

far lower down. Muslims also come low in the list. The knowledge of English is confined to less than two million people, a fractional percentage of the entire population.

135. The Indian Government compiles no statistics showing the distribution of wealth, but such incomplete figures as we have obtained show that the number of persons enjoying a substantial income is very small. In one province the total number of persons who enjoyed an income of £66 a year derived from other sources than land was 30,000; in another province 20,000. The revenue and rent returns also show how small the average agricultural holding is. According to one estimate the number of landlords whose income derived from their proprietary holdings exceeds £20 a year in the United Provinces is about 126,000 out of a population of 48 millions. It is evident that the curve of wealth descends very steeply, and that enormous masses of the population have little to spare for more than the necessities of life.

136. The fraction of the people who are town-dwellers contribute only a very small proportion to the revenues of the State; but among them education has made some headway, municipal institutions have been at work, and the presence of political leaders among the professional classes has made itself felt. This is the radius to which interest in political questions is chiefly confined. The question is often asked—What ratio of the people really asks for greater political power? It cannot be answered with any accuracy by tabulating the circulation of newspapers, the number of societies, the sum-total of professional men or traders, or the population of colleges. There is a core of earnest men who believe sincerely and strive for political progress; around them a ring of less educated people to whom a phrase or a sentiment appeals; and an outside fringe of those who have been described as “attracted by curiosity to this new thing or who find diversion in attacking a big and very solemn government as urchins might take a perilous joy in casting toy darts at an elephant.” On the other hand, is an enormous country population, for the most part poor, ignorant, non-politically-minded, and unused to any system of elections—immersed indeed in the struggle for existence. The rural classes have the greatest stake in the country because they contribute most to its revenues; but they are poorly equipped for politics and do not at present wish to take part in them. Among them are a few great landlords and a larger number of yeoman farmers. They are not ill-fitted to play a part in affairs, but with few exceptions they have not yet done so. But what is perhaps more important to appreciate than the mere content of political life in India is its rate of growth. No one who has observed Indian life during even the past five years can doubt that the growth is rapid and is real. It is beginning to affect the large landholders; here and there are signs of its beginning to affect even the villages. But recent events, and above all the war, have given it a new earnestness and a more practical character. Men are coming to realize more clearly that India's political future is not to be won merely

by fine phrases; and that it depends on the capacity of her people themselves to face difficulties and to dispose of them. Hence comes the demand for compulsory education, for industries, for tariffs, for social reform, for social, public, and even military, service. For a long time many Indian leaders were content to criticize; they have now begun to construct; and because construction is a matter in which the Government can so greatly help or hinder they are more than ever anxious to take a share in the Government itself.

137. The potential capacity for politics of the rural population, of whom the peasant proprietor and the tenant are typical, is discussed in the following extract from an official report:—

Political capacity of the rural population.

"Our rule gave them security from the violence of robbers and the exactions of landlords, regulated the amounts of revenue or rent that they had to pay, and assured to both proprietor and cultivator—in the latter case by the device of the occupancy right—a safe title in their lands. The change was so great that they sank into a condition of lethargic content: even yet they have barely realized that Government has any other gifts to offer; as for the idea of self-government it is simply a planet that has not yet risen above their horizon.

"But there are signs of awakening. They have already learnt an important lesson—that it is legitimate to bring their troubles to the notice of Government and that a good Government will listen to them with sympathy. They are often contemptuously branded as the 'voiceless millions of India'; but the charge is untrue. They do not ask much, or often, but that is because they want so little. Nevertheless, if they are aggrieved, they do not hesitate to say so. They may not be vocal, but they are certainly not voiceless.

"Hitherto, they have regarded the official as their representative in the councils of government; and now we have to tear up that faith by the roots, to teach them that in future they must bring their troubles to the notice of an elected representative—further, that they have the power to compel his attention. We have to bring about the most radical revolution in the people's traditional ideas of the relations between ruler and ruled, and it will be a difficult, and even a dangerous business, for it is neither safe nor easy to meddle with traditional ideas in India. Unless the political changes now in contemplation are accompanied by an educational campaign directed to awaking in all classes alike, but especially in this particular class, a sense of citizenship, disaster will certainly result."

138. It is just because the Indian ryot is inarticulate and has not been directly represented in our deliberations that we feel bound to emphasize the great claim he has upon our consideration. The figure of the individual cultivator does not often catch the eye of the Governments in Simla and Whitehall. It is chiefly in the mass that they deal with him, as a consumer of salt or of piece-goods, or unhappily too often, as the victim of scarcity or disease. But the district officer and his lieutenants know well the difficulties that beset him, and his very human needs; and in the local revenue offices these make up nine-tenths of the public business done. What matters most of all to the ryot are his relations with his landlord; but his fortunes are by no means to be disposed of by considering them solely from the standpoint of "agrarian legislation." Much of the activity of Government comes home to him eventually; and whatever helps him in his difficulties adds enormously to the happi-

ness of the country as a whole. It is not merely a matter of securing him in possession of his plot of land, of assessing his dues equitably and collecting them with discrimination, of advancing him money in bad days and waiting till he is in a position to repay it. A simple, cheap, and certain system of law is one of his greatest needs. He greatly requires to be protected against the intricacies of courts and the subtleties of law, and enabled to defeat the advantage enjoyed by long-pursed opponents. The working of all the great procedure codes, the law of usury, of registration, of limitation, of contract, the Court-fees Act, and the Stamp Act, is felt in the remotest village in the land. The ryot and hundreds of thousands of his kind may be lifted from penury to comfort by a canal project costing millions of pounds. One of his constant needs is protection against the exaction of petty official oppressors. Improvements in seed or stock, manures, ploughs, wells; the building of a new road or a new railway: facilities for grazing his cattle or getting wood for his implements; the protection of his crop from wild animals, his cattle from disease, and his brass vessels from burglars; co-operative banks to lend him money and co-operative societies to develop his market; the provision of schools and dispensaries within reasonable distance—these are the things that make all the difference to his life. They have all been dispensed for him by an official government in the past; and we must always bear in mind that he will not find it easy to learn to arrange them for himself in future. He has sat on caste *panchayats*; he has signed joint petitions to official authority. But he has never exercised a vote on public questions. His mind has been made up for him by his landlord or banker or his priest or his relatives or the nearest official. These facts make it an imperative duty to assist, and to protect, him while he is learning to shoulder political responsibilities.

139. In estimating the politically-minded portion of the people of India we should not go either to census reports on the one hand, or to political literature on the other. It is one of the most difficult portions of our task to see them in their right relation to the rest of the country. Our obligations to them are plain for they are intellectually our children. They have imbibed ideas which we ourselves have set before them and we ought to reckon it to their credit. The present intellectual and moral stir in India is no reproach, but rather a tribute to our work. The *Raj* would have been a mechanical and iron thing if the spirit of India had not responded to it. We must remember, too, that the educated Indian has come to the front by hard work; he has seized the education which we offered him because he first saw its advantages; and it is he who has advocated and worked for political progress. All this stands to his credit. For 30 years he has developed in his Congress, and latterly in the Muslim League, free popular convocations which express his ideals. We owe him sympathy because he has conceived and pursued the idea of managing his own affairs, an aim which no Englishman can fail to respect. He has made a skilful, and on the

The politically-minded class.

whole a moderate, use of the opportunities which we have given him in the legislative councils of influencing Government and effecting the course of public business, and of recent years he has by speeches and in the press done much to spread the idea of a united and self-respecting India among thousands who had no such conception in their minds. Helped by the inability of the other classes in India to play a prominent part he has assumed the place of leader; but his authority is by no means universally acknowledged and may in an emergency prove weak.

140. The prospects of advance very greatly depend upon how far their relations to the the educated Indian is in sympathy with and masses. capable of fairly representing the illiterate masses. The old assumption that the interests of the ryot must be confided to official hands is strenuously denied by modern educated Indians. They claim that the European official must by his lack of imagination and comparative lack of skill in tongues be gravely handicapped in interpreting the thoughts and desires of an Asiatic people. On the other hand it is argued that in the limited spread of education the endurance of caste exclusiveness, and of usages sanctioned by caste, and in the records of some local bodies and councils may be found reasons which suggest that the politically-minded classes stand somewhat apart from, and in advance of, the ordinary life of the country. Nor would it be surprising if this were the case. Our educational policy in the past aimed at satisfying the few who sought after English education without sufficient thought of the consequences which might ensue from not taking care to extend instruction to the many. We have in fact created a limited *intelligentsia* who desire advance; and we cannot stay their progress entirely until education has been extended to the masses. It has been made a reproach to the educated classes that they have followed too exclusively after one or two pursuits, the law, journalism or school teaching; and that these are all callings which make men inclined to overrate the importance of words and phrases. But even if there is substance in the count, we must take note also how far the past policy of Government is responsible. We have not succeeded in making education practical. It is only now, when the war has revealed the importance of industry, that we have deliberately set about encouraging Indians to undertake the creation of wealth by industrial enterprise, and have thereby offered the educated classes any tangible inducement to overcome their traditional inclination to look down on practical forms of energy. We must admit that the educated Indian is a creation peculiarly of our own; and if we take the credit that is due to us for his strong points we must admit a similar liability for his weak ones. Let us note also in justice to him that the progressive Indian appears to realize the narrow basis of his position and is beginning to broaden it. In municipal and university work he has taken a useful and creditable share. We find him organizing effort not for political ends alone, but for various forms of public and social service. He has come forward and done valuable work in relieving famine and distress by



floods, in keeping order at fairs, in helping pilgrims, and in promoting co-operative credit. Although his ventures in the fields of commerce have not been always fortunate he is beginning to turn his attention more to the improvement of agriculture and industry. Above all he is active in promoting education and sanitation; and every increase in the number of educated people adds to his influence and authority.

141. Now let us turn to the other main feature of Indian society

**Divisions of Indian** — its division by races, creeds and castes. society. Thirty years ago Lord Dufferin drew the following picture of India:—

"This population is composed of a large number of distinct nationalities, professing various religions, practising diverse rites, speaking different languages, while many of them are still further separated from one another by discordant prejudices, by conflicting source of usages, and even antagonistic material interests. But perhaps the most patent characteristic of our Indian cosmos is its division into two mighty political communities as distant from each other as the poles asunder in their religious faith, their historical antecedents, their social organization, and their natural aptitudes: on the one hand the Hindus numbering 190 millions, with their polytheistic beliefs, their temples adorned with images and idols, their veneration for the sacred cow, their elaborate caste distinctions, and their habits of submission to successive conquerors—on the other hand, the Mahomedans, a nation of 50 millions, with their monotheism, their iconoclastic fanaticism, their animal sacrifices, their social equality, and their remembrance of the days when, enthroned at Delhi, they reigned supreme from the Himalayas to Cape Comorin. To these must be added a host of minor nationalities—most of them numbering millions—almost as widely differentiated from one another by ethnological or political distinctions as are the Hindus from the Mahomedans, such as the Sikhs, with their warlike habits and traditions and their enthusiastic religious beliefs—the Rohillas, the Pathans, the Assamese—the Baluchees, and other wild and martial tribes on our frontiers—the hillmen dwelling in the folds of the Himalayas—our subjects in Burma, Mongol in race and Buddhist in religion—the Khonds, Mhairs, and Bheels, and other non-Aryan peoples in the centre and south of India—and the enterprising Parsees, with their rapidly developing manufactures and commercial interests. Again, amongst these numerous communities may be found at one and the same moment all the various stages of civilization through which mankind has passed from the prehistoric ages to the present day. At one end of the scale we have the naked savage hillman, with his stone weapons, his head-hunting, his polyandrous habits, and his childish superstitions; and at the other, the Europeanized native gentleman, with his English costume, his advanced democratic ideas, his Western philosophy, and his literary culture; while between the two lies layer upon layer, or in close juxtaposition, wandering communities with their flocks of goats and moving tents; collections of undisciplined warriors, with their blood feuds, their clan organization, and loose tribal government; feudal chiefs and barons with their retainers, their seigniorial jurisdiction, and their mediæval notions; and modernized country gentlemen and enterprising merchants and manufacturers, with their well-managed estates and prosperous enterprises."

The colours of the picture have since toned down. The generation that has passed since Lord Dufferin wrote has witnessed great growth. Schools have more than doubled; higher education has increased threefold; printing presses and newspapers have multiplied; and the production of books in English has increased by 200 per cent. The spread of Western education has brought India more into touch with the outside world, and tended constantly, though slowly, to break down the barriers of social and religious customs.

The sense of unity is growing and has been quickened by the war. As the Public Services Commission saw, not merely is there greater communion of thought among educated Indians themselves but also closer communion of thought between educated India and England. At the same time they go on to say :—

“ Even amongst the educated the conflicting traditions of Hindus and Muhammadans are still constantly reflected in their respective attitudes towards social and political questions of the first order, whilst, in addition to this main line of religious cleavage, there are other important communities such as Sikhs, Parsis, Buddhists (chiefly in Burma) and Indian Christians, who are all more or less widely separated from the bulk of the population, either Hindu or Muhammadan. Nor does religion constitute the only line of cleavage. Geographical and climatic as well as social conditions have also helped to preserve down to our own times differences originally imported into India by successive waves of conquest and migration. Of all these considerations it would be unwise not to take cognizance. But it would be equally unwise to ignore that growing body of Western educated opinion, which is gradually creating a new atmosphere all over India. Even those who most strongly deprecate some of its manifestations realize that it has contributed largely to the great social and religious movements, which are aiming at giving a new direction to old beliefs and at harmonizing ancient doctrines with the teachings of science. It is reflected in that new sense of unity which is displacing the idea of ordained separation hitherto prevalent in Indian society.”

142. Thus from a bird's eye view India is still a country  
 Variety of local conditions. “ marching in uneven stages through all the centuries from the fifth to the twentieth.”  
 There are tracts where it would be fantasy to dream of representative institutions. There are everywhere people so ignorant and so depressed as necessarily to lie outside the limits of any franchise which can at the outset be framed. Even within the limits to which the new constitution can be applied there are differences of conditions of which account must be taken in applying it. And running through the whole body politic is a series of divisions of sect and race which, as the Public Services Commission saw, still affects the mind of educated Indians.

143. Imperfect as it is, this sketch may serve to bring out the  
 chief elements of the Indian part of the complex and heterogeneous total known as British India. We refer to the other components later on. Why have we tried to describe the complexities of the task before us, and in particular why have we laid stress upon the existence of silent depths through which the cry of the press and the platform never rings? In the first place of course we wish to insist on the importance of these factors in considering the time necessary for the complete attainment of responsible government in a country where in spite of rapid processes of growth so great a majority of the people do not ask for it, and are not yet fitted for it. But our chief purpose is more important than this. We desire to test the wisdom of the announcement of August 20. If we have conceded all that can fairly be said as to the difficulties of the task before us then the policy which has been laid down can be judged in the light of all the facts.

144. We believe that the announcement of August 20 was right and wise; and that the policy which it embodies is the only possible policy for India. We have seen it estimated that the number of people who really ask for free institutions does not exceed 5 per cent of the population. It is in any case a small proportion; but to the particular numeral we attach no importance whatever. We are not setting about to stir 95 per cent of the people out of their peaceful conservatism and setting their feet upon a new and difficult path merely at the bidding of the other 5 per cent; nor would that be our reason, whether the articulate minority were 20 per cent or one-half per cent of the whole. Our reason is the faith that is in us. We have shown how step by step British policy in India has been steadily directed to a point at which the question of a self-governing India was bound to arise; how impulses, at first faint, have been encouraged by education and opportunity; how the growth quickened nine years ago, and was immeasurably accelerated by the war. We measure it not by the crowds at political meetings or the multiplication of newspapers, but by the infallible signs that indicate the growth of character. We believe profoundly that the time has now come when the sheltered existence which we have given India cannot be prolonged without damage to her national life; that we have a richer gift for her people than any that we have yet bestowed on them; that nationhood within the Empire represents something better than anything India has hitherto attained; that the placid, pathetic contentment of the masses is not the soil on which such Indian nationhood will grow, and that in deliberately disturbing it we are working for her highest good.

145. If then our faith is right what are the conditions of success? Obviously there is much to change. The habits of generations have to be softened if not overcome; we have to call forth capacity and self-reliance in the place of helplessness; nationhood in place of caste or communal feeling. But we have great influences working with us in the spirit of liberty that is stirring in Asia as in the rest of the world, and the intense desire of educated Indians to prove that their period of tutelage may be ended and that they may take their place in the forefront of the world as a self-governing part of the Empire. The task is a great and worthy one, but it calls for some effort and self-sacrifice from every element in the community.

146. Let us begin with the ryot because his is the most difficult case. When local bodies are developed some of his class will have a vote on local questions. He will thus begin to discover that if there is no school near his village or no road to take him to market, the right way to procure these benefits is, not as heretofore by asking the Collector for them, but by voting for the local board member who is most likely to get them for him. The process will be an uphill one; it will take time; and very probably advance can only come through previous failure. The rural voter will per-

haps find himself cajoled, or bought, or coerced into voting in a way that does himself no good. But eventually it will dawn upon him, as it has done upon the agricultural classes elsewhere, that because he has a vote he has the means of protecting himself and that if those who claim to represent him neglect his interests he can discard them. As his political education proceeds, he will come to apply the lesson learned in local affairs to the affairs of Government also. It will occur to him eventually that if landlords are oppressive and usurers grasping and subordinate officials corrupt he has at his command a better weapon than the *lathi* or the hatchet with which to redress his wrongs. He will gradually learn that though the Government is far off he can take a remote part in determining its action, and he will find that because the infinitesimal power which he wields is in the aggregate effective the Government becomes more sensitively alive and responsive to his needs. But his rate of progress will always depend upon the measure of assistance which he receives; and we look to both officials and candidates to feel a responsibility for helping him. Finally he will come to realize that if he is to deal effectively with the more clever and better educated men who represent him in the councils he must acquire learning; and education, which he rejected so long as it merely seemed to him to clash with his material interests by depriving him of his children's labour and then unfitting them to follow the plough after him, will acquire in his eyes a new attractiveness when it presents itself to him as a factor in the process of getting better tenure or easier advances for himself. The present times are favourable to growth. The minds of India's peasant soldiery who have returned from abroad will never again work quite in the old way and they will relate their experiences to many who stayed at home. But we feel no doubt that in learning to rise to his new responsibilities the Indian peasant voter will need all the help that other people, officials and non-officials alike, can give him.

147. The natural and acknowledged leaders in country areas are the landed aristocracy. They generally represent ancient and well-born families, and their estates are often the result of conquest or grants from some mediæval monarch. By position, influence, and education they are fitted to take a leading part in public affairs. Some of them are beginning to do so; and our aim must be to call many more of them out into the political lists. They are conservative like the ryot, but like him they also will learn the need to move with changing times. They also, when they perceive that the protection of interests which are dear to them depends upon doing so, will find out how to organize, and to argue, and to make speeches. It will be no very easy task for them. They stand upon a conception of social order which is not easily reconcilable with the hustings and the ballot box. But undoubtedly they are called to take their places in the new régime, and to recognize that political life need not impair their dignity and self-respect. Like the represent-

atives of their class in other countries they must learn to fulfil the responsibilities of their position in a new way. After all they start with considerable advantages inasmuch as they have command both of means and position. We must give them a special measure of representation, if they need it, at the outset; but it may be that their political education like the ryot's will come mainly by pressure of events.

148. For the smaller landed gentry the task will, we hope, be easier. Their estates have often a more And of the smaller gentry. utilitarian origin; they are descended from the officials of old-time governments, from farmers of revenue, from younger sons, dependents, or captains who received grants of land for maintenance or good service. They are less influential, but often not less educated, than their former overlords, and being unhampered with the traditions of nobility they will be less averse to playing their part in public affairs. Indeed they figure already upon local and district boards; and there is hope that they will furnish a useful and independent contingent to the legislative bodies of the future. No men are better qualified to advise with understanding and great natural shrewdness on the great mass of rural questions which will come before the provincial legislatures.

149. To the educated classes we would address a similar appeal. If they resent the suggestion that has been made that they have hitherto safeguarded their own position and shown insufficient interest in the peasant and labouring population, now is the opportunity for them to acquit themselves of such an imputation and to come forward as leaders of the people as a whole. Hope for the future lies along the lines which the great leaders of Indian opinion have already eloquently pointed out and which, as we have said, some advanced Indians are beginning to pursue. As Mr. Gokhale said:—

"There is work enough for the most enthusiastic lover of his country. On every side whichever way we turn only one sight meets the eye, that of work to be done; and only one cry is heard, that there are but few faithful workers. The elevation of the depressed classes, who have to be brought up to the level of the rest of our people, universal elementary education, co-operation, improvement of the economic condition of the peasantry, higher education of women, spread of industrial and technical education, building up the industrial strength, promotion of closer relations between the different communities—these are some of the tasks which lie in front of us, and each of them needs a whole army of devoted missionaries."

It is indeed plain that there is an immense work of education to be done throughout the countryside. Everything that tends to waken the Indian ryot's intelligence, that helps him to be an independent, self-determining man; everything that breaks down the barriers between communities, and makes men regard each other as neighbours, and not as the wearers of some caste or creed insignia hastens on the day when self-government within the Empire will be attained. All this is work that the educated Indian can, and ought to, undertake. The work is more than arduous. It demands men who are really thinking of their country, who really have the

interests of the masses at heart—men of courage and fixity of purpose, who do not fear responsibility, and are capable of leadership.

150. Together with this there is a very real responsibility of the utmost importance. There exists a small revolutionary party deluded by hatred of British rule and desire for the elimination of the Englishman into the belief that the path to independence or constitutional liberty lies through anarchical crime. Now it may be that such persons will see for themselves the wisdom of abandoning methods which are as futile as criminal; though, if they do not, the powers of the law are, or can be made, sufficient for the maintenance of order. But the existence of such people is a warning against the possible consequences of unrestrained agitation in India. We are justified in calling on the political leaders, in the work of education that they will undertake, to bear carefully in mind the political inexperience of their hearers; and to look for further progress, not to fiery agitation, which may have consequences quite beyond their grasp, but to the machinery which we devise for the purpose. In every country there will be persons who love agitation for agitation's sake, or to whom it appeals like an intoxicant. It is the duty of the leaders of Indian opinion to remember the effect on people not accustomed to weighing words of fiery and heated speeches. Where ignorance is widespread and passions are so easily aroused nothing is easier than for political leaders to excite a storm; nothing harder for them than to allay it. Breaches of the peace or crimes of violence only put back the political clock. Above all things, when the future of India depends upon co-operation among all races, attacks upon one race or religion or upon another jeopardize the whole experiment. Nor can the condemnation of extremist and revolutionary action be left only to the official classes. We call upon all those who claim to be leaders to condemn with us, and to support us, in dealing with methods of agitation which drive school-boys to crime and lead to religious and agrarian disturbances. Now that His Majesty's Government have declared their policy reasonable men have something which they can oppose successfully to the excitement created by attacks on Government and by abuse of Englishmen, coupled with glowing and inaccurate accounts of India's golden past and appeals to race hatred in the name of religion. Many prominent Indians dislike and fear such methods. A new opportunity is now being offered to combat them; and we expect them to take it. Disorder must be prejudicial to the cause of progress, and especially disorder as a political weapon. But we have no hesitation in recommending that the Government must maintain power to prevent the disastrous consequences if in any case law and order are jeopardized. Outbreaks of anarchy cannot be tolerated.

151. Finally, what of the differences between races and creeds?

Duty of discouraging religious animosities.

We do not propose to review the evidence placed before us showing the extent to which they still endure. But we must take them



into account as presenting a feature of Indian society which is out of harmony with the ideas on which elsewhere in the world representative institutions rest. We have of course no intention of interfering with question of a religious nature or bound up with religious beliefs, which it is the duty of Government so far as possible to respect and to leave alone. But we can at least appeal to Hindu and Muslim, Brahman and non-Brahman, to cultivate a community of interests in the greater welfare of the whole. On them all rests a greater responsibility for the development of their common country, and the realization of this truth will be the surest way, perhaps the only way, of ending disunion. Self-government for India within the Empire is the highest aim which her people can set before themselves or, which we as trustees for her, can help her to attain. Without it there can be no fullness of civic life, no satisfaction of the natural aspirations which fill the soul of every self-respecting man. The vision is one that may well lift men up to resolve on things that seemed impossible before. Is it too much to hope that the desire of the people of India so to govern themselves, and the conviction that they can never do so otherwise in any real sense, may prove eventually to be the solvent of these difficulties of race and creed? The first duty of the leaders of every party in the State is to unteach partisanship. If the Hindu or the Muslim displays intolerance of the other's religious practices, if the higher castes refuse to admit the children of low castes to schools which their own sons attend or if caste exclusiveness takes even harsher shape towards the out-castes, it is the business of the enlightened leaders of the community to explain to them that they are only retarding a cause that ought to be dearer to them than their own sectional interests. So long as the latter are paramount any form of self-government to which India can attain must be limited and unreal at best. But our aim is that it should be complete and real and to this end as we have stated it, our reforms are designed.

152. Nor are we without hope that the reforms will themselves help to provide the remedy. We would not Possible effect of the reforms. be misunderstood. Representative institutions in the West, where all are equal at the ballot box, have checked, but not abolished, social exclusiveness. We do not make a higher claim for similar institutions in India than that they will help to soften the rigidity of the caste system. But we hope that those incidents of it which lead to the permanent degradation and ostracism of the lowest castes will tend to disappear in proportion to the acceptance of the ideas on which the new constitution rests. There is a further point. An autocratic administration, which does not share the religious ideas of the people, obviously finds its sole safe ground in leaving the whole department of traditional social usage severely alone. In such matters as child-marriage it is possible that, through excess of caution proper to the régime under which it works, it may be actually perpetuating and stereotyping customs which the better mind of India might be brought, after the necessary period of struggle, to modify. A government, in which

Indians themselves participate, invigorated by a closer touch with a more enlightened popular opinion, may be able, with all due caution, to effect, with the free assent or acquiescence of the Indians themselves, what under the present system has to be rigorously set aside.

153. So far we have tried, without underestimate or reserve, to Advance must be gradual. set out the difficulties that undoubtedly attend the introduction of responsible institutions into India. They have to be taken into account, and they must lead us to adjust the forms of popular government familiar elsewhere to the special conditions of Indian life. But we have also seen that there is good reason for hope. Free institutions have, as we have said, the faculty of reacting on the adverse conditions in which the start has to be made. The backwardness of education may embarrass the experiment at the outset; but it certainly ought not to stop it, because popular government in India, as elsewhere, is sure to promote the progressive spread of education and so a widening circle of improvement will be set up. While, however, we do not doubt the eventual capacity of Indians for self-government, we find it freely and widely admitted that they are not at present ready. Indeed the facts that we have endeavoured to bring out make this obvious. The successful working of popular government rests not so much on statutes and written constitutions, as on the gradual building up of conventions, customs, and traditions. These are based on the experience and political thought of the people, but are understood and appreciated by both the governed and the Government. Nothing but time can adequately strengthen them to support the strain to which they are exposed. There are examples, ancient and contemporary alike, to point the moral of the disasters which during a period of transition from official to popular rule may follow from ignoring this fundamental truth.

154. While therefore we believe that the policy is right, and we believe that it will succeed by enlisting on its side the best efforts and the highest thoughts of India, we recognize also that there are precautions to be taken. The difficulty that outweighs all others is the existence of religious differences. We may be told the political union achieved in December 1916 between Muslims and Hindus was an impressive demonstration of willingness to sink acute differences for a common end. We entirely agree that it is worthy of praise as testimony to the growing force of national feeling. The last thing that we desire is to see it broken. But we are bound to ask ourselves what sure guarantee it affords that religious dissensions between the great communities are over. The compact by which the Muslims were to get a certain proportion of seats in the councils, in some cases in excess of those to which their numbers entitled them, and by which also the discussion of measures affecting either community could only proceed by leave of its representatives in council, shows under what pressure agreement was reached. We shall discuss these provisions in our next chapter. Here we

need only say that we cannot regard the *concordat* as conclusive. To our minds, so long as the two communities entertain anything like their present views as to the separateness of their interests, we are bound to regard religious hostilities as still a very serious possibility. The Hindus and Muhammadans of India have certainly not yet achieved unity of purpose, or community of interest. They have yet a long road to pursue before that end is reached. How quickly and violently the ignorant portion, which is also by far the largest portion of either great community, responds to the cry of "religion in danger" has been proved again and again in India's history. The record of last year bears recent witness to it. We should not discharge properly our responsibility for the well-being of the Indian people if we did not take account of the danger that such calamities may happen again; and did not reserve to the Government effective power to deal with them impartially, as it alone can.

155. To the other difficulties which we have mentioned we propose to apply the same treatment, and while And for the protection of the ryot and other interests. we do everything that we can to encourage Indians to settle their own problems for themselves we must retain power to restrain them from seeking to do so in a way that would threaten the stability of the country. We have shown that the political education of the ryot cannot be a very rapid, and may be a very difficult, process. Till it is complete he must be exposed to the risk of oppression by people who are stronger and cleverer than he is; and until it is clear that his interests can safely be left in his own hands or that the legislative councils represent and consider his interests we must retain power to protect him. So with the depressed classes. We intend to make the best arrangements that we can for their representation, in order that they too may ultimately learn the lesson of self-protection. But if it is found that their interests suffer and that they do not share in the general progress, we must retain the means in our own hands of helping them. So again with other interests which are less completely identified with the common life of India, like those of the British commercial and the Anglo-Indian communities. We offer them representation and we expect them to make good use of it; to learn to play their part in the political life in the country; and to rely not on artificial protection but on their capacity to demonstrate to intelligent Indian opinion their real value in the economy of India. But during the period of transition, when political experience is young and impulse rather than judgment may characterize leadership, we must maintain the power to defend interests for which past history has made us responsible.

156. We shall discuss the case of the public services in a later chapter. But we have definitely to secure And for the services. their essential interests because we believe that they are indispensable to the future of India, and also because, as has always been recognized at similar periods of transition, His Majesty's services have the strongest possible right to be secured by

His Majesty's Government. At a time when great changes are coming in India, the possible consequences and reactions of which no one can foresee, the element of experience and continuity which the services supply will be of such value that in the interests of India herself they must be secured. Moreover, in the educative work of the immediate future they have an important part to play. Not only will they provide the executive machinery of Government; it will be their part to assist, as only they can do, in the training of the rural classes for self-government; their help will be greatly needed to explain the new principles of government to many who will find them strange. They will be prepared, we have not the slightest doubt, to face some temporary sacrifice of efficiency, recognizing that efficiency may be too dearly bought at the price of moral inanition. We are confident that the services, always conspicuously loyal in the carrying out of any new policy, will respond to this call. We are hopeful that the British element will so enter on a new career, and gain a new security in the progressive development of India. Meanwhile, we repeat that the Government must recognize its responsibilities to those whom it has recruited, and must retain the power to protect and support them in the discharge of the duties imposed upon them.

157. We shall examine separately the series of questions presented by the Native States; but this general survey of the problems before us would not be complete without brief reference to them. "The map of India," says Sir Bampfylde Fuller, "may be likened to an ancient tessellated pavement, the greater part of which has been replaced by slabs of uncoloured stone work. The *tesserae* represent the Native States." They extend over one-third of the country, but being generally less fertile than British India sustain not much more than one-fifth of the total population. We need not now pause to describe the way in which our relations with the Ruling Princes and Chiefs have developed the limitations on their sovereignty; and, on the other hand, the limitations which the Government of India observes upon its interference in their domestic concerns. These matters are regulated by agreements with the States which must be fulfilled whatever changes may occur in British India itself. Our immediate purpose is to point out how changes in British India may react upon the States. As we shall see, the volume of business which is of common concern to the States and to British India is steadily growing in importance. So long as such matters remain ultimately in the hands of the Governor General in Council the Princes may perhaps rest content with the means which they have at present of securing the due consideration of their views. But if the control of matters common to India as a whole is shared with some popular element in the government it must be anticipated that these Rulers may wish to take a share in such control also. There is a stronger reason why the present stir in British India cannot be a matter of indifference to the Princes. Hopes and aspirations may overleap frontier lines like sparks across a street. There are in the Native States men of like

minds to those who have been active in spreading new ideas in India. It is not our task to prophesy; but no one would be surprised if constitutional changes in British India quickened the pace in the Native States as well, if the advanced Princes who have already set up the rudiments of representative institutions were impelled to develop them and if even the most patriarchal Rulers thought it time to clothe their authority in more modern garments. Our business, however, is to observe our treaty obligations and to refrain from interference and to protect the States from it. We must leave the natural forces at work to provide the solution in due course. If change comes in the Native States it can only be by the permeation of ideas and not as a direct result of constitutional changes in British India.

158. Finally, we come to our supreme responsibility for India's relations with her great Asiatic neighbours, and for the security of six thousand miles of land frontiers and nine thousand miles of seaboard. This line was violated when the *Emden* fired on Madras; and thereby made the realities of war unpleasantly apparent to some hundreds of thousands of Indians. But the military danger that centuries of painful experience have impressed so deeply on the imagination of India that it lingers in the thoughts of her people to the present day is that of invasion from the North-West. This responsibility for India's defence is the ultimate burden which rests on the Government of India; and it is the last duty of all which can be committed to inexperienced or unskilful hands. So long as India depends for her internal and external security upon the army and navy of the United Kingdom the measure of self-determination which she enjoys must be inevitably limited. We cannot think that Parliament would consent to the employment of British arms in support of a policy over which it had no control and of which it might disapprove. The defence of India is an Imperial question; and for this reason the Government of India must retain both the power and the means of discharging its responsibilities for the defence of the country and to the Empire as a whole.

## Chapter VII.—The Congress-League Scheme.

159. In tracing the course of recent events in India in chapter I we showed how various influences combined to produce the reform scheme put forward jointly by the Indian National Congress and the All-India Muslim League. This was the latest, most complete, and most authoritative presentation of the claims of the leading Indian political organisations; and as such it was the first to require attention in the course of our inquiry. We found that it commanded so large a measure of support that we were entitled to regard it as disposing of earlier constitutional essays on somewhat similar lines. We have examined it with every desire to bring it into relation with the announcement of August 20; and we will now explain the objections which we feel to some of its features, and why, though we make suggestions similar to other features of it, the principles on which its main proposals are based seem to us essentially unsound.

160. The scheme assumes, as its basis, a condition of provincial autonomy, entailing the relaxation of control by the Government of India and the Secretary of State over provincial governments, in favour of control by popularly elected legislative councils. We entirely agree that this must be the first aim; and as will be seen later, we have ourselves striven to attain it as far as possible. We need not here pause to explain the limitations which seem to us necessary for the time being in the application of this principle. Our reasons will be clear when we set forth our own proposals for changes in the provincial governments and their relations with the Indian Government. On this foundation the authors of the scheme have erected a form of government by which the people, through their representatives in the legislative councils, would be enabled to control the actions of the nominated and irremovable executive.

161. First let us see how it is intended that the provincial executives should be composed. It is proposed that provincial governments should consist of a governor, who should not ordinarily be a member of the Indian Civil Service or any permanent service, together with a council, of which half shall consist of Indian gentlemen elected by the provincial legislative council, and the other half shall not ordinarily include members of the Indian Civil Service. The original scheme contained no suggestion as to the number of members of council, but this omission was made good in a memorandum presented to us by a joint deputation representing the National Congress and the Muslim League which asked that there should be six members. We recognize that educated opinion in India strongly favours council government; and we agree that we should proceed to a general extension of the system.



We agree too that a large element in the government should be Indian, and that part of it should be non-official. But at present there exists no bar to the appointment of members of a permanent service to governorships; and though we propose to assimilate the method of appointment of all heads of provinces we see every disadvantage in such a bar. In practice, presidency governors have almost invariably been selected from England; but members of the services have always been eligible for these appointments, and in this respect there appears to us no good reason to make a change. The personal burden resting upon the head of a province will be heavier in future than in the past, and it is essential that the best men from whatever source should be freely available. Nor can we agree that these councils should have six full-time members; nor that members of the Indian Civil Service should not ordinarily be appointed to the councils; nor that the Indian members should be chosen by election. We will take each point in turn. The existing provincial executive councils have only three members each, two Europeans and one Indian. There would nowhere be sufficient work for six full-time members of an executive council and a governor. When a proportion of the executive government consists of Indian gentlemen who will ordinarily have no administrative experience it seems to us essential, especially if the governor lacks knowledge of India, that the European members of council should be versed in Indian administration. Forthcoming changes will tax both the tact and ability of the executive councils, and during the period of gradual change to responsible government we are not prepared to deprive them of the help of official experience. The intention of the scheme is that the European seats in the executive council should be filled by the appointment of public men from England. But it would be highly inexpedient that the European colleagues of the governor should be from the outset so largely dependent either on their secretaries or on their untrained Indian colleagues for information about Indian conditions; nor do we think that men with the high qualifications for which we ought to look would be willing to interrupt their career in England for a membership of a provincial executive council. The office carries no pension, nor does it offer either the amenities or the pay of a seat on the Governor General's Council. India will need in the future the finest type of public servant that she can get, and more will be demanded of her European officials than in the simpler conditions of the past. We have to take into account the effect upon the services of excluding them for such positions. It would indeed be short-sighted policy to preclude ourselves from employing them in the domain where especially during the transitional period, they will be of the very greatest usefulness. But the feature of the proposals regarding these councils to which we most decidedly demur is that the Indian members should be elected by the elected members of the legislative council. If the object is merely to find some means of ensuring that the Indian members of the Government enjoy the confidence of the legislative council we are in full sympathy with it, though we think that it can be attained by other means. We are aware that in the past the nominations made to

the executives have not always given satisfaction. There has been a disposition to regard the men appointed as chosen because they are safe and not likely to give Government trouble ; and, if legislature and executive are to work smoothly together, it is, we agree, necessary to make appointments which command confidence and ensure efficiency and ability. We feel sure, however, that to choose part of the Government by election is not a good method of obtaining this result. So far as we are aware there is no precedent on which we can base ourselves in the constitution of any country of importance. Election would deprive the governor of all discretion in making recommendations as to his colleagues ; and it would make it impossible to take steps to give all communities an opportunity of obtaining these appointments. Election is perhaps the best, though it is not the only, method of securing representation ; but when ability in administration ought, generally speaking to be the test, nomination by those who are in the best position to judge must be far more satisfactory than election, success in which largely depends on other qualities. Further, the scheme involves the association of individuals in the Government, who, while sharing in the same degree the same responsibilities, yet derive their authority from different sources, being responsible to the Secretary of State in the one case and the legislative council in the other ; and hence in the event of a divergence of view there is no easy way of securing the unity of action required.

162. The provincial legislative council is the key to the strong position at present occupied by the provincial executive government. The Morley-Minto reforms have shown the Indian politician that the way to the citadel lies in mastering the out-works. The Congress-League scheme proposes that these councils should be enlarged so as to consist of not less than 125 members in major provinces and from 50 to 75 in minor provinces. The present numbers vary from 52 in Bengal to 19 in Burma. It intends that four-fifths of the members should be elected and one-fifth nominated, and that the franchise be widened and made direct. Without committing ourselves to approval of the particular proportions we agree with the principle of all these proposals. There is admittedly the strongest reason for making the present councils more representative, and this we propose to effect by enlarging them and by introducing a system of direct election on as wide a franchise as is possible, having regard to the materials at hand for the creation of an electorate. But our view decidedly is that the size of the councils cannot be determined *a priori*, but must depend on an examination and measure of the electorates. We consider that the time has come to grant substantial elected majorities but the exact size of the councils and the proportions which would suffice for the representation of the official view, and for the representation of important minority interests which cannot be represented by election, cannot be settled at present. These matters, as we explain in due course, need further study in detail.

163. Important minorities, it is proposed, should be represented by election. This appears to point to a system of Minority representation, reserved seats, but not of special electorates, which latter are specified only for Muhammadans, who are no longer to be allowed to vote in the general electorates as well as in their own special ones. We have elsewhere touched upon the difficulty of denying to certain other communities, such as the Sikhs in the Punjab, a concession which is granted to Muhammadans. The authors of the scheme have also agreed upon and set forth the proportions of the seats to be reserved for the special Muslim electorates in the various provinces. We are not aware on what basis, other than that of negotiation, the figures were arrived at. Separate electorates are proposed in all provinces even where Muhammadans are in a majority; and wherever they are numerically weak the proportion suggested is in excess of their numerical strength or their present representation. At the same time, nearly all the Muslim associations which addressed us urged upon us that it should be still further increased. Now a privileged position of this kind is open to the objection, that if any other community hereafter makes good a claim to separate representation, it can be satisfied only by deduction from the non-Muslim seats, or else by a rateable deduction from both Muslim and non-Muslim; and Hindu and Muslim opinions are not likely to agree which process should be adopted. While, therefore, for reasons that we explain subsequently, we assent to the maintenance of separate representation for Muhammadans, we are bound to reserve our approval of the particular proposals set before us until we have ascertained what the effect upon other interests will be, and have made fair provision for them. We agree with the authors of the scheme that Muhammadans should not have votes both in their own special, and in the general, electorates, and we welcome the Muslim League's assent to the revision in this respect of existing arrangements.

164. The concession of special electorates and fixed ratios of representation for the Muslims is, however, reinforced by a further safeguard of a far more dubious nature. The proposal is that "no Bill, nor any clause thereof, nor a resolution introduced by a non-official affecting one or the other community (which question is to be determined by the members of that community in the legislative council concerned), shall be proceeded with if three-fourths of the members of that community in the particular council, Imperial or provincial, oppose the Bill, or any clause thereof, or the resolution". Such a provision measures the difficulty with which agreement between the communities was reached. The clause is so widely worded, and would in practice be so widely interpreted by those to whom its interpretation is specifically committed, that it would be unworkable. In a country like India it is impossible to say what proposals would not be capable of being represented as affecting communal interests; and even if such debatable measures were carried peaceably through the councils they would

be still hopelessly open to persistent, and probably successful, attacks in the courts. Every law of general application affects Hindus and Muhammadans, and a literal interpretation of this provision would require that all Bills of a general nature should be passed by the specified majority of each community. We have no doubt, however, that what was intended was to protect the peculiar religious rights and customs of Hinduism and Islam. Even this is a far-reaching reservation, susceptible of very wide interpretation in a country like India where religion enters deeply into the daily affairs of life; but, so far as the law can afford such general protection, it has already done so in section 79 of the Government of India Act, 1915, which enacts that all laws affecting the religion or religious rites and usages of any community shall require the sanction of the Governor General before introduction; and we much prefer to rely upon this, or some similar, safeguard.

165. These changes in the constitution of the councils which we have examined are important, but are not the vital element in the scheme. So far as the legislatures are concerned the really crucial proposals are those regarding the increased powers of the councils. In the sphere of finance it is proposed that provincial and Indian sources of revenue should be completely separated by abolishing the present division of certain heads of revenue and that the deficient resources of the Government of India should, in consequence, be supplemented by means of fixed contributions from the provinces. The provincial council should then have complete control over all provincial finance. All items of expenditure, and all proposals concerning ways and means for the raising of revenue, should be embodied in money Bills and submitted to the council for adoption. The council should also have power to raise loans and to impose and alter taxation. We have made it clear elsewhere that we consider the proposal to segregate provincial finance entirely sound. We fully accept the principle that the provinces should, in future, have wholly separate resources, and we are ourselves making certain suggestions with that end in view. The measure of the powers of borrowing and taxation that can safely be conceded to the provinces is a more difficult matter, but we believe that in both respects substantial advance upon the present system is possible. Where we next find ourselves at variance with the draftsmen of the scheme is in their claim to control completely the provincial finances. It may be that constitutional practice elsewhere has not been fully appreciated. In England it is a well-established rule that the Government only can propose fresh expenditure: no amendment can be moved to increase a grant or to alter its destination. Initiative lies with the Government. The House makes very little use of its undoubted power to reject or reduce the amounts asked for; it supervises, rather than directs, finance; and the utility of the debates on the estimates lies in securing publicity and criticism rather than in actually controlling expenditure. But we need hardly lay stress on matters of form when there is an objection of principle.

Finance is the vehicle of government; and unless the executive can raise money for its needs, and lay it out as it pleases, it cannot continue responsible for the administration. The power to refuse a vote, or to refuse to grant the resources required for it, paralyses the Government's hands. In the hands of a legislature, which practically chooses its own executive, such power is natural and appropriate. It affords a convenient, and very effective, means of making the Government conform to the wishes of the assembly. Supplies are not refused unless the assembly wishes to change the executive. But so long as the executive remains nominated and irremovable, it must be in a position to secure the money necessary for its essential purposes. The Congress-League proposal is compatible with parliamentary government, but fundamentally incompatible with an executive which retains any responsibility towards the Secretary of State and Parliament. In this respect therefore it is inconsistent with itself. We shall carefully examine later on within what limits it is possible to give the legislatures a voice in the disposal of provincial finance.

166. In the next place, it is proposed that the councils, with their  
Legislative powers. substantial majority of elected members, should have power to legislate on all provincial subjects, subject to the Governor's veto. The idea is that an irremovable executive should continue responsible for the government of the country, even though it is no longer in a position to secure the legislation which it wants. In that this arrangement may at any moment deprive the Government of any power of effecting its will, it transfers the power from the Government to the elected body. The plan has attractions for many people. It is defended by those who think that legislation matters little compared with administration; or that a provincial Government will still retain great influence and be able to persuade the assembly, either by sheer reason or by means less creditable, to give it the laws which it wants; or that, failing to get such laws from its assembly, it will be able to get them from the Government of India; or that it can carry on without the laws it wants; and that it will be able to block objectionable legislation by using the veto. But it is also defended by those who point out that the combination of an irremovable executive and an elective assembly, alien as it is to English political ideas, is already found in successful operation elsewhere. Non-parliamentary executives flourish in the United States and Germany. But in America both the executive and legislature are ultimately responsible to the people, and in Germany the system appears to us only to be possible because military obedience rather than political instinct is the guiding principle of German political life.

167. We find then in these proposals no connecting rod between the  
Relations between executive and legislature. executive and the legislative wheels of the machine which will ensure that they will work in unison. There are powerful factors working the other way in the differences of race and of political ideas. We

must anticipate divergence, and the only question is whether that divergence will be fatal to good government. Upon this point we defer to the experience of history, and we draw from it the plain conclusion that, if the government is to be carried on, legislature and executive must in essentials be in harmony. Legislation is a necessary attribute of Government because it is the means by which Government secures fresh powers when it feels the need of them for attaining its ends. But in the hands of the assembly it may become a weapon to paralyse the Government. Whenever the legislature distrusts the executive it can always restrain or control its activities by specific provisions inserted in an Act. There is no clear line between administrative and executive functions, and it would be perfectly open to an assembly which distrusted its executive practically to assume charge of the administration and, as Lord Bryce says,\* to reduce its Government to the position of a bank staff *vis à vis* the directors. That is a position into which no parliamentary government ever allows itself to be forced; and it would be an impossible position for a nominated Government of India. An executive which is independent for its legislature, as the Indian executives have hitherto been, can carry on the government in virtue of authority derived from without: a party executive can govern because it interprets the will of the people as represented by the assembly; but wherever, as in Canada or Malta, attempts have been made to set up an irremovable executive and a popular assembly, acute conflict has ensued and has resulted in either an advance to popular government or a return to autocracy. "Parliamentary government avoids dead-locks by making the executive responsible to the legislature. Presidential government limits deadlocks, because all the organs of the State must ultimately submit to a superior tribunal, the electorate of the nation. But a legislature elected by the people, coupled with a governor appointed by a distant power, is a contrivance for fomenting dissensions and making them perpetual." We believe that in India, where the two sides are divided by race, and also by differences of standpoint, the discord would be much more serious than it has ever been in the Empire's history. We can see no prospect whatever ahead, along the road which we are invited by the Congress-League to take, but embittered and dangerous deadlock; to be resolved, when it arose, only by a plunge forward into parliamentary government at once, or by reversion to autocratic methods.

168. The proposal that the executive Government should be bound to carry out the recommendations of legislative councils passed in the form of resolutions is another means by which Indian politicians naturally seek to direct the policy of Government, in the absence of parliamentary means of controlling it by the exercise of the right to change its personnel. This proposal is also embodied in the Congress-League scheme, together with the corollary that resolutions on all matters within the purview of the provincial

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\* *The American Commonwealth*, chapter XXI.



Government should be allowed for discussion in accordance with rules made by the council itself. But it is easier to understand the motive than to approve the means. In the first place, the method of attempting to control the executive by direct orders on points of detail appears to us to be wrong in principle. This way of conducting the public business was no doubt well known to the legislative assemblies in the old city-states. But it is inapplicable where a country is too large for the people to come together ; and it has come to be generally regarded as inapplicable also in deliberative assemblies in modern countries where the business of government has grown complicated. The reasons are apparent. A deliberative body cannot suitably deal with details, because its constitution unfits it for such work. "Individually the members may express the most involved opinions, the most complex and divergent sentiments, but when it comes to voting, the body can only vote yes or no." It has to adopt or reject whatever propositions, original or amended, are laid before it. It can only proceed by formal rules, and it cannot arrive at its decision by quick interchange of views in conversation as a small executive body can. If proposals, once carried in the assembly, are to be effective, then their wise and accurate formulation becomes a matter of supreme importance ; and no one but the authorities responsible for the administration has the knowledge to undertake this. Resolutions by the assembly should therefore be concerned with questions of policy or principle, and not with details. It is proper, for instance, that they should deal with the administration of the Arms Act, but not with its application to an individual ; because for this latter purpose the machinery is clumsy, the knowledge is lacking, and the consumption of time and labour is disproportionate.

169. These, doubtless, are the reasons why it is not in accordance with modern English constitutional practice that resolutions of the assembly, as distinct from laws, should bind the executive. It is well known how ineffective private members' motions in the House of Commons often are. "There is nothing to prevent the House of Commons from adopting an address or resolution calling upon the Government for specific administrative action ; and it has been occasionally, though not often, done." In theory such a resolution is an authoritative indication of the assembly's views to which the Government is bound to pay due heed ; but for its enforcement there is no sanction other than the general powers of control enjoyed by the House ; and in practice the Government decides whether the House intends the resolution to be taken seriously and is prepared to enforce it by any of the other means open to it of making its will felt. A resolution of the House of Commons of peculiar interest to India was the one approving of simultaneous examinations. It was transmitted to India as a matter still open to discussion ; and when the Government was satisfied after inquiry that the resolution should not be carried out Parliament was content to acquiesce in their opinion. It needs no argument to show that the Commons' real control of the Government is exercised

in other ways—by the debate on the address ; by questions ; by motions to adjourn ; by the budget debates ; and by motions of no confidence. Sheer press of business, if no other reason, would forbid constant attempts to direct the administration in close detail. At the same time, there is another much stronger reason against any such attempt, in the settled feeling that those who know should be left to initiate, to frame their policy, to submit that policy to searching criticism, and to adopt such suggestions as they deem best ; and that the House, when all is said and done, must either accept the Government's acts, or must change the Government. When the House of Commons chooses to make its resolutions effective it can always do so by withdrawing its confidence from the Government. With an irremovable executive there is no such sanction possible. Sanction would have to be provided in a court of law, which would in effect give a resolution the same value as a statute. We should in any case therefore hesitate to approve a proposal which has not to our knowledge been applied elsewhere, which it is difficult to find a method of enforcing, and which involves abrupt interference with the details of administration by a body that acts without due knowledge, is not charged with the duty of carrying out what it dictates, and cannot be held responsible for a wrong decision.

170. But there is a stronger objection still. If we compel the executive to carry out instructions from the legislature we bring the Government to an end by destroying its right of action. No Government can consent to remain in office and to put into effect orders of which it disapproves. It could not do so whole-heartedly, and it could not accept responsibility to the public for actions forced upon it. If it is to be held responsible for government it must govern : and if it is not to govern it must give way to those who can. We have said that the whole history of constitutional development points to the need for harmony between the Government and the assembly. That remark had reference to the milder proposal, to give legislative control to the assembly while leaving the executive irremovable. But all that can be urged against creating a deadlock over legislation (which after all is only an intermittent function of government) applies with twofold force to the suggestion that the assembly should have power to take any detail of the administration at any moment out of the hands of those who are yet required to carry on the government.

171. But we shall be told that the veto will save the situation ; and we must examine this suggestion. The veto is not an instrument of government, and is tolerable only when it is rarely used and does not become obtrusive. But the suggestion before us is that the veto should be limited in effect to one year. We find it difficult to believe that a legislative body, having passed a resolution one year to which it attached importance, is likely to refuse to pass it again in the

And fatal to good government.  
The veto an illusory safeguard.

next year ; and therefore those who invite us to make normal use of an instrument that is intended to be exceptional, suggest at the same time limitations which will destroy its efficacy. But, to waive the question of limitations, it seems to us that while the veto of the Governor is appropriate in the case of legislation, to which, according to constitutional theory, the Crown is a party, it is quite out of place in respect of resolutions. To apply it to them is to treat recommendations as something more than recommendations ; to lay down the anomalous proposition that a body which is normally bound by the wishes of another body should yet have the right to reject them. We fully appreciate the desire of Indian politicians that resolutions should be regarded as being an authoritative intimation of the wishes of the legislative council, and that Government should, so far as it thinks possible in the due discharge of its responsibility, give effect to them. This result can be attained by other and better means than by attempting to give legal validity to resolutions. It is really a matter of constitutional convention. The growth of such a convention has already begun ; and it will be fostered by the changes which we have to propose in the composition of both executive and legislature, and by the habits of co-operation which we hope will thereby be induced.

172. These are the main proposals which affect the provincial Governments. The suggestions with regard to the Indian Government follow much the same lines, nor need we examine them at length. As we shall show, we believe that we can advance further in the provincial sphere, but that for the present official authority must be effectually maintained in the Government of India. For this reason, while we are prepared to grant an elected majority in the Indian Legislative Council, we consider it necessary that that concession should be accompanied by the establishment of a second chamber, which will have the effect of securing to the Government in essential matters the final power of legislation. Similarly, while we cannot agree to the proposal that half the members of the Governor General's Council should be Indians, we are quite prepared to recommend that the Indian element in the present council should be enlarged. As regards the principles of election of members of the executive council, the suggested exclusion of members of any particular service by name and the relations of the Indian Legislative Council to the executive, which are the same as in the case of the provincial legislative councils, our position is that which we have explained already. Our objections to the proposals in relation to the provincial Governments apply with greater force in regard to the Government of India.

173. We have not touched upon details of the scheme, which might be subject to adjustment if the main principles were accepted, because it is immaterial to discuss them if we cannot accept the vital features. Nor need we here deal with the proposals which concern the Secretary

of State in Council, or matters not directly bearing on constitutional changes. The former subject is dealt with elsewhere in our report. The latter is outside our immediate purview. We are, therefore, now in a position to sum up our views on the proposals as a whole. As we have shown, the essence of the project is an executive, theoretically responsible to the Secretary of State but practically divided, a legislature responsible to the electorate, and a distribution of power which enables the legislature to paralyse the executive without having power to remove it. Our first observation is that in our view such a plan postulates the existence of a competent electorate, and an assembly which will be truly representative of the people. We deal with the subject of electorates in another chapter and therefore need not stop here to examine the justification of this presupposition. We need only say that, while we believe that both a sound electoral system and truly representative assemblies will be evolved in time, we cannot assent to proposals which could only be justified on the assumption that such institutions are immediately forthcoming.

174. Our second criticism, which is decisive with us, is that the

Of its theory.

Congress-League scheme starts with a wrong conception. It is unsound that the legislature and the executive should derive their power from, and be responsible to, different authorities. As one observer has put it:—"The executive has a mandate for good government from the Secretary of State and the British Parliament; the legislature has *ex hypothesi* a mandate from the electorate; the two mandates may not agree, and which is to yield?" There would certainly be questions on which the mandates did not agree. If the executive attempted to overcome the legislature there would be conflict and agitation: if it gave way then it would become merely the agent of the legislature and might as well be chosen from, and by, the legislature at once. But for a deadlock the Congress-League scheme provides no solution, such as there would be in England, by means of a change of Government. If responsible government cannot be conceded at once, as indeed the scheme implies, and if some measure of responsibility is yet to be given, then means must be found of dividing the sphere of administration into two portions, and for each of these there must be a part of the executive which can, in the last resort, secure its way from a legislative organ which is in harmony with it: and there must also be means of securing that both halves of the machine work together.

175. It has been put to us that though the system is not an ideal

As a means of education.

one it may serve as well as any other for the transitional stage before the introduction of a complete system of responsible government. We cannot subscribe to this view. Because the system is one of negative power, without responsibility, it affords the worst possible education for responsible government. That it would not train political leaders in the practical experience of administration is a sufficiently grave defect. But what is

far more serious is that the scheme makes no provision for an even greater need, the training of the people in the exercise of electoral responsibility. So long as the council has no direct responsibility for executing the policy which it advises the faculty of judging and choosing between different leaders cannot be called into play. The only result must be such increasing bitterness between a powerless, and yet irremovable, executive and the assembly, that when the change did come—and it would come with a crash—it would be made in the most unfavourable circumstances.

176. Apart from all questions of theory or historical examples we feel persuaded that the project would soon  
Unworkability in practice. prove unworkable in practice. It proposes to concede to the popular assembly complete power of legislation and complete control of the budget. What will follow? We may judge from the tendencies displayed by the Morley-Minto councils. This is how the prospect strikes a liberal-minded and experienced administrator, who had made it his constant aim to work in harmony with his legislative council :—

“ On an issue for or against the Government there will be a solid and permanent hostile majority. Now when such an issue arises what will be the results? Suppose the council wishes to promote technical schools for which the executive is advised that it cannot afford a proper staff or procure a suitable equipment. The executive argues and opposes, but is overruled. It then asks for funds, and suggests new taxation. The council refuses, and provides money by cutting down the police estimates. The executive again argues and opposes, pleading the needs of law and order, and is again overruled. The police suffer accordingly, and money is spent on schools which the executive believes to be merely eyewash. Suppose this sort of thing occurs not once, but again and again, until at last the executive is convinced that law and order has become impossible to maintain on the standard which the British Parliament would desire. It can only represent the situation to the Secretary of State and ask to be relieved of its responsibility for good government, or that the legislature be suspended or its powers curtailed. On the other hand, suppose the executive, on each such occasion when it considers the legislature to be seriously wrong, enforces its will by the veto, or by ordinance in place of Acts, what must ensue? Clearly, the legislature will find its position impossible: it will protest, cut off supplies, and finally refuse to carry on its share of the government. In either case there is a hopeless impasse; and while it has been developing the country has been ablaze with agitation, which will make relations more bitter and public business more difficult when work begins again.”

177. Such forebodings may be regarded as pessimistic. It may be said that if only reforms are carried out in the right spirit they can be made to work. If Government is sympathetic and broad-minded, if Indian leaders are sincere and public-spirited why should the scheme break down? Now these are exactly the conditions that we postulate for our own proposals, and we entirely agree that they are essential to the success of any transitional and intermediate constitution. Let us then try to make it clear why we believe that the Congress-League scheme is bound to fail. First, as we have said, we believe that the inherent defects of the machine would make it impossible to work at all.

The negation of responsible government.

But, granted that the Government does its utmost, granted that the Indian politicians have a sincere desire to make the engine work, we still cannot see how they could do so, because success itself would be the negation of their ultimate aim, and ours, which is responsible government. They could not remain content with an alien executive, and therefore their policy naturally, and from their standpoint justifiably, must be to weaken and discredit it. There is evidence indeed that some of the advocates of the scheme are impressed by the force of these arguments, and look forward to producing a deadlock as a means of bringing the executive under the control of the legislature. We have no desire to produce deadlocks. We have no wish to advance only by first making government impossible. On the contrary, we believe that the path of progress lies in another direction. We believe in the possibility of 'smooth and harmonious progress' pursued in a spirit of mutual goodwill and devotion to common interests. Our own proposals will show how we hope to start India on the road leading to responsible government with the prospect of winning her way to the ultimate goal, her progress hindered, it may be, at times by hills and rough places, but finding the road nowhere swept away by floods or landslides.



PART II

The Proposals

## PRELIMINARY.

178. We began our report with a reference to the announcement of August 20, but, inasmuch as that announcement was made on behalf of His Majesty's Ministers at our own request, we propose before setting out our own proposals to gather together very briefly the reasons why we hold that the decision was a wise and necessary one. If our account of the past development and working of the present constitution is an accurate one, it will be apparent that we have now gone as far as is possible upon the old lines. No further development is possible unless we are going to give the people of India some responsibility for their own government. But no one can imagine that no further development is necessary. It is evident that the present machinery of government no longer meets the needs of the time ; it works slowly, and it produces irritation ; there is a widespread demand on the part of educated Indian opinion for its alteration ; and the need for advance is recognized by official opinion also. One hundred and twenty years ago Sir Thomas Munro wrote :—

“What is to be the final result of our arrangements on the character of the people ? Is it to be raised, or is it to be lowered ? Are we to be satisfied with merely securing our power and protecting the inhabitants, or are we to endeavour to raise their character, to render them worthy of filling higher stations in the management of their country, and devising plans for its improvement ?..... We should look on India not as a temporary possession, but as one which is to be maintained permanently, until the natives shall in some future age have abandoned most of their superstitions and prejudices, and become sufficiently enlightened to frame a regular government for themselves, and to conduct and preserve it.”

179. Thus the vision of a persistent endeavour to train the people of India for the task of governing themselves was present to the minds of some advanced Englishmen four generations ago ; and we since have pursued it more constantly than our critics always admit, more constantly perhaps than we have always perceived ourselves. The inevitable result of education in the history and thought of Europe is the desire for self-determination ; and the demand that now meets us from the educated classes of India is no more than the right and natural outcome of the work of a hundred years. There can be no question of going back, or of withholding the education and enlightenment in which we ourselves believe ; and yet, the more we pursue our present course without at the same time providing the opportunities for the satisfaction of the desires which it creates, the more unpopular and difficult must our present government become and the worse must be the effect upon the mind of India. On the other hand, if we make it plain that, when we start on the new lines, education, capacity, and good-will will have their reward in power, then we shall set the seal

upon the work of past years. Unless we are right, in going forward now the whole of our past policy in India has been a mistake. We believe, however, that no other policy was either right or possible, and therefore we must now face its logical consequences. Indians must be enabled, in so far as they attain responsibility, to determine for themselves what they want done. The process will begin in local affairs which we have long since intended and promised to make over to them; the time has come for advance also in some subjects of provincial concern; and it will proceed to the complete control of provincial matters and thence, in the course of time, and subject to the proper discharge of Imperial responsibilities, to the control of matters concerning all India. We make it plain that such limitations on powers as we are now proposing are due only to the obvious fact that time is necessary in order to train both representatives and electorates for the work which we desire them to undertake; and that we offer Indians opportunities at short intervals to prove the progress they are making and to make good their claim not by the method of agitation, but by positive demonstration, to the further stages in self-government which we have just indicated.

180. Further, we have every reason to hope that, as the result of this process, India's connexion with the Empire will be confirmed by the wishes of her people. Hopes for the future. The experience of a century of experiments within the Empire goes all in one direction. As power is given to the people of a province or of a dominion to manage their own local affairs, their attachment becomes the stronger to the Empire which comprehends them all in a common bond of union. The existence of national feeling, or the love of, and pride in, a national culture need not conflict with, and may indeed strengthen, the sense of membership in a wider commonwealth. The obstacles to a growth in India of this sense of partnership in the Empire are obvious enough. Differences of race, religion, past history, and civilization have to be overcome. But the Empire, which includes the French of Canada and the Dutch of South Africa—to go no further—cannot in any case be based on ties of race alone. It must depend on a common realization of the ends for which the Empire exists, the maintenance of peace and order over wide spaces of territory, the maintenance of freedom, and the development of the culture of each national unity of which the Empire is composed. These are aims which appeal to the imagination of India and, in proportion as self-government develops patriotism in India, we may hope to see the growth of a conscious feeling of organic unity with the Empire as a whole.

181. There is, however, one aspect of the general problem of political advance which is so important as to require notice in some detail. We have observed already that one of the greatest obstacles to India's political development lies not only in the lack of education among its peoples taken as a whole, but also in the uneven distribution of educational advance. The

educational policy of Government has incurred much criticism from different points of view. Government is charged with neglect, because after sixty years of educational effort only 6 per cent of the population is literate, while under 4 per cent of the total population is undergoing instruction. It is charged, on the other hand, with having fostered education on wrong lines, and having given to those classes which welcomed instruction a system which is divorced from their needs in being too purely literary, in admitting methods of unintelligent memorizing and of cramming, and in producing far in excess of the actual demands of Indian conditions, a body of educated young men whose training has prepared them only for Government service or the practice of the law. The system of university education on Western lines is represented as cutting off the students from the normal life of the country, and the want of connexion between primary education in the vernaculars and higher education in English is regarded as another radical defect.

182. It is sometimes forgotten that the system of English education was not forced upon India by the Government, but established in response to a real and insistent demand, though a demand that proceeded from a limited class. The higher castes of Hindus—Brahmans, Kayasths, and a few others—have for generations supplied the administrative body of India, whatever the nationality of the rulers; and the introduction and development of British rule inspired these classes to qualify themselves for a continuance, under the new conditions, of their hereditary careers. It was somewhat easily assumed in the time of Macaulay that Western education once imparted to the higher classes of India would gradually but steadily permeate the whole population. In the event it has been distributed unevenly among the higher classes themselves, the Muhammadan community as a whole having until very recently been backward in taking advantage of educational facilities. Indeed some of the most difficult factors of the present situation would have been avoided if in good time steps had been taken to prevent the wide divorce which has occurred between the educated minority and the illiterate majority. From the economic point of view India has been handicapped by the want of professional and technical instruction; her colleges turn out numbers of young men qualified for Government clerkships while the real interests of the country require, for example, doctors and engineers in excess of the existing supply. The charge that Government has produced a large *intelligentsia* which cannot find employment has much substance in it; it is one of the facts that lie at the root of recent political difficulties. But it is only of late years, and as part of the remarkable awakening of national self-consciousness, that the complaint has been heard that the system has failed to train Indians for practical work in manufactures, commerce, and the application of science to industrial life. The changing economic conditions of the country have brought this lesson home, and in its acceptance lies much of our hope for the future. But it must be remembered that many of the particular classes which eagerly sought higher education demanded also that it

should be of a literary character, and were hereditarily averse from, if not disdainful of, anything that savoured of manual toil; and also that when the universities of India were founded the idea of scientific and technological instruction had not dawned upon universities in England.

183. The failure of the Indian educational system to train the character has often been criticized, and with justice. In our desire, while imparting actual instruction, not to force the mind of India into an alien mould or to interfere with religious convictions, we have undoubtedly made education too purely a matter of the intellect, and, at any rate in the beginning, we failed to foresee how substantially the mental training that our schools and colleges afforded must come in time to modify the pupils' conceptions of life. Attempts towards direct moral training were always impeded by the desirability of avoiding the difficult and delicate domain of religious belief. But one of the most pressing needs of India is to foster more widely in the schools and colleges those ideas of duty and discipline, of common responsibilities and civic obligation, on which a healthy political life depends. Much effort is already being made in this direction, and there are notable and welcome signs of the growth among educated Indians of the conviction that the possession of education does not merely offer the individual opportunities of advancement, but should confer on him also the ability and the obligation to serve his country.

184. As regards the limited diffusion of education we also take into account the conservative prejudices of the country. It is not very long since the advocates of the higher education of women in Europe were regarded as impractical and subversive theorists; and in India social customs have greatly multiplied the difficulties in the way of female education. Upon this question opinion is slowly, but surely, changing, and educated young men of the middle classes are beginning to look for literate wives. But so long as education is practically confined to one sex the social complexion of the country must react upon and retard political progress; and for this reason we regard the great gulf between men and women in respect of education as one of the most serious problems which has to be faced in India.

185. The spread of education among the lower classes is also attended by peculiar difficulties. India is a predominantly agricultural country, and an agricultural population is always and everywhere suspicious of the effect of education upon rural children. Here again is the need—a need realized equally in Europe and America—of making rural education more practical, and ensuring that the school shall make the average boy who does not aspire to university education a more practical farmer instead of transforming him into an indifferent clerk. In India primary education has been entrusted mainly to the district boards and municipalities, and

it has, we are glad to say, made fairly steady, if slow, progress under their administration. The first effect of English education upon the classes which adopted it was to widen the gulf between them and the conservative masses. But one of the most marked features of recent political development is the concern shown by the spokesmen of the educated classes for the diffusion of primary education among the people as a whole. The history of other countries shows that the growth of a desire for education among the peasantry and working classes is generally slow, while political and economic conditions remain static, and that the quickening influences come mainly from the better educated sections of the community which are more sensitive to political and economic changes. Political thought in India is coming to recognize that advance must be influenced by the general educational level of the country, and that political leaders, if they are to escape the charge of representing only the interests of the classes to which they themselves belong, must be able to appeal to, and be understood by, the masses of their fellow-countrymen. This conviction involves steady effort to raised the status of the depressed classes.

186. Primary education, as we have seen, is already practically in the hands of local bodies, but secondary education was deliberately left at the outset almost entirely to private agencies. The universities, despite their connexion with Government, are largely non-official bodies with extensive powers. The main defect of the system is probably the want of co-ordination between primary and higher education, which in turn reacts upon the efficiency of secondary institutions and to a great extent confines university colleges to the unsatisfactory function of mere finishing schools. The universities have suffered from having been allowed to drift into the position of institutions that are expected not so much to educate in the true sense, as to provide the student with the means of entering an official or a professional career. Thus a high percentage of failures seems to a large body of Indian opinion not so much a proof of the faultiness of the methods of teaching, as an example of an almost capricious refusal of the means of obtaining a living wage to boys who have worked for years, often at the cost of real hardship, to secure an independent livelihood. The educational wastage is everywhere excessive; and analysis shows that it is largely due to underpayment and want of proper training in the case of teachers. The actual recruits for normal schools are too often ill-prepared, and the teaching career, which in India used formerly to command respect, does not now offer adequate inducements to men of ability and force of character. The first need therefore is the improvement of teaching. Until that is attained it is vain to expect that the continuation of studies from the primary stage can be made attractive. But while the improvement of primary and middle schools is the first step to be taken, very much remains to be done in reorganizing the secondary teachers and ensuring for the schoolmaster a career that will satisfy an intelligent man. The improvement of ordinary secondary education is obviously a necessary condition for the

development of technical instruction and the reform of the university system. It is clear that there is much scope for an efficient and highly trained inspectorate in stimulating the work of the secondary schools, and in helping the inspectorate of the primary schools maintained by the local bodies. We believe that the best minds in India, while they feel that the educational service has not in the past been widely enough opened to Indians trained at British universities, value the maintenance of a close connexion with educationists from the United Kingdom.

187. This survey of educational problems will show how much room there is for advance and improvement, and also how real the difficulties are. The defects of the present system have often been discussed in the legislative councils but, as was inevitable so long as the councils had no responsibility, without due appreciation of financial difficulties, or serious consideration of the question how far fresh taxation for educational improvement would be acceptable. As we shall show, it is part of the political advance that we contemplate that the direction of Indian education should be increasingly transferred to Indian hands. Only so, we believe, can the stimulus be forthcoming which will enable the necessary money to be found. The weak points are recognized. A real desire for improvement exists. Educational extension and reform must inevitably play an important part in the political progress of the country. We have already made clear our conviction that political capacity can come only through the exercise of political responsibility; and that mere education without opportunities must result in serious mischiefs. But there is another important element. Progress must depend on the growth of electorates and the intelligent exercise of their powers; and men will be immensely helped to become competent electors by acquiring such education as will enable them to judge of candidates for their votes, and of the business done in the councils. No one would propose to prescribe an educational qualification for the vote; but no one can deny the practical difficulties which make a very general extension of the franchise impossible until literacy is far more widely spread than is the case at present. The Government of India has for some time past been maturing plans for a great extension of primary education. Progress was temporarily interrupted by uncertainty as to the distribution of financial resources which would result from the constitutional changes; but the imminence of these has given a new importance to the question and its consideration has been resumed. We trust that impetus will thus be given to a widespread movement which will be taken up and carried forward boldly by the reformed councils.

188. Let us now consider the principles on which our proposals are based. We have surveyed the existing position; we have discussed the conditions of the problem; and the goal to which we wish to move is clear. What course are we to set across the intervening space? It follows from our premises, and it is also recognized in the

Extent of the advance  
proposed in local bodies.



announcement of August 20, that the steps are to be gradual and the advance tested at each stage. Consistently with these requirements a substantial step is to be taken at once. If our reasoning is sound this can be done only by giving from the outset some measure of responsibility to representatives chosen by an electorate. There are obviously three levels at which it is possible to give it—in the sphere of local bodies, in the provinces, and in the Government of India. Of certain other levels which have been suggested, intermediate between the first and second of these, we shall speak in due course. Also, since no man can serve two masters, in proportion as control by an electorate is admitted at each level, control by superior authority must be simultaneously relaxed. If our plans are to be soundly laid, they must take account of actual conditions. It follows that the process cannot go on at one and the same pace on all levels. The Secretary of State's relaxation of control over the Government of India will be retarded, if for no other reason, by the paramount need for securing Imperial interests; the Government of India have the fundamental duty to discharge of maintaining India's defence; the basic obligation of provincial Governments is to secure law and order. As we go upwards the importance of the retarding factors increases; and it follows that popular growth must be more rapid and extensive in the lower levels than in the higher. Let us state the proposition in another way. The functions of government can be arranged in an ascending scale of urgency, ranging from those which concern the comfort and well-being of the individual to those which secure the existence of the State. The individual understands best the matters which concern him, and of which he has experience; and he is likely to handle best the things which he best understands. Our predecessors perceived this before us, and placed such matters to some extent under popular control. Our aim should be to bring them entirely under such control. This brings us to our first formula:—

*" There should be, as far as possible, complete popular control in local bodies and the largest possible independence for them of outside control " (1).*

189. When we come to the provincial Governments the position is different. Our objective is the realization of responsible Government. We understand this to mean first, that the members of the executive Government should be responsible to, because capable of being changed by, their constituents; and, secondly, that these constituents should exercise their power through the agency of their representatives in the assembly. These two conditions imply in their completeness that there exist constituencies based on a franchise broad enough to represent the interests of the general population, and capable of exercising an intelligent choice in the selection of their representatives; and, secondarily, that it is recognized as the constitutional practice that the executive Government retains office only so long as it commands the support of a majority

in the assembly. But in India these conditions are as yet wanting. The provincial areas and interests involved are immense, indeed are on what would elsewhere be regarded as a national scale. The amount of administrative experience available is small; electoral experience is almost entirely lacking. There must be a period of political education, which can only be achieved through the gradual, but expanding, exercise of responsibility. The considerations of which we took account in chapter VI forbid us immediately to hand over complete responsibility. We must proceed therefore by transferring responsibility for certain functions of government while reserving control over others. From this starting point we look for a steady approach to the transfer of complete responsibility. We may put our second formula thus :—

*“The provinces are the domain in which the earlier steps towards the progressive realization of responsible government should be taken. Some measure of responsibility should be given at once, and our aim is to give complete responsibility as soon as conditions permit. This involves at once giving the provinces the largest measure of independence, legislative, administrative and financial, of the Government of India which is compatible with the due discharge by the latter of its own responsibilities” (2).*

190. But, as we shall see, any attempt to establish equilibrium between the official and popular forces in the Government of India. government inevitably introduces additional complexity into the administration. For such hybrid arrangements precedents are wanting; their working must be experimental, and will depend on factors that are yet largely unknown. We are not prepared, without experience of their results, to effect like changes in the Government of India. Nevertheless, it is desirable to make the Indian Legislative Council more truly representative of Indian opinion, and to give that opinion greater opportunities of acting on the Government. While, therefore, we cannot commend to Parliament a similar and simultaneous advance, both in the provinces and in the Government of India, we are led to the following proposition ;—

*“The Government of India must remain wholly responsible to Parliament, and saving such responsibility, its authority in essential matters must remain indisputable, pending experience of the effect of the changes now to be introduced in the provinces. In the meantime the Indian Legislative Council should be enlarged, and made more representative and its opportunities of influencing Government increased” (3).*

191. Further, the partial control of the executive in the provinces by the legislature, and the increasing influence of the legislature upon the executive in the Government of India, will make it necessary that the superior control over all Governments in India which is now exercised by the authorities at Home must be in corresponding measure abated; for otherwise the

executive Governments in India will be subjected to pressure from different sources which will wholly paralyse their liberty of action, and also the different pressures may be exercised in opposite directions. We may put this proposition briefly as follows :—

*“ In proportion as the foregoing changes take effect, the control of Parliament and the Secretary of State over the Government of India and provincial Governments must be relaxed ”* (4).

192. We have been told that, inasmuch as local self-government has not yet been made a reality in most parts of India, we should content ourselves with such reforms as will give it reality, and should await their result before attempting anything more ambitious, on the principle that children learn to walk by learning first to crawl. We regard this solution as outside the range of practical politics ; for it is in the councils that the Morley-Minto reforms have already brought matters to an issue ; and Indian hopes and aspirations have been aroused to such a pitch that it is idle to imagine that they will now be appeased by merely making over to them the management of urban and rural boards. Moreover, the development of the country has reached a stage at which the conditions justify an advance in the wider sphere of government, and at which indeed government without the co-operation of the people will become increasingly difficult. On the other hand, few of the political associations that addressed us seemed adequately to appreciate the importance of local affairs, or the magnitude of the advance which our recommendation involves. But the point has been made time and time again by their own most prominent leaders. It is by taking part in the management of local affairs that aptitude for handling the problems of government will most readily be acquired. This applies to those who administer, but even more to those who judge of the administration. Among the clever men who come to the front in provincial politics there will be some who will address themselves without more difficulty, and indeed with more interest and zeal, to the problems of government than to those of municipal or district board administration. But the unskilled elector, who has hitherto concerned himself neither with one nor the other, can learn to judge of things afar off only by accustoming himself to judge first of things near at hand. This is why it is of the utmost importance to the constitutional progress of the country that every effort should be made in local bodies to extend the franchise, to arouse interest in elections, and to develop local committees, so that education in citizenship may, as far as possible be extended, and everywhere begin in a practical manner. If our proposals for changes on the higher levels are to be a success, there must be no hesitation or paltering about changes in local bodies. Responsible institutions will not be stably-rooted until they become broad-based ; and far-sighted Indian politicians will find no field into which their energies can be more profitably thrown than in developing the boroughs and communes of their country.

193. These reasons led Lord Chelmsford's Government in May 1916 to consider what further progress along the road local self-government was immediately possible. Their conclusions would have been published some time ago if it had been possible to separate the consideration of this subject from that of constitutional reforms in general. We have the proposals before us, and will summarize the general purport of them.

194. At present rather more than half the members of municipal, and rather less than half of those of rural boards, including in this term sub-district boards, are elected. The intention is that substantial elected majorities should be conceded in boards of both kinds and that the system of nomination should be retained only in order to secure the necessary representation of minorities, and the presence of a few officials as expert advisers without a vote. Generally the suggestion is that the proportion of nominated members should not exceed one-fourth. The enlargement of the elected element must necessarily be accompanied by the adoption of a sufficiently low franchise to obtain constituencies which will be really representative of the general body of rate-payers. It should also be followed by an extension of the system of elected chairmen. The Decentralization Commission thought that municipal chairmen should ordinarily be elected non-officials, and that if a nominated chairman was required an official should be selected. It is hoped, however, that the election of chairmen will be the general rule in future. If there are special reasons against the election of a non-official chairman an official might be elected, provided he is elected by a majority of the non-official votes. In some provinces this is already the ordinary practice for municipalities. For the administration of large cities it is proposed to approve of the system in which the every-day executive work is carried out by a special nominated commissioner; but not to require that he should be an official, provided that he is protected by a provision that he should only be removable with the sanction of Government or by the vote of a substantial majority of the board. In the case of rural boards local Governments will be urged to appoint non-official and preferably elected chairmen wherever possible, but where there is a non-official chairman there may be need also for a special executive officer, whose appointment and removal would require the Government's sanction, to do the ordinary official work. If any board desired to elect an official chairman his election should be by a majority of non-official votes and should be approved by the Commissioner or some higher authority.

195. The Decentralization Commission recommended that municipalities should have full liberty to impose and alter taxation within the limits laid down by law, but that where the law prescribes no maximum rate the sanction of an outside authority should be required to any increase. It is hoped that nearly all boards will contain substantial elected majorities, and

in their case it is proposed to accept the Commission's recommendation, though indebted boards should still obtain the sanction of higher authority before altering a tax. It is clearly important that municipal boards should have such power to vary taxation, and the intention is to give it to rural boards as well by allowing them to levy rates and fees within the limits of the existing Acts. It is thought that wherever a board pays for a service it should control such service; and that where it is expedient that control should be largely centred in the hands of the Government the service should be a provincial one. If, for example, a board provides for civil works or medical relief, it ought, subject to such general principles as the Government may prescribe, to have real control over the funds which it provides and not be subject to the constant dictation, in matters of detail, of Government departments. Similarly as regards the control over the budgets of local bodies. It is hoped that provincial Governments will make every effort to give boards a free hand with their budgets, subject to the maintenance of a minimum standing balance, with the necessary reservations in the case of indebtedness or against gross default. The Government of India would discard the system of requiring local bodies to devote fixed portions of their revenues to particular objects of expenditure and would rely on retaining powers of intervention from outside in cases of grave neglect or disregard. Municipalities have already been given enlarged powers in respect of new works; and a similar advance is hoped for in the case of rural boards. As regards the control by Government over the establishment of local bodies the Commission proposed that the appointment of certain special officers should require the sanction of higher authority, while other appointments would be regulated by general rules laid down by the provincial Government. It is hoped that provincial Governments will now take steps to carry these recommendations into practice, but it is suggested that Government should in the case of the special officers also retain a right to require their dismissal in cases of proved incompetency. Such material relaxation of Government control in respect of taxation, budgets, public works, and local establishments might suggest that the exceptional powers of Government officers in respect of external intervention should, if altered at all, be altered in the direction of greater stringency. But the accepted policy must be to allow the boards to profit by their own mistakes, and to interfere only in cases of grave mismanagement; and, therefore, with certain possible exceptions, which we need not here specify, it is not proposed to extend the power of intervention.

196. Finally, the Government of India propose to direct attention to the development of the *panchayat* system in villages. This question was examined by the Decentralization Commission and has since been the subject of further inquiry in the United Provinces and Assam. It is recognized that the prospect of successfully developing *panchayats* must depend very largely on local conditions, and that the functions and powers to be allotted to them must vary accordingly; but where the system

proves a success it is contemplated that they might be endowed with civil and criminal jurisdiction in petty cases, some administrative powers as regards sanitation and education, and permissive powers of imposing a local rate. It is hoped that, wherever possible, an effective beginning will be made.

197. The programme which we have thus summarized is still under consideration and, obviously, it would not be suitable for us to comment upon it. It is clear that it cannot be regarded as constituting a complete scheme of local self-government, and for two reasons. It is impossible to ignore the past and at once to create a perfect scheme out of the present uneven materials; and, secondly, if we are sincere in our advocacy of a policy of provincial autonomy, we must leave the work mainly to local Governments. It would be highly inconsistent to insist on provincial autonomy, and simultaneously to leave no latitude of action to provincial Governments in a field which is so peculiarly a matter for local development. But the proposals will constitute a basis on which those entrusted with the responsibility for such matters in future can build; and we expect the reformed legislative councils to carry forward the work thus begun. We may add that the reformed and representative district boards of the future could, and should, be utilized by the district officer for purposes of advice and consultation.

198. Because we believe that our main advance must be on the provincial stage, we shall leave the subject of local self-government at this point, and turn to the provinces. But here we must pause for a moment to define the scope of all the proposals that follow in chapter VIII. It is a truism that no general proposals can be equally applicable to all portions of India at one and the same time. If, however, we had not contented ourselves with the sufficiently weighty task of working out in broad outlines the plan of one of the greatest political experiments ever undertaken in the world's history, but had set ourselves also to adjust its details to the varying requirements of the different provinces, our labours would have been immensely prolonged and there would have been a danger that the details of our report might obscure its main intentions. Because we have written in general terms we would not have it supposed that we have been unmindful of inequalities in the development of the provinces. For these we have, as we shall show, provided a mechanism of adjustment. But over and above that we must offer one word of explanation at the outset. Our recommendations as to the provinces are confined to eight out of the nine provinces of British India which are furnished with legislative councils. These are Madras, Bombay, Bengal, the United Provinces, Bihar and Orissa, the Punjab, the Central Provinces, and Assam. We have not included Burma in our survey except in so far as, while that province remains part of the Indian polity, as for military reasons it must, it is necessary to provide for its representation in the central Government. Our reasons are

that Burma is not India. Its people belong to another race in another stage of political development, and its problems are altogether different. For instance, the application to Burma of the general principles of throwing open the public service more widely to Indians would only mean the replacement of one alien bureaucracy by another. The desire for elective institutions has not developed in Burma; the provincial legislative council, as constituted under the Morley-Minto schemes, has no Burma-elected element; and the way is open for a different line of development. There was also a practical reason for not proceeding to investigate the particular conditions of Burma in the fact that one Lieutenant-Governor had very recently laid down, and a new Lieutenant-Governor assumed office. When our proposals are published there will be an opportunity for the Government and people of Burma to say how far they regard them as applicable to their case. We therefore set aside the problem of Burma's political evolution for separate and future consideration. There remain the frontier areas of the North-West Frontier Province and Baluchistan, and the smaller tracts of British India, like Delhi, Coorg, and Ajmer-Merwara. For reasons of strategy the two frontier provinces must remain entirely in the hands of the Government of India. But, inasmuch as our guiding principle, where the principle of responsibility cannot yet be applied, is that of government by consultation with the representatives of the people, we think that in some, if not all, of these areas it would be well to associate with the personal administration of the Chief Commissioner some form of advisory council, adjusted in composition and function to local conditions in each case. This question we would leave to the further consideration of the Government of India.

199. But even in the eight provinces which we have named are included certain backward areas where the people are primitive, and there is as yet no material on which to found political institutions. We do not think there will be any difficulty in demarcating them. They are generally the tracts mentioned in the schedules and appendices to the Scheduled Districts Act, 1874, with certain exceptions, and possibly certain additions, which the Government of India must be invited to specify. Both the definition of these areas and the arrangements to be made for them will be matters for further consideration; but the typically backward tracts should be excluded from the jurisdiction of the reformed provincial Governments and administered by the head of the province.



## Chapter VIII.—The Provinces.

### DEVOLUTION TO PROVINCIAL GOVERNMENTS.

200. We saw in chapter V that there was not a little spadework to be done before the way lay open for reconstruction to begin. Above all we saw that the existing financial relations between the central and provincial Governments must be changed if the popular principle in government is to have fair play in the provinces. The present settlements by which the Indian and provincial Governments share the proceeds of certain heads of revenues are based primarily on the estimated needs of the provinces, and the Government of India disposes of the surplus. This system necessarily involves control and interference by the Indian Government in provincial matters. An arrangement which has on the whole worked successfully between two official Governments would be quite impossible between a popular and an official Government. Our first aim has therefore been to find some means of entirely separating the resources of the central and provincial Governments.

201. We start with a change of standpoint. If provincial autonomy is to mean anything real clearly the provinces must not be dependent on the Indian Government for the means of provincial development. Existing settlements do indeed provide for ordinary growth of expenditure, but for any large and costly innovations provincial Governments depend on doles out of the Indian surplus. Our idea is that an estimate should first be made of the scale of expenditure required for the upkeep and development of the services which clearly appertain to the Indian sphere; that resources with which to meet this expenditure should be secured to the Indian Government; and that all other revenues should then be handed over to the provincial Governments, which will thenceforth be held wholly responsible for the development of all provincial services. This, however, merely means that the existing resources will be distributed on a different basis, and does not get over the difficulty of giving to the central and provincial Governments entirely separate resources. Let us see how this is to be done.

202. Almost everyone is agreed that a complete separation is in theory desirable. Such differences of opinion as we have met with have mostly been confined to the possibility of effecting it in practice. It has been argued for instance that it would be unwise to narrow the basis on which both the central and provincial fiscal systems are based. Some of the revenues in India, and in particular land revenue and excise, have an element of precariousness; and the system of divided heads, with all its drawbacks, has the undeniable advantage that it spreads the risks. This objection

will, however, be met if, as we claim, our proposed distribution gives both the Indian and provincial Governments a sufficient measure of security. Again we have been told that the complete segregation of the Government of India in financial matters will lower its authority. This argument applies to the whole subject of decentralization and provincial autonomy. It is not necessary for us to meet it further. Our whole scheme must be even and well-balanced, and it would be ridiculous to introduce wide measures of administrative and legislative devolution and at the same time to retain a centralized system of finance.

203. There are two main difficulties about complete separation. Abolition of divided heads. How are we to dispose of the two most important heads which are at present divided—land-revenue and income-tax—and how are we to supplement the yield of the Indian heads of revenue in order to make good the needs of the central Government? At present the heads which are divided in all or some of the provinces are:—land revenue, stamps, excise, income-tax and irrigation. About stamps and excise there is no trouble. We intend that the revenue from stamp duty should be discriminated under the already well-marked sub-heads *General* and *Judicial*; and that the former should be made an Indian and the latter a provincial receipt. This arrangement will preserve uniformity in the case of commercial stamps where it is obviously desirable to avoid discrepancies of rates; and it will also give the provinces a free hand in dealing with Court-fee stamps, and thus provide them with an additional means of augmenting their resources. Excise is at present entirely a provincial head in Bombay, Bengal, and Assam, and we see no valid reason why it should not now be made provincial throughout India. At this stage the difficulties begin. Land revenue, which is by far the biggest head of all, is at present equally shared between the Indian and all the provincial Governments, except that Burma gets rather more than one-half and the United Provinces get rather less. Now land revenue assessment and collection is so intimately concerned with the whole administration in rural areas that the advantages of making it a provincial receipt are obvious. But other considerations have to be taken into account. One substantial difficulty is that, if land revenue is made entirely provincial, the Government of India will be faced with a deficit and its resources must be supplemented by the provinces in some form or other. Moreover, famine expenditure and expenditure on major irrigation works are for obvious reasons closely connected with land revenue, and if the receipts from that head are made provincial it logically follows that the provinces should take over the very heavy liability for famine relief and protective works. An argument of quite another character was also put forward. We were told that in the days of dawning popular government in the provinces it would be well that the provincial Government should be able to fall back on the support of the Government of India (as, if the head were still divided, it would be able to do) when its land-revenue policy was attacked. But it is just

because divided heads are not regarded as merely a financial expedient but are, and so long as they survive will be, viewed as a means of going behind the provincial Government to the Government of India, that we feel sure that they should be abolished. We propose, therefore, to make land revenue, together with irrigation, wholly provincial receipts. It follows that the provinces will become entirely liable for expenditure on famine relief and protective irrigation works. We shall explain shortly what arrangements we propose for financing famine expenditure. The one remaining head is income-tax. We see too very strong reasons for making this an Indian receipt. First, there is the necessity of maintaining a uniform rate throughout the country. The inconveniences, particularly to the commercial world, of having different rates in different provinces are manifest. Secondly in the case of ramifying enterprises with their business centre in some big city, the province in which the tax is paid is not necessarily the province in which the income was earned. We have indeed been told that income-tax is merely the industrial or professional complement of the land revenue; and that to provincialize the latter, while Indianizing the former, means giving those provinces whose wealth is more predominantly agricultural, such as the United Provinces and Madras, an initial advantage over a province like Bombay, which has very large commercial and industrial interests. Another very practical argument is that the tax is collected by provincial agency, and that if provincial Governments are given no inducement, such as a share of the receipts or a commission on the collections which is only such a share in disguise, there will be a tendency to slackness in collection and a consequent falling off in receipts. We admit that these arguments have force; but we are not prepared to let them stand in the way of a complete separation of resources. Equality of treatment as between one province and another must be reached so far as it is possible in the settlements as a whole, and it is not possible to extend the principle of equality to individual heads of revenue. If it should be found that receipts fall off it may be necessary to create an all-Indian agency for the collection of the tax, but this we should clearly prefer to retaining it as a divided head. To sum up: we propose to retain the Indian and provincial heads as at present, but to add to the former income-tax and general stamps, and to the latter land revenue, irrigation, excise, and judicial stamps. No heads will then remain divided.

204. For the purposes of famine relief we propose that the provincial settlements should make allowances based on each province's average liability to this calamity in the past; and it will be the duty of provincial Governments liable to famine not to dissipate this special provision, but to hold a sufficient portion of their resources in reserve against the lean years. In years when there is no scarcity a province should not spend its famine assignment on ordinary purposes, but should either add it to its balances or spend it on some defensive purpose directed to diminishing the cost of famine when it comes. We

recognize that difficulties may arise because provincial Governments may fail to make sufficient provision, or because a severe famine may come upon them before they have had time to accumulate a sufficient provision with which to meet it. In such cases the Indian Government could never renounce responsibility. But we are glad to believe that the liabilities arising out of famine relief will tend to be smaller in the future than in the past, owing to the improvement of protective measures and also to the increasing recuperative power of the people to which all experience of recent famines points. Provincial Governments have at present large balances on which they could draw in the first instance if heavy famine expenditure became necessary. If it were still necessary for the Government of India to intervene its assistance should, we think, take the form of a loan, which the provincial Government would be liable to repay; or if the amount so advanced were so large that it could not be repaid within a reasonable time without grave embarrassment, the whole, or a portion, of it should be regarded as a permanent loan on which the provincial Government would pay interest.

205. When all sources of revenue have been completely distributed as we propose there will be a large deficit in the Government of India's budget. One way of meeting it would be to maintain the basis of the present settlements, but to allot to the Government of India a certain proportion of growing revenue instead of its share of the divided heads. But this device would stereotype all the existing inequalities between the provinces which by reason of the permanent settlement in some of them are considerable; while it would also introduce an element of great uncertainty into the Indian Government's finance. A second suggestion was that we should take an all-round contribution on a *per capita* basis. But this expedient also would not obviate very undesirable variations between provinces in the rate of levy owing to the inequality of provincial resources and of provincial needs. A third plan was to take an all-round percentage contribution based on gross provincial revenue. This is open, *inter alia*, to the objection that it would leave several of the provinces with large deficits. Fourthly, we considered, but rejected, the proposal that provinces which had a surplus should temporarily help others as being cumbrous and impracticable.

206. From our examination of these proposals we came to certain broad conclusions. We agreed that in fixing the means of so doing. contributions it was undesirable and unnecessary to pay regard to the growing revenues of the provinces. We agreed also that the contributions should be of fixed amounts. We saw that equality of contribution was impracticable, because we have not a clean slate. In spite of the variations in income which result from the permanent settlements in some areas, stereotyped scales of expenditure have grown up, which makes it useless to attempt any theoretic calculation on which a uniform contribution from the provinces could be based, such as an equal percentage of

revenues or a contribution fixed on a population basis. This led us to look for some plan which would fit more closely into the existing facts.

Starting with an estimate (based on the budget figures for 1917-18, subject to some adjustments) of the gross revenue of all provinces when all divided heads have been abolished, and deducting therefrom an estimate of the normal expenditure of all provinces, including provision for expenditure on famine relief and protective irrigation, we arrived at ₹1,564 lakhs as the gross provincial surplus. The deficit in the Government of India's budget was ₹1,363 lakhs. This left ₹201 lakhs, or about 13 per cent, of the total gross surplus as the net surplus available to the provinces. We would propose to assess the contribution from each province to the Government of India as a percentage of the difference between the gross provincial revenue and the gross provincial expenditure. On the basis of the figures which we have taken this percentage would be 87. The contributions to the Government of India would form the first charge upon the provincial revenues. The way in which our plan would work out in practice can be gathered from the following figures:—

[ In lakhs of rupees ]

Province.	Gross provincial revenue.	Gross provincial expenditure	Gross provincial surplus.	Contribution (87 per cent of col. 4).	Net provincial surplus.
1	2	3	4	5	6
Madras . . . . .	13.31	8.40	4.91	4.28	63
Bombay . . . . .	10.01	9.00	1.01	.88	13
Bengal . . . . .	7.54	6.75	.79	.69	10
United Provinces . . . . .	11.22	7.47	3.75	3.27	48
Punjab . . . . .	8.64	6.14	2.50	2.18	32
Burma . . . . .	7.69	6.08	1.61	1.40	21
Bihar and Orissa . . . . .	4.04	3.59	.45	.39	6
Central Provinces . . . . .	4.12	3.71	.41	.36	5
Assam . . . . .	1.71	1.50	.21	.18	3
TOTAL . . . . .	68.28	52.64	15.64	13.63	2.01

N.B.—The Punjab figures in column 5 should be reduced and those in column 6 raised by 3½ lakhs in each case to allow for the continued compensation which the province is entitled to receive for the cession of a crore of its balances to the Government of India in 1914.

We recognize, of course, that the objection will be taken that some provinces even under this plan will bear a very much heavier proportion of the cost of the Indian Government than others. Madras and the United Provinces will be paying 47.4 per cent and 41.1 per cent of their remaining revenues to the Government of India, while Bengal and Bombay are paying only 10.1 per cent and

9·6 per cent, respectively. Our answer is that the objection is one that applies to existing inequalities which we admit that our scheme fails for the present to remove. It merely continues the disparity which is at present masked by the system of divided heads. But the immediate settlement proposed improves the position of the provinces as a whole by upwards of one million sterling. It is not intended to be of a final nature; and when revenues develop and a revision takes place under normal conditions an opportunity will arise for smoothing out inequalities. We have already mentioned at the beginning of this part of our report that our proposals generally do not relate to the minor administrations. Their financial transactions are classified as all-Indian; and with them separate arrangements must continue.

207. The Government of India have already put matters in train by consulting provincial Governments on these proposals. It may be added that when details come to be worked out we may find it convenient to take some later figures as the basis of the settlement, and that the replies of local Governments will also necessitate some revision; but we hope that the general scheme which we have outlined may be accepted. Our intention is that the new arrangements should take effect from whatever date is fixed in the statute for the installation of the new constitutional machinery. One caveat we are bound to make. Emergencies may arise which cannot be provided for by immediately raising Government of India taxation; and in that case it must be open to the central Government to make a special supplementary levy upon the provinces. We must add that inasmuch as our proposals are based on war figures they should be open to revision hereafter, but not subject to change for a period of say six years; and to avoid intermediate discussions the scheme should in the meantime be regarded as part of the constitutional arrangement with the provinces. It should also be one of the duties of the periodic commission which we propose should be appointed to examine the development of constitutional changes after ten years' experience of their working or of some similar body at that time, to reinvestigate the question of the provincial contributions to the Government of India. We have, for the present, accepted the inequality of burden which history imposes on the provinces, because we cannot break violently with traditional standards of expenditure, or subject the permanently settled provinces to financial pressure which would have the practical result of forcing them to reconsider the permanent settlement. But it is reasonable to expect that with the growth of provincial autonomy any inequality of burdens will be resented more strongly by the provinces on whom it falls; and it will be for the first periodic commission and for its successors after review of the situation then existing to determine whether some period should not be set by which the more lightly burdened provinces should be expected to find means of bringing up their financial resources to the common level of strength. We attach great weight to the proposition that if the provinces are to be really self-governing they ought to adjust their

expenditure—including therein their obligations to the common interests of India—according to their resources and not to draw indefinitely on more enterprising neighbours.

208. It follows from our proposed separation of revenues that there will in future be also a complete separation of the central and provincial budgets; and that the former will henceforward include only the direct transactions of the Government of India, and not as at present those of the provinces also. It likewise follows that there will be no more earmarking of any portion of provincial balances; and that portions previously earmarked will be available for general purposes.

209. Generally speaking provincial Governments enjoy the same Code restrictions. detailed financial powers in divided heads as in those which are wholly provincial. The mere provincialization of heads of revenue and expenditure will therefore not of itself suffice to free the provinces from the restrictions on their spending powers which the provisions of the codes and other standing orders impose upon them. Nor can the Government of India, except to a relatively minor extent, enlarge their powers, since they themselves have to conform to the restrictions on expenditure imposed by the Secretary of State in Council. If provinces are to have a relatively freer hand in expenditure in future it will be necessary to relax the India Office control. Proposals for its relaxation are already under the consideration of the Government of India and will be further considered at the India Office.

210. We saw also in chapter V that some means of enlarging Provincial taxation. the taxing powers of local Governments must, if possible, be found. We think that the best means of freeing the provincial Governments in this respect will be to schedule certain subjects of taxation as reserved for the provinces, and to retain the residuary powers in the hands of the Government of India, with whom rests the ultimate responsibility for the security of the country. We have not attempted to frame a schedule, as this can only be done in consultation with the provincial Governments. We think that where a tax falls within the schedule the Government of India's previous sanction to the legislation required for its imposition should not be necessary; but that the Bill should be forwarded to the Government of India in sufficient time to enable that Government to satisfy itself that the proposal is not open to objection as trenching on its own field of taxation. The Governor General's power of veto will ensure that the wishes of the Government of India are not disregarded. In cases not covered by the schedule the Government of India's sanction should be sought before the necessary legislation is introduced; but this sanction would be withheld only if the proposal trespassed on Indian heads of revenue to an undue extent; or if the tax was a new one and the central Government itself contemplated



imposing it as an all-India tax; or if the proposals were, in the opinion of the Government of India, likely to lead to undesirable consequences which would affect its own responsibilities. Where sanction is required it should be conveyed by executive orders; it is clearly undesirable to undertake double legislation. The right now enjoyed by private members of introducing taxation Bills will be continued, provided that the sanction of the head of the province is obtained to the introduction of the Bill, and that such Bills are, in relation to the Government of India, dealt with exactly as Government finance Bills.

211. We come now to the question of the borrowing powers of provincial Governments. In this respect provincial Governments are almost unanimous in desiring greater freedom. They recognize the difficulties which we have already discussed, and the impossibility of allowing them to compete with the Government of India in the open market. But they suggest that the central Government should regard an application for a loan solely from the standpoint of finance and not from that of administration, and that, if it has the money and is satisfied with the arrangements for financing the loan, it should not withhold sanction. It has also been represented to us that there exist local sources which could be tapped by provincial Governments but are not touched by Indian loans. A new argument for further liberty of action is afforded by our proposal to provincialize irrigation works on which a large capital expenditure is necessary. We think that in order to avoid harmful competition provincial Governments must continue to do their borrowing through the Government of India. Also it may often happen that the Government of India will not be able to raise sufficient money to meet all provincial requirements. In that case it may find it necessary to limit its total borrowing on behalf of provincial Governments in particular years; and when that happens, it will be difficult for it entirely to avoid a reference to the relative merits of the schemes for which the loans are wanted. We think, however, in such cases there ought to be no insuperable difficulty in making a reasonably fair and equitable distribution between the provinces. It may be found expedient in some cases to appoint a small committee on which the central and the provincial Governments are represented to settle the distribution; and it should be open to a province to renounce its claims in one year in return for the first claim on the money available in the next year. But we are prepared to go further. If the Government of India finds itself unable to raise the money in any one year which a province requires, or if there is good reason to believe that a provincial project may attract money which would not be elicited by a Government of India loan, we would allow the provincial Government to have recourse to the Indian market. But in that case we think that they should secure the approval of the Government of India to the method of borrowing, including the rate of interest, so as not to affect investments in the post office, and the time of borrowing, so as not to conflict with Indian loans. So far as the limited