civil Disobedienoe Enquiry.

preserve the appearance of consistency with Mr. Gandhi's behests, by a representation that entrance to the councils was to be a mere preliminary to wrecking them; and this view was prominently presented by the section of the Civil Disobedience Enquiry Committee which favoured an alteration in the original programme. It is open to question whether the plan was ever intended to do more than gild a pill known to be unpalatable. That a split would ultimately occur in the Congress ranks on this very matter of council entry had been apparent from the early months of 1922; but thanks to strenuous endeavours for preserving the appearance of unity, no patent cleavage had up to this time made itself obvious. With the publication of the report of the Enquiry Committee in November, disagreement could no longer be concealed; and the traditional weakness of divided councils threw a shadow of gloom over the Congress camp. A little later, it is true, the parallel committee appointed by the Khilafat party reported predominantly in favour of continuing the council boycott; hut such effect as this second report might have exerted in the direction of influencing Muslim opinion, was largely discounted by the fact that several prominent leaders of the community were known to favour council-entry. The All-India Congress Committee, to whom the Report dealing with Civil Disobedience was first presented, failed to come to any conclusion upon it despite five days' heated discussion; and the only agreement which emerged was a decision to refer the whole matter to the full meeting of the Congress.

Council-Entry or Boyoott?

The opposing parties within the non-co-operation camp began to range themselves for the approaching struggle. The principal protagonists of council-entry were Pandit Moti Lal Nehru, the well-known Allahabad leader ; and Mr. C. R. Das, an equally famous representative of educated Bengal. Both these gentlemen, it may be remarked, are lawyers of eminence, who prior to their entry into the non-co-operation movement, had enjoyed all the wealth and esteem which leading practice in the Indian Courts never fails to bring to the privileged few. They had both made considerable sacrifices in the cause of non-co-operation ; they had both been imprisoned for opposition to the orders of Government. Associated with them were a number of eminent Muhammadan leaders, among whom may particularly be mentioned Hakim Ajmal Khan. They also enjoyed the support of the " intellectuals " among the Congressmen in various parts of the country; notably in Maharashtra, where many politicians welcomed the possibilities of reversing what they had all along seen

Opposing Parties.

to be the disastrous item of council boycott. The opponents of the pro council party constituted the rank and file of the Congress members, who were still imbued with a pathetic faith in the infallibility of Mr. Gandhi, and, despite the heart-sickness of hope deferred, clung to their belief in mass civil disobedience, in the triumph of non-co-operation and in the approaching inauguration of the Golden Age. In this party were ranged, under the banner of such trusted leaders as Dr. Ansari and Mr. Rajagopalachariar, a predominant number of the younger and more enthusiastic men, whose uncompromising idealism and open worship of the Mahatma's personality, prevented them from perceiving the lamentable failure of the non-co-operation programme.

The Gaya Congress.

Both parties were confident, the first of ultimate, the second of immediate, victory. The elections of Congress delegates in various parts of the country were attended with considerable excitement which in certain places culminated in actual disturbance. In the event, there were returned to the Gaya Congress a majority of delegates pledged to support the old programme, in opposition to any attempts at modification. It was remarked in certain quarters that in many cases the delegates so selected were not of the intellectual calibre normally associated with the annual meeting of the great Congre machine. This was perhaps a natural consequence of the fact that the elections had been determined rather by the views than by the personality of the competitors. But the-effect at Gaya was curious. Even before the meeting, there had been a tendency for the more experienced and possibly more intellectual leaders to range themselves upon the side of Council entry, while their opponents counted less upon reasoned arguments than upon youth, enthusiasm, and loyalty to the Mahatma. While it would be a mistake to suppose that brains were on one side and numbers on the other, yet there was certainly a tendency for the two sections of the Congress camp to group themselves into what may be roughly described as the party of reason and the party of enthusiasm. Matters were somewhat complicated by the fact that both Mr. Das and Mr. Nehru, who were the chief protagonists of council entry, were high office-bearers in the Congress organization. Mr. Das indeed was President of the Gaya session. In these circumstances it might have seemed that the pro-change party would have enjoyed a decided advantage. But this was more than off-set by the numbers and by the temper of their opponents. When the Congress met, it was obvious that the influence of Mr. Gandhi was still predominant. His pronouncements were carefully searched in the Subjects

Committee; and no resolution which in any way ran counter to them had a chance of success. The President of the Congress made a determined effort to secure the acceptance of a motion which would have allowed Congress members to stand for election, subject to certain safeguards. But in this attempt he and his party were decisively defeated. The majority of the Congress endorsed the boycott of the Councils, the boycott of educational institutions and the boycott of law courts. In other words, they determined to abide by the original programme, obvious of the fact that it had already brought them into a *cul-de-sac.* Almost the only successful resolution which presented any novelty was a repudiation of the financial authority of the Legislature, and a notification that on the attainment of Swaraj the Congress party would not hold themselves bound to discharge any liabilities incurred after December 1922. The unbending attitude of the majority delegates in the Congress was to some extent due to the fact that the parallel Khilafat organisation at Gaya had fallen greatly under the influence of the Assembly of strictly conservative Muslim divines known as the Jamiat-ul-Ulema. As this religious synod had already published a *Fatwa* declaring that entry into the Reformed councils was illegal for orthodox Mussalmans, they naturally received with a studied refusal any suggestion of the reversal of their former decision. At the same time there were not wanting sections of Muslim opinion who found in this situation a further cause for grievance against the Hindus ; arguing that while the Hindus had virtually left themselves free to enter the councils any time they might desire to rescind Mr. Gandhi's prohibition, the Mussalmans had been entrapped into formulating a religious and presumably permanent obstacle to the acquisition of place and power under the new constitution.

Congress dominated by Gandhism.

The differences which emerged at Gaya between the minority and the majority party were too grave to be glossed over ; and Messrs, C. R. Das, Moti Lal Nehru, and Ajmal Khan, together with certain other prominent leaders, announced on the 1st January 1923 that they had constituted a new Khilafat-Swaraja Party, within the Congress, for the conversion of their opponents to a change in the non-co-operation programme, and for the attainment of Swaraj on the lines laid down in Mr. Das's recent pronouncements. In these speeches, it may be mentioned, Mr. Das had adopted an attitude far more socialistic than that generally found in the addresses of Indian political leaders. He had announced

Congress-Khilafat-Swaraj Party.

that Swaraj must be for the masses and not for the classes only ; and he had declared that the most urgent step, in the present political situation of India, was to rally labour to the support of the national cause. Sentiments such as these had excited considerable discussion among the educated classes; and there was a tendency in some quarters to accuse Mr. Das of a leaning towards Bolshevism. But while in these speeches and still more in the programme outlined shortly after the Congress, there were distinct traces of Soviet theory as opposed to Soviet practice, there is no reason to conolude that Mr. Das and his party desired to coquet with proletariat dictatorship. That class consciousness is growing in India no one can deny ; and it is obviously the part of long sighted politicians to range this class-consciousness so far as may be upon their own side. As Mr. Das' group began to develop an entity and an independence of its own, there became apparent a tendency to lay stress upon the organization of labour and upon the enlistment of the sympathies of the masses in the cause of its political programme. This programme when published, contemplated a division of the country into administrative areas controlled by local, district, provincial, and all-Indian Councils. Its main features were a maximum of local autonomy and a minimum of control by higher centres, all the councils being staffed by elected representatives " seeking the welfare of the public." Each lower area was to make contributions to the next higher area ; and state factories were to be for the advancement of industry. At the same time it was clearly laid down that private property was to be recognised and maintained, and that the growth of individual wealth permitted.

The Programme of Mr. C. R. Das.

The formation of this party within the Congress, with its separate personalities and its separate programme, came as a great shock to non-co-operating opinion generally. The differences between the pro-council and the no-change party had passed beyond a stage when further concealment was possible ; but desperate efforts were made to disguise the real significance of the schism. The majority party of the Congress had passed a resolution calling upon local Congress Committees to take early measures for the collèction of Rs. 25 lakhs, for the enrolment of 50,000 volunteers and for the strengthening of the national organisation, before the 30th April 1923. But the disputes and the differences between the old and the new parties shortly attained dimensions which seemed likely to prevent any concentration upon the task in view. It was ultimately found possible to arrive at an agreement by which propaganda on the

The two Parties.

question of entering or boycotting the Councils was to be suspended until the end of April, in order that the attention of the workers should not be distracted from the collection of the men and the money required. But so much time and enthusiasm was expended by each party in opposing the other, and at so low an ebb were the non-co-operation forces generally, that up to the moment of writing, it is clear that no considerable progress has been achieved in the realization of the appointed end.

National Liberal Federation.

The proceedings of the National Liberal Federation which held its meeting at Nagpur at the end of December, present a striking contrast to the confusion at Gaya. The Rt. Hon. Srinivasa Sastri in his presidential address carefully eschewed all idealistic schemes of Swaraj, confining himself to the defects, as seen by Indian eyes, of the new constitution; and upon the methods by which those defects could be removed. He put forward a strong case in favour of the increasing Indianization of the various services ; he pleaded the cause of Indians oversea! ; and he urged that the transitory structure of administration set up by the Montagu-Chelmsford Reforms should be replaced at an early date by something more logical, more workable and more in harmony with Indian aspirations. At the same time, he called upon his party to organise itself more vigorously; to direct particular attention to the education of the electorate ; and to raise a general fund for propaganda and electioneering purposes. The resolutions which were passed were equally pointed and equally practical. They dealt with the need for rapid political advance; for the increasing freedom of the Government of India from the control of the Secretary of State; and they referred to the danger to the British Empire inherent in the treatment meted out to Indian Nationals in certain of the King's Overseas Dominions. The attitude of the members of the party towards non-co-operation was forcibly expressed by the President: " So long as they will proclaim war on the established government, talk openly of revolution, inculcate disloyalty and rash political action and send about the country a committee of men of influence with the express object of finding out the prospects of a campaign of civil disobedience, we must sternly disapprove and stoutly oppose." Their attitude towards Government was declared with equal frankness. " Our business is to promote our country's welfare, to enlarge her political status through the present constitution, to secure her ordered progress and, compatible with these aims but not otherwise, to support Government. If Government officials go beyond the necessities of the case and became iudis-

criminate in repressive measures threatening to stifle the very spirit of agitation, we will not hesitate to condemn their action."

This attitude was abundantly illustrated in the ensuing meeting of the central legislature. The budget session of 1923, as has been noticed in a previous chapter, proved to be the most important and in some ways the most critical which has hitherto taken place under the Reformed constitution. Two recent occurrences caused considerable concern to the majority of elected members. The first was the announcement that a Royal Commission was to be appointed to investigate the condition of the public services, and the second was the publication of a despatch from the Secretary of State, wherein, replying to the opinion expressed in the Legislative Assembly Resolution of September 1921, he had declared that the short experience of the working of the new constitution did not warrant the assumption that the time was ripe for further constitutional advance. The non-official members of the Legislature expressed their dissatisfaction in no uncertain voice upon both these topics. They were greatly disappointed at the postponement of change in the Government of India Act, for they considered that every year of the present transitional regime was attended by increased dangers to the real interests of the country. In regard to the Royal Commission on the Public Services they feared that India would be called upon to meet a bill for the improved pay and prospects of her European officers : and they were not appeased even by the announcement that possibilities of further " Indianization " were inherent in the scope of the Commission, which embraced an examination into the working of the new system in its effect on the services, and into the best methods of securing the recruitment of such numbers of Indians and Europeans as might be decided for the future to be necessary. On the other hand, the Legislature during this session reaped a rich harvest in certain directions dear to the hearts of educated India. As a result of the recommendations of the Fiscal Commission, Government accepted the principle that the fiscal policy of the country, subject to certain necessary safeguards, might be directed to the fostering of industrial development, and that a Tariff Board should be erected to advise for this end. The Administration further agreed that while refusing definitely to close the door to company management in the future they would take over the management of the East Indian and the Great Indian Penin&ula lines when their contracts fell in, and

The Delhi Session 1923.

The Royal Commission ; The Reforms Despatch.

Fiscal Policy.

thereby meet to some extent the wide-spread demand among the Indian intelligentia that the principle of state management should be accepted for the Indian Railways. Shortly afterwards the Legislature secured the removal of a very old grievance, by amending the Criminal Procedure Code in such a way as to obliterate the most important distinctions between the trials of Indian and of European subjects of the King. This very important piece of legislation, known colloquially as the Racial Distinctions Bill, was founded on the Report of a Committee arising out of Mr. Samarth's motion in the session of September 1921. The Committee, presided over by Dr. (now Sir) Tej Bahadur Sapru, embraced representatives of both European and Indian interests. Thanks to the skilful guidance of the President, and of Sir William Vincent, the then Home Member, as well as to the generous spirit of compromise which distinguished the European and Indian representatives, its labours were completely successful. The legislation based upon the Report was essentially of the nature of a compromise, to which both the Indian and the European communities contributed certain sacrifices. The voice of criticism was naturally raised in several quarters; but the better minds agreed in welcoming an agreement which seemed to open a new era in the relations between Indians and Europeans in India. The passage of the Bill through the Assembly was a great triumph for liberal opinion on both sides ; Sir Malcolm Hailey, the new Home Member in charge of the measure, received many congratulations ; and general regret was expressed that neither Sir Tej Bahadur Sapru nor Sir William Vincent, who had retired from Membership of the Viceroy's Council, was present to reap the fruits of his toil. In another direction also, the Legislature saw tangible evidence of increasing influence upon the course of administration. As is noticed elsewhere, His Excellency the Commander-in-Chief took the opportunity of a debate in the Assembly on the question of Indianizing the Commissioned Ranks of the Army, to announce that it had been decided to set aside eight specific units for "Indianization," in order that the proposed policy might be given a fair trial.

Railway Management.

Racial Distinctions.

On a previous page we have described the steps taken by the Government of India to give effect to the reiterated demand of the Legislature for economy in the Central revenues, and the retrenchment which followed upon the investigations of Lord Inchcape's Committee. The triumph of the Assembly in securing the adjustment of revenue and expenditure some-

The Finance Bill.

what lost its savour during the final stages of the Finance Bill. As has been pointed out, the failure of the Administration and of the Assembly to agree upon an alternative to the enhanced salt duty as a means of bridging the small gap still unclosed between receipte and disbursements, resulted in the certification, for reasons explained in His Excellency the Viceroy's pronouncement, of the higher figure. The majority of the Assembly had resolutely set their faces against this impost, and their reasons were deeply intermixed with the political conditions of India. The salt tax has from its early days been unpopular; the agitation against it dating back almost for twenty years. The objections to it, though mainly sentimental, are none the less real to those who entertain them. Little attempt was made to dispute the accuracy of Government's assertion that the burden upon each individual and even each family was extraordinarily small; but in the eyes of the Assembly the salt tax, the incidence of which extended to the poorest of the poor, was *per se* distasteful. Apart from any question of compunction which they might have had in adding to the burden of the classes sunk in poverty, the majority of members had naturally to consider the question of their own approaching election. They urged that the imposition of the enhanced duty would place a premium upon non-co-operation ; and they felt that if they consented to it, their position in the eyes of their constituents would be gone for ever. These considerations naturally weighed with most of the elected representatives ; and overbore in their minds the cogent considerations which, as we said in another chapter, were put forward by Government. It is to be remarked that the opposition to the enhancement did not proceed from Indians alone* but was emphatically voiced by certain representatives of the European community, notably Sir Montagu Webb and Mr. E. D. Sassoon. Indeed, the cleavage was not along racial lines at all; for when, after its passage through the Council of State, the Finance Bill came back to the Assembly, the voting figures, which were 47 and 58, showed that Government was not without support even among the Indian non-officials. The restoration of the clause by His Excellency the Viceroy in accordance with his Statutory Powers, was received with alarm and indignation both by many non-official members of the Central Legislature and by the Liberal Party generally. There was a disposition in the heat of the moment to discount all that had been gained under the Reformed Constitution; and to represent Lord Reading's act as a

The Salt Tax.

Certification and its Results.

proof that the " old autocratic system " still persisted. Indignation meetings were held in various parts of the country, at which members of the legislature emphatically voiced their disappointment at the attitude of Government and their fear lest after all the reforms might be a delusion. These sentiments found little each among the masses, and it seems likely that those who believed the enhanced impost on salt would constitute a messenger of revolution, had failed to reckon with the widened margin of subsistence between falling prices and steady wages.. It is not difficult, of course, in answer to the fears of members of the Assembly, to point to the substantial achievements of the new constitution—achievements far too solid to result from anything which could be called a " sham." The mere fact that the legislature has succeeded within two years in repealing the Press Acts and many " repressive laws ; " in altering the Fiscal policy ; in removing Racial Distinctions in Criminal Trials ; in securing effective retrenchment; in opening the way for the nationalization of the Railways ; for the Indianization of the Army; and for the creation of a Territorial force ; is a sufficient answer to those who still exhibit mistrust of the intentions of Great Britain. At the same time it is easy to understand the feelings of the majority of the elected members of the Assembly, when they perceived that their solid opposition to the salt tax was out-Weighed by purely administrative considerations. That a session so full of achievement should have terminated in a rupture of the harmony between Government and the legislature must be a cause of sincere regret; but such an occurrence may fairly be regarded as a not unnatural concomitant of the present transitional polity, wherein the central legislature has great voting-power but no final responsibility : so that the Executive may at any time be driven back upon the exceptional provisions inserted in the Constitution for the prevention of deadlocks.

Up to the moment of writing the principal consequence of Lord Reading's certification of the Finance Bill has been to promote among members of the Assembly and others who believe in constitutional progress, a demand for a rapid revision of the constitution. Even before the salt tax controversy had commenced, a notable attempt was made by Mrs. Besant, whose remarkable energy and courage show no signs of flagging, to rally in support of a constructive programme all those shades of Indian opinion which believe in advance by constitutional means. A conference was convened at Delhi under the presidency of Sir Tej Bahadur Sapru—who had just relinquished charge of the Legislative portfolio of the

Mrs. Besant's Conference.

Governor General's Council—to discuss a programme for the achieve* ment by India of self-governing status within the Empire. Resolutions were passed advocating the introduction at an early date of full autonomy in the provinces; and the transfer to the Central Legislature of responsibility in regard to civil departments. The Conference generally considered that the control of the Army and of Foreign policy should be retained in the handB of the Governor General for the present. The Conference appointed sub-committees to investigate and report upon the working of the Reforms, and in particular, upon the directions in which the existing Government of India Act could be amended to bring Dominon Status ; upon the question of India's defence ; and the problems connected therewith; upon the Indianization of the services; and upon certain less important topics. The outline of a constitution was sketched, in which the executive both of the central and of the provincial Governments might be made responsible to the legislature ; while the control of the Navy and the Army should remain under the Viceroy until such time as India could safely take responsibility for these Departments. The Conference then broke up, and preparations have since been made to secure, by a standing organisation, the progress of the ideas by which its members were animated.

Had the non-co-operation party been possessed of anything like its former vigour, it is quite possible that the certification of the salt tax might have provided it with a fresh lease of life. But during the first three months of the year 1923, the dissensions we have already noticed in this camp became more than ever apparent. There was in the first place the radical division in outlook between the minority and the majority parties. But far more paralysing even than this disunion, were the communal differences which grew steadily more acute. The Hindus naturally felt but little anxiety regarding the upshot of the Lausanne conference, the Vaticanization of the Khilafate, and other kindred matters which were exercising the minds of Indian Mussalmans during this period. Further, advanced Hindu opinion could scarcely sympathise with the growing rapprochement between Indian Muslims and the administration, due to the belief of many Mussalmans that the Government of India and His Majesty's Government were genuinely anxious for the restoration of the old cordial relations with the Turkish Empire. As if to aggravate these causes of dissension, there occurred between January and March 1923 a series of unfortunate incidents. We have already noticed the Muharram outbreak at Multan and the

Fresh Communal Dissension.

legacy of bitterness which it left. Despite the efforts both of the local authorities and of various Congress leaders, the relations between the two communities in that city have continued very strained; and the effects of such a state of affairs have made themselves manifest far beyond the immediate locality. In February there occurred a regrettable Hindu-Muslim riot at Wadhwan, in an Indian State on the Bombay side. This further increased the general bitterness. More dangerous still was the feeling which arose over the efforts of the Arya Samaj to reclaim to Hinduism a community known as the Malkana Rajputs, which has for some centuries accepted the creed rather than the customs of Islam. In the Agra and Muttra districts, Hindu and Mussalman missionaries laboured in opposition to one another within the same area. Religious feeling raged high ; and although no disturbance has as yet taken place, the effects of the dogmatic warfare between rival proselytizers have been very unhappy. Throughout the Punjab in particular, the feeling between Hindus and Mussalmans has in some places showed signs of rising almost to the Multan pitch; and just subsequent to the conclusion of the period immediately under review, riots and disorders between the two communities broke out at Amritsar. It is indeed unfortunately plain that the Hindu-Muslim *entente* has been subjected to a strain which it could not possibly bear. From the commencement political, it depended for its existence upon the advance of both parties towards a single objective rather than upon any.removal of the differences which divided them. When as a result of the decline of non-co-operation, that objective receded into the background, ancient differences at once became manifest; and were aggravated by the fact that no effort had been made to establish a common basis of mutual tolerance.

Mr. Gandhi's Success or Failure ?

From all that has been said it will be plain that during the period we have now reviewed, the non-co-operation programme as expounded by Mr. Gandhi has failed to achieve the hopes of its creator. To the Western mind, this was in some sort inevitable ; and a prompt realization of the fact determined the policy pursued by Government Mr. Gandhi's original success was due to the enhancement of his personal influence by a very exceptional conjunction of circumstances. Thereby he was enabled to rally to his banner the traditional conservatism of the Hindu faith, and the resentment which for a variety of causes was dominating Indian nationalist sentiment; while at the same time, he secured a unique, if temporary influence over the Mussalmans. Thus placed in a position of moral dictatorship such as few Indians have

ever occupied, he controlled for an appreciable period the main stream of nationalist activity. Unfortunately his political ideas were principally negative, and scarcely on a level with his advanced ethical conceptions. He was therefore but ill-fitted to guide Indian nationalism through a crisis which demanded in a leader practical acumen rather than moral fervour. Making little distinction between ends and means ; elevating to the dignity of eternal principles what were in effect his personal idiosyncracies of political belief, he failed fully to utilise for the practical advancement of his country the astonishing enthusiasm which his movement aroused. He spread unrest far and wide but could provide for it no satisfaction save in a programme of action at once fantastic in its details and infructuous in its effect. The self-sacrifice which he preached was therefore diverted into channels that brought misery to many. This is the more lamentable since, rightly directed, his gospel might have achieved much of lasting benefit in the way of national reform. Particularly at the beginning of his campaign, his message to his countrymen was practical in the extreme. He told them that Indian nationalism meant something more than carping criticism of the British administration ; that illiteracy, poverty, and industrial backwardness can be remedied only by the people themselves. Gradually, however, this strain became less prominent in his speeches. He seemed to lack his old certainty of touch. In public affairs he showed a disposition to temporise which contrasted strangely with the consistency of his private life. Political victory over the Government seemed to have replaced the regeneration of his own people as the keynote of his pronouncements. Even when he was most powerful he could not entirely restrict the various sections of his followers to the limits which he had placed upon their license of speech and action. As his influence waned, so did the idealistic side of non-co-operation wither and decline. The self-reliance which he held so dear became merged, in the case of many, into an exaggerated self-assertion which culminated in racial and communal hatred—a regrettable consequence which coloured the later stages of his whole movement and seems destined to outlive it. Only when this has passed away will it be possible to determine if the national awakening which enthusiasts have seen in non-co-operation is anything more than a dream. Whether Mr. Gandhi's influence will in the long run be judged to have operated tor the good or for the ill of India, it is the task of History to determine : all that has been attempted in this narrative is to describe in provisional guise its effect upon the political events of the moment.

APPENDIX I.

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APPENDIX II.

His Excellency the Viceroy's Speech.

His Excellency the Viceroy spoke as follows at the inauguration of the 3rd Session of the Council of State and the Legislative Assembly at Simla on the 5th September 1922 :—

Once again it is my pleasant task to welcome you, the Members of the Indian Legislature, to the labours of a new Session.

Since I last addressed you, many events of importance to India have occurred. Foremost among these is enshrined in our thoughts—the visit to India of His Royal Highness the Prince of Wales. A year ago in my address to you, I predicted that we might with confidence count on a welcome from India to His Royal Highness, characteristic of the traditional loyalty and devotion of the Indian people to the Royal House, and this confidence found a warm echo in your debates and activities.

It is a source of deep gratification to us now that His Royal Highness has come and gone to feel that our predictions have been justified. In spite of organised attempts to mar the reception on the part of a section of the community, all classes in British India and the Ruling States threw themselves with enthusiasm into the privileged task of welcoming His Royal Highness. His Royal Highness has moved among us, and his visit has demonstrated the loyalty of India to His Majesty the King-Emperor. His Royal Highness captivated us by his great personal charm; he inspired us by his high sense of public duty and by his keen interest in all classes of His Majesty's subjects and in all our activities and problems. We are fortunate indeed in that the great traditions of the British Crown will, in the fullness of time, be continued by him who came to us to know India and to be known by her and who left India with an abiding interest in her welfare.

In the domain of external affairs, the subject uppermost in our minds is the proposed revision of the Treaty of Sevres. I can now add little to the statements made at Peshawar in April last, save to assure you that every stage in the developments is followed by my Government with keen and watchful interest, and whatever action we can with propriety adopt to lay before the British Government the reasonable aspirations of the Moslems of India regarding these developments, we have taken and shall not fail to take.

It is gratifying to observe that the activities of my Government have not been without effect upon the Moslem population of India who have readily acknowledged and appreciated that my Government have done their utmost to impress the Indian Muhammadan view upon His Majesty's Government. At this moment negotiations are proceeding with the object of arriving at a solution of this difficult and delicate problem, and it is therefore undesirable for me to discuss the situation. I will only remind you that, as already stated by His Majesty's Government, the representations will be fully considered and due weight will be attached to them by His Majesty's Government in so far as these are compatible with justice, their obli.

gations to their Allies and the adequate safeguarding of minorities. It is most earnestly to be hoped that these efforts of His Majesty's Government and their Allies will shortly result in the complete restoration of peace to the Near East.

I am glad to inform you that cordial relations subsist with all the Powers on our borders. Since I last addressed you a Treaty has been concluded between His Majesty's Government and Afghanistan, and I feel confident that the bonds of friendship between Afghanistan and ourselves will be maintained and grow in strength.

There is peace on our tribal frontier except in Waziristan, and even there I had hoped that the results achieved would enable me to announce to you the winning stage in long protracted operations. Owing to the gallantry of our troops, substantial progress has already been made in the very difficult conditions well known to all who are acquainted with this frontier.. But while some of the Wazir and Mahsud tribal sections have entered into satisfactory engagements with us, we have still to secure that complete tribal unanimity and co-operation which alone can effectively maintain peace. Our object in Waziristan is to ensure the security of life, honour and property of those who are entitled to our protection, whilst keeping our expenditure within the narrowest limits commensurate with our purpose.

In dealing with external affairs and our borders, I may refer to the position of Indians and the Dominions and Colonies overseas. The Standing Emigration Committee is now advising the Government of India on all Emigration matters of major importance. Our policy is embodied in the new Emigration Act which received my assent last March. At present emigration of unskilled labour is illegal, except to Ceylon, the Straits Settlements and the Federated Malay States to which the new Act will apply next March. Deputations from Ceylon and Malaya are with us discussing the details of the proposal which, on the advice of the Committee, we have placed before their Governments, and the Government of the Straits Settlements are embodying in their local legislation the provisions which we are advised to secure in that Colony. I desire to acknowledge the cordial spirit in which Colonial Governments are co-operating with my Government to make conditions of Indian emigration free from all reasonable objection.

The important aspects of the Right Honourable Sastri's mission were referred to by me in a speech I made on the eve of his departure. We have every reason to be gratified by the impression which he has made and by the warm reception extended to him. Mr. Sastri has already been successful in obtaining the removal of some minor disabilities affecting domiciled Indians, and we trust that in course of time on larger questions also, on which ministers cannot immediately extend promises in advance of the mandate of their electorates, the atmosphere of friendly feeling towards India created by his visit may conduce towards the realisation of our reasonable expectations.

My Government have been in correspondence with the Government of the Union of South Africa regarding the recommendations of the Asiatic Inquiry Commission. We have been able as yet to reach an agreement in principle, but we are still engaged in attempts to alive at a better understanding. The Union Government by their recent action in suspending the operation of two Ordinances

in Natal, have given proof of their desire that most careful and impartial inquiries should be made before any step is taken which is likely to affect the position of Indians in any part of the Union.

In reference to repatriation from Natal, my Government have made careful investigation. No case has been brought to their notice in which repatriation has been other than entirety voluntary.

The Report of the Deputation to British Guiana has not yet been received. We have the summary of the recommendations of the Fiji Deputation, and their report will be taken into consideration by my Government as soon as it reaches us. The condition of the sugar industry in these islands gives us cause for apprehension that Indians in Fiji, may no longer be able to earn a living wage, and the Government of India are engaged in arranging at the cost of that Colony for facilities for repatriation of all Indians who desire to return.

Conversations are proceeding between the Colonial Office and the India Office regarding the position of Indians in Kenya. The Government of India are carefully watching developments and I trust a satisfactory settlement of the difficult questions involved may soon be reached.

note your anxiety, in watching the fortunes of our Indian brethren overseas. Let me assure you that my Government have been and will be unremitting in asserting their rights and urging their cause in all parts of the Empire. If I do not say more upon this occasion I hope you will understand that it is not because I am unmindful of the vast importance of the subject. I shall be in a better position to address you more fully when the result of the pending discussion has been reached and can be announced.

When we turn to matters nearer home a subject of first importance to us is finance. I need not go into the story of our deficit, but you may be assured that my Government is making every effort to bring about the equalisation of expenditure to revenue. The first step is retrenchment. I have explained to a deputation which addressed me the measures adopted by my Government to attain this object and I feel that they will command confidence. We must now await the recommendations which the Retrenchment Committee will place before us. The results of our loan operations have been encouraging. You will have seen that our Sterling Loan realised 12½ million pounds and our Rupee Loan 46 crores of which 43 were new money. By the mercy of Providence good harvests have mitigated our grave anxieties on account of the enormous rise of the price of food grains prevailing when I last addressed you. A fall in prices has now occurred, sharper than even the previous rise. This year's monsoon has been, on the whole, favourable and I trust, that we may look with hope for a continuance of plentiful stocks and lower prices of the first necessities of life and that this improvement may conduce to remove economic discontent—so often the root cause of political malaise.

There is a matter to which I may refer as being of special interest to this Legislature. We are making an addition to our machinery. Rules have been framed for the appointment of further Standing Committees of the Indian Legislature to various Departments of the Government of India and for the definition of theii functions and their procedure. The duties of the Committees will be of an advisory nature, and I trust that the Departments will find the Committees of real assistance

and that the members of the Committees on their part will gain a wider insight into the problems of the administration, and that experience will demonstrate the benefits to be derived from the continuance of this sj'stem.

Last year I warned you that you could not expect to garner so rich a harvest of achievement every Session, but with your subsequent record before me, I doubt the correctness of my prediction. Time will only permit me to chronicle a few of your most important achievements ; but the list even with this limit, refutes the malice of those who belittle the reformed constitution and decry the efforts of those who, like you, believe that only through constitutional methods can the aspirations of the Indian people be fulfilled.

The Press Act of 1910 has been repealed. In this connection I pointed out last year that the repeal of the Act might necessitate the consideration of the form of protection to be given to the Princes against seditious attacks upon them in newspapers published in British India. In the meantime the Local Governments have been consulted and this question has been closely examined and has been the subject of correspondence between my Government and the Secretary of State. We have decided that we are bound by agreements and in honour to afford to the Princes the same measure of protection as they previously enjoyed under the Press Act which is the only protection available to them ; and a Bill to secure this object will be brought before you in the present Session. This protection to the Princes was first given by the Act of 1910. It is not suggested that it has been abused, and the only reason for its repeal is because in British India we have decided to dispense with the special remedies under the Press Act and to rely upon the general law which is not applicable to the Princes.

The Report of the Committee appointed to examine certain laws conferring extraordinary powers on the Executive has resulted in the repeal of 23 Acts and Regulations supplementing the ordinary criminal law. The Acts repealed include the Defence of India Act, 1915, the Statute known as the Rowlatt Act and part of the Criminal Law (Amendment) Act of 1908. I congratulate you on passing into law last winter Session the Amending Factories Act—a very important piece of social legislation.

You have an arduous programme of legislation before you. Among important measures I may mention a Bill to amend the provisions of the Criminal Procedure Code, which has been under discussion for some years; the voluminous matter collected has been examined by a Joint Committee, whose report will be before you shortly. Another Bill is that abolishing transportation as a form of punishment. The Indian Mines Act, which is designed to make improvements in the provisions to secure the safety, welfare and efficiency of mineworkers will also come before you. Last year I foreshadowed two other measures destined to benefit the labouring classes of the country. Legislation for workmen's compensation has been advocated by the leading association of employers and employees and the majority of the Local Governments. The proposals have been examined by a Committee, the majority of whose recommendations will be laid before you in the form of a Bill. We hope also to place our considered decisions regarding prelection and legal status of trades-unions before you.

Interest naturally centres round the deliberations of the Fiscal Commission. This Commission opened its enquiries in November last and concluded them in

July. I believe that the members were unable to come to an unanimous decision, and the preparation of the minority note has delayed the submission of the report to Government. It is hoped, however, that copies of the full report will shortly be in the hands of members of the Legislature.

I turn now to Railways. It is only a year since we received the report of Sir William Acworth's Committee. The Assembly took the most important decision regarding railways which has been arrived at for many years in setting aside a sum of 150 crores for the next quinquennium for use on rehabilitation. Railway administrations are now able to look ahead and plan an ordered programme of capital expenditure. The proposal that railway finance should be separated from general finance has not been found at present possible by the Committee which examined the point, but the matter has still to come before the Legislatures. The question of the reorganisation of the Railway Board is under examination. A Central Advisory Board consisting of members of the Legislatures—a different composition from that advocated by the Acworth Committee, but one better suited to our needs and conditions—has been established. It has begun work and will examine many questions connected with railways which must come before you. The question of a Rates Tribunal will soon be ready for the preliminary scrutiny of this Board. We are fully conscious of the importance of the Acworth Comin^tee's report, and are pressing the issues raised by it to a conclusion.

You will be interested to learn that since last September considerable progress has been made with the development of the Territorial Force. In addition to the University Training Corps, twenty provincial battalions have been constituted and the numbers enrolled total more than 10,000. Some units have undergone their first training with satisfactory results. General Burnett-Stuart, who conducted the recent operations in Malabar, commented in his farewell order to the Madras District on the good start made by the battalions in that Presidency. While it is too early to judge of the military value of the force, the first steps are certainly encouraging.

Indian candidates continue to be selected for the Royal Military College, Sandhurst, but I regret to say that my Government have cause for anxiety in that so few candidates possessing the necessary qualifications have come forward for selection. In these circumstances, I am gratified to know that the College designed to train Indian boys who aspire to enter Sandhurst has now been established at Dehra Dun. The College was formally opened by His Royal Highness the Prince of Wales last March, and I have subsequently visited it. There are 37 boys under tuition, accommodation for larger numbers is being provided, and the report on the first term's work of the College is decidedly satisfactory.

Air Vice Marshal Sir John Salmond is at present in India to examine and report to my Government upon the Air Force and whether economies in defence expenditure can be effected by increased use of the Air Force in co-operation with our Army for the external and internal protection of India. He has completed his inquiries and has submitted his report which will require most careful study.

I shall not to-day follow the more conventional course of referring in greater detail either to the work accomplished by the Legislature and the Government Departments during the last twelve months or to the proposals to be laid before you by the Government during this Session. I prefer to use this opportunity to

consider with you matters of wider import to India and her future, which I know are seriously engaging your thoughts and forming the subjects of your discussions. When considering the observations I am about to address to you, I would ask you to keep in mind that I came to India immediately after the initiation of the Reformed Constitution and that I was consequently entrusted with additional responsibilities which had not been laid upon my predecessors. A solemn declaration of policy had been made by His Majesty's Government, the necessary legislation had been passed, and, be it observed, not by one political party, but with the assent of all political parties in England, and the formal ceremonies of the inauguration of the new Legislature had been performed by His Royal Highness the Duke of Connaught on behalf of His Majesty. I came charged with the task of helping to guide India along the road of constitutional progress to the ultimate realisation of her aims in accordance with the declaration of 1917 and His Majesty's proclamation, and under the special direct ions of His Majesty the King Emperor contained in the Instrument of Instructions issued to me with my Warrant of Appointment as appears from the following paragraph :

" For above all things it i8 Our will and pleasure that the plans laid by Our Parliament for the progressive realisation of responsible government in British India as an integral part of Our Empire may come to fruition, to the end that British India may attain its due place among Our Dominions. Therefore, We do charge Our said Governor General by the means aforesaid and by all other means which may to him seem fit to guide the course of Our subjects in India whoso governance We have committed to his charge so that, subject on the one hand always to the determination of Our Parliament, and, on the other hand, to the co-operation of those on whom ne* opportunities of service have been conferred, progress towards such realisation may ever advance to the benefit of all Our subjects in India."

That policy remains unchanged, and if any shadow of doubt upon this subject lingered in the minds of any one it should be removed by the statement the Prime-Mininster recently authorised me to make and which I communicated to the deputation that waited upon me a short time ago. The Prime Minister speaks with the highest authority, for not only is he Prime Minister and the head of His Majesty's-Government, and responsible for its policy, but he is the Prime Minister who presided over the Councils of His Majesty's Government when the declaration of 1917 was made and was responsible to Parliament when the Government of India Act, 1919, was introduced and passed.

It is now nearly eighteen months since I arrived in India and assumed the responsibility of my high office, and I need not say that I have watched with a keen and deep interest the progress made by this Legislature and the Legislative Councils in the Local Governments. Almost from the first moment of my arrival I observed that agitation was proceeding with a view to obtaining an immediate or almost immediate extension of the powers given under the new Constitution, which had then been but a few months in operations. As time progressed I learnt that there was an element of doubt, and even suspicion, regarding the intentions of HisMajesty's Government to fulfil the promises they had made. It seemed difficult to understand that doubt should be entertained regarding promises solemnly made and deliberately expressed in formal documents. I have searched for grounds for these doubts and suspicions and have failed to find any reasonable basis for them. There is no promise that has been broken; there is no pledge that has been violated either by His Majesty's Government or my Government. Within the short period that has elapsed both His Majesty's Government and the Government of India have acted in accordance with the promises and pledges given. Why then is there this doubt ? I cannot but think that in the natural desire of India for progress-

attention has been too much concentrated upon the promises to India, while perhaps insufficient regard has been paid to the language both of the declaration and the preamble to the Statute. It is there stated that the goal is the increasing association of Indians in every branch of the administration and the gradual development of self-governing institutions with a view to the progressive realisation of responsible government within the Empire. Advance is to be by stages. The time and manner of advance are to be judged by the British Parliament. Their judgment is to depend on the co-operation of the people of India and the development of their sense of responsibility. This is the foundation upon which the future progress of India is to be built. The eventual completion of the structure will take place when the British Parliament is satisfied respecting the essential considerations above-stated. I am putting the position very plainly to you. I feel it is right that I should. You will remember, I trust, that I am speaking in the interests of India of which I am the present custodian subject always to responsibility to His Majesty's Government and the British Parliament. Be assured that I am not the l'.F.s in sympathy with the national aspirationr. of India because I survey the situation as I necessarily must, with a knowledge that India's future progress depends both as to time and manner of advance upon the good-will of the British Parliament.

Gentlemen, you have reason to be satisfied with the success you have already achieved in the Legislature during the short period of its existence. In the language recently used by the Prime Minister " there has been a very considerable measure of success " and very able and distinguished Indians have contributed to achieve this result. But this is only one part—although a very important part—of the picture. There is another aspect which I am sure presents itself to your minds at this moment, and I would ask you whether the events in India of the last eighteen months can fairly and reasonably be regarded as assisting the efforts you have made towards realisation of your aims, and whether indeed these events have not proved a hindrance and an obstruction to the progress of India ? We have seen the Legislatures and all co-operating in constitutional progress doing their utmost to march forward. I wish this were the whole story ; but facts must be faced, and we cannot ignore that a section of the people of India have spared no effort, not only to withhold their own co-operation, but to hinder and intimidate others. They have not stopped short of violence, they have not hesitated to foster antagonism to settle government, to stir up racial hatred and to lead the way back to chaos and anarchy. The acts of this section during His Royal Highness' visit are too well known to you to require recapitulation ; here in India we know that they do not represent the real views of the Indian people. But can you wonder that they created a deplorable impression upon the British people throughout the Empire notwithstanding the devotion and loyalty of the great majority of the people of India ? The mischief was deliberately done, and in spite of the solemn warning I ventured to give of its inevitable effect upon the British people and the British Parliament.

ft have said enough of the past: I now turn to the future. I look with confidence to you for help. If we are to secure the progress we all desire, we must create the atmosphere in which it can develop. There must be respect for law and order and support for constituted authority and for established government

Malign influences which mislead the uneducated masses into excess must be combated. We must see that the objects we are striving to achieve are understccd and make appeal to the intelligence of the masses and command their sympathy. We must convince them of the sincerity in our purpose: We must make them feel assured that the first motive of all our actions is their ultimate well-being. You must attempt to diffuse that clearer vision with which you have been gifted. You must help others to share in that wider outlook and in these opportunities for m terial welfare which you enjoy. Defensive tactics alone will not suffice—We must lead and guide—upwards and onwards.

The task is not easy. It requires application ; it calls for patience ; but it is one which I am confident that your efforts can bring to a successful issue. It is a task in which you may rely on the fullest support of my Government and of the Civil Services, who, in the face of much misrepresentation and hostility, have freely and unsparingly co-operated to work the reformed constitution and continue to labour for its success. They are ready to help you, and they also look for your help.

You hear around you propaganda against the Reforms ; your rights are assailed by misrepresentations; your privileges and prospects are attacked, your achievements are belittled ; your aims are vilified. Last year I urged you to counteraction. I impressed on you that the electorate required education. I have the same advice to repeat to you now ; but I repeat it with more force and insistence. For another year has passed and a new election is within sight, and I make my earnest appeal to you in the interests of India so dear to your hearts to lend your influence and authority to help India forward to the attainment of her ultimate aims, to continue the advance which will secure to her, in the fullest degree, the great place that awaits her within the Empire.

APPENDIX IE.

The Fiscal Commission's Report*

The following is a summary of the Fiscal Commission's Report :—

The terms of reference to the Commission were " to examine with referenc to all the interests concerned the Tariff policy of the Government of India, including the question of the desirability of adopting the principle of Imperial Preference, and to make recommendations."

On the first point, *viz.*, the tariff policy of the Government of India, the conclusion of the Commission is stated in the following words :—" We recommend in the best interests of India the adoption of a policy of protection to be applied with discrimination along the lines indicated in this report." The decision in favour of a policy of protection rather than one of free trade is based on a careful analysis of the probable gain and loss in Chapters IV, V and VI. It is shown that the industrial development of India has not been commensurate with the size of the country, its population and its natural resources, and that India will derive great advantages in many directions from a considerable development of Indian industries. It is then pointed out that the conditions for a rapid industrial advance are suitable and that without the stimulus of protective duties the advance will not be sufficiently rapid. The necessity of continuing to derive a high revenue from the tariff, which is apparent from a consideration of the financial situation, is also held to lead inevitably towards protection. On the other side of the account the loss involved by the burden of increased prices and the effect of this burden on various classes of the community is examined. It is shown that the exercise of discrimination in the selection of industries for protection and in the degree of protection afforded will ensure that the inevitable burden on the community is kept as light as is consistent with the due development of industries. The final conclusion is that, apart from the strong Indian sentiment in favour of protection, the balance of advantage on economic grounds is heavily on the side of the policy recommended.

The justification of the policy rests largely on the manner in which it is worked as it is held that any type of indiscriminate protection would entail a sacrifice on the part of the mass of the people out of proportion to the results. This accounts for the great importance attached by the Commission to the Tariff Board which it proposes should be constituted. The Tariff Board will be the instrument by means of which the policy will be " applied with discrimination." It is proposed in Chapter XVII that the Tariff Board should be a permanent body consisting of three members of high standing and ability. The main duties of the Board will be to investigate and report on the claims of particular industries to protection, to watch the operation of the tariff, and generally to advise the Government and the Legislature in applying the policy in detail. The functions of the Board would

be advisory, and not executive, but stress is laid on the necessity of making public its findings and recommendations.

Principles are laid down by the Commission in Chapter V I I for the guidance of the Tariff Board. The three main conditions which should be satisfied in the case of an industry claiming protection are—

(a) that the industry possesses natural advantages;

(b) that without the help of protection it is not likely to develop at all or not so rapidly as is desirable ; and

(c) that it will eventually be able to face world competition without protection.

As a qualification of these general conditions it is recommended that industries essential for purposes of national defence, and for the development of which conditions in India are not unfavourable, should, if necessary, be adequately protected. Further the general principles are laid down that raw materials and industrial machinery should ordinarily be admitted free of duty, and that partly manufactured goods used in Indian industries should be taxed as lightly as possible. The taxation of articles to which protectionist considerations do not apply will be outside the purview of the Tariff Board, and will be regulated in accordance with the financial needs of the country.

Various supplementary measures are indicated in Chapter VIII as necessary in addition to protective duties, if full industrial development is to be attained. A more industrial bias should be given to primary education, opportunities should be provided for the training of Indian apprentices, and organizations for increasing the mobility of labour should be developed. The consideration of legislation against dumping is suggested, such legislation not to take the form of a general automatic measure, but to provide for the imposition of dumping duty only in the case of particular commodities, and only when it has been established that dumping is taking place to the detriment of an Indian industry. Precautions are also suggested against imports from a country in which the exchange is seriously depreciated and against any system of export bounties granted by foreign countries. Reference is also made to the complaints of Indian industries against the railway rates policy and coastal shipping rates and suggestions are made for meeting those complaints. The possibility of legislation directed against shipping rebates is suggested.

The tariff policy in India cannot be confined merely to a consideration of import duties. There are two other important classes of duties which are at present levied in India in connection with the tariff, excise duties and export duties, and the Commission devotes two chapters to each of these. With regard to excise duties a general examination is made in Chapter IX of their nature, justification and effect, and certain principles limiting their imposition are suggested. A separate Chapter (X) is given to the Indian cotton excise, the history of which is described in detail. The conclusion of the Commission is that the existing duty should, in view of its past history and associations, be unreservedly condemned, that the British Government should announce its intention of allowing the Government of India to decide in agreement with the Indian Legislature, what action should

be taken, and that the Government of India and the Legislature should then begin with a clean slate and take such measures as the interests of India require.

Export duties are dealt with in Chapters XI and XII. The conclusions of the Commission are that export duties tend to injure the home producer and that they should therefore not be utilised for protective purposes. They may, however, under certain circumstances be imposed for revenue purposes, but they should bo imposed with great caution, they should be imposed only on articles in which India has a monopoly or semi-monopoly, and in every case the duties should be moderate. The only exception to these principles which the Commission recognises is when the price of foodstuffs shows a tendency to rise to dangerous heights. In such a case the Commission holds that it may be necessary to restrict the export of food grains, and that as there are fewer objections to direct Government prohibition or regulation of exports, the least objectionable manner would be a temporary export duty on food grains.

The Commission makes no definite recommendations regarding the treatment of particular industries, holding that it had not sufficient material for the purpose, and that the necessary enquiries must be made by the Tariff Board. When, however, any principle laid down by the Commission admits of direct application, this is indicated, and accordingly the Commission definitely recommends the abolition, as early as possible, of the import duties on machinery and coal, and the export duties on hides and tea.

The second main subject referred to the Commission was the question of Imperial Preference and this is dealt with in Chapter XIII. The conclusions of the Commission are that any general system of preference to British products would involve a serious burden which it would not be reasonable for India to shoulder, while on the other hand the possibilities of advantage to India from preference granted to her exports are limited. At the same time India may be in a position in certain cases to grant preferences which would be of assistance to British industries and would not cause appreciable economic loss to India. The advantages on broad Imperial grounds of recognising the principles of Imperial Preference are pointed out, and it is suggested that the question of granting preferences on a limited number of commodities be referred to the Indian Legislature after preliminary examination of the several cases by the Tariff Board. If this policy is adopted it is recommended that its application be governed by the following principles :—

(a) that no preference be granted on any article without the approval of the Legislature.

(b) that no preference should in any way diminish the protection required by Indian industries.

(c) that preference should not involve any appreciable economic loss to India after taking into account the economic gain which India derives from the preference granted her by the United Kingdom.

The above proposals relate entirely to preference to the United Kingdom, and it is recommended that any preferences which it may be found possible to grant to the United Kingdom should be granted as a free gift. In the case of other parts

of the Empire a different policy is recommended. It is suggested that the principle of reciprocity should be followed, i.e., that preferences should be granted only as the result of agreements mutually advantageous.

In Chapter X I V the tariff is dealt with in its more technical aspect. The Commission recommends that the system of specific duties and tariff valuations should be extended cautiously and that the description of articles in the tariff should be elaborated. The system of double tariffs which prevails in most protectionist countries is condemned as unsuitable to Indian conditions, and the undesirability of employing the tariff as a means of aggression or, unless in exceptional circumstances, for purposes of retaliation is emphasised. The Commission recommends that in the interest of the Indian industries customs duties should ordinarily be levied on goods belonging to the Government.

Chapter XV is devoted to a consideration of the attitude to be adopted towards foreign capital. The economic advantages of foreign capital to the country are explained, the present feelings of opposition to it are indicated, the restrictions on its employment which have been suggested are examined, and the conclusion is drawn that in the interests of the country no obstacles should be raised to the free inflow of foreign capital. It is, however, recommended that Government monopolies or concessions should be granted only to companies registered and incorporated in India with rupee capital, having a reasonable proportion of Indian Directors and affording facilities for training Indian apprentices.

The position of Indian States is considered in Chapter X V I. It is pointed out that Indian States are closely concerned both as consumers and as producers in the tariff policy adopted for British India, but that their views on that policy coincide generally with those expressed in other parts of India, and that their interests will be fully safeguarded under the scheme of protection recommended.

The Report begins and ends with a reference to the relations between India and Britain. In the first chapter stress is laid on the pronouncements of the British Government regarding the principle of fiscal autonomy for India. In the last chapter the Commission explains that its recommendations have been based solely on the interests of India, but it also gives its reasons for holding that in this matter there is no real antagonism of interests betwen the two countries, and that a more prosperous India will mean a more prosperous Britain.

The Minute of Dissent.

The report is signed by all the members subject, however, to a Minute of Dissent by a minority consisting of the President, Sir Ibrahim Rahimtullah, and four members, Mr. T. V. Sheshagiri Aiyar, Mr. G. D. Birla, Mr. Jamnadas Dwarkadas and Mr. Narottam Morarjee.

The minority firstly object to the conclusion of the Committee already quoted on the subject of protection. While agreeing that protection whould be applied with discrimination they consider that the conditions laid down in Chapter V I I of the report are too stringent; that immediate steps be taken to adopt an intense policy of industrialisation; and that any discrimination necessary in the interests of consumers must be decided by the Government of India and the Indian Legislature.

Secondly, they would apply excise duties only to commodities such as alcohol and tobacco, whose consumption it is desirable to restrict. If more revenue is necessary, a few articles of luxury may be made subject to excise duty. They reoommend immediate abolition of cotton excise duty.

Imperial Preference.

Thirdly, on the question of Imperial Preference, they dissent in iespect of the treatment to be accorded both to the United Kingdom and the self-governing Dominions. As regards the former, they hold that " India cannot accept the principle of Imperial Preference unfil she has attained responsible Government and is able to regulate her fiscal policy by the vote of a wholly elected Legislature.'[1] They, however, consider that Indian opinion would be inclined to accept the immediate application of Imperial Preference provided conditions were created to place India at once on the same footing as the self-governing Dominons in the matter, and that even under the political status which India now enjoys matters might be arranged so as to bring about in practice the position which the Dominions enjoy. They, therefore, recommend that the power of initiating, granting, varying and withdrawing Imperial Preference should vest by legislation or other equally effective means in the non-official members of the Legislative Assembly. As regards the self-governing Dominions they agree that negotiations should be opened for trade agreements on a basis of reciprocity, but that an essential precedent condition should be the recognition of the rights of the Indian people to a status of complete equality and the repeal of all anti-Asiatic laws so far as they apply to the people of India.

Foreign Capital

Fourthly, as regards foreign capital, they consider that the recommendations of the Commission are inadequate and that all companies protected by tariff walls should be companies incorporated in India with rupee capital and with a reasonable proportion of Indian Directors and offering facilities for training Indian apprentices *

Fifthly, they agree that a Tariff Board is necessary, but recommend that the chairman should be a trained lawyer of the status of a High Court Judge, that the two other members should be elected by the non-official members of the Legislature and that there should also be two assessors representing trade elected by the leading Chambers and Mercantile Associations in India who could be summoned at the discretion of the Board when their presence was required.

Finally they hold that an intense effort at industrialisation will rapidly increase India's prosperity and also her demand for manufactured articles both local and imported; and that the trade relations of India and the United Kingdom will thus be put on a sound economic basis, mutually beneficial to both.

APPENDIX IV.

National Liberal Federation Resolutions.

The following resolutions were passed at the 5th National Liberal Federation held at Nagpur in Christmas week in 1922 :—

Self-Government.

This meeting of the All-India Liberals earnestly urges upon the Secretary of State for India and the British Parliament the necessity of accelerating the pace for the attainment of complete Self-Government and towards that end the taking of steps for the immediate introduction of full responsible government in the Provinces and responsibility in the Central Government in **all** departments, except the military, political and foreign.

Indianisation of the Army.

This meeting of the All-India Liberals regards with the gravest concern the delay in the inauguration of plans for the Indianisation of the Officers' ranks in the Indian Army, for the reduction of the British element and for the introduction of other improvements and economies recommended by the Military Requirements Committee of the Indian Legislative Assembly, regards it as a crucial test of the sincerity of the authorities regarding India's Dominion status, sees no way except through drastic retrenchment under this head of the country's regaining financial equilibrium, and calls upon the British Cabinet and the Army Council to restore by speedy action the confidence of the people of India in the oft-repeated promises to grant full responsible government to India. This Federation also earnestly appeals to the people of India to take, in the meanwhile, fullest advantage of the Indian Territorial Force Act and to enrol themselves in large numbers in the Territorial Force. It also appeals to the Government to take all possible steps to promote and popularise enrolment in the Force.

Non-Interference by the S. of S.

This meeting **of** the **All-India Liberals** attaches utmost importance to the principle laid down with emphasis by the Joint Select Committee of Parliament on the Government **of** India **Bill of 1919** to the effect that where an executive government **and** its **legislatures are in agreement on** any **matter there should be no interference by higher authority except when Imperial interests are involved. It regards it as an essential condition for the growth of the Indian constitution and preparation of the legislatures for ultimate responsibility of the whole government and it trusts, further, that, besides loyally observing the principle, the Secretary of**

State will give it full scope by releasing Governments in India from obligations to consult him previously in such matters, both by liberal interpretation of rules and regulations on the subject and by modifying these wherever necessary.

Indianisation of the Services.

(1) This meeting of the All-India Liberal Federation strongly opposes the pro* posal to appoint a commission of enquiry into the alleged financial and other grievances of the Imperial Services and to make further increases in their pay and allowances.

(2) In order to enable the Government of India and Local Governments to reduoe expenditure on overhead charges of administration and reserved subjects,, this Federation urges on the Secretary of State for India the necessity of authorising the Indian legislature and local legislatures to make laws regulating public services under clause (2), section 96 B of the Government of India Act and in the meantime stop all recruitment in England in all Imperial Services.

Indians Overseas.

This meeting wishes to convey to the Imperial Cabinet of Great Britain itssense of concern at the undesirable effect produced on the minds of the people of India by reports that are received here from time to time of obstacles and difficulties in the way of the application to Crown Colony of Kenya of the principles embodied in the resolution of the Imperial Conference, 1921, and trusts that the Cabinet, which had influential representations at the Conference including the then Prime Minister and Colonial Secretary, will be able at an early date to carry out these principles in letter and in spirit.

This meeting condemns the anti-Indian policy pursued by the Government of the Union of South Africa and by the Provinces comprised in the Union, where the proportion of Indians is steadily deteriorating and, while fully acknowledging that the Government of India have fully identified themselves with Indians in their sentiments, this Conference, in the interests of Indians overseas generally, urges that the Government should continue to bring pressure to bear on the Union Government to accept the policy enunciated in the resolution of the Imperial Conference of 1921.

Retrenchment.

This meeting of the All-India Liberals earnestly trusts that the Inchcape Committee and various provincial retrenchment committees will recommend material reductions of expenditure and enable the Government of India and various local Governments to restore their financial equilibrium and thus avert the need for additional taxation.

Princes Protection Act

This Federation is of opinion that the Indian States (Protection against Disaffection) Act passed by the Council of State on the Governor General's certificate is not in the interests of British India or subjects of Indian States and therefore Parliament should advise His Majesty to withhold his assent to it.

APPENDIX V.

37th Indian National Congress Resolutions.

The following are the resolutions that were passed at the 37th Indian National Congress held at Gaya in December 1922 :—

I.—Condolences.

This Congress places on record its deep sense of the loss sustained by the country in the death of Babu Motilal Ghosh and offers its condolence to his family.

This Congress has learnt with grief of the death of Babu Ambika Charan Mozumdar, one of its ex-Presidents and places on record its deep sense of the loss sustained by the country.

II.—Tribute to Mahatma Gandhi.

This Congress places on record its grateful appreciation of the services of Mahatma Gandhi to the cause of India and Humanity by his message of Peace and Truth and reiterates its faith in the principle of non-violent non-co-operation inaugurated by him for the enforcement of the rights of the people of India.

III-To Sufferers.

This Congress places on record its profound appreciation of the service rendered to the national cause by all those brave citizens, who have suffered in pursuance of the programme of voluntary suffering and who, in accordance with the Congress advice, without offering any defence or bail served and are serving various periods of imprisonment, and calls upon the Nation to keep alive this spirit of sacrifice and to maintain unbroken the struggle for freedom.

iV.—Akalis.

This Congress records with pride and admiration its appreciation of the unexampled bravery of the Akali martyrs and the great and the noble example of nonviolence set by them for the benefit of the whole Nation.

V.—Khilafat.

This Congress congratulates Ghazi Kamal Pasha and the Turkish Nation on their recent successes and further records the determination of the people of India to carry on the struggle till the British Government has done all in its power and removed all its own obstacles to the restoration of the Turkish Nation to free and independent status, and the conditions necessary for unhampered national life and effective guardianship of Islam, and the Jazirat-ul-Arab freed from all non-Muslim control.

VI.—Boycott of Councils.

Whereas the boycott of Councils carried out during the elections **held in 1920** has destroyed the moral strength of the institutions through which Government sought to consolidate its power and carry on its irresponsible rule:

And whereas it is necessary again for the people of India to withhold participation in the elections **of** the next year as an essential part of the programme of non-violent non-co-operation:

This Congress resolves to advise that all voters shall abstain from standing as candidates for any of the Councils and from voting for any candidate offering himself as such in disregard of this adivce ; and to signify the abstention in such manner as the All-India Congress Committee may instruct in that behalf.

VII.—*Repudiation of Debts.*

Whereas by reason of unjustifiable military expenditure and other extravagance, the Government has brought the national indebtedness to a limit beyond recovery; and whereas the Government still pursues the same policy of extravagance under cover of the authority of the so-called representative assemblies constituted without the sufferages of majority or any substantial fraction of the voters and despite their declared repudiation of the authority of such assemblies to represent the people :

And whereas if the Government is permitted to continue this policy, it will become impossible for the people of India ever to carry on their own affairs with due regard to the honour and happiness of the people and it has therefore become necessary to stop this career of irresponsibility.

This Congress hereby repudiates the authority of the legislatures that have been or may be formed by the Government in spite of the national boycott of said institutions in future to raise any loans or to incur any liabilities on behalf of the nation, and notifies to the world that on the attainment of Swarajya the people of India, though holding themselves liable for all debts and liabilities rightly or wrongly incurred hitherto by the Government, will not hold themselves bound to repay any loans or discharge any liabilities incurred on and after this date on the authority or sanction of the so-called legislatures brought into existence in spite of the national boycott.

VIII.—*Civil Disobedience.*

This Congress reaffirms its opinion that Civil Disobedience is the only civilised and effective substitute for an armed rebellion when every other remedy for preventing the arbitrary tyrannical and emasculating use of authority has been tried ; and

In view of the wide-spread awakening of the people to a sense of the urgent need **for** Swarajya and the general demand and necessity for Civil Disobedience in order that the National goal may be speedily attained; and in view of the fact that the necessary atmosphere of non-violence has been preserved in spite **of all provocation**;

This Congress **calls upon all** Congress workers to **complete the preparations for offering Civil** Disobedience by strengthening and **expanding the National or-**

ganisation and to take immediate steps for the collection of at least Rs. 25 lakhs for the Tilak Swarajya Fund and the enrolment of at least 50,000 volunteers satisfying the conditions of the Ahmedabad pledge by a date to be fixed by the All-India Congress Committee at Gaya ; and empowers the Committee to issue necessary instructions for carrying this resolution into practical effect.

[NOTE.—The powers of the Provincial Committees under the resolution of the Ail-India Congress Committee passed at Calcutta on 20th November 1922 shall not be affected by this resolution.]

IX.—Turkish Situation.

In view of the serious situation in the Near East which threatens the integrity of the Khilafat and the Turkish Government; and in view of the determination of the Hindus, Mussalmans and all other peoples of India to prevent any such injury this Congress resolves that the Working Committee do take steps in consultation with the Khilafat Working Committee in order to secure united action by the Hindus, Mussulmans and others to prevent exploitation of India for any such unjust cause and to deal with the situation.

X.—Private Defence.

This Congress declares that non-co-operators are free to exercise the right of private defence within the limits defined by law except when carrying on Congress work or on occasions directly arising therefrom, subject always to the condition that it is not likely to lead to a general outburst of violence.

[NOTE.—Using force in private defence in grave cases, *e. g.* insults to religion, outrages on the modesty of women or indecent assaults on boys and men is not prohibited under any circumstances.]

XI.—Boycott of Educational Institutions.

With reference to the boycott of Government and Government-aided educational institutions, this Congress declares that the boycott must be maintained and further resolves that every Province should be called upon to put the existing national institutions on a sound financial basis and to improve their efficiency in every possible way.

XII.—Boycott of Law Courts.

This Congress declares that the boycott of Law Courts by lawyers and litigants must be maintained, and further resolves that greater efforts should be made to establish punchayets and to cultivate public opinion in their favour.

XIII.—Labour Organisation.

Whereas this Congress is of opinion that Indian labour should organise with a view to improve and promote their well-being and secure to them their just rights and also to prevent exploitation of Indian labour and of Indian resources: It is resolved that this Congress, while welcoming the move made by the All-India Trade Union Congress and various Kishan Sabhas in organising the workers of India, hereby appoints the following Committee, with power to co-opt, to assist the

Executive Council of the All-India Trade Union Congress for the organisation of Indian labour both agricultural and industrial.

Committee: 1. Mr. C. F. Andrews, 2. Mr. J. M. Sen Gupta, 3. Mr. S. N. Haldar, 4. Swami Dinanand, 6. Dr. D. D. Sathaye, 6. Mr. M. Singaravelu Chettiar.

XIV.—Affiliation.

This Congress resolves that the Natal Indian Congress Committee, Durban, the British Indian Association, Johannesburgh, the British Indian League, Cape Town, and the Joint Indian Association, Durban, be affiliated with power to send ten delegates — this number to be allotted amongst themselves by agreement to be reported to the All-India Congress Committee. This Congress resolves that the Kabul Congress Committee be affiliated with power to send two delegates.

XV.—General Secretaries & Treasurers.

This Congress places on record its grateful thanks for the valuable services rendered by the outgoing General Secretaries Pandit Motilal Nehru, Dr. M. A. Ansari and Sjt. C. Rajagopalachariar. This Congress appoints M. Moazzam Ali, Sjt. Vallabhbhai Patel and Sjt. Rajendra Prasad as General Secretaries for the next year. [Sjt. Rajendra Prasad will be the working Secretary and the All-India Congress office will be at Patna.]

This Congress reappoints Seth Jamnalal Bajaj and Seth H. J. M. Chhotani as Treasurers. (Seth Jamnalal Bajaj will be the working Treasurer.)

APPENDIX VI.

Secretary of State's Despatch on the Reforms.

Visoount Peel has addressed the following despatch dated November 2nd to the Governor-General in Council regarding the policy of His Majesty's Government with reference to the Government of India Act:—

My Lord,—More than a year has elapsed since your Excellency's Government forwarded to my predocessor the report of a debate which took place in the Legislative Assembly in September of last year as a result of which a motion was carried recommending that the Secretary of State should be informed that the Assembly was of opinion that the progress made by India on the path to responsible government warrants a re-examination or revision of the constitution at an earlier date than 1929. On the 28th February last my predecessor stated in reply to a question put to him in the House of Commons that he intended to address a despatch to your Excellency's Government in reply to this motion which would follow generally the lines of his speech in the course of the debate on the address a fortnight earlier. Circumstances, however, prevented the fulfilment of this intention, and, since it has fallen to myself to make the reply which it is desirable that the Assembly should receive, I do not imagine that your Excellency's Government will have expected that I should address myself to so large and important a question without mature consideration even though some further delay was involved. The result of my consideration is that I have little to add to, and nothing to qualify in, the statement of the case made by my predecessor in the concluding portions of his speech in the House of Commons on the 14th February last.

Three Reasons for not Amending the Act.

The policy deliberately adopted by a Parliament in enacting the Act of 1919 and recently reaffirmed by the present head of His Majesty's Government was to provide an instalment of self-government but at the same time to make further progress in that direction dependent upon experience of the practical results achieved in the working of the new constitution as a whole. It would have been a matter for surprise had any speaker in the Indian debate of September of last year attempted to prove as the result of six months' experience of a new constitution that its possibilities were exhausted and that nothing remained to be learned from further experience of its operation. No such attempt was made and the arguments used in support of the motion consequently lose some of their cogency, in my view, for three reasons.

In the first place, they assume that progress is impossible under the existing constitution and can be achieved only by further amendment of the Government of India Act. This assumption I believe to be fundamentally erroneous. The outstanding feature of the change made by the Act of 1919 was that it provided British India with a progressive constitution in place of an inelastic system of government, and that consequently there is room within the structure of that

constitution for the legisla: .res to develop and establish for themselvs a position in conformity with the spirit of the Act.

In the second place, however great the merits shown by the legislatures as a whole and by individual members—and I am far from wishing to underrate them—the fact remains that the merits and capabilities of the electorate have not yet been tested by time and experience. The foundation of all constitutional development must be the presence of a vigorous and instructed body of public opinion operating not only in the legislatures but what is even more important in the constituencies. Until this foundation has been firmly laid progress would not be assisted and might indeed be retarded if fresh responsibilities were added to those with which the electors have so recently been entrusted.

Thirdly, the new constitutional machinery has to be tested in its working as a whole. Changes have been made as the result of the Act of 1919 in the composition, powers and responsibilities not only of the legislatures but also of the executive Governments. No estimate of the success of the new system could pretend to completeness which was not based upon proof of the capacity of these bodies as now constituted to administer the duties entrusted to them, duties which from the point of view of public welfare are at least as important as those of the legislatures. And a trustworthy proof of such capacity can only be established by experience of the extent to which the increased association of Indians in the sphere of executive responsibility has justified itself in practice.

I would add that even were these reasons for patience less cogent, an opinion based upon six months' experience of its working, that a new constitution in the elaboration of which over two years were occupied stands in need of revision, is hardly likely to commend itself to Parliament, since it is clear that sufficient time has not elapsed to enable the new machinery to be adequately tested. It would in fact be without precedent if a constitution deliberately framed to provide a basis for development in whatever directions experience may indicate, were to be brought under review within a few months of its inauguration, and indeed any such process could hardly fail to deprive the constitution of a large element of its value by determining prematurely the precise directions in which further progress is to be made. *

I shall be glad if your Excellency's Government will cause copies of this despatch to be laid on the table of both the Chambers of the Indian Legislature.

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APPENDIX VII.

Inchcape Committee's Report.

The following is a summary of the Inchcape Committee's Report:—

The Committee first touches the military services and observes;—

The expenditure which has been incurred in the past may have been inevitable but the question is whether India can afford to maintain the military expenditure on the present scale as an insurance against future eventualities. In our opinion repeated huge deficits of the last few years in spite of the imposition of heavy new taxation have made it abundantly clear that India cannot afford this expenditure. So long as peace conditions obtain, the first essential is for India to balance her budget, and this can only be secured by a very substantial reduction in the military estimates. In this connection it must be remembered that the budget estimate for 1922-23 did not represent the full annual expenditure which would have been incurred on the military services, but for certain fortuitous circumstances the strength of the army was under the establishment. The purchases of supplies were below normal as there were large accumulations of stocks of provisions, clothing and other stores, and the estimate also assumed large non-recurring receipts from sales of sur plus war stores and other sources. Further we understand that inadequate provision was made for the maintenance of the Royal Air Force and that considerable additional expenditure will be necessary in future years. If allowance were made for these factors the expenditure required for 1922-23 would have been Rs. 71,37,82,000. Considerable public attention has naturally been displayed on the subject of the future policy with regard to Waziristan and we had reviewed this question in its bearing on the finances of India. We are informed that there is no idea in the mind of the Government of India of continuing the forward policy of military dominion up to the Durand line at the present time and that the idea has been abandoned. It is impossible to estimate what expenditure will be required in Waziristan in 1923-24 until the military and political situation is cleared up, but we understand that the Government have in view a policy which aims at an early and substantial reduction. Apart from financial considerations the strength and the distribution of the army necessary for the defence of India and the maintenance of internal security are matters which we feel must be left largely in the hands of His Excellency the Commander-in-Chief.

Fighting services since 1913-14.

The fighting efficiency of the army has been increased enormously by the introduction of modern rifles, machine guns, etc., and while we are informed that so far as the external menace is concerned there has probably been a relatively greater improvement in the equipment of the neighbouring tribes and the Afghan forces, it must be borne in mind that a large portion of the army is maintained for internal security.

Reduction of British Infantry.

In recommending the reduction of British Infantry the Committee observe: ' On mobilisation the peace establishment of battalions is reduced and only 840 British other ranks per battalion are retained on war establishment on a much higher scale than the war establishment in England and elsewhere. The policy is to maintain the peace cadre about 25 per cent, below war establishments which are capable of rapid expansion in war and a similar practice obtains in certain sections of the army in India. We recognise that in India reinforcements of British troops cannot be obtained in less than about two months but from statements which have been supplied to us it appears that as at present contemplated only five battalions of the British troops would be engaged on active operation during the first two months after mobilisation. During this period the estimated wastage of these troops on a 9½ per cent, basis would bo 630 men and we cannot think that any serious difficulty would arise if in war this number had to be found from the troops required for internal security although we realise that this will entail a temporary pooling of resources as was found necessary in the Great War. In our opinion the number of troops per battalion required on mobilisation to maintain internal order in India should be capable of a considerable reduction in view of the increased fighting efficiency of the units.' Reduction in the strength of artillery is recommended on the ground of introduction of modern machinery.

After reviewing the army expenditure the Committee recommend:—

(1) The reductions which we have indicated be effected in the strength of fighting services; saving Us. 303 lakhs per annum.

(2) Steps to be taken to organise an effective reserve and so enable the peace strength of the Indian battalions to be reduced to 20 per cent, below war establishment j saving Rs. 63 lakhs net per annum.

(3) The necessity for retaining the present system of four commands be reviewed in 12 months' time and that in the meantime the number of districts be reduced as far as possible.

(4) The authorised establishment of motor vehicles including reserves be limited to 1,600 the number of vehicles in use, and the mileage run be strictly limited and the system of rationing petrol be introduced.

(5) The supply services be reorganised on a less expensive basis and stocks held at dep6ts reduced.

(6) Commercial accounts be kept for all the manufacturing establishments and for the Remount department.

(7) The basis of capitation rate for the British troops now under revision be determined in the manner indicated in our report.

(8) The Government of India be given a full opportunity of reviewing any proposed changes in the administration of British troops involving large expenditure before such changes are brought into operation.

(9) The stocks of stores generally be largely curtailed, the stocks of ordnance stores including reserves be reduced from Rs. 14 crores to Rs. 8 crores, all surplus ordnance stores being disposed of.

(10) The budget estimate for 1923-24 be limited to Rs. 51,47,00,000 a reduction of Rs. 8,95,30,000 compared with the budget estimates for 1922-23, subject to such adjustment as may be necessary on account of the delay which must ensue in carrying out the proposed changes.

On the subject of Air Force the Committee say : ' Since the potentialities of the Air Force are only now being proved and there is a possibility that extended use of the Air Force might result in economies in expenditure on ground troops we make no recommendations.'

After critically reviewing the expenditure on the Royal Indian Marine the Committee recommend :—

(1) The service be drastically curtailed and reorganised on the lines suggested. (2) Dockyards be worked as a separate entity on a commercial basis. (3) Three troopships, the Dufferin, the Hardinge and the Northbrook be laid up forthwith and placed under care and maintenance of the parties until sold. (4) Only such vessels as are necessary for the essential duties of the Royal Indian Marine and for use as training ships for Indians bo retained. (5) The Dalhousie, Minto, Nearchus, one patrol boat and four trawlers be dispensed with immediately and the number of military launches and Bombay yard craft be reduced. (6) The cost of maintaining the Lawrence be transferred to the Political estimates. (7) Recoveries from Port Trust, etc., for marine survey work to include a charge for interest on capital depre* ciation and pension allowances. (8) The budget estimate for 1923-24 be limited to Rs. 82 lakhs a reduction of Rs. 75 lakhs including Rs. 4,62,000 transferred to the Political estimates, the actual saving thus being Rs. 70,38,000.

The expenditure of the Military Works Department also comes under critical scrutiny and the Committee recommend:—

(1) That in view of the enormous outlay involved the whole arrangement for accommodating both British and Indian forces, and the constructional programme of the army already sanctioned by the Government of India, be reviewed. (2) Reappropriation of fund be prohibited except for works included in the sanctioned programme when reappropriation should be subject to the surrender of saving being justified by the financial situation. (3) The budget estimate for 1923-24 be limited to Rs. 3,78,05,000 net, a reduction of Rs. 76,92,000, including Rs. 10 lakhs transferred to the Royal Air Force, or a net saving of Rs. 66,92,000.

Reduction in Military Services,

After devoting 58 printed pages to the military services the Committee conclude part I with these important observations which suggest the possibility of fixing the military budget in the years to come at 50 crores ;

' We cannot conclude our report of the military services without saying that His Excellency the Commander-in-Chief and the Army Department have dis-

played whole-hearted disposition to reduce military expenditure, always bearing in mind the importance of maintaining the efficiency and the mobility of the forces for protection against outside aggression and internal disorder, and we desire to extend to them our grateful thanks for the assistance they have rendered. As we stated in our introductory remarks although the budget estimate for the military services in 1922-23 was Rs. 67,75,26,000, the full expenditure required during that year would, but for certain fortuitous circumstances, have amounted to Rs. 71,37,82,000. The gross reductions which we have indicated amounted to Rs. 13,95,52,000 but additional provisions of Rs. 23,00,000 for practice ammunition and Rs. 9,75,000 for gratuities to demobilised officers are required for 1923-24. If our recommendations are accepted and if they could all be brought into effect at once, the military budget for 1923-24 could be reduced to Rs. 57,75,05,000, but we recognise that it will take some time for the whole of these savings to materialise. The more quickly the reduction of troops are brought about the nearer will the actual expenditure approach this figure. The Finance department in framing their estimates will require to make an allowance for terminal charges, and for the expenditure which may necessarily be incurred during the period required to give full effect to the changes which we recommend. We are not in possession of data necessary for framing such an estimate.

The reduction which we have indicated of Rs. 13,95,52,000 includes approximately Rs. 21-4 crores for reduction in stocks which do not of course represent a recurring saving. The reductions however should ultimately lead to a substantial recurring economy by curtailing establishments engaged on the maintenance of stores, by minimising loss from deterioration, by reducing expenditure on the hire of ground and hire or construction of buildings, to say nothing of loss to India which is involved by the enormous amount of capital at present locked up in stocks. Further we are informed that in the near future there will be large automatic saving by the liquidation of various liabilities arising out of the war, for example, gratuities to demobilised officers, India's share of which in 1923-24 is estimated at £415,000. Wo, therefore, believe that the adoption of our recommendations will enable the estimates in subsequent years to be reduced to about Rs. 57 crores irrespective of any savings due to further economies or falling prices.

The above suggested reductions have been agreed to generally by the Commander-in-Chief, but in a great administration such as the Army in India, of which he is the responsible head, we recognise that in working them out and in giving practical effect to them he may find it desirable to make some minor modifications which may result in greater expenditure under one head and reduced expenditure under another. But so long as the increase involved is more than counterbalanced by the reduction, we consider that the actual working out of details should be left in his hands.

5. We do not however, consider that the Government of India should be satisfied with a military budget of Rs, 57 crores and we recommend that a close watch be kept on the details of military expenditure with the object of bringing about a progressive reduction in the future. Should a further fall in prices take place we consider that it may be possible after a few years to reduce the military budget to a sum not exceeding Rs. 50 crores although the Commander-in-Chief does noc subscribe to this opinion. Even this is more, in our opinion, than the tax-payer

in India should be called upon to pay and though the revenue may increase through a revival of trade, there would we think, still be no justification for not keeping a strict eye on the military expenditure with a view to its further reduction. Having reviewed the expenditure of the military services we recommend that (1) the total net budget for 1923-24 be fixed at Rs. 57,75,00,000 subject to such addition as may be necessary on account of the delay which must ensue in carrying out the proposed changes and (2) the military expenditure after a few years be brought down to a sum not exceeding Rs. 50 crores.

Perhaps the most critical of all the reviews of the Committee relates to the railway expenditure, where the subject is examined from a business point of view, by a Committee which consisted solely of business men, and some strong strictures are passed where Committee think there has been deviation from ordinary business rule. A summary of its recommendations on railways is :—

(1) Steps be taken to curtail the working expenses as necessary, to ensure that under normal conditions an average return of at least 5J per cent, is obtained on the capital invested by the State in railways.

(2) The present system of programme of revenue expenditure be abolished and that adequate financial provision be made annually by each railway for the maintenance and renewal of the permanent way and the rolling stock in the manner indicated in paragraph 7.

(3) Agents of railways be designated General Managers and made responsible for the administration, working and financial results of their railways.

(4) A financial adviser be immediately appointed to ensure that financial considerations are given their due weight before expenditure is incurred.

(5) Preparation of a scheme of grouping the railways be taken up forthwith.

(6) The budget provision for working expenses, including surplus profits, in 1923-24 be limited to Rs. 04 crores, subject to a further allowance to meet any increase in traffic reduction of Rs. 4,59,00,000 on the budget estimate for 1922-23 and of Rs. 3,50,00,000 on the preliminary estimate proposed for 1923-24.

In recommending a reduction of **four** and **a half** crores in the working expenses the Committee keeps in view the main principle **that** the relation of the working expenses **to the revenue should** be **so** adjusted **as** to provide **for an** adequate return on **the capital** invested. ' We **are of** opinion **that** the country cannot afford to subsidize **railways and** that steps should be taken to curtail the working **expenses, as necessary, in order to ensure that not only will the railways as a whole be on a self-supporting basis but that an adequate return should** be obtained **for** the large capital expenditure which **has** been incurred by the State. We consider that with economic **working** it **should be possible for railways** in **India** to earn **sufficient** net **receipts** to yield **an average return of at least** 5½ per cent, **on** the **total capital at change. The average return to the State during the three years prior to the war was 5 per cent,** and **in view of the fact that large amounts of additional capital are being-raised at 6 per cent, or over we think a return** of 5½ **per** cent, cannot be **regarded as excessive. A return of 5½ per cent, on the total capital at charge in 1922-23 after an**

allowance for all interests, annuity and sinking fund payments would yield roughly Rs. 85 crores to the central revenues.

We are informed that in deciding upon the amount of the central Government's deficit, which would have to be made good initially by contributions from the provinces Lord Meston's Committee assumed that the central Government would derive a net annual revenue of no less than Rs. 10,75,00,000 from the railways. It is evident therefore that the failure of the railways to yield an economic return on the capital invested by the state is one of the main factors responsible for the present financial difficulties of the central Government. A return of 5 per cent, would not merely go far towards bridging the deficit of the central Government but would with the economies which we recommended in the case of other departments, make it possible to give much needed relief to the provinces by a substantial reduction in the amount of their contribution.

On the question of the programme of future capital expenditure the committee remarks: ' We are informed that there arc many remunerative schemes, such as the opening up of lines for the development of mineral resources, the electrification of suburban lines, etc., which at present cannot be taken up owing to the difficulty of obtaining capital. This being so, we cannot believe that it is legitimate under any circumstances to put Rs. 67 crores of capital, borrowed at a high rate of interest, into lines which are already a very drain on the resources of the State, and we recommend that, except in the case of commitments already entered upon, no further capital expenditure be incurred on these lines until the whole position has been examined by a financial adviser and reviewed by the Government. If the full amount of capital cannot immediately be employed on remunerative works on open lines, it would, in our opinion, be a matter for consideration whether some portion of it could not, with advantage be devoted to construction of new lines promising an adequate return. The question to be decided is whether when capital is so urgently required by some railways for remunerative purposes the country can afford to borrow large sums of money at the present high rates for expenditure on railways which are not only unable to earn 5 per cent, on their present capital, but which have to be subsidised by the general taxpayer. We consider that further expenditure on such railways can only be justified if it can be satisfactorily demonstrated that this expenditure will increase the net earnings of the railways sufficiently to cover the additional interest involved.

Dealing with the question of provision arrears of maintenance and renewal, the Committee says : 'It is necessary, however to take special provision to overtake the present arrears as no funds are available in suspense accounts. It is in our opinion, not practicable to make any general increase in rates and fares without adversely affecting the trade of the country'. We consider that the best course will be that each railway should credit a suspense account with a portion of any surplus funds available after payment of interest and sinking fund charges for the specific purpose of overtaking arrears of renewals. This provision should, we think, not exceed the average annual amounts, which would be necessary to overtake the arrears in five years. The overtaking of arrears on imremunerative railways must necessarily wait until the Financial Committee strongly recommends that steps be now taken to give effect to one of the most important recommendations of the Railway Accounts Committee that route and rate books be supplied to each station.

Summing up its views on railways generally the Committee observes : The Chief Commissioner is responsible under the Government of India for arriving at decisions on technical questions and he is solely responsible for advising the Government of India in matters of Railway policy. Considering the enormous stake which the Government of India have in the Railways and the financial relations which exist between the Government and the railways we think it essential that there should be an officer of the Government of India to protect the interests of the-State, to consider schemes for development and to sanction capital expenditure. We consider it very important however, that his functions should be closely and clearly defined. The Agents, as they are now called, should, in our opinion, become general managers, should be made responsible for the administration, working and the financial results of their railways and should be free to conduct their undertakings on a commercial basis. The Chief Commissioner and his organisation should hold inquiries on the increase of serious accidents in the same way as the Board of Trade does in Great Britain. They should see that the lives of the public are fully safeguarded, that the proposed capital expenditure is fully justified as a commercial proposition before being sanctioned, that the construction of works and rolling stock conforms to recognised standards and that rates and fares are fixed at a level necessary to ensure that with economic working an adequate return is obtained on the large capital invested by the State in railways. The receipts and working expenses of railways amount together to more than Rs. 150 crores per annum and the magnitude of the financial interests of the State involved in these transactions makes it in our opinion essential that an experienced financial adviser should be associated with the Chief Commissioner. It is clear that such association is urgently required in order to ensure that financial considerations are given their due weight in the exercise by the Chief Commissioner of his proper functions.

There are also many other technical matters, such as the financial provision to be made for renewal of permanent way, bridges, rolling stock, etc., and the incidence of expenditure as between capital and revenue which can best be dealt with by a financial expert. We consider that each railway should compile and forward monthly statistical and financial returns showing its working results. These results should be summarised and scrutinised in the Chief Commissioner's office and in this way the working of all the railways in India would be focussed for the information of the member of the Council in charge of the railways The Chief Commissioner and the Financial Adviser should confer and the summarised results should be communicated to the general manager, which is not now done. So that each manager will be able to compare the results of his working with that of other railways. In this way by working in close touch with managers, the hon'ble member in charge of the railways and the Chief Commissioner should be in a position, while safeguarding the interests of the State to indicate directions in which improvement in working might be effected from the point of view of economy or public convenience. This was the procedure intended when the Railway Board was formed in 1908, as set out in the following statement. The conception of the Railway Board is not new. It was advocated and considered on various occasions for many years past. Its central idea is that there should be a body of practical business men entrusted with full authority to manage the railways of India on commercial principles and freed from all non-essential restrictions or needlessly inelastic rules. There are two distinct classes of duties with which the new author*

ity will have to deal. The first is deliberative and includes the preparation of the railway programme and greater questions of railway policy and finance affecting all lines. The ultimate decision on such questions must of necessity rest with the Government of India The second class of duties is administrative and includes such matters as the construction of new lines by State agency, the carrying out of new works on open lines, improvement^ railway management with regard both to economy and public, convenience, arrangements for through traffic and the settlement of disputes between railways. The conception of the functions of the Railway Board fell into disuse and detailed control of the railways passed into the hands of a board stationed at Calcutta and Simla and latterly at Delhi and Simla and the agents found themselves more or less paralysed as stated in the Acworth Committee's report. Many references on trivial questions have to be referred by the agents of railways to Delhi involving a great amount of correspondence and delay.

We are told that in almost every case the result is approval of the agent's proposals. We agree that this excessive centralisation is wrong. The general manager of a great railway should not have to refer minor matters connected with the working of his railway to a centralised headquarters in Delhi or Simla but should be empowered to give decisions and be free to attend to the working of his line. His management should be judged by results and if it is unsuccessful, apart from fortuitous circumstances over which he has had no control, he should be relieved of his duties. We think the question of the salaries of general managers might, with advantage be considered. They are paid very much less than general managers of railways in Great Britain and it is most important that the very best type of man should be secured by giving him adequate remuneration. It might be objected that in this way the general manager of a railway would possibly be more highly paid than the commissioner or chairman of the railway Board, but the general managers of railways in England are much more highly paid than the chairman of the boards of directors and there is no reason why the same system should not be adopted in India. At present certain restrictions are placed on the salaries of managers of railways in India by laying it down that they must not receive more than certain other highly placed officials, but in commercial undertakings, such as railways, we are satisfied this is a mistake and the rule should be abrogated. We are convinced that in a country like India with her vast territory and differing peoples and circumstances it is an impossibility to control details of all the railways from Delhi or Simla as at present. Decentralisation is in our opinion essential if the railways in India are to be developed on economic lines. It is generally agreed that large economies could be effected by grouping the railways on the lines recently adopted in Great Britain and we recommend that the preparation of a scheme be taken up forthwith. We consider the existing Bystems could well be amalgamated into any five groups, but although certain lines would appear to fall naturally into the same group, some time and study may be necessary to evolve the most suitable and economical scheme. We have discussed this report with the Chief Commissioner of Railways, who accepts the conclusion of the committee that in the present circumstances reductions in the railway budget are unavoidable. Naturally he may think it convenient in working up to them to make certain alterations in the method of arriving at them and this we quite realise. He is in general agreement with many of our recommendations, although he must give careful

consideration to the means of effecting them. The Chief Commissioner was good enough to say that he considers that report extremely valuable.

The Committee have in their report under the head General Administration, referring to the expenditure on the Governor-General's staff, stated that His Excellency the Viceroy has informed us that in view of the present financial situation he has given instructions to reduce the estimate for his bodyguard by Rs. 40,000 and for his band by Rs. 42,000 thus saving Rs. 82,000 compared with the budget grants for 1922-23.

The Committee recommend reductions under every department of the Government of India and propose a re-allocation of the business consisting of the present five heads Education and Health, Revenue and Agriculture, Commerce, Industries, and Public Works. These five departments now cost in all about Rs. 24,68,900 and by a re-allocation their activities would be compressed into two departments, Commerce and General, both costing Rs. 13,00,000 thus making a saving of about Rs. 11,50,000.

As regards the members of the Executive Council Sir Rajendranath Mukerjee suggests that the Indian members of the Executive Council might, as recommended by the Bengal Retrenchment Committee receive one-third less salary than their European colleagues as the latter have greater expenses to meet, being away from their home.

On the subject of expenditure in England the Committee recommend reductions both in the expenses of the India Office and the High Commissioner's Office. The Committee observes :—We recommend that the question of expediting the transfer to the High Commissioner of the remaining agency subjects still administered by the India Office be considered with a view to effecting such transfer if practicable, before the termination of the present settlement with the Treasury. Under Section 19-A of the Government of India Act the Secretary of State in Council has power to regulate and restrict the excercise of the powers of superintendence, direction and control, vested in the Secretary of State and the Secertary of State-in-Council. We recommend that the Secretary of State-in-Council and the Government of India should examine whether any minor references which have now to be made to the Secretary of State in Council cannot be dispensed with, so as to reduce the work both in England and in India. On the question of the purchase of stores the Committee, while recommending the High Commissioner thoroughly to review the position to expedite compliance with indents, also strongly deprecates the fact that indentors frequently tie the hands of the High Commissioner by asking him to get stores from particular manufacturers, thus inevitably paying a higher price than would otherwise be the case. The High Commissioner has quoted instances in which large sums of money have been lost, both to the central and provincial Governments, by the restriction to one source of supply. The Committee recommend that strict orders be passed prohibiting such restriction and also preventing private communications between indentors and suppliers without the knowledge of the High Commissioner. The post of Indian Trade Commissioner in London is to be abolished, because with the creation of the High Commissioner the duties of the Trade Commissioner could more economically be carried out by the High Commissioner.

The Hon'ble Mr. Purshotamdas Thakurdas has added supplementary notes to the Committee's report. They are in respect of the India Office, the Ecclesiastical department, the Indo-European Telegraph department and the Post and Telegraph departments. The note relating to the India Office is very exhaustive and covers six pages. The Committee after going into the matter have recommended that the grant-in-aid from the Treasury, to the cost of the India Office be reviewed and the net cost of that Office be reduced by £48,700 under the head general administration, and by £2,700 under stationery and printing. Mr. Purshotamdas in his note reviews the constitutional position of the India Office expenditure since the reforms and says the expenditure of the India Office not debitable to the British Treasury is a charge on the Government of India. Being still subject to the superintendence, direction and control of the Secretary of State for India the Government of India can hardly be expected to have any effective control over the expenditure of the India Office although such work may be for work of an agency nature. If the British Treasury have to bear every year a definite proportion of actual expenditure of the India Office they would control the expenditure of the India Office and the Government of India would share the benefit of such control. As long as any agency work is left with the India Office the division of expense between the Indian Exchequer and the British Treasury would necessarily entail the effective voice of the British Treasury in the expenditure of each department, but the interest of the British Treasury in the economical working of the India Office practically ceases with the fixing of the grant-in-aid payable by them for a number of years. Thus the India Office are left without any controlling authority at all. The main principle accepted by the British Treasury and Parliament would warrant no charge for the India Office in London being debited to the Government of India as soon as all the agency work performed by the India Office before 1919 is transferred to the High Commissioner. Not only has all the work of an agency nature not still been transferred but the information submitted to the committee compels me, says Mr. Purshotamdas to conclude that the India Office is not likely to complete the transfer for a considerable time to come. The India Office Mr. Purshotamdas complains, have not given to the Committee any of the reasons that necessitated the delay in transferring the work of recruitment of 29 subjects to the High Commissioner up till now and hopes that they would easily complete it by the 1st March at the latest. Proceeding he says the afermath of the war and certain questions under discussion in connection with the war accounts between the India Office and the War Office,, when settled are expected to result in the reduction of the staff paid for by India to a certain extent, but the India Office say that some of the increased charges since 1914 threaten to be permanent on India as a result of fresh work and fresh problems connected with the establishment of a new normality in the financial, economic and administrative world. The India Office have not specified definitely the fresh work and fresh problems connected with the establishment of a new normality since the war. If the fresh work entailed is of the nature of agency work it would be looked after by the High Commissioner under the instructions of the Government of India. If as is more likely the fresh work is of a political nature it would form a normal part of the work of imperial administration and as such it should be a charge on the British Exchequer as correotly contemplated by the Parliamentary Committee. In either case it is difficult to see how the cost of

the India Office to India should increase for such work. In conclusion Mr. Purshotamdas says: I see no reason why the pay and pension due by the Government of India should not be paid by the Imperial Bank of India or failing it, by the High Commissioner on behalf of the Government of India. A single control of agency work by servants of the Government of India acting under the Government of India's orders and responsible to them can alone conduce to the maximum economy and not a duplication of work in London as it happens to go on at present. These changes should be brought about forthwith and then the India Office should! cost nothing to the Indian Exchequer since the India Office would then be left with only the political work which has been approved as a fair charge on the British revenues.

The recommendations for reduction under General Administration are summarised thus:—

(1) The Railway department and Posts and Telegraph department be grouped in a single portfolio ; that the activities of certain departments be curtailed, and the remaining subjects dealt with by them be concentrated in two departments, namely, the Commerce department and the General department, the total cost of the Secretariat being restricted to Rs. 53,55,000 a saving of Rs. 14,08,000.

(2) The appointment of Inspector General of Irrigation be abolished, and the functions of the Central Intelligence Bureau curtailed, and a saving of Rs. 3,95,000 effected in the cost of attached offices.

(3) Reduction of Rs. 40,500 be made in the expenditure in minor administrations.

(4) The grant-in-aid from the Treasury to the cost of the India Office be reviewed and the net cost of that office be reduced by £48,700 under the head ' General Administration ' and by £2,700 under Stationery and Printing.

(5) The arrangement for the purchase of stores by the High Commissioner be reviewed.

(6) The net cost of the High Commissioner's office be reduced by £52,000 under General Administration, and by £2,000 under Stationery and Printing.

(7) The budget estimate for 1923-24 for General Administration be limited to Rs. 1,48,68,000 a reduction of Rs. 49,89,000 (including £109,000 or Rs. 16,35,000 transferred to the head Interest). This will give a net saving to the country of Rs. 33,54,000.

The Committee next deals with political expenditure. The Committee recommends that when conditions in Waziristan have settled down either the Resident in Waziristan or the Political Agent for Wana be abolished, thus keeping only one agent. On the question of the regular forces on the Frontier, such as scouts, tribal levies, district levies and khassadars, the Committee recom mend that no further increase be made in the strength of the forces, and that the existing establishment be reviewed as soon as the position on the Frontier is established with a view to effecting progressive reductions in the cost of Frontier defence.

On the question of the administration of Aden the Committee does not consider that India's share in the military expenditure for the Aden garrison is in strict accordance with the Welby Report and recommends for examination and adoption the view suggested to the Committee that as a possible solution of the Aden question, the Aden settlement town and port should remain part of India, all civil and military administration resting with the officers of the Indian Government; but that Ad(n Protectorate and the political arrangements should be taken over by the British Government which could obtain on payment from India such Indian troops as were necessary for the purpose.

The Committee feels impressed with the heavy liabilities imposed on India during the war in respect of expenditure in Persia, and strongly recommends that the present arrangement be revised without delay and that India's liabilities in Persia be strictly defined and limited. Other recommendations under the head of Political are :—

(1) If the groups of states and estates in the Bombay Presidency remain with the local Government it be considered whether the charges cannot be transferred to provincial revenues or in the alternative, whether the bulk of the states and estates cannot be grouped under a single Agent to the Governor-General and the expenditure reduced to pre-war level.

(2) The charges for political expenditure in Burma be provincialised.

(3) Political expenditure for 1923-24 be limited to Rs. 2,47,44,000, a saving of Rs. 45,70,000.

Under Ecclesiastical expenditure the Committee recommends a cut of two lakhs.

Mr. Purshotamdas in his supplementary note says that it is capable of further reduction. At the outset he refers to the 60 years public criticism of the policy underlying this expenditure both from the point of view of finance and other points of view, such as disparity of treatment, giving the lion's share of State assistance to one church or the alleged inequity of taxing the Muslim and the Hindu communities to support the Christian religion. Proceeding, he says : I understand that in hardly any Dominion or Crown Colony is a system such as the Indian system is in force. The conditions prevailing at present in India are substantially different from those prevailing in India in 1846 or 1883. In 1846 practically all Europeans in India came as servants of the East India Company. Since then and ever since 1883 the number of European Christians in India has materially increased on the side of the non-official population. I do not believe that they are not capable of paying for their religious ministrations. There is no reason why European Christians who I understand pay to a large extent for their own religious ministration in all European countries and in the Dominions and the Crown Colonies of the British Empire should feel hurt by being asked to spend for their own religious ministrations in India as indeed the rest of the population of India, Hindus, Mohammedans, Parsees and Jews, etc., have been doing. The foregoing considerations lead to the conclusion that no State aid is in principle necessary in India for the religious ministrations of any community although the policy and custom followed till now may warrant the exception of British troops and of European Christian servants of the Crown. On this principle the existing expenditure of the Govern.

ment of India under the head 'Ecclesiastical' is capable of further substantial reduction than that recommended by my colleagues. The number of chaplains should be steadily reduoed by not filling up vacancies as they occur till the minimum necessary for purely military stations at which British troops are placed in sufficiently large number is attained. Concluding the note Mr. Purshotamdas records his opinion that expenditure on religious teachers for Indian troops is unr?cessary except on the Frontier or outside India. The parallel of regimental Chaplains attached to British troops in England or of chaplains for British troops in India need not be followed in regard to Indian troops in peace time since neither tradition and practice till now nor the finances of the Government of India want such an innovation at this stage.

Under other heads the Committee criticises the manner in which the forests service has been run and recommends that:— (1) control of the Forest department be vested in a manager with commercial experience in the timber industry ; (2) the accounts of the department be placed on a commercial basis ; (3) the estimates for 1923-24 be limited to Rs. 45,55,000, a saving of Rs. 6,90,000.

The Committee draws pointed attention to the position regarding interest and sinking funds. The total unproductive debt of India is 17,38,65,000. The sinking fund includes—*(a)* an annual provision of 500,000 in respect of the portion of the British Government war loan taken over by India in connection with her contribution to the War ; and *(b)* Rs. 154 lakhs for the two 5 per cent, long term loans floated in India in 1917 and 1919. When these loans were raised an undertaking was given by the Government that, in order to keep up their price in the market, an amount equivalent to 1½ per cent, of the original issue of the loans would be set apart every year for the purchase and cancellation of securities belonging to the loans. It was found that this depreciation fund had no appreciable effect in keeping up the price, and it was decided in March, 1920 to supplement by a further appropriation of Rs. 80 lakhs a year to be devoted to the same purpose. We recommend that the purchase for the sinking funds be made periodically by open tender. The large increase in the interest payable on unproductive debt is due to two main causes (1) the £100,000,000 contribution made by India towards the cost of the War ; and (2) the series of deficits from the year 1918-19 onwards amounting including the estimated deficit in the current year to over Rs. 100 crores.

The report continues : We deal further with this question in our general conclusions, but it is apparent that the heavy increase in the dead weight charges for unproductive debt must form a great burden on the tax-payer. Wo have already observed in our report on railway expenditure that further capital outlay, on the huge scale contemplated, on railways that are being worked at a serious loss to the State can only be justified if it can be satisfactorily shown that the net earnings of the railways to which it is applied will be increased sufficiently to cover the additional interest charge.

On the question of exchange the Committee observes. We consider that the best course would be to show all English expenditure in sterling both in the estimates and in the accounts. The rupee equivalents would be shown in parallel columns, and the sterling payments should be converted in Budget estimates at the assumed rate of exchange and in the accounts prepared at the end of the year,

at the actual or average rate prevailing the year. If this course were followed, the separate entry under the exchange head would disappear from future estimates and accounts and the estimated and actual expenditure in rupees would be shown in both. It has been represented to us that the present method of compiling the accounts is somewhat confusing, and if the procedure which we suggest were adopted, the budget and the final accounts would be better understood.

On the subject of new Delhi the Committee refrains from making any observation because, in the words of the Hailey Committee, the project could neither now be abandoned nor materially altered in the present state of the country's finances but the Committee takes strong exception to the estimated cost of the new railway station in connection with the capital scheme. The estimated cost of the new station, as at present contemplated, together with consequential expenditure amounts to Rs. 1,44,00,000. If this sum is added to the capital cost of the Agra-Delhi Chord Railway, it will entail a serious loss on the working of that line ; as far as we can judge there is little prospect of much additional revenue accruing from the new construction. We ascertained that land has been purchased for the construction of a much larger station than is now proposed, the total ultimate cost being estimated at about Rs. 2 crores. We are of opinion that there is no financial justification for the construction of the new station, and we recommend that the present scheme be again reviewed with the object of curtailing the expenditure as far as practicable. For example, we are informed that the estimated cost of the proposed station buildings amounts to Rs. 26,00,000. We consider that expenditure on this scale is extravagant, and that a less expensive station could be constructed which would meet the probable traffic requirements for many years to come and at the, flame time be capable of being enlarged, if and when traffic develops on a larger scale,

Concluding the committee makes the following observations :—

The budget of the Government of India for 1922-23 as finally passed left unbridged a revenue deficit of Rs. 9,16,28,000. This was the fifth of a succession of deficits amounting in the aggregate to about Rs. 100 crores and it is now apparent that the current year's deficit will work out at a figure considerably higher than the budget estimate. The causes of these deficits are well known and it is unnecessary to state them but it is clear that the country cannot afford the heavy charge involved by further huge additions to the unproductive debt and that if India is to remain solvent immediate steps must be taken to balance her budget. The problem does not end here. Under the existing settlement annual contributions to the extent of Rs. 983 lakhs are (subject to a temporary remission of Rs. 63 lakhs in the case of Bengal) payable by the provinces to the Central Government. It is contemplated that these contributions should be progressively reduced and the matter is being continually pressed by the provinces which are also suffering from acute financial difficulties by their Legislatures and by the press. Since 1913-14 new taxation estimated to yield Rs. 49 .crores anually has been imposed and the extent to which it is possible to impose further burdens on the tax-payer is now very limited. While therefore, it is evident that an improvement of something like Rs. 20 crores will have to be obtained in order to make the position secure it is no less evident that the, main source of relief must be looked for in the retrenchment of expenditure.

We recognise that it will not be possible to secure in the ensuing year the complete reductions proposed, as under the rules notice must be given to surplus establishments. Large reorganisations cannot be effected immediately, and large terminal payments will be necessary. In some cases it will also be necessary to make provision for increments to establishments on time-scale salaries. We recognise also as stated in paragraph 3 of our general conclusions on the military services, that some of the reductions proposed represent reductions in stocks of stores and are therefore non-recurring. Even allowing for these factors, however, we believe that our recommendations, if carried out, will go far towards solving the problem of restoring India's finances to a secure basis.

INDEX

PAGE.

A

Abdur Razak, Haji . . . 31, 30
Abdul Majid, Eifendi . . . 28
Abdullai Mahsuds . . . 35, 38
Abdur Rahman, Amir . . . 34, 45
Abdur Rahman Khel . . . 36
Achilles 24
Act(s)—
  Banana Industry Preservation . 9
  Bihar and Orissa Municipal . 61
  Bihar and Orissa Village Administration 61, 71
  Bounties 8
  Central Provinces Local Self Government 72
  Children's, Bengal . . . 83
  Children's, Madras . . . 83
  Criminal Law Amendment . 267
  Devolution 67
  Electoral 10
  Government of India . 52, 53, 254, 284, 293, 297
  Imperial Bank of India . 118, 119
  Indian Explosives . . . 136
  Indian Factories . 136, 207, 210
  Indian Emigration . , . 16
  Indian Mines . . . 100, 136
  Indian Petroleum . . . 136
  Indian Wireless Telegraphy (Shipping) 189
  Immigration and Reclaimed Lands 91
  New Zealand Immigration Restriction (Amendment) . 9
  Oudh Tenancy . . . 203
  Press . 261, 265, 272, 284, 296
  Punjab District Boards . . 61
  Rowlatt 273
  Seditious Meetings . . 267, 278
  United Provinces Municipalities 60
  Workmen's Compensation . 208
Acworth, Sir William . . 181, 183
Ac worth Committee . . . 183
  Report of . 181, 182, 183, 184, 185
Adrianople 270
Adult Education . . 246, 247, 248
Advisory Committees . . 283
Afghan Frontier 46
Afghan Government . . 30, 31, 39
Afghan Governor of Southern Provinces 34

PAGE.

Afghan Minister at the Court of St. James 30
Afghan Officials 38
Afghan Students 29
Afghan War of 1919 . 35, 38, 39, 41
Afghanistan . 27, 29, 30, 31, 32, 33, 34, 38, 44, 45, 46, 50
  Amir of. 23, 28
  Invasion of India by . . 107
  Treaty between Great Britain and. 29
Afghans 23
Afiume-Kara-Hissar . . 25, 26
Africa, South-West . . . 11
Africans 8
Afridis 33, 34
Agra 89, 166, 298
Agricultural Associations . 162, 163
Agricultural Departments . 150, 151, 152, 153, 154, 155, 156, 157, 158, 160, 161, 162, 163, 211
  Demonstrations by . . 162, 163
  Central and Provincial . . 149
  work of, ... 149
Agricultural Engineer . . 158, 159
Agriculture 148, 149
Agriculture, Deputy Director of . 156
Ahmed Zai 36
Ahmedabad 144
Aiyer, Sir Sivaswami . . 43, 135
Ajmal Khan, Hakim . . 288, 290
Ajmer-Merwara, Territorials in . 60
Akali activities 92
Akali Jathas . . 274, 282, 283
Akali Sikhs 79
AU Brothers . . 94, 262, 263, 266
Aligarh University . . . 239
Aligarh Muslim University . . 249
Alipore, Government Test House at 138
All-India Congress Committee 266, 271, 288
All-India Industrial Welfare Conference 205
All-India Maternity and Children's Welfare League . . . 221
Allahabad . . 50, 88, 89, 288
Allahabad Co-operative Exhibition 215
Allied powers . . 24, 25, 26, 27
  Foreign Ministers of . . . 26
Allies. 286
  and Turkey 27
Amanullah, His Majesty the Amir . 29

PAGE.

America . 27, 50, 57, 107,121-28, 196 199, 217
American Cotton . . . 152
Amir of Afghanistan . 28, 29, 30
Amir of Bokhara 22
Anarchy 81
Anatolia 26
Angora . . . 24, 27, 28, 30
National Government of . 24, 25, 26, 28, 29
Ansari, Dr. 289
Armenia 22
Army, Indianization of 48, 49, 294, 296
See also British Army ; Indian Army
Arts and Crafts Depot, Lahore . 146
Arya Samaj 298
Asia Minor 26
Asiatic Enquiry Commission . 6
Asiatics 2, 8
Assam . 59, 163, 227, 240, 241, 263
Legislation in . . . 87
Review of Local Self-Government in. 72, 73
Assam Bengal Railway . . 188
Association(s)—
Imperial Indian ctizenship of Bombay 6
Indian Research Fund . . 220
Liberal. 225
National, for supplying Female aid to the women of India . 221
Transvaal British Indian . 6
Young Men's Christian 229, 247
Young Women's Christian . 249
Attock District Board . . . 57
Australia . . 8, 12, 122, 127, 190
Commonwealth of . . . 11
Australia, South 9
Australia, Western . . . 9
Austria-Hungary 129
Aviation. 190
Azerbaijan 22

B

Bacteriological Laboratory, Muktesar 161
Bajpai, Mr. G. S. . . . 8
Baluchistan . 31, 38, 39, 40, 46, 156, 192
Banana Industry Preservation Act . 9
Bank of Bengal 118
Bank of Bombay . . . 118
Bank of Madras 118
Banking, Indian 118
Bankura. 192
Bannu 41
Bara Banki 167
Bardoli . . . 268, 270, 276
Bardoli Resolutions . . 270, 271

PAGE.

Bardoli Taluk 266
Baroda . . 148, 159, 163, 212
Barrari Tangi 37
Besant, Mrs., Conference of . 296, 297
Belgium . . . 122, 126, 129
Benares 50
Benares Hindu University . 96
Bengal . . 59, 62, 66, 86, 153, 154, 159, 161, 206, 209, 239, 240, 241, 263, 277, 287
Co-operation in . . 216, 217
Government of . . . 209
Fisheries in 175
Floods in . . . 192,193
Local Self-Government in . . 61
Review of Local Self-Government in 70, 71
Bengal Children's Act . . . 83
Bengal Contribution . . 104, 105
Bengal Industries Department . 145
Bengal Nagpur Railway . 180, 186
Bengal Provincial Co-operative Federation 216
Bengal Relief Committee . . 193
Bengal Social Service League . 227
Berar. 140, 277
Berlin. 30
Bhagini Samaj 227
Bhamo. 20
Bhawalpore . . . 168, 169
Bhopal 212
Bihar 63, 154
Bihar and Orissa . 59, 87, 149, 155, 157, 161, 162, 206, 209, 227, 240, 241
Compulsory Primary Education Bill 225
Co-operation in . . 215, 216
Industries Department . 146, 147
Legislation in 87
Local Self-Government in . . 61
Municipal Act 61
Review of Local Self-Government in. 71, 72
Village Administration Bill . 60
Village Administration Act . 61,71
Bikaner 168, 169
Bill(s)—
Bihar and Orissa Compulsory Primary Education . . 225
Bihar and Orissa Village Administration 60
Calcutta Municipal . . . 61
Civil Marriage 99
Finance . . . 294, 295
Indian States (Protection against Disaffection) . . 98, 284
Mines 207,210
Police Incitement to Disaffection 98
Princes' Protection . . 98, 284

PAGE.

Bill(s)—*contd.*
Racial Distinctions . . . 99
Sikh Gurdwaras and Shrines . 93
United Provinces District Boards 60
Workmen's Compensation . 207, 208
Birla, Mr. G. D. . . . 130, 131
Black Sea 26
Blackett, Sir Basil . 106, 114, 115
Board of Inland Revenues . . 36
Boards for Secondary and Intermediate Education . . . 238
Boards of Trade 139
Bogra 192
Bokhara, Amir of . . . 22
Bokhara, Eastern . . . 23
Bolshevik influence . . . 20
Bolshevik intrigue . . .28, 29
Bolshevik officials . . . 22
Bolsheviks . . . 23, 24, 28, 29
Bolshevism . . 22, 291
and Islam 23
Bombay . 12, 50, 58, 62, 63, 84, 86, 112, 153, 156, 157, 158, 159, 161, 163, 189, 190, 200, 206, 209, 227, 236, 241, 263, 266, 298
Central Co-operative Institute . 213
Condition of masses in . 197, 198
Co-operation in . . 212, 213
Financial representatives of . 105
Fisheries in 176
Imperial Indian Citizenship Association 6
Legislation in 87
Reclamation of Back Bay in . 63
Review of Local Self-Government in 69
Salt from 141
School of Tropical Medicine . 220
Bombay, Baroda and Central India Railway 186
Bombay Central Co-operative Institute 213
Bombay Development Directorate 144
Bombay Improvement Trust 63, 205
Bombay Industries Department 144, 145
Bombay Labour Office . . . 195
Bombay Municipal Corporation . 18
Bombay Police 73
Bombay Presidency . 58, 152, 195, 196, 198, 213
Bombay Social Service League . 227
Bombay University . . . 239
Border, The, in 1922 . . .32, 33
Border Policy—
Government's decision on . 45, 46
Public interest in . . . 44, 45
Border Tribes 263
Bosphorus 26
Bouillon, M. Franklin . . . 26

PAGE.

Bounties Acts 8
Bray, Mr. Denys 45, 46
Brigandage 80
Britain and Afghanistan . . 30, 31
British Army, recommendation of the Retrenchment Committee . 111
British Citizen 7
British Civil Services . . 280,281
British Columbia 10
British Commonwealth 1, 2, 3, 4, 12, 19
position of India in 1
British Connection . . . 257
British Empire . 4, 11, 12, 14, 15, 18, 171,292
and Russia 24
British Empire Exhibition, 1924 141, 142
Advisory Committees . . 142
Commissioner for India . . 142
British Government . . 3, 189
British Guiana 17
British Exchequer . . . 102
British Industries Fair, 1922 . 141
British Minister at the Court of Kabul 30
British Navy, East Indies Squadron of 19
British Parliament . . . 53
British possessions 127
British rule . . . 56, 254
British Universities . . 276, 279
Budget, 1922-23 . . . 96, 108
Budget, 1923-24 . . . 114-117
Bundelkhand 165
Burdwan 192
Burhampur 147
Burma . 105, 123, 141, 155, 159, 163, 190, 194, 227, 239, 240, 265
Legislation in 87
Burma, Military Police . . . 73
Burma Police 73
Burmese Princes, exiled . . 20
Butler, H. E. Sir Harcourt . . 146

C

Calcutta . 50, 58, 63, 175, 189, 190, 266
Legislation in 87
Occurrence in Presidency Jail . 86
Calcutta Improvement Trust . .63,206
Calcutta Municipal Bill . . 61
Calcutta Port Trust 182
Calcutta Soap Works, Ltd. . . 127
Calcutta University . . . 239
Vice-chancellor of . . . 243
Calcutta University Commission . 237, 238, 239, 248
Calicut 144
California 156

PAGE.
Canada . . . 8, 10, 123, 125
Prime Minister of . . . 10
Canal project 109
Cape Province 5
Oarnatic 213
Cattle 159, 100
Cattle diseases . . . 160, 161
Catto, Sir Thomas . . . 109
Cawnpore— .
Leather Working School . . 146
Technological Institute . . 146
Cecil Rhodes' policy . . . 5
Central Asia . .21, 22, 23, 24, 29
Islamic renaissance in . 21, 22
Central Co-operative Institute, Bombay 213
Central Government . . . 55
Central India . . 78, 79, 231
Central India Agency . . . 140
Central Legislature 55, 78, 260, 272, 280, 295
Budget Session 1922 . . . 93, 94
Delhi Session . . .293,294,295
Finance 95
Indianization of services . . 95, 96
Legislation by . . 96, 97, 98, 99
Political Resolutions in . . 94, 95
Simla Session . . .97, 283, 284
Working of . 93, 94, 95, 96, 97, 98, 99
Central Provinces. .76, 78, 87, 140, 152, 157, 159, 161, 163, 165, 227, 228, 240, 241, 277
Co-operation in. 217
Industries Department . 147, 148
Legislation in 87
Local Self-Government Act . 72
Review of Local Self-Governmentin 72
Central Provinces and Berar . . 58, 59
Central Research Institute . . 173
Central Subjects 53
Central Wood Working Institute, United Provinces . . . 146
Certification, First exoercise of power of 284
Ceylon • . . . 15, 16, 17, 140
Emigration of unskilled labour to. 15, 16
Chakdara. 33
Chamber of Princes . . . 284
Champa 147
Chauri Chaura 269
Chefang. 20
Chelmsford, Lady . . . 221
Chelmsford, Lord. . 1, 59, 105, 210
Chemical Research Institute . . 137
Chenab. 168
Chief Controller, Indian Stores Department . . . 137, 138
PAGE.
Chief Inspector of Aircraft to the Government of India . . 191
Children's Courts . . . 84
China . . . 20, 126, 230
China, Great Wall of . . . 45
Christian Missionary Societies 223, 229
Chumbi Valley 20
Churchill, the Rt. Hon'ble Winston 12, 13, 14
His Book "East African Journey" 12
Circular, O'Donnell . . . 280
Civic Improvements . . 63, 64
Civil Aviation 136
Civil Disobedience . 264, 267, 279
Civil Disobedience Enquiry Committee . . 64, 287, 288
Report of. 276
Civil Marriage Bill . . . 99
Coal 122
Code, Criminal Procedure . 98, 99, 294
Coffee 155, 156
Coimbatore 151
College(s)—
Government Engineering . 250, 251
Indian Military . . . 265
Colonial Office . . . 4, 14, 15
Colonies 11
Commander-in-Chief, H.E. the 47, 294
Commission(s)—
Asiatic Enquiry . . . 6
Calcutta University . 237, 238, 239, 248
Fiscal. 265
Indian Irrigation . . . 164
Public Services . . 100, 293
Committee(s)—
Ac worth . . . 181, 182, 183
Advisory. 283
Geddes. 109
Inchcape. 294
Inchcape, Report of . . . 191
Jails. 82, 83
Press Law 96
Railway 181, 182
Repressive Laws . . . 96
All-India Congress . 266, 271, 288
Civil Disobedience Enquiry 287, 288
Congress. 291
Congress, to enquire into Moplah rising . . 285, 286
Congress Working . 258, 269, 275, 276
Criminal Procedure Code . . 266
Indian Central Cotton . , 153
Joint Select, of Parliament . 261
Khilafat . . . 258, 277, 278
North-West Frontier Province 43, 44
Provincial Congress . . 271,275
Retrenchment Committee . 61, 109, 110, 113, 137
Sriromani Gurdwara Prabandhak 274,282

PAGE.
Committee(s)—*contd.*
Standing, for finance . . . 261
Standing, for public accounts 261
Standing Emigration . . 16, 17
Whitley 209
Commonwealth of Nations . . 2
Communal Riots 80
Communications . . . 177, 178
Comparative politics . . . 247
Conciliation Boards . . . 209
Conference(s)—
All-India Industrial Welfare . 205
Mrs. Besant's . . . 296, 297
Co-operative 213
Khilafat 263
Lausanne . . . 27, 28, 287
Provincial Finance Members' . 105
Congress, Indian National 225, 256, 268, 270, 289
Leaders 287
Two parties in . . . 291, 292
Volunteers 258
Working Committee . 258, 269, 275, 276
Congress Committee(s) . . . 291
to enquire into Moplah rising 285, 286
Congress organisation . . . 258
Local, Central Provinces . . 277
Connaught, Duke of . . . 260
Constantino, King . . . 25, 27
Constantinople . . 24,25,26,28,270
Constantinople Government . . 26
Contributions, Provincial . 104, 105
Coonoor—
Industrial Institute . . . 144
Pomological Station . . . 156
Co-operation, Results of . 260, 261
Co-operation Exhibition, Allahabad 215
Co-operative Conference . . 213
Co-operative Department . . 162
Co-operative Federation, Bengal Provincial 216
Co-operative movement 211, 212, 213, 214, 215, 216, 217
Co-operative Societies . . . 176
Coorg 155
Cost of living . . . 195,196
Cotton . 120, 121, 123, 124, 126
Cotton growing . . . 152, 153
Cotton Mill Industry . . . 112
Council of State . . 6, 14, 95, 96, 98, 115, 130, 185, 186, 284, 295
Delhi Session, 1923 . . 99, 100, 101
Demands Retrenchment . . 109
on indigenous Mercantile Marine 136
Courts of Enquiry . . 209
Coyajee, Mr. J. C. . . . 130
Criminal Law Amendment Act . 267
Criminal Procedure Code . 98, **99, 294**
Committee on **266**
PAGE.
Criminal Tribes . . 225,**226**
Crop pests 157, 158
Crown 95
Crown Colonies 18
Curzon, Lord 27, 28
his Policy of Separating North-West Frontier Province from the Punjab 43
Customs Revenue . . 103, 107

D

Dacca University . . . 239
Dacoity 78, 79
Dadabhoy, Sir M. B. . . . 130
Daghistan 22
Dalai, Mr. Dadiba . . . 109
Das, Mr. C. R. . 288, 289, 290, 291
Datta Khel 35
Debts 108, 109
Deccan . . .165,192,198,213
Declaration of August 20th, 1917 1, 254 279, 281
Defence, India's, by land . . 20
DeHcits, Causes of . . 107, 108
Dehra Dun—
Prince of Wales' Royal Indian Military College . . . 48
Forest Research Institute . 174, 175
Devolution Act 67
Delhi . . 83, 96,159,190, 271, 272, 275
Sittings of the Retrenchment Committee 110
University . . 96, 238, 239
Department s)—
of Agriculture 247
of Commerce 136
of Co-operative Credit . . 247
of Education 236
of Fisheries . . 175, 176, 177
of Industries 158
of Over-seas Trade, London . 141
of Public Health . . . 247
Deputation to H.E. the Viceroy on retrenchment 110
Dera Ismail Khan . . . 37,41
Dhanbad 137
Dharna, Doctrine of . . . 253
Dir, Nawab of 33
Director-General, Posts and Telegraphs . . . **187**
District Boards, Work of . . 68, 59
Dominion Home Rule . . . 256
Dominion Status . . . 4, 15, **297**
Dominions . 8, 10, 11, 12, 18, **126, 210**
Over-seas 292
Pelf-Governing. . . . 1, 2

PAGE.

Dominions and Colonies—
Admission of Indians to . . 4
Indians in . . . 3, 4
Drink. 227
Drugs . 227, 229, 230, 231, 232, 233
Durand Line 32,47
Duzdap. 40
Dyarchy 5 4
Dyer, General 260
Dynamite glycerine . . . 137

E

East Africa . . . 14, 126
Indians in 94,96
East African Countries . . 13
East and West 2
East Indian Railway . 147, 182, 183, 188, 209, 293
Strike on 9 4
East India Company . . . 103
East Indies Squadron of the British Navy. 19
Eastern Jumna Canal . . . 167
Edmiston, Capt. 37
Education—
Effect of Non-Co-operation on 243, 244
European. . . . 248, 249
Female 248,249
Intermediate 238
Ministers of . . 236,246,250
Muhammadan 249
National 244
Primary 236, 237
Provincialised, Some tendencies in 245,246
Secondary . . . 237,238
Technical . . . 250,251
Educational Council . . . 246
Educational Department . . 236
Educational Expenditure . 240,241
Educational Progress . . 233,234
Egyptian clover 157
Electoral Act 10
Emigration, Powers of Indian Legislature over . . . 16
Emigration Act, Indian . . 16
Empire . 3, 7, 8, 9, 10, 14, 17, 94, 254, 297
Tsarist. 22
Empire Exhibition, *see* British Empire Exhibition.
Engineering, Schools of. . 250,251
England 57, 73, 195, 209, **215, 234,** 235
Investment habit in . . . **119**
Payments to . . . , 102
Enver Pasha 23,24
Eskishahr. 25

PAGE.

Europe . . **56, 107, 193, 199, 217**
European Education . . . **249**
Executive Councillors . . . **53,** 64
Exhibitions—
British Empire . . **141, 142**
Industrial **141**
Explosives Act, Indian . . 136
Export trade . . . **107, 108**
Exports . . . **123, 124, 125**

F

Factories Act . . . **136,210**
Federated Malay States . . 15, 16
Female education. . . 248, **249**
Ferghana 2 3
Fiji. 17
Finance Bill . .115, 116, 294, 295
Finance Department . . 136, **181**
Finance Member . 105, **106, 114, 115**
Finances, Indian . . . 105, **107**
History of the year 1922-23 . 112
General condition of . . . **102**
Finances, Provincial . . . 106
Financial Conference at Simla . 105
Financial contributions . . **105**
Fiscal Commission . **130, 131, 132,** 133, 134, **138,** 265
Fiscal Commission Report . **131, 132**
Criticisms on . . . **132,133**
Government attitude towards . 133
Minute of dissent . . **131,** 132
Fiscal Policy . 130, **133, 134,** 293, 294, 296
Fiscal Problem 247
Fisheries . . 170, 175, **176, 177**
Flour. **125**
Fodder. **157**
Food, Removal of restrictions on . **195**
Food grains **125**
Foodstuffs, Situation regarding . **193,** 194, **195**
Forest Department . . **171, 172**
Forest Engineering . . . **173**
Forest Research Institute, Dehra Dun **174, 175**
Forest Service **173**
Forestation **171**
Forests—
Destruction of **170**
Exploitation of . . **173, 174**
Revenue from **103**
Madras **171,172**
Punjab **172, 173**
United Provinces . . . **172**
France . **26, 27,124,125, 129, 232**
Investment habit in . . . 119
Franklin Bouillon agreement . 26

PAGE.

Frontier—
Indo-Afghan 2 9
North-Eastern 2 0
North-West 21,31
Frontier Constabulary . . 32, 34, 41
Fruit 156
Fund, Tilak Swaraj . . . 2 6 2

G

Gandhi, Mr. . 5,76,81,94,225,229, 257, 261, 262, 267, 268, 269, 270, 271, 272, 275, 276, 277, 278, 285, 287, 289
Activities of 263
and Civil Disobedience . . 264
and the Congress . . 257, 258
and education 244
and Khilafat . . . 253, 254
and Moplah outbreak . 264, 265
and Non Co-operation . 252, 253
and Reformed Constitution . 260
and Swaraj . . . 255, 256
Apotheosis of 256
Arrest of 271, 272
Difficulties of . . . 262, 263
Followers of 2 7 7
Miscalculations of . . 268, 269
Opportunity of . . 254, 255
Programme towards local bodies. 64, 65
Progress o f 262
on social reform . . . 224
Success or failure ? . . 298, 299
Zenith of 266, 267
Gandhism 283, 290
Ganges 160, 167
Ganges canal 1 6 7
Gaya 147, 225
Gaya Congress . . . 289, 290
Geddes Committee . . . 109
General Administration, Recommendations of the Retrenchment Committee on . . . 1 1 1
General Staff 4 5
Geological Survey of India . . 136
Georgia 2 2
German colonies 11
German dye 154
German Engineers . . . 30
Germany . 24, 122, 123, 126, 127, 128, 129
Ghazni 29
Gilgit 1 8 7
Glycerine, *see* Dynamite glycerine
Golden age 289
Gorakhpur 186
Gour, Dr. H. S. 99
Government Central Press, Calcutta 139
Government Engineering Colleges 250, 251

PAGE.

Government of India—
Efforts at retrenchment 110, 113, 114
Departments of, regrouping of subjects dealt with in . . 136
Government of India Act . 52, 53, 254, 284, 293, 297
Government's policy towards non-co-operation . . . 258, 259
Governor 5 3
Govern or-General. . 55, 94, 95, 97
Governor-General in Council . . 16, 52
Governor-General's Council . . 297
Great Britain . 2, 3, 19, 24, 26, 27, 28, 30, 138, 144, 210, 296
Great Britain and India . . 130
Great Indian Peninsula Railway . 183, 186, 293
Great Powers 2 6
Great Queen, The . . . 260
Great War . . .19, 20, 21, 35, 47
Greece 25, 26
Royalist party in . . . 25
Greek Army 225
Greek Fleet 26
Greek High Commissioner in Smyrna 2 6
Greeks . . . 24, 25, 26, 2 7
Gudem Hills 8 0
Guiana, British 17
Gujarat 213,227
Guru-ka-Bagh . . 79, 92, 97, 282
Gwalior 148
Agricultural Department of 159, 163
Gyantse 2 0

H

Hague Convention . . 232, 233
Hailey, Sir Malcolm . . . 2 9 4
Hardinge, Lord 5 2
Hardware 1 2 2
Harrington, General . . . 2 7
Hedjaz 2 8
Helmand 31, 39
Hesla Chandil Railway . . 1 8 0
Hides and skins 1 2 4
High Commissioners—
for Dominions 102
for India . . 102,111,142
for Smyrna, Greek . . , 26
Himalayas 20
Hindley, Mr. C. D. M. . . . 182
Hindustan 21, 170
His Majesty's Government . 1, 3, 4, 15, 98, 138, 261, 270, 280, 297
Holberton, Sir E 130
Holy Places 270

PAGE.

Home charges 103
Home Member . . . 97, 99, 294
Hoshangabad 147
House of Commons . . 1,281
Hyderabad . . . 163, 192, 212

Illiteracy, Problem of . . 234, 235
Imperial Bacteriological Laboratory, Muktesar 161
Imperial Bank of India. . 118,119
Branches of . . . 119, 120
Imperial Bank of India Act . 118, 119
Imperial citizenship . . . 3
Imperial Conferences . 3, 4, 5, 8, 95
Imperial Department of Agriculture, Pusa 149
Imperial Indian Citizenship Association of Bombay . . . 6, 18
Imperial Secretariat . . . 260
Imports . . 120, 121, 122, 123
Inchcape, Lord . . 51, 109, 110
Inchcape Committee . 109, 110, 113, 139, 294
Report of. . . . 191
India—
and the Commonwealth . . 1
Invasion by Afghanistan . . 107
Municipalities and Boards in 58, 59
India Office . . . 110,111
Maintenance charge of . . 102
Indian Army . . .47,48, 188
Indianization of . . . 48, 49
Reduction in 50, 51
Indian Central Cotton Committee . , 153
Indian Civil Service . . . 279
Indian Civil Veterinary Department 161
Indian Explosives Act . . . 136
Indian Factories Act . . 136, 207
Indian Finances . . . 105, 107
General conditions of . . 102
Indian fiscal problem . . 247
Indian Industrial Commission . 135, 137, 143
Indian Industries . 96
Indian Irrigation Commission . 164
Indian Legislature . 14, 16, 18, 47, 55, 181, 184
Powers of, over emigration . 16
Resolution in 97,98
September session . . . 105
See also Central Lgislature.
Indian Mercantile Marine . 134, 135
Committe e on 135
Indian Meteorological Department 191
Indian Military College . . 265
Indian Mines Act . . . 136

PAGI.

Indian National Congress . 225, 256, 268, 270
Indian Navy 19,20
Indian Petroleum Act . . . 136
Indian Railways 96
Indian Research Fund Association. 220
Indian States . 140, 166, 212, 284
Agricultural Engineering in . 159
(Protection against disaffection) Bill 98,284
Opium in 231
Indian State Railways. . . 100
Indian Stores Department . 137, 138
Indian Territorial Force . . 49, 50
Indian Trade Commissioner . 141,142
Indian Wireless Telegraphy (Shiping) Act 189
Indians—
abroad 2, 3, 96
and mandated territories . .11,12
in the Dominions and Colonies . 3, 4
Nautical training of . . . 135
over-seas 292
over-seas and public opinion . 17, 18
India's defence by land. . . 20
India's Naval Defence . . . 18, 19
Indigo growing 154
Indo-Afghan Frontier . . . 29
Indus. 169
Industrial and Chemical Services . 143
Industrial Banks 100
Industrial Commission, Indian 135, 137, 143, 174, 175
Report of 185
Industrial development. . . 136
Industrial exhibitions . . . 141
Industrial Institute at Coonoor . 144
Industries—
And the State . . . 135,136
Co-operation between the central and provincial departments of 142,143
Provincial departments of . 143, 144, 145, 146, 147, 148
Industries and Labour, Activities of the Department of . 136, 137, 138,139
Infantile mortality . . . 221
Innes, The Hon'b'le Mr. C. A. . 134
International Labour . . . 210
International Labour Conference 206, 210
International Labour Office . . 1, 210
International Labour Organization. 210
International Opium Convention . 231
Investment habit in India, England and France 119
Iron and Steel 122
Irrigation . . . 136, 163, 164
Future programme of . . 169
Inspector-General of, . . **167**

PAGE.

Irrigation—*contd.*
Revenue from 103
Triennial review of . . . 163
Under the Reforms . . 165, 166
Irrigation methods . . 164, 165
Irrigation and Reclaimed Lands Act. 9
Islam and Bolshevism . . . 23
Islamio renaissance in Central Asia 21, 22
Italian prospectors . . . 30
Italy 27,124,129

J

Jackson's Hybrid Coffee . . 155
Jagatia 148
Jails. 81, 82
Jails Committee 82, 83
Action on the recommendations of. 83
JalalKhel. 36,37
Jamalpur 186
Jamiat-ul-Ulema 290
Jamnadas Dwarkadas, Mr. 130, 131, 260
Jamshedpur—
Metallurgical Inspectorate . . 138
Tata Iron and Steel Co. . . 209
Jandola. 38,46
Japan . 123, 124, 126, 127, 198,232
Java. 121
Jelalabad. 29
Jhansi. 186
Joint Select Committee (Parliamentary) 104,105,261
Jute 123,126
Jute Growing . . . 153, 154

K

Kabul. 30, 31
Kaira. 144
Kameneff. 24
Kampala, township of . . . 15
Kampala Scheme . . . 15
Kanchrapara 186
Kandahar. 29, 31
Kandahar Province, Governor of . 31
Karachi 189, 190, 263
Karanpura Coalfields . . . 180
Kashmir 163,190
Kelat. 40
Kenya 4,12,13,14
Governor of 14
Indians in . . . 12, 13, 14
Keynes, Prof. J. M. . . . 130
Kba44ar 121,124

PAGE.

Khajui. 36
Khalifa 28
Khalifate, Vatioanization of . 28, 297
Khan of Khiva 22
Khandesh. 212
Kharaghoda 144
Kharagpur 186
Kharots 39
Khassadars . 31,35,36,37,38,46,47
Khewra Salt Mine . . . 141
Khilafat . 28, 257, 264, 266, 270, 271, 276, 288, 290
Punjab and Swaraj . . . 255
Khilafat Committee . 258, 277, 278
Khilafat Conference . . . 263
Khilafat Movement . 253, 254, 261
Khilafat Propaganda . . . 286
Khilafat Raj 264
Khiva, Khan of 22
Khyber. 33,34
King, His Majesty the, Indian and European subjects of. . . 99
King Hussein 28
King's Commissions . . . 47,48
Kisan Sabhas 202
Kistna district 80
Kohat. 41
Korea. 126
Kotkai. 46
Kiimaun 172
Kurnool. 192
Kurram 34
Kurrara Militia 34
Kurram Valley 34

L

Labour—
Industrial . . . 204,205
Legislation . . . 206,207
Welfare work . . . 205,206
Labour Office, Bombay. . . 195
Lao. 125
Ladha. 35,36
Lahore. 190
Lahore Arts and Crafts Depot . 146
Land Revenue **103**
Landi Khana 33
Lausanne Conference . . 27, 28, 287
Law and Order 73
Leafield. 189
League of Nations **1,115,** 210, 232, 233
Leather Trades Institute, Madras . 144
Leather Working Schools, Cawnpore. **146**
Legislative Assembly 6, 8, 12, 14, **16, 43,** 45, 55, 56, 95, 96, 98, 105, 130, 137, **141,**163,181,182,185, 195, 207, 208, **273, 284, 294, 296,** 296

PAGE.

Legislative Assembly—*contd.*
Delhi Session, 1923 . 99, 100, 101
Demands Retrenchment . . 109
Discussion on N.-W. F. Province 43
On indigenous Mercantile Marine 135
On Salt Tax 115
Legislative Councils . 8, 106, 169, 233
Legislature . . . 278, 279,287
Legislature, Central . . 107, 139
September Session . . . 105
Leh 187
Lenin 29
Lhassa 20
Liberal Association . . . 225
Liberal Party . 267, 268, 269, 281, 295
Policy of 257
Lillooah 187
Liquors 123
Lloyd George, Mr. 97, 280, 281, 284, 287
Loans 117,118
Local Bodies and Non-Co-Operation 64,65
Local Self Government . . 56, 57
Experiment in 61, 62
Lord Ripon's Resolution on . 57
New era in 59,60
Review of provincial activities in . 66, 67, 68, 69, 70, 71, 72, 73
London 30,155
India's commitments in . . 102
Loralai 39
Lower Ganges Canal . . . 166
Lucknow . . 89, 186, 278
Central Emporium . . . 145
School of Arts and Crafts . . 145
Technical School . . . 146
Lucknow University . . . 239
Luxury Taxes 107

M

Machinery 121
Madras . 50, 54, 58, 59, 80, 84,86, 154, 155, 156, 157, 158, 162, 165, 166, 169, 189, 223, 227, 241, 263
Condition of masses in . . 197
Co-operation in 214
Department of Industries . 143, 144
Fisheries in 176
Forests in . . . 171, 172
Legislation in 87
Review of Local Self-Government in 69, 70
Statistical branch of the Department of Agriculture . . 197
and Southern Marhatta Railway. 186
Children's Act 83
Contributions 105

PAGE.

Madras—*contd.*
High Court 208
Leather Trades Institute . . 144
Legislative Council . . . 239
Police 73
Presidency . 151, 154, 192,231
Trades School 1*4
University 239
Mahants . . 274, 281, 282,283
Maharashtra . . 277, 278,288
Mahaswa 212
Mahsud country 35,46
Mahsuds . . . 34,35,36,37,46
Malabar . . 81,94,264, 265, 286
Malabar rising 285
Malaya 17
Government of . . . 17
Malkana Rajputs . . . 298
Malta 28
Malwa 231
Mandated territories and Indians . 11, 12
Manpur Parganna . . . 159
Mant, Mr. R A 130
Manzai 46
Marhatta Leaders . . . 277
Marhatta Nationalists . . . 258
Marine—
Indian Mercantile . . 134,135
Royal Indian 19
Martial Law 94
Masses—
Awakening of . . . 202,203
Condition of . .195,196,197,198
Some causes of poverty of . 198, 199 200, 201, 202
Mauritius 17,121
Government of . . . 17
Meerut Leather Working School . 146
Meeting of Prime Ministers and Representatives of United Kingdom, Dominions and India . . 7,8
Mekran 40
Governor of 40
Mercantile Marine, Indian . 134,135
Committee on 135
Mesopotamia 156
Meston Committee . . 103,104
Metallurgical Inspectorate, Jamshedpur 138
Meteorology 136
Mian Gul of Swat. 33
Middle East . . . 21, 22, 32
Midnapore 192
Military Police 20,73
Mill Industry, Cotton . . . 112
Milner, Lord 15
Mineral Oils 123
Mines Act, Indian. . . . 100,136
Mines and Geology School . . 137
Mines Bill 207,210

PAGE.

Mining Rules, Revision of . . 139
Ministers, Indian . . 53, 54, 272, 279
Ministers of Education . 236, 246, 250
Minor Industries 174
Moghal Emperors . . . 170
Mohmands 34
Mohurrum riots . . . 287, 297
Mongmao 20
Montagu, The Right Hon'ble E. S. 1, 272
Resignation of 94
Montagu-Chelmsford Reforms 43, 52, 55, 56, 103, 130, 136, 239, 259, 277, 292
Montagu-Chelmsford Report . . 254
Mookerjee, Sir Rajendra . . 109
Moplah rebellion . . . 264, 286
Moplahs 285
Morley-Minto Reforms . . . 254
Moscow . . . 22, 23, 29, 30
Mosul 27
Motor car 123
Motor cycle 123
Moulmein 189
Mudania 27, 28, 287
Muhammadan Education . . 249
Muktesar Imperial Bacteriological Laboratory 161
Mullagori 34
Multan 67, 297
Multan Riots . . . 80, 92, 297
Municipal franchise in Natal . . 5
Municipalities, Work of . . 58
Municipalities and Boards in India 58, 59
Murray, Sir Alexander . . . 109
Muse 20
Muslim University, Aligarh . . 249
Mussalmans, Unpopularity of Russia with 23, 24
Mustapha Kemal Pasha 24, 25, 28, 286
Muttra 298
Mysore 212
Mysore Agricultural Department . 163

N

Nagpur 225, 292
„ Central Museum . . 147
„ University . . . 239
Nankana Sahib 274
Narottam Morarjee, Mr. . 130, 131
Natal 5, 127
,, Indian Congress . . . 6
„ Political franchise in . . 5
„ Ordinances. . . . 6
„ Rural Dealers' Licensing Ordinance 6
Nation-building Departments . 104
National Association for supplying female medical aid to the women of India 221
National Defence . . . 47, 48
National Education . . . **244**
National Liberal Federation . 292, **293**
National Pact 24
National Volunteers . . **268, 267**
Nationalists **277**
Nauru 11
Nautical College 19
Naval Defence, India's . . 18, 19
Navy, Indian 19, 20
Nawab of Dir 33
Near East 24, 27
Near Eastern imbroglio . . 25
Near Eastern situation . . 97
Nehru, Pandit Molilal 288, 289, 290
Newfoundland 4
New Guinea 11
New Zealand . . 4, 8, 9, 12, 139
New Zealand Government . . 9
New Zealand Immigration Restriction (Amendment) Act . . 9
Non-Brahmin Party in Madras Council 54
Non-co-operation . . . 76
and temperance . . 228, 229
Causes of decline of . 272, 273, 274, 275
Condition of 285
Effect of, on education . 243, 244
Effect of, on Police . . 76
Government's policy towards 258, 259
movement 94
Origin of 252, 253
Results of . . . 261, 262
Non-co-operators and local bodies . 64, 65
North Eastern Frontier . . 20
North llsenwi Shan State . . 20
North-West Frontier . . 21, 31
North-West Frontier Problem . 263
North West Frontier Province 40, 41, 43, 44, 156, 240, 241, 286
Raiding in . . . 41, 42, 43
Review of Local Self-Government in 68, 69
Territorials in 50
North-Western Railway . . 186
Northern India . . . 140, 141
Northern India Salt Revenue Department **140**
Northern Shan States . . . 20
Nyassaland 14

O

O'Donnell Circular . . . 280
O'Dwyer, Sir Michael . . . 260
Oilseeds 124, 125
Opium—
Export of 232
Government Control of . . **230**
Revenue from **103**

PAGE.

Orakzais 34
Orange River Province, Asiatic Immigration in 5
Ordinances, Natal . . . 6
Oudh 167
Oudh Tenancy Act . . . 203
Overseas Trade, Department of, London 141
Oxford 189

P

Panchayat System, Revival of . 62
Paris 26, 27, 30
Parliament 52
Passport Regulations . . . 9
Patents protection . . 139, 140
Pathans 36, 46
Patiala State 193
Patna 50
Peace, Prospects of 28
Peace terms, between Turkey and Allies 21
Peace Treaty 1
Pereira, General 20
Persia 38, 232
Persian border 40
Persian Government . . . 40
Pezu 37
Peshawar . . . 33, 41, 151, 157
Petroleum Act, Indian . . . 136
Piece goods, Indian . . . 124
Police 73, 74
and public . . . 76, 77, 78
Difficulties of . . . 74, 75
Effect of Non-Co-operation on . 76
Popular apathy towards . . 75
Unpleasant duties of . . 79, 80
Military, Burma . . . 73
Incitement to Disaffection Bill . 98
Political Department . . . 32, 96
Political prisoners . . . 85
in the United Provinces, Release of 86
Treatment of 85, 86
Poona Seva Sadan 206, 221, 227, 247, 249
Port Blair 83
Port Trusts 96
Portugal 232
Post Offices . . . 187, 188
Posts and Telegraphs . . . 136
Income during 1922-23 . . 113
Posts and Telegraphs Department 187, 189
Presidency Jail, Calcutta, Occurrence in 86
Press Act . . 261, 265, 272, 284, 296
Press Law Committee . . . 96
Primary Education . . 236, 237
Prime Minister 281

PAGE.

Prince of Wales' Royal Indian Military College, Dehra Dun . . 48
Princes' Protection Bill . . 98, 284
Printing 138, 139
Printing Press (Government), Calcutta 139
Problem of illiteracy . . 234, 235
Proclamations, Royal . . . 281
Protection, Scheme of . . . 130
Provincial Congress Committee 271, 275
Provincial contributions . 104, 105
Provincial Finances . . 104, 106
Provincial Legislative Councils 242, 245, 272
Working of 86, 87, 88, 89, 90, 91, 92, 93
Provincial subjects . . . 53
Public Health Departments, Local. 219
Public opinion and Indians overseas 17, 18
Public Services Commission 100, 293
Public Works 136
Punjab 44, 76, 104, 141, 152, 157, 158, 163, 165, 166, 169, 198, 201, 206, 209, 227, 240, 241, 255, 257, 273, 274, 275, 286, 287, 298
Co-operation in 215
Fisheries in . . . 176, 177
Forests in . . . 172, 173
Local Self-Government in . . 61
Review of Local Self-Government in 67, 68
Riots in 80
Salt from . . . 140, 141
Territorials in 49
Punjab District Boards Act . . 61
Punjab grievance . . . 260
Punjab Industries Department . 146
Punjab Legislative Council . 44, 169
Achievements of . . 91, 92, 93
Punjab situation . . 281, 282, 283
Punjab University . . . 239
Purdah system 226
Purshotamdas Thakurdas, Mr. . 109
Pusa 155, 157, 160
Imperial Department of Agriculture 149
Sugar Bureau 151
Laboratory 154

Q

Queen, the Great . . . 260
Queensland 8, 9
Quetta 39, 156

R

Racial Distinctions . . . 294
in criminal trials . . . 293

PAGE.
Racial Distinctions Bill. . . 99
RaeBareK 167
Rahimtoola, Sir Ibrahim . 130, 131
Raiding in North-West Frontier Province 41, 42, 43
Railway Board 182
Railway Committee . . 181, 182
Railway plant, etc. . . . 122
Railway Services, Indianization of 185, 186
Railway stores . . . 138, 185
Railway Stores Committee . . 138
Railways . . 178, 179, 180, 181
Railways, Central Advisory Council 185
And the Public . . 180, 181
Bengal Nagpur . . 180, 186
East Indian . . 182, 183, 293
Great Indian Peninsula . 183, 293
Income during 1922-23 . . 113
Management of. . . . 294
Overcrowding on . . 183, 184
Recommendations of the Re-trenchment Committee . . 111
Revenue from 103
State *vs.* Company management 182,183
Talchar Coal-fields . . . 180
Third class passengers . 184, 185
Rajgopalachariar, Mr. . . . 289
Rajputana, Salt from . . 140, 141
Rajshahi 192
Ralla Ram, Rai Bahadur . . 193
Rampa Sub-Division . . . 80
Rangachariar, Rao Bahadur T. . 44
Rangoon . 50, 58, 63, 189, 190, 239
Ranjit Singh, Maharaja . . 275
Rates Tribunal 182
Rawlinson, Lord 48
see also Commander-in-Chief.
Raza 80
Razmak . . . 37,38,46,47
Razmak Pass 37
Razmak Road 37
Reading, Lady 221
Scheme for training Indian Nurses and Lady Doctors . 221
Reading, Lord . 110, 262, 267, 281, 284, 295, 296
On balancing the Budget . . 116
Deputation to, regarding Indians in South Africa . . . 6, 7
Deputation to, regarding retrench-ment 110
First exercise of power of certifica-tion 284
Reciprocity Agreement of 1918 . 10
Resolution 3
Reclamation 83, 84
Red International . . . 24
Reformed constitution . 52, 53, 54, 55, 56, 101, 259, 260, 293, 295
PAGE.
Reformed constitution—*contd.*
And Mr. Gandhi . . . 260
Reformed Councils . . . 290
Reforms, Montagu-Chelmsford 2, 52, 53, 101, 103, 105, 106, 130, 136, 272, 279, 281, 297
Achievements of . . 265, 266
Reforms, Morley-Minto . . 254
Reforms Despatch . . . 293
Reforms Scheme 281
Regulations, Passport . . . 9
Released Prisoners' Aid Societies . 84
Report(s)—
Acworth 184
Civil Disobedience Enquiry . 276
Montagu-Chelmsford . . 254
Repressive Legislation . . . 265
Reserved Subjects . . . 53
Resolution, Reciprocity . . 3
Responsible Government . . 1, 2, 3
Retrenchment 109
Retrenchment, deputation to H. E. the Viceroy 110
Retrenchment Committee 51, 109, 110, 113, 137
Report of . . . 110,111,136
Revenue, centralization of . . 103
Reverse Councils 95
Rhodes, Sir C. W. . . . 130
Rhodesia 14
Rice, Situation regarding . . 194
Rice growing—
in Bengal . . . 149, 150
in Burma 149
in Central Provinces . . 149, 150
in Madras Presidency . . 150
Riots, Communal . . . 80
Ripon, Lord . . . 57, 60
Robertson, Sir Benjamin . . 5
Robin Hood 78
Rogers, Sir Leonard . . . 220
Rohilkhand 167
Rome 30
RowlattAct 273
Royal Air Force 36
Royal Commission on Public Ser-vices . . . 100, 293
Royal House 272
Royal Indian Marine . 19, 95, 110
Royal Military College, Sandhurst . 48
Royal Proclamation . . . 281
Royal tour 269, 272
Royal Visit 271
Rubber 155, 156
Rupee loan 117
Russia . 22, 23, 24, 25, 30, 123, 126, 129
Russia, and the British Empire . 24
Russian intrigue 28

PAOB.
Russian Consulates . . . 29
Russian Federation . . . 2 2
Russian Turkistan . . . 2 2
Russian tyranny, reaction against . 23
Russo-Afghan Treaty . . . 29

S

Salt. 140
Salt Revenue Department, Northern India. 140
Salt tax 115,295
Salvation Army 226
Samaldas, Mr. Lalubhai . . 135
Samarth, Mr. N. M. 12, 44, 260, 294
Sambhar, New Salt Works at. . 141
Samoa, Western 11
Samsun 2 6
Sandemann, Sir Robert . 38, 46
Sandhurst. 265
Sandhurst, Royal Military College . 48
Sangroba 3 4
Sanitation . . 217, 218, 219, 220, 221
Sanitation, Difficulties of . 218, 219
Sapru, Sir Tej Bahadur . 294, 296
SararojKha. 46
Sarda 166,167
Canal 151, 166
Ganges Jumna Feeder . . 167
Kichha Canal 166
Kichha Feeder . . . 166, 167
Oudh Canal 167
Sarhad. 40
Sassoon, Mr. E. D. . . . 295
Sastri, the Rt. Hon. Srinivasa 8, 9, 10,292
Mission of . . 7, 8, 10, 11
Saugor 147
Savannah grass 174
Sawekai. 38
School of Engineering . . 250, 251
School of Tropical Medicine, Bombay 220
School of Tropical Medicine and Hygiene. 220
Secondary Education . . 237, 238
Secretariat, Imperial . . . 266
Seoretary of State for India . 26, 52, 94, 105, 130, 137, 165, 167, 168, 169, 182, 189, 293
Seditious Meetings Act . . 267, 278
Self-Governing Dominions . . 3, 4, 5
Senegal 125
Servants of India Society . 205, 227
Services . . 278,279,280,281
British Civil . . . 280,281
Indian Civil 279
Indianization of 278, 279, 280. 281

PAGE.
Seshagiri Aiyar, Mr. T. V. . 130, 131
Seva Sadan, Poona 206, 221, 227, 247, 249
Sevres, Treaty of 25, 253, 261, 270
Shaftal. 157
Shahjui. 31, 39
Shan States, North Hsenwi . . 20
North. 20
Shia. 253
Shipping, Indian . . . 134, 135
Sikh Empire 275
Sikh Gurdwaras and Shrines Bill . 93
Sikh Soldier 1 3
Sikhs 34,274
Sikhs, Akali 79
Silk. 123
Simla. 97, 283
Simla Financial Conference . . 105
Sind . 140, 141, 165, 166, 169
Sistan 3 1
Smuts, General 5
Smyrna . . . 24, 26, 27, 270
Social Reform . 221, 222, 223, 224
and Political Movement . . 225
Social Service League . . . 247
Bengal. 227
Bombay. 227
Societies—
Christian Missionary . . 223, 229
Poona Seva Sadan 206,221,227, 247, 249
Servants of India . . 205, 227
Soil Surveys 157
South Africa 4, 5, 6, 7, 11, 13, 127, 139, 252
Commission to enquire into Asiatics trading and holding land in 5
H. E. the Governor General of . 6
Union of . * . . . 11
South African Government . . 5, 6
South America 123
South Indian States . . . 155
South West Africa . . . 11
Soviet. 291
Soviet Exploitation . . . 22
Soviet Government . . . 24,28
Soviet Russia 22
Government of . . . 22
Spinchilla. 35, 36
Srinagar 190
Sriroinoni Gurdwara Prabandhak Committee . . . 274, 282
Standing Immigration Committee . 16, 17
Standing Finance Committee. , 142
Statute Book . . . 261,272
Steam Boilers 139
Sterling loan . . , . 118
Stores, Government—
payment for 102
purchase of . . . 137,138

PAGE.

Stores Committee. . . . 137
Stores Department, see Indian Stores Department.
Stores Purchase Department. United Provinces . . . 145
Straits, The 2 6
Straits Settlements . . . 15, 16
Migration of unskilled labour to . 15
Strikes 209, 210
Sugar. 121
Cultivation of . . . 151, 152
Bureau, Pusa 151
Research Institute . . . 151
3ukkur Barrage 1 6 9
Suleman Khel of Nimgrahar . . 34, 39
Sultan, Turkish 28
Sunni. 252
Surplus Stores Organization . . 138
Sutlej. 168
Valley Canal 1 6 8
Swaraj . 255, 263,265, 268,290
Flag. 64
Party. 290
Swat, Mian Gul of . . . 33

T

Talchar Coalfields Railway . . 180
Tanganyika 14, 15
Position of Indians in . . 14, 15
Tanur. 176
Tariff, the. 130
Tariff Board . 131, 132, 134, 293
Tata Iron and Steel Co., Jamshedpur. 209
Taxes, on luxuries . . . 107
Tea 125, 155, 156
Technical Education . . 250, 251
Technological Institute, United Provinces, Cawnpore . . 146
Teheran. 30, 34
Telegraph Branch . . 188, 189
Telegraph Department, recommendations of the Retrenchment Committee . . . 111
see *also* Posts and Telegraphs Department
Telephones 189, 190
Territorial Force . . . 47, 296
Territorial organisation . . 265
Test House (Government), Alipore . 138
Third International . . . 2 4
Thrace. 26
Eastern. 27
Ottoman. 270
Tibet. 20
Tilak, late Mr. B. G. . . 258, 277
Tilak Swaraj Fund . . . 2 6 2

PAGE.

Tobacco growing 154, 155
Tochi. . . . 36, 37, 38, 46, 47
TochiWazirs 3 8
Tolstoy, Count 252
Town dwellers . . . 203,204
Tractor cultivation . . 161, 162
Trade—
Balanoe of . . 128, 129, 130
Direction of . . 125, 126, 127, 128
I n 1921-22 120
Commissioner, Indian . 141, 142
Convention with Afghanistan . 30
School, Madras. . . . 144
Unions. 208
Trans-Caucasia 2 2
Transferred subjects . . . 5 3
Transvaal 5
British Indian Association . 6
Provincial Court . . . 5
Treasury Bills 109
Treaty—
Between Great Britain and Afghanistan 2 9
Russo-Afghan 2 9
Treaty of Sevres . . 253, 261, 270
Triple boycott. 256
Tsarist Empire 2 2
Turi. 34
Turkey . . 23, 24, 28, 129, 232, 263, 270
And the Allies . . . 21, 27
and Russia 2 5
Turkish Armies 2 7
Turkish Empire 297
Turkish Government . . . 2 8
Turkish Nationalist Forces . . 26
Turkish Nationalists, Struggle and triumph of . . . 26, 27
Turkish Settlement . . . 2 8 6
Turkish Sultan 28
Turkish Victories . . . 286
Turkistan. 22
Turkistan, Russian . . . 2 2

U

Uganda 13, 14, 15
Position of Indians in . 14, 15
Under Secretary of State for India 281
Union Government . . 5,6,7
United Kingdom . 98, 121, 122, 123, 124, 125, 126, 127, 132, 139, 196
United Provinces . 62, 86, 78, 79, 140, 141, 167, 158, 162, 165, 166, 209, 227, 236, 240, 241, 263, 269
Central Wood Working Institute 146
Co-operation in . . 214,215

PAGE.

United Provinces—*contd.*
Department of Industries 145, 146
District Boards Bill . . . 6 0
Forests in 172
Legislation in 87
Legislative Counoil, Achievements of . . 88, 8, 90, 91 I
Local Self Government in . 60
Minor Industries in . . . 174
Municipalities Act . . . 60
Police. 73
Release of political prisoners in 86
Review of Local Self-Government in. 66, 67
Stores Purchase Department . 145
Sugar Cultivation . . . 15
Technological Institute . . 146
Territorials in 49
Weaving Schools . . . 146
United States, *See* America. .
Universities . . . 238,239
British. 279
University—
Aligarh 239
Aligarh Muslim . . . 249
Bombay 239
Calcutta 239
Dacca. 239
Delhi 239
Luoknow 239
Madras 239
Nagpur 239
Punjab 2 3 9
University extension . . . 247
Upland region of Natal . . 5

V

Venizelos 25
Versailles, Treaty of . . . 210
Veterinary work 161
Vioeroy, His Excellency the . 97, 100, 116, 181,284,295
Certification by . . . 100
receives deputation on the necessity of retrenchment . . 110
Vicroy's Commission . . . 47
Vijayaraghavacharya, Diwan Bahadur T. .' . . . 142
Village Self-Government, difficulties of. 62, 63
Vinoent, The Hon'ble Sir William 94, 294
Vizagapatam 80
Volunteer movement . . 266, 268
Volunteer organizations 268, 269, 278
Volunteers, Congress . . . 258
National . . . 258,267

PAGE,

W

Wadhwan 298
Wales 73,234
Wales, His Royal Highness the Prince of 260, 265, 266, 269, 272
Wana 36,38,47
Wana Fort. 31
Wana line 35-
Wana Wazirs 35,38
War. 222, 280
Wazirs . . 31, 34, 35, 37, 39
War.iristan . 31,34,35,36,39,45,46,47
Central. 3Z
Expenditure on . . . 51
Military expenditure for . 113,114
Northern 3 5
Recent developments in . .37, 38
Weaving schools, United Provinces 146
Webb, Sir Montagu . . 130,295
Western Australia . . . 9
Indians in 8
Western Jumna Canal . . . 1 6 7
Western Samoa 11
Wheat. 122
Situation regarding . . 193, 195
in Central Provinces . . . 1 5 0
in North-West Frontier Province 150, 151
in the Punjab 150
in Pusa 150
in United Provinces . . . 1 5 0
White Australia Policy . . 4
White Slave Traffic . . . 1 0 0
Whitley Committee . . . 209
Windsor, Royal House of . . 260
Winterton, Lord 2 8 1
Wireless. 189
Wool/Raw 125
Working Committee, Congress 275, 276
Workmen's Compensation Act . 208
Workmen's Compensation Bill 207, 208
World War . . . 1 , 254

Y

Y. M. C. A. . . . 229, 247
Young Women's Christian Association. 249
Yusafzais. 33

Z

Zakha Khel Afridis . . . 3 3
Zanzibar. 126
Zhob , ... 39

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