THE FINANCES OF INDIA, 1858-1918

system. Starting with a somewhat primitive system under which the income was mainly derived from rent on land and fiscal monopolies on opium and salt, the government was able, with the progress of the country, to develop more elastic sources of revenue realised from taxation, such as customs, excise and income-tax. Its general aim being to keep down the incidence of the land-revenue and to reduce the salt duty to as low a point as its finances permitted, the receipts from these heads gradually came to bear a smaller proportion to the gross revenues. As the older sources of economic revenue declined in importance, they were supplemented by newer forms in the shape of receipts from railways and irrigation works.

The distractions of wars by which the empire had been built up left the East India Company little time or money to devote to the prosecution of public works. Not till near the termination of its existence was there any serious attempt to make good the shortcomings of the past. The succeeding government found itself faced with the problem of bringing the country up to date in the matter of roads, public buildings and the public utility services of a modern state. Equally imperative was the need for protection against famine by the construction of irrigation works. The funds required were far beyond the scope of the ordinary revenues, and, in the absence of private enterprise, the government was compelled to fall back on the assistance of foreign capital. Though its fruits have been of incalculable benefit to the country, the public works policy imposed a heavy strain on the finances, and the financial history of the fifty years following the Mutiny is a record of constant struggle to meet the obligations incurred and to maintain uninterrupted progress. Ultimately, as will be shown, the commercial services were to prove a remunerative source of revenue.

In order to secure the essential lines of railway communication the government, from 1853 onward, arranged for their construction through the agency of joint-stock companies with an English domicile, to which a guarantee was given of 5 per cent. on the capital outlay and half the surplus profits. The primary defects of these contracts were that the companies were relieved of responsibility for the cost of construction and the only incentive to economy was the somewhat remote prospect of sharing in the profits. Even allowing for the necessity of gaining experience in railway construction in India, the cost was high and for a number of years the payment of interest charges imposed a considerable burden on the general revenues. In all, the capital outlay on the railways guaranteed under the earlier system amounted to some ninety-seven millions. Under the terms of the contracts the state was able to exercise the right of purchase and the old guaranteed railways were gradually acquired.

¹ Strachey, op. cit. chap. vii; Chesney, Indian Polity, chaps. xviii, xix; Imp. Gaz. vol. m, chap. vii.

In 1869 it was decided to embark on a policy of construction through direct state agency, mainly with borrowed capital. Fair progress was made with the project, but the fall in the gold value of silver rendered the scheme abortive. The burden of paying interest on the sterling debt began to press heavily on the state, and there was a natural reluctance to add to these charges. Borrowings were accordingly limited to such sums as could be raised in India. But a railway policy under which the rate of progress was determined by annual borrowings in a limited market soon proved inadequate to the needs of the country. It was found necessary to fall back on the former system of inviting assistance of private companies by the offer of guarantees, or other forms of state aid. The various contracts differed widely in their conditions, but the terms obtained were more favourable than in the earlier contracts. Where a guarantee was given, the rate in no case exceeded 4 per cent, and the share in the surplus profits payable to the companies was smaller. The construction of railways by direct agency was not discontinued, but the tendency was rather to employ this method for lines required for strategic purposes, or for protection against famine.

In the construction of irrigation works, the government could look for even less assistance from private enterprise. Nearly all the important systems were constructed by state engineers, either from borrowed funds, or special revenues set aside for famine insurance. On the whole the money so spent proved a very remunerative investment, quite apart from the indirect advantages accruing to the state in securing the land-revenue and restricting expenditure on famine relief. But on the other side of the ledger must be set the growing charges for interest on capital, the long delays which often supervened before any return commensurate with the outlay was received, and, over a series of years, the loss in exchange on the sterling portion of

the debt.

Apart from the rearrangement of the financial relations between the central and provincial governments, there were no events of outstanding importance prior to 1873. The system of a highly centralised financial control, introduced under circumstances previously mentioned, had not been found to work well in practice. The provincial governments, though responsible for the collection and development of a large part of the revenue, were allowed no discretion in incurring expenditure, and derived no benefit from the growth of income or economy in administration. The position they occupied was in fact something more than that of a department and something less than that of a government, a state of affairs which inevitably led to friction. From the Government of India's point of view the situation was described as one in which "the distribution of the public income degenerated into something like a scramble, in which the most violent

¹ Report of Indian Irrigation Commission, 1903.

had the advantage, with little attention to reason".1 From the other point of view, the Government of India, in endeavouring to control all items of expenditure over so large a country, had assumed a task which no central authority had the capacity or knowledge to perform. A beginning was made in financial decentralisation in 1871, which was further developed in 1877. The principle adopted was that certain branches of administration, such as the postal services and railways, should be treated as wholly imperial and their receipts taken by the central government. That government, being responsible for the heaviest charges on the state revenues, retained in its hands the income from certain main heads, such as salt, opium and customs. The revenues from other heads, viz. land-revenue, excise, stamps, forests and registration, were shared in a proportion determined according to the requirements of the several provinces. From the income derived from their share, the latter met the expenses of the collection of the revenues and the greater part of the expenses of their civil administration. The financial arrangements between the central and provincial governments were for some time subject to periodical revision, when they were amended according to the state of the public revenues; but, ultimately, more permanent shares in the divided revenues were assigned to the different provinces. As originally framed the system had nothing of a federal character about it. The object in view was mainly to effect an administrative improvement by relieving the central office of an impossible burden of work and freeing the provincial governments from unnecessary interference. The control over finance was not surrendered, since the central government was always at liberty to vary the terms of the settlement. Roughly, the provincial expenditure amounted to one-third of the imperial.2

Previously to 1873 currency questions had played little part in Indian finance: from that date they dominated it. Though an attempt had been made in 1868 to introduce the sovereign into India, it had not proved successful and the rupee remained the basis of the currency. Silver being received without limit when tendered for coinage at the Indian mints, the gold value of the rupee depended on the gold price of silver bullion. This value had continued up to 1872–3 fairly constant at about 2s., and fluctuations in exchange had been comparatively small. About this time, however, largely in consequence of the demonetisation of silver, first by Germany and subsequently by the Latin Union, the rupee exchange began to drop. Its downward course was for some time gradual, and temporary improvements favoured a policy of inaction. By 1885 it had fallen to an average rate of 1s. 7d. From this point the decline was more rapid and by 1890

Barbour, The Standard of Value, chap. xii, 1893.

¹ Strachey, op. cit. chap. ix; Hunter, Life of the Earl of Mayo, vol. 11, chap. vi. ² Decentralisation Commission Report, Parl. Papers, 1907.



Fact fallen to 15, 4d. For a brief period in 1891 the decision of the United States to purchase annually large quantities of silver brought about a sharp rise to 1s. 6d., only to be followed by a reaction until, in 1803, the average rate was in the region of 1s. 2d.1 This depreciation disastrously affected India's finances by increasing the cost of making remittances to liquidate her gold obligations in England. These consisted mainly of interest on the sterling debt, guaranteed interest on the railways or, after their purchase, of the annuity charges, payment for railway stores, army charges, and furlough and pension allowances of civil and military servants. They were defrayed by the secretary of state's selling for sterling rupee drafts on the Indian treasuries. But so long as the mints remained open to the free coinage of silver, the sterling amounts obtainable at the secretary of state's sales could not ordinarily exceed the cost of procuring silver and remitting it to India for coinage. Each fall in the gold value of the rupee meant proportionately increased cost in defraying the charges to be met in England. In 1892-3, when the exchange had fallen to is. 2d., the government had to pay 87,300,000 more rupees to meet its gold obligations, amounting to £16,500,000, than would have been required had the exchange stood at the same rate as in 1873.

It will now be convenient to outline the main events between 1873 and 1893 which moulded the course of Indian finance. During the early part of this period India was visited by a cycle of bad seasons which resulted in partial or total failure of the crops over wide areas of country. Two famines, one in Bihar and the other in Southern India, called for expenditure on an unprecedented scale. These and other minor disasters cost the government in relief operations, or remission of revenue, over £,15,000,000.2 A commission appointed in 1877 to enquire into the subject of famine relief recommended that a sum of £1,500,000 should be set aside in prosperous years to meet the cost of these recurring calamities, without further increase of debt. In years free from famine, the surplus was to be devoted, either to the paying off of existing debt, or the avoidance of debt by constructing works, such as railways, the cost of which must otherwise have been met by borrowing. As the condition of the finances did not admit of the sum required being set aside from revenue, additional funds were provided by a fresh cess on land, the imposition of a licence tax on the trading classes, and by reducing provincial assignments. Wars, threats of wars, and falls in exchange caused these arrangements to break down on several occasions, but, as soon as pressure was relieved, the grant was resumed. The operations under the famine insurance scheme enabled the Government of India, in addition to meeting the cost of famine relief, to spend on development projects roughly £5,000,000 from the inception of the scheme up to 1803. During these

* Report of Indian Famine Commission, 1878.

¹ Report of Indian Currency Committee (Parl. Papers, 1893, Accounts, c. 7060).



years the government was in constant financial difficulties. The Afghan war which broke out in 1878 proved very costly. Hardly had the situation improved, when the Government of India was called upon, in deference to the free-trade views obtaining in England, to abolish the duty on all imported cotton goods, the import tax on coarser goods, which formed the main product of the Indian mills, having been removed in 1879. With the abolition of the duty on these goods, which provided the bulk of the customs revenue, it was impossible to justify the retention of the rest of the import tariff levied on a number of miscellaneous articles, many of which yielded an insignificant revenue. It was accordingly decided to abolish all import duties, except those levied on articles, such as liquor and salt, which

were subject to internal taxation.

From 1885 the government was again confronted with heavy military expenditure as a result of the threatened advance on India by Russia, and the operations which terminated in the annexation of Upper Burma. An increase in the strength of the army and defensive works on the frontier entailed a steady growth in expenditure between 1886 and 1893. With the limitations imposed on the customs tariff, it was necessary to fall back on other heads of taxation which promised to yield the additional income required. In 1886 the licence tax was converted to an income-tax leviable on all non-agricultural incomes above Rs. 500, and in 1887 the salt-tax was raised from Rs. 2 to Rs. 21 per maund. With the aid of the revenue thus obtained and by the exercise of rigid economy, a deficit was avoided, but the income-tax in its new form had not been imposed without a good deal of opposition, while the enhancement of the salt-tax was open to the objection that it fell-most heavily on the poorest class of the population. The fiscal policy at the time was affording a handle of attack to the newly formed congress party. Though these attacks contained much misrepresentation, they indicate the growing irritation at the financial straits to which the government had been reduced, mainly owing to the neglect to deal with the currency problem. When a fresh crisis in exchange took place in 1892-3, it became obvious that the Indian finances could not support the strain of the enormous losses involved and that a reform of the currency system could no longer be avoided.

The first proposals to this effect were made in 1878, in which the Government of India pressed for the establishment of a gold standard and control of silver coinage: the scheme involved acceptance of gold in payment of government demands but not its immediate recognition as legal tender. Though it differed in many of its features from the system ultimately adopted, the main principle was the same, and some reform on these lines could undoubtedly have been carried out more easily at that time than at a later date when exchange had fallen further and the country was flooded with silver coin. When its pro-



als were rejected by the secretary of state, the Government of India turned its attention to international bimetallism1 as a solution of its currency difficulties. Its hopes were kept alive by international monetary conferences, at which the question came under discussion, and the pronounced desire of other governments to rehabilitate silver. But the condition into which the finances of India had fallen, and international currency events from 1890 onward, finally forced the hands of the government and the secretary of state. The world production of silver showed a very decided increase and, in spite of purchases on a large scale by the United States Government, imports into India were rising. India's trade was becoming disorganised by the constant fluctuations of silver, and the banking and trading classes brought pressure to bear on the Government of India to close the mints and establish a gold standard. There was also a grave apprehension that the United States Government might discontinue its purchases of silver, in which case it was impossible to foresee to what lower levels the gold price of silver might fall. Proposals were again submitted for the adoption of a gold standard which were referred by the secretary of state to a committee of which Lord Herschell was chairman.2 Its recommendations were carried into effect in 1803.

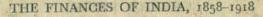
In accordance with these recommendations the mints were closed to the free coinage of silver, the government reserving to itself the right of coining silver as required.3 It was notified at the same time that sovereigns and half-sovereigns would be received by government at the equivalent of Rs. 15 and Rs. 71 respectively, and that gold coin and bullion would be held in the paper currency reserve as a backing against notes. No action was taken with regard to making gold coin legal tender. It was believed that, with the closing of the mints to free coinage, a scarcity value would be placed on the rupee and, as it was no longer possible to settle the excess of exports over imports by sending silver to India and coining it into rupees, settlement would have to be made mainly through the secretary of state's council drafts. If the rate of these sales could be kept at about 1s. 4d. the rupee, the exchange value of the rupee might be forced to this level. With the gradual accumulation of gold coin, it was hoped to build up a reserve which would make the gold standard effective. As soon as the mints were closed exchange rose to the desired level of 1s. 4d., but soon fell to lower rates.4 Several factors militated against the immediate success of the scheme. The heavy coinage before and after the closing of the mints-the government having taken over the silver in transit and with the banks-had led to a redundancy of silver coin over currency requirements. The closing of the mints in India and

¹ Cf. Barbour, The theory of bimetallism and effects of partial demonstization of silver on England and India.

² Report of Indian Currency Committee, 1893 ut supra.

³ Act VIII of 1893.

⁴ Cf. Barbour, The Standard of Value, chap. xvii.





the repeal of the Sherman Act in the United States caused a heavy drop in the gold price of silver, and bullion poured into the country to be used for commercial purposes, thereby decreasing the demand for the secretary of state's bills. The rate of exchange continued to decline with the diminishing value of silver, the average for 1804-5 being only slightly over 1s. 1d. From this point it rose steadily, being materially influenced by the expansion of the internal and external trade of the country. These favourable trade conditions tended to absorb the superfluous currency, thus accelerating the effect of the closure of the mints. The progress was, however, so slow that the government seriously considered the possibility of melting down large numbers of rupees and even of reducing the standard to be aimed at to 15. 3d. In 1897 there was definite improvement, the average rate being nearly 1s. 3d., and by 1808-9 the goal had been reached and the exchange value of the rupee forced up to is. 4d., though its bullion value had fallen as low as 10d. At this rate it remained with minor fluctuations, until circumstances arising out of the war com-

pletely upset pre-existing standards.

Little confidence was felt at the time that the rate would be maintained. The feeling of uncertainty was reflected in representations by the various chambers of commerce regarding the unstable condition of the currency which was disturbing the trade of the country and driving away capital. Fresh proposals by the Government of India for stabilising exchange led the secretary of state to appoint a committee under the presidency of Sir Henry Fowler to review the situation.1 This committee approved of the closing of the mints as the only practical method of securing a stable exchange between India and the countries with which she principally traded. It recommended the establishment of a gold currency as well as of a gold standard, to secure which it proposed that the sovereign should be legal tender in India and that the Indian mints should be open to unrestricted coinage of gold. The committee was impressed by the view that it would not be feasible to maintain the gold standard without an actual gold currency, and, for this reason, it urged the encouragement of the use of gold in currency. This conviction led it to reject schemes, strongly supported at the time, of establishing a gold standard without a gold currency in India. The advocates of these views held that a gold currency was not wanted in India and that exchange with other countries could be adequately maintained with a sufficient reserve of gold.2 The most fruitful of the suggestions of the committee was that any profit on the coinage of rupees should not be treated as revenue, but credited to a special reserve to be used for supporting exchange. Its adoption led to the establishment of the special reserve known as the Gold Standard Reserve.

2 Lindsay, Ricardo's Exchange Remedy.

¹ Report of Indian Currency Committee (Parl. Papers, 1899, Accounts, c. 9390).

The Covernment of India, acting on these recommendations, passed an act making the sovereign and half-sovereign legal tender at Rs. 15 and Rs. 71 respectively.1 The proposal for coining gold in India fell through, owing to difficulties with the English treasury. The efforts to put gold into circulation were the reverse of successful. The currency was not popular, and was continually finding its way back to the treasuries. The result was that the stock of gold in the Paper Currency Reserve, where it was held as a backing to notes issued, rose steadily and the silver reserve came to be inconveniently low. In March, 1900, the stock of silver had fallen to about £3,500,000 and gold had increased in proportion. So long as the public was unwilling to take gold, this small reserve of rupees had to maintain the convertibility of some £18,000,000 of notes. To relieve the strain fresh efforts were made to force gold into circulation, under which the sovereign went to a discount. The coinage of silver was then taken up in earnest, the profits being devoted to building up a special gold reserve. These were transferred to London and, for the most part, invested in government securities.

During the years immediately following 1893 the only events of financial importance were those connected with the improvement of the currency. Until there was a definite rise in the rate of exchange, the main concern of the administration was to balance the budget and curtail expenditure. In 1894 the general import duty at the rate of 5 per cent. ad valorem was reimposed. The duty extended to cotton goods, but, to deprive it of its protective character, a countervailing excise duty was imposed on fabrics manufactured at the power mills in India.2 Aided by this new revenue and the steady growth of the ordinary revenues, the government was enabled to tide over the period of transition to a stable rupee. In 1896-7 Northern India suffered from a famine of unusual severity which cost over £4,000,000 in direct relief. A frontier war in the following year, involving military operations on an extensive scale, caused further embarrassment and both these financial years showed considerable deficits. These, however, may be described as the last of the lean years; from this time onward, owing to the steadiness of exchange, growth of revenues, and improved receipts from public works, the aspect of Indian finances underwent an entire change and, with flowing balances, the government was not only able to reduce taxation but also to provide more adequately for the public services, the development of which had been retarded by the enforced economy of the preceding years.

One of the main factors in the improvement of the finances was that the railways and irrigation works became, about the beginning of the present century, a source of direct profit to the public revenues.3

Indian Coinage and Paper Currency Act, XXII of 1899.
 Cf. Roberts, History of British India, pt II, chap. xii.
 Robertson, Report on the Administration and Working of Indian Railways.

THE FINANCES OF INDIA, 1858-1918

326 In arriving at these results all interest charges, not only on open works but also on those under construction, were charged against revenue, as well as annuities for the redemption of commuted capital and annual outgoings of every description. Many of the older undertakings had been returning handsome dividends on the capital invested for a number of years past, but the profits did not counterbalance the loss on newer constructions. In 1900 the revenue account drawn up on the above method showed a small gain, which by 1901-2 had risen to three-quarters of a million and in 1904-5 to two millions. The profits, as in all operations of a commercial character, varied with the season, and in 1907-8 a loss again was incurred, largely owing to increased working expenses. In the following year there was a re-

covery and from that time the net receipts became an important item

in the national revenue.

The greatly improved condition of its finances after 1901-2 enabled the Government of India to allot funds on a largescale to the provincial governments for the purposes of education, sanitation and agricultural development, as well as to reduce taxation. The salt-tax was reduced by successive stages from Rs. 21 per maund to R1. Incomes under Rs. 1000 per annum were exempted from income-tax, and, as a relief to the agricultural population, certain cesses on the land were abolished. When the periodical settlements with the provinces were revised in 1904-5, definite shares in the incomes realised within the provinces were permanently surrendered. This was the first step towards the grant of fiscal independence to the provincial legislative councils, some measure of which was essential if any genuine system of local self-government were to be set up. But in 1907-8 there was a turn in the tide. The monsoon was poor and the sources of income which varied with the prosperity of season declined: exports fell off and an exchange crisis supervened. The Government of India was further faced with the problem of losing the greater part of its opium revenue under the terms of the Indo-Chinese agreement of 1907.1 As three-quarters of the opium revenue was derived from the China trade, this meant that by 1918 a sum of about £3,000,000 would have to be made good from other sources. To provide for future losses in revenue, the customs-duties on a number of articles, such as tobacco, beer, spirits and petroleum, were raised and a higher ad valorem duty imposed on silver bullion. The seasons following, up to the outbreak of the war, were prosperous. Revenues from almost all sources showed increases, and speculative purchases of the exportable opium greatly reduced the losses anticipated in the receipts from sale of the drug. In the financial year ending March, 1911, there was a budget surplus of nearly £6,000,000, and in 1913 an even larger surplus of £7,600,000. These large balances excited some criticism of under-estimation of the revenue; but they left India in a strong financial position when the

1 Strachev, India, note to chap. x.

327

broke out, and enabled the government to meet successfully some

of the difficulties which arose during its early stages.

Figures of revenue have hitherto been sparingly quoted. The rupee has varied so greatly in value that it is impossible to adopt any fixed standard for conversion into sterling. Apart from this, owing to alterations in the system of keeping the public accounts, no comparisons of any accuracy can be instituted between the figures of different periods. But by 1913–14 the rupee had become comparatively stable, and the figures of that year may usefully be quoted to illustrate generally the increase in revenues since 1860 and the main sources from which they were derived.

Revenues of India, 1913-14 (in thousands of pounds sterling)

						£
Land-revenu	1e	***				21,391
Opium	***		***	***	***	1,624
Salt			10000	- 1	***	3,445
Stamps		100		1000	244	5,318
Excise	***	***	***	***	***	8,894
Customs	***		***	***		7,558
Income-tax		***	100000	1000	1111	1,893
Forests	***	***	1. *7.5	120	1 1550	2,220
Interest	***			E Maria	. 223	1,352
Post Office and Telegraphs (net receipts)						3,598
Railways (less working expenses)						17,625
Irrigation	***	***		***		4,713
Military rec			***	***	***	1,369
Other head	S	•••	4660	***		4,307
Total		2000	1713.43.12		M. T	£85,307

The gross revenue of the country had nearly doubled, but, though the sources remained much the same, there had been a material change in their relative importance. The contribution of land-revenue to the total had fallen to 24 per cent., while the commercial services were yielding a steadily increasing surplus. The opium revenue had become unimportant. Though excise and customs had increased in productiveness, the proportion of economic to tax revenues was still high. But the pressing demands of the state in war time could only be met by resort to taxation, and, consequently, in the following years there was a great expansion in the receipts from excise, customs and, above all, income-tax.

The total debt after the Mutiny amounted to some £98,000,000, the whole of which had been borrowed for unproductive purposes and the interest was a dead weight on the revenues. There were additions to the debt in 1877–8, as a consequence of the famine of that year and the military operations in Afghanistan which followed the famine. Some further debt was incurred in 1896 to 1898, again to meet deficits caused by famine and war, but, with these exceptions, the great bulk of the rupee and sterling debt was incurred in connection with the

THE FINANCES OF INDIA, 1858-1918



construction of railways and other public works. By a system stituted in 1880-1, an amount of the ordinary debt, equivalent to the capital expenditure on public works supplied from ordinary revenues, or from the famine insurance grant, was transferred to the public works portion of the debt. As the state of finances improved after 1901-2, larger allotments were made to public works, resulting in a corresponding reduction of the ordinary debt. In 1881-2, reckoning the rupee at 1s. 4d. for purposes of comparison, the ordinary debt stood at £74,000,000 and the public works debt at £48,000,000. By 1898-9, the figures were £63,000,000 and £169,000,000 respectively. There were subsequent changes in the method of distributing the debt between the productive and unproductive heads, but the net result of the transactions up to the outbreak of the war was that by far the greater portion of the debt stood invested in public works which more than repaid the interest due on the capital outlay, while that portion of the debt which imposed an actual burden on the country had been reduced to very small limits. The position was summed up by the finance minister as follows:

Out of a total debt equivalent to £274,000,000 outstanding at the end of March, 1914, only about £13,000,000 represented ordinary, or unproductive debt. Our total annual interest charges amounted to some £9,250,000. Railways and irrigation works in the same year yielded us a return of £15,250,000. Thus we had still left some £6,000,000 of clear revenue from our great undertakings after meeting interest charges on our entire public debt. 1

During the years between 1900 and the opening of the war the currency system was undergoing further developments, and assuming a shape somewhat different from that contemplated at the time of the closing of mints. When that measure came into effect, India's trade balance could be defraved, either through the secretary of state's bills, or remittance of gold to be exchanged into rupees, the only currency medium which circulated freely throughout the country. The government being under an obligation to give rupees or notes in exchange for gold, a succession of favourable trade balances led to an inconvenient accumulation of gold in the reserve treasuries. By 1904 it became apparent that the secretary of state's drawings could not be limited to his own requirements and must be expanded to meet trade demands, and council bills were accordingly offered for sale at a fixed rate without limit.) These drafts were met in India in rupees or notes from the cash balances or reserves. As the latter became depleted, the outgoings were replaced by fresh coinage of rupees. Under this system the increase of coinage became more or less automatically regulated, for, so far as practicable, it was undertaken only when trade demands called for it and to the extent necessary to make good the depletion of silver in the currency reserves. The profits on coinage, which, owing to the low bullion value of silver, were considerable,

¹ The Financial Statement and Budget, 1915-16.



maintain exchange there were thus cash balances in London, gold reserves in the paper currency reserve, held partly in London but mainly in India, and, finally, the gold securities in the special reserve.

These resources were fully called upon in the exchange crisis of 1907.1 The harvest of that year was a partial failure and the volume of exports declined; a financial crisis in America had resulted in a stringency in the London money market. Exchange began to drop ominously and the situation showed no improvement when the sale of council bills was altogether suspended. The Government of India at first showed some reluctance to part with its gold, but, as exchange further weakened, the expedient was adopted of selling in India sterling bills on the secretary of state in London at a fixed rate. The secretary of state met these bills by drawing on the branch of the paper currency reserve in London, and then on the gold standard reserve, and by temporary loans. This method of maintaining a stable exchange by the issue of what is known as "reverse councils" has since become an integral part of the currency system. With the return of normal seasons, the gold reserves in England were replenished by the sale of council drafts against the rupees which had accumulated in the Indian treasuries during the period of weak exchange. The experience of the year 1907-8, which had drained their gold assets to the extent of some £18,000,000, had impressed on those responsible for the finances of India the necessity of large, fluid reserves in London to meet similar emergencies. Heavy council drawings and the resumption of coinage of rupees on a large scale enabled them to carry this policy into effect. But the working of the gold exchange standard was imperfectly understood both in England and India, and the magnitude of the balances, their utilisation and location became subjects of criticism from somewhat different points of view in both countries. A royal commission was appointed to enquire into these matters and generally into the working of the currency system. The commission reported in 1914, and in the main found in favour of the system which had been built up, since it had successfully and at a comparatively cheap cost established what was of essential importance to India, viz. a stable exchange. It arrived at the definite conclusion that a gold standard could be worked without a gold currency and that it was not advantageous to encourage the use of gold in active circulation. In view of the necessity of strong gold reserves to maintain exchange, it did not propose that any present limit should be placed on the gold standard reserve, the location of which it agreed should be in London. The principal modifications suggested were in the direction of making the paper currency system more elastic and

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¹ Keynes, Indian Currency and Finance, chap. vi; Findlay-Shirras, Indian Finance and Banking, chap. vi.

THE FINANCES OF INDIA, 1858-1918

330

encouraging the use of notes as an alternative to the more costly is ac of silver coin.1

Though no moratorium was found necessary in India on the outbreak of the war, there was a general feeling of insecurity which was reflected in a run on the savings bank and an abnormal demand for the conversion of currency notes into rupees. To restore confidence, the government offered special facilities for the withdrawal of deposits and the encashment of notes. There was a shrinkage of some £,11,000,000 in the gross note circulation, but, as the fears of invasion proved groundless, the drain on government resources diminished and by 1916 normal circulation was resumed. It was, however, found impossible to continue the issue of gold in exchange for rupees and notes, a sum of nearly £2,000,000 having been paid out in the first few days of August, 1914. The weakness of exchange which developed was met by the now accepted policy of offering reverse council bills for sale and by an undertaking by government to support exchange to the extent of its resources.2 The sale of some £8,000,000 reverse council bills sufficed to steady exchange and by the beginning of 1915 the rate was approaching its former level. The balances which had accumulated both in India and in London, where the assets of the gold standard reserve exceeded £25,000,000, were strong enough to meet the strain, and it was no small tribute to the soundness of the currency system which had been established that it successfully stood the test of the initial difficulties of the war.

The subsequent problems arose from the larger share India was called upon to take in financing the outlay on the war, and the increasing demand for her products in allied countries at a time when the customary methods of paying for her exports had become completely dislocated. In the five years preceding the war, the balance of exports over imports, averaging some £50,000,000 per annum had been met, partly by the secretary of state's council drafts and partly by the import of bullion and gold coin. The strain of the war on her finances made it impossible for England to part with her gold, while the production of silver, as the war proceeded, fell off and its price rose materially.) The necessary consequence was to throw in an increasing degree on the secretary of state's council drafts the burden of defraying the trade balance, with the resultant depletion, in the absence of sufficient supplies of silver for fresh coinage, of the silver reserves. As it became impracticable to meet all the trade demands, the council drafts had to be limited in amount to the rupee resources of the Government of India, in order to preserve sufficient rupees to maintain convertibility of the note issue. Coinage was continued so far as silver was procurable, but its price rose to a point at which the

Report of the Royal Commission on Indian Finance and Currency (Parl. Papers, 1914, Returns, etc., c. 7236-7).
 Findlay-Shirras, Indian Finance and Banking, chap. vii.

331 SL

build value of the rupee appreciated beyond its face value. The combined result of the insistent demands for his bills and the rise in the world's price of silver compelled the secretary of state in August, 1917, to abandon the 1s. 4d. standard of the rupee and raise the price of his bills to 1s. 5d. As silver soared upwards, the rate had to be raised in proportion, to avoid coinage at a loss and as a safeguard against rupees being melted down and smuggled out of the country for their bullion value.

With the expansion of military operations in the East, larger forces were recruited and equipped in India and there was an ever-growing demand for material of all descriptions and foodstuffs for the armies in the field. The disbursements for war supplies and services were made in India, but the corresponding payments were made to the secretary of state in England, whose only means of remittance of the funds locked up in London was by purchase of silver when obtainable. A stage was thus reached when the balances in London were very large, while those in India were subject to constant strain and diminution. The financial history of the later years of the war is one of continued struggle on the part of the Government of India to raise the funds necessary to meet the obligations undertaken, and to stave off inconvertibility of the note issue which was threatened by the absorp-

tion of rupees and the steady depletion of the silver reserves.

Fortunately the country was prosperous; its industries were flourishing and expanding; its agricultural and mineral products were realising high prices. The government was able to raise loans in India on an unprecedented scale, a new departure being made in the offer of short-dated treasury bills. In the year 1917-18 the rupee borrowings reached the high figure of £62,000,000, though hitherto the total rupee debt had amounted only to some £98,000,000. In common with other belligerent countries, the government was compelled to finance itself to some extent by the expansion of the note issue.1 As a consequence of the rise in prices and stagnation of the rupee circulation, due partly to the decline in imports checking the normal down-flow of silver from the agricultural districts, the currency became inadequate to the demands of trade and efforts were made. with a considerable degree of success, to encourage the use of notes as a circulating medium. The paper currency reserves in London were increased by the purchase of British treasury bills and an issue of notes in India was made against this holding. The note circulation rose from some £,44,000,000 to £,58,000,000 by 31 March, 1917, and the necessities of the situation compelled a still larger increase in the following year. Issues were made of notes of small denominations of Rs. 2 and R. 1, which gradually came into use for smaller transactions as rupees decreased in circulation. In 1917, and even more in 1918, the moving of the big jute and cotton crops was largely financed by

Acts XI and XIX of 1917.

notes. The restrictions that government was obliged to impose on encashment led to notes changing hands at a discount, and full confidence was not restored until the receipt of large quantities of

silver from America.

In 1914 the paper currency reserve had consisted of £.14,000,000 in silver, £21,000,000 in gold and £0,000,000 in securities to back a corresponding note issue. By March, 1918, the silver portion had been reduced to £6,000,000, while securities had risen to £40,000,000, or 60 per cent. of the reserve. The government had been driven to war-time expedients to maintain the metallic portion of the reserve. An ordinance issued in June, 1917, 1 required that all gold imported into India should be sold to government at the exchange rate. Later on, the import of silver on private account was prohibited so as not to interfere with the secretary of state's purchases, while the export of silver coin and bullion was further declared illegal. In spite of these and other temporary measures, inconvertibility, which would have been attended by serious financial and political dangers, seemed inevitable when the silver balance sunk in June, 1918, to £3,000,000. At this juncture the situation was relieved by the arrival of the first consignment of silver from America. The United States Government had been requested some time previously to release a portion of the large silver reserve stored in its currency vaults. The negotiations took time and an agreement was not finally reached until April, 1918, in which month an act was passed in congress authorising the breaking up and sale to allied governments of a large quantity of silver dollars,2 of which some 200 million fine ounces were allotted to India. To further relieve the strain on the silver balances, the coinage of gold was undertaken in India. As part of the gold acquired was not in sovereigns, but in bullion or foreign currency, a branch of the Royal Mint was established at Bombay for the coinage of sovereigns.3 The issue did not remain long in circulation, but, as an emergency measure, it served its purpose of relieving the pressure on the silver balances.

The embarrassments of the Government of India during the war were those incidental to an economically backward country in which the banking system was undeveloped and the people wedded by their customs to a metallic currency. Intrinsically, the financial position was sound: the revenues were generally adequate to meet expenditure and large balances had accumulated with the secretary of state in London. In the first two years of the war, the dislocation of trade affected customs and railway receipts, and a falling off of revenue combined with higher expenditure for frontier defence resulted in small deficits. In 1916-17 the general tariff was raised to 71 per cent.

Under the Gold (Import) Act, XXII of 1917.
 Act No. CXXXIX, 65th Congress, 1918.
 Bombay Mint Proclamation of 1917.

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and there were considerable increases in the duties on liquor and tobacco. In the following year, the import duty on cotton fabrics was raised to the general tariff level, the excise duty on articles manufactured in Indian mills remaining at the previous 31 per cent. Export duties were also levied on jute and tea. In 1916-17 the incometax was graduated and raised to a maximum of I anna in the rupee (about 1s. 3d. in the pound) on higher incomes. This was followed by a super-tax which might run up to 3 annas in the rupee on incomes in excess of Rs. 50,000 per annum. As the demands for Indian products increased, a trade boom set in, which was reflected in increased receipts from the more elastic sources of revenue. In 1917-18 receipts from customs rose to £11,056,000, from excise to £10,161,000 and from income-tax to £6,308,000.1 The railway receipts of that year broke all previous records. The surplus of the year ending March, 1917, amounted to nearly £10,000,000, and that of the following year exceeded this figure. Meanwhile the gold standard reserve had risen to £34,000,000 in securities and cash at short notice. Though India prospered during the war, her financial contribution was no less generous and whole-hearted than her military, for in 1917 she proffered a sum of f. 100,000,000 as a war gift to the home government, and part of the taxation imposed was to meet the interest on the loans

raised for the purpose of making this subvention.) The revenues at the end of the financial year 1917-18 amounted to £113,000,000, a large advance on the figures of the first regular budget. In spite of this increase, there was no considerable source of central taxation, excluding the super-tax levied at a late stage of the war, which had not already been imposed in 1860, and in many cases the rate of assessment had been lowered. The salt-tax had been considerably reduced, and customs-duties were levied at a lower rate. Though the income-tax on higher incomes was somewhat heavier, the minimum taxable limit had been raised and agricultural incomes excluded from direct taxation. The incidence of the land-revenue per cultivated acre was lower and, in view of the great rise in the prices of produce, it imposed a far lighter burden on the occupier of the land. The increase in total receipts was due mainly to the greater wealth and prosperity of the country, and the development of the commercial services which accounted for over 25 per cent. of the gross revenues. The unproductive debt, which had sunk to the low figure of £3,000,000 in 1915, had risen under the stress of war to £67,000,000; but the greater part of the debt, viz. £283,000,000, had been incurred on works of a productive character. When the period under review opened, India was almost unequipped with the public utility services of a modern state, while its finances were liable to be paralysed by the frequent occurrence of disastrous famines. Without its system of railways and canals, the commercial and industrial development of the

¹ Finance and Revenue Accounts.



country, reflected in the increase of its revenues, would have be impossible; and by the protection they ensured, these undertakings had so far mitigated the effects of the uncertainty of the weather that famines in their former severity had become things of the past. The two outstanding achievements of the era were the financing of these great public works during a period of great monetary stress and the stabilising of the currency by the setting up of the gold exchange standard. The latter not only served its immediate purpose by rescuing the finances of the state from the depths of depression into which they had fallen, but, when perfected, permitted of the building up of a substantial gold reserve without trenching on the ordinary income. The best evidence of its success was its wide imitation throughout the East, Commenting on this, Mr J. M. Keynes wrote: "I believe it contains one essential-the use of a cheap local currency artificially maintained at par with the international currency or standard of value (whatever it may ultimately turn out to be)-in the ideal currency of the future".1

¹ Keynes, op. cit. chap. ii.



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CHAPTER XIX

THE GROWTH OF EDUCATIONAL POLICY 1858-1918

HE Mutiny threw back large tracts of Northern India into anarchy. In important provinces the law courts were closed for months. When reorganisation began, the finances of the country were in grave disorder. Large expenditure was required in all directions; and a succession of famines occurring at intervals of no long duration impressed very strongly upon the government the urgent need of railways, roads and a large extension of canals. Profit from such reproductive works did not come in at once and meantime various military needs constantly asserted themselves. 1 (Sufficient funds for education were difficult to find; but had they been abundant, it would still have been a most arduous task to cause a stream of useful knowledge to percolate through the innumerable strata of immense populations rooted in institutions immemorial in their antiquity and unique in the complex character of their framework.) The contrast between conditions in England and conditions in India had been clearly pointed out by Sir Charles Wood in 1853. In the former country there was every possible stimulus to active exertion, both public and private, public ambition, private rivalry, large capital, general education, and every motive which could make an energetic race urge on progressive improvements and suffer no prejudices to interfere.

"In India", said Wood, "you have on the contrary a race of people slow to change, bound up by religious prejudices and antiquated customs. There are there in fact many—I had almost said all—the obstacles to rapid progress, whereas in this country there exist every stimulus and every motive to accelerated advance."

Lord Stanley, the first secretary of state for India, lost no time inturning his attention to the subject of education. In a dispatch dated 7 April, 1859, he summarised all information up to that time received regarding the results of the policy laid down in 1854 and asked for more. But his term of office was short; and his letter had hardly reached India when he was succeeded by Wood, the chief author of the policy proclaimed in 1854. Stanley's dispatch had dealt with all the main points in issue, laying down that as a general rule appointments in the department of education should be filled by individuals unconnected with the civil or military service of the government. Grants-in-aid for Anglo-vernacular schools had evidently been much

1 Napier, Life of Lord Napir of Magdala, pp. 260-2.

² Hansard, 3 June, 1853, CXXVII, 1101. ³ Richey, Selections, p. 426; Satthianadhan, History of Education in Madras, Appendix D, p. xliii.

THE GROWTH OF EDUCATIONAL POLICY

\$36

appreciated, but it was generally impossible to procure local support for the establishment of any new elementary (vernacular) schools. Educational officers should apparently be relieved of the invidious task of soliciting contributions for the support of such institutions from classes whose means were generally extremely limited and whose appreciation of the advantages of education did not dispose them to make sacrifices for obtaining it. The means of elementary education should be provided by the direct instrumentality of the officers of government according to one or other of the plans in operation in certain provinces. Teaching in state schools must be entirely secular. In spite of grave financial difficulties, both Wood, who held office till 1866, and the governor-general in council were anxious to spare money for education. The new department in each province consisted of a director, an establishment of inspecting officers, and a teaching staff rising from masters of primary schools to professors and principals of colleges. In 1871 control of these departments was made over to provincial governments, who were given fixed assignments from central revenues. But the central government kept in touch with all provincial proceedings and granted additional funds from time to time. The superior officers were classified in four grades, in Bengal in 18651 and in other provinces afterwards. The average value of a graded post was about Rs. 900 a month, comparing poorly with the salary of the average civil servants of a corresponding position; but the work attracted distinguished university men from Great Britain.2 Graded officers were appointed by the secretary of state, and ungraded inspectors and teachers by the provincial authorities. Each provincial government shared its responsibility for higher education with one of the universities.

These were purely examining bodies. The affairs, concern and property of each were managed by a senate which consisted of a chancellor, vice-chancellor and fellows, who were chiefly government servants. The senate drew up by-laws and regulations for the approval of the governor-general in council in the case of Calcutta, and of the governors in council in the case of Bombay and Madras. The universities awarded "academical degrees as evidence of attainments and marks of honour proportioned thereto", admitting to their examinations students from colleges affiliated by permission of the local governments concerned. Each university had its separate sphere of influence. Calcutta presided over higher education in Northern India, the Central Provinces and British Burma; Bombay and Madras rendered the same service to their respective presidencies and to the native states of Western and Southern India.

Howell says 1864. But see Report of the Education Commission, 1882, para. 346.
 Fraser, Among Indian Rajas and Ryots, p. 44. See also Howell, Education in British India,

p. 92.

Report of the Indian Education Commission, 1882, para. 340.

he senates committed executive authority to subordinate syndicates which consisted of small bodies of fellows sitting together with the vice-chancellors; they also appointed members of the various faculties, which were four in each university: (1) arts (or general education) including science, (2) law, (3) medicine and (4) engineering. The faculties elected members to the syndicates and recommended examiners. The dispatch of 1854 had advised the institution of certain chairs, but Dalhousie had rejected this suggestion, observing that the universities would be ill qualified to superintend actual tuition.1 Teaching therefore devolved wholly upon the widely scattered colleges, government, missionary and private. Proprietary colleges were being established by private enterprise mainly in Bengal. Many colleges held classes in school-courses and had been originally "high" or Anglo-vernacular schools. Some high schools possessed college classes. The great majority of colleges throughout our period were "arts" colleges, giving a literary education to students whose inherited tastes inclined them toward literary courses with government service, the bar or teaching as the eventual goal. Two government Sanskrit colleges, originally organised as "tols",2 had also started English departments. There were two colleges of engineering, established one at Rurki in the North-Western Provinces in 1847, and the other at Sibpur near Calcutta in 1856; and others were in contemplation. A class for instruction in engineering and surveying had been opened in Elphinstone College, Bombay, as far back as 1844. Medical colleges at Calcutta, Madras and Bombay were doing most useful work. Law colleges followed later.

For admission to a college or to a college class in a high school, a candidate must satisfy examiners appointed by the university to conduct a matriculation or "entrance" examination. An undergraduate who passed the entrance and wished to proceed to the degree of bachelor of arts must first for two years read up to a "first arts" or "intermediate" examination. This test satisfied, he must go through a course of more specialised study and might then present himself for the bachelors' examination. The degree of master of arts was conferred after a further examination, the conditions of which varied at the different universities. The ordinary age for matriculation varied from about fourteen to seventeen. Students sometimes graduated at eighteen or nineteen. The great majority did not proceed to a degree for the course was long, and a certificate of having passed the entrance qualified a youth to be a candidate for clerical posts in government service which required some knowledge of English, while a certificate of having passed the intermediate or first arts was a still

more useful credential.

Colleges were of the first or second grade according as they gave

¹ Richey, Selections, p. 402.



instruction for the full university course or only for that part of a which led up to the intermediate. Teaching therein was conducted in English mainly by lectures and to a far smaller degree by tutorial assistance. It was presumed that a student admitted to a college after matriculation came from his high school equipped with a knowledge of English sufficient to enable him to follow and understand the lectures. If therefore he was to benefit really from college he must matriculate with a substantial knowledge of that language. The entrance must be a real test. If the whole collegiate training were not to fail in a vital point, the teaching of English in the high (Anglovernacular) schools must be thorough and good. And as these schools were managed and owned by various authorities, the only hope of bringing school-teaching up to a satisfactory standard lay in securing

frequent visits from competent inspectors.

Schools admitted within the pale of the system devised in 1854 were "recognised" by the government and inspected by its officers. There were various stages in school education, each averaging from two to three years, and ending in an examination. The schools corresponded in grade to each of these stages. Those which prepared pupils for the matriculation were high schools. Teaching here tended, in areas subject to the Calcutta University, toward neglect of the vernacular largely because the senate, after first allowing all answers to questions in geography, history and mathematics to be given in any living language, ruled in 1861-2 that all answers in each subject should be given in English except when otherwise specified. The object was to ensure that all matriculates should be able to follow college lectures satisfactorily, but while this object was by no means achieved, study of the vernaculars materially suffered. In the high schools boys might be taught in either English or the vernacular.1 The courses were predominantly literary, according to the tastes and inclinations of teachers and taught, and affording large scope for memorising, of which full advantage was taken. High schools often contained classes usually associated with schools of a lower grade. Below them were preparatory "middle English" schools; and there were vernacular middle schools which did not lead up to any of the openings provided by university credentials, but afforded opportunities for further study to boys who were not content with an elementary education and wished to qualify for vernacular clerical or teaching posts. Last came the primary schools, either "upper", more elementary editions of the vernacular middle school, or "lower", which varied from the old indigenous patshala or maktab, assisted now by a government grant, to a modern institution. The cost of maintaining a primary school was met only partly by fees, which were everywhere extremely low.

Schools of higher and lower grades were connected by a system of

¹ Report of the Calcutta University Commission, pt 1, chap. xviii.

339

ses scholarships. "Normal" schools were provided for the training

of teachers in vernacular schools.

Such were the main features of an elaborately organised system. Outside its pale were many indigenous institutions, of the varieties described in a previous chapter, where masters and pupils walked in the old ways asking for nothing from the state. Outside, too, were denominational and endowed schools for the children of the community of domiciled Europeans and Eurasians.

The system took time to develop; and even in the middle 'sixties British Burma had no regularly organised department of public instruction. Some idea of early progress in India generally may be gathered from a "note" on the state of education in 1865-6 prepared under government orders by A. M. Monteath, secretary to the Government of India, which was laid before parliament together with some critical observations by Sir A. Grant, director of public instruction at

Bombay.1

The universities, it was said, had supplied reliable tests and stimulated educational institutions. In higher education Bengal stood first, The largest number and the best specimens of colleges and schools were to be found there, filled by pupils whose appreciation of the education received was attested by the considerable amount of fees paid. In no other province of India were the literary or professional classes so closely interwoven with the landed classes; and in no other province were university credentials so valuable to a bridegroom. So far Bengal arrangements had prospered; but here their success terminated. The great mass of the people, the labouring and agricultural classes, had hardly been touched. The old indigenous schools retained their ground. Various efforts were being made with indifferent success to mould these into efficient institutions, although some of their gurus or teachers were induced by stipends to undergo courses of training at normal schools. In the North-Western Provinces, on the other hand, while arrangements for education for the higher and middle classes were meagre and received with moderate enthusiasm, village schools under government direction, established on the plan devised by Thomason and assisted by a r per cent. school-rate on all newly settled land-revenue, were working well and ousting the indigenous schools the teachers of which were set against reform, desiring "no assistance which should involve the trouble of improvement".

In British India generally higher instruction was making way, but primary education was advancing very slowly. It was possible for zealous educational officers to procure promises of contributions for the upkeep of village schools, but difficult to collect such contributions, as interest soon flagged. Missionary help was highly valued. In Burma the Buddhist monasteries imparted a knowledge of reading and writing to three-quarters of the juvenile male population, and

¹ Parl. Papers, 1867-8, L, 1 sqq. Of. Calcutta Review, XLV, 414-50.

THE GROWTH OF EDUCATIONAL POLICY

the chief commissioner was endeavouring to induce the monks to accept ordinary school-books for the instruction of their pupils.

340

Monteath described university conditions. The directors had ordered in 1854 that the standards for common degrees should be fixed so as "to command respect without discouraging the efforts of deserving students", while in the competition for honours care was to be taken to maintain "such a standard as would afford a guarantee of high ability and valuable attainments". Colleges affiliated to the Calcutta University numbered eighteen in Bengal, ten of which were private, seven in the North-Western Provinces, three of which were private, one in the Panjab, one in the Central Provinces, two in Ceylon. In 1861 candidates for the Calcutta entrance examination had numbered 1058, of whom 477 obtained admission to colleges. In 1866, the corresponding figures were 1350 and 638. Of these a solid proportion were assisted in pursuing their university careers by scholarships contributed by the state. Bachelors of arts numbered fifteen in 1861 and seventy-nine in 1866. In Madras affiliated colleges and schools educating up to and beyond the matriculation standard numbered nineteen, eleven of which were conducted by missionary societies, but the senate admitted students to its examinations without compelling them to produce certificates from affiliated institutions. Candidates for the entrance numbered eighty in 1860-1, and 555 in 1865-6, of whom 229 passed. In Bombay higher education had progressed slowly. Even in 1866 only 109 candidates passed the entrance and bachelors of arts were only twelve. There were four affiliated colleges, three of which were situate in Bombay. But a strong stimulus had been recently applied by very liberal private donations from Indian gentlemen totalling Rs. 20,000 in 1862-3, Rs. 471,000 in 1863-4 and Rs. 401,200 in 1864-5.

The education of Muhammadan boys was relatively backward. In Bengal particularly the Muhammadan community was falling behind and losing influence.1 There was very little education of girls either Hindu or Muhammadan. In Bengal English was too freely employed as the medium of instruction, and this to such an extent as seriously to retard the progress of the pupils in their acquisition of general knowledge; while as regards quality the English taught was not only rudimentary but curiously faulty in idiom and accent. In the North-Western Provinces and Panjab English was merely studied as a language. The neglect of vernacular studies for the purpose of learning it was strictly prohibited. In Madras the result of attempts made to carry on instruction through English before pupils had obtained sufficient grasp of that language had been "failure more or less complete". In Bombay English education had been starved in the interest of vernacular education; but the desire for the knowledge of English was increasing through a desire to acquire superior qualifica-

¹ Calcutta Review, XLV, 441.

WESTERN INFLUENCES

the powerful influence which, more rapidly in some provinces than in others, was moulding the future. Education was in demand mainly as a channel for employment, and a knowledge of English was the royal road which led to the most lucrative positions and professions.

The total cost of education in 1865-6 was estimated at Rs. 8,217,669, but of this sum Rs. 4,529,580 only came from imperial funds. The rest was supplied by local sources "such as education cesses, school fees, private endowments, subscriptions". But information regarding expenditure on private institutions was neither exhaustive nor reliable. Special rules had been framed to regulate grants-in-aid to schools designed for the instruction of European and Eurasian children.

In this connection we may just now particularly recall Lord

Canning's words:

The Eurasian class have a special claim upon us. The presence of a British government has called them into being;...and they are a class which, while it draws little or no support from its connection with England, is without that deep root in and hold of the soil of India from which our native public servants, through their families and relatives, derive advantage.¹

The state educational system was only one side of a process which was rapidly spreading abroad Western culture and ideas. The scene had indeed changed since the days when crowds assembled, with the law's permission, to see widows burnt alive, and missionaries sought refuge in Danish territory, when dacoits exercised a "horrid ascendancy" over large tracts of country, and "thags" were able to "glory in their achievements as acts pleasing to a deity".2 Elaborate and carefully considered codes of substantive law and procedure, criminal and civil, were coming gradually into force and were beginning to exercise a powerful influence over thought. In the seaports, in the provincial capitals, in the historic cities inland, a new India was growing up, an India of railways and telegraphs, of law courts and lawyers, of newspapers and examinations. Extending communications, widening commerce, developing industries were increasing the European population. The railways were mainly manned by European officials; road-surveyors, contractors, tradesmen, customhouse officers were multiplying. Assam and the slopes of the Himalayas abounded with tea-planters, Tirhut and Lower Bengal with indigo-planters. The Indus, the Brahmaputra, the Irawadi, the Ganges to some extent, and the whole coast from Calcutta to Persia on the one side, and to the Straits on the other, were navigated by steamers under British commanders. The seaports and large cities contained many families of mixed race, many European and Eurasian

² Cf. chaps. ii and vii, supra.

¹ Quoted ap. Croft, Review of Education in India, p. 294. Cf. Calcutta Review, XLII, 57-93.

THE GROWTH OF EDUCATIONAL POLICY

children whose minds needed rescue from the perils of unrelie

materialism.1

The new times were better than the old; but they had brought many problems of their own. While the demand for Western education was widening rapidly among the Hindu professional classes, it continued to run almost invariably into literary courses, particularly in Bengal; and the avenues to government service, the bar, teaching and journalism were gradually becoming thronged. The land-holders, on the other hand, who had hitherto been the natural leaders of the people, were slow to grasp new opportunities; the martial classes, who had always been held in high social estimation,2 were equally indifferent; and the masses themselves, in spite of much earnest effort on the part of educational officers, up to the very end of our period, remained chiefly and persistently illiterate. Even in 1919, although no longer hostile to primary education, they were "lukewarm in its support and seldom pressed for its extension".3 Only 2.4 per cent. were enrolled in primary schools, and only 2.8 were undergoing elementary education of any kind. Even when allowance is made for the great increase of population between 1860 and 1918 these figures are impressive.

Mass education was and is mainly a rural problem.4 A villager who sought the law courts hired a petition-writer and a pleader; if he visited a shop he ascertained prices by enquiry. On the very rare occasions on which he wished to send or decipher a letter, he obtained the assistance of his village accountant or a professional scribe. "The usclessness of education to such people", wrote a school inspector

from the province of Oudh in 1883,

is proved by the fact, of which there is overwhelming evidence in every town or village where a school has been established, that the great majority of our exstudents, in less than 10 years after leaving school, can neither read, nor write, nor cipher, and that the sharpest among them are not able to do more than compose a very simple letter, or decipher some 50 words out of 100 in a few lines of print. From having nothing to read, having no occasion to write, and no accounts to keep, they gradually forget whatever they learn, and are as ignorant as if they had never been at school. There is no hope that knowledge will grow from more to more so long as the daily life of the masses remains destitute of everything which can afford scope to the utilisation of knowledge or engage the attention of an educated man.5

The writer based these observations on the assumption that the agriculturist ex-student remained in his village and followed the calling of his fathers.

If he goes elsewhere and enters into service or obtains clerical employment he will find a use for his education. But government primary schools were not started with the idea of seducing boys from their hereditary callings.

¹ Calcutta Review, XLII, 49. Cf. Strachey, India, pp. 10-11.

² Cf. Forbes, Oriental Memoirs, 1, 341.

³ Statement of Moral and Material Progress, 1917-18, p. 110.

⁴ See Burn, Census Report on N.W.P. and Oudh, 1901, p. 160.

⁵ Nesfield, Calcutta Review, IXXVI, 356. Cf. Statement of Moral and Material Progress, 1925-6, p. 166.

343 SL

herds in their open unfenced fields, they had solid reason for supposing that, unless some particular opening presented itself, schooling would prove an infructuous investment. If a parent embarked on it, he did so in the hope that the boy would make education a stepping-stone to service of some kind. To this expectation the new village schools owed such vitality as they possessed. The old indigenous elementary schools had been established by particular classes for particular purposes in response to religious or business needs. Their studies were of the humblest and most conservative character. They were not looked on as paths to any particularly desirable employment. The new schools offered fresh possibilities but frequently led to disappointment. A report by J. C. Nesfield, inspector of schools in the North-Western Provinces, quoted in Croft's Review for the year 1886, illustrates this aspect of affairs.

"In one school", he writes, "there was a boy of the Kurmi caste, which is one of the most industrious agricultural castes in Upper India. He had passed a very good examination in the highest standard of village schools; after telling him that he had now completed all that a village school could give him, I enquired what occupation he intended to follow. His answer at once was-'Service; what else?' I advised him to revert to agriculture, as there was scarcely any chance of his getting literary employment; but at this piece of advice he seemed to be surprised and even angry. At another school I met a Pasi, a semi-hunting caste, much lower in every respect than that of the Kurmi. He was a boy of quick understanding and had completed the village school course in Nagari as well as Urdu, and could read and write both characters with equal facility. He asked me what he was to do next. I could hardly tell him to go back to pig-rearing, trapping birds, and digging vermin out of the earth for food; and yet I scarcely saw what other opening was in store for him. At another school there was the son of a chuhar, or village sweeper, a caste the lowest of all the castes properly so called. He was asked with others to write an original composition on the comparative advantages of trade and service as a career. He expressed a decided preference for trade. Yet who would enter into mercantile transactions with a sweeper even if a man of that caste could be started in such a calling? Everything that he touches would be considered as polluted; and no one would buy grain or cloth from his shop, if he could buy them from any other. There seems to be no opening in store for this very intelligent youth but that of scavengering, mat-making, trapping, etc., all of which are far below the more cultivated tastes he has acquired by attending school. And in such pursuits he is not likely to evince the same degree of skill or enjoy the same contentment as one who has grown up wholly illiterate. In these and such like ways the attempts made by the government to raise the condition of the masses and place new facilities of self-advancement within their reach, are thwarted by the absence of opportunities and by the caste prejudices of the country."

In all provinces too the admission of low-caste boys into schools attended by the sons of higher-caste Hindus was strongly resented. So powerful was the feeling aroused that the commission of 1882, whose labours will be noticed further on, holding that "no principle, however sound, could be forced on an unwilling society in defiance of their social and religious sentiments", recommended that separate

2 Croft, op. cit. p. 231.

¹ Chailley, Administrative Problems of British India, p. 491; Interim Report of the Indian Statutory Commission, p. 37.

THE GROWTH OF EDUCATIONAL POLICY

schools should be opened for low-caste boys wherever they could be induced to attend in sufficient number. 1 The education of the children of the six millions of aborigines who were to be found in Bengal, Bombay and the Central Provinces was left to the missionaries. No one else was inclined to prepare grammars or dictionaries of the non-Arvan languages.

The workers in the great field of public instruction might well ask for time, might well beg that their efforts should not be hag-ridden by impetuosity and constant demands for numerical results. In fact, too, despite all obstacles, education in its broadest sense did progress among the masses as English influences rolled on over the surface of India. The most powerful teacher was the railway which, despite some gloomy prophecies, had attained immediate popularity and necessarily tended to break down the barriers of ages, to stimulate movement, and exchange of thought. In railway carriages Brahmans and Sudras, Muslims and Sikhs, peasants and townsmen sat side by side. As early even as 1867-8 the total number of railway passengers was 13,746,000, of whom 95 per cent. travelled third class. Reflection, observation, interest in the outside world were stimulated; journeys from villages to towns, emigration from India itself became more common; life and property grew more secure; new impulses were given to commerce, to industry and to agriculture. It should not be forgotten that to English capital India owes the sinews of her railway development.2/

English education advanced rapidly among the literary and professional castes of Hindus. Voyages to England were cheaper and easier, and venturesome youths began to finish their studies in that country. The pioneers of this remarkable movement which has extended rapidly in our own time were four Hindu students of the Calcutta Medical College who, braving social obstacles, embarked for England in March, 1845, under the charge of one of their professors, Dr H. H. Goodeve, were entered as pupils at University College, London, and achieved distinguished success.3 Thirty years later, recognising the trend of events, a few prominent Muhammadans in the North-Western Provinces under the leadership of Maulvi Sayvid Ahmad Khan, afterwards Sir Sayvid Ahmad Khan, banded themselves together for the purpose of breaking down Muhammadan aversion to Western learning. In 1871 the government of Lord Mayo had initiated measures for this purpose; 4 and now the cause was taken up in earnest by Muslims themselves under the inspiring influence of a vigorous and outstanding personality. In 1871 they began to collect funds; and in 1875 Sayvid Ahmad opened a high school for Muham-

Cf. Hansard, 8 July, 1927, pp. 1628-9.
 Marshman, "Indian Railways" (Quarterly Review, CXXV, 60).
 Calcutta Review, XLII, 120; also Banerjee, A Nation in the Making, p. 10.
 Mahmud, English Education in India, chaps. xxiv, xxvii.



dans at Aligarh. In 1878 the school was raised to a second-grade college and affiliated to the Calcutta University. At first Sayvid Ahmad was fiercely opposed by conservative Muhammadans. But, strongly encouraged by the government, he triumphed over all obstacles. Princes and nobles, Muslim and Hindu, offered munificent endowments. Vicerovs and lieutenant-governors came forward as benefactors.

While primarily intended for Muhammadans, and insisting on religious instruction for its Muslim students, the Muhammadan Anglo-Oriental College admitted pupils of all faiths, and after ten years of struggle became a highly esteemed seat of education. It started with an English and an Oriental department. In the former all subjects were taught in English, and Arabic, Persian or Sanskrit was taken up as a second language; in the latter either Arabic or Persian literature was studied; history, geography, mathematics, etc. were taught in Urdu, while English was a second language. The commission of 1882 reported that the Oriental department attracted hardly any students. The principal of the college and the headmaster of the school were both Europeans.1

The obstacles to the spread of female education have been described in a previous chapter. These had hardly lessened with time and are strong even now.2 In 1882 it was ascertained that the percentage of girls at school to girls of a school-going age was 85 for all India, 1.50 for Bombay, 1.50 for Madras, .80 for Bengal, .72 for the Panjab and .28 for the North-Western Provinces. From 1823 to 1851 female education in Bombay had engaged the attention of the missionaries. Then the Parsi and the Hindu merchants of Gujarat had taken the matter up, and their example had been followed by certain Maratha chiefs. Since 1871 the Bombay Government had been endeavouring to collect an efficient staff of female teachers. In Madras, too, missionaries had led the way. Indian societies had followed. In Northern as well as in Southern India, missionary societies were the pioneers and in 1882 were still foremost.3 But progress was very slow. There was a great dearth of female teachers due to an impression that such a calling could not be pursued by a modest woman.4

As the aristocracy and titled classes were disinclined to allow their sons to associate with the scholars and students of government schools, regarding them as their social inferiors, Lord Mayo initiated the establishment of chiefs' colleges, making known to the Rajput nobles in durbar at Ajmer his strong desire to establish in that city a college "for the sons and relatives of the chiefs, nobles, and principal thakurs of Rajputana".5 A liberal endowment fund was subscribed; the

¹ Mahmud, op. cit. pp. 163-4 n.
2 Cf. The Statutory Commission's Interim Report, pp. 150-83.
3 Report of 1882 Commission, pp. 525, 535.
4 Report of 1882 Commission, pp. 487.

THE GROWTH OF EDUCATIONAL POLICY



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government gave an equivalent sum, and the Mayo College at Ajrhaunder carefully selected British principals proved a remarkable success. Similar in character though smaller in scale was the Rajaram College at Kathiawar. Other colleges started special classes for the sons of native chiefs and large landed proprietors. All these innovations were designed to encourage good education, "a healthy tone and manly habits" among the sons of chiefs and nobles. But even so the cadets of aristocratic or opulent families were frequently brought up to lead idle lives.

In struggling to carry out the policy laid down in 1854, the government found it necessary more than once to pause and take stock of conditions and tendencies. This was done by means of commissions appointed with the concurrence of the secretary of state. The first education commission was charged by Lord Ripon's government in 1882 with the duty of enquiring into "the manner in which effect had been given to the principles of the dispatch of 1854, and of suggesting such measures as might seem desirable in order to further carrying out of the policy laid down therein". The principal object of enquiry was to be "the present state of elementary education and the means by which this can everywhere be extended and improved". The general operation of the universities was withdrawn from the field of investigation, but the work carried on in the colleges was to be reviewed. The commission, which was highly officialised, consisted of twenty-two members (British and Indian) under the late Sir William Hunter as president. Nearly 200 witnesses were examined: over 300 memorials were presented: 222 resolutions were passed, 180 unanimously. The main conclusions of the commission were that while higher and secondary education was popular and successful among the middle classes, particularly in Bengal, primary education needed the strongest encouragement and should be declared "that part of the system of public instruction which possesses an almost exclusive claim on provincial revenues". It might well be provided, irrespective of private co-operation, by the state or by the local self-government boards, district and municipal, which were then taking more definite shape and assuming new responsibilities. The means of secondary education, on the other hand, should ordinarily be provided only where local or private co-operation was forthcoming.

The commission was favourably impressed by the results of grantsin-aid in Bengal where for one high school maintained by government there were three, two aided and one unaided, established by private effort, and only a few English middle schools supported wholly by the state. In the hope that, as had happened in England, Western education in India would lead to increased industrialism and therefore to fresh opportunities of employment, it recommended the in-

¹ Resolution of the Government of India, Home Dept. (Education), Nos. 1-60, 3 February, 1882, para. 8.

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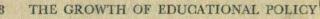
course, and including subjects chosen with a view to the requirements of commercial and industrial pursuits. Anxious to de-officialise higher education as far as possible and to render it self-dependent, it advised that all secondary schools should be made over to private management whenever this could be done without lowering the standard or diminishing the supply of instruction, and that the managers of aided schools and colleges should be allowed to charge fees lower than those payable at state schools of the same class. At the same time it urged that, whatever withdrawal there might be from direct supervision of education, there should be none from indirect but efficient control. But "only in cases of extreme necessity" should private schools be interfered with. In effect it recommended that system of cheap, uncontrolled venture schools, which has done so much to lower the

standard of education in Bengal.

The commission proposed special measures for encouraging education among Muhammadans. It considered that all elementary schools should be subject to the inspection and supervision of the government's educational officers, but should be made over to the care of district and municipal boards, whose educational responsibilities should be defined by legislation. It pointed out the importance of physical education as well as mental, and considered that although religious teaching must be excluded from the government schools, something should be done, in response to a widespread feeling, to develop the sense of right and wrong in the minds of scholars of all grades.1 After long debate, it resolved by a narrow majority, (a) that an attempt should be made to prepare a moral textbook based upon "the fundamental principles of natural religion" and suitable for use by teachers in all government and other colleges; (b) that the principal or one of the professors in each government or aided college should deliver to each college class in every session a series of lectures "on the duties of a man and a citizen". But these suggestions were severely criticised by the various local governments and were rejected by the Government of India and by Lord Kimberley, secretary of state. The general trend of criticism is indicated by the words of Sir Alfred Lyall, lieutenant-governor of the North-Western Provinces. It was, he wrote, no part of the functions of the Government of India to draw up a code . or morality, and issue it officially for the instruction of students, since these could hardly be charged with ignorance of the commonly accepted code of civilised communities, or with an acceptance of principles contrary to that code. The objection to instituting courses of lectures on the duties of a man and citizen was that possibly no two professors would agree as to what these duties were; and it was clearly undesirable to introduce into schools and colleges discussions on subjects that opened out a very wide field of debate.2

¹ Cf. Croft, op. cit. p. 330; Mahmud, op. cit. chap. xxii.

² Croft, op. cit. p. 332.



The majority of the commission's recommendations were accepted by the Government of India. In 1886 a Public Services Commission was appointed which divided the educational department into three branches-imperial, provincial and subordinate. The first of these would be recruited in England and called the Indian Educational Service; the second and third would be recruited in India. In effect, while stimulating a devolution of control to local boards and school committees, the government in spite of criticism2 reduced the British element in both its inspecting and its teaching agencies. The process was carried far in Bengal. In Madras, under the able twelve-years' direction of the late H. B. Grigg, devolution to local bodies worked well. But nowhere else were municipal and district boards disposed

to spend much money on elementary education.3 The labours of the over-burdened Calcutta University were lightened by the formation of the Panjab University in 1882 and the Allahabad University in 1887. Both were examining bodies. The former differed from its elder sisters in possessing a faculty of Oriental learning and in conducting proficiency and high proficiency examinations in vernacular languages. It owed its origin to a college established at Lahore in 1869 in part fulfilment of the wishes of chiefs, nobles and prominent men of the Panjab and with the aid of their contributions. The Allahabad University developed from a college opened originally in a hired building by Sir William Muir, lieutenant-governor of the North-Western Provinces, in 1872. It awarded degrees to students in affiliated colleges and possessed no faculty of Oriental languages, although Sir William Muir had asked for one. But these provinces already possessed the famous Queen's College at Benares, where Sanskrit was regularly taught by a staff of learned Brahmans; and examinations were held to which students were admitted who came from affiliated institutions situate within and without the provincial boundaries.

Between 1886 and 1901 college students throughout India increased from 11,501 to 23,009, and pupils in secondary schools from 429,093 to 633,728. English games had reached Indian schools and soon achieved popularity.4 But English professors and inspectors became fewer although Anglo-vernacular schools multiplied in Bengal and increased elsewhere. English was thus more and more taught by men to whom it was a foreign tongue, with results which were highly creditable to the ability and industry of the learners, but unsatisfactory in various respects. In the private venture schools of Bengal teachers were underpaid and teaching suffered. Everywhere education was largely memorisation of textbooks. A century earlier Charles Grant

Seton, India Office, p. 144.
 Cf. Report of Calcutta University Commission, 1, 54.
 See Satthianadhan, op. cit. pp. 284, 289.
 Ronaldshay, Heart of Aryavarta, chap. i; Sayyid Amir Ali Bilgrami, English Education in India, p. 35.

wisely urged the importance of teaching the principles of mechanics and their application to "agriculture and the useful arts". The authors of the 1854 dispatch had not forgotten this counsel. But the passion for literary courses of study had even then acquired a strong momentum which gathered force as time went on. Outlay on education by the government and local boards rose from 132.82 lakhs of rupees in 1885 to 177.04 lakhs in 1901; but the general tendency to regard schooling simply as a means of qualifying for clerical or professional employment retarded primary instruction among the masses. At this juncture a governor-general arrived who combined enthusiastic idealism with abounding energy and great insight into the details of administration. Fearing no problem, however thorny, he gradually set himself to grapple with the thorniest

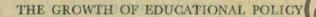
problem of all.

Toward the close of his third year of office, after examining the whole educational field with elaborate care, Lord Curzon summoned the principal officers of the educational department to meet him at Simla in September, 1901. There he reviewed the situation with characteristic thoroughness and trenchancy, claiming that the successes of imparting English education to India had been immeasurably greater than the mistakes and blunders. Moral and intellectual standards had been raised, and might be raised still higher. But we had started by too slavish an imitation of English models, and had never purged ourselves of that taint. Examinations too had been pushed to an unhealthy excess. Students were being crammed with undigested knowledge. Teachers were obsessed with percentages, passes and tabulated results. The various provincial systems of public instruction were not inspired by unity of aim, and showed misdirection and wastage of force which must be laid to the charge of the central government.

The universities were merely examining bodies. The colleges were for the most part collections of lecture-rooms, class-rooms and laboratories flung far and wide over great provinces, bound to each other by no tie of common feeling and to the university by no tie of filial reverence. Greater unity should be infused into these jarring atoms and higher education should be inspired by nobler ideals. Hostels or boarding-houses should be adequately provided for colleges in large towns and should be subject to systematic inspection. Senates and syndicates should be reformed and converted into business-like bodies containing a sufficiently strong element of experts. Academic standards needed to be raised. Yet he had been invited after Queen Victoria's death to celebrate her memory by lowering examination standards all round. Secondary education presented more encouraging features than university education. The demand for English teaching

² Cf. Raleigh, Lord Curzon in India, pp. 313-39.

¹ Cf. Report of the Education Commission, 1882, p. 281.





350

was increasing; schools were being started to meet it, and the income from fees therein obtained was rising. On the other hand the middle-class public still attached a superior commercial value to literary courses, which often led to nothing because they had not been sufficiently practical or co-ordinated with technical or commercial instruction in an advanced stage.

Primary education, the teaching of the masses in the vernacular, had shrivelled and pined since the cold breath of Macaulay's rhetoric passed over the field of the Indian languages and textbooks. This was a mistake. Not only did the vernaculars in no way deserve such neglect, for they contained literary treasures; but the greatest of all dangers in India was ignorance. As the masses gained knowledge, so would they be happier and become more useful members of the body politic. Yet we had rushed ahead with English education and left the vernaculars standing at the post. Both were equally the duty and the care of the government; but it must be admitted that the main obstacles to a spread of primary education sprang from the people themselves.

In this part of his speech Lord Curzon hardly did justice to his predecessors. From 1854 onwards the government had endeavoured to encourage the diffusion of knowledge through the vernaculars. This aim had been thwarted by the stolid conservatism of the masses, by the limitations imposed by the caste-system, and by the zeal of the Indian, and especially of the Bengali, middle classes for a Western education that offered new interests, new hopes, and more ambitious prospects. The vernaculars too had not remained stagnant. On the contrary, vernacular prose had profited by English influences.¹

For technical education, that practical instruction which qualifies a man for the practice of some handicraft or industry or profession, Lord Curzon considered that much more might be done on more business-like principles. Female education, too, was extremely backward. Moderate as was the attendance of boys at school, only one girl attended for every ten boys, and only 2½ per cent. of girls of a school-going age. As regards moral teaching for the young generally, books could do something but teachers could do more. Competent teachers, selected for character and ability, able to maintain discipline and devoted to their work, were the main essential. Religious instruction must be carried on in private institutions only, Christian, Hindu or Muhammadan, which could all be assisted by state grants.

The various provincial governments had in respect of education become "a sort of heptarchy in the land". They needed inspiration by a common principle and direction to a common aim. A measure of the inadequate consideration which had been given to education at headquarters was the fact that it was merely a sub-heading of the work of the home department. Expert advice was needed to prevent



¹ Cf. Ronaldshay, op. eit. chap. iii, and Times Literary Supplement, 11 February, 1932.

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the central government from "drifting about like a deserted hulk on chopping seas". He besought his hearers to realise that they were "handling the life-blood of future generations".

Action followed quickly on speech. The central government declared that education must be a leading charge on the public funds, and began a series of liberal grants to local governments on its behalf. Private generosity and enterprise, the efforts of directors, inspectors and teachers, were strongly stimulated. An inspector-general of education was brought out from England and posted to headquarters. A Universities Commission was appointed; and after much enquiry and deliberation a Universities Bill was framed which became law in 1904 after acute controversy. It was a cautious measure, introducing no radical change, but converting senates and syndicates into more business-like bodies which contained majorities of educational experts, leaving the training of undergraduate students mainly to the colleges, but providing that the universities should themselves conduct postgraduate courses of study. The senates were to tighten up conditions for affiliation of colleges. They were to be responsible for courses, textbooks and standards of examination. They were to propose to the government regulations for the recognition of high schools and were to pay attention to the conditions under which students and schoolboys were working. Vice-chancellors would be appointed by the government; senates were to include directors of public instruction; and in Calcutta the director would be a permanent member of the syndicate. All affiliations and disaffiliations of colleges were to be finally determined by the government; all professors, readers and lecturers must be approved by it; and many details of university policy were made subject to its supervision.

The commission was anxious that minimum fee rates should be fixed for all colleges. This would have done something to restrict the cut-throat competition which was going on in Bengal among managers of private institutions with results disastrous to the youths concerned. But the proposal excited so much clamour that (after Lord Curzon's departure) it was dropped. The commission noted that the universities possessed no machinery for inspecting high schools, and that at Calcutta the syndicate had sometimes insisted on recognising new venture schools "without due regard to the interests of sound education and discipline". It urged that the university should recognise only schools recommended by the department of public instruction, and this advice was in principle adopted in all provinces but Bengal, where it was rejected, after Lord Curzon's departure, because the managers of a large number of unaided schools declined

to admit departmental inspectors.

The commission regarded with apprehension the growing neglect of the vernaculars and of Oriental classical languages, for a moral danger was involved. It announced the rather tardy discovery that THE GROWTH OF EDUCATIONAL POLICY





the literature of the West had its roots in a past in which which students had no part and was based upon beliefs and ideas which were meaningless to them. It was desirable to promote diversified types of secondary education corresponding with the varying needs of afterlife. The government considered that this object would best be attained by instituting a school-leaving certificate based on class-work as well as on a final examination, which would be alternative to the entrance and would be recognised not only by private employers, who were increasingly discounting the value of an entrance pass, but by the government and the universities. It should afford evidence of character and of the general and practical capacity of a candidate.

Lord Curzon did much to broaden the whole basis of higher education, and to initiate technical, industrial and commercial courses. With the assistance of a donation of £30,000 from Mr H. Phipps, an American gentleman, he established an agricultural college at Pusa, in Bihar, which became the parent of similar institutions in other provinces. He improved the chiefs' colleges; he inspired the departments of public instruction with fresh vitality and stimulated private benevolence. But with all his splendid energy, he came twenty years too late. In the 'eighties he would have exercised a far more fruitful and permanent influence on the subsequent course of education. As things were, his very zeal inspired a belief that his real purpose was to curb the increase of the restless English-educated. The cry went forth that reaction was intended. Vested interests in private schools and colleges bitterly protested. The partition of Bengal inflamed the angry suspicion with which his university legislation was viewed in

that province and elsewhere.

He left India in November, 1905; and then followed years of political and racial agitation due to various causes. The effect of the Russo-Japanese War on Indian political thought, the gathering-in of some of the harvest of the study of English history and literature, increasing contact with an increasingly democratic Britain, combined with the congested state of the bar, with rising prices which pressed hardly on clerical and professional incomes, with a fast-growing disproportion between applicants for and openings in government service, with ill-disciplined schools and boycott propaganda, to produce in Bengal an unprecedented ferment, which in a minor degree affected the educated classes all over India. Senates, syndicates, colleges, high schools, felt the contagion. Revolutionary literature and teaching were introduced into many of the far-flung, illcontrolled colleges and schools of Bengal with marked effect; racial animosity was constantly preached by press and platform. But while the tide of impatience of British rule was rising among the Englisheducated, the appetite for Western knowledge rapidly intensified. There was a loud call for more expenditure not only on higher, but also on technical and vocational education. To this demand

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353

government made strenuous endeavours to respond. In 1910 ducation was transferred from the supervision of the home department of the central government to a new and separate department. In 1913 Sir Harcourt Butler, the first education member of the governor-general's council, published a resolution laying down carefully considered lines for advance and expansion. Money was to be freely forthcoming; and although the war intervened, expenditure in 1916-17 from imperial, provincial and local funds rose to 614.10 lakhs, more than double the figure of 1906-7. Private enterprise on the part of missionary and other societies, of school and college committees, and of benevolent individuals, swelled the total outlay of 1916-17 to 1128.83 lakhs. Numerical progress was marked in many directions. Sir Henry Sharp's quinquennial review for 1912-17 brings out in no uncertain fashion the persevering efforts of the government to guide and stimulate genuine advance, to broaden the whole basis of public. instruction by establishing agricultural colleges, engineering, commercial, weaving, mining, carpentry and leather-work schools. The obstacles, however, were real. Sir Henry Sharp insists strongly on the fact that quality in industrial education must depend upon quality in school-work. And here it is that all the old difficulties were and still are rampant. // 24

Nowhere have these been more clearly or authoritatively defined than in the Interim (Education) Report of the Statutory Commission recently published. As the commission points out, it is comparatively easy to vote money and to secure plausible figures of numerical progress in attendance at primary classes. But to spend that money to solid practical advantage in pursuance of a well-directed policy carried out by efficient agencies is not so easy. And to secure that a large increase in numbers of pupils attending primary schools produces a commensurate increase in literacy is harder still, for at present comparatively few of these pupils stay long enough at school to reach a stage

in which the attainment of literacy may be expected.

Under present conditions of rural life, and with the lack of suitable vernacular literature, a child has very little chance of attaining literacy after leaving school; and indeed, even for the literate, there are many chances of relapse into illiteracy. The wastage in the case of girls is even more serious than in the case of boys.²

Thewhole system of secondary education, although in some respects improved, is still dominated by the ideal that every boy who enters a secondary school should prepare himself for the university; "and the immense numbers of failures at matriculation and in the university examinations indicate a great waste of effort". After noticing improvements in the universities, the commission observes:

But the theory that a university exists mainly, if not solely, to pass students through examinations still finds too large acceptance in India; and we wish that there were more signs that the universities regarded the training of broad-minded,

¹ Sharp, Review, p. 155. CHIVI

² Interim Report, p. 345. Cf. also pp. 150-83.



THE GROWTH OF EDUCATIONAL POLICY

tolerant and self-reliant citizens as one of their primary functions. They have been hampered in their work by being over-crowded with students who are not fitted by capacity for university education and of whom many would be far more likely to succeed in other careers.

These words were written ten years after the close of our period. Since January, 1921, education has been entrusted to the charge of ministers in the major provinces. The central government has stood aside. But the old problems are as formidable as ever. As regards financial obstacles, there is no reason to suppose that any parliamentary government in India, government in which one group would compete for popularity with another group, would care to raise money by fresh taxation. But the difficulties are not only financial. On 28 January, 1926, a debate took place in the Legislative Assembly at Delhi on a resolution moved by a private member requesting the central government to investigate unemployment among the middle classes and suggest remedies. The government was told that its duty was "to remove the causes of this discontent and grapple with this evil": but the most notable contribution to the discussion was the speech of Mr Bipin Chandra Pal, a Bengal nationalist leader, who frankly said that the mentality of the middle classes was very largely the cause of middle-class unemployment. "We must change our social system, we must change our system of education, and we must induce our young men not to avoid, even if they do detest, manual labour. That is the real difficulty." Truer words were never spoken; but the assimilation of such ideas must be a slow and arduous process. The solution of such problems rests with Indians themselves.

A feature of our own times has been the considerable growth in the number of Indian students who finish their education abroad and particularly in Britain. It is improbable that in any year before 1880 there were more than 100 in Europe. In 1894 there were 308; in 1907 there were 780; in 1921 there were 1450; in 1929—30 there were in Great Britain 1761, of whom 583 were entered on the books of the various Inns of Court. The experience of such men, who are able to observe and examine educational and economic problems common to all nations, should be useful to their country. There is plenty of idealism in India. There is the enthusiasm for national or communal advance which in the field of education has led to the foundation of Hindu and Muslim universities. There have been notable and strenuous enterprises such as Dr Rabindranath Tagore's School at Bolpur and Mrs Besant's Central Hindu College at Benares. There is the Christian idealism of the missionaries; and what this can achieve on emergencies is shown

by an incident of the war period.

All the staffs and schools of the Punjab University and its colleges sent fewer men to fight than a single middle school of the Belgian Franciscan fathers at Dalwal in the Salt Range, from which nine teachers and 95 boys, practically all who were of age and fit, were enlisted.¹

¹ Sir Michael O'Dwyer, India as I knew it, p. 228.



If a considerable portion of Indian idealism could be perseveringly devoted to village uplift, what might not be achieved? Enthusiasm has often welled up here and there. But it has frequently been spasmodic, impatient of careful deliberation, prone to hurry on rather than to make sure, to accept the show rather than the substance.1

"We have now, as it were before us, in that vast congeries of peoples we call India, a long, slow march in uneven stages, through all the centuries from the fifth to the twentieth." As Mr Mayhew writes,2 the educational system established among these peoples by the British Government is not a natural or free expression of national life. It is a rambling and unfinished house, showing signs everywhere of change of plans during construction, but, with all its defects, habitable and capable at any time of modification and expansion. It has stimulated vitality of all kinds,3 religious, commercial, social and political. This vitality has brought unrest due, in the words of a Western-educated Hindu, "to the deep-seated reason that people are throbbing with new sensations and groping their way from darkness to light".4 The writer added that in the darkness Indians could not distinguish friend from foe, but that the day would come when there would be clearer

vision.5

The system initiated in 1854 has produced a long line of excellent public servants, of writers and public men acquainted not only with the English language but with English ideals and English methods; it has gone far to combat social evils and to develop the industrial and commercial resources of India. In combination with the devoted efforts of the missionaries it has raised the hopes and enlarged the interests of sections of the people formerly sunk in social degradation; it has strongly stimulated the education of women and has opened the way to progressive self-government. On the other hand, it cannot alter the physical facts of India, the blazing sun, the enervating rains, the climate which depresses physical energy, and, in the case of the vast peasant majority, activity of mind. It has failed to spread knowledge far among the masses; and among that comparatively small minority who take readily to education, it has produced numbers of men who, disgusted with meagre rewards for years of laborious study, expect far too much from a government that has always been struggling with a great variety of needs and calls, and has shrunk, as any government of India must always shrink, from imposing fresh taxation. From the first, well-meant efforts produced mixed results, and expenditure was hampered by inadequate resources. Psychological questions of extreme difficulty arose, remained, and have for years

¹ Cf. Interim Report of Statutory Commission, chap. xvii.

Education of India, p. 101.
 Cf. Bevan, Thoughts on Indian Discontents, p. 54.
 Gobinda Das, Hinduism and India.

⁵ Cf. Report of the Royal Commission on Agriculture in India, chap. xv; Darling, Rusticus loquitur, pp. 9-11, 25, 66, 180, 203.

THE GROWTH OF EDUCATIONAL POLICY

been greatly aggravated by political influences. 1 In the background all along has been "the eternal mystery of the East", the segregating religious and social traditions of ages. A tendency to revive and multiply the old patshalas and maktabs, separate schools on a communal basis, is marked in certain provinces to-day.2 Well might Lord Curzon say: "What the future of Indian education may be neither you nor I can tell. It is the future of the Indian race, in itself the most hazardous though absorbing of speculations". But to that great cause not only high-souled pioneers but numbers of our countrymen, "by the cause which they served unknown", have devoted years of unobtrusive and impersonal activity. "Tantus labor ne sit cassus!"

1 Cf. Bevan, op. cit. pp. 106, 144.
2 Interim Report of Statutory Commission, pp. 199-201.



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CHAPTER XX

THE DEVELOPMENT OF THE SERVICES 1858-1918

"AFTER all they are our servants. They are the servants of this government, engaged by this government through the secretary of state to administer British dependencies." These words were spoken of the Indian Civil Service but apply also to the higher ranks of the other public services which throughout the period 1858–1918 constituted the frame of the Indian Government. The present chapter will describe their organisation, trace their history, and describe the circumstances which eventually overshadowed their prospects.

The Indian Civil Service was formerly known as the covenanted civil service because its members entered into covenants originally with the East India Company and afterwards with the secretary of state in council. It provides officers who fill those posts of general supervision which are commonly known as "superior", both in the general executive administration of British India, and in the administration of justice. Its members also fill the higher posts in the government secretariats, in the political or diplomatic service (along with officers of the Indian Army), and in other departments. Some are nominated to serve on the various legislative councils. All first learn

their work in lower administrative posts.

The service derives its constitution from various acts of parliament. Developed originally out of the establishment of junior and senior merchants, factors and writers employed for purposes of trade by the East India Company, it first received statutory recognition in the East India Company Charter Act of 1793 which provided that "all vacancies happening in any of the offices, places or employments in the civil line of the Company's service in India should, subject to certain specified restrictions, be filled from among the Company's civil servants". At first recruits underwent no period of probation or training; then in 1800 Wellesley founded a college at Calcutta where young civil servants were to be instructed in literature, science and Oriental languages. By his famous minute of 10 July, 1800, this great governor-general put an end to "the loose and irregular system" which he found in existence and marked out a fresh course to the great benefit of posterity. Finally in 1806 the Company established an "East, India College" at Haileybury for the training for two years of youths who had received nominations. 2 Admission lay with the directors who,

2 Memorials of Haileybury College, p. 17.

Speech by Mr Acland in the House of Commons, Hansard, 15 June, 1922, p. 624.

\$558 THE DEVELOPMENT OF THE SERVICES, 1858-1

as a matter of courtesy, made over a proportion of nominations to the Board of Control. Wellesley's Calcutta college survived till 1854 as a language school for Bengal civil servants. In 1853, when the maximum age for admission to Haileybury was twenty-one, the question of the renewal of the East India Company's charter came before parliament for the last time. Among other changes proposed by the president of the Board of Control, Sir Charles Wood, was the introduction of open competition, "a great experiment which would justify itself by securing intellectual superiority while affording as good a chance as then existed of obtaining in successful candidates those qualities which no examination can test". Wood was warmly supported by Macaulay, who urged in the House of Commons² that even the character of the governor-general was less important than the character and spirit of the servants by whom the administration of India was carried on; and parliament resolved that admission to Haileybury and to the covenanted civil service should be open to all natural-born subjects of Her Majesty, whether European, Indian, or men of mixed race, who could establish their claim by success in competitive examinations held in England under regulations framed by the Board of Control. That body, advised by a distinguished committee presided over by Macaulay, decided that endeavours should be made to secure candidates between eighteen and twenty-three years of age who had received the best and most liberal education obtainable in this country. Successful candidates were to pass through a period of probation before appointment. The first batch went to Haileybury; but this fine college was soon considered to have served its purpose and was closed by an act of 1855 with effect from 31 January, 1858, when the Mutiny was in full swing. By section 32 of the Government of India Act of 1858 the power of regulating appointments to the Indian Civil Service was made over to the secretary of state in council who would act with the advice and assistance of Her Majesty's civil service commissioners. The competitive principle was reaffirmed. In 1859 the maximum age for admission was lowered to twenty-two and a year's probation in England was prescribed for selected candidates.3

On 6 June, 1861, Wood, now secretary of state for India, introduced a measure which became law under the title of the Indian Civil Service Act of 1861 (24 & 25 Vic. c. 54). Its object was to legalise certain appointments to civil posts which had in the past been made in contravention of the act of 1793. Annexations of territories, growth in population, increasing resort to the law courts, had compelled the appointment of military officers, domiciled Europeans, Eurasians and Indians, to posts which, under the statute of 1793, should have been

Hansard, 3 June, 1853, CXXVII, 1158.
 See p. 13, Selection and Training of Candidates for the Indian Civil Service (H.M. Stationery Office), 1876.

held by covenanted civil servants.1 Such appointments must now be legalised and should be legally permissible in future. Lord Stanley, Wood's predecessor in office, supported this proposal but emphasised 2 the importance of not diminishing the value of appointments to the civil service to such an extent as to deter men of intelligence and ability from joining it and thus raising men less intelligent and able "to a position in life to which they were not equal". Neither must there be openings for jobbery. Parliament decided that the bill should include a schedule of offices reserved exclusively for civil servants except in cases where the governor-general in council, for special reasons, desired to appoint other persons who must have resided in India for at least seven years. These exceptional appointments would require confirmation by the secretary of state and a majority of his council called together to consider each case. Parliament, at the same time, declared its adherence to the principle laid down by the Charter Act of 1833, and reiterated in Queen Victoria's proclamation of 1858, that "no native of India by reason only of religion, place of birth, descent, colour, or any of them, would be disabled from holding any office or employment under the Company".

The appointments entered in the schedule of the statute of 1861 as exclusively reserved for covenanted civil servants were almost entirely posts in the older or regulation provinces; but later orders, passed in 1876 by the secretary of state in council, directed that the privileges conferred by statute in regulation provinces should be

extended mutatis mutandis to non-regulation provinces also.3

At first no fee was charged for admission to competitions for the Indian Civil Service. British competitors gradually increased. From 1866 the maximum age for admission was lowered to twenty-one, and probationers passed through a special two-years' course at an approved university. The total number of competitors rose from 154 for eighty vacancies in 1860 to 284 for fifty-two vacancies in 1865, and 325 for forty vacancies in 1870. In that year there were seven Indian competitors, of whom one was successful. In 1869 three Indians had been successful, all Bengalis. Indian aspirants had in those days to brave serious social obstacles in their own country. The late Sir Surendranath Banerjee, who competed in 1869, observes in his memoirs:

I started for England on March 3, 1868 with Romesh Chandar Dutt and Bihari Lal Gupta. We were all young, in our teens, and a visit to England was a more serious affair then than it is now. It not only meant absence from home and those near and dear to one for a number of years, but there was the grim prospect of social ostracism, which for all practical purposes has now happily passed away. We all three had to make our arrangements in secret, as if we were engaged in some nefarious plot of which the world should know nothing.⁴

In such circumstances Indians were naturally very slow to come forward. The pioneers were Hindus and belonged to the "English-

¹ Hansard, CLXIII, 652-9.
³ Cf. pp. 76-7, supra.

² Idem, CLXIII, 665-6. ⁴ Banerjee, A Nation in the Making, p. 10.

60 THE DEVELOPMENT OF THE SERVICES, 1858-191

educated" class in the presidency provinces which contained the great scaports. The paucity of candidates caused scarchings of heart among the members of John Lawrence's government, which established nine scholarships in 1868, each of the annual value of £200, tenable in Great Britain, with a view to encourage natives of India "to resort more freely to England for the purpose of perfecting their education, and of studying for the various learned professions or for the civil and other services in India". The scholarships were to be awarded partly on the results of competition and partly on nomination of duly qualified persons. This somewhat paltry expedient did not commend itself to the Duke of Argyll who was then secretary of state.

He was, however, seriously concerned at the failure of the existing system to make good the pledges of 1833 and 1858, and stated in parliament on 11 March, 1869, that he had always felt that the competitive system, as by law established, rendered nugatory the promises of 1833. Lord Houghton observed that the declaration, which stated that the government of India would be conducted without reference to differences of race, was magnificent but had hitherto been futile; and the duke replied that while the queen's proclamation of 1858 contained declarations of principle which had been found exceedingly inconvenient in practice and had been quoted against us in cases to which they were not meant to apply, the pledges of 1833 must be honoured as far as possible. Eventually it was provided by section 6 of the Government of India Act of 1870 (33 Vic. c. 3) that nothing in any act of parliament or other law now in force in India

should restrain the authorities...by whom appointments were made to offices, places and employments in the covenanted civil service, from appointing a native of India to any such place, office or employment although such native should not have been admitted to the civil service in the manner already prescribed by law.

Appointments of this kind would, however, be subject to such rules as might be from time to time prescribed by the governor-general in council and sanctioned by the secretary of state in council with the concurrence of a majority of members present. For the purpose of this act the words "natives of India" would include any person born or domiciled within Her Majesty's dominions in India and not established there for temporary purposes only; and "the governor-general in council would define and limit from time to time the qualifications of natives of India thus expressed".

Some years elapsed before agreement was reached between the Indian and the home authorities as to the rules which were requisite to give effect to this section. The former desired to prescribe a term of government service in the higher ranks of subordinate employ as the main qualification of such appointments; the latter wished to

¹ Hansard, exciv, 1060.

36



Trawn up by Lord Northbrook's government and were sanctioned in London as a tentative measure. But these proved unsatisfactory and gave place to other rules framed by Lord Lytton's government, which ordained that a proportion not exceeding one-sixth of the total number of covenanted civil servants appointed in any year by the secretary of state should be natives selected in India by the local governments subject to the approval of the governor-general in council. Selected candidates should, save in exceptional circumstances, be on probation of two years. In a resolution, dated 24 December, 1879, the Government of India stated that appointments under the rules would generally be confined to

young men of good family and social position possessed of fair abilities and education, to whom the offices which were open to them in the uncovenanted service had not proved sufficient inducement to come forward for employment.

The nominees were called "statutory civil servants". Sixty-nine were nominated in after years, but, generally speaking, did not possess sufficient educational qualifications and were often found unequal to

their responsibilities.

Below the covenanted was a large "uncovenanted" civil service. This term was purely technical. It excluded military officers in civil employ and embraced the very large number of public servants recruited in India, who filled executive and judicial charges not occupied by military officers or reserved for members of the covenanted civil service. The service came so far down in the administrative scale that the term "uncovenanted" was often employed in a derogatory sense. Its members in the regulation provinces were almost entirely debarred from admission to posts usually held by members of the Indian Civil Service. But in the non-regulation provinces some uncovenanted officers of British descent were, like military officers, employed alongside of covenanted civil servants. They were selected either because the tracts in question were in a disturbed state and unfit for methods of long-established administration, or on account of their peculiar knowledge and experience. Except in matters of pension they were treated practically on an equality with their covenanted colleagues, but were debarred by the operation of the statute of 1861 from holding the posts of secretary and junior secretary to the local government and were in practice very seldom appointed to the highest judicial offices. As the country became more and more settled, the practice of appointing military and uncovenanted officers to higher posts ordinarily held by covenanted civil servants fell into disuse; and in 1876 it was definitely abandoned in the case of Oudh, the Central Provinces, non-regulation areas in Bengal, and the North-Western Provinces. It was abolished in Sind in 1885, in the Panjab in 1903, and in Assam in 1907.

362 THE DEVELOPMENT OF THE SERVICES, 1858

A small minority of the large number of uncovenanted civil servants held superior posts. The majority consisted of natives of India recruited in the various provinces by the local governments under a system of nomination, tempered in some cases by qualifying examinations and probationary periods. Candidates for executive appointments had to possess minimum educational qualifications attested by certificates of success in examinations conducted by universities or the educational departments. Candidates for the judicial line had to be either bachelors of law of some university or accredited pleaders or advocates.

In 1853 it had been stated in the House of Commons that the universal rule and practice in Indian administration was "native agency and European superintendence". This was still the practice between 1858 and 1886; but all the time Western education was spreading, and with its expansion was teaching Indians to feel their way toward higher spheres and to complain because the ways of

approach were narrow.

An illuminating account of the early history of the police is contained in the report of the commission appointed by Lord Curzon's government in 1902. The organisation of the force in the various provinces within our period was the result of a comprehensive enquiry made in 1860 by a committee appointed by the Government of India which embodied its recommendations, where approved, in various acts of the governor-general's legislative council. The force was to receive a semi-military training from its officers and was to be subject to general control by the district magistrates and the local governments. It was charged with the maintenance of law and order and the detection of crime. Its chief officers in each province would be inspector-generals assisted by two or more deputies, and their subordinates would be district superintendents and assistant superintendents. The force was soon established; the district superintendents were invariably British, and in the more important charges were given British assistant superintendents. For some years the higher grades of the force were mainly recruited from the commissioned ranks of the army; but this practice was repugnant to the military authorities, and gradually gave place to recruitment in India by nomination. But from the year 1893 the superior ranks were recruited mainly in England by competitive examination for which Europeans alone were eligible, and in a minor degree by appointments in India under a combined system of nomination and examination which included Indians. The age of admission in England was seventeen to nineteen.

Up to the year 1870 engineers for the public works department had been furnished from the corps of the Royal Engineers, from civil engineers appointed in England² after competitive examination or

Sir J. W. Hogg, Hansard, 3 June, 1853, exxviii, 1270.
 Cf. Imperial Gazetteer of India, 19, 319.

special selection, and from qualified students of Indian engineering colleges. The Thomason College at Rurki, opened in 1848, began to furnish engineers to the department in 1850. The Poona Civil Engineering College, established in 1854 for the education of subordinates for the Bombay public works department, developed in 1865 into a college of science at Poona affiliated to the Bombay University and educating candidates for an engineering degree. The Madras Civil Engineering College, affiliated to the Madras University in 1877, also prepared students for engineering degrees. In England the Royals Engineering College at Cooper's Hill was established in 1871 for the education of civil engineers for service in the Indian public works department. The age of admission was seventeen to twenty-one, and the course lasted three years. As students began to pass out of Cooper's Hill in sufficient numbers, the recruitment of civil engineers from other sources gradually ceased in England. In 1876 Lord Salisbury, then secretary of state, wrote that, as the European portion of the superior public works establishments was provided through Cooper's Hill, the Indian engineering colleges might be regarded as particularly intended for natives of India. Eventually it was decided that of thirty recruits appointed in 1885, 1886 and 1887, nine were to be taken from Indian colleges, fifteen from Cooper's Hill, and six from the Royal Engineers.

The work of the public works department was distributed among three branches: (a) "General" which was subdivided into "Roads and Buildings" and "Irrigation", (b) State Railways and (c) Accounts. Each branch included an upper and a lower subordinate establishment.

The finance department was directly controlled by the Government of India. Officers of its superior staff were liable for employment in any province. The functions of the department were to bring to account and audit the expenditure of all branches of the civil administration and to deal with questions relating to paper currency, loan operations and coinage. The nine accountants-general of provinces were treasurers of charitable endowments and responsible for the proper check by officers of their department of the accounts of such local bodies as district and municipal boards. They further supervised the movements of funds from one district treasury to another; and were themselves subordinate to a comptroller and auditor-general. The whole superior staff of the department numbered 172. Below this staff were chief superintendents and chief accountants. Up to the year 1899, while the higher posts were generally filled by trained members of the Indian Civil Service, the remainder were filled wholly in India. Then it was found that the local supply of suitably qualified Europeans and Eurasians was insufficient, and it was decided that at least four out of nine vacancies should be filled by recruitment in England. In 1909 it was arranged that half the vacancies should be reserved for natives of India.

364 THE DEVELOPMENT OF THE SERVICES, 1858-1918

In 1847 Dr Gibson was appointed conservator of forests in Bombay, and in 1856 Dr Cleghorn received a similar appointment in Madras; but although both these officers impressed on their governments the physical value of the forests and the necessity of carefully preventing denudation of the hills in the interest of the water supply of the country, forest conservancy was for some time regarded mainly as a direct source of revenue to the state.1 After the annexation of Pegu. however, Lord Dalhousie, seeing that fine forests stood in danger of reckless spoliation by private individuals, inaugurated a preventive policy. In 1856 Dietrich Brandis was summoned from Germany to be superintendent of forests in Pegu and remained there till 1862, organising forest management. He was then placed on special duty to do the same in India, and in 1864 was appointed inspector-general of forests to the central government. To him and to his successors and pupils, Schlich and Ribbentrop, is due primarily the credit of organising the forest department, and the introduction of methods of management adopted from the best European schools.

In 1865 the first Indian Forest Act was planned to provide for the protection and efficient management of the government forests. In 1866 Brandis proceeded to England to arrange for the recruitment of forest officers who were to be trained in the schools of France and Germany, where scientific forestry was far more advanced than it was in England. From 1885 to 1905 forest probationers studied at Cooper's Hill, supplementing their courses by continental tours. Up to 1905 they were selected by competitive examination; but from 1905 onward, candidates for examination failing, appointments were made by a selection committee appointed by the India Office. The forest department was controlled by conservators (chief officers of provinces or parts of provinces), deputy-conservators in charge of forest divisions, and assistant conservators of two grades in charge of forest subdivisions. All these officers were British and under them was an Indian executive staff consisting of sub-assistant conservators, rangers, foresters and forest guards. The management of forests was committed to the local governments, but the head of the department was the inspector-

general for the Government of India.

The growth of the department of public instruction has already been traced.³ The control of other departments (jail, postal, telegraphs, survey, salt, excise, opium, meteorological, registration, archaeological, customs, mint, geological survey, agricultural) rested in British hands. Generally speaking these departments were recruited in India; but they were often presided over by an officer selected from one of the services recruited in England. We must pass on to that distinguished service which has been truly called the pivot of all the others.³

¹ Imp. Gaz. III, 107-8.
² P. 336, supra.
³ Speech by Mr Montagu to the British Medical Association.

le Indian Medical Service was primarily military, but lent a large proportion of its officers to the civil administration. In times of emergency these officers could be recalled to military duty; and during the war few were left in civil employ. Medical officers in civil employ were responsible for the administration and inspection of the hospitals and dispensaries established in every district, for medicolegal work connected with the administration of justice, for attendance on government servants and for examination of candidates for public employment. They were also responsible for jails and the care of the public health. Each province possessed its inspector-general of civil hospitals or surgeon-general, and its inspector-general of jails, who were always selected officers of the Indian Medical Service. These provincial chiefs worked under the local governments, subject to the supervision of a director-general who was posted to the headquarters of the central government. Under the inspectors-general of civil hospitals and surgeons-general were the "civil surgeons", one of whom in each district presided over a staff of assistant and sub-assistant surgeons. Working mainly through these civil surgeons, the Indian Medical Service not only gallantly combated many a devastating epidemic, but educated India in the preservation of public health and in the theory and practice of Western medicine. Its officers have prevented immeasurable suffering and saved countless lives. "No less than 34 have gained the blue ribbon of the scientific world, the fellowship of the Royal Society."1

The statutory civil service had proved a failure as a means of admitting Indians to the higher services. It seemed probable that as years went on and contact between India and England increased, more Indians would enter the civil service through the door of the competitive examination in London. As regards British personnel, the competitive system had proved a conspicuous success. The average yearly number of candidates had fallen decidedly after 1870, partly perhaps in consequence of the legislation of that year already mentioned, but principally because from 1871 onwards an examination fee of £5 was demanded of every candidate. Up to that year no fee had been claimed. In their seventeenth annual report the civil service commissioners stated that the diminution was "not so much in the class of competitors as in the number, previously considerable, of those who presented themselves without sufficient preparation to warrant any hope of success". In 1878 the maximum limit of age for admission was reduced to nineteen, and the probationary period was fixed at two years to be spent in some university or college approved by the secretary of state. The object of the change was to bring selected candidates earlier to their life's work. All along the question was how to attract the best men possible and how best to fit them for active duties. It was, however, soon apparent that the lower age limits

² Report of the Committee on the reorganisation of the Indian Medical Services, 1919, p. 19.

pressed hardly on Indian candidates, and the age was raised to 22 from 1892 to 1905, and to 22–24 from 1906 onwards. When the last change was made the examination was amalgamated with that for the home civil service, successful candidates being allowed to state their preference for either. Throughout the period 1871 to 1914 the total number of competitors remained fairly constant while the Indian contingent increased very slowly, as is evident from the following figures:

Year	Vacancies	Candidates	Indian candidates	Successful Indians
1870	40	332	7	4
1880	27	332 182	2	0
1890	47	205	10	5
1900		313 184	17	2
1910	52 60		20	I
1914	53	183	26	7

The highest number of candidates in any year between 1871 and 1914

was 237 for 68 vacancies in 1897.1

In December, 1885, the first Indian National Congress met at Bombay and demanded that simultaneous examinations should be established in India and in England for admission to the covenanted civil service. The demand arose from the Hindu and Parsi professional and literary classes. The Muhammadans, as a community, were for years strongly opposed to it. Conscious of their inferiority to the Hindus in numbers, wealth and education, they regarded the congress as aiming in fact at the establishment of a Hindu monopoly of posts and power. Sayyid Ahmad, their leader, expressed his views in trenchant language:

If government want to give over the internal rule of the country from its own hands into those of the people of India, then we will present a petition that, before doing so, she pass a law of competitive examination, namely that that nation which passes first in this competition be given the rule of the country; but that in this competition we be given the pen of our ancestors which is in fact the true pen for writing the decrees of sovereignty.²

In order to find a solution for the problem Lord Dufferin's government in 1886 appointed a public services commission under Sir Charles Aitchison, lieutenant-governor of the Panjab. The fifteen members included four Hindu and two Muhammadan gentlemen of high status. Of the British members five belonged to the covenanted civil service, one to the uncovenanted civil service, two were British non-officials, and one had been chief justice of the Madras High Court of Judicature. Broadly speaking, the object of this commission was to devise a scheme which might reasonably be "hoped to possess the necessary elements of finality and to do full justice to the claims of natives of

² I am indebted to the civil service commissioners for this information. ³ Speeches and letters of Sir Saiyid Ahmad, Pioneer Press, Allahabad, 1888; Mahmud, British Education in India, chap. xxx.

367SL

India to higher and more extensive employment in the public service". The commission rejected the idea of altering the system of admission to the covenanted civil service. It had been understood that the entrance examination was to bear a distinctly English character, and to constitute a test of English qualifications. The most natural arrangement, therefore, was that this examination should be held in England, the centre of the educational system on which it was based. The commission advised abolition of the system of filling appointments by means of the statutory civil service which had failed to fulfil the expectations anticipated from it and was "condemned for sufficiently good reasons not only by particular sections of the native community but also by the very large majority of officials, both European and native, who had enjoyed practical experience of its workings". The attempt to confine the selection to young men of rank and to attract to the service men combining high social position with the requisite educational and intellectual qualifications had failed. A similar result would almost necessarily follow upon any attempt "to engraft on a superior and imported service recruited in such a manner as to secure the highest possible English qualifications a system based on other principles and designed to meet a wholly different object". The commission proposed to reduce the list of scheduled posts reserved by the act of 1861 for members of the covenanted civil service and to transfer a certain number of these posts to a local service which would be called "the provincial civil service" and would be separately recruited in every province. Appointments to the transferred judicial posts would be on account, of merit and ability proved either in the public service or in practice at the Indian bar; appointments to executive offices would be on account of exceptional merit and ability already shown in the public service. The services would no longer be termed covenanted and uncovenanted but imperial and provincial. Below the provincial service would be a "subordinate civil service" from which it would be partly recruited. But its executive branch would also be recruited by competitive examination, wherever not inexpedient, and its judicial branch would be largely filled by selected barristers, advocates or pleaders. The salaries of members of the provincial civil service would be fixed on independent grounds, and would have no relation to those attached to appointments in the imperial civil service. The commission suggested the formation, where possible, of a provincial branch in each department of the public service, public works, police, forests and the rest. Substantial effect was given to this scheme, the secretary of state directing that the covenanted civil service should be known in future as "the Civil Service of India" and that each branch of the provincial civil service should be called by the name of the particular province to which it belonged.1 A certain proportion of

368 THE DEVELOPMENT OF THE SERVICES, 1858-1916

public offices reserved for the civil service of India and afterwards termed "listed posts", would in each province be entered on a list as open to the new provincial service. Rules must be framed and issued, under sanction of the secretary of state, which would empower local governments to bestow any listed post upon a native of India. All this was done; and the local governments were ordered to fill one-sixth of the offices hitherto reserved for the Indian Civil Service with provincial servants when the claims of existing statutory civil servants had been satisfied. The number of civil servants recruited in England had already been reduced so as not to fill more than five-sixths of the reserved appointments. After consulting the local governments the Government of India decided to list ninety-three posts, this figure being considered suitable for meeting reasonable requirements. It would be worked up to after satisfying the claims of officers already in the service and would be liable to expansion.

Thirty years later another public services commission stated that the reforms recommended by their predecessors in 1886, while failing to satisfy Indian aspirations for employment of the higher type, "had undoubtedly resulted in a great improvement in the standard of every service". Generally speaking, officers promoted from the provincial civil services to hold Indian Civil Service posts had done efficient

work. But

the inferiority of status and social position which had always been attached to the provincial services, aggravated to some extent by subsequent changes, had been felt by the Indian public as a real grievance, particularly in the case of the more important services such as the civil, educational and public works.

The Government of India had just completed reorganisation of the public services in accordance with the orders finally passed on the recommendations of the commission of 1886-7, when on 22 June, 1893, they were requested by Lord Kimberley, then secretary of state, to consider a resolution passed by the House of Commons on the 2nd of that month in favour of the establishment of simultaneous examinations in England and India for admission to the Indian Civil Service, all competitors "to be finally classed in one list according to merit". In transmitting the resolution to India, Lord Kimberley pointed out the necessity of always retaining an adequate number of Europeans in the service. Lord Lansdowne's government replied on the 1st of the following November, after consulting the provincial administrations. Their letter, which was laid before parliament, 1 dealt fully and frankly with the important issues involved. Quoting the opinions of notable administrators, they maintained that material reduction of the European staff then employed was incompatible with the safety of British rule.

¹ Parl. Papers, 1894, Accounts (10), LX, 1-110.

SIMULTANEOUS EXAMINATIONS

Provinces, had observed:

It is a great mistake to suppose that British India has arrived at a stage where nothing but smooth progress need be anticipated, or to think that the principles of law and order have penetrated the minds of the people so deeply that the English element in the civil government may be safely diminished. We know little of what is below the surface; but we know enough, even without the teaching of recent events here, in Bombay, and in Rangoon, to be sure that this is not a true estimate of the situation. It is instructive to observe that during the late riots in Bombay native papers like the *Hindu Patriot*, while demanding in one column a larger share of administrative appointments for their fellow-countrymen, were calling out in another column of the same issue against the government for not having more European police officers in Bombay. What is desired by them is that the British Government should hold the country, while they administer it.¹

The writer laid stress on the existence of strong Muhammadan opposition to any such arrangement. Sir Dennis Fitzpatrick, lieutenant-governor of the Panjab, had said:

British rule brought this country out of a state of chaos, the horrors of which it would be difficult for a stay-at-home resident of Europe in the nineteenth century adequately to realise, and if the grasp of the British power were relaxed even for a brief moment over any part of the country, chaos with all its horrors would come again. Englishmen, even Englishmen who spend their lives in India, are not given to reflecting much on this; and I doubt whether many natives of the country nowadays think of it though it was a good deal present to the minds of the people of the Punjab when I first came to India. The fact is that we have now had 35 years of internal peace unbroken except by petty local disturbances, and we have begun to flatter ourselves into the belief that our position in this country is absolutely unassailable; but as a matter of fact it is not so. It is, and always will be, liable to disastrous shocks from which it might take a long time to recover; and although this is not a pleasant subject of reflection to us, with our national vanity and our tendency to optimism, the more completely we realise it the better.

The writer pointed out that apart from the danger of religious riots there were always to be found in many parts of India predatory classes ready to break out whenever British administration might be temporarily relaxed or British control disorganised. He observed that it was a mistake to suppose that the substitution of Indian for British administrators would be popular with the masses; its popularity would be limited to the advanced Indians, a small fraction of the population.²

Lord Lansdowne's government reported that the government of Madras alone advocated the principle of the resolution, observing that in special emergencies, local disturbances and the like, Indians entering the civil service might possibly be found wanting, but the mischief thus arising could in present circumstances quickly be repaired. "This", said the Government of India, "might represent the state of things in the tranquil province of Madras, but the conditions of other parts of India were far different." They went on to urge that a

CHIVI 24

Parl. Papers, 1894, Accounts (10), Lx, 39.
 Idem, pp. 42-55. Cf. Mahmud, History of English Education in India, pp. 182-7.



370 THE DEVELOPMENT OF THE SERVICES, 1858 1018

system of unrestricted competition in examination would not only dangerously weaken the British element in the civil service but would also practically exclude from the service Muhammadans, Sikhs and other races accustomed to rule by tradition and possessed of exceptional strength of character, but deficient in literary education. The natives, moreover, of one part of India would from their dispositions, ways and habits, be ill-fitted to discharge the duties of civil officers in another part. As far as Indians generally were concerned, probation by actual employment formed a competitive examination of the best kind. Much misapprehension apparently prevailed as to the extent to which natives of India were already employed in responsible executive and judicial offices. Taking the years 1870, 1881 and 1893 as convenient points from which the progress of the scheme for the more liberal employment of Indians could be reviewed, the first because it was the year when recruitment for the Indian Civil Service was reduced by one-sixth, the following figures were significant:

The Covenanted Civil Service	1870	1881	1893
(1) Covenanted Civilians	890	900	898
(2) Military, Uncovenanted and Statutory Civilians	331	221	216
Total	1221	1121	1114
The Provincial Service			
(1) Executive Branch	576	726	1030
(2) Judicial Branch	583	679	797
Total	1159	1405	1827
The Subordinate Service	962	1368	1908

It must be remembered that between 1881 and 1893 the annexation of Upper Burma had entailed a considerable demand for covenanted officers, and that the inevitable increase of public business which had occurred in twenty-three years had called for reinforcements in almost every branch of the administration; yet the whole strength of the covenanted service (including military and uncovenanted and "statutory" civilians, holding covenanted posts) was now seven less than in the former year and 107 less than in 1870. The number of covenanted civil servants would have been further reduced but for a process, which had been going on since 1870, of substituting, in the interests of greater efficiency, covenanted for military and uncovenanted officers in the non-regulation provinces. The European service was now at its minimum strength, and no further reduction would be practicable for some years to come. In the event, however, of experience showing that in any province, at any time, the number of high Indian officers might safely be increased, the best course would be to proceed under the statute of 1870 and on the lines of the changes recently accomplished. Seventy-four of the 898 covenanted civil

the general judicial and executive administration of the country; ninety-three covenanted posts had just been assigned to the provincial service; thus the cadre of posts at present reserved for Indian civil servants and military officers was only 731. In the frontier provinces, the Panjab, Burma and Assam, one-fourth of the covenanted posts were reserved for military officers of special experience. On the quality of this small number of men depended the quiet and orderly government of 217½ millions of people, inhabiting 943,000 square miles of territory. Upon these men, and not immediately on military force, British rule rested.¹

The views expressed in this dispatch prevailed with Her Majesty's government. The secretary of state, Mr H. H. Fowler, decided that by far the best way of meeting the legitimate claims and aspirations of Indians was to bestow such of the higher posts as could be made available for them "on those who distinguish themselves by their capacity and trustworthiness in the performance of subordinate duties". There were insuperable objections to the establishment of a

system of simultaneous examinations.2

Early in the 'nineties an increasing fall in the exchange value of the rupee necessitated the consideration of measures for the reform of the currency and inflicted considerable hardship upon European officers in the imperial services. In 1893 the government of Lord Lansdowne, with the consent of the secretary of state, deciding that a remedy must be applied, ordered that exchange compensation allowance should a be paid to every European and Anglo-Indian officer of the government, not being a statutory native of India, to be calculated on the difference between the gold value of half his salary at the market rate of exchange and its value at a privileged rate, which for the time was fixed at 1s. 6d. per rupee, and was limited to a sum not exceeding in any quarter the amount of rupees by which £250 converted at the privileged rate fell short of the equivalent of £250 converted at a market rate. In time the exchange value of the rupee settled down to 1s. 4d. approximately, so the concession represented an addition of 61 per cent. to all salaries of Rs. 2222 a month and under. To salaries in excess of this amount a fixed monthly addition of Rs. 138. 14. 3 was made. The whole arrangement went some way, but only some way, to relieve the growing difficulties which a falling rupee and rising prices were bringing to those numerous servants of the government who were under the necessity of making regular remittances to England for the maintenance of their families.

In the period 1894-1905 the work of the services became increasingly complex and arduous. The population of India was fast rising; trade and commerce were growing; education was extending; contact with England was increasing; political agitation was beginning to produce

372 THE DEVELOPMENT OF THE SERVICES, 1858 (18)

unrest. India was visited with devastating plague epidemics and attacked by three famines, one resulting from a drought of an extent and intensity unknown for two centuries. The services responded keenly to the needs of difficult occasions and to the quickening influence of Lord Curzon's ardent spirit.

He regarded police reform as "one of the most urgent needs of Indian administration".¹ With the approval of the secretary of state, his government on 9 July, 1902, appointed a commission which was presided over by the late Sir Andrew Fraser and reported on 30 May, 1903, that throughout India the police-force was in a most unsatisfactory condition and that abuses were common everywhere, involving injury to the people and discredit to the government. Radical reforms were urgently necessary and would be costly because the

department had hitherto been starved.

The commissioners unanimously recommended that the pay of all ranks should be raised. It was impossible to expect honest and faithful service from low-paid inspectors and constables subject to great temptations. It was equally futile to attract high-class recruits from England for the higher grades, by the offer of meagre salaries and prospects. After considering this and other beneficial suggestions, the Government of India decreed on 21 March, 1905, that in future the force should consist of an imperial branch recruited in Europe and provincial branches recruited in India. The former would be known as the "Indian Police Service". It was intended for supervision and would contain only so many officers as were required to fill the superintendentships of the districts and posts of equivalent or higher standing, and to supply a leave and training reserve of assistant superintendents. Provincial services of deputy-superintendents would be recruited to carry on the less important duties of administration. Promotion from them to superintendentships in the Indian Police Service would only be given as a reward for special merit to selected individuals. The ordinary method of recruitment for the Indian Police Service would be by competitive examination in London. Candidates must be above nineteen and under twenty-one years of age. Every candidate must be a British subject of European descent, and at the time of his birth his father must have been a British subject either natural-born or naturalised in the United Kingdom. In exceptional cases, on the special recommendation of a local government. the governor-general in council could make direct appointments to the police service from amongst Europeans domiciled in India, including those of mixed descent, subject to the condition that the candidate put forward had attained an adequate standard of educational qualifications. This power, however, was seldom exercised. Candidates successful in the competitive examination in England would leave that country at once for India where they would undergo

¹ Fourth Budget Speech, Raleigh, Curzon in India, p. 104.

373SI

two years of probation and training. After successfully passing through

this ordeal they would be posted to district work.

The police-force and its armed reserves were increased, in order to render them more capable of preserving internal peace if the country were at war. A "Department of Criminal Intelligence" was created which was charged with the duty of investigating special forms of crime, including political offences, and took the place of the obsolete "Thagi and Dacoity Department". When speaking on his last budget, Lord Curzon summed up his ideas and answered his critics in these words:

There is entered in the budget the sum of 50 lakhs for police reform. That is only an instalment and a beginning. We accept with slight modifications the full recommendation of the committee and we intend to carry out their programme. We want a police force which is free from the temptation to corruption and iniquity, and which must therefore be reasonably well paid, which must be intelligent, and orderly and efficient, and which will make its motto protection instead of oppression. I confess that my heart breaks within me when I see long diatribes upon how many natives are getting employment under the new system and how many Europeans. The police force in India must be an overwhelmingly native force; and I would make it representative of the best elements in native character and native life. Equally must it have a European supervising element, and let this also be of the best. But do not let us proceed to reckon one against the other, and contend as to who loses and who gains. The sole object of all of us ought to be the good of the country and the protection of the people.

Seven years later the police were again the subject of special enquiry. The verdict of another public services commission, whose report was published in 1917, was that the police reforms of 1905 had been "on the whole successful, but that hardly sufficient time had elapsed thoroughly to test their efficiency". Within these seven years, however, in various provinces, the police of all ranks had been called to deal with subterranean revolutionary conspiracy and had acquitted

themselves remarkably well.

Early in his viceroyalty Lord Curzon took charge of the public works department in order to obtain a grasp of the business. He then decided to set up a Railway Board "as the indispensable condition of business-like management and quick and intelligent control". The board was established in 1905, and the railway branch of the public works department was abolished; but public works and railway engineers were still recruited through the same agency. In the public works department there were henceforth two main sections, one concerned with schemes of irrigation and the other with the construction, repair and maintenance of roads, buildings and bridges. Public works and railways included an imperial and a provincial service, both of which were in times of pressure assisted by temporary engineers recruited for the most part in India. In 1906 the residential engineering college which had been established at Cooper's Hill in 1873 was abolished, as an unnecessary expense, for it appeared that

¹ Raleigh, op. cit. p. 160.

374 THE DEVELOPMENT OF THE SERVICES, 1858 103

recruits might be obtained from the other engineering institutions of Great Britain. From that time appointments to the superior engineering establishments of the public works and railway department were made on the nomination of the secretary of state, with the advice of a specially constituted selection committee. Candidates were between the ages of twenty-one and twenty-four, and must produce evidence of superior qualifications.¹

The separate organisation for the accounts work of the public works department was in 1910 amalgamated with the civil accounts branch

of the Indian finance department.

Lord Gurzon's interest in the services was by no means confined to the police and the public works department. By his indomitable energy, by his personal example, by his thorough-going sympathy, he did far more for the services generally than any other viceroy had ever done. His special care was for the political department which contained separate cadres for military and civil officers, and is the direct successor of "the diplomatic line" in which Mountstuart Elphinstone and other servants of the East India Company, civil and military, won their spurs. In Lord Curzon's words:

"There is no more varied or responsible service in the world. At one moment the political may be grinding in the Foreign Office, at another he may be required to stiffen the administration of a backward native state, at a third he may be presiding over a jirga of unruly tribesmen on the frontier, at a fourth he may be demarcating a boundary amid the wilds of Tibet or the sands of Seistan." "I hope", he added, "that the time may never come when the political department will cease to draw to itself the best abilities and the finest characters that the services in India can produce."

But all the services, imperial, provincial and subordinate, received his constant attention, for he believed that by raising their standard and tone "the contentment of the governed could be promoted". In this way only could the people be "affected in their homes". He was deeply concerned at "the interminable writing" which had grown up in the administration and threatened "to extinguish all personality, or initiative or dispatch, under mountains of manuscript and print".3 It synchronised, he said, with the great development of communications, and more especially of the telegraph; in other words, it was the product of modern centralisation. He claimed to have reduced the total number of obligatory reports to government from nearly 1300 to a little over 1000 and the pages of letter-press and statistics from 35,400 to 20,000, "an immense saving of work to overburdened men and no sacrifice of value in the reports themselves".4 First among vicerovs he tried to roll back this ever-advancing deluge, fully realising that too much writing means too little reflection and far too little

Colebrooke, Mountstuart Elphinstone, 1, 22.
 Raleigh, op. cit. p. 78; Ronaldshay, Curzon, 11, 62.

* Raleigh, op. cit. pp. 116-17.

¹ The Report of the Public Service Commission, 1917, p. 330.