

good will, and criticised the Executive. It "evinced an inconvenient tendency to interfere with the Executive."<sup>1</sup> But just as in a previous generation an independent judiciary in the shape of a Calcutta Supreme Court was regarded as an offence by the Executive, so the Legislature was now also regarded, and in 1861, whilst its legislative authority was extended, and its members increased, especially on the non-official side, its powers were prescribed and limited to the discussion of legislative proposals only. These restrictions were not modified until 1892, when, under certain rules which had to be drawn up by the Executive, discussion upon the Financial Statement was to be permitted and questions to heads of Departments allowed. At the same time, the power to legislate was restored to the Councils of Madras and Bombay, and legislative members added to the Executives there to form a Legislative Council. Other Provinces might have Legislative Councils on proclamation by the Governor-General. Thus the legislative rights of the provinces that were withdrawn in 1833 were restored, and the foundations of a separate Legislature and of self-government for the Provinces were laid anew. The unity of Indian government is preserved in the official authority of the Governor-General to sanction Provincial legislation and in the somewhat inconsistent power of his Legislative Council to legislate for the whole of India, no demarcation between Provincial and Imperial legislative authority being made.

Finally came the historic change of 1909 for which Lord Morley was responsible and with which his name will always be associated.

In 1906, the Viceroy, Lord Minto, drew up a dispatch summarising the reasons for a change. They can be condensed into the single sentence: the political spirit had reached a stage in India when a further participation of the political opinion of the country in its government could no longer be resisted. The view that the mass of the Indian

<sup>1</sup> *Gazetteer of India*, iv. p. 130.

people took no interest in politics at all, that their concerns were best served by an autocracy of benevolence rather than by representatives responsible to interests and opinions other than those of the masses, belonged to those considerations which look formidable on paper, but which do not differentiate between urgent vital issues and mere niceties. The thinking, agitating, and critical sections of India had in course of time become so important that the political problem which their existence had created demanded attention. Whatever considerations had to be kept in mind, the granting of further political liberty had become an axiom for practical statesmen. So after lengthy and voluminous correspondence with India, Lord Morley introduced his Bill in the House of Lords on February 17th, 1909, and on May 25th that year it became an Act of Parliament. It was a compromise between bureaucracy and democracy,<sup>1</sup> inevitably a short-lived, if necessary, experiment. The Legislative Council now consists of 33 nominated, and 27 elected members, and of the 33, not more than 28 may be officials. It is definitely provided that there must always be an official majority. Now the Indian constitution is again in the melting-pot.

The Act did not endow Councils with much more power, though it allowed them to discuss Budgets before they were finally settled, to take divisions on financial proposals, to debate matters of general interest and to put supplementary questions, and it put the representative principle on a legal basis. The authority which the Act added to the Councils lay not so much in any new powers given to them as in their being made more representative, an Act passed in 1892 having opened the door to that principle without, however, giving it definite constitutional sanction. It was allowed but not imposed.

The Councils Act of 1909 brought us a distinct stage nearer the time when the problem will arise in a practical form of

<sup>1</sup> Lord Morley specifically stated that he would have nothing to do with the reforms if they "led directly or indirectly to the establishment of a Parliamentary system in India."

the control of the Executive by the Legislature. That is staved off for the moment by the constitutional limitations imposed upon the Councils and the large element of official and nominated members upon them, as hitherto determined by the Regulations issued under the Act. On all the Councils save the Governor-General's, where there is a majority of four officials, the non-officials are in majorities which vary from thirteen in Bengal to three in Burma. That does not mean that, as yet, non-official opinion dominates the work of the Councils, because the Government controls the action of the nominated non-officials. But Indian Legislatures are still in a state of evolution. They are young, grateful, and not independent. They are approaching independence by stages, and no written letter of the Constitution can stand against the vital growth of a people. These Councils are re-elected every third year.

What is to be represented in the Legislature is a much more complicated problem in India than at home, and the rules determining this are not the same for every province. I give two examples from the Rules of 1912, the last issued at the time of writing this chapter, and I select Bengal and Burma as typical of the difficulties that had to be encountered by those who framed these schemes of representation.

The Bengal Council is limited to a membership of fifty-one, of whom twenty-eight are elected: one to represent the Calcutta Corporation, who must be a member of the Corporation; one the Calcutta University, elected by the Senate and Honorary Fellows; five, other municipalities with incomes of 5,000 rupees and over, and another five, District and Local Boards; four, groups of landowners in specified constituencies covering the province, one alternately by the Chittagong landholders and municipalities; five by the Mohammedans divided into five constituencies and holding specified qualifications; two by the Bengal Chamber of Commerce, one by the Calcutta Trades Association, one by the Commissioners of the Port of Chittagong, one by Commissioners of Calcutta other than those appointed by the Local Government, and one by the tea-

planting community, the electoral roll being compiled from managers of tea gardens. The Governor nominates twenty members, not more than sixteen of whom may be officials, and two must be non-official; the Indian commercial community and the European commercial community, other than tea planters, also nominate one each.

The Burma Council has a membership of fifteen. One is elected by the Burma Chamber of Commerce and fourteen are nominated by the Lieutenant-Governor with the consent of the Governor-General; but of these not more than six may be officials and four must be Burmans, and one from the Indian and another from the Chinese communities.

A general disqualification for candidates for all Councils is that in the opinion of the Governor-General in Council "the reputation and antecedents" of the person to be nominated are such as would make his election "contrary to the public interest."

Neither the one nor the other of these schemes can be called representative government in anything but the most primitive sense, but it is worth noting that in their representation of trade and commerce they unconsciously illustrate that movement against geographical constituencies and masses of mixed electors and in favour of economic interests which has recently become a subject of controversy amongst ourselves, especially amongst our more extreme political parties. For the note of the provisions of these schemes is "interests as apart from a common national well-being," and it is left for the Government nominations to secure the presence of spokesmen for the general national life on the Councils.

The view taken by the Government of India is that the Indian State is not sufficiently coherent to allow the creation of constituencies such as we have here, and that education and political intelligence have not permeated so far down into the strata of Indian society as to make elections, such as we know them, of value for reflecting public opinion or guaranteeing political liberty. So, in these schemes no



attempt has been made to secure popular representation. This is a real difficulty in Indian self-government. Not only do the necessary educational qualifications not exist, not only is there lacking that individual judgment on affairs of state which alone gives value to majority rule, but the want of these things gives opportunity for the exercise of influences, like bribery and corruption and other forms of undue pressure and improper practice, which when it once becomes associated with the governing processes of any State is hard to uproot. An ignorant people are a subject people whatever the form of their government may be. At the moment, and under existing conditions, "popular representation" in India would not indicate Indian opinion, but would give rise to practices which would subvert that opinion and fill a field now barren and waste—however unfortunate that may be—with tares and weeds, but certainly not with wheat.

The Indian State being therefore of a form too rudimentary and primitive below its upmost thin strata to allow democratic government, and yet at its top too enlightened to permit its offering no challenge to the rule of any kind of autocracy, we must consider what scheme of representation is possible to fit such conditions. Obviously, it is always easier to represent interest than opinion. Interest is always organised, and has always spokesmen ready at hand. That is not true of the masses, which to-day in the most advanced of States are incoherent and divided because they do not know what their interests are, or are still moved by their narrower and more immediate interests in the workshop and cannot grasp their larger and more permanent ones in the State.

Then, in India, religion, particularly when it indicates different historical conditions and origins, claims a place in the State alongside of political opinion and interest, and so the purpose of the rules of election is primarily to secure the representation of these three elements in Indian Society. University and municipal representation on the whole supply the political opinion, that of Chambers of Commerce and

landlords the interests; that of Mohammedans the religious differences.

But in this respect too we can see a change. Political interest is tending to absorb all others, and this is best seen in the use that is being made by the Mohammedans of their special privileges. It is roughly true to say that Mohammedans, having secured special representation to protect themselves, have used it to promote, with Hindus, Indian representation.

Fifty years ago, and up to the end of the reign of Sir Syed Ahmed (say 1912), the Indian Mohammedan was in India but was not of it. As the Aga Khan has well expressed it,<sup>1</sup> he "looked upon himself as a member of a universal religious brotherhood, sojourning in a land in which a neutral Government, with a neutral outlook, kept law and order and justice. His political and communal pride was satisfied by the fact that his co-religionists in Turkey, Persia, Morocco, and (nominally at least) in Egypt, enjoyed independence and national sovereignty." Accordingly, he formed his Moslem Leagues as rivals to, and safeguards against, the encroachments of a politically and educationally active Hinduism. But, as I have shown in the introductory chapter, he has now passed out of that stage and is uniting with his Hindu fellow Indian upon an Indian platform. Here is the basis of an Indian electorate. Whether the representatives of this electorate should be direct or indirect does not seem to me to be of great consequence for the moment, because, for the reasons which I have already given, the difficulties of direct election must remain very great for yet a while.

The Indian system of representation will have to remain varied in its ways of election for a time, and will have to reflect diverse methods of ascertaining public opinion, and even a certain number of nominated persons may have to be included in the Councils. Direct election can be resorted to in constituencies formed to enable an educational test to

be imposed, as is now done with the universities, but the electors' roll must be increased, and institutions of a lower status and tests of a lower standard than university examinations must be recognised. Education is not book-learning—it is not even literary—and a test much lower than the B.A. could safely be resorted to for Indian electors. Interests also may have to be represented, but in that case they must not be confined to those of trade and commerce, and organisations like co-operative societies should be brought in. Then there is the vexed question of caste and religious communities. Ought they to be recognised in representation? The Western at once rejects such an idea, and the Montagu-Chelmsford Report gives it no countenance beyond a regretful admission that Mohammedans being separately recognised now, it would not be possible to go back upon that, and that the Sikhs may also be able to establish a claim for themselves.

The more one examines the question, the more inclined is one to favour the expedient if only as a temporary measure. In any event, the Montagu-Chelmsford examination of the subject is remarkably weak. This Report argues that the system is opposed to history, that it perpetuates class division and stereotypes existing relations. The argument on the first count is that nations developing the arts of self-government have always pressed for a united and not "a divided allegiance"—an argument of very doubtful validity, both as to the actual description of what has taken place and of the effect of community recognition. The State of composite nationality and community, so far from having disappeared, presents to modern statesmanship some of its most interesting and pressing problems. What is called "a divided allegiance" is a mere figment; the problem is one of a co-operating allegiance, separately recognised. The second count is also a gratuitous assumption which does not correspond to experience; and is certainly not borne out by what has happened since separate Mohammedan representation was granted; whilst the substance in the third count consists in its verbal

form. Are the existing relations already stereotyped? Is India in the near future likely to be without them? The irritating problems of the small nationality, of the type of Ulster, included in a State of different nationality are likely to be solved by constitutional rights being secured to the minority; and there is very good reason for believing that when minority rights are thus recognised, so far from a divided allegiance being created or existing differences being stereotyped, unity will be promoted. Can Indian communities and sections subordinate to other communities and sections, in the way that subordination exists in India, ever receive representative protection or gain in their own esteem or in the esteem of others that dignity and respect which are necessary for communal unity, better than by being recognised upon terms of political equality with predominant communities? Theoretically, there is nothing to be said against the experiment. Practically, we must recognise that much of the bitterness between religious and social communities in India—like the organised opposition of the non-Brahmins in Madras to the Brahmins—is the opposition of injured inferiors to superiors. I have changed my mind on this point, because on careful consideration I see that certain communities that ought to be represented will not be represented except by special provision, that the representation of these communities will raise their status, and that it will bring them into that national co-operation in the Councils which is bound to issue not in division but in unity of interest and spirit.

As an alternative to this a scheme of Proportional Representation might be adopted, because this system of election is peculiarly adapted to such countries of diverse minorities and communities as India, but this presupposes a large composite register. It is preferable, however, to any other scheme, if it could be worked, but failing it, it is impossible to erect a body of valid objections to community representation.

On the other hand, the proposal for the direct representation of trade through Chambers of Commerce has nothing to be said

in its favour from the point of view of sound political theory. It is subversive of every conception of representative democracy as the mirror of general good, and is designed to protect and advance the interests of a class in India, and be some buttress to the dominant race. These interests may have to be pacified, but if that be so, the Government has a duty to see that membership of the Chambers shall be thrown widely open to every one engaged in commerce, so that the representation of a social function and not of an interested coterie is secured.

As regards indirect representation, its basis should be local governing bodies from the panchayets upwards to the great municipalities. In order to bring in the very smallest of these bodies, it might be well to elect electoral colleges in the first instance such as is done at the American Presidential Elections. Groups of these bodies might elect a member to the Electoral College, which would meet and elect whoever is to represent the District on the Legislature. Indirect representation of this kind is, however, a very bad expedient, and should be countenanced only temporarily.

The Imperial Legislative Council should be wholly composed of representatives of the Provincial Councils, with perhaps a few nominated members limited in number and named before the others are elected. I assume that no Province is to be without its Council. The Imperial body should act as a Second Chamber to the Provincial ones and the Viceroy should have power to ask it to consider and decide upon doubtful legislation passed in the Provinces.

The whole of this scheme is transitional. I believe it to be the only practical machinery of representative government that is possible in India at present, and to implant there in an academic way forms of Western growth is to repeat the mistakes we have made again and again in assuming that India was England, and that there was nothing that pertained to good except what was English. Moreover, the democratic methods which some recent converts to Indian self-government are hastening to apply to India are being challenged at

home by democrats on account of their shortcomings and failures to secure true representative government.

There still remains the question of the position of the Ruling Chiefs with their varying amounts of authority within their States. It is difficult to fit them into a representative system. Their personal dignity and the spirit of government which they represent raise insuperable obstacles.<sup>1</sup> But in the first place, their dignity depends upon ceremonial which can be retained, and in the next a policy should be pursued of making these States locally autonomous whenever possible. India has everything to gain by a recognition of differences, so long as these differences can be blended into a harmonious whole. Beyond that, an annual Conference of these rulers attended by the Executive and presided over by the Viceroy will adequately meet the case.

In connection with the Imperial Legislative Council I have discussed the whole question of representation, as that seemed the most convenient procedure, leaving the questions of function to be discussed when I deal with the Provincial Councils. Although the political mind of educated India has been moulded in Western ways of thought, it would be a mistake to approach the problem of Indian representation from Western standpoints alone. We have not said the only, nor the last, word in democratic representation, and the system that is to be applied to any country must be moulded to suit the conditions of that country. Therefore, the Indian system cannot be created on any one simple or consistent theory. The practical problem is not to compile registers which will be so big that they will represent India in the same way that our registers represent Great Britain, but to examine the interests that a good system of representation would protect and co-ordinate and see that they have due weight in the composition of the Councils. I believe that the methods I have indicated will allow this to be done.

<sup>1</sup> The Maharaja of Jaipur once sat on the Viceroy's Council, but there is less disposition on the part of Ruling Chiefs to do so now than before.

## CHAPTER VI

### PROVINCIAL GOVERNMENTS

#### I—HEADS OF PROVINCES

FOR the purposes of administration India is divided into fifteen Provinces: Bengal, Madras, and Bombay, having governors appointed direct by the Sovereign; the United Provinces of Agra and Oudh, the Punjab, Burma, and Bihar and Orissa with Lieutenant-Governors, and the Central Provinces, Assam, and the North-west Frontier Province, Delhi, Ajmere-Merwara, Coorg, British Beluchistan, and the Andaman Islands with Chief Commissioners. Bengal was divided in 1905 into Bengal and Eastern Bengal, but, owing to a troublesome and continued agitation on the ground that the division cut the Bengali people into two, it was redivided at the time of the Delhi Durbar in 1911, and Bihar and Orissa and Assam were created.

The origin of the Provinces is found in the early trading settlements (called Presidencies because the chief officer responsible for them to the Company was called the President) of the East India Company at Bombay, Madras (Fort George), and Calcutta (Fort William), which were, up to the Regulating Act of 1773, independent administrations. As area after area was added, it was at first attached to one or other of these Presidencies. In 1833 the Presidency of Agra (called then the North-west Provinces) was created from the long stretch of territory that had been added to Bengal up the valleys of the Jumna and Ganges, and a Governor was to be appointed; but in 1835 the Governorship, which had not been filled, was changed into a Lieutenant-Governorship, and the

officer was appointed by the Governor-General in Council. Since then, no Governorships have been created, except that of Bengal on the repartition of 1911. Boundaries have been adjusted, however, and new Provinces created from time to time, until the present arrangements were fixed.

Most of these new districts were governed at first as non-Regulation Provinces by a Commissioner directly subject to the Governor-General,<sup>1</sup> and hence arose the distinction between a Regulation and a non-Regulation Province. In the Regulation districts the administration was determined by regulations issued by the Governor-General in Council, but in the new districts it was found that these regulations could not be applied with mechanical uniformity. A somewhat free hand had, therefore, to be given to officers who, whilst administering in the spirit of the Regulations, had to use personal discretion. In the non-Regulation Province the administration therefore approached to personal control; and although the assumption made by Governments was that their best men should be sent to the Regulation districts, the non-Regulation officer had a power and discretion which very often produced in him such a capacity for dealing successfully with the people as to mark him out for distinction amongst the officers in the service.<sup>2</sup>

Governors are appointed by the Crown, but are in reality chosen by the party which happens to be in power at home for the time being, from amongst their own political supporters. Sir Richard Temple, who was appointed Governor of Bombay in 1877, chiefly on account of his famine relief work, is the only exception to this rule. He had not been a Bombay civilian, however, but had served in Bengal.

The appointment of a Governor from home, as opposed to the promotion of a civilian in the Indian Service, as is the case with Lieutenant-Governors, has much to commend it.

<sup>1</sup> There were also districts within Regulation Provinces—like the Santhal Pargunnahs in Bengal—which were non-Regulation districts.

<sup>2</sup> Cf. *The Little World of an Indian District Officer*, pp. 223, etc.



Although it is true that an inexperienced mind coming without preparation into the midst of Indian administration must rely greatly upon the advice of the experts with whom he is surrounded, and may become an echo of their opinions, the remedy is not an appointment from the Indian service, but such a change in the surrounding experts as will make the Governor's advisers more representative than they are of the various conflicting views and rival interests in Indian life.

The theory that the Cabinet head of a Department at home need not himself be an expert, but should be a person of good ability and broad political common sense, guided in his decisions by certain defined political principles determined by his party allegiance, is sound regarding Indian Governors. Their function is the general one of seeing that administration satisfies the requirements of sound policy, the ways and means and expediences being left to be worked out by the experts. A Civil Service as a government must be a passing form of administration. It is essentially a bureaucracy, not inspired, but only checked, by public opinion; and as self-government is developed through Legislatures, Civil Service control becomes intolerable, irrespective of whether it has done its work efficiently or inefficiently.

However honest, well-intentioned and able a central bureaucracy may be, it cannot escape the doom of its defects; and one of the great defects of Delhi stretching its hands and its regulations from Cape Comorin to the Himalayas is a far too rigid uniformity, and a ponderously complicated formality which in time will crush under its weight every officer in a responsible position. Indian government calls for diversity, for spontaneity, for new ideas, for local impulses, for a faith and purpose that have not become exhausted or disillusioned by the great difficulties which bureaucratic administrators have to face, difficulties which send home some of the very best men discredited and disheartened. It is not enough that the fresh minds should go into the governing

cadre away back at its recruitment; there must also be infusions much later on.

I have found very few people who have tried to visualise the drawbacks of this system. The real governing authority in India is recruited from young men in Great Britain. They go out into this alien country with all its—for them—unnatural life, and their minds are shaped by their unnatural conditions and work. However painstaking they may be to get into touch with Indian conditions, they live a segregated life in their own coterie. They belong to tiny settlements amidst vast communities of alien civilisation and culture. One of two things must happen. They ought to be allowed, as was the case before the Suez Canal and the rapid transit to England, to sink themselves in their new world, or their critical alertness should be maintained by contact with Indian opinion in authority on the one hand, and British opinion fresh-eyed from home on the other.

It is only too occasionally that men of great capacity are sent to fill these Governorships. They have been regarded as glorified jobs for rich and vain followers, or as consolation prizes for respectable but disappointed men, or as occupation for men otherwise idle at home. This type of man fulfils none of the requirements of an Indian Governor. These Governorships offer to men desirous of facing some of the most interestingly difficult problems of Imperial politics opportunities of usefulness and satisfaction which no other political appointments afford. We must at once revise our view of Indian Governorships and regard them as posts of great importance and dignity.

The Governors are now subject to the Viceroy in Council, though he does not appoint them, and though they have the right of direct approach to the Secretary of State. This right is a survival of the time before 1773, when they were supreme in independent Presidencies formed by groups of factories and subject only to the Court of Directors and ulti-

mately to Parliament. For a long time after the Governor-General of Bengal was made supreme so as to unify policy throughout, Governors were recalcitrant and were unwilling to surrender their independence. Communication was slow and jealousy was active. Warren Hastings found that the Governor of Bombay did not consult him regarding the Mahratta troubles in 1775. This friction was the subject of negotiation and instruction as late as 1883, when it was dealt with in the Charter Act and in a dispatch in the following year from the Court of Directors to the Government of India. Instructions regarding it were again given in a dispatch in 1838. The Decentralisation Commission reported<sup>1</sup> on the relationship as it now is: "The essential point to be borne in mind is thus that at present, even in matters primarily assigned to the Provincial Governments, these (the Governors) act as the agents of the Government of India, who exercise a very full and constant check over their proceedings."

But the control of the central authorities, according to the dispatch of the Court of Directors, was to be "a just control," and not a "petty, vexatious, meddling interference."

The authority of the Governor-General in Council over Lieutenant-Governors and Chief Commissioners is more direct. The Lieutenant-Governor is appointed by the Governor-General in Council with the approval of the Crown. He is the result of an afterthought. When the Act of 1833 was passed, it was a new Governorship that was proposed by it to relieve the burden which annexation after annexation had imposed upon Bengal, but the Government, as has been said already, changed its mind, and in 1835 put a clause in a Bill giving the Governor-General power to appoint a civilian of at least ten years' standing as a Lieutenant-Governor of the new North-west Provinces. This was a new constitutional creation, an expedient to use men on the spot without importing them from home, and also to retain the Viceroy's

control over the new Provinces and the right of the Civil Service to supply the head of the administration.

The Lieutenant-Governor ought to occupy a place midway between the Civil Service to which he belongs (Sir H. Durand, appointed Lieutenant-Governor of the Punjab in 1870 is the only exception) and the representative of the Crown for whom he acts. By habit, however, the Lieutenant-Governorships have come to be regarded as posts in the Civil Service. The Lieutenant-Governor has a delegated authority, which is subject to the will of the Governor-General in Council acting with the consent of the Secretary of State in Council. That being his constitutional position, he required no Executive Council to assist him; but circumstances are changing, and an Executive Council has been given to the Lieutenant-Governor of Bihar and Orissa, and an attempt has been made to give one to the United Provinces. When there was a Lieutenant-Governor in Bengal he had an Executive Council. The Lieutenant-Governor has no direct access to the Secretary of State. Before appointment he must have served the Crown in India ten years, but in practice that period is greatly exceeded.

A Chief Commissioner is lower in rank than a Lieutenant-Governor, though, owing to recent legislation, differences between them<sup>1</sup> have been swept away, and both offices are essentially of the same nature. The Chief Commissioner is delegated by the Governor-General in Council to represent him in the administration of a certain area defined by proclamation, and he is entirely under the control of the Governor-General, whose subordinate he is and who is responsible for what the Chief Commissioner does. The office was created when new territories were added to British rule which, whilst rendering the Provinces to which they were attached unwieldy, were not sufficiently advanced or coherent to be made Provinces

<sup>1</sup> As, for instance, that a Lieutenant-Governor was part of a Legislature and could be appointed only with a Legislative Council. Commissioners may now have Legislative Councils.

with Lieutenant-Governors, but which from the nature of their population necessitated individual energy and responsibility. The designation was at first Commissioner, but when, in 1853, John Lawrence was appointed the chief of three Commissioners to bring the Punjab under British administration, he was called Chief Commissioner—a title which has been given ever since. The government of a Chief Commissioner is a transition form, although, as in the Central Provinces to-day, it is sometimes continued long after it ought to be. The anomalous position of the Chief Commissioner of the Central Provinces has been emphasised since 1914, when he was given a Legislative Council. Although the constitutional position of a Chief Commissioner is very different from that of a Lieutenant-Governor, in practice his powers are substantially the same, and in his own Province his authority and the respect paid to him do not suffer from his inferior status in order of precedence and in the constitutional system.

Soon all these half-and-half stages must go except on the frontiers. The work of Provincial administration is overwhelming, and the advantage of Council government is patent. No man can now govern an Indian Province. Whoever has stayed with a Lieutenant-Governor and tried to find him unoccupied except for the barest necessities of rest and food, or to get up before him in the morning, or to go to bed later than him at night, will have had an insight into what governing an Indian Province means. Important work must be given to the secretaries, must be decided without advice and discussion, must be delayed—sometimes cannot be done. Nor is there any guarantee of continuity. The Lieutenant-Governor goes at the end of his fifth year, and, save for subordinate secretaries, no authority outlasts his term of office.<sup>1</sup>

<sup>1</sup> The India Councils Bill of 1909 passed the House of Commons with a clause enabling the Government of India, with the consent of the Secretary of State, to create by Proclamation an Executive Council for any Lieutenant-Governor, but the House of Lords deleted this clause. It was reinserted by

Further, the practice of appointing members of the Civil Service to the political wardships of Provinces should be stopped. They ought not to be debarred, but India has everything to gain by direct infusion of home influences into her government, men with fresh minds and eyes, men who have not been moulded in Civil Service administration, men whose abilities are of a different order from those developed by magistracies, collectorships, and secretaryships. The one kind of ability ought not to be set over against the other kind. India needs both, and she should be free to use them. But if a civilian is appointed he should at once resign his position in the Service and not be eligible for further employment as a civilian.

An immediate reform is to turn Lieutenant-Governorships, and Chief Commissionerships where the districts warrant it, into Governorships, to give the Governors Councils sufficiently large to be responsible for the different great branches of

the Commons, but was finally passed in a form which provided that the Proclamation would have to lie on the table of both Houses and be disallowed by a resolution of either. This provision was put into operation by the House of Lords in 1915, when it was proposed to create a Council for the United Provinces. A Council for this Province is urgently needed, and indeed is long overdue. The status of the Province and the responsibilities of the Lieutenant-Governor call for it. The matter had come before the Legislative Council and a resolution in favour of an Executive Council received the support of exactly half the Council. The Lieutenant-Governor had to vote against, on the principle that the resolution, having otherwise failed to carry, ought not to be passed by the President of the Council, and also because it was the Government of India and not the Legislative Council of the Province that had power to determine whether there should be an Executive Council or not. The Lieutenant-Governor was personally in favour of the resolution. The House of Lords passed a resolution in opposition to the creation of a Council for the United Provinces, and it is interesting to note how frequently in the debates reference of a hostile character was made to the desire for a Council held by "certain members [of the United Provinces Legislative Council] who are advanced politicians in India" (Lord MacDonnell, *Hansard*, March 16th, 1915, p. 763. See also Lord Curzon's speech, February 16th, 1915, *ibid.*, p. 513; Lord Sydenham's, *ibid.*, p. 775, etc.). The action of the House of Lords in refusing the Council was confessedly determined by the opposition of its leading Indian members to the Indian nationalist movement.

administration, to appoint these Governors by the Crown, to secure that at least alternately these Governors shall be sent out from home, and to compose their Councils so that there shall sit upon them men representing the opinions of the Legislatures and not merely the mind of the Civil Service.

## CHAPTER VII

### PROVINCIAL GOVERNMENTS (*continued*)

#### II—LEGISLATURES

THE India Councils Act of 1861 consolidated and amended the law relating to Councils. The Act of 1833, passed when the idea of a united and centrally controlled India was uppermost in men's minds, not only made Bengal the superior province in India, but withdrew legislative powers from the Councils of Madras and Bombay. These powers were restored by the India Councils Act of 1861, when the vast complexities and range of Indian administration and legislation had again become apparent, and this Act further provided for the creation of Councils wherever a Lieutenant-Governorship was thereafter to be set up. Provincial Legislative Councils were set up in Bengal in 1862, in the United Provinces in 1886, in the Punjab and Burma in 1898. In 1892 they were enlarged, an elective element introduced, and a limited right of questioning and of discussing budgets was given. Finally came the Morley reform of 1909, the rules and regulations for the carrying out of which were revised in 1912, and published in a Blue book.<sup>1</sup> The Bengal Council under these rules consists of 28 elected members and 20 nominated, of whom not more than 16 may be officials and the others are composed as follows: Bihar and Orissa, 21 elected and 19 nominated, of whom not more than 15 may be officials; Assam, 11 elected and 13 nominated, of whom not more than 9 may be officials; Madras, 21 elected and 21 nominated, not more than 16 being officials; the United Provinces, 21

<sup>1</sup> Cd. 6714, 1913.



elected and 26 nominated, of whom not more than 20 may be officials; the Punjab, 8 elected and 16 nominated, of whom not more than 10 may be officials; Bombay, 21 elected and 21 nominated, of whom not more than 14 may be officials; Burma, 1 elected and 14 nominated, of whom not more than 6 may be officials. It must be noted that these are all known as "additional" members. Thus the original idea of adding members to the Executive Council for legislative work still obtains. The legislative members are in theory attached to the Executives, the Executives are not committees of the Legislatures. Indeed, the actual fact is that, though called Legislatures, they are essentially Consultative Committees attached to the Executives.

The volume of rules promulgated for the election of these Councils also contains the regulations for the discussion of the Annual Financial Statements, and of matters of general public interest, and also for the asking of questions of the Executive. No resolution on the Financial Statement may criticise a decision of the Government of India, and any resolution may be disallowed by the President of the Council. Whatever resolutions are carried are only of the nature of recommendations to the Governor or Lieutenant-Governor in Council. No resolutions may be moved on the Budget, and the Budget itself is not submitted to a vote of the Councils. Resolutions on matters of general interest may also be disallowed by the President on one of two grounds: that they are not consistent with the public interest, or that they should be moved on the Legislative Council of another Province or of the Governor-General; and again, all resolutions carried are of the nature of recommendations to the Governor in Council, or the Lieutenant-Governor. Questions must be handed in ten days before they are answered, and supplementaries are allowed, but the President has the right to refuse any question at his discretion.

The position of these Councils raises four important points for settlement.

The first is their constitutional status. The time has now come for giving them a status independent of the Executive Councils, and establishing them as the Legislatures of India. Their relations to the Executive can be determined in one of two ways. The Executive can be made to depend upon them as in Great Britain, or, as a first step, partly depend upon them; or, as in America, the Executive can be an independent body appointed by the Viceroy, who will be expected to use discretion and common sense, and take all the political circumstances into account when making his choice of men. The latter would be most in accordance with Indian traditions, though not most in accordance with the political thought which is stirring in India and creating the demands for responsible and representative government which we have now to meet.

I have therefore in this book assumed that the relations between the Executive and Legislature ought to be determined on the British rather than on the American model. The American model, however, must not be dismissed without being considered, as it may be found to suggest convenient expedients for avoiding obvious difficulties which meet us at this moment. It must be noted, however, that whereas the American Colonies separated their Executive and Legislature in order to weaken the Executive, the separation is advocated for India for the opposite reason.

A study of the working of the American Constitution leads me to the conclusion that the separation has been bad for both, though the political genius of the people is such as to get tolerable results from a bad machine. I do not believe that an independent Executive in India will be any safeguard either for British sovereignty or against Indian folly. Should it acquire the mind of an alien body in authority checking and watching the Legislatures, nothing but trouble is ahead of it; should it set itself up as an authority equivalent to the Legislature, even if it avoids racial distinctions, trouble is ahead of it. I fear it will be impossible for an independent

Executive to avoid being mixed up with the oppositions of the moment which support it and object to it. In India that is the conflict between bureaucracy and self-government. Therefore, the wisest policy seems to be to place the Executive for the time being midway between the British and the American position. Let it be appointed by the Viceroy or the Governors as the case may be, on the understanding that it includes some of the legislative leaders, and then watch the development of events.

But when it is appointed it ought to be a unity. The proposal in the Montagu-Chelmsford Report that it should consist of two sections, one owing allegiance to the Viceroy and the other looking to the Legislatures for authority, is clumsy and in every sense inexpedient.

The second point is how elections are to be conducted, and what is to be represented in the Legislatures. With that I have dealt in a previous chapter, and so pass on to the third and fourth points which should be considered together—the relation of the Provincial Legislatures to the Delhi Legislature, and the powers they are to exercise: in other words, what type of unity should the Indian Government show?

Again one very properly thinks first of all of traditional conditions, and here India presents the curious spectacle of an extreme development of local autonomy in villages and an equally strong central authority for financial purposes in particular. In later days the bureaucracy has developed masterful centralising tendencies which one hears adversely criticised in every Province. This cannot be avoided whilst the strongest members of the Civil Service gravitate to Delhi, and the India Office and Secretary of State invariably support the Viceroy and his Executive—always known and thought of as “the Government of India”—in any disputes with Local Governments as to policy. The Report of the Decentralisation Commission abounds in evidence of this tendency,<sup>1</sup> and so does the history of Indian administra-

<sup>1</sup> See, for instance, the memorandum complaining of Imperial inter-

tion. Able men do not make good constitutional monarchs, and a representative system in India cannot be based on an efficient bureaucracy.

These currents flowing towards Delhi will be checked, however, by representative government, and others will begin to flow. There is, for instance, a very marked Madras, Bombay, Bengal patriotism which, founding itself upon history, shows itself in literature, speech, institutions, and administration. Even the Imperial Civil Service is divided into somewhat secure watertight Provincial compartments, and representative government will undoubtedly demand a firm Provincial foundation. This will be strengthened if more heads of Provinces are sent out from home.<sup>1</sup>

Still, no consideration can obscure the fundamental fact that British administration has made India, and not the Provinces, its centre, that the Indian political mind has grown into the same way of thinking, and that therefore the powers of Provincial Legislatures will have to be delegated from the Imperial authority. That must be the principle. It is indeed the existing Constitution, the position of Provincial Governments being that, with the concurrence of the Imperial Government, they exercise power to do anything not specifically withheld from them.<sup>2</sup> How much and what

ference addressed to the Decentralisation Commission by the Bombay Government (*Report*, vol. viii, Cd. 4367 (1908), Appendix II, pp. 229, etc.). The Decentralisation Commission has detailed the means by which the Central Government has acquired authority over the Provincial Governments as follows: Financial rules, restrictions and conditions, the growth of powers to check administration either by specifically granted legal powers or by administrative encroachments, the power to sanction Provincial legislation, the passing of resolutions directing Provincial Governments, specific instructions, the right to listen to appeal by persons against the acts of Provincial Governments.

<sup>1</sup> For instance, in 1877 Lord Lytton found great difficulty in persuading the Duke of Buckingham, then Governor of Madras, to adopt a famine policy, as he was unable "to force upon the Madras Government advice which it will neither invite nor accept."

<sup>2</sup> Madras, Bombay, and Bengal, being Presidency Governments, have inherited some authority from the old Company administration, and have slightly more power than the other Provincial Governments.

is to be delegated is a question for consideration, and raises nothing but matters of judgment and expediency, and the same is true of the amount of "concurrence" that should be required. Local Government and municipal affairs, education, a limited amount of financial independence must assuredly be amongst the transferred powers. But the complicated and somewhat pettifogging network of entanglements and checks proposed by the Montagu-Chelmsford Report ought not to be considered. Far better is it that the powers delegated should, to begin with, be strictly limited in extent than that they should be wide and hampered in their exercise, because by the one plan they can be extended as a natural process upon experience; by the other, the Imperial authorities are being endowed with new powers of control and continued in old ones which, if effective, will be justified and therefore continued, but if not effective will be irksome and lead to trouble and division between the foreign and the Indian administrations.

British policy in India has acquired the reputation of withholding with one hand what it gives with the other. One hears in India a universal complaint that we deny to the heart what we offer to the ear. Our fault has been to give with reserve. It is a bad policy. We must give what we do give without reserve. If we cannot give much, nevertheless let us give it and let further gifts be dependent upon the way in which previous ones are used. This is true particularly as regards finance. The Imperial Legislature must protect itself by securing first claims upon such income as the Land Tax, Customs duties, and so on; it must also retain powers to co-ordinate Provincial finance in such a way that poor Provinces may not be hampered by their poverty. But, these safeguards laid down, the responsibility of providing a Provincial Budget can be safely left, and ought properly to be left, to the Provincial Legislatures, though I think a very useful end would be served if all the Provincial Budgets were made the subject of discussion at an all-India financial

conference held each year before the Budgets are presented to the Legislatures for consideration. These matters, however, relate to the art of government rather than to the system.

Here the question of checks has to be considered. The Montagu-Chelmsford Report finds these in Viceroys, Governors, and Executives. In no more inappropriate direction can checks be looked for. Of course veto and suspension must be powers held in reserve by Viceroys and Governors, but these cannot be the habitually used parts of the mechanism of government. The check must be within the representative system itself, and in India there should be no difficulty in devising this. The Provincial Legislatures are in direct touch with electing bodies which are to be the best representatives of Indian thought and need that can be devised. But what of the Imperial Legislature? No direct election is possible for it. I believe that the bulk of its members should be elected by the Provincial Legislatures as the American Senate used to be elected, with, at first, a limited number of members nominated to represent interests that are common to India. If the expert bureaucrat can point out the comparative inferiority of such a body, the reply is both easy and conclusive. We are now definitely encouraging the development of self-government and we must make a beginning, and in doing so we recognise quite frankly to ourselves that we cannot make a silk purse out of a sow's ear. This body, in addition to its Imperial work, should have the power of suspending Provincial legislation referred to it by the Governor or Viceroy in Council. Nothing of any grievous importance could get over such a check, provided we can convince these Councils of their responsibility. There might be a special Committee of the Imperial Legislature to consider Provincial Legislature, or other means might be devised to make the responsibility real. But again that belongs to the art of government, and I am most concerned here with its principles.

## CHAPTER VIII

### THE INDIAN CIVIL SERVICE

If the Viceroy is the ceremonial symbol of the British Crown in India, it is the Collector who is the seat of authority so far as the mass of the people is concerned. He is the great sahib whose nod is to be obeyed, who gives and withholds, who taxes and administers justice, before whom all the great people of the village—bunyas and policemen, headmen and accountants, bow. He is the mighty one to whom the most flowery language and ornate titles apply. In fact in his care are the people of India. He, or those who obey him, orders the life of the people, and next to the Creator and the laws of nature, he comes in the hierarchy of arbitrary powers. Those above him are too remote from the life of the people to be anything but indefinite gleams, those below him are outwardly and visibly his servants.)

He is successor to the clerks sent out by the Company to manage the factories, and his predecessors made enormous fortunes by private trade and brought the word "Nabob," which was applied to them, into disrepute. When Clive tried to purge him of corruption he objected, and revolted against the interference with his power and privileges, and the most kindly of his critics have a suspicion that prestige and privilege have not ceased to influence him perhaps a little too much since. His latest manifesto against the Montagu-Chelmsford Report is evidence that that tradition has not died down yet. The title of "Collector" which he holds at one stage of his service links him up with Warren Hastings, who appointed him when the Company undertook the collection of revenue

in Bengal, Bihar, and Orissa, and also embodies the characteristic of Indian administration that it is based historically on fiscal responsibilities.)

(He is being shorn of some of his authority perhaps. In the old days he ruled everything, but now there is subdivision of power. The Forests, the Public Works Department, and so on, have been taken from him, and he sometimes complains on that account. Some people also want to take from him his judicial authority on the ground that it is bad constitutional practice to unite judicial with executive power. This he resents still more. He comes of an official ancestry which was indeed absolute. He lives in a society in which his office concentrates in itself all the regal functions of the district, and be it remembered that the area of an Indian District of average size is 4,430 square miles.)

(He originated, as I have said, in 1772 when Warren Hastings, having to face the double problem of collecting revenue and of organising some proper system for the administration of justice in Bengal, appointed District Collectors for that double purpose. The constitutional objection to the union of these two functions in one officer was at once taken, and Warren Hastings accepted its validity and separated them. Then came difficulties. The courts were used against the revenue authority, and the complementary functions became antagonistic. Whatever the theory might be, the Executive, put in the position of being the foreign administrator of Bengal, was compelled to secure some uniformity of will between itself and the judiciary, and when Lord Cornwallis went out as Governor-General in 1786 he retraced the second step of Warren Hastings and restored the Collector to his double authority as chief magistrate and revenue official. As chief magistrate he is responsible for the order of his District and supervises the work of its courts even if he does not do much magisterial work himself; but, being responsible for the order and peace of his District, he is in command of the police and manages the jails. Though



the creation of separate departments has relieved him of direct responsibility for Forest, Public Works, Sanitation, Education, and, to some extent, jail administration, his peculiar position as executive head of the District keeps him in touch with all these. On his way up through the Service he determines the land assessment, and when on that work he lives in the Districts and mixes freely with the people if he is a wise man. This is one of the great attractions of his life. He keeps an eye—and a hand—on municipal and local government institutions and is, as a rule, chairman of the District Board which maintains roads, public buildings, and so on. He is the eye of the Government and its tongue. He has to keep his finger on the pulse of his District, and nothing of any importance is supposed to happen without his knowledge. A sparrow ought not to fall without the incident coming to his ears. He manages estates, compiles returns of prices and produce, adjudicates on rent, makes loans. Upon him the burdens of famine relief fall. I have attended a conference on famine measures and by the end of the day found the Collector to be an unemployment committee, a president of the Board of Trade, a railway director, a Minister of Labour, an engineer. If he has a difficult District—say, one where Hindus and Mohammedans do not get on very well together—he requires to be a man of unusual tact, influence, and resource. At best, he is apt to be overwhelmed in an oppressive network of details and overborne by endless perplexities and ceaseless cares. Should famine or plague descend on him, the torrents of adversity fall upon him and day and night are as one to him. If he gets irritable, if he becomes a cynic and takes to the philosophy that all life is drudgery, and no drudgery rewarded, who can blame him? In old days this life was toned by some freedom. He could do things off his own bat. He was more of the people, he chose consoling wives from them, he was isolated, he was anything but a clerk; but now there is a string about his leg which is frequently pulled, he is becoming more and more

a reporting agent, his desk work is greatly on the increase, the drudgery gets harder. He has to combine the qualities of a great politician with the patience and abilities of a first-rate clerk, and he finds it difficult to do so.

I have seen him in the steaming heat of a Lower Bengal District sitting hour by hour at his desk reducing the bulk of great files piled in front of him, not one of which contained matters that would awaken his jaded mind to a living interest, whilst on his walls were the mouldy stains of the terrible damp of the season of rain. I have been with him in camp, and have seen the same thing, files, files, files. I have looked on whilst local magnates, district boards, deputations of all kinds, the aggrieved, the suppliant, the office seeker, came to see him. I have felt pleased to drag him away for an hour's change in the forest, or some temple, or for a walk before darkness (knowing, perhaps, he would have to suffer for it), and whilst a recipient of his generous (his generosity often made me ashamed) hospitality I have wasted his time (in the hope that I was really not wasting it) by leading his thoughts away from his drudgery. (The District Officer is indeed the tortoise which supports the elephant upon which Indian government rests.)

(He probably comes of a family that has been connected with India for generations, or India and the Indian Civil Service allured him.) Heaven pity him if he came here because he had to eat bread and could not get the post he wanted at home. I fancy that the best men came out under the enchantment of India and the Service. They were tested by a stiff examination, but for the rest they were thrown upon chance. The restless mind of man has always been hankering for a better test than written answers to questions which can be crammed—questions which ingenious professional crammers who charge high fees can often anticipate. There have been suggestions that moral character, physique, personal address, athletic records, captaincies of school teams, education at a public school, attendance at residential colleges, should be

valued and the marks awarded added to those won on examination. The fact is that the real intention of these schemes is to make the Service select rather than efficient, and a study of the Indian Civil Service List shows that nothing is an improvement on the test of ability and application imposed by a competitive examination. It is essential that any test applied to applicants for such posts as those of the Indian Civil Service should be uniform, and these character tests are capricious and uncertain, the certificates and records being of unequal value according to the schools to which they refer and the masters and other referees who give them; they should also be such as every one possessing the qualities which they are supposed to reveal has an equal chance of being able to meet, whereas many admirable men were never school captains, and in early life were deprived of the opportunity of attending certain types of schools (the virtues of which, by the by, are by no means universally accepted); further, the qualities tested should not be those which are at varying stages of development in young men of the same age, as, for instance, self-confidence, the finest and best forms of which often show themselves later than the period when men have to undergo the ordeal of competitive examination. Once, when I was pursuing inquiries on this subject in India, I put the question to a head of a Province and two of the admittedly ablest men in the Service of the Province whether they thought they would have done well in any such supplementary system of tests; and they all agreed they would not, one being quite definite in his opinion that had he been scrutinised for the purpose of discovering signs of these qualities when he passed into the Service, he was so shy and unused to social companionship that he probably would have been rejected. The examination test may not be fully satisfactory. The papers set are too often mere book papers, and too rarely searching tests of original ability and intellectual common sense. In this respect our Civil Service Commissioners have not done their work particularly well. But when improved in

ways that are obvious to any one who studies a series of those papers, they remain the fairest test to the competitors and the most satisfactory to the State.

When the examination has been successfully passed, the future Civilian undergoes a further training at the expense of the State. To this day this does not seem to be satisfactory, and has been frequently changed. Before going to India the Civilian should know something of Indian life and civilisation so as to sharpen his curiosity and enlighten him regarding the people whom he is to help to govern ; he should be taught something impartial about their politics as they will present themselves to him in India, and in his studies he should be protected against the prejudices and errors which will surround him like an atmosphere so soon as he sets foot in India ; he should acquire some knowledge of the classical language of the country both for his use and his culture ; he should be made to master the details of the machinery of government in which he is to find a place. During this stage he should be taught these subjects not as though he were attending a trade school, but as though he were at a university. And yet he should be taken out of an academic atmosphere and taught by his surroundings to acquire the condition of mind of a man who has already gone out into the world. There is far too much of the mere university in this part of the Civilian's training. I say nothing of studies in law and its practice. Only very general principles should be taught during his training. The young Civilian ought not to be put too soon to magisterial duties, and with proper tutelage on the spot he can acquire enough knowledge of law to serve his purpose. If he desires to pursue a career upon the judicial side, he should return to England for detailed training.

[When he arrives in India, he is posted to a district for training as an Assistant Collector, and in due course holds a responsible post. Then the world is before him. It is a hard but, by no means an unpleasant one if his heart is

in it.) He is a great man, he has power, there are prizes for the winning, his pay is certainly not mean. As self-government develops he will enjoy more and more the delightful stimulus of the statesman; he has many of those difficulties to surmount which call for good judgment and bring their rewards of satisfaction to the able man. His work is not to be compared for a moment in its interest and variety to that of a Government office at home. If he wants routine he should stay at home; if he wants life he should go to India—making sure first of all that India calls him, and also making sure that he now understands that a still greater change is impending which will rob the Service of its characteristics of a dominating governing authority.

But the Indian Civil Service is more than a collection of individuals. It is a bureaucracy with a corporate life, a machine, a free masonry. It moulds the raw recruit into its own image. It has to work as a whole. When communication was difficult and Indian conditions resisted centralisation, the individual had freer play. He was a human being in touch with human beings, but, though that may still be retained, too many officers become wheels in a mechanism working by rule and regulation. The machine reduces its parts to mechanisms. The tendency has been to centralise the working, and *that was the fundamental fault of Lord Curzon's rule*. The machine of government has become a thing apart, and by separating itself from the organic life of India it has over-emphasised the fact that India is ruled by foreigners. The evolution of such a system is inevitable. I have described its results in the work of its representatives. Secretariats become all-powerful; not a sparrow falls but is recorded, reported, and re-recorded, docketed, initialed, and minuted; not a suggestion emanates from below but is regarded with suspicion or hostility as something of a foreign origin; not a thing is done without involving the whole machine in the doing of it. Then, it is the Government on one side, and the people on the other. Such

is both the mechanism and the psychology of the Service, and the one cannot be separated from the other. All this is unhealthy, is bad government, cannot last. It must end both in a revolutionary decentralisation and in a much closer association of the people with the government.

One of the great problems of the Civil Service is how far and upon what conditions the Indian should be employed in it. To the Indian, the Royal Proclamation of 1858 is a kind of Magna Charta, a Bill of Rights. He is never tired of quoting the pledge of the Queen: "And it is our further will that, so far as may be, our subjects, of whatever race or creed, be freely and impartially admitted to offices in our service, the duties of which they may be qualified by their education, ability, and integrity duly to discharge." As early as 1833 a clause was inserted in the Government of India Act providing that no native shall be debarred from any office solely on account of his "religion, place of birth, descent, or colour." But twenty years later, when Parliament again reviewed the government of the Company, it was found that the clause had been a dead letter, and that the Company intended that it should so remain. John Bright said: "From that time to this no person in India has been so employed who might not have been equally employed before that clause was enacted; and . . . it is clear that this most objectionable and most offensive state of things is to continue."

The Act of 1853 imposed competitive examination as the way of entry to the Civil Service, and an attempt was then made to have examinations in India simultaneously with those held in England. There was an interesting debate on the subject opened by Mr. Rich.<sup>1</sup> The proposal was supported by Lord Stanley, Mr. Bright, and others, but failed to carry. When after the Mutiny the Government passed to

<sup>1</sup> *Hansard*, 127, p. 1184, June 3rd.

<sup>2</sup> *Ibid.*, 129, July 22nd and July 25th, 1853.

the Crown, the Secretary of State appointed a Committee to inquire into the subject of the employment of Indians, and, having decided that they should be employed "to as large an extent as possible consistently with the maintenance of British supremacy," it pointed out that, though there was no legal bar, "practically, however, they are excluded," owing to "the difficulties opposed to a native leaving India and residing in England for a time." The Committee had "no hesitation" in recommending simultaneous examinations. The Civil Service Commissioners concurred and did "not anticipate much difficulty in arranging for this." But nothing was done, and this report of 1860 seems to have dropped out of the records of the Government of India and has not been reproduced amongst the papers that have been published officially on the subject.

Meanwhile the subordinate or Uncovenanted<sup>1</sup> Service was being recruited by Indians, though in 1870 the Duke of Argyll, then Secretary of State for India, complained in a dispatch that the superior appointments in that Service were being filled by Englishmen. In 1870 an Act was passed requiring the Governor-General to frame regulations by which Indians who had not passed an examination might be put into the Covenanted Service. But the Government of India would not move. Reminded again and again by the Secretary of State of the provision of the Act, it took four years to respond, and when the regulations were sent to London for approval they were found "to place too narrow a construction upon the statute." In a note written by Lord Lytton on

<sup>1</sup> The Services became known as Covenanted and Uncovenanted, because the higher posts were reserved to the Indian Civil Service by statute (1861), or were the subject of a covenant. The Uncovenanted Service ranged from Deputy Collectors and Extra Assistant Commissioners down to Tahsildars and Myooks, and on the judicial side included subordinate Judges and Munsifs. A Service with such an inferior bottom was bound to be degraded. As the result of the recommendations of the Public Service Commission of 1886-87 the Uncovenanted Service was classed as the Provincial Service, to which were assigned the superior subordinate posts and the subordinate Service, and the Covenanted Service became the Indian Civil Service proper.

May 30th, 1878, to a disgraceful dispatch sent by the Government of India that year proposing to close the Covenanted Service to Indians, the whole of this sorry story is reviewed, and this is the summary of it: "Since I am writing confidentially I do not hesitate to say that both the Government of England and of India appear to me, up to the present moment, unable to answer satisfactorily the charge of having taken every means in their power of breaking to the heart the words of promise they had uttered to the ear." The dispatch was rejected with something like contemptuous anger.

A puny system of scholarships for Indians to come and study in England was established and then withdrawn, and in 1879 rules were at last framed, and upon them the "Statutory" section of the Service was built up, beginning in 1880. A proportion of new appointments not to exceed one-fifth was to be filled by Indians nominated by the Governor-General in Council from nominations made by the local governments, a condition being that the nominees were to be of good family and social standing. Altogether 69 places were filled in this way; but as the men had not the educational qualifications or the general ability to perform their tasks, the scheme was foredoomed to failure and fell into disfavour. It had never met with the approval of Indians, and it strengthened the opposition—as in some quarters it was meant to do—of the British elements to any infusion of Indians into the higher Service.

The Public Service Commission of 1886-87 opened the next phase. It recommended that Indians who had done specially good work in the lower Service should be promoted to posts in the higher Service. In consequence of this, and after the usual delay which has caused so much damage in India, rules were issued in 1892 by which certain posts held by the superior Service were listed and were made available for promotions from below. There are now 61 such posts for the whole of India. This is known as the system of "listed posts." Men thus promoted do not enter the higher Service, but



simply hold these posts and are paid salaries equal to two-thirds paid to Europeans.

This is the system in force at the moment of writing, and the history of its growth reflects no credit on the Government of India. It has yielded better results than the "Statutory" Service, but it is far from satisfactory and the Commission which reported in 1917 proposed to abolish it. Its great drawbacks are: (1) the men appointed to listed posts do not pass into the higher Service, and therefore always remain inferior; (2) the men appointed are too old to fill their places with energy; (3) the men have fallen into the grooves of the Provincial Service and have lost self-confidence and initiative. In a sentence, it is not for the good of the State, and it will not be accepted as satisfactory by Indians, that posts in the higher Service should be set aside as prizes for old men. Every man in the higher Service must feel himself to be a member of the Service, must feel in himself its spirit, and must be held by his colleagues on terms of trust and equality.

Meanwhile the English door was being used by some Indians who were fortunate enough to be able to come to England and attend an English University. One passed in 1878, the second in 1882, two in 1885; from 1888 there has been an unbroken stream, the largest number passing in any one year being seven in 1899.

The position may be seen in this way. In 1913 there were 2,501 posts under the Indian administration carrying a salary of over 800 rupees per month; 2,153 were held by Europeans, 106 by Anglo-Indians, 242 by Indians including Hindus and Mohammedans. There were 11,064 posts with salaries of 200 rupees per month and upwards, 4,898 being held by Europeans and 1,593 by Anglo-Indians. Or again, the position may be stated thus: of the 200-rupees posts and upwards 42 per cent. were held by people of unmixed Asiatic descent; of those of 500 rupees and upwards only 19 per cent.; of those of 800 rupees and upwards only 10 per cent.; of those of 1,000 rupees and upwards only 8 per cent. It

is true that these percentages are increasing, but the pace is terribly slow. On the assumption that teaching the Indian how to govern himself is an essential part of our work in India, the record I have just been giving is more than disappointing.

The Provincial Service is now practically altogether in the hands of Indians and Anglo-Indians, Europeans being appointed only with the sanction of the Government of India, and all the recruitment is made in India. In 1913 only 56 Europeans were in this Service of 2,432 posts, 54 in the Executive and two in the Judicial Branch. None were employed in Madras, the United Provinces, and Punjab, one judicial officer in Bombay, eleven executive officers in Bengal, fifteen in Bihar and Orissa, nineteen on the Executive and one on the Judicial branches in Burma, three executive officers in the Central Provinces and six in Assam. As Deputy Collectors and Assistant Judges these men do the greater part of the detailed work of Indian administration; and though everything they do is subject to supervision, they require to be men of ability and probity. A race could not carry these responsibilities if it were fit to do that and nothing more. Many of these men put young into the superior Service would work in that Service as well as they do in the lower one.

We have to admit without any cavil that the Government of India has been opposed to the general employment of Indians. The politicians at home have regarded India as a political problem, the Governors in India have regarded it as an administrative one. They have been unwilling to surrender or share authority, and so when Acts and resolutions have been passed by Parliament liberalising the administration of India, their application has been delayed and their intention twisted. Nothing has ever been fully carried out. The Act of 1833 was not carried out at all; the Proclamation of 1858 when translated into Government of India resolutions was pruned until it was a mere stump; the Act of 1870 lay useless for nine years, and then when the Govern-

ment of India was forced to act upon it, it was not faithfully carried out; the Report of the Commission of 1887 was not touched for three years and then the Government used it to limit the privileges which previous discarded statutes and dispatches had given to the Indians. In this resistance we see several influences. There is the very human one of a Service knit together in race and dignity unwilling to welcome aliens in custom, habit, and race into its midst, even if these aliens are the natives of the governed country; there is the feeling that efficiency will suffer if the Service is not kept as it is, and the unsatisfactory methods hitherto taken to put Indians into it gave that feeling some appearance of reason; there is the assumption that whilst the British occupation of India remains, a nucleus of British administrators is necessary, and that the best form for that nucleus is a comparatively small superior Service retaining in its hands District supervision and legislative authority.

With the House of Commons at home passing liberal measures and the Indians welcoming these manifestations as the dawning of new days, the Government in India could not state definitely and emphatically what its feelings were, except in dispatches more or less private like that of 1878 to which Lord Lytton wrote the angry note from which I have quoted. All it could do was to delay and prune. But its great bulwark was the English examination, not only its place, but its nature. It would be a long time before Indians would or could go to England in sufficient numbers to take many places in the examinations, and the examination itself was so Western, more particularly in its languages, whether classical or modern, and Oxford so dominated the minds of the Civil Service Commissioners, as was seen by the scheme of marking the examination papers, that nothing but a wholesale breakdown in British intellect or a complete destruction of the attractions of the Indian Service to university graduates could enable Indian candidates to secure very many places. As India had become the possession of the Indian Civil Service,

so Oxford endeavoured to secure the Indian Civil Service as its perquisite.

To put an end to this and to make Government pledges effective, Indians asked for simultaneous examinations. At first there was little formulated opposition. The expedient was supported by an official committee in 1860, the House of Commons passed a resolution in favour of it in 1893, and this resolution was accepted on behalf of the Secretary of State.<sup>1</sup> Then the opposition was formulated. It had a great margin of trivialities. On account of the variation of time, it was impossible to have the examinations simultaneous, and examination papers could be sent by cable from where they were first disclosed, and candidates in, say, Calcutta could see them before going inside the examination rooms ! And so on. Two objections, however, were not absurd. If there were an open competition in India there would be no guarantee that any British candidates would be returned at all, and the British nucleus would disappear ; further, the examination would not be good for Indian education, as its influence in India would be to make university education conform to the Civil Service examination papers. The second objection was, curiously enough, urged by men interested in British Universities, though Oxford in particular has always been anxious to have these Civil Service examinations attached to itself. The theory of the examination is that the papers should test a good university education, and that view is shared by the Civil Service Commissioners. That is forgotten by those who make this objection. It was also the view expressed in the famous memorandum drawn up by the Committee which sat in 1845, of which Lord Macaulay was chairman and Dr. Jowett a member. If for British purposes this examination is a test of sound university education, why is its influence in India to be to degrade university education ? Our educationalists who are also interested in Indian education cannot have the argument both ways. If they vary it, as

they sometimes do, and say that examinations are now an unhealthy influence in Indian education, they may be right, but that does not justify the continuation of a system of admission into the Civil Service which is unfair to India and defeats the declared purpose of Acts, resolutions, and dispatches passed and written by Parliament and the Secretary of State for nearly three-quarters of a century. It may, and does, suggest that there is something wrong with Indian education, which, however, is to be put right only by a change in the spirit of the system.

The first argument is the one of real substance. But it has been met by Indians, like Mr. Naoroji, who propose that limits should be fixed to the recruitment in India, and the Commission which reported in 1917 unanimously recommended that nine places should be competed for in India every year. Thus the principle underlying simultaneous examinations is conceded, and the educational argument against them is set aside. Nine may not be a sufficient number, but it may be increased in time, and the English door is still open as well.

The real problem which the recruitment of the Civil Service raises is, must there be a British superior Civil Service if the British connection is to be maintained? and the answer will depend largely upon what view one takes of the nature of that connection. If one assumes not only that India is to remain subject to the British Crown, but subject to British administrative authority, one must conclude that there ought to be a sufficient number of British in the higher governing posts to give direction and tone to the whole of the Government. Comparatively few are required to do this, but that few must be maintained at all costs. If one, however, assumes that India may remain subject to the British Crown and yet govern itself with a genius and efficiency all its own, the importance of the British nucleus in the Civil Service is not so great. British Governors will then remain as in the

Dominions, but their position will be ceremonial and symbolic rather than administrative.

This divergence of view is only the indication of a deeper divergence. Are we to look upon India as a nation which is to be moulded, as the generations pass, in Western or in Indian moulds? Is the transformation of India into a Britain the service we are rendering mankind by our work there? Or can we not render a better one, and regard our mission in India as being one for the liberation of the Indian genius? We found it crushed by its own errors and tyrannies, weakness and disorders; we came to restore authority to it, to give it back its rights and power of self-government. That certainly was our ideal during most of last century. If that be our ideal still, it is best to let India gain power first of all in Legislatures and gradually supply her own administrators. For the Legislature is the will, the administration the hand-maiden of the will. The administrator is the expert who, taking his instructions from the will, works out details and applications efficiently. The faculty to administer well comes after that of forming opinion and expressing it. So that in the interests of self-government in India, the country would be well advised to keep its legislative powers ahead of its administrative authority, for it is more important for it that efficient Europeans should supervise the edicts of an Indian public opinion than that Indian administrators should carry out British instructions. That thought, I believe, should guide India in determining the general features of the reform it is now to demand.

In any event we are coming very near to the limit to which it is safe to reduce the British nucleus if we have no intention of welcoming India as an Indian State under the Crown. And that at once suggests difficulties. The nucleus must be one of exceptionally good men, for its number is of less importance than its qualities. There never has been any marvel in the fact that a thousand or two able and well-trained Britishers, glorified by prestige and backed by a

powerful hidden authority, were sufficient to administer the public affairs of hundreds of millions of Indians. The marvel would have been had it been otherwise.

But India is losing some of its glamour. The discontent of the Service is known in Oxford colleges, and educational changes have obstructed the flow of the vigorous youths who used to go from Scotland and Ireland, and were amongst the sturdiest pillars of the Service. Some of the complaints are peevish and do a great injustice to the Service, but others are well founded. The material rewards of the Indian Service are not so good as they were; and with the opening up of other attractive avenues of employment to university men, India has to meet a keener competition. This is affecting all the Services, but conspicuously so the Civil and Medical Departments. The blunder committed by the Civil Service Commissioners in merging the Home and Indian examinations has added to the difficulties of the situation, and men are now going out who openly confess that they are taking India because their place in the competition did not allow them to choose the posts they coveted at home. This has not gone very far yet, and can be stopped if wisely dealt with. But the canker is there, and once such evil influences come into play their effects suddenly become critical. I am not sure but that they have become critical on the medical side.

This is a problem of the first consequence to those who can see no chance of safeguarding Imperial interests in India except by a British bureaucracy. They must do something to maintain the threatened standard of Indian recruitment. They must face the problem of pay, of privileges, of pensions, and they must in this way produce a material attraction for service in India which will eclipse similar attractions at home or elsewhere. They must supplement this with social attractions which will restore some of the vanished satisfaction and contentment to the hearts of Indian Civilians. Above all, they must produce in the minds of those from whom they wish to draw their candidates an interest in India, so

that they may hear the call of India. Upon this depends the decision as to the age at which they should catch their men. University convenience is not good enough. That must be studied in relation to the aim.

In making these schemes and devising these plans for a better recruitment, they would be under no delusion as to what they are up against. They will have to meet the Indian opposition which will grow, which has been greatly increased by the events and emotions of the war, to an administrative British bureaucracy, to the great increase in the expense of Indian government; they will have to surmount the dangers of an increasing political and legislative power possessed by Indians whilst they rigidly maintain a British-manned administration; they will have to remember that the economic value of the men they want is likely to be very high in other walks of life, and that by offering them greater rewards they are only putting up the market against themselves. We have now reached a point when foresight and farsight are essential if we are to do justice to ourselves in India. The war compels us to survey the future and revise our policy with remote but inevitable ends in view, and whatever conclusions the governing authorities may adopt, let them be definite, let them be systematised, and let them take into account all the factors.

For myself, I have come to take the other view. I believe that the Imperial connection can be kept by a self-governing India enjoying, with the appropriate modifications, Dominion privileges of Home Rule. I believe our ancestors were wise when they decided that if Indians showed themselves capable of filling the administrative posts of their own Government, no obstacle should be put in their way. Mere polished efficiency is not the end of our custodianship of India; a *pax Britannica* is not the end; the end is Indian life, abundant, responsible, spontaneous.

I was a member of a Commission which inquired into the Public Services and made certain recommendations on the subject, but the new conditions created by the war made



the report obsolete before it was published. Our conception of the functions of the Service must now be altered. I then thought of the possibilities of twenty years from 1914. The twenty years have gone and twenty have been added to them. The Indian Civil Service must conform far more to the conditions and status of the Home Service, and must no longer be recruited for the higher posts of the Executive. In the circumstances it is far better to institute simultaneous examinations in India and Great Britain than pursue the scheme of electing proportions here and there, for the reduced attractions of the Indian Service to Britons may be expected to reduce the quality of the men recruited here. On this subject, the discussion and proposals in the Montagu-Chelmsford Report are altogether perfunctory and inadequate. If that Report becomes the basis of legislation, the contention of the Indian Civil Service that its status will be revolutionised is unquestionably true. That Service will no longer rule India, and the posts from which it now does the ruling will be taken from it or will lose their prestige. It may be consulted, but it will not decide. It will act not of its own will, but through that of bodies elected in India; and as this is not the time for confused systems and undefined authority, with whatever regret and misgiving we may contemplate the change, the change is inevitable. The seat of authority in India is being removed from the Civil Service to the Legislature, and we must build up the system of government accordingly. Wisdom compels us to see not very far off the end of the Civil Service as we have known it, and that being so it also compels us to begin without delay to create a new service which will carry us through the transition stage from a British to an Indian administration. To Indianise the Civil Service has become necessary.

## CHAPTER IX

### THE NATIVE STATES

THE Native State is a sovereignty in which the Crown shares to a varying extent, but in every case the foreign relations of the State are the concern of the British Government. Also the internal administration of the State would at once become a matter of Imperial interference were it to be considered subversive to the interests of either British or native subjects, or were its tranquillity to be threatened either by bad government or turbulence. It cannot make war; it cannot bind itself to its neighbours. If its subjects are aggrieved against a foreign power, that is a matter for the British Government, not for the Native State. The protecting authority both of the subjects of Native States abroad and of those of Foreign States in the Native States is the British Government. The degree to which the Native sovereignty extends has been determined by no general principle, but by historical accident, the size and importance of the States themselves, the terms of the treaties made between the Imperial Government and the Native rulers, other agreements and usages.

The Nizam of Hyderabad is the first of these rulers and exercises the maximum of power. He issues his own coinage, has a free hand as to taxation, and has absolute powers of life and death. Some of the rulers of the smaller States have little more than minor judicial powers and immunity from British taxation.

As a symbol and embodiment of British sovereignty and its responsibilities, there are political officers and residents in every Native State, and cantonments of troops are stationed

at suitable places. These complicated relationships also necessitate judicial arrangements which vary considerably from State to State. On the other hand, the rulers have accepted obligations to provide a certain force of troops which could be used for purposes of Imperial defence. Before the war broke out there were about 22,000 of these troops and they were placed unreservedly at the disposal of the Imperial authorities.

Of these States there are nearly 700, they occupy territory of 675,267 square miles, or well over one-third of the whole country, and their population is 70,000,000 or about two-ninths of the total for India. Their population is in no way different to that of British India; they are simply the remnants of the estates held by the rulers which for one reason or another we attached without annexing as we spread from the sea to the mountain barriers. Our friends we protected, our enemies we absorbed. The Dalhousie policy of annexation was heroic, but really neither side wanted it. It was in the interest of the Native ruler to make peace with us; it was in our interest to leave him responsible for the administration of his State, provided he did not conspire against us and did his work of ruling tolerably well. We kept as a power in the background, and well in the shade out of sight. We had our representatives at the courts, and they were consulted by and advised the princes, reported to the Government and took instructions from it. But the dignity of the princes was maintained and their responsibility was real, even when they were too lazy and too self-indulgent to exercise it. That was a definite policy, and so, when the Queen assumed the title of Empress of India, Mr. Gladstone was particularly anxious to receive from Mr. Disraeli a pledge that the new regal dignity would in no way detract from that of the Indian princes, and the pledge was given.

The Indian prince did not always respond satisfactorily to the new conditions of luxurious security in which he found himself under our wing. Nothing drew from him energy

and activity. He was secure in his State, he had an ample income, he had prestige and authority amongst his subjects, he had a bad upbringing and a deteriorated and deteriorating *entourage*, he had no traditions of public usefulness to spur him. He did not belong as a rule to a very old family, and his State had come to him by conquest or favour. His conception of himself was that of a tax-receiver surrounded by plotters and schemers, by flatterers and traitors; that of a god ministered to by hangers-on. He could not understand that there was any difference between the income of his State and his own. It was his private possession managed by agents. His court was too often a maze of crookedness and sensuousness, in which women generally played the leading part, and through which he sank into physical, mental, and moral decay. The peace and protection of Britain brought the Native State to the condition of a fever-stricken morass where diseased nature was prolific and gorgeous to the eye, but rotten at the core and feeding on corruption. And British interests and influence not infrequently increased the corruption. Such was the parlous transition stage through which the Native State had to pass whilst its rulers were being taught their duties and responsibilities as the heads of their people and the vassals of British rule, and whilst we were deciding whether we should take it from them or teach them better ways.

Recently there has been a great change for the better. British policy has been directed to pressing the Chief to make himself responsible for the government of his State, and a new type of Native ruler is arising. In him there is still a love of the pomp and luxury of the past, but his mind has been moulded and his outlook changed by contact with the education of the West and its conceptions of the good ruler and good government. The Chiefs' Colleges at Ajmeer, Rajkot, Indore and Lahore have played their part (though on the whole a disappointing one), but of much more importance has been the general political atmosphere of India, the known views of the British Government, the personal contact between Delhi

and the Native rulers. Whoever looks at the reports of administration issued from such States as those of Hyderabad, Mysore and Gwalior will see on every page, not only the stamp of the West, but the hand and mind of the East.

Saving for a short relapse during Lord Curzon's viceroyalty, the Native rulers are being encouraged more and more to do their own work, in accordance with the spirit of the British sovereignty no doubt, but as people sharing that spirit and believing in its wisdom. In this connection, Lord Minto said some pacificatory things to undo the evil that Lord Curzon had left behind him, but his successor Lord Hardinge widened the Minto declarations into principles of policy. At Jodhpur, for instance, when, as almost one of the last acts of his rule, he invested the Maharaja of Jodhpur with ruling powers, he said. "We have recognised that if a State is to be ruled justly and well, and to be a source of real help to the British Empire, it is only through the ruler himself supported by his sardars and people that these results can be obtained. Irksome restrictions on the exercise of sovereign powers are apt to chafe and irritate a proud and sensitive spirit, with results disastrous not only to the ruler and his people, but also to the Empire at large. We have, therefore, made it our aim to cultivate close and friendly relations with the ruling princes, to show by every means that we trust them and look on them as helpers and colleagues in the great task of Imperial rule, and so to foster in them a spirit of responsibility and pride in their work which no external supervision can produce. Trust begets trust and I rejoice to say that in my dealings with the ruling princes in India I have never found my confidence misplaced."

These are wise words, and they indicate the policy which has been pursued quite definitely since Lord Curzon left India. One of the reasons why Lord Hardinge was attracted to Delhi as his capital and why in the building of the new Imperial city he urged plans and expenditure on what seemed to be a scale of only too characteristically oriental extrava-

gance, was that he might be nearer to the Native States and thus be more frequently in their minds, and that the seat of government might appeal to them as truly Indian in its grandeur. One has only to look at a political map of India to see how Delhi lies in the midst of what is still native in India, and that when the British Government went there it seemed to cut itself off from the alien settlements of British race and merge itself in the dreams, in the ruins, in the traditions that to the great mass of the people are India. It may be that the bureaucracy will defy the dreams, spoil the ruins, and enslave the traditions, but this in any event is certain, that, supposing by some miracle there were established in India an Indian Government sensitive to the thoughts of the people and wishful to regenerate them, it could not make the great coast cities its home: from its very nature it would seek prestige, authority, and appropriateness in Delhi or in some similar place where the spirit of India still broods—though it be amongst tombs.

The problem presented by these States is not an easy one to settle. Some, like Hyderabad, are as large as a European State; some, like Mysore and Baroda, are almost as enlightened in their government; some, like Gwalior, show a complete identification of ruler and people on a liberal basis equal to that of not a few Western Governments; some, like the Rajput States, are far more ancient than any existing European monarchy and have preserved a dignity and a pride which bankrupt those of any reigning European house.

Obviously, whoever tries to piece into a system the whole administration of India must begin his work by endeavouring not only to preserve these States, but to make their autonomy more complete. The very widespread British opinion that the Native State is a backward and inefficient Government is sheer vanity. In Hyderabad, a Mohammedan shows how to reconcile Mohammedan and Hindu loyalty, and in Gwalior a Hindu ruler does the same; in Baroda, Bikanir, Travancore, and elsewhere, we have magnificent pioneering

work done in education ; in Mysore, experiments in education and popular government have outstripped our own. Some have more enlightened marriage laws, some have gone farther than we have in protecting the judiciary from undue executive influence, some have shown us the way to establish a flexible system of Income Tax. All teach us wisdom in land taxation, the patronage of the arts (whatever their mistakes may be, they have not made the unpardonably fatal one of crushing or starving out the arts), industrial progress. None of any consequence are opposed to political progress (except in one instance or two where the rulers are old, and I know of no case where their successors will be adverse to change)—certainly none will resist a good British example in this respect ; and the most enlightened of them very justly complain that we have held them back. All, within recent years, have shown great advances in the purity of their administration. It is certainly a profound mistake to identify the survival of a gorgeous ceremony and a court ritual of dazzling trappings with the politics of the times when personal power and tyrannical wills expressed themselves in that way. This truth was borne in upon me with great force one day whilst staying at one of these courts. I had seen much of the ruler and we had discussed every Western political movement from women's suffrage to Socialism. He was interested in them all and held opinions upon them which showed that none of them were new to him. But one fine morning there was a State ceremony. The velvets and the jewels, the gold and the silks, the scimitars and the headgear were brought out, and the mind which was discussing Socialism the night before was animating a body clothed in the pomp of ancient days, ancient authority, and ancient ideas. This is the incongruity of India, but let no cynical or superficial mind imagine that the incongruity goes very far below the surface.

The head of the Native State is just as likely to be progressive nowadays as the British bureaucracy, but, quite apart from that, the advantages of indigenous government are so

apparent, and the freedom and confidence which indigenous administration enjoys—things, for instance, can be done by Indian rulers which would not be tolerated at the hands of a foreign authority—are so useful that not only ought the Native State to be preserved, but, were that at all possible, it ought to be multiplied, and, subject to their administration responding in a general way to the changes that must be made in Indian administration, the existing States should have more powers of self-government. In any event, far greater care should be taken in selecting Residents—those representatives of the Imperial authority who reside in the capital cities of these States and act as tutors and guardians, as well as mere advisers, to their Chiefs. These men too often are devoid of the qualities which fit them for the delicate and difficult office which they fill, and their influence tends to stifle both initiative and sense of responsibility in Chiefs who perhaps at best have but little of either, but who under certain types of Residents lose what little they have.<sup>1</sup>

It is quite absurd to say that self-government is incompatible with the status of Chiefs in these States in view of the oft-expressed views or practices of the rulers of Mysore, Baroda, Alwar, and others. Indeed, Indian self-government would receive the hearty support of these personages. What, then, ought to be the relation between these States and the Indian Government, between the Chiefs and their Durbars and Councils on the one hand, and the Viceroy and the Indian Legislature on the other?

The States are at different levels of political evolution, and that for the moment bars a uniform treatment. But considering how much the Indian Legislature influences Native State policy—the States, for instance, have no tariff liberty, no separate system of posts and telegraphs,

<sup>1</sup> "The attitude of the political officer, while ordinarily deferential in form (though even that is sometimes lacking), is the attitude of a servant who directs his nominal master, haughty, polite, impertinent, and ironical" (Chailley, *Problems of British India*, p. 259).



and so on—the States should be represented, at any rate for advisory purposes, on the Imperial Indian Legislature as federated communities, and, where they have Legislatures and Councils themselves, these Legislatures or Councils should select the representatives.

It would be a mistake to put the Chiefs into organic relations with the Indian Government. That could only be done by either lowering their dignity or confusing the nature of the Government. Rather, the Chiefs together with the Governors of Provinces should meet in consultative Council, say once a year, to discuss matters of common interest and co-ordinate policy, so far as that is advisable, but not to come to any binding decisions. Their meeting should be like that of the crowned heads of Europe, and every encouragement should be given to individual Chiefs to meet and consult at other times. This should be done without waiting for representations on the Imperial Legislative Council, as that for the moment may not be practical. Full recognition should be given to these rulers in all matters of Imperial concern, and their status of dignity and responsibility should be put in an unquestionable place in the minds of the Indian Government.

Two important matters arise, however, in connection with these proposals. The first is, that they modify the theory that these States secure their independence only by refraining from interfering in the affairs of British India; the second is a presupposition that the States are sufficiently large and important to justify the distinction proposed for them and their Chiefs.

The first point is really not one of substance. The Government of India cannot do anything without influencing these States, and it is far better to recognise the fact formally. The Imperial Legislature will not deal with strictly Provincial matters, and the presence upon it of several State representatives will increase rather than confuse its efficiency for the work it has to do, even if it may be desirable to withhold the power of voting on certain classes of subjects from these

representatives. It would be impracticable for each State to be represented, but the States could form an electoral college for the choice of a certain number of representatives for the life of each Legislature.

The second point is one of greater difficulty. The status of States now varies enormously. Some have direct access to the Government of India, some have not; the relations of some are with the Indian, of others with the Provincial, Government; some are clearly independent, others are as clearly not; there is the Old India party and the New India party; Chiefs who still live in the Middle Ages and Chiefs up to date in habits, dress, religion, and political ideas; there is Udaipur and Baroda, there is the State of Nablia and the State of Gwalior; there are rulers educated at English Universities, and rulers educated in the female quarters. Obviously there must be a classification and grading of States. This, indeed, ought to be made in any event, and should be done by a Committee upon which the States are themselves represented—by a Committee which will be directed to pursue the federal idea and to improve the status of States, wherever that is possible. When this is done—and not until this is done—many of the fears which disturb the minds of the ruling Chiefs that they are to lose their authority, that the strained interpretations put upon treaties by the Indian Government when dealing with weak rulers may be extended to all, and similar suspicions which are now perfectly justified, will be removed for good. The continued liberty of the Native State and of its ruler does not depend upon a loose connection, but upon a constitutionally defined relationship within a federated India.

## CHAPTER X

### FINANCIAL POLICY

#### I—TARIFFS

WHEN one tries to imagine what would be the policy of an India in the government of which ascertainable public opinion would have substantially more influence than it has now, one of the first subjects which presses for attention is finance and fiscal policy, and in this connection we must remember what the nature of the representative authority will be for some time to come. Its most prominent features and interests will be nationalist and capitalist. The Universities and Colleges and the greater Municipalities that will be represented will give tone to the Legislatures, and the class from which candidates will have to be drawn will be in the main that of lawyers and business men. In the very first Legislatures provision should be made for the representation of working-class, cultivator, and co-operative interests, but I do not see how, to begin with at any rate, this can be very effective. It will in time gather authority as it goes through its apprenticeship, but in the meantime it will find some of the main lines of Indian political development set for it by the classes prepared straight away to make full use in their own interests of their political powers. The new India will be started by nationalist and commercial minds, and so far as fiscal policy is concerned they will agree. They will follow precisely the same line of action as our own Dominions have done. The economics of the nationalist are those of self-supply and foreign exclusion ; the taxation policy of the commercial classes is that revenue should be found as much as possible

by customs imposts which, whilst protecting Indian industry and securing for it high profits, will at the same time supply revenue and ease the burden of income tax. Indeed, as has been quite evident in recent financial debates in the Legislative Council, these interests rather shirk the duty of imposing direct taxation, are inclined to resort to loans, and, like a French Budget Committee, fail in courage to make ends meet.

The system of Indian taxation is an inheritance from past political conditions modified by the methods of the British rulers. The Hindu conception of the King's revenue was that it should be levied from the income of his subjects in varying proportions, and in fines and fees. A Collector-General supervised the tax gathering, and he appointed local representatives. The foundation of the system is to be found in the Laws of Manu. Traders' profits are to be taxed. One-fiftieth part of cattle, one-eighth of grain (or a sixth or twelfth), one-sixth of trees, ghee, honey, fruits, hides, earthen vessels, belong to the king. And so on. At its best, the Hindu system was excellent and surprisingly modern in its theory; at its worst, in practice, the tax-gatherer levied what he could and practised corruption and oppression. The barbarous splendour of the Courts which Sir Thomas Roe<sup>1</sup> and other visitors have described was the result of tribute and taxation outside the bounds of tax-gathering, and was made possible owing to the theory that State revenue was the personal possession of the ruler.

When the Company came, its first income was profit from trade, but by and by it received political revenues.<sup>2</sup> At first it collected these revenues in the name of the Indian ruler. "They held their territories as vassals of the throne of Delhi; they raised their revenues as collectors appointed by the Imperial Commission; their public seal was inscribed with

<sup>1</sup> *Journal*, Hakluyt Society (series II, vols I and II).

<sup>2</sup> The turning-point came in 1765 when Clive procured a grant of the Diwani of Bengal, Bihar, and Orissa from Shah Alam.

the Imperial titles ; and their mint struck only the Imperial coin." The inevitable evil of such a system is the dark thread which runs through the story of Warren Hastings and Nuncomar, and tarnishes the biographies of the great men and the history of the great deeds which meet us at the beginning of our Indian connection. The income of the State was to yield profit to the shareholders, and Warren Hastings, " with an empty treasury, with an unpaid army, with his own salary often in arrears, with deficient crops, with Government tenants often running away, was called upon to remit home another half-million without fail." <sup>1</sup>

For a time there was a confused jumble between the financial policy of the Company as a trading concern and as a political State. It sacrificed national interests in order to make profits. It ordered the ploughing up of fields of poppies when its stock of opium was sufficient and it did not want to depress prices ; at another time, and for the same business reason, it decreed the planting of poppy crops instead of grain. And what was even more fatal to revenue, its servants on the spot traded in their own interest and made fortunes on markets which they manipulated and by bribes which they exacted. Adam Smith's account of the procedure remains the classical criticism of the faults of such a form of government.<sup>2</sup> It is cold ; but the heat which would arise from a political condemnation of such a system was blown with hearty good-will into the orations of Burke until they glowed like furnaces. In the end, State revenue had to be separated from trading profits, and this was finally done by the Act of 1813. Twenty years later the Company was compelled to end its trading transactions altogether.

But in the Budget, as elsewhere, the Company and the systems to which it had become heir still survive. If we take a Financial Statement of the Government of India we can see

<sup>1</sup> Macaulay's *Warren Hastings*.

<sup>2</sup> *Wealth of Nations*, bk. iv. chap. vii.

how the revenue is derived and shall appreciate the problems connected with it. That of 1915-16 showed a revenue of £54,855,000, £21,000,000 of which came from the land; £3,000,000 from salt; £5,600,000 from Customs; £8,000,000 from Excise; £2,000,000 from Income Tax; and £5,000,000 from the Posts and Telegraphs, Railways and Canals. On the Expenditure side out of a total of £56,000,000, £22,000,000 was for military purposes and £24,500,000 for the cost of government, including the collection of revenue.

Passing the Land Revenue for the moment, three things strike one in this statement of revenue—the Salt Tax, the Income Tax, and the Customs. The Salt Tax has long been regarded as a blemish on our Indian fiscal system. It is light (when it was lowest, from 1907, it stood at 1 rupee per 82½ lb. and meant a tax of about 3½d. per head per annum), but still it is no mean proportion of the income of Indian families. Though salt taxation was known in India before, its present history dates from the imposition of Clive and Warren Hastings when the Company was hard up. It has been retained on the ground that it is well that every Indian should feel the cost of government. As a matter of fact he feels nothing of the kind: he just knows that the price of his salt is high, though salt is a necessity. But supposing there was something in this notion of making everybody feel the cost of administration (and there is nothing), it would only apply to a self-governing people who may rightly be taught the financial consequences of political acts. It requires a highly trained intelligence to decide what are the consequences of political policy and what are not, what consequences are worth bearing and what are not, and so on through many other processes of accurate reasoning. We know in this country what an appeal for reduced rates and taxes generally amounts to. It is as a rule an appeal to personal selfishness and shortsightedness against a wise social policy. If the cost of government were to be made a safeguard against folly, nations would be undone, because bills come after the events and people show less

forethought in reckoning up the cost of great follies than in demanding an estimated cost of cold wisdom.

In India, where the Government is a bureaucracy, even this theoretical justification for the Salt Tax does not exist. If the Indian salt consumer had all the wisdom necessary to come to sound conclusions upon the cost of his government, he has no power to alter it by one farthing. The Salt Tax is exaction and oppression; and if the people understood it, it would only breed discontent. It is a survival of the general exploitation of India's poverty by a profit-making Company. The argument for its retention illustrates the error so prevalent in India, of assuming that the political wisdom of a Western self-governing State is also political wisdom in an autocratically or bureaucratically governed one, and that a bureaucracy has the same right to impose burdens on a people that a representative Legislature has. The payers of the Salt Tax have no more to say in Indian policy than the man in the moon, and the price of their salt has no more influence on the bureaucracy than the cost of their weddings.

On the other hand there is the Income Tax, levied first of all temporarily to relieve the charges of the Mutiny, but imposed as a regular part of Revenue in 1884. It is the representative of the trade taxes imposed by the Moghuls, so that those not engaged in agriculture should not elude the tax collector altogether. Before the war, it stood at about 6½d. in the £, but in 1916 it was raised to from 7½d. to 1s. 3d. by a sliding scale determined by the amount of income. The yield of the tax has risen steadily, but that it is evaded in a wholesale way is shown not only by the small sum which it produces, but by the further fact that the yield from Government salaries is about one-fifth<sup>1</sup> of the total. The import of private merchandise by sea has risen from £64,500,000 in 1904-5 to £122,000,000 in 1912-13, the exports from £105,000,000 to £166,000,000; bank deposits have doubled; the paid-up capital in Joint Stock Companies registered in the country

has increased from £26,782,000 to £50,698,000. But during the same time the yield of the Income Tax has increased from £1,260,000 to £1,936,000. It is true that the accumulation of wealth which these figures indicate has been confined to a comparatively small section of the people, but that is all the more reason for a much greater State revenue being obtained from it. This is one of the pressing financial problems of India: how to get at the wealth of the richer people and how to make them yield a juster amount to the national revenue. Indian revenues have always been taken far too much from the poor, and the rich have got off far too lightly. It took us a long time here to stop up the back doors by which Income Tax was evaded, and we have not completely succeeded yet. But in India we have hardly begun the task and are using its difficulties as an excuse why we should not begin.

In the mind of the Indian manufacturer, the alternative to a proper Income Tax is a tax upon imports. If Indian commercial opinion determined fiscal policy, India would be a highly protected State, and this would come about from the ordinary human motives of doing one's best for one's own advantage. This is specially the case with the cotton trade. But financial interest is here mixed up with nationalism as it is in Ireland. The Indian is told that in days gone by England deliberately ruined his manufactures in order to find a market for its own, and up to 1918 he has had "proof" of his opinions in the arrangement by which, "in the interest of Lancashire," his native products have had to pay an excise duty equivalent to the customs duty imposed upon cotton imports.

For a long time the fiscal policy of India has been the subject of conflicts between the Government—sometimes one is not very sure whether it was the Home or the Indian Government—and the manufacturing and nationalist sections of Indian opinion. The contest centred round cotton imports. Cotton is the one great machine industry in Indian hands, jute being under British control. But Lancashire has important interests



in the Indian open door. From 1904-5 to 1913-14 inclusive, the value of the manufactured cotton goods, including twist and yarn, sent to India from the United Kingdom was no less than £288,000,000; in the first of those years it was £23,700,000 and in the last £39,800,000.<sup>1</sup> The Home Government could not, in its political interests, afford to neglect a stake such as that which these figures indicate, and it happened to believe in principles of international trade which coincided with Lancashire's interests. As is usual, when principles and interests coincide the world accepts the more ungenerous explanation that the interests are the real explanation of conduct.

When cotton production began to be of some importance in India, about 1870, Lancashire cotton manufacturers became alarmed lest the 5 per cent. *ad valorem* duty they then had to pay<sup>2</sup> might prove to be a protective tax for Indian products; and they moved at home to get Free Trade principles applied to India. Free Trade held unchallenged sway over the minds of British statesmen at the time, and it was not only easy for them to listen to Lancashire, but to do what it wanted in the honest belief that it was not to Lancashire they were giving ear, but to the best interests of India itself. To offer any explanation except the latter one was described by Lord Hartington in the House of Commons in 1882 as putting the matter "on a false issue." In 1874 the Manchester Chamber of Commerce urged the Indian Secretary to end the duty on cotton goods as it was disadvantageous both to India and Great Britain, and a few months later referred to the competition of Bombay mills that had been started under protection. After an inquiry, the Government

<sup>1</sup> *Statistical Abstract* (1916).

<sup>2</sup> In 1858 when the Crown became responsible for the Government of India, a 5 per cent. *ad valorem* cotton duty was in existence. This was raised in 1859 to 10 per cent., and reduced again in 1864 to 7½ per cent., and in 1871 to 5 per cent.

decided that 5 per cent. was not a protective duty, and it was right.

In 1878 Indian finances were overhauled, and an attempt was made to differentiate between raw and manufactured articles, between duties which were convenient forms of indirect taxation upon consumers and those which acted as protection to native industries. The customs were pruned and engrafted by Free Trade minds, and those kinds of Lancashire cotton which had to meet the competition of Indian mills were admitted free—not only, be it repeated, to give Lancashire a chance on Indian markets, but in the interests of Indian consumers.

The circumstances made it difficult for the Indian manufacturers to see the beneficence of the change, and it was warmly criticised in India, the majority of the Viceroy's Council protesting against the influence which Lancashire was having on Indian policy. Indeed, that side of the Free Trade mind of Lancashire appeared to be hypocritical, and the later events in the story of cotton duties have only added to the Indian doubts. In 1882 the cotton duties were completely removed, but when the exchange value of the rupee fell, and the Indian exchequer was again in great straits, the old 5 per cent. on imports had to be reimposed in 1894-5. Lancashire became active<sup>1</sup> and in response to its agitation some details of the Budget were altered, involving a loss of revenue to India, and an arrangement came to by which an excise duty similar to the customs duty had to be paid. That has been the rule since. But the exigencies of war finance compelled the Government to reopen the question in 1917, when, partly owing to the desire of the Tariff Reform members of the Government

<sup>1</sup> Cf. Hansard, September 3rd, 1895. Philip Stanhope: "If there was any thing more patent than another in the late appeal to the Constituencies, it was the stern resolve of the people of Lancashire that this matter should not be allowed to sleep." Lord Salisbury's despatch of 1871 on the subject, together with this debate embody the facts and the arguments of the controversy.

to get a contribution made to their policy, partly to unwillingness to offend the nationalist interests of India during the war, the House of Commons sanctioned an arrangement by which British cotton imports should pay in India a duty of 4 per cent. for which there should be no countervailing excise.

This is only a small beginning in the destruction of a system which the Indian manufacturer has never accepted. It has always seemed to him that, under the guise of Free Trade, we have been upholding the old pernicious practice of mercantilism and have been using dependencies for the purpose of providing markets for our goods. The nationalist movement took the same view. It felt quite accurately that the financial policy of India was devised to suit British ideas and sometimes British interests, that in any event it was not always even the policy of the Indian Government, to say nothing of India itself, but was sent out from home.

When Lord Morley increased the representative character of the Indian Councils, the old position could not be maintained for long. Indian financial policy had to be devised in India, even if, in the opinion of the Home Government, India was wandering from the paths of economic wisdom, and Lancashire interests were being damaged. So no one was very much surprised to find that the Finance member, in introducing his second war Budget (that for 1916-17), announced the inevitable departure. It was not to be taken then because when the war was over the whole question of fiscal relationships for the Empire itself, and for it in relation to the world, would have to be considered, but a pledge was given that the old policy was dead and that Indian opinion would influence Indian fiscal arrangements in a way which had hitherto been denied to it.<sup>1</sup>

By the following year India had offered to us a contribution

<sup>1</sup> The words used by Lord Hardinge in his Budget speech to the Imperial Council just before he left India were: "We are all unanimous, I think, as to what the best interests of India in connection with the cotton duties may be, and I regard this declaration that I and my Government have been

of £100,000,000 to our war expenses, and part of the financial scheme by which it was to be raised proposed an extra 4 per cent. duty on imported cotton. Lancashire challenged the departure, but was beaten,<sup>1</sup> and I do not believe that the decision then taken can ever be reversed.

A revision of the fiscal policy of India will be one of the first acts of a Legislature representative of active nationalist opinion, and the result will be a tariff in the interests of capital. Cotton will be protected first of all on account of its financial influence, and the 4 per cent. difference will probably be increased. In a normal year the import of manufactured textiles will be little short of £50,000,000 in value at pre-war prices. This is the highest value of any group of imports. The next is that of iron and steel and metals, which may be put down at £15,000,000, most of which would be subject to a protective duty. Then there is a considerable miscellany of manufactures, varying from matches to umbrellas, in which Indian manufacturers are interested and which is not likely to escape the eye of Tariff Reformers. On the other hand, India is in a specially strong position for imposing export duties on some of its raw products like jute, which it will send abroad to the value—pre-war rates—of perhaps £20,000,000 per annum. There is undoubtedly opportunity here for raising a considerable revenue, for easing the burdens of capital, for giving an artificial impetus to industry, for meeting the demands of nationalist economics and swadeshi.

Such a policy will provide some money for the Exchequer, but not nearly enough to meet the increased expenditure which India will have to face as the result of the programmes of representative Legislatures. It will not be to India's permanent advantage, and I am sure if the excessive influence

authorised to make in the name of his Majesty's Government as a far-reaching pronouncement of statesmanship and full of hope and promise, implying as it does the possibility, or I may even say the probability, of a broad re-consideration of the fiscal interests of India from a new angle of vision."

<sup>1</sup> Hansard, March 14th, 1917.

of the rich classes of Indians engaged in commerce were counterbalanced by the political activity of the common people, the Indian demands for a tariff, especially on cotton, would not be so conspicuous as they are. One thing is quite evident. A tariff will not re-establish the old hand industry of India nor help to revive village handicrafts. Factory and machine production, native to India itself, will throttle them as effectively as that of Lancashire and Birmingham has done in the past. Protection is asked for the Indian capitalist of Bombay, Ahmedabad, Calcutta, not for the artisan of the mofussil. Its one certain effect will be to increase the pace by which India is to become a great manufacturing nation, and it ought not to be granted without concurrent legislation protecting the wage-earners both in their factory and in their housing conditions. Whoever has visited the working-class districts of Bombay, with their squalid overcrowding, their filthy dens of disease, their insanitary puddles and stinks, will pause before welcoming or aiding any rapid strengthening of the economic influences which maintain them, until, at any rate, a public opinion and body of legislation have been created to protect the people whose labours will be necessary for the new factories. Social and labour legislation is so backward in India that any policy of rapid economic development can only enrich a few at the cost of the very lives of the masses. India ought to prepare itself by dealing with the human products of the factory system before the Government abandons itself to a policy whose sole object is to extend factories as though they were a sufficient end in themselves.

This policy of protection must therefore be considered in relation to the industrial development of India and its bearing on politics. To imagine the backward Indian labourers becoming a conscious regiment in a class war, seems to be one of the vainest dreams in which a Western mind can indulge. But I sometimes wonder if it be so very vain after all. In the first place, the development of factory industry in India has created a landless and homeless proletariat unmatched

by the same economic class in any other capitalist community ; and to imagine that this class is to be kept out, or can be kept out, of Indian politics is far more vain than to dream of its developing a politics on Western lines. Further than that, the wage-earners have shown a willingness to respond to Trade Union methods ; they are forming industrial associations and have engaged in strikes ; some of the social reform movements conducted by Indian intellectuals definitely try to establish Trade Unions and preach ideas familiar to us in connection with Trade Union propaganda. A capitalist fiscal policy will not only give this movement a great impetus as it did in Japan, but in India will not be able to suppress the movement, as was done in Japan, by legislation. As yet, the true proletarian type of wage-earner, uprooted from his village and broken away from the organisation of Indian society, is but insignificant. It is growing, however, and I believe that it will organise itself rapidly on the general lines of the proletarian classes of other capitalist countries. So soon as it becomes politically conscious, there are no other lines upon which it can organise itself ; self-government will make it politically conscious ; a capitalist fiscal policy will draw from it a programme and a policy which will reproduce amidst the wage-earning population of India all the features of what is known in Socialist quarters here as the class struggle, and will create, if it is not granted to begin with, effective representation on the Legislatures of proletarian opinion and deprive the capitalist and professional sections of a monopoly of power. To-day, economic political opinion concerns itself with tariffs ; under self-government it will also concern itself with social reform.

## CHAPTER XI

### FINANCIAL POLICY (*continued*)

#### II—THE LAND TAX

IN all discussions of Indian Revenue, the Land Tax has occupied a special place. The tax, like so many other features of Indian government, has a past dating long before the Company sent a servant to help it to make profits out of India. The grain heaps of the people had to pay tribute to the needs of the king, and the contribution was made in kind. Akbar levied it in cash; and during the last century, when British financial administrators were importing order and certainty into the Indian revenue, the method of fixing the land tribute was the subject of much consideration when every local custom was taken into account—by men, however, who unfortunately did not understand them.

To-day two methods are in force. One recognises the ownership of landlords—typified best in the Cornwallis settlement of Bengal, commonly known as the "Permanent Settlement"; the other proceeds upon the assumption that the land is State property for which the cultivator pays rent. The Land Tax of the former method is a true tax, though a most unscientific one; the Land Tax of the latter is not a tax at all, but a rent, and its amount is not the subject of legislative enactment like an Income Tax or a Customs Duty, but of valuation and arbitration.

When the Company became responsible for the administration of Bengal, the Land Tax was subject to an annual revision, no system of imposition was fixed, and the chaos and uncertainty were made greater by the fact that between

the Government and the people was a set of tax farmers who could impose their burdens pretty much as they wished. The Court of Directors determined to end this, and, going back to the Akbar method, decreed a ten years' settlement. When the period ended, Lord Cornwallis reported that the whole of the facts of the assessment had been ascertained, and that it would be best then to fix a perpetual and unvarying impost. That was done, the effect being that people who had been tax farmers became landowners, and cultivators who had been in reality landowners paying Crown dues became landlord tenants. The reason why this change, with all its unfortunate errors, was made was that Lord Cornwallis and his investigators knew next to nothing of the customs and systems with which they were dealing, and only understood the English land system with which most of them were directly connected. They read the Bengal position as though Bengal were Sussex or Yorkshire, and produced the "Permanent Settlement" and the Zemindar landowner. In time, the security of tenure which occupiers enjoyed under the Government was lost. They were exposed to the will and whim of landowners, and the condition of Bengal ryots and Bengal rents became such that a series of Land Acts had to be passed protecting the cultivator in the enjoyment of the soil and the reward of his labour, and undoing to some extent what Lord Cornwallis had done in his ignorance. Meanwhile, the revenue ceased to enjoy any part of the increasing rents, and the settled tax ceased to bear any relation to the capacity of the land to bear a share of the cost of government. The Bengal Zemindar became enormously wealthy on income which ought to have been kept by the State, and when the Income Tax was introduced he escaped it on the ground that his income was derived from the land and was presumably mulcted already by the tax which he paid. This system holds good in "about five-sixths of the present Province of Bengal,"<sup>1</sup> one-eighth of Assam, one-tenth of the United

<sup>1</sup> Since then Bengal has been reportioned.



Provinces, and a quarter of Madras, representing in all about one-fifth of the area of British India."<sup>1</sup>

Viewed from any standpoint except that of the perhaps privileged Zemindar, the Bengal system is unjust. It is, however, as I have said, in accord with the notions of our English landed governing class, and in 1862 the Secretary of State decided that it should be made universal in India. But the practical difficulties in the way were so great, the sacrifice of State rights and the handing over to private pockets as a gift what belonged to the Indian nation were so obvious, that a combination of simple justice and common sense thwarted the Secretary of State, and in 1883 Lord Kimberley declared against the extension of the Bengal system. Ever since then enlightened opinion has rejected it, and were it possible it should be undone. It is not now possible, but Zemindar incomes in "Permanent Settlement" districts ought to be subject to Income Tax.

There is another great objection to freeing the land of India and allowing it to be regarded as personal possession. The cultivator has always been the prey of the moneylender, and though the development of co-operative Credit Societies is reducing this evil rather substantially, it is still in existence. The history of the Punjab land legislation is an admirable illustration of how this works, though the case of the Deccan cultivators might equally well be cited.

When the Punjab was annexed, the lands were given back to the peasants and a very low Land Tax was fixed. But, largely owing to the rigidity of the annual payment and the happy-go-lucky disposition of the peasant—no doubt the product of generations of unsettlement—the moneylender had to come in to help over the lean years. His grip tightened year by year, until, in 1894, when an inquiry was held in one district, 20 per cent. of the cultivated areas had either been sold or was seriously encumbered with debt, and in other districts the percentage was even higher. Between

<sup>1</sup> *Imperial Gazetteer*, vol. iv. p. 229.

1892 and 1896, over 50,000 acres had been sold to moneylenders and as much to non-peasant purchasers, and these sales had grown to 120,000 acres in 1899-1900, whilst nearly 300,000 acres were under mortgage. Thus the agricultural basis of the Punjab was being undermined. To accelerate this, the moneylender was adopting various slim devices such as that of "conditional sale," by which he became possessor of the mortgaged land were interest not paid within a specified time. The conditions of the loans were in most cases extortionate to the highest degree, and could not possibly be fulfilled. But the Courts enforced them until public opinion was roused and the Government had to decide, in 1900, to prevent the sale of agriculturalists' land to non-agriculturalists. Into the merits of the law I do not enter; upon the extraordinary agitation against it I make no reflections. I draw attention to the fact that land in India enfranchised from Government control tends to pass into the hands of moneylenders, lawyers, non-agriculturalists, or to become so weighted by mortgages that the cultivator sinks to slavery, and I put that down as the explanation of how widely spread in certain classes is a demand for a landlord system and an opposition to land legislation. On the other hand, the Government no doubt has its own selfish ends to promote. But whoever speaks in the interest of the cultivator, whatever his views may be upon the weight of the land tax, will not propose to alter the system of land tenure or leave the cultivator exposed to moneylenders and forced sales.

Under the system of temporary settlement the tax is usually fixed for a period which may be as much as thirty years, with variations in the payments should crop conditions necessitate abatements.<sup>1</sup> The cultivator is then a permanent tenant of the Crown and his right of occupancy is both heritable and transferable.

The assessment requires a careful cadastral survey, and a

<sup>1</sup> As the system of assessment gets more complete, seasonal variations in the impost become more practicable and in fact more common.

map is kept in each village showing in detail the extent and boundary of each field. A list is also kept of those who have rights over each field, indicating the person responsible for paying the tax and containing in some provinces, such as Burma, the most complete information regarding tenures, rights, and mortgages. This record has to be constantly kept up to date.

The proportion of produce taken varies. Obviously where irrigation is efficient the proportion is higher than where it is not, for the rent of fertile lands is not only higher than that of poor soil, but represents a higher percentage of the yield. In estimating the tax which the land ought to bear, not only is the cost of cultivation taken into account, but that of marketing, the productivity of the soil, the effect of existing settlements, the value of tenants' improvements, the character of the seasons, and so on, and it is upon the net value thus arrived at that the tax proportion is fixed. Throughout the whole of last century there has been a steady lowering of the proportion of the net product taken. Thus in Orissa in 1822, 83·3 per cent. was taken; in 1833 it fell to 70–75 per cent.; in 1840 to 65; in 1916 it was 54.<sup>1</sup> Fifty per cent. may be taken to be the general rule. A mathematical standard is the basis, but it is, or ought to be, applied with "judgment and sound discretion." Schemes are also in operation preventing sudden increases as would take place upon reassessment after a long period of years when the value of productivity is increasing.

The sums levied in this way appear to be colossal, but the principle is sound, and its apparent oppressiveness disappears when the real economic nature of the impost is understood. It represents precisely what land reformers in this country and elsewhere are now endeavouring to persuade our governments to institute, not because they wish to oppress the cultivator, but because they wish to help him, and because they believe that they can prove that a system of private ownership of

<sup>1</sup> *Imperial Gazetteer*, vol. iv. p. 221.

rents is bad for tenants and evil for the State. It provides revenue which, if justly assessed, does not enhance prices nor affect the standard of living. The same amount of revenue raised in any other way would add to the poverty of the people.

In any event this is clear. The "permanent settlement" of Bengal and elsewhere was unjust to the general Indian tax-payer and was no benefit to the cultivator as such. The condition of things which compelled the Government to pass the Bengal Tenancy Acts, in order to save the ryot from robbery and ruin, are an unanswerable argument against those who wish us to believe that the Land Tax is the cause of the poverty of the Indian cultivator. A rack rent is an oppressive rent, but a true rent is not oppressive, and it had always better be a State revenue than a private income.

Indian Nationalist opinion has never taken kindly to this rent tax, and if it had a chance it would probably try to modify it. The motive for this is complicated, and self- and class-interest are not altogether absent. But apart from that, the tax, when considered erroneously and simply as a tax, does look oppressive, and in a complete indictment of British administration and exploitation it does look formidable. I defend it stoutly in principle, but I think it has been raised too often oppressively, and that is where the Nationalist attack cannot be rebutted. The error lies here. In theory, the tax is a rent; in practice, a rent should be fixed on an open market by competition between competitors of a decent standard of living and in relation to the amount, above that standard, the land competed for will yield; in other words, it should be assessed with that standard as its first charge. The habit of the Government, very often under the pressure of an all too limited exchequer, has been to exact from the cultivator the uttermost farthing, over and above a standard of life which has been much too low. In theory again, the annual fixed revenue was supposed to be an average in which both good and bad years were computed; but whilst this

assumed that the cultivator would average his own annual expenditure, as a matter of fact he did not do so, and in bad years he did not go to his savings, but to the moneylender. Over-assessment and the rigidity of the payments, therefore, have undoubtedly tended to impoverish the people, and a system of revenue collection thoroughly sound in theory, and meeting the requirements of unassailable economic doctrine, has, in practice, become a grievous method of oppression and the subject of formidable attack. The Government has only illustrated the dictum that the owner of rents tends to become the possessor of rack rents, and in this respect India shows results remarkably similar to those of Ireland. The power to exact rent has been used in both countries to keep down standards of living, and the ryot and the cottar have been doomed to illustrate how economic law is no respecter of persons. The Punjab and Connemara have been suffering from the same disease. The Indian Government and Irish absentee landlords have been proving that there are no races and creeds in economic law.

Against two forms of complaint we must be specially wary. We hear much of the excessive "taxation" of India, and we are frequently asked to condemn the way in which the Land Tax is levied because its total yield steadily increases. The substance of both complaints needs to be critically scrutinised.

Taxation averages are always misleading, and in the case of India, as I have already shown, large sums which are really rent (probably £21,000,000 out of a total of £54,855,000) are included in what is called Indian "taxation." Again, a Land Revenue yield, as it is a rent, ought to increase automatically as cultivation widens and improves. If, in this country, a proportion of rent had found its way regularly into the Treasury, an increase in the yield year by year would have been a measure of national prosperity, not of excessive Government imposts. The real point of attack upon the levy of the Land Revenue is not that it exists, but that it is more than a fair rent and that it has been levied in such a way as to prevent a steady

heightening of the standards of life which would have tended to absorb a part of the increasing productivity into the wages and salaries of cultivators.

It is often said, and as a statement of historical fact it is true, that our destruction of social custom in India by the imposition of Western legal methods marked the beginning of a new severity of oppression on the part of moneylenders, lawyers, and other classes useful within well-defined limits, but predatory when they overpass those limits. It was alleged, for instance, during the agitation against the Punjab Land Bill, that the banya, as the beast of prey, was created by English methods. We destroyed the old psychology and relationships, and we put in their place the new legal relations between man and man ; we destroyed the community and put in its place the law. So, it is argued that if we had some kind of Permanent Settlement of the Land Tax, the moneylender and the lawyer will return to their old functions. That will never happen again. The change has taken place, and the only way to meet its evils is to carry the system to its logical conclusion with the appropriate legal safeguards under whose shelter a new moral and commercial relationship will grow up. So, if, as regards the Land Revenue, self-government were to follow the lines of Nationalism in opposition (a consistency which the history of political parties shows to be anything but inevitable), India would be put more completely than ever under the hand of the exploiter, and the Indian cultivator would be turned more rapidly than ever into a landless man driven into the plague-infested chawls of Bombay and Calcutta and compelled to swell the ranks of a proletariat whose industrial conditions cannot be matched for evil amongst the most miserable wage-earners in any quarter of the globe.

This, however, must be said in extenuation of the attitude which some of the leading Nationalists have taken up on this question. The details of the Bills proposed have often been bad—those of the Punjab Bill certainly were; they all em-

bodied ideas of social relationship alien to the Indian mind ; they were the proposals of Governments who were held responsible for the evils they proposed to cure. If the Nationalists' opposition has been tinged with some shade of class and personal interest, some desire to leave the land and the cultivator open to capture, it is to be hoped that when they have to settle with themselves the moral obligations of responsibility in a way they have not yet had to do, nothing but the sternest considerations of public policy will determine their decisions, and that they will regard consistency as all honest men do—as a very valuable possession, but not quite so valuable as to be bought by the sacrifice of justice.

If the financial policy of self-government would make the Land Revenue a real rent on the principles I have indicated, it would be all to the good ; if it is to set up a new claim to proprietorship it will be all to the bad. The following points may be stated categorically as they indicate the policy which ought to be pursued :

1. The Permanent Settlement typified in Bengal was wrong not only politically, but economically, because it was neither a State rent nor had it the advantages of a flexible tax.

2. The periodic valuation of land for the purpose of fixing a State rent-tax is sound economically, because it aims at securing for the State values which have not been created by the labour of the cultivator. The tax, however, should never exceed an economic rent.

3. Whilst mistaken impositions may impoverish the cultivator, that is not a necessary consequence of the Land Tax ; and the cultivator is more impoverished under the Bengal system unless it is guarded by a code of land legislation, and even then his economic position as a tenant is not so good as it is when he is an occupier under the State.

4. The Land Tax requires elasticity of imposition and its changes should be gradual.

5. Irrigation justifies a larger percentage of the net produce being taken, because it is not what is taken, but what