

**THE INTERNAL ADMINISTRATION OF
LORD ELGIN IN INDIA, 1894 - 1898**

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ABSTRACT

This Thesis is a study of some aspects of the internal administration of Lord Elgin as Viceroy of India from 1894 to 1898.

The problems faced by the administration were mainly financial and economic. In 1893 the currency system of India was changed in order to give financial stability to the Indian exchequer and to introduce a gold standard in India. This, however, did not immediately improve the financial situation. The Indian Government had to impose import duties, including those on cotton goods, to meet the financial deficit. In order to safeguard the Manchester cotton interests the Government of India imposed countervailing excise duties on Indian cotton goods. This gave rise to a serious controversy. The outbreak of famine and plague added to the difficulties of the administration. The plague measures excited the social and religious prejudices of the people and resulted in riots and murders. The Government was disposed to regard educated Indians and the press with suspicion and as being largely responsible for creating political troubles. In order to deal with them effectively the Government changed the sedition laws and armed itself with immense judicial powers. Though it was primarily a period of administrative difficulties, Elgin found time to introduce some reforms in the fields of railway administration and formulated a policy of planning and its rapid expansion.

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Abbreviations

Ac.	Account
Agr.	Agriculture
Com.	Commerce
Enc.	Enclosures
Fin.	Financial
Gov.	Governor
Govt.	Government
J.P.	Judicial and Public
Leg.	Legislative
Parl.	Parliament
Proc.	Proceedings
Pub.	Public
P.W.	Public Works
Rev.	Revenue
R.S.	Revenue and Statistics
Sep.	Separate
S.S.	Secretary of State for India

INTRODUCTION

This thesis is a study of some aspects of Lord Elgin's administration in India. So far no history of Elgin's administration in India has been written, nor has Elgin found a biographer.¹ Fortunately, some interest in this period has been shown by recent scholars. L. Harris, in an unpublished Ph.D. thesis of London University, 1960, entitled British Policy on the North-Western Frontier 1889-1901, has devoted a good deal of attention to the British activities on the North-Western Frontier, the Chitral expedition of 1895 and the Tribal rising of 1897.² Therefore, the above features of Elgin's administration have been deliberately left out in this study. In this work attention has been given to the internal administration of Lord Elgin. In order to evaluate the real importance of the subject, I have endeavoured to concentrate on the most important problems and policies of the period. Although some other scholars like J.R. McLane in his unpublished Ph.D. thesis of London University, 1961, entitled The Development of Nationalist Ideas and Tactics and the Policies of the Government of India 1897-1905; H.L. Singh, Problems and Policies of the British in India, 1885-1898; and S. Gopal, British Policy in India 18⁵8-1905 have made a study of certain aspects

1 A short contemporary survey of the main activities of the period is to be found in 'India under Lord Elgin', in Quarterly Review, London, 1899, vol. 189, pp. 313-36.

2 Chapters 4, 5, 6 and 7, pp. 108-270.

of the period, a systematic and interpretative study of Elgin's viceroyalty has not so far been attempted. This work is a modest attempt in that direction.

A study of Elgin's internal administration necessarily leads to a thorough examination of some of the problems which Elgin had to face almost immediately on arrival and others which cropped up later during his viceroyalty.

The most pressing problem was financial. The Government budget had been showing continuous deficit since 1892. The gold liabilities of the Government, like 'Home' charges, had been increasing since 1870's because of the fall in the ^{gold} value of the rupee. For example, in 1871 the exchange value of the rupee was 2s. and in 1892, it had been moved down to 14d. The fall in the gold value also discouraged the foreign capitalists to invest in the country for want of certainty in the exchange rate. It equally caused inconveniences to the foreign import trade. To remove the aberrations the Government decided in June 1893 to change the monetary system of India and abandoned the silver automatic standard. To achieve the necessary financial benefit the Government fixed the artificial ratio of exchange to 1s. 4d, which was much above the existing market ratio. It was decided when the ratio of 1s. 4d would be achieved after contracting the currency, India would be given the gold standard. Such a revolutionary change was ^{sure} ~~bound~~ to have a significant effect on the economic life of the people.

As expected the value of the rupee was bound to rise when in

course of time the number of rupees became scarce in comparison with the requirements of the people. The growth of population and trade generally necessitates an increase in the volume of currency and when the supply of the currency is stopped the business and trade starve. A sound currency is always the nerve-centre of any country. Over circulation of currency in the market is as bad as its relative shortage. Similarly the currency must serve the requirements of internal trade and economic interests as well as foreign trade. Did the Government consider all these questions while announcing the change or was the Government motivated by the consideration of improving just its own financial condition? Was the closure of mints and the fixing of so high a ratio the only means left to the Government to employ? Did the Government materialise the object in view and how did it react to the impact of new changes? These are some questions which would obviously arise in dealing with a complicated problem like currency. As the impact and the influence of the change were entirely felt by Elgin's administration, the circumstances and the time of the change of India's currency system have been treated as essential parts of this work.

The significance of the change at the time was still more because Elgin on his arrival found himself face to face with an experimental and controversial currency system and a considerable financial deficit. Throughout the period of Elgin, the Indian Government was involved in some form of financial and currency crisis. This period also witnessed a great deal of debate and

clash with the Home Government on the question of introducing gold standard and the desire of the Indian Government to terminate the transitory period at its earliest.

To begin with the financial situation did not improve. There was a deficit of 35 million rupees in 1894-5. The only possible avenue of raising the revenue was through the imposition of import duties including those on the cotton goods which formed nearly half of the total import trade. The question arose as to whether the imposition of duty would be against the principles of free Trade? If the financial situation was serious and imposition of duty on the cotton goods was essential, what possible steps could be taken to safeguard the Manchester interests? Would the imposition be against the imperial tariff policy which came to be inaugurated during Salisbury-Lytton period? Was there any real economic danger to the British from the growing Indian textile industry? Could the imposition of countervailing excise on the Indian cloth satisfy the Home interest? And would the imposition of excise on Indian made goods be justified taking in view the general economic and political attitude of the British towards India? Such were the questions involved in the cotton duty controversy which had profound effect on the Indian administration in general and on Elgin in particular.

In 1896 a very widespread famine broke out in India. The Government was called upon to put into practice the famine policy of providing effective relief to the millions which was formulated

by 1880. It also fell to the lot of the Government to decide the best means of meeting the food demands of the public. Should Government intervene and regulate the supply of food or leave it in the hands of the private trade? What should ^{be} the general strategy ~~be~~ to meet the challenge of famine?

Simultaneously the plague broke out and aroused public concern and compelled the Government to take certain strict measures which had political repercussions. The Government, in fact, responded to the public criticism in a negative way and amended the Indian Penal Code and the Criminal Procedure Code to restrict "dangerous and seditious" utterances of the public and the press. Disasters like famine and plague made the period difficult and exciting.

Thus Elgin was confronted with one problem after another and had no time to initiate reforms, except in the field of railways towards which he devoted particular attention both in the formulation of policy and railway organisation. Elgin realised that for the economic development of the country it was most essential to open up as much of the interior as possible. But on account of the falling exchange the Government had failed to attract the investors. They demanded firm guarantees. Elgin recognised the need of guarantee ~~and~~ in a realistic way. In addition he reorganized and reformed the railway administration in such a way that would lead to rapid expansion.

Thus these were the main economic, social and political problems

which absorbed the attention of Lord Elgin. In an attempt to study all these issues of the period, a great attention has been devoted to the attitude of the Home Government and the various points of conflicts between it and the Government of India.

For a fuller understanding of Elgin's policy and attitude towards the Indian problems, it may seem worthwhile to glance at his life up to 1894.

Victor Alexander Bruce, the ninth earl of Elgin and thirteenth Earl of Kincardine was the eldest son of James Bruce, the eighth Earl, by his second wife, Lady Mary Louisa Lambton. He was born on 16 May 1849 at Monklands near Montreal, when his father was the Governor General of Canada. Alexander Bruce was only fourteen years old when his father, who then was the Viceroy of India, died in October 1863 at Dharam Sala.¹ This was a grievous loss to young Elgin who was profoundly shocked by his father's death.² After being educated at Eton and Balliol, he proceeded to take an active interest in the liberal politics of Scotland. By 1886 he became the chairman of the Scottish Liberal Party.³ As a supporter of Gladstone at the

1 There are two excellent biographies of the Eighth Earl of Elgin: Theodore Walrond, Life of Earl of Elgin, London, 1872; and J.L. Morrison, The Eighth Earl of Elgin, London, 1928.

2 There are several very personal letters in the family collections which reflect the immense loss to the family at Lord Elgin's death.

3 See James G. Kellas. 'The Liberal Party in Scotland 1876-1895', Scottish Historical Review, vol. XLIV, No. 137, April 1965, pp. 1-17.

time of the Home Rule split, he served in the short-lived Liberal Government of 1886, first as the Treasurer of the Household and then as the First Commissioner of Works.¹

When Gladstone formed his fourth Cabinet in 1892, he had to take the decision of appointing a new Viceroy of India as Lord Lansdowne was due to retire by the end of 1893. The first choice of the Cabinet fell on Lord Spencer, who was then the First Lord of the Admiralty and Lord Herschell, the Lord Chancellor. Both refused to prefer anything to the Cabinet post.² On 9 August 1893 the name of Sir Henry Norman, who was at one time a Member of the Viceroy's Executive Council from 1870-7 and then the Governor of Queensland, was proposed. His candidature was strongly supported by Arthur Godley, the Permanent Under-Secretary of State for India and other members of the India Council.³ Another name suggested was that of Lord Elgin by Campbell-Bannerman, the Secretary of State for War in Gladstone's Cabinet, and Lord Rosebery.⁴ Gladstone and Kimberley showed preference for Lord Elgin. But Queen Victoria did

1 Dictionary of National Biography, 1912-1921, London, 1927, p. 72.

2 Kimberley to Gladstone, 2 August 1893. Gladstone Papers, Add. MSS. 44229, Fol. 142.

3 Kimberley to Gladstone, 9 August 1893, Fol. 142. Also ibid., 10 August 1893, Fol. 148ff.

4 Kimberley to Gladstone, 11 August 1893, Fol. 152ff. Also Rosebery to Gladstone, 10 August 1893, Gladstone Papers, Add. MSS. 44290, Fol. 171.

not think Elgin to be well-suited for this important post. She thought he was too reserved and lacked experience.¹ Unfortunately both Norman and Elgin declined; the former on the ground of his health and the latter due to his wife's delicate health.² In the meantime, Kimberley decided to ask Lansdowne to continue for another six months or so. By September the invitation was again revived to both Norman and Elgin. The majority of the Cabinet preferred to send a non-military man and thus the choice fell on Elgin.³ Lord Rosebery personally persuaded Elgin to accept the call of duty. On October 1893 Rosebery informed Gladstone about Elgin's acceptance.⁴

There appeared⁴ to be some misunderstanding regarding Elgin's

- 1 Queen Victoria to Gladstone, 12 August 1893, George Earl Buckle, The Letters of Queen Victoria, 1891-1895, vol. II, London, 1931, p. 300.
- 2 Algernon West, Private Diaries, London, 1922, entry of 28 August 1893, p. 192.
- 3 Kimberley to Gladstone, 21 September 1893, Add.MSS. 44229, Fol. 159ff. Also Kimberley to Gladstone, 26 September 1893, ibid., Fol. 165.
- 4 Rosebery to Gladstone, 2 October 1893, Gladstone Papers, Add. MSS. 44290, Fol. 190.
Also Gladstone to Queen Victoria, 3 October 1893, Letters of Queen Victoria, p. 316.
Elgin to Gladstone, 7 October 1893, Gladstone Papers, Add.MSS. 44517, Fol. 265.
See also, Rosebery to Elgin, 26 September 1893; 30 September and 3 October 1893, Family Papers.
Actually on 7 October 1893, Sir Henry Norman had also accepted. Telegram Governor Queensland to Colonial Secretary, 7 October 1893, Gladstone Papers, Add.MSS. 44229, Fol. 181.

initial refusal and his subsequent acceptance. He did not refuse, as is alleged by some, on account of his own modest estimate of himself. Nor was he offered the viceroyalty merely because his father once occupied that coveted office.¹ He refused it for the first time on account of two reasons. First, he was more keen to remain in England and had set his heart on the Secretaryship for Scotland. His desire for that office was understandable because since the 1880's he had been taking a keen interest in the Scottish Liberal Party. Rosebery knew about Elgin's preference,² but it was not possible at that time to offer the post to Elgin because the post was already occupied. Secondly, his wife was not keeping good

1 S. Gopal, British Policy in India, p. 180.

2 Rosebery to Elgin, 19 August and 21 September 1893, Family Papers.

James Robert Rhodes, in his book Rosebery, London, 1963, p. 290n, quotes Rosebery's letter to the Queen out of context, in which he maligns Elgin as unfit and unambitious man. Actually, the letter in question, written by Rosebery to the Queen makes no reference to Elgin and reads as follows: "Lord Rosebery knows nothing of the new Viceroy [Sir Henry Norman] who is obviously too old to undertake the post It seems positively sad to Lord Rosebery that more fit and ambitious men should not be found for this splendid position." Rosebery to Queen Victoria, 4 September 1893, Letters of Queen Victoria, p. 309.

health¹ and he was also concerned about education of his ten children. His mother too was sick and ageing.² It was only after a good deal of persuasion by Rosebery that he finally accepted the Viceroyalty.

Elgin had no experience in practical politics but had acquired some positive experience in the field of administration through extra official agencies.³ His love for railways was also derived from his earlier experience of the railway activities of Scotland. He had been for a long time Chairman of North British Railway Company and the Director of the Royal Bank of Scotland.⁴

In his political thinking Elgin was a Whig and not a radical.⁵

- 1 Earlier, in 1892, Elgin had refused the Governorship of New South Wales offered to him by Ripon on account of his wife's indifferent health. Ripon to Gladstone, 16 August 1893, Gladstone Papers, Add.MSS. 43526, Fol. 161.
- 2 Elgin's attachment and concern about his mother is lucidly expressed in this letter of Elgin to his mother dated 9 October 1893. "Need I say that in the step, if we must take it, I see plainly enough that the call on you is the most severe of all. But once again you know me by your example how duty is to be faced - bravely, without a murmur or thought of self - and nothing could bring back to me remembrance (if that were needful) the example of my father's life more forcibly than the way in which you are sending me forth - encouraging me to believe that you consider me to be following the course he would have chosen." Family Papers.
- 3 Gladstone to Queen Victoria, 16 August 1893, Letters of Queen Victoria, p. 304.
- 4 Family Papers contain many papers regarding Lord Elgin's railway activities.
- 5 James G. Kellas, 'Liberal Party in Scotland, 1876-1895', Scottish Historical Review, ^{G.L.P.} p. 7.

In his approach to Indian problems he was more of a moderate and cautious Whig. In his economic thinking he was a firm believer in free trade and private enterprise. He was guided by these principles in formulation of major policies.

Elgin's appointment though not well received in the British Press, was acclaimed in India, primarily because he was a representative of Gladstone.¹ After receiving the brief from the India Office, Elgin left London after Christmas and reached Bombay on 21 January 1894. Thus began his Viceroyalty in India.

1 See Hindu Patriot, Bombay Gazette, Morning Post, Pioneer, Lahore Civil and Military Gazette, 13 October 1893; Times of India, 14 October; Bengalee, 21 October 1893, E.P., vol. 74 / Newspaper cuttings /.

See also Bombay Samachar, 13 October, Kaiser-e-Hind, 15 October; Mahratha, 15 October, Rost Goftar, 15 October, Indian Spectator, 15 October, Indu Prakash, 16 October, Bomb. N.N.R., 1893. Gujarati, 21 January, Native Opinion, 21 January 1894, ibid. Sanjivani, 30 December 1893; Dainik-o-Samachar Chandrika, 25 January 1894, Bengal N.N.R. 1394

Chapter I

THE CURRENCY QUESTION

With a view to introduce gold standard in India the administration of Lord Lansdowne closed on 26 June 1893, the Indian mints to the free coinage of silver. This measure of the Government inaugurated a radical change in the currency policy of India. It also initiated a controversy the brunt of which was endured by the administration of Lord Elgin. There was hardly any branch of administration which was not affected by the new change in the currency system of India. In order to appreciate the question fully, it is essential to study the background and reasons which induced the Government to abandon the free and automatic standard.

It was the East India Company which attempted to introduce both gold and silver coins with a definite legal ratio, weight and fineness. Before the Company rule, there existed in India 994 coins of varying weight and fineness.¹ Yet the real currency policy of British India was not laid down till 1835. The Act XVII of 1835² declared one uniform silver rupee as the standard coin for the whole of British India. During the period of open mints, between 1835-93, the value of the rupee was natural and not artificial, and was determined by the market price of silver. The value of the rupee, therefore, against gold or

1 H.D. Macleod, Indian Currency, London, 1898, p. 13.

2 In 1870, this legislation on the coinage was consolidated, amended and passed into law as the Indian Coinage Act No. XXIII of 1870.

commodities was equal to the value of the silver contained in the rupee.¹ The expansion and the contraction of the rupee circulation was perfectly automatic and was regulated by the conditions of trade and commerce, internal as well as external.

In 1873, a new change took place in relationship between the two metals - silver and gold. The gold price of silver, which had till then remained stationary began to fall.² The rupee-sterling exchange, or what was the same thing, the exchange relationship of India with gold standard countries naturally followed the market price of silver in terms of gold. The rupee which was freely mintable in exchange for silver, began to depreciate in relation to the currency of Great Britain. While in 1880 the Indian rupee was worth 20 $\frac{1}{8}$ d, it exchanged for 14 $\frac{3}{8}$ d in 1892.³

The rapid exchange fluctuations came under serious attack from several sources. The most affected by these changes was the Government of India, which had the largest amount of sterling liabilities in terms of 'Home Charges'. The position was all the more embarrassing because the Government collected its revenue in silver. Therefore, with the decline of the gold value of silver the obligations of the Indian

- 1 In other words the rupee value was equal to the silver value which was equal to the gold price of silver.
- 2 The Royal Commission on Gold and Silver in 1888 reported that in last 200 years, gold and silver had not varied more than 3 per cent on either side of a ratio of 15 $\frac{1}{2}$ of silver to 1 of gold. Final Report of the Royal Commission on Gold and Silver, 1888, Parl. Papers, vol. 45, [C.5512], p.2.
- 3 Report of the Indian Currency Committee, 1893, Parl. Papers, vol. 65, [C.7060.II], Appendix ii, pp. 252-4.
The average price of silver which in 1872-3 was 60 5/16d per oz. went down in 1892-3 to 39 1/16 d. H.L. Chablani, Studies in Indian Currency and Exchange, London, 1931, pp. 13-14.

Government increased. For example in 1894-5, the sterling value of the bills was £15,770,533. The rupee equivalent actually paid by the Indian Government was Rupees 28.9 crores, while at the rate prevailing in 1872-3, it would have paid Rupees 16.6 crores. The difference thus amounted to Rupees 12.3 crores, which was more than half the amount of the net land revenue.¹ The total loss on account of exchange between 1875-98 came to about Rupees 154 crores - an average of Rupees 6.4 crores per year.² Besides the loss to the Government, the vagaries of exchange had made it almost impossible to estimate the budget. Commenting on these uncertainties David Barbour, the Finance Member in the Lansdowne's Government, aptly stated that a fall in exchange of a penny might increase the deficit by more than Rupees 3 crores and a rise of a penny might produce a surplus. Indian budget had become a "gamble in exchange".³

The dislocated exchange was also causing great inconvenience to foreign trade. Those who were engaged in trade between India and the United Kingdom or other gold-standard countries, complained that fluctuations in exchange were replacing the legitimate trade with sheer

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- 1 Imperial Gazetteer of India, Oxford, 1907, vol. iv, p. 195.
See also Report of the Indian Currency Committee, 1893, op. cit., Para 3.
See also John Strachey, India: Its Administration and Progress, London, 1911, ed., p. 197.
- 2 C.N. Vakil and S.K. Muranjan, Currency and Prices in India, Bombay, 1927, p. 40.
- 3 Financial Statement, 1893-4, paras. 28 and 30-1.

speculation and gambling.¹ The mercantile classes, particularly the importers argued that the falling exchange depressed the import trade, inasmuch as it increased the price in rupees of goods imported from the gold standard countries. They further emphasised that it conferred an unfair advantage on the exporter from India inasmuch as it enabled him to receive a higher silver price in respect of the same gold price.²

The English officials were the next to protest against the falling exchange. They asserted that every fall in sterling exchange imposed a greater burden on them because their incomes were in silver and a part of their expenditure was in gold. They registered their protest by officially submitting a statement underlining their grievances.³

It was also pointed out that the fall in the exchange value of the rupee and the unstable exchange between England and India would check and retard the investment of British capital in India. India would stand to lose because she would have to pay a higher price for the capital required, and the capitalists would lose because India would not at this high rate take as much capital as she otherwise would.⁴ This check, it was maintained, was hindering the development

1 H.L. Chablani, Studies in Indian Currency and Exchange, p. 2.

2 Bengal Chamber of Commerce to Indian Govt., 10 February 1892, Enc. to L.No. 68 of 23 March 1893, Financial Enclosures Received from India, vol. 174. [Hereafter cited as F.E.I.]

3 A Statement Submitted by Civil and Military Services of India, undated, India Fin. and Com. (Fin and Ac) Proc., vol. 4392, No. 57, February 1893.

4 D. Barbour, Theory of Bimetallism, London, 1885, p. 70.

of railway extension in India. Lord Lansdowne was firmly of the opinion that the only way to financial solvency of the Government lay in closing the mints.¹

The Indian Government was supported in its main contention by the newly founded Indian Currency Association, led by J.L. Mackay [later Lord Inchcape], a leading commercial figure of India.² In addition, the whole of European official community, obviously because of their own self interest, supported the new move.³ The Indian Government and the mercantile group were first interested in attaining some international agreement to check fluctuations of exchange on the basis of a fixed ratio between gold and silver. In case, the Government failed to secure an international agreement, they then recommended the adoption of gold standard in India.⁴

In 1892, the British Government accepted at the initiative of the Indian Government the invitation of the United States' Government

- 1 Lansdowne's Speeches in India, vol. ii, p. 621.
- 2 Actually many Indians, notably, Rai Bahdur Danpat Singh, Sir S.B. Bharucha and Jay Govind Law, who were all leading importers supported the cause of the Indian Currency Association for the closure of the mints and the adoption of gold standard. Papers Relating to Changes in Indian Currency System, Simla, 1893, pp. 60-4 and 84-90.
- 3 Lansdowne to Kimberley, 12 October 1892, Lansdowne's Papers, MSS. Eur. D. 558/ix, vol. iv. [Hereafter cited as L.P.]
- 4 Indian Govt. to S.S., L. No. 68 (fin.), 23 March 1892, Paras 3, 5, 6, Financial Letters Received from India, vol. 173. [Hereafter cited as F.L.I.]
See Petition Indian Currency Association to Indian Govt., 13 June 1892, Enc. to L.No. 183 of 1892, F.E.I., vol. 175.
See Bombay Chamber of Commerce to Indian Govt., 15 September 1892, Enc. to L.No. 271 of 1892, F.E.I., vol. 175.

to attend the International Monetary Conference to be held in Brussels.¹ The purpose of the Conference was to secure the introduction of a system of international bimetallism.² But the failure of the Conference seemed inevitable from the very beginning; because England, the largest trading country, refused to adopt the system of double legal tender, which in a way would have suited her varied imperial interests.³ In September 1892, the actual blow to bimetallism was given by Kimberley, the Secretary of State for India, who categorically stated that it was a mistake on the part of the last Conservative Government to have agreed to participate in such a Conference.⁴

1 S.S. to Indian Govt., Despatch No. 98 (Fin.), 2 June 1892, Financial Despatches to India, vol. 39. [Hereafter cited as F.D.I.]⁷.

2 Bimetallism is that system of currency under which gold and silver circulate as currency and mints are open to free coinage of both metals. Both of them are declared legal tender for all amounts and they circulate at a legally fixed ratio. There are no restrictions on the free export and import of either metal. Bimetallists claim that in absence of a permanent cause operating to bring about a deviation between the market and the mint ratio, automatic forces again tend to establish the equilibrium. The demand for the over-valued metal for currency purposes increases, and its market value tends to rise. Whereas demand for the under-valued metal for currency purposes tends to fall and its value also tends to fall. Thus there is a tendency towards an equilibrium between the market ratio and the mint ratio. This tendency is known as the compensatory action of the double standard.

See D. Barbour, Theory of Bimetallism, pp. 33-4.

3 D. Barbour, The Currency Question from the Indian Point of View, London, 1894, p. 11.

4 Kimberley to Lansdowne, 16 September and 13 October 1892, L.P.; ix vol. iv.

Anticipating the failure of the Brussels Conference, Lansdowne asked David Barbour, the Finance Member to the Government of India, to prepare a scheme for the introduction of gold standard in India.¹ It was clear to Lansdowne that none of the political parties in Britain would readily agree to award gold standard to India, because of the guarded opposition of the 'Lombard Street'² to any such scheme. The gold interests in England were fearful of losing their gold in India. They believed that if the Indian mints were closed and the gold standard introduced in India, their gold would be attracted and accumulated in India. The result of which could be an "appreciation in the value of gold" and hence a lowering of prices in England. Already the English producer was suffering from low prices.³

But Lansdowne desperately argued that the Government was growing bankrupt, the Indian commerce was intolerably disturbed and that there was no other means of raising further taxation without arousing

1 Lansdowne to Cross, 7 and 14 June 1892, ibid.

2 Lombard Street symbolises the gold assets of England.

3 Cross to Lansdowne, 1 July 1892, L.P., ix/vol. iv.

Also Kimberley to Lansdowne, 17 March 1893, ibid., vol. v.

It would not be out of place to mention here that between 1860-74 various attempts were made to introduce gold standard with a gold currency in India. All Finance Members of the Viceroy's executive council, except Wilson, supported the move. Then even the British Government refused, for fear of appreciating the price of gold which would act as a deterrent to the gold using countries.

See G.F. Shirras, Indian Finance and Banking, London, 1919, pp. 104-18.

See also J.C. Coyajee, The Indian Currency System, 1835-1925, Madras, 1930, pp. 21-48.

public indignation, except by closing the mints, contracting the currency and ultimately introducing gold standard in India.¹ In suggesting this the Viceroy claimed the popular support of the public and complete unanimity in his executive council.² It was professed that if the gold standard was good and successful for England and Europe why could it not be so for India?

The scheme of the Indian Government was laid down by David Barbour in his famous Minute of 21 June 1892.³ He recommended that as a preliminary to the introduction of the gold standard, mints must be closed to the free coinage of silver, rupee currency must be reduced and curtailed and gold coins made legal tender at a fixed ratio.⁴ On 30 September, Kimberley agreed to appoint a Committee under the Chairmanship of Lord Herschell, the Lord Chancellor in Gladstone's Cabinet to investigate into the Indian Currency question.⁵

The Herschell Committee accepted in principle the main plea of the Indian Government with a few modifications. As part of the modification the Committee suggested that the closure of the mints should be accompanied by an announcement that "though closed to the public, they will be used by the Government for the coinage of rupees

1 Lansdowne to Cross, 26 July 1892, L.P., ix/vol. iv.

2 Indian Govt. to S.S., L. No. 160 (Fin.), Confidential, 21 June 1892, Para 7, F.L.I., vol. 173.

3 Enc. to L. No. 160 (Fin.) of 21 June 1892, F.E.I., vol. 175.

4 Paras. 1, 6-8, and 12, ibid.

5 Telegram S.S. to Viceroy, 30 September 1892, L.P., vol. iv

in exchange for gold at a ratio to be then fixed, say 1s. 4d. per rupee; and that at the Government treasuries gold will be received in satisfaction of public dues at the same ratio".¹

The decisive recommendation of the Herschell Committee was the abolition of the silver standard to a private account and instead introduced the system of Government monopoly in the supply of the currency. The value of the rupee was to be completely divorced from that of the silver in the rupee and the gold value of the rupee was to be enhanced by reducing the quantity of money in circulation. The rupee was to lose the natural value and acquire an artificial value. The purchasing power of the rupee would increase and prices would fall.

On 26 June 1893, the Act was passed as an emergency measure.² Three separate Notifications were also issued to the effect that gold coins and gold bullion were to be received at the mints in exchange for rupees at the rate of 7.53344 grains troy of fine gold for one rupee; and that sovereigns and half sovereigns were to be received in payments of "public dues" at Rupees 15 and Rupees 7/8 respectively. The notifications also provided for the issue of currency notes in exchange for gold coins or bullion at the same rate till "further notice".³

1 Report of the Indian Currency Committee, 1893, op. cit., Para 156.

2 A Bill to amend the Indian Coinage Act, 1870 (XX111) and Indian Paper Currency Act, 1882 (XX), was introduced and passed on the same day in the Legislative Assembly. India Fin. and Com. (Fin and Ac) Proc., vol. 4392, No. 401, July 1893.

3 India Fin. and Com. (Fin and Ac) Proc., ibid., Nos. 405-7, July 1893.

To fully realise the true implications of the currency change and its impact on the administration, it is necessary to examine certain factors which then were not publicly discussed.

One of the factors related to the decline in the price of silver. Though the silver standard was given up, it was nowhere asserted that the price of silver had fallen more than the price of the gold had risen. On the contrary, in all Government despatches and private correspondence, the word 'decline in the price of silver' was conspicuously absent.¹ On examining the Herschell Committee report thoroughly, one is struck with the careful avoidance of the term - 'depreciation of silver'. This reference occurs only once in paragraph 13⁴. In a separate note, L. Courtney [one of the members of 1893 Currency Committee], points out that the Commissioners had not examined the preliminary question whether there was a rise in gold or fall in silver. But he was himself of the opinion that the divergence between gold and silver had been "to a large extent due to an appreciation of gold."² Yet the Herschell Committee tacitly

1 In the two major policy despatches of the Indian Government, Nos. 68 and 160 (Fin.), dated 23 March and 21 June 1892, Paras 6 and 3 respectively; op. cit., the words used were "decline in the gold value of the rupee".

2 L. Courtney's Minute, Report of Indian Currency Committee, 1893, op. cit., p. 39.

See also Farrer and Welby's Minute, ibid., p. 42.

Taking Sauerbeck's index, we get actual instructive figures. Gold prices fell from an average of 100 in 1867-77 to 68 in 1892, a fall of 32 per cent. The price of silver fell from 58d in 1867-77 to 39³/₄d in 1892, a fall of 31¹/₂ per cent. The price of silver, therefore, fell almost exactly with the average price of commodities. In other words, silver remained perfectly stable in value up to 1892 and yet in that year Indian Government began to vehemently agitate for the overthrow of "this most perfect standard of value". E.F. Marriot, The Indian Currency Question, London, 1899, Appendix B, p. 28.

assumed that a fall existed and thereby adopted a scheme of contraction of the currency.¹ It may, therefore, be assumed that the silver standard was given up, not because it had failed to serve as a standard of value, or was redundant or stringent, but because the inconveniences it caused to the Government and the importers. Commenting upon the Indian Government scheme, Kimberley aptly remarked:

Every interest must be affected more or less, and, apart from hardship of the civil servants, and embarrassment caused to your finances, it is not shown that population as a whole is injured by the fall in the silver I quite admit the force of your argument that stability would be a great gain, but this does not cover the whole ground.²

Another factor relates to the exchange ratio. By suggesting 1s. 4d. as an exchange ratio, the Herschell Committee decisively enlarged the gap between the silver bullion and the rupee. If the purpose of the Commission was to check the fluctuations of exchange then it was not essential to put the ratio above the existing market rate.³ From the private correspondence of Lansdowne we can infer the difference between what the Government intended and what it actually accomplished. Lansdowne had said, "If we were to close the

1 Even ardent supporter of Government policy, like G.F. Shirras wrote that period between 1874-93 had been sometimes known as "the period of depreciation in the price of silver although this is open to objection, since it contains the suggestion that it was silver that had changed while gold had not." Indian Finance and Banking, p. 116.

See also Vera Anstey, Economic Development in Modern India, London, 1952, ed., p. 409.

2 Kimberley to Lansdowne, 16 September 1892, L.P., ix/vol. iv.

3 The prevalent exchange rate was 14d.

Mints to the free coinage of silver, and to endeavour to fix the value of the rupee in terms of gold, we should, I have no doubt, have to fix it somewhere near its present gold value"; and he had added, "If it would be steadied, even at a low rate we should know where we were, and be able to get along, while capitalists would not be discouraged, as they now are, from investing their money in Indian enterprises".¹ In another letter, Lansdowne sounded more positive and stated that he was not in favour of raising the gold value of the rupee. He said that "... the rate adopted should in the first instance, approximate to that obtaining at the time of the change. It has always seemed to me, that what we suffered from was, not a low rate of exchange, but an uncertain rate..."² Kimberley was also of the same opinion and he stated that he was personally inclined to agree with Currie's observations, who was a member of the Currency Committee, that mints should have been closed and the ratio fixed sometime in the future.³ Even the Manchester Chamber of Commerce considered 1s. 4d. to be too high a rate.⁴

1 Lansdowne to Cross, 26 July 1892, L.P., ix/vol. iv.

2 Lansdowne to Kimberley, 23 August 1892, and 5 October 1892, ibid.

3 Kimberley to Lansdowne, 23 June 1893, L.P., ix/vol. v.

See B.W. Currie's Minute, Report of Indian Currency Committee, 1893, op. cit., p. 42.

4 Monthly Records of the Manchester Chamber of Commerce, 1893, vol. iv, pp. 138-9.

Thirdly, the currency changes were undertaken primarily to avoid any reference to the increase in direct or indirect taxation; although the whole purpose of the scheme was to evolve a system of raising taxation without letting it to be so known. More than once, reference to this fact was made in the private correspondence of Lansdowne. He repeatedly threatened that if the mints were not closed, recourse to additional taxation would have to be taken¹; implying thereby that a closure of the mints and the raising of the artificial value of the rupee would supplement the increase in taxation. When the ratio of 1s. 4d. was announced, Lansdowne remarked that this would save the Government from taking resort to additional taxation.² A little later on, the Indian Government in their despatch alluded to this very point and stated that 1s. 4d. ratio was selected because "it was considered that a lower rate would not relieve the Government from its financial difficulties".³ As early as August 1892,

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- 1 Lansdowne to Kimberley, 12 October 1892, and 6 February 1893, L.P., ix/vols. iv and v respectively.
 - 2 Lansdowne to Kimberley, 20 June 1893, L.P., ix/vol. v. L. Courtney, Member of Parliament and once a member of the Herschell Committee stated before Fowler Commission on Currency that the "raising of the rupee above its intrinsic value is a tax not merely on production ... it is an additional tax on the agriculturists and the rent payers". Report of the Indian Currency Commission, 1899, Parl. Papers, vol. 33, Minutes of Evidence II, [C.9222], p. 261, Q. 13, 117.
 - 3 Indian Govt. to S.S., L.No. 328 (Fin.) 4 November 1896, Para 18, Finance Departmental Papers of the Council of India, F 5952/1896, vol. 1384 [Hereafter cited as Fin. Papers].

Kimberley had written to Lansdowne that the proposal of fixing so high a ratio might reduce the burden of home charges and could be a source of benefit to the persons who remitted money from India to discharge their gold obligations and debts, but the "amount of charge so avoided will have to be borne by some other persons [the mass of the Indian people]"¹

Not many Indians understood the intricacies of the currency problems and the Indian Government was not keen to examine its real significance in the light of the socio-economic habits of the people.² Both Cross and Kimberley had repeatedly asked the Indian Government about the impact of their scheme on the Indians. But this particular aspect was discreetly avoided for a long time.³ At last at the insistence of Kimberley, Lansdowne yielded and wrote a very revealing letter stating:

Native mind is always a somewhat obscure factor in any circulation. I should be inclined to answer that in all probability the great mass of the Natives will know very little, or, at all events, care very little, about the

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- 1 S.S. to Indian Govt., Despatch No. 92 (Fin.), 25 August 1892, Para 3, F.D.I., vol. 34 (original).
 - 2 It is a long standing custom of the Indians to convert most of their savings in form of ornaments. In the time of need or any economic emergency like famine, the ornaments were put to use. For details, see below pp. 66-7
 - 3 Telegram S.S. to Viceroy, 24 July 1892, L.P., xi/vol. iv. See also Cross to Lansdowne, 1 July 1892; Kimberley to Lansdowne, 8 and 18 September, and 30 November 1892, L.P., ix/vol. iv.

change. It would probably never occur to the owners of the uncoined silver in the shape of ornaments, etc. that their bangles and necklaces had become less valuable than they were The owners of the coined silver will of course, if anything, gain by the change, should it lead to a fall in prices. As for the producers of the commodities and earners of wages, they ought no doubt, if the question is regarded from a strictly economical standpoint, to be losers, because a rise in gold value of the rupee ought, properly speaking, to diminish their receipt.¹

To rationalize his point, Lansdowne further added that "the people of this country [India] are so used to fluctuations of prices, that it will be impossible for them to distinguish between a fall of prices due to alteration in the standard of value, and a fall of prices, due to an abundant harvest, or to diminished exportation".² It is quite clear that Government intended and took advantage of the ignorance and the illiteracy of the people.

Yet on the other hand the Government of Lansdowne under the pressure of military and civil officials committed themselves to increase the expenditure far beyond their resources. They agreed to increase the military expenditure for the year 1893-4³ and granted Exchange Compensation Allowance to the Civil and Military Officials, at a privilege rate of 1s. 6d. to a rupee. The objections to such policies were raised both within Viceroy's executive council and outside. David Barbour, in his confidential Minute very forcefully protested against the allocation of ₹ 14,810,000 to the military budget

1 Lansdowne to Kimberley, 5 October 1892, ibid.

2 Ibid.

3 Lt. Gen. Brackenbury's Confidential Minute on the Military Estimate for 1893-4, 8 March 1893, India Fin. and Com. (Fin and Ac), Proc., vol. 4392, No. 120, March 1893.

which was RX 545,000 more than that of last year. He was equally assertive against the grant of RX 1,100,000 as compensation to the officers and to the increase in the already existing deficit from RX 1,600,000 to RX 2,700,000.¹ David Barbour frankly admitted that the immediate cause for the financial difficulties might be a fall in the exchange of the rupee, "but there are contributory causes - increased military expenditure of all kinds, the annexation of Upper Burma, a decline in the revenue of opium, and additional expenditure in connection with the North Western and Eastern frontier". He insisted that the military expenditure must be reduced and concessions to the European officials must be postponed.² Strangely, the Herschell Committee had avoided discussing this question. So the financial difficulties of the Government were not due to the currency problem only but due to certain extravagant expenditure as well.

It was, therefore, not unnatural that the Act of 1893 was not well received by the Indian National Congress.³ Dada Bhai Naoroji condemned it as "dishonourable",⁴ R.E. Dutt very strongly deprecated the idea of "artificial currency";⁵ and D.E. Wacha, who was the most

- 1 13 March 1893, Para 1, Enc. to Indian Govt. L. No. 99 (Fin.) Confidential, of 1893, F.E.I., vol. 177.
See also C. Pritchard's Confidential Minute, 13 March 1893, ibid.
- 2 Barbour's Minute, paras 3 and 5, op. cit.
- 3 Report of Indian National Congress, 1893, Resolution No. xiv, p. 127.
- 4 Poverty and UnBritish Rule in India, London, 1901, p. 532.
- 5 India, 11 November 1893.

ardent speaker of the Congress on currency problems vigorously criticised it as "indirect taxation of burdensome and indefinite character"; which according to him meant that the Government officials and usurers would "fatten" at the expense of the poor peasants. He characteristically defined the Herschell Committee report as a "paraphrase" of D. Barbour's Minute of 21 June 1892.¹

The India Press was almost as unanimous in protesting against it as the Indian National Congress. It asserted that currency legislation would act as deterrent to both the agriculturists and the manufacturers.² The Mahratha of 2 July 1893, wrote: "He [the peasant] will get few rupees for the produce of his field, while he will have to pay the same number of rupees for assessment".³ The Act was variously condemned as "mischievous", "hasty",⁴ and likely

1 Report of the Indian National Congress, 1893, pp. 127-30.

2 Bombay Samachar, 27 June 1893; 3 July and 4 July 1893, Bombay Native Newspaper Report, 1893. [Hereafter cited as Bomb. N.N.R.]. Also Bengalee, 1 July 1893.

3 Bomb. N.N.R., 1893.

4 Kaiser-i-Hind, 2, 9 and 20 July 1893, ibid.
D. Barbour, speaking in 'Drapers' Hall' London, shortly after executing the Act, ^{said} that he was not in favour of moving quite as fast as the majority of the members of the Indian Government. The Currency Question from an Indian Point of View, p. 13.

to breed discontent.¹ On his arrival, Elgin found for himself that the Indian public opinion was opposed to the policy of currency "with a reasonable unanimity".² He confessed to the new Secretary of State, Fowler, that his main interest was completely "swallowed up in the matters of finance".³

The immediate impact of the change was a sudden rise in the exchange. On 27 June 1893, it touched 1s. 4d. This sudden rise completely paralysed the export trade for some time. The importers made rapid gains. The imports into India rose by 18 percent, and the export of cotton yarns declined by 23 percent. The revenue from opium fell by 13.2 percent. J.E. O'Connor, the Director General of Statistics and Trade to the Indian Government, attributed the decline of the export trade to the closure of the mints.⁴ The rise being as meteoric as speculative, did not continue for long and soon there was a setback. By December 1893, the exchange rate fell to 15½d and

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- 1 Indu Prakash, 10 July 1893; Gujrati, 9 July 1893; Gujrat Darpan, 20 July and 12 October 1893; Bomb. N.N.R., 1893. Hitavadi, 29 June and 6 July 1893; Bangavasi, 8 July 1893; Dainik-o-Samachar Chendrika, 2 and 5 July 1893; Bengal N.N.R., 1893. Kerala Patrika, 8 July 1893; Vrittanta Patrika, 7 September 1893, Madras N.N.R., 1893. Himalah, 14 July 1893; Koh-i-Nur, 12 August 1893; Punjab N.N.R., 1893.
- 2 Elgin to Queen Victoria, 21 March 1894, Elgin Papers, MSS.Eur.F.84, vol. i. [Hereafter cited as E.P.]
- 3 Elgin to Fowler, 7 March 1894, ibid., vol. 12.
- 4 Trade Statement of British India for 1893-4, Parl. Papers, 1895, vol. 73, [C.7604], pp. 6-7. See also Statistics from the Monthly Records of Manchester Chamber of Commerce, 1894, vol. v, p. 60.

by April 1894 it further declined to 13d.¹ In January 1895 it slammed down to 12 13/32d only.

In this period of renewed uncertainties, two factors by interacting against each other, played a significant role. Firstly, in order to raise the level of exchange the Indian Government asked the Secretary of State never to sell his council bills below the minimum rate of 16d to a rupee. It was through the sale of council bills that the surplus of exports was transferred into credit for India. When some importer in Europe wanted rupee to be paid for his imports for India, he paid sterling to the Secretary of State in London for council bills. These bills were presented at Government treasury in India where the holder received rupees out of the Indian revenue in exchange for the bills. It was through this method that the Secretary of State obtained most of his money to pay the home charges.² By suspending the sale of bills below 16d, the Government hoped to check the downward market rate of exchange. In other words, the stoppage of bills was to act as a source of contraction in the supply of money. The Secretary of State was advised to borrow money in sterling to meet his demands. In August 1893, he actually borrowed £5 million because he could not sell the bills at such a high rate.³

1 Fowler to Elgin, 27 April 1894, E.P., vol. 12.

2 J.M. Keynes, Indian Currency and Finance, London, 1924, pp. 102-3.

3 Telegram S.S. to Viceroy, 23 August 1893, India Fin. and Com. (Fin and Ac) Proc., vol. 4392, No. 851, March 1893.

The fixation of the minimum for the sale of council bills was adversely affected by another unexpected development. Along with the closure of the mints, a large scale import of silver bullion took place. In the eight months, between July 1893 to February 1894 the import of silver was 41 million standard ounces, as against 28 million ounces, being the average of the corresponding eight months of the previous five years.¹ Most of the silver imports were of speculative nature because the Herschell Committee report was leaked out. It was known to some importers that the mints were to close down.² The Government was forced to accept the silver which was in transit on or about 26 June 1893³ and was obliged to inflate the currency by coining the silver to the extent of rupees 2 crores.⁴ The expansion of the currency not only brought down the exchange but this importation of silver bullion far in excess of the usual demand competed with the sale of council bills. The imports enabled the Exchange Banks to obtain rupees in India, which in absence of these imports could have been acquired through the sale of council bills. Secondly, to withhold the sale of council bills for indefinite period could prove decisively harmful to the export trade, because most of

1 G.F. Shirras, Indian Finance and Banking, pp. 144-5.

2 Kimberley to Lansdowne, 21 July 1893, L.P., ix/vol. v.

3 S.S. to Indian Govt., Despatch No. 149 (Fin.), 27 July 1893, Para 2, F.D.I., vol. 40.

4 Indian Govt. to S.S., L. No. 307 (Fin.), 20 September 1893, Para 7, F.L.I., vol. 176.

the export trade was financed by the sale of council bills. Kimberley was personally averse to the fixation of minimum because it was impractical to fix a level that was not justified by the market conditions, for, no one could compel any one to buy a bill because a buyer could only offer a price he considered worth his while.¹ He emphasised that the market needed to recover its equanimity which had been completely upset by the currency legislation and urged that it should not be aggravated any more by resorting to other artificial means, like the withholding of council bills.² Kimberley could not tolerate this period of suspense any longer and on 13 February 1894, he abandoned the "minimum" and sold his council bills freely.³ As a result it became impossible to force exchange to a level that could not be justified by market conditions.

This action of the Secretary of State was vigorously criticised by the Indian Currency Association, which blamed him for letting the exchange fall further by his "arbitrary interference".⁴ Kimberley

1 Kimberley to Lansdowne, 18 August and 4 August 1893, L.P., ix/vol. v.

2 Kimberley to Lansdowne, 25 August and 26 October 1893, ibid.

3 Telegram S.S., to Viceroy, India Fin. and Com. (Fin and Ac) Proc., vol. 4604, No. 175, March 1894.

D. Barbour had this to say regarding the suspension of the bill: "I have no hesitation in saying that all measures that could be adopted in connection with the sale of the bills, the holding of them back in order to force a higher rate of exchange than market conditions justify is the most pernicious". Currency Question from an Indian Point of View, p. 18.

4 Vice President Indian Currency Association to Indian Govt., 5 January 1894, Enc., to L.No. 40 (Fin.) of 1894, F.E.I., vol. 180. See also Telegram President Indian Currency Association to Indian Govt., 23 January 1894, ibid.

was not prepared to revoke the decision. He firmly maintained that it was wrong in the first place to have fixed the "minimum", because it created a gulf between the silver and the demand for council bills, and termed the fixing of the "minimum" as "extremely mischievous" and responsible for much disorganisation of the trade.¹ But what is probably more significant is that the controversy between the Secretary of State and the Government of India further enhanced the atmosphere of doubt and distrust, which shrouded the currency question.

By 1894 the uncertainties in the exchange remained as ever and exchange continued to be "sick".² The fall in exchange was not checked, in spite of the fact that in nine months £9 million were borrowed by the Secretary of State on account of India.³ The year 1894 recorded a deficit of Rupees 35 million. It became imperative for the Government to impose additional taxation. Lord Elgin was constrained to impose import duties which brought in Rupees 30 million.⁴

1 Kimberley to Elgin, 16 February 1894, and 9 March 1894, E.P., vol. 12.

See also S.S. to Indian Govt., Despatch No. 83 (Fin.), 3 May 1894, F.D.I., vol. 41.

2 H.B. Smith (Private Secretary to the Viceroy) to Godley, 9 May 1894, E.P., vol. 29.

See also Godley to Elgin, 1 June 1894; Lord Reay to Elgin, 29 August 1894, E.P., ibid.

See also Elgin to Fowler, 1 May 1894, ibid., vol. 12.

3 R. Hardie's Minute, 14 April 1894, Fin. Papers, F 1152/94, vol. 1265.

4 The Imperial Gazetteer of India, vol. iv, p. 168.

The increase in taxation and the contracting of currency, as Hardie, a member of the India Council said, was like "burning of financial candle of the population at both ends".¹ This was hardly an auspicious augury for Elgin to start his career as a Viceroy.²

By October 1895 exchange began to rise and money in the market became stringent. The money stringency was caused on account of various factors. The first and foremost reason was the relative contraction of the currency. Secondly, in absence of any certain rate of exchange, people and traders remitted their money out with every rise in exchange. Foreign capital instead of being attracted into India, still held out. Thirdly, between November 1895 and March 1896, the money position was further aggravated on account of large sale of council bills.³ This was obvious because during these months the export trade was usually most active. The heavy demand for remittance from England to India (that is for council bills) naturally affected the Government cash balances which were already in full use due to famine relief and extension of railways. It was the mercantile community which needed more money in circulation. There was unfortunately now no automatic means by which the currency could expand in response to the demands of the currency and trade.

The stringency of the money market was evinced by the steady

1 R. Hardie's Minute, op. cit.

2 Lansdowne had once prophesied, if soon after the introduction of the change in the currency system was to be followed by additional taxation or general scarcity, the people would be persuaded that the whole misfortune was caused on account of "tampering with the rupee". Lansdowne to Kimberley, 5 October 1892, L.P., ix/vol. iv.

3 Indian Govt. to S.S., L. No. 328 (Fin.), 4 November 1896, Paras 8-9, op. cit.

rise in the Bank rate which arose from 3 percent in October to 8 percent in November and nearly 10 percent in December.¹ Elgin warned Hamilton that there was a definite deficiency in the provision of money in India and a commercial crisis seemed imminent.² At this stage the mercantile community which had long been seeking to secure stability of exchange grew restive and demanded some immediate relief.³

The administration of Elgin responded to the crisis in a positive way. The Indian Government realised that the root cause of the trouble lay in the high exchange ratio of 1s. 4d. to a rupee. As a first step towards easing the tension, they proposed to the Secretary of State, on the recommendation of Westland, the Finance Member, to revise the exchange ratio from 16d to 15d, a rate at which sovereigns could be received in Government Treasuries. Westland believed that the ordinary trade would establish at a lower rate earlier. He considered 1s. 4d. ratio too high and too injurious to the interest of trade and commerce.⁴

1 Trade Statements of British India for 1896-7, Parl. Papers, 1898, vol. 74, [C.8692], p. 6.

Earlier in 1897 the bank rate reached as much as 12 percent.

Trade Statement of British India for 1897-98, Parl. Papers, 1899, vol. 66, [C.9120], pp. 1-2.

2 Elgin to Hamilton, 4 November 1896, E.P., vol. 14.

3 Annual Report of Bengal Chamber of Commerce, 1897-8, vol. 1, p. 5.

4 Indian Govt. to S.S. L.No. 328 (Fin.), 4 November 1896, paras 11, 17-18, op. cit.

The Government thought that a low ratio of exchange would remove the element of uncertainty once and for all and would benefit both the traders and the Government. The Government expected that the excess remittances which would be made from England to India would come out in the shape of sovereigns or gold. They would be presented to the Indian treasury, like council bills, in exchange for rupees. So long as the conditions of excess trade demand for remittance from Europe remained in force, gold would continue to come out to India at the rate of 1s. 3d.¹ This might prove conducive towards the establishment of gold standard in India.

Another proposal to solve the money stringency was made by J. Finlay, the Financial Secretary to the Government of India. He did not agree with the above proposal of Westland to change the gold point, for he believed that it would throw doubt upon the Indian Government's adherence to its earlier proposals. Instead, he suggested, that if an emergency arose, the Secretary of State should buy silver and ship it to India and the Government would coin on its own account and issue it as rupees.² However, Lord Elgin, and his executive

1 Westland's Note on the Council Drawings, 17 October 1896, para 18, E.P., vol. 135 (r).

2 J. Finlay's Confidential Note on 'Currency Question', 22 October 1896, Para 25, E.P., vol 135 (r). Strangely enough, it was J. Finlay who in 1894 wanted to contract the currency by melting down Rupees 5 crores and sell them as bullion to check the downward trend of exchange after the closure of the mints. That scheme was rejected by Elgin and Westland, because that could cause further stringency in the money market. Finlay to C.J. Ardagh, 5 February 1894, Private Secretary Correspondence, No. 164, E.P., vol. 92.

preferred the former to the latter course, because, if Finlay's scheme was accepted, it would mean that in any emergency, the Government would be obliged to open the mints.¹

The proposal of the Indian Government to issue rupees against gold at 15d to a rupee was unanimously rejected by the Secretary of State and his Council.² It was considered improper to interfere with the working of the currency policy as laid down in 1893. The Secretary of State categorically stated that to reduce "your gold point to 15d is to allow ephemeral causes to obviate the permanent object of your policy".³ To add strength to his argument, Hamilton informed Elgin that the Chancellor of the Exchequer disapproved of the reduction of the ratio to 15d, particularly when exchange was rising.⁴ He finally rejected the Indian scheme with an assertion that he was better placed in London in seeking the advice of financial and economic experts than what could be had in India.⁵ Instead he

1 Elgin to Hamilton, 4 November 1896, op. cit.

2 Godley to Elgin, 3 October 1896, E.P., vol. 31.
See also Telegram S.S. to Viceroy, 2 November 1896, ibid., vol. 19.

3 Hamilton to Elgin, 26 November 1896, ibid., vol. 14.

4 Exchange during this period had risen to 15 27/32 d. But the fluctuations in exchange remained as ever.

5 Hamilton to Elgin, 12 November 1896, E.P., vol. 14.
Also S.S. to Indian Government, Despatch No. 226 (Fin.), Confidential, 17 December 1896, Para 9, F.D.I., vol. 38 (original).

suggested the utilization of Rupees twenty million from the Currency Reserves.¹

The Indian Government regretted such a decision, and as the situation was desperate Westland agreed to utilize Rupees twenty million from the Currency Reserve through the issue of Ordinance.² Finally, the Indian Government dropped the proposal to reduce the gold point.³ The real reason for the rejection of the proposal for the reduction of the gold point was the threat it held out to the gold interests of England. It was feared that English gold might go out to India. There was a strong group in "Lombard Street" which was against the policy of the introduction of the gold standard in India. Hamilton elucidated the point fully by saying that if the Bank of England which to a large extent regulated the purchase and transmission of gold, found that gold was going out of the country to any appreciable extent - "and to relieve your necessities gold must go out in large quantities - they [the Bank of England] would raise the rate [of discount] and stop protanto the remission of

1 Hamilton to Elgin, 19 November 1896, E.P., vol. 14.

Elgin had of course agreed that the advantage of Currency Reserve of Rupees 2 crores could be taken, but he penned down two objections: (a) if the reserve was drawn nothing would be left for next year to draw, if need arose; (b) the Indian Government was calculating to augment the loan funds which could be made available for the railway development. Elgin to Hamilton, 4 November 1896, op. cit.

2 Telegram Westland to Elgin, 4 November 1896; Westland to Waterfield (Finance Secretary, India Office), 4 November 1896, Enc. Westland to Elgin, 5 November 1896, E.P., vol. 69.

3 Westland to Elgin, 12 November 1896, ibid.

See also Elgin to Hamilton, 25 November 1896, ibid., vol. 14.

gold".¹ Finlay, the Financial Secretary to the Government of India, in his note had already forewarned that the Secretary of State would never agree to reduce the ratio. He wrote, "there is almost no prospect that the Secretary of State would accord his sanction to a proposal to lower the rate to 1s. 3d. The object of the proposal and its effect, if successful, would be to attract gold to India. This is not an object which the Secretary of State would be allowed by his colleagues in the Cabinet and his London advisers to advance at a time when the fears of London financial world already are that gold may be withdrawn from London to a most inconvenient extent."²

If the scheme of reduction of gold point was rejected by the Secretary of State, the scheme to buy silver for coinage in India was rejected by the Indian Government. Westland explained the Government's point of view by saying that though to buy silver and coin it would temporarily relieve the money stringency and this type of transaction would, also be profitable to the Government because of the difference between the value of coined and uncoined silver, but such an operation, would protanto send down the rate of exchange. He believed that any more rupees coined would interfere with the process of gradually raising the exchange value of the rupee.

1 Hamilton to Elgin, 26 November 1896, ibid., p. 11.

2 Finlay's Confidential Note, 22 October 1896, Para 27, op. cit.

To Westland the purchase and coinage of silver was harmful, and, "from point of view of commerce, it may conceivably come in as a relief, but only as a relief from the consequences of a mistake which it is easy to avoid and far better both for commerce and for ourselves that we should avoid."¹ The primary motive of Westland's suggestion to reduce the gold point was to clear the doubts in the minds of public regarding the exchange fluctuations and thereby inculcate confidence by the early stability in the exchange.

To sum up the proposal to reduce the gold point to 1s. 3d. was given up because it did not suit the gold interests of England, and the policy of coining more rupees was given up because it was against the established interests of the currency policy of the Indian Government. As usual business continued to starve. The bank rate rose still higher. Prices of foodstuff rose very high and went beyond the reach of a common man. Both Elgin and Hamilton confessed that the soaring of prices was "due to the tightness of money".²

In February 1897, the Indian Government made another attempt to solve the problem by bringing the establishment of gold standard nearer to accomplishment. The Indian Government found once again that the very obstacle to this policy lay in the notification of 26 June 1893, because the gold coins were to be received in the

1 Westland to Elgin, 26 January 1897, E.P., vol. 70.

2 Elgin to Hamilton, 6 January 1897; Hamilton to Elgin, 12 February 1897, ibid., vol. 15.

Government treasuries only in payment of sums due to the Government and in the Mints.¹ The Indian Government wanted to substitute this by a "free offer" to receive sovereigns and half sovereigns of current weight at their reserve treasuries. By so doing the Government would provide for a continuous flow of gold into India at a ratio of 16d to a rupee.²

In making such an offer, the Government felt no difficulty. If the Government received gold in excess to the amount sent in sterling towards meeting "Home Charges"; there could be, it was contended, other ways of finding relief; like declaring sovereigns and half sovereigns to be legal tenders in India. This declaration could even avoid any possible embarrassment arising from the Government holding too large a proportion of Government balances in gold, for it could render the gold coin available for Government's ordinary payments. Secondly, the declaration of legal tender could never cause harm to the public - the creditor or the debtor - as long as the Government treasuries were open to receive sovereigns and half sovereigns at Rupees 15 and Rupees 7½.³

Moreover, the Indian Government felt that such a step would lead towards the ultimate goal - the gold standard. "We mention it here only to shew that the greater facilities which we propose to give to

1 Indian Govt. to S.S., L.No. 49 (Fin.), 17 February 1897, Para 9, F.L.I., vol. 188.
 2 Para 8, ibid.
 3 Para 9, ibid.

the importation of gold coin will not produce any result from which we do not ourselves see any issue which is strictly in furtherance of our declared policy".¹ Another advantage was that the Exchange Banks could keep spare funds to India in gold [which the Government undertook to accept] and such a step could prevent sudden scarcity as it had happened in earlier years.²

Any scheme which was likely to attract gold from England to India (as the purport of this scheme was) could not readily find its approval at the hands of the British Government. In May 1897, Hamilton put forth two objections against the scheme, first, the exchange at 16d was still not stable and secondly, such an action on the part of the Government would be misconstrued by the public as a deliberate measure to raise the exchange to 16d, particularly when the exchange was still oscillating around 15d.³ It may be noted that Hamilton had earlier objected to the Indian Government's proposal of 15d ratio, under the pretext that 16d ratio was about to be achieved and now he objected to 16d because he was not certain that it was going to stay. Underneath these objections lay the apprehension regarding the introduction of gold standard in India.

With no definite solution forthcoming, the financial condition of India grew tighter. The money stringency had reached its breaking

1 Para 10, ibid.

2 Para 11, ibid.

3 S.S. to Indian Govt., Despatch No. 96 (Fin.), 13 May 1897, Paras 14-16, F.D.I. vol. 39 (original).

point and the currency question had not passed the test of time. The seriousness of the situation could be well realised when the Indian Government in July 1897, failed to raise public loan at 3 per cent.¹ Westland asked the Secretary of State to borrow in sterling on account of India and desperately sought to revise the Railway programme by reducing its estimate by Rupees hundred lakhs.² He once again ventured to suggest to reduce the gold point, this time to 15½d to a rupee.³ Another proposal to meet the crisis of monetary stringency was made by Babington Smith, Private Secretary to Lord Elgin. He suggested that the Secretary of State should borrow money in London, buy gold and then send that gold out to India. The Indian Government would place that gold in the Currency Reserve and in turn release the silver for the public demand.⁴ This proposal was enthusiastically supported by Westland.⁵

Hamilton was in enigma. With no concrete proposal to offer, he agreed to Westland's suggestion to curtail Railway extension and undertook to raise sterling liabilities to meet the inability of the

1 Westland's Memorandum, 4 July 1897, E: P., vol. 71.

2 Westland to Elgin, 26 June 1897 [appendix], ibid., vol. 70. See also Elgin to Hamilton, 13 July 1897 [appendix], ibid., vol. 15.

3 Westland to Waterfield, 22 June 1897, Enc., Westland to Elgin, 26 June 1897 [appendix], op. cit.

4 Elgin to Hamilton (Confidential), 22 June 1897, Hamilton Collection, MSS.Eur. D. 509/vol. v.

5 Westland's Memorandum, 4 July 1897, op. cit.

Indian Government to raise loans.¹ But in no case was he or his council prepared to accept the reduction of gold point or send gold to India.

By now it was clear that the British Government was opposed to the introduction of gold standard in India. At this stage both France and the United States proposed an agreement on International bimetalism. Hamilton showed great enthusiasm² and sent their proposal to the Indian Government. It was contemplated that France and the United States were to open their mints to the free coinage of silver as well as gold at a legally fixed ratio of $15\frac{1}{2}$ of silver to 1 of gold. This was to be followed by an international agreement and in the meantime India was to reopen their mints to the free coinage of silver.³ Arguing on behalf of the proposal the Secretary of State stressed that the implementation of it would not only enhance the gold value of silver but inaugurate a more stable ratio. Further, the loss sustained by the Government and the individual would disappear

1 Hamilton to Elgin, 24 June 1897 [appendix], 8 July [appendix], and 16 July 1897 [appendix], E.P., vol. 15.

2 Godley informed Elgin that all members of the Finance Committee and India Council were bimetalists and all of them were for the reopening of the mints on the terms offered by France and U.S.A.

Godley to Elgin, 23 July 1897, *ibid.*, vol. 136.

3 Telegram S.S. to Viceroy, 19 July 1897, *ibid.*, vol. 20.

and the holders of the rupee value would benefit. The "artificial and arbitrary restriction" of the currency would be removed and would leave the contraction and expansion of the currency to the natural forces of the market.¹

The Indian Government reacted very swiftly and rejected the offer.² In doing so the administration showed a far greater insight into the currency problems. The Indian Government rejected the proposal on four counts. Firstly, the adoption of 15½ silver to £1 of gold would involve a sudden rise - say from present 15d a rupee to 23d a rupee. Such a sudden rise could have a very serious effect on the Indian trade and could "certainly throw some branches of the export trade into the most depressed condition for a time."³

Secondly, the Indian Government stated that no doubt the rise in exchange was to diminish their sterling liabilities and large surplus could be derived from the revenue, but this could be earned at a very great cost. For instance the fall in the prices would adversely affect the agricultural classes. "It is no doubt pleasant to think of large surplus of revenue", argued Westland, "which will arise from the enormous improvement in exchange; but that is an extremely narrow and extremely partial view of the result, for any surplus we so obtain

1 S.S. to Indian Govt., Despatch No. 129 (Fin.), Confidential, 5 August 1897, Paras 5-6, F.D.I., vol. 39 (original).

2 Telegram Viceroy to S.S., 21 July 1897, E.P., vol. 20.

3 Finlay's Confidential Note on Currency, 22 July 1897 [appendix], *ibid.*, vol. 71.

See also Indian Govt. to S.S., L.No. 261 (Fin.), Confidential, 16 September 1897, Para 5, F.L.I., vol. 188.

is obtained at the cost of a heavy burden to the country and of a disaster to its commerce."¹ Elgin elucidated this point by giving another instance of the evil effect of bimetallism. He said that at present the shareholder of the East India Railways got return of 5½ per cent on their capital, but if the exchange rose by 6d, the dividend of the shareholder would increase by 8 to 10 per cent. This he stated would be an "unearned increment".²

Thirdly, in case of the failure of the scheme, the whole burden, would fall on India alone, because France and the United States both had sufficient gold reserves and India did not possess any.³ It was affirmed that mere union of the two, France and the United States, with no participation of England, and India lending assistance, was far from an International agreement.⁴ Over and above, Elgin personally in the Gladstonian spirit felt very unsafe with bimetallism.⁵

- 1 Westland's Confidential Note on Currency, 22 July 1897 [appendix] E.P., vol. 71.
- 2 Elgin to Hamilton, 18 August 1897, ibid., vol. 15.
- 3 Indian Govt. to S.S., L.No. 261 (Fin.), Para 6, op. cit.
- 4 Elgin did not trust the political vitality of France and the United States' system for a binding agreement. He said, "I am not quite sure that on a question of policy of this kind the obstinacy of the sick man at Constantinople, which can baffle the concert of Europe, would not be more reliable than the engagement of a French Ministry Nor is the prospect more hopeful on the other side of the Atlantic." Elgin to Hamilton, 16 September 1897, E.P., vol. 15.
- 5 Elgin to Hamilton, 8 September 1897, ibid.

Fourthly, it was claimed that the circumstances had materially changed from that of 1893. The exchange was stabilizing and Government was nearer to the achievement of their aim of 1s. 4d. "If we are let alone", said Elgin, "I do not despair of seeing gold tendered at our treasuries before I leave India."¹ He also forcefully asserted that the time for any more experiments was completely gone.² The mercantile classes in India were no longer prepared to accept any more of drastic changes.³ Elgin confessed that there was already a good deal of artificiality in the present position of the currency, but then there was "still more of it in Bimetallism and, on so gigantic a scale" that any risks the Indian Government were now running seemed to him "to sink into insignificance".⁴

Hamilton never expected such a fury of protest and antagonism and showed surprise and disgust at the rejection of the bimetallic scheme.⁵ He tried hard to influence Elgin by enunciating the merits of bimetallism as well as its popularity in England⁶; by casting doubt

1 Elgin to Hamilton, 11 August 1897, ibid.

2 Elgin to Hamilton, 1 September 1897, ibid.

3 Telegrams Bengal Chamber of Commerce; Bombay Chamber of Commerce; Madras Chamber of Commerce; 14 October, 15 October and 16 October 1897 respectively to Indian Govt., Enc. to L.No. 290 of 1897, F.E.I., vol. 190.

4 Elgin to Hamilton, 14 October 1897, E.P., vol. 15.

5 Telegram S.S. to Viceroy, 23 July 1897, ibid., vol. 20.

6 Hamilton to Elgin, 19 August and 23 September 1897, ibid., vol. 15.

on the Indian Government schemes, and by reiterating that in India, both prices and exchange had risen - a combination in recent years which was new.¹ Finally, he tried to lure Elgin by suggesting that if exchange rose to 22d, it would pay for the frontier expeditions and for the military establishments. The rise in the rupee to 22d "would give us surplus that would not only meet additional expenditure, but enable large remissions of taxation and readjustment of land revenue. I, therefore, do not want to cast away what might prove a veritable sheet anchor in financial reform".² It must be laid to the credit of Elgin that such a dubious explanation was not accepted by him.

In this round of contest, the Indian Government under Elgin won and Hamilton confessed that ^{the} objections raised by the Government against bimetallism were "unanswerable".³ The cry of bimetallism as a currency system subsided and accordingly Lord Salisbury informed the Governments of France and the United States about the inability of the Indian Government to accede to their proposals.⁴

Out of this it may be inferred that any currency system having an unnatural basis was harmful to the general public. The contracting currency or imprisoned rupee or an artificial exchange ratio were all

1 Hamilton to Elgin, 1 September 1897, ibid.

2 Hamilton to Elgin, 9 September 1897, ibid.

Earlier, Hamilton had shown the same feelings when he wrote, "We corner rupees to the detriment of trade and commerce, but to the benefit of our expenditure". Hamilton to Elgin, 19 August 1897, ibid.

3 Hamilton to Elgin, 21 October 1897, ibid.

4 Salisbury to French and ^{the} United States Govts., 19 October 1897, Enc. to S.S. to Indian Govt., Despatch No. 218 (Fin.) of 1897, F.D.I., vol. 44 (copy).

inadequate for the smooth working of currency system. Whether an artificial ratio was 16d or 23d, as long as rupee was widely divorced from the bullion, it was injurious to the interests of the people. Even in this long drawn controversy, it was nowhere asserted, not even once that the currency policy had appreciably benefited the economic interest of the country.

Unfortunately, at this stage the Indian Government was seriously involved in a large scale frontier expedition. In 1897, the waziris rose in revolt, and the Tochi valley was occupied by a British force. Then followed the attack of Swat tribes upon Malakand, the raids of the Mohmands near Peshawar and the seizure of the Khyber Pass by the Afridis. In a few days the North Western Frontier was aflame from Tochi to Bunner. The British expedition against the tribes cost the Government nearly 5 crores of Rupees.¹ In spite of heavy borrowing on account of India, the years 1896-7 and 1897-8 showed a total deficit of Rupees 7 crores.² The deficit could have been still higher but for the rising exchange.

The currency question remained acutely critical. As an emergency measure it was proposed to curtail the railway expenditure.³ This measure could neither solve the financial difficulty nor take away the ambiguity from the currency policy. Anyhow, the Indian Government

1 Imperial Gazetteer of India, vol. iv, p. 168.

2 Ibid.

3 To relieve the burden on Indian Exchequer, the Secretary of State was prepared to give Imperial grant of £2 to £3 million or so for the year 1898-9. Hamilton to Elgin, 10 December 1897 [appendix], E.P., vol. 15. But in a short time the offer of the grant was ultimately withdrawn because of British Government's military commitments in Sudan. Hamilton to Elgin, 7 January 1898 [appendix], ibid., vol. 16.

was keen on having gold standard as the only way of relieving the pressure. Elgin impressed upon Hamilton that there could be only two ways of achieving gold standard: (a) to wait till sufficient gold could accumulate in the treasury at 16d; (b) to borrow and buy gold in London and ship it to India. Out of the two, Elgin preferred the latter one and contested that as the establishment of gold standard in India was also a matter of Imperial concern, Great Britain must share the financial burden.¹ Elgin felt encouraged that both Hamilton and Bees^och, the Chancellor of the Exchequer, were now prepared to consider the proposals of the Indian Government.²

The Indian Government's proposals for the gold standard were sent in two despatches of 3 and 24 March 1898.³ The main features of the Government's scheme were: (a) a Gold reserve was to be formed in India with the help of borrowing £20,000,000 in England; (b) that the currency was to be contracted and the rupees withdrawn from circulation were to be melted down to raise the exchange value of the rupee; (c) the silver bullion thus obtained was to be sold and gold added to the reserve; and, (d) the Government was not to part with any gold till the exchange had reached 1s. 4d.

The main purpose of the scheme, irrespective of its merits or demerits was to end the period of transition and the policy of

1 Elgin to Hamilton, 11 November and 24 November 1897 [appendix], ibid., vol. 15.

2 Hamilton to Elgin, 7 January 1898 [appendix], ibid., vol. 16.

3 L. Nos. 70 and 92 (Fin.), F.L.I., vol. 190.

"inaction";¹ to possess the same standard as that of England (though, through artificial method) and to inculcate confidence in public in the future of the exchange. It was genuinely desired by the administration to check the fluctuations in exchange so as to encourage the inflow of the capital into India.²

Hamilton could not accept the scheme at its face value. The changes demanded were so far-reaching and so vital to the economy of India and England as a whole that they were to be submitted to an independent Commission. Hence in April 1898, the Fowler Commission was appointed to examine the broad monetary policy of India.³

It was neither possible for Hamilton nor for Elgin to take the matter for granted. But Hamilton took every opportunity to remind Elgin of the beliefs and apprehensions of the British public. Time and again he warned him of the hazardous journey ahead. On the very receipt of the Indian Government's despatch, he informed that the opposition had already "guarded and trenched" themselves. The silver monometallists and bimetallicists had joined hands much in advance. Hamilton said that he himself doubted the vulnerability of the scheme on three counts: (a) the Indian Government had taken too sanguine a

1 Elgin to Hamilton, 24 March 1898, E.P., vol. 16.

2 Elgin to Hamilton, 12 May 1898, ibid.

Out of the air of scepticism was an eager haste on the part of the Europeans to strike when the iron was hot and seize any opportunity of a rise in exchange to convert their investments and savings into sterling.

3 S.S. to Indian Govt. Despatch No. 67 (Fin.), 7 April 1897, F.D.I., vol. 45 (copy).

view regarding the rise and fall of exchange and this could not be regarded as a sure sign for the establishment of gold standard, (b) the method suggested was merely to screw up the rupee, irrespective of the inconvenience it might cause to the trade, (c) the most important weakness of it concerned the basing of the gold standard by borrowing £20,000,000 of gold. Hamilton told Elgin, "Our Lombard Street friends are terribly sensitive upon anything relating to the despatch of gold from this country."¹ Both the banking and the commercial classes in London criticised the scheme enormously and showed great concern for their gold interests.² The scheme of the Indian Government was termed as a doubtful venture - "a demand for gold as might seriously embarrass our own money market" and "materially affect our own country."³ Lombard Street was determined to check the outflow of gold and were seriously hinting to raise their bank rate.⁴ The steps proposed by ^{the} Indian Government were considered highly impractical. E.F. Marrikt wrote that the scheme involved:

initial expenditure, an increase in the amount of the sterling debt, and an increase in the weight of the whole burden of the debt due to the increased value of gold, which the demand by India for gold would lead to several years of money scarcity, dear capital, stringent markets,

1 Hamilton to Elgin, 25 March 1898, E.P., vol. 16.

2 Hamilton to Elgin, 6 May 1898, *ibid.*
See also Hamilton to Elgin, 1 April and 14 April 1898, *ibid.*

3 W. Fowler, Indian Currency - An Essay, London, 1899, pp. 27 and 35.

4 Hamilton to Elgin, 13 May 1898, E.P., vol. 16.

and currency conditions adverse to the increase of commercial enterprise and the general prosperity of the country....¹

The Indian Government scheme, in India, was being criticised for lacking the element of convertibility. Westland realised that a gold standard scheme without convertibility would be a farce and recommended the same and that, too, also at a lower rate of 15½d to a rupee.² This alarmed Hamilton and he asked Elgin not to cause any more worries and to drop the scheme of "convertibility". He wrote, "I am afraid that any idea of associating the establishment of a gold standard with the convertibility of the rupee into gold will rather increase than assuage the obstacles we have to overcome."³ This new proposal was of course dropped.

In this controversy was introduced another group consisting of both Indians and English, which recommended the reopening of the Indian mints to the free coinage of silver. They believed that the step taken in 1893 had proved to be a failure and the step now contemplated would be expensive. It was found impossible to give sound arguments in favour of restricted currency, a false rupee and 12 to 13 per cent Bank rate which was practically equivalent to heavy and indirect tax upon the large proportion of produce and manufacture.

1 E.F. Marriot, Indian Currency Question, London, 1899, p. 18. See also Lord Rothschild's Evidence, Report of the Indian Currency Commission, 1898, Minutes of Evidence, vol. 1, Parl. Papers, 1898, vol. 61, [C.9031], p. 268.

2 Westland to Elgin, 19 April 1898, E.P., vol. 72.

3 Hamilton to Elgin, 20 May and 1 June 1898, ibid., vol. 16.

The Times in a leading article on Indian Affairs wrote that in 1893, the problem of the Government was how, in spite of a fall in silver ratio, to artificially enhance the rupee to 1s. 4d. In 1898 the problem of the Indian banking and mercantile bodies was how, with the rupee artificially enhanced to 1s. 4d. to avoid widespread disaster. The Government had succeeded in shifting the burden from its own shoulders to the back of the industrial and trading community, but in so doing had driven the capital out of India.¹ The Bombay Chamber of Commerce contended that the contraction of money was mainly due to the closing of the mints and recommended it to be opened.²

It was argued by the protagonists of the silver standard that no one had shown that India's standard coin had been deficient in any of its functions. There was no need of abandoning it. The commerce of India would rather develop with plentiful supply of good and cheap money and for this, it was asserted, the monetary standard must be brought to its natural basis by reopening the mints. "We are at this moment having an unpleasant example of the partial asphyxia of commerce arising from the want of money, and the experience is one we do not wish to see repeated."³ Dada Bhai Naoroji and D.E. Wacha

1 5 April 1898.

See also Dada Bhai Naoroji, Poverty and UnBritish Rule in India, pp. 557-8.

Also Report of the Indian National Congress, 1901, p. 176. India, 20 May and 8 July 1898.

2 Report of the Bombay Chamber of Commerce, 1898, pp. 206-12.

3 M.D.E. Webb, Letter to the Editor, Capital, 6 January 1898, E.P., vol. 80 [Newspaper cuttings].

of the Indian National Congress, criticised the Government for keeping the interest of the foreign trade, while completely ignoring the internal trade that required an abundance and not a stringency of currency.¹ The leaders of the Indian National Congress pressed for the reopening of the mints and for letting the rupee go down to its silver bullion price.²

Even those responsible for the Government policy - D. Barbour and J. Westland-had agreed at one time or the other to the advantages of an expanding currency over that of the contraction. As early as 1885, D. Barbour in his book The Theory of Bimetallism, had written that the "evils which attend a contraction of the currency are much greater than those which follow its expansion".³ Westland on the other hand said, "I do not think that any one alleges that the depreciation of silver which has been going on for 20 or 25 years was in any way a misfortune to Indian Commerce. Perhaps it was exactly the opposite."⁴

Some Englishmen, like R. Griffen,^{one} the Assistant Editor of the Economist, strongly recommended that India must go silver standard,

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- 1 Naoroji, Poverty and UnBritish Rule in India, p. 562.
Report of the Indian National Congress, 1898, pp. 100-1.
 H.L. Chablani also emphasised, "In deciding upon the monetary standard best suited to India, the internal trade of the country had a far greater claim upon the attention of the authorities." Studies in Indian Currency and Exchange, pp. 9-10.
- 2 Naoroji's letter to the Editor, India, 27 May 1898.
 R.C. Dutt, Speeches and Papers on Indian Questions, 1897-1900, Calcutta, 1904, pp. 103-4.
 J.A. Wadia, The Artificial Currency and Commerce of India, Bombay, 1902, p. 127.
- 3 P. 13. Also p. 154.
- 4 Westland's Confidential Note on Currency, 27 July 1897 [appendix], E.P., vol. 71.

particularly because it suited the economic conditions of the people, their tastes, their habits and their social outlook. To force something unnatural was "injudicious and injurious". The artificial currency, he said, had already penalized the people; hence, he pleaded for the opening of the mints once again.¹

Neither the Indian Government nor the Secretary of State was prepared to revert to the silver standard. Their main reason was that already there was so much of difference between the bullion and the rupee that by going back to it, the Government would have to impose extra direct taxation. Elgin was particularly keen at this stage to realise gold standard for India at the earliest. Fearing that the question of silver standard might not get preference at the hands of the Fowler Commission, he personally took keen interest in selecting Indian witnesses, both official and non-official, who could impress upon the commission the need of a gold standard for India.²

The Indian Government selected three official witnesses, J. Finlay, the Financial Secretary, O'Conor, Director General of Trade and Statistics, and A.P. MacDonnell, the Lieutenant Governor of North-Western Provinces and Oudh. The selection of the Indian witnesses gave some

1 R. Griffen, Letter to the Editor, The Times, 10 May 1898. See also, his evidence before the Fowler Commission, op. cit., Qs. 10, 109-10, 113; 10 - 238 - 10, 248; 10, 050 - 10, 059. The Times, 6 June 1898. E.F. Marriot, "On Gold Standard", Calcutta Review, vol. cvi, 1898, pp. 63-70. Monthly Records of Manchester Chamber of Commerce, 1898, vol. ix, p. 90 and pp. 153-4.

2 At one stage Elgin had asked Hamilton that he should see that the question of reopening of the mints was not considered by the Committee. Elgin to Hamilton, 24 March 1898. E.P., vol. 16.

difficulty to the Government. The reason being that their choice was very limited, because they only wanted to send witnesses of their "own taste". Hamilton was specially keen that no witness should be brought from the Indian National Congress - at least not Naoroji.¹ Elgin was keen to have Jay Govind Law, an influential Bengalee trader and a member of ^{the} Legislative Council, who had been a supporter of the Government policy; from Bombay, Shapurji Bharucha, another trader who was actively associated with the Indian Currency Association, and Ram Charan Das from Allahabad, who was a trusted friend of A.P. MacDonnell.² Unfortunately none of them could go, and in the attempts to pursue them, both he and his administrative staff failed.³ It was to his regret that he did not know of "any other suitable person likely to go";⁴ and added its importance while writing to Woodburn, the Lieutenant Governor of Bengal, "I do not think it makes much difference so far as supplying information is concerned but it gives an opening to less satisfactory witnesses and

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- 1 Hamilton to Elgin, 30 August 1898, E.P., vol. 16.
See also Elgin to Hamilton, 1 September and 8 September 1898, ibid.
At a later stage, when Elgin was confronted with a difficulty in finding the native witnesses, he confessed to Hamilton. "I wish we could help you to keep Naoroji in the background so far as the currency question is concerned." Elgin to Hamilton, 13 October 1898, ibid.
 - 2 Elgin to Woodburn (Lt. Governor, Bengal), 19 August 1898, ibid., vol. 72.
Elgin to Sandhurst (Governor, Bombay), 20 August 1898, ibid.
Telegram Elgin to Hamilton, (Pr.), 5 September 1898, ibid., vol. 21.
 - 3 Woodburn to Elgin, 24 August 1898, ibid., vol. 72.
Sandhurst to Elgin, 26 August 1898, ibid.
J.J.D. La Touche, (Acting Lt. Governor N.W.P. and Oudh) to Elgin, 8 October 1898, ibid. Only Jay Gavind Law wrote a memorandum supporting the policy of the Indian Government and this was duly sent to the Committee. Enc. Woodburn to Elgin, 30 August 1898, ibid.
 - 4 Telegram, Elgin to Hamilton, (Pr.), 5 November 1898, ibid., vol. 21.

perhaps to some political comments".¹

The Fowler Committee examined the whole question of currency and came to the conclusion that the only effective currency for India would be gold standard. They recommended that Gold Standard should be based on the principle of "free inflow and outflow" of gold. The British sovereigns should be made legal tenders and a current coin in India. The Indian mints were to be thrown open to the unrestricted coinage of gold. However, the mints were to be closed to the free coinage of silver. The rupee was to continue as an unlimited legal tender and the ratio was to be fixed at 1s. 4d. to a rupee. The Fowler Committee held that a fixed exchange could only be secured and guaranteed by an effective gold standard.²

All these recommendations were accepted by the Government. In 1899 an Act was passed by which sovereigns and half sovereigns were made legal tender throughout India at 1s. 4d. ratio. But unfortunately gold mints were never opened in India and ultimately it was not gold standard but gold exchange standard which came to be established in India.³

1 Elgin to Woodburn, 16 November 1898, ibid., vol. 72.

2 Report of the Indian Currency Commission, 1898, Paras 54-55, Paras 59 and 66.

3 Gold Exchange Standard has been described by Keynes as "the use of local currency mainly not of gold, some degree of unwillingness to supply gold locally in exchange for local currency, but a high degree of willingness to sell foreign exchange for payments in local currency at a certain maximum rate and to use foreign credits in order to do this - the two countries agree". J.M. Keynes, Indian Currency and Finance, p. 29.

In the assessment of the whole currency question, it may be said that the currency policy and the high exchange ratio proved no doubt beneficial to the Government - but for the rising exchange, the deficit could have been more because of famine and war, and surely by 1898, the Government could proudly show surplus, though all through Elgin's period of administration, the Government was concerned in raising the resources and found extreme stringency in the money market. Of course, the salaried classes gained too with the rising exchange. The grant of the exchange compensation allowance at still privileged rate of 1s. 6d. to a rupee had not only increased the exchange liabilities for the while but came probably at the most inopportune time, particularly when the financial needs of the country required all economy and exemplary concern from the Government.

The benefits of the rising exchange were attained at the cost of a considerable hardship to the Indian cultivators and traders. Many critics asserted that the Government had improved its financial condition by merely juggling with the currency. To Dadabhai Naoroji the "closing of the mints and thereby raising the true rupee, worth at present about 11d in gold, to a false rupee to be worth 16d in gold is a covert exaction of about 45 per cent more taxation all round from the Indian tax payers".¹ This allegation was not refuted by MacDonnell who wrote to Elgin after giving his evidence before the

1 Dadabhai Naoroji, Statement submitted to Indian Currency Committee of 1898, London, 1898, Para 6.

Fowler Commission that 16d rupee meant additional taxation, "because although the number of the rupees collected as revenue remained the same, each rupee represented more commodities. In the long run the cultivator would have to dispose of more produce to get a sixteen penny rupee. But the taxation was unconsciously paid, while from another point of view, it was only a check on a loss to which Government should not have been subjected." He further added that the taxation of the kind "which a sixteen penny rupee means will be unfelt and unknown except from the agitators."¹

This attitude of the Government would confirm the view of many national leaders that the handling of the currency question impregnated a political manoeuvre aimed at confusing the ignorant masses by imposing indirect and hidden taxation.²

1 MacDonnell to Elgin, 8 July 1898, E.P., Vol. 33.

R. Hardie, Member of the India Council, had stated the same thing much earlier; "altering the rupee from a free coin to a monopoly coin, very seriously affected the financial obligations arising under all land settlements." Minute, 14 April 1894, Financial Papers, F1189/94, vol. 1265.

See also W. Fowler, Indian Currency - An Essay, op. cit., pp. 8-9.

2 The remarkable financial recovery and continuous budget surpluses after 1901 had enthused Hamilton to feel very happy and this in turn excited a penetrating remark from G.K. Gokhale who said, "Such an impossible feat as the raising of the exchange value of the rupee without involving an indirect increase in the taxation of the country can be performed, what is there to prevent the Government of India from raising the rupee still higher - say, to 1s. 6d. or 1s. 9d. or even 2s.? The surpluses then would be even larger than now and as according to Lord George Hamilton's argument, no harm is done to anybody in India by such artificial appreciation, there is no reason whatever why such wonderfully easy and simple method of increasing the resources at the disposal of the Government should not be adopted." G.K. Gokhale, Speeches, Madras, 1916, p. 76. See also J.A. Wadia, The Artificial Currency, op. cit., pp. 53, 58, 95-7, 107-8.

R.C. Dutt, Economic History of India, London, 1904, p. 596.

To add fuel to the fire, the depreciation of the silver bullion and its greater divorce from the coin caused further hardship to the poor ryot; particularly because the chief savings of the poor were in ornaments.¹ During the times of scarcity and famine a considerable quantity of silver ornaments found its way to the mints. Even^{the} Herschell Committee had admitted that in 1877 famine, nearly Rs 45,000,000 worth of ornaments were turned into rupees.² As a part of the social habit, more than half of the yearly additions to the currency before the closing of the mints went into melting pot for conversion into ornaments or as hoards.³ MacDonnell and O'Connor both had agreed before the Fowler Commission that large part of the silver was used as ornament. MacDonnell had himself stated that a quarter of the peasants' savings were in ornaments.⁴ In another letter he admitted that during recent famine large ornaments were pawned, but his statement was ignored for it did not nearly prove that the people were impoverished.⁵ It was Gokhale who remarked that the price of the silver bullion had gone down even when the prices of the other commodities had not.⁶ This must have enhanced the indebtedness

1 Report of the Indian National Congress, 1898, p. 107.

2 Report of the Indian Currency Committee, 1893, op. cit.; Para 106.

3 G.F. Shirras, Indian Banking and Finance, p. 156.

4 MacDonnell to Elgin, 8 July 1898, E.P., vol. 33.

5 MacDonnell to Elgin, 5 May 1898, ibid., vol. 72.

6 G.K. Gokhale, Speeches, p. 14.

of the poor.¹

Thus where the Government gained with the rising exchange, the masses lost. As Hardie said, during the crisis the reserves of the people in silver could not be converted into money except at a very great loss. Merchants were unable to discount their bills except at extreme rate such as 12 to 15 per cent per annum and even then only to a very limited extent. The resources of the Indian bankers were not available in money and they were unable to utilize their credit in the usual manner by obtaining advances freely from the Bank.²

As regards the prices, there was no general fall, except in 1894, 1895 and 1899.³ During 1893-9, many strange things happened. Whereas the rise in the value of the rupee as measured by its purchasing power over commodities immediately after the closing of the mints, saw a fall in the prices from index number 129 in 1893 to 120 in 1895, on the other hand there was a fall in the average exchange value of the rupee from nearly 14d in 1893 to 13d in 1895. Similarly in the period of depreciation in the purchasing power of the

- 1 Elgin himself had shown great interest in the rural indebtedness and had often written to the Secretaries of State regarding the implication of it as a political danger to what he termed as "appalling" condition of the people because of rural indebtedness. See Elgin to Fowler, 17 July and 30 October 1894, E.P., vol. 12.
- 2 R. Hardie's Note on Food Stock, 9 February 1897, Enc. Hamilton to Elgin, 12 February 1897, E.P., vol. 15.
R. Griffen, Assistant Editor of The Economist, calculated on the figures of L. Probyn that ornaments before the mints were closed, were worth £350,000,000 and were now worth £256,000,000, quoted in E.F. Marriot, Indian Currency Question, p. 46. See also Monthly Records of Manchester Chamber of Commerce, 1893, vol. iv, p. 139.
- 3 C.N. Vakil and Murranjan, Currency and Prices in India, pp. 321-30.

rupee from 1896 and 1897, the prices rose from 131 in 1896 to 153 in 1897 and on the other hand the rupee sterling exchange rose from 13d in 1895 to 14½d in 1896 and 15d in 1897.¹ These paradoxes were of course due to the work of many other factors. As a matter of fact, the artificial appreciation of the rupee should have brought a general fall in the prices. This assumption was obviously based on the fact that shortage of rupees would enhance its purchasing power and the prices would fall. This view was equally shared by the Government. In the first few years after the closing of the mints to the free coinage of silver, this trend was counterbalanced by a succession of famines and scarcities and also by hoarded rupees, having come into circulation, and also probably because of the rise of gold prices throughout the world during that period, which helped to increase the prices in India.

The impact of rising exchange and high prices on general public must have been pernicious. But it was Naoroji, who pragmatically argued that "the real and full effect of the closing of the mints must be examined by itself, irrespective of other factors." He affirmed that the peasants had to pay a higher amount of revenue to the Government as a result of the increase in the gold and silver value of the rupee and this was "altogether independent of whatever the actual price of commodities may be." If the prices did not go down in reality because of the operation of certain other factors, he argued,

1 See the Chart, p.72

it only meant that in absence of the currency changes and with the continued operation of these factors, prices would have gone up and that the peasants would have gained at that extent.¹

The currency legislation also affected the cotton goods trade unfavourably.² After the gold value of the rupee increased, the Indian cotton industry no longer possessed its former advantage and lost to China and Japan its competitive initiative, because China remained silver standard and Japan fixed a low ratio of ~~the~~ exchange between silver and gold, thereby acquiring a price advantage over Indian manufacturers.³ There is no doubt the textile interests of India, for the Indian owned industry were worst affected. The decline of the Far Eastern demand for Indian cotton was one of the reasons for five years slump after 1900 in the Bombay Mills.⁴

In its final analysis it may be pointed out that in the 1890s the financial position of the Government of India was definitely in a serious difficulty and some solution of the problem was essential.

1 D. Naoroji, Statement Submitted to Indian Currency Commission, 1898, op. cit., Paras 7-15.

2 For the impact of currency changes on foreign trade, see P. Ray, Indian Foreign Trade 1870-1930, pp. 171-208.
C.L. Chablani, Studies in Indian Currency and Exchange, pp. 5-10.

3 Bengalee, 28 June 1898.

4 D.H. Buchanan, The Development of Capitalist Enterprise in India, pp. 155. G.K. Gokhale alleged in 1902 that the cotton industry of India was in a state of "dreadful depression, in large measures due to the currency legislation of Government." Speeches, op. cit., p. 10.

There could be, of course, two opinions about the methods employed. First, for example, as the Indian National Congress argued that instead of "tampering" with the currency, it was worth while to reduce the 'Home Charges' and military expenditure.¹ Secondly, some others would have preferred a lower ratio as in the case of Japan which had gone gold standard in 1898 but had adopted it at a ratio with silver which was equivalent to 11½d per rupee. In the context of low ratio, once Westland made a very significant remark in an important note which he wrote on 17 October 1896. He said, "It is certainly true that falling exchange has compelled us to resort more than once to increased taxation, but ^{it} is certainly also true that falling exchange has had a great deal to do with the continual increasing produce of each of our sources of revenue".² In other words a lower rate would have increased production and thereby compensate the loss in the form of additional revenues.

It is also true that much of the results of the Government's currency policy were obscured and aggravated on account of war, famine

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- 1 India, 11 November and 4 December 1898.
Danyan Prakash, 9 May 1898, Kaiser-i-Hind, 15 May 1898.
Bomb. N.N.R., 1898.
 D.E. Wacha, Report of The Indian National Congress, 1898,
 pp. 98 and 101-4.
 Dada Bhai Naoroji, Poverty and UnBritish Rule in India, pp. 539-46.
 R.C. Dutt, Economic History of India, p. 582.
 Bipin Chandra, in recently unpublished thesis, Economic Policies of Indian National Leadership 1880-1905, Delhi, 1963, has shown the disapprobation of the currency policy by the Indian Leadership on various counts and in great detail, pp. 213-29.
- 2 Para 21, op. cit., E.P., vol. 135(r).

and plague. But it is equally and substantially true, as MacDonnell admitted, while writing to Elgin that ^{the effect of} the currency and the artificial value of the rupee on rural economy was not properly examined.¹

Lastly, it was unfortunate that Elgin's period of administration was a period of trial and transition. It also fell to the burden of the administration to raise even additional money in the form of import duties and provoke the criticism of the public on account of acute scarcity of money in the market. But it could not be taken from the credit of Elgin that he tried twice to relieve the pressure of stringent money from the public and thereby ease the financial tension and terminate the period of transition at its earliest. Unfortunately the British economic interests clashed with those of the Indian.

1 MacDonnell to Elgin, 26 April 1898, E.P., vol. 72.

Table No. 1

The following table compiled by the Department of Statistics Government of India shows the course of prices in India expressed in index numbers (prices in 1873 being equal to 100).

Year	Exported articles (28) un-weighted	Imported articles (11) un-weighted	General index number for all 39 articles unweighted	Weighted index number (100 articles) equated to 100 for 1873.
1873	100	100	100	100
1883	93	79	89	99
1884	96	78	91	108
1885	91	75	87	106
1886	93	80	89	103
1887	94	83	91	104
1888	98	92	96	111
1889	104	91	101	117
1890	104	91	100	117
1891	103	84	98	120
1892	109	84	102	132
1893	112	89	105	129
1894	110	84	102	122
1895	111	87	104	120
1896	117	94	110	131
1897	124	86	113	153
1898	102	80	96	125
1899	100	87	96	121
1900	124	96	116	143

Chapter II

COTTON DUTIES

In the field of political economy, the mid-Victorian and later-Victorian periods have been called an age of free trade. But free trade in the strict sense of the term was not applied in India. The Indian Government had recognised the need of revenue and the Home Government had accepted the policy. Like other commodities the cotton piece goods and yarns were subjected to import duties. Between 1844-74, the duty on the cotton piece goods varied between 10 per cent and 5 per cent, and on yarn between 5 to 3½ per cent, except once, when in 1860-1 the duty on yarn was also 10 per cent.¹

By 1870, the circumstances began to change. Indian cotton industry began to grow. In 1854, there was one cotton mill in India, but by 1873 there were 20 and by 1876, 47 mills. This rate of growth alarmed the Manchester industrialists. As there was a great scope for the cotton industry to develop in India because of the plentiful supplies of raw cotton, cheap labour, and a large home market, Manchester started employing every effort to eliminate any artificial benefit, however slight, the industry received from Tariff laws.² A fierce

1 A Note prepared by Sir Henry Waterfield, Finance Secretary India Office, on the history of cotton duties up to 1879; November 1894, Revenue and Statistics and Commerce Departmental Papers of the Council of India, 1443/94, vol. 336. [Hereafter cited as R and S Papers] .

2 E.C. Moulton, Lord Northbrook's Indian Administration 1872-1876, Unpublished, London University Thesis, 1964, p. 273.

controversy ensued during Lord Northbrook's period of viceroyalty to abolish the duties on cotton piece goods and yarn. Although till the time of Northbrook's resignation the duties remained in force, Salisbury had forcefully indicated that the Indian tariff should conform to the imperial interests. Moreover, to ensure that imperial interests were protected, he ordered the Government in 1875 not to pass any important legislation in future without previously consulting the Secretary of State.¹

The effective implementation of the imperial tariff policy took place under the regime of Salisbury and Lytton. In 1878, the import duties on certain coarser kinds were remitted and in 1879, on all cotton goods not containing yarns of counts higher than 30. Lytton had passed this legislation after over-ruling the decision of the majority of his executive council.² It was solely in the political and economic interest of England that such a step was taken. Up to that time Indian industry was still in its infancy and there was no keen competition between the Indian and the Manchester manufacturers, because the former produced only coarse cloth and latter the finer. Secondly, the duties were too low to provide effective protection. What was

1 Ibid., p. 264.

2 C.N. Vakil, Financial Development of Modern India 1860-1924, Bombay, 1924, pp. 417-8.
 For details see L.M. Gujral, Internal Administration of Lord Lytton, 1876-80, unpublished, London University Thesis, 1958, Chap. I.

probably most alarming was that Lytton had reduced these duties in a period of deficit, famine and war.

The import duties were abolished in 1882 under the Liberal Viceroyalty of Lord Ripon. India was now virtually without tariff.

This tariff holiday did not last long. The appalling growth of military expenditure¹ brought about by the frontier troubles, and the expedition to Burma, the construction of large public works, the progressive reduction of opium revenue, the exchange compensation allowance and the fall in the gold value of silver exerted great pressure on the finances of India. In 1894 the Government was confronted with the deficit of rupees 35 million.² There was no other means of raising revenue except the reimposition of import duties. The Herschell Committee in 1893 was quite emphatic in suggesting the imposition of import duties to meet the financial exigencies.³ The question at issue was; whether to include cotton in the general import duty or not? And if this was not included nearly half of the imports

1 The analysis of expenditure on the army in India 1884-5 to 1892-3 was forwarded to the Secretary of State in Indian Government L. No. 63 (Mil.), 5 April 1893, Military and Marine Letters from India, vol. 69.

2 Westland's Statement, Proc. of the Council of the Governor-General in India, 1894, vol. 33, p. 118. Writing a letter to the Editor of The Times, 19 February 1895, David Barbour (former Finance Member of the Government of India) pointed out that all budgets since 1892-3 to 1895-6 had shown deficit, in spite of the fact that increase in the taxation in the form of income tax, salt tax, petroleum tax and import duties had brought rupees 55 million. In addition to this 15 million rupees were absorbed from the famine relief and from provincial funds.

3 Report of the Indian Currency Committee, 1893, op. cit., para 39.

would go free and the deficit would not be met.¹ But its inclusion would be disputed on political and economic grounds.

There were certain other factors to be taken into consideration. By then the Indian textile industry had increased very rapidly. Whereas in 1882 there were 62 mills, in 1894 their number reached 142, which alarmed Manchester. Secondly, Elgin had come to India under specific instructions that no duty would be imposed on cotton goods. The political condition of his party was very delicate and the Liberals had the majority of only 3/4 in the House of Commons. Any change in the vital cotton tariff could bring down the Liberal Government.

In his first private letter to Kimberley, Elgin took a realistic view and wrote, "I think you may wish to know that I concur in a course which is very distasteful to me personally, it is because I cannot see any alternative".² With the unanimous support of his executive council he urged the Secretary of State to allow the Indian Government to impose import duties, including those on cotton goods. Kimberley was not amenable to the Viceroy's proposal. He was prepared to concede to the demand of general import duties but not

1 Telegram, Viceroy to S.S., 19 February 1894, E.P., vol. 17.

2 Elgin to Kimberley, 31 January 1894, ibid., vol. 12.

on cotton goods.¹ Elgin again reminded the Secretary of State of the iniquitousness of the action and stated that if the principle of import duties was accepted, he did not find any reason, even as a free trader, as to why cotton goods should be excluded.²

But the British cabinet was not prepared to take any chances with the cotton interest of Manchester. Godley, the permanent Under-Secretary at the India Office, informed Elgin that the position of the cabinet was so delicate that if cotton duties were imposed -

"It is possible, not to say probable, that the Government might be defeated on the subject in the House of Commons, or might revoke their consent in deference to obligation, and this would be fatal to any attempt to impose the duties for a long time to come."³ It was feared that over 60 Members of Parliament, who represented Manchester and Lancashire, whether Liberal or Conservative, would vote against the imposition and this would topple the Government.⁴ On 27 February Kimberley finally informed Elgin of the cabinet's decision by both private and official telegrams that cotton goods were not to be included.⁵

1 Telegram S.S. to Viceroy, (Pr.), 30 January 1894, ibid., vol. 17.

2 Telegram Viceroy to S.S., 16 February 1894, ibid.

3 Godley to Elgin, 22/23 February 1894, ibid., vol. 29.
Also Kimberley to Elgin, 2 March 1894, ibid., vol. 12.

4 Ibid.

5 Telegrams S.S. to Viceroy, 27 February 1894, ibid., vol. 17.

In doing so Kimberley had over-ruled the unanimous opinion of the Council against the idea of exempting cotton from general import duties.¹

Thus the Secretary of State took his final decision and it was now Elgin's turn to take his decision. His position was very delicate. The utilization of the famine insurance to the extent of 10 million rupees, the curtailment of provincial balances and the doubling of the duty on kerosene had brought in only as much as to pay the exchange compensation allowance, which was given to Government officials for their loss in their sterling remittances due to the fall in the gold value of silver.² The financial position looked gloomy. Elgin pleaded once again, this time with Fowler:

'If other import duties are to be imposed, why is not this one, and it is not expected from the consideration of home interests, and home interests alone? I don't think it^(s.c) be argued that it is more distinctly protective ... an import duty on cotton goods would not really affect the volume of trade. On the other hand, the money is absolutely required, and I am assured[^] that there is no other source of revenue which would not be both inadequate and dangerous. The real danger that is apprehended - and I think not altogether unjustly apprehended - is a coalition of British and native opposition.³

Further he stated that as the tariff Bill stood, if members were left to vote, there would not be a single vote in favour of the exclusion of cotton goods. Even the members of the executive would vote for the

1 All the 11 Members dissented. Minutes of the Council of India, vol. 72, pp. 98-9.
2 Telegram Viceroy to S.S. (Pr.), 6 March 1894, E.P., vol. 17.
3 Elgin to Fowler, 7 March 1894, ibid., vol. 12.

exclusion of cotton goods from import duties under compulsion.

But Fowler did not heed ^{to} his pleadings.

The Tariff proposals were taken to the Legislative Council. Westland had clearly stated that the proposed exemption of cotton was because of the English pressure applied through the Secretary of State.¹ But opposition to this developed and Charles Pritchard urged that this matter must be reconsidered. Elgin was caught in an embarrassing position and asked the Secretary of State to relieve him of this position by agreeing to impose a nominal duty of 2½ per cent and sought the assurance that if the financial position did not improve, the matter would be reconsidered.² The Cabinet did not agree to impose duties on cotton in the first instance but agreed that if situation demanded, it could be reconsidered.³

In the meantime there was a lot of controversy raised by non-official members, both Anglo-Indian and Indian. When the report of the select committee of the Legislative Council was placed for the consideration on the 10 March 1894, Hon'ble Playfair moved the amendment that cotton duties must be included. It was wrong, he said to leave one-half of the total import trade which amounted to Rs. 280 million annually.⁴ He said that the taxation now proposed enabled

1 Proc. of the Council of the Governor General in India, 1894, vol. 33, p. 119.

2 Telegram Viceroy to S.S., 6 March 1894, E.P., vol. 17.

3 Telegram S.S. to Viceroy, 8 March/ ibid.

4 Proc. of the Council of the Governor-General in India, 1894, vol. 33, pp. 143-4.

only to pay the exchange compensation to the officers, the payment of which became "unduly onerous through the system of taxation adopted to provide the amount required."¹ He further asserted that 5 per cent duty was not against the principles of free trade, which he said had been admitted in the past by financiers like J.S. Mill, Wilson, Gladstone and Lord Cromer.

The Indian non-official members, Gangadhar Rao Madhuva Chitnavis and Maharaja of Dharbanga, also made scathing criticism of the Government.² But a very powerful speech came from the official member Hon'ble Stevens, who said that the exclusion of cotton from the tariff list would strengthen the current belief that "in this case and perhaps in others the interests of India are sacrificed to meet the exigencies of party politics in England."³ Westland also confessed; "If the matters were left to my discretion, I dare say, I would incline in the discretion of the Hon'ble member's amendment."⁴

1 Ibid., p. 145.

2 Ibid., p. 156 and pp. 159-60.

3 Ibid., p. 163.

4 Ibid., p. 180.

He further admitted that Manchester trade was not so reduced in the world that it could no longer "fight a fair fight".¹ Both Westland and Elgin took shelter under the constitutional authority of the Secretary of State and the cabinet.² The tariff Bill was passed in March 1894.

Public criticism was much more hostile. Six chambers of commerce, three trade Associations, and eight other public associations registered their strong protests. They all asserted that it was unjust on the part of the Government to impose tax on kerosene, which the poor section consumed and completely exempt the cotton goods which could bring substantial revenue.³ Lieutenant-General Brackenbury, the military member in the Executive Council wrote to Elgin that there was a feeling of unrest among Indians.⁴ The Punjab Government also wired that "exemption would be discreditable to our administration".⁵

It was the Indian press which made the frontal attack. The very act of exempting cotton goods from the general tariff brought many questions into the open. Many newspapers questioned the financial

1 Ibid., p. 182.

2 Ibid., p. 189.

3 Indian Govt. sent 29 Enclosures with L. No 27 (Fin.) of 21 March 1894, all condemning the exclusion of cotton goods from the general tariff Act. F.E.F., vol. 180.
See also India Fin. and Com. (Statistics and Com.) Proc., vol. 4606, Nos. 212-13, 218, 219 and 235, May 1894.
Report of the Bombay Chamber of Commerce, 1895, pp. 195-200.
Memorial, East India Association, 14 June 1894, R. and S Papers 518/94, vol. 324.

4 Brackenbury to Elgin, 6 March 1894, E.P., vol. 64.

5 Telegram Punjab Govt. to Viceroy, 3 March 1894, ibid.

administration and denied that the exchange was the sole cause of trouble. They stated that it was the extravagant expenditure on civil and military ventures, which was the prime cause and further asserted that at this time of financial need, it was imperative for the Government to act vigorously.¹ Many reminded the Government that it was too much to tax the patience of the people and wrongfully deprive them of their money by raising the revenue for famine relief and using it for other purposes. They called this betrayal of faith.² The Bangavasi, an influential Bengalee paper, termed the Indian Government "pure nonentities" and "veritable puppets" and strongly condemned the selfishness of the British rule in India.³ Some even questioned the need of keeping "a mock viceroy" and maintaining a "sham" Legislative Council.⁴ Some went to the extent of suggesting a boycott of foreign goods.⁵

Nor was the criticism confined to India only.⁶ The members

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- 1 Kaiser-i-Hind, 11 March 1894. Bombay Samachar, 13 and 14 March 1894, Bomb. N.N.R. 1894.
 - 2 Maharatha, 4 March 1894, Gujrati, 4 March, Kaiser-i-Hind, 4 March, Bomb. N.N.R. 1894. Sahachar, 7 March 1894; Hitavadi, 15 March 1894; Bengal N.N.R. 1894. Karnataka Prakrita, 12 March 1894; The Kerala Patrika, 10 March 1894; Madras N.N.R. 1894.
 - 3 15 March 1894, Beng. N.N.R., 1894.
 - 4 Sulabah Dainik, 7 April 1894, ibid.
 - 5 Hindu Panch, 22 March 1894, Poona Vaibhava, 15 April, Danyan Prakash, 16 April 1894, Bomb. N.N.R. 1894.
 - 6 Godley to Elgin, 15 March 1894 and 30 March 1894, E.P., vol. 29. Lord Reay to Elgin, 6 April 1894, ibid., vol. 29. Lord Lansdowne to Elgin, 30 May 1894, ibid., vol. 29.

of the India Council vigorously condemned the action of the Secretary of State. Sir Arbuthnot termed it as a betrayal of good faith, which was bound to impair the "confidence in the justice of British rule" in India.¹ A.C. Lyall, another member of the India Council, thought that the exclusion of cotton goods from the import duties schedule could not be defended on economic grounds "having regard to the existing situation of the Indian finance".²

Even in the House of Commons voices were raised against the measure. Sir George Chesney deplored the action of the Secretary of State who had not allowed the Indian Government to impose tax on cotton in dire need of its financial crisis.³

The first phase of controversy uncovered and brought to the forefront many things. Firstly, the financial condition of India was revealed to be unsound. There was still a deficit of 15 million rupees.⁴ India needed either curtailment of expenditure or rise in

1 Arbuthnot's Note of dissent, 1 March 1894, India Council Minute Book (copies), vol. 5, p. 1-2.

2 Ibid., p. 3. See also Memorandum by Lord Farrer on the Indian cotton duties, R and S papers, No. 518/94 vol. 324. These papers contain very valuable statistical data and give factual criticism. These papers were sent to Lord Reay, Parliamentary Under-Secretary of State, who further presented to Mr. Fowler on 22 May 1894.

3 Parl. Debates, 4th Series, vol. 22, col. 208, 13 March 1894.

4 S.S. to Indian Govt., Despatch No. 65 (Rev.), 31 May 1894, Para 7, Revenue Despatches to India, vol. 15.

the revenue. The import duties without cotton duties were an economic and political mockery. Secondly, the political and economic influence of Manchester seemed unassailable.¹ Thirdly, the recent action of the Indian Government had certainly created an element of discontent.

Elgin's role in this phase was unique. He was caught between his conscience and his politics, between positive action and expediency, between independence of action and obedience to the superior authority. But he did what he thought to be the best. He had warned the Secretary of State much before and eloquently demanded justice for India and tried his best to waive away the superstition of people in England that India was rich. When Godley wrote to him that the Secretary of State did not consider the financial position of India to be so bad as to warrant the imposition of cotton duties;² Elgin replied:

You must bear in mind that we have only arrived at a solution this year by giving up the famine grant and by making calls upon the local Governments - which, I am satisfied, would not only be extremely unpopular, but also most inexpedient as any part of a permanent arrangement, and if you take out those parts of the present financial scheme, you will, I think, easily see that there is no practical alternative except the cotton duties.³

Elgin had tried all means - suggested nominal duty, proposed excise

1 Elgin to Harris (Governor of Bombay), 14 March 1894, E.P., vol. 64.

2 Godley to Elgin, 22/23 February 1894, ibid.

3 Elgin to Godley, 21 March 1894, ibid.

duty,¹ and never was he more truthful when he said this action would lead to political discontent in India.²

In this controversy, Elgin had not lost all. He had gained one point, that the question of the cotton duties could be opened again. When Fowler spoke in the House of Commons on 13 March 1894³ and gave a feeler to the Government of India that import duties on cotton goods could be considered as a compromise with countervailing excise duty, Elgin was quick to catch up.⁴

The Government of India in its first major policy despatch of March 1894⁵ firmly stated that the exclusion of tax on cotton could not be permanently maintained, particularly because the financial position in foreseeable time was not likely to improve, and the curtailment of military expenditure suggested by Kimberley was not possible.⁶ Provincial contribution was not substantial⁷ and the suspension of Famine Insurance Grant could not be made a permanent feature.

1 Elgin to Fowler, 7 March 1894, ibid., vol. 12.

2 Ibid.

3 Parl. Debates, 4th Series, vol. 22, Col 215-220, 13 March 1894.

4 Godley had suggested earlier of the excise duty to Elgin in order to minimise the outcry of protection in England. Godley to Elgin, 2 March 1894, E.P., vol. 29. In another letter Godley had written that excise duty need not be identical with the duty on the imported cotton goods; "It might be somewhat lower". Godley to Elgin, 30 March 1894, E.P., vol. 29.

5 Indian Govt. to S.S., L.No. 81 (Fin.), 28 March 1894, F.L.I., vol. 179.

6 See Fin. Statement 1894-5, Para. 121.

7 Ibid., Para 27, 28 and 96.

In May 1894, the Secretary of State and his Council in their despatch conceded to the demand of the imposition of the duties on cotton piece goods and yarn, but made it clear that imposition of duty was in itself a great concession and excise duty must be accepted as a complementary to it. In the case of imported goods which did not compete with Indian manufactures, the import duty on them would not be protective and no equivalent excise would be needed.¹ It further stressed that Indian cotton industry during the last twelve years had developed much faster and if no excise was levied, Lancashire would feel very agitated. The Secretary of State left to the discretion of the Government of India to devise a scheme which would not be open to "serious economical objection at the outset."²

1 S.S. to Indian Govt. Despatch No. 65 (Rev.), 31 May 1894, Para 10. Revenue Despatches to India, vol. 15.
See also Fowler to Elgin, 30 March 1894, E.P., vol. 12.

2 S.S. to Indian Govt., Despatch No. 65 (Rev.), 31 May 1894, Para 16, op. cit. When the said despatch was in its draft form, it was committed to many changes on J. Piel's suggestion (Note dated 28 May 1894). Paragraph 13 was modified and another paragraph was omitted because it committed the Secy of State to the idea of excise duty too much. A.C. Lyall (Note dated 7 May 1894) asked for the omission of certain words in paragraph ten, because they were too sweeping and again pledged the Secretary of State too much. Arthur Godley concurred (Note, undated) and Fowler agreed to the suggestion. Arbuthnot (Note dated 23 May 1894) totally dissented from the despatch on the initiation of the principle of excise. He stated that Indian Cotton Mill industry was a institution of modern growth and needed encouragement and not suppression. Already the industry had received a setback on account of the currency legislation, and such an action he said would tantamount to an extremely partisan attitude towards Manchester and would aggravate the already state of political unrest in India which was so much there since 1875 and he beseeched that there was no time for "rash experiments upon the loyalty of the people of that country." R and S papers, No. 518/94, vol. 324.

On the receipt of this despatch, Elgin asked Westland to draw the line of action. Westland went to Bombay to study the functioning of Indian Cotton Mill Industry and devised a plan to meet the wishes of the Secretary of State. The Minute of Westland¹ dated 14 July 1894, was painstaking, factual and revealing. He gathered his facts by examining the records and statistics of 140 of the 141 cotton mills collected by the Indian Millowners' Association and the records of the Collector of Customs, Bombay.

He came to the firm conclusion that of the total cotton manufactures in India, 94 per cent was absolutely outside the range of any competition with Manchester; because it was the coarse quality of goods of counts 24S² which Manchester could not pretend to supply so cheap as India, as is evident from the following figures:-³

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- 1 J. Westland's Minute, 14 July 1894 (Confidential), India Fin. and Com. Proc. (Statistics and Com.) vol. 4606, No. 378, August 1894. The original minute contained 52 Paragraphs. 27 Paras were omitted from the Parliamentary Papers entitled as Blue Book, vol. 72, (C.7602) 1895. The unexpurgated minute did not catch the eyes of the public because it was never made public.
 - 2 The Count of yarn might be called as the number of yards of that yarn which would be required to make up the weight of $1/840$ of a pound. 20S are therefore exactly twice as fine as 10S and 30S are three times as fine. Of these Counts it would require 10 yards, 20 yards and 30 yards, respectively to make up the weight of $1/840$ of a pound.
 - 3 Op. cit., Para 11.
As regards the Indian mills only, a small proportion of the yarns produced was used for mill weaving. Of the 141 mills in existence, only about 64 or less than half possessed any looms at all; the rest were occupied solely in producing yarns for export and for hand loom consumption, and among the 64 spinning mills, the weaving department absorbed only a portion of outturn of yarns. 37½ million lbs of yarn was annually produced in India, out of which 170 million lbs was exported, 129 million lbs was sold to handloom weavers and 74 million lbs was used for weaving. J. Westland, Minute, Para 15. The trade in yarns of Indian manufacture greatly exceeded trade in cloth of Indian manufacture.

Percentage of Counts

	10S and under	.....	19.714	per cent	
Above	10S and under	20S	.....	59.633	"
"	20S	" " 30S	.....	19.073	"
"	30S	" " 40S	.....	1.453	"
"	40S	.....	<u>.127</u>		
		Total		100	

Manchester had an absolute monopoly of the finer qualities and the bulk of the trade consisted in piecegoods of about Counts 30S and in yarns somewhat finer.

Yarns imported into India.¹

	<u>1892-93</u>	<u>1893-94</u>
From U.K. lbs.	37,337,449	lbs. 41,642,142
Elsewhere	<u>935,096</u>	<u>1,164,849</u>
Total	38,276,545	42,806,991

The value of the imports of cotton goods from United Kingdom was

	Rx
Yarns	2,600,000
Piece goods	<u>22,000,000</u>
Total	24,600,000 ²

1 Of the above imports, Bombay, Madras, Calcutta each received a little over 10 million lbs. Of the imports into Bombay, a complete analysis extending over 24 years was made by the Bombay Chamber of Commerce and the result of that analysis showed that

- (a) of grey mule twist, only 0.4 out of 27.21 or .15 per cent was of 24S and under;
- (b) of grey water twist, only .15 out of 26.19 or .57 per cent was of 24S and under;
- (c) and the percentage in both cases had been for years gradually decreasing. Ibid., Para 17.

See also K.T. Shah, Trade, Tariffs and Transport, Bombay, 1923, p. 267.

2 Ibid., Para 26.

Six per cent of the above amount or Rx 860,000 worth of produce could be considered as a possible competitor in the field of trade that was occupied by Manchester. That it was, not only with Rx 24,600,000 worth of goods which Manchester sent yearly to India, but also with the large quantities which Manchester sent to China, Japan and East Coast of Africa to which India could (as a matter of fact, it did not) send part of its total competitive traffic of Rx 860,000. The exports of Manchester to the East were nearly 30 million sterling, say Rx 45,000,000. So that India got less than 2 per cent of the market for the finer goods and Manchester 98 per cent.¹ This point can be further substantiated by looking at the figures of exports from Bombay (as provided by Collector of Customs, Bombay) for the year 1892-93 and 1893-94.²

The quantity being in lbs and values in Rx.

	1892-93		1893-94	
	Quantity	Value	Quantity	Value
Mule twist and yarn				
No 15 and lower	55,994,974	1,804,607	35,744,084	1,197,484
No 16 to 24	113,700,411	4,275,830	88,372,568	3,381,086
Total 24S and lower	169,695,385	6,080,437	124,116,652	4,578,570
Nos 25 to 32	200,358	9,414	409,185	19,742
Nos 33 to 42	15,950	1,043	44,000	2,417

Contd:

1 Ibid., Paras 27-8.

2 Ibid., Para 16.

	1892-93		1893-94	
	Quality	Value	Quantity	Value
Water twist				
No 20S and lower	79,136	3,280	112,365	4,607
No 21S to 30S	4,010	165	53,050	2,438
No 31S to 40S (all sent to Persia)	9,800	537	30,200	1,668
No 41S to 50S (all to China)	-	-	385	37
<u>Coloured</u>	781,890	46,011	701,990	41,062
Total	170,768,529	6,140,887	125,467,827	4,650,541

These figures sufficiently show that the exports of the counts above 24S form only an insignificant proportion of the total export trade in yarns.

Manchester had a more serious rival in Europe in the cotton goods of the Counts 24S than in India, particularly in the coloured, printed, dyed and fancy goods. They were largely made of Indian cotton, the export of which had been rising and was mixed with the American cotton, so as to produce quality goods of the raw-cotton. Of the raw cotton in 1892-3 the exports from India were 4,789,201 cwts of which 528,403 went to the United Kingdom, 443,988 to Japan and nearly all the rest, say $3\frac{1}{4}$ million cwts to Europe.¹ This clearly showed that the United Kingdom was ceasing to be a customer for these inferior grades of cotton, as it paid Manchester to go in more for the finer qualities of goods. It is clear that it did not

¹ Ibid., Para 23. Even of the above figures of the U.K., about half, Westland believed were re-exported to the Continent.

suit Indian cotton industry to manufacture finer cloth and it could only concentrate profitably on the coarser, because the Indian cotton was more suited (being of poorer quality) to the coarse cloth. To import the American or Egyptian cotton would prove expensive and in this India could not stand the competition of Lancashire.¹

In a nutshell it was 6 per cent of the total which could come under the perview of protection. Westland clearly regretted that an excise duty be levied on such a small item. He wrote:

I accept the fact that we are directed to impose an excise duty so as to prevent this amount of disadvantage in respect of these competitive goods occurring to the Indian Millowners. I do not alter my opinion that an excise duty on cotton manufactures taken per se is an expedient worthy of ^{the} middle ages.²

He added:

but I assume that if we require to raise money by imposing import duties on cotton yarns and fabrics, we have to accept the condition that we must deprive them of a protective character by levying an equivalent excise duty of those classes of Indian manufactured goods which come clearly and directly into competition with dutiable imported goods from England.³

Westland recommended that a dividing line drawn at 24S would leave

1 Ibid., see Para 19.

Similarly it did not suit Lancashire to make coarser cloth out of American or Egyptian cotton because it would result in a lot of waste.

2 Westland's Minute, Para 29. It was to these remarks that Fowler had taken an exception and asked Elgin to properly edit and excision the Minute. Fowler to Elgin, 13 December 1894, E.P., vol. 12.

3 Westland's Minute, Para 29.

Manchester absolutely unaffected. His suggestions were:¹

- (a) An import duty of 5 per cent ad valorem on all cotton piece goods.
- (b) An import duty of $3\frac{1}{2}$ per cent on all cotton yarns above counts 24S.
- (c) An excise duty of $3\frac{1}{2}$ per cent ad valorem on cotton yarns of counts above 24S produced at mills in India.

Westland's minute got an enthusiastic reception. Elgin congratulated him. The Government of India accepted it in full and forwarded the same to the Secretary of State.² Elgin informed Fowler privately that the question of a countervailing excise duty should not be pushed too far.³ But the Secretary of State was not prepared to give up the idea of excise duty though he agreed that effective competition between Lancashire and India was no doubt limited.⁴ On the whole

1 Ibid., see Paras 31-2 and 41-3.

2 Indian Govt. to S.S., L. No. 210 (Fin.), Confidential, 7 August 1894, F.L.I., vol. 179.

3 Elgin to Fowler, 24 July 1894, E.P., vol. 12. He wrote to Fowler, "It does not seem to me that it is shown to be in a condition to be a serious rival to Lancashire and the accounts of the Mills in Native states are not encouraging as to the prospects of Natives carrying on successfully the better class of manufactures; but still it gives employment to a large number of workmen, more in proportion, as Westland points out, than in England, and I think it deserves every encouragement we can legitimately give it."

4 Fowler to Elgin, 17 August, 1894, ibid.

the first impression of India Office was encouraging.¹ But that was all, the influences of power began to work, the Manchester and Party interests began to dominate the issue. Manchester Chamber of Commerce, which had known fully that the exemption of cotton was a temporary matter, kept on pressing the issue and sent one resolution after another to the Prime Minister and the Secretary of State.²

Fowler informed Elgin that as the matter was of "prime importance" the final decision would be taken by the Cabinet. But he left Elgin in no doubt that the scheme of the Government of India was to be modified.³ Godley prepared the agenda for the Cabinet meeting which was held on 9 November 1894.⁴ Fowler informed Elgin of the Cabinet decision, "I want you to understand as the matter now stands, I think the duty on both yarns and piece goods should be 5 per cent - that the excise duty should be 5 per cent - and that the Excise Duty should cover all yarns above 20S."⁵ Elgin accepted it as

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- 1 Godley to Elgin, 23 August 1894, ibid., vol. 29. Godley and Fowler were both impressed by the Minute. of Commerce,
 - 2 Monthly Record of the Manchester Chamber/ Res., 19 March, 13 June, 5 November, 1894, 1895, vol. vi, pp. 1-2.
 - 3 Fowler to Elgin, 2 November 1894, E.P., vol. 12.
 - 4 Godley to Elgin, 9 November 1894, ibid., vol. 29.
 - 5 Fowler to Elgin, 9 November 1894, ibid., vol. 12. See Telegram S.S. to Viceroy, 29 November 1894, ibid., vol. 17. See also Telegram S.S. to Viceroy, Confidential, 11 December 1894, ibid. S.S. to Indian Govt., Despatch, No. 169 (Rev.), Confidential, 13 December 1894. Revenue Despatches to India, vol. 15. A note prepared by M.A.N. Wollaston (Assit. in the Rev. Statistics Dept. of India Office) on excise, 10 September 1894, R and S Papers No. 1443/94, vol. 336.

a 'fait accompli' and agreed to the decision of the Home Government.¹
 In so readily accepting the decision, Elgin seems to have been under the profound influence of two men - Fowler, who was strong, unyielding and decisive, in words as well as in his actions; and Godley - who was as rationalist as persuasive.² In early stages, both these men dominated the decisions of the viceroy. Besides, Fowler was too much committed to the Parliament.³

Although Elgin had accepted the position, some Members of his Executive Council, particularly Pritchard⁴ and Miller⁵ did not agree to the Secretary of State's decision of imposing excise on India cotton goods, and they claimed the right of abstention from voting a Bill in the Legislative Assembly which they did not approve of. This question at once raised a constitutional issue concerning the position of the Viceroy's Executive Council vis-a-vis/ Home Government. The Secretary of State, Fowler, made the constitutional point in very clear and strong words, which had been termed as 'Mandate' of the Secretary of State:

1 Telegram viceroy to S.S., 28 November 1894, E.P., vol. 17.

2 Godley to Elgin, 9 and 29 November 1894, ibid., vol. 29.

3 Fowler's speech of 16 August 1894 in the House of Commons, The Times, 17 August 1894.

4 Public Works Department Member.

5 Law Member.

The existing law subjects ^{to} the Government of India to the control of the Imperial Government; and ^{the} Secretary of State, who exercises that control, is responsible to the Parliament ^{... India is, under the Act of Parliament,} governed by, and in the name of, the Queen, and she governs by the advice of a responsible Minister. All the powers of the Directors of the East India Company, and of the Board of Control in relation to the Government of India and its officers and its servants are by statute vested in the Secretary of State. There is not and there cannot be, any foundation for the theory that 'the loyal cooperation' of an officer of the Indian Government is due only to the Viceroy and to the Council, and not to the Secretary of State as representing the Queen So long as any matter of administration, or policy, is undecided, every member of the Government of India is at liberty to express his own opinion, but when a certain line of policy has been adopted under the directions of the Cabinet, it is clear duty of every Member of the Government of India to consider, not what the policy ought to be, but how effect may best be given to the policy which has been decided upon; and, if any Member of that Government is unable to do this there is only one alternative open to him.¹

And he further emphasised in another letter

I should be very sorry to think that you have in your Council any man who would dispute the supreme authority of the Cabinet on a constitutional question of this description, and by withholding his resignation necessitate his dismissal. However, my position is very clear and with the cordial support of my colleagues I shall immediately advise the Queen to dismiss any Member of the Council who so far forgets what is due to his own position and the position of the Viceroy as to the attempt to continue a member of the Government whose policy he is unable to support.²

There was a two-fold significance of Fowler's explanation on the question of the constitutional issue. Firstly, a very strong

1 Fowler to Elgin, 12 October 1894, E.P., vol. 12.

2 Fowler to Elgin, 30 November 1894, ibid.

and controversial principle was laid down by the Secretary of State. There was already no doubt about the powers of the Secretary of State and the Cabinet, but the importance lay in the fact that it was decided during Elgin's tenure.¹ Secondly, by his explicit statement he definitely weakened the powers of the Viceroy's Executive Council and the Viceroy's Legislative Council.² To his own embarrassment Elgin stated:

It is not for me to deny that; but, on my own behalf, I would say that it does not altogether smooth the difficulties in a Viceroy's path, (which I doubt if anyone who has^{ms} been a Viceroy can fully appreciate) if he has too often to say to his colleagues 'you must submit or resign'. It so happens that this is the second case in my short tenure of office when such a question has arisen, not as affecting a single individual, but several Members at the same time.³

The strong stand taken by the Secretary of State humbled Elgin who accepted a docile and subordinate role. It was from this period that he earned the reputation of being "subservient to Whitehall".⁴

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- 1 Even Godley wrote to Elgin, "I wish the principle had been settled by one of your predecessors". Godley to Elgin, 28 November 1894, ibid., vol. 29.
 - 2 It is quite difficult to reconcile the obedience to orders with the amount of independence which is necessary to allow to a legislative body that has the undoubted right to make laws.
 - 3 Elgin to Fowler, 14 August 1894, Wolverhampton Papers, MSS.Eur. C. 145.
 - 4 For detail see Fowler to Elgin, 12 October, 9 November, 23 November, 30 November and 7 December 1894 respectively, E.P., vol. 12. Elgin to Fowler, 7 August, 14 August, 30 October, 28 November respectively, ibid.
Elgin to Miller, 9 August and 7 November 1894, respectively, ibid., vol. 65.
Elgin to Pritchard, 28 December 1894, ibid.
Miller to Elgin, 9 August and 30 October 1894, respectively, ibid.
Pritchard to Elgin, 29 December 1894, ibid.

It was against this background that the legislation based on the Secretary of State's terms was introduced on 17 December 1894 in the Viceroy's Legislative Council. In the presentation of Tariff Amendment Bill and the Cotton Duties Bill, J. Westland was frankly apologetic.¹ Opposition to the Bill came from the official and non-official members alike. Hon'ble Fazul Bhai Vishram pressed for the raising of the limit for excise limit from 20S to 24S count in the select committee, but failed.² When the Bill came for discussion in the Legislative Assembly on 27 December 1894, Stevens, the nominated official member, spoke against the Government measure.³ Playfair also made a strong attack on the introduction of the principle of excise which was imposed on the Indian goods. It seemed to Playfair that Indian export trade in cotton yarn would diminish because the excise would inflate the prices. The increase in the level of taxation would also affect the sale of coarser yarn within the country. He said that "the manufacturing industry may languish to the detriment of the grower as well as of the spinner of Indian Cotton."⁴ Fazul Bhai Vishram, Mohiney Mohan Roy, Griffith

1 Proc. of the Council of the Governor General in India, 1894, vol. 33, pp. 384-92 and p. 404.

2 Ibid., p. 421.

3 Ibid., p. 438.

4 Ibid., p. 402.

Evans and P. Mehta did not lag behind in making a strong attack on the Government measure.¹ The Bill was defended by Lieutenant Governor of Bengal and Lieutenant General Brackenbury.² On account of solid and united opposition of all non-officials, Elgin was alarmed. He took an unusual step of exercising his vote.³ He also made a speech which was not without significance either as an individual case of a Viceroy or in the constitutional history of British India. He explained the Mandate of the secretary of state. Vis-a-vis the right of the members to vote:-

In every legislative body a man must sit ... by what in modern parlance is called a mandate, and that mandate must be given by some authority ... Here we have no election, and I am glad to say no party, but everyman who sits by the authority and sanction of Parliament, and to say that he can refuse to obey the decisions of Parliament would be absurd. But that is not all. Parliament has provided for the Government of the Indian empire. The British Raj can be provided for in no other way.⁴

He went on to say that this power was exercised through the Secretary of State and his Council and it was but proper to obey its orders. Exhorting the Council to vote the amendment he said, "If this Council does not adopt this amendment, it will take upon its shoulders the responsibility of losing this bill and of losing perhaps altogether

1 Ibid., pp. 402-37.

2 Ibid., pp. 443-6.

3 9 votes were in favour of the amendment and 11 against (including Lord Elgin) one abstained (Stevens).

4 Proc. of the Council of the Governor General of India, 1894, vol. 33, p. 447.

the financial resources which we so much need."¹ Such a statement coming as it did from the head of the administration could not but influence the members unduly.

Thus a controversial and unprecedented step of imposing excise was instituted on a developing industry, of which the burden was to be borne by the poorest of the poor. Such a principle had not been accepted by the Imperial Government before.² Even Samuel Laing and Lord Lytton³ the two free traders of great enthusiasm had rejected it. Westland described it "as an expedient worthy of Middle Ages".⁴ On March 1894 he had assured the Legislative Council that Government neither could nor would sanction the imposition of an excise on the local manufacture.⁵ Such a tax could neither be

1 Ibid., p. 449.

Later, Elgin tried to clarify his position and denied to Fowler that he argued for his "Mandate theory". "I assert the supremacy of Parliament and allege that the Secretary of State is the only proper exponent of what Parliament means, I reserve absolutely the right of voting to men who act under a due sense of their responsibility. I only mention these points because it is generally assumed that I argued for your 'mandate' overriding everything. Even as regards the Members of the Executive that is not what I said or intended." Elgin to Fowler, 9 January 1895, E.P., vol. 13.

2 Harris to Elgin, 21 April 1894, E.P., vol. 64.

3 During his period of Indian administration Manchester asked for the excise duty to be imposed on Indian goods. He termed it as an "abominable proposal" and "I think that the Manchester gentlemen who made it ought to be ashamed of themselves." Lytton to Louis Mallet 15 March 1878, vide L.M. Gujral's, Internal Administration of Lord Lytton, p. 38.

4 See above, p. 91

5 Proc. of the Council of the Governor General, 1894, vol. 33. pp. 119-20.

productive nor economic.¹ It had been proved beyond doubt that there was no competition between the Indian Cotton goods and Lancashire goods.² Westland had stated that import of English goods was only 2 per mile and yet 20 per cent of Indian production was put to unnecessary hardship.³

It may be observed that the margin of profit on spinning counts above 24S from Indian cotton was exceedingly circumscribed and the result of the imposition of an excise could unquestionably be to reduce the production of the higher counts to something infinitesimal and the revenue from the excise to a corresponding level. Nor could the benefit be confined to English manufacturers alone, as although the

1 See Report of the Indian National Congress, Res. No. 1, 1894, p. 31.

2 See above pp. 97-92. See also Secy. Millowners' Association, Bombay, to Indian Govt., 10 September 1894, India Fin. and Com. (Statistics and Com.), Proc., vol. 4606, No. 796, November 1894. Even Fowler had stated that the dividing line of 20S would be raised if experience so proved. Fowler to Elgin, 30 November, 13 December 1894, and 25 January 1895, E.P., vols. 12 and 13.

3 The protective duty can have two objections; one, which can be raised on behalf of the general public of the country which imposes the duty and that the duty benefits a certain class of manufacturers at the expense of the tax payer (such an objection is taken into consideration by an independent sovereign state). Certainly the import duty on cotton did not do so, therefore such a thing was inapplicable. And the second, which concerns the foreign manufacturer when his goods can be handicapped on a competition against the native manufacturer. (In a dependency like India such an objection can also be considered). But where was the competition? As Griffith Evans said, "This necessary evil if limited to 24S, affects only 6 per cent of the Indian production, whereas if fixed to 20S it will affect and possibly paralyse 19 per cent." Proc. of the Council of the Governor General in India, 1894, vol. 33, p. 425.

proportion was still small there was an appreciable quantity of both goods and yarns being imported both from America and the Continent where heavy protective duties were levied on all Indian produce.¹

It can be further argued that in a country like India where a large majority of population depends upon agriculture for their subsistence, manufacturing industries demanded the fostering care of the Government by every legitimate means - not the repression which excise brought in its train.

It may be further observed that the excise duty, which was a "retrograde" measure; and politically and economically unjust in its "conception and incidence" and financially not useful as a source of revenue brought into prominence the overpowering influence of an authority - (of/Secretary of State), which took away from the Legislative Council all independence and its representative character.²

If the agitation in India was strong against the imposition of excise on the counts 20 and above; the uproar in England was no less,

1 For statistics see Appendix to Westland's Minute, op. cit.

2 The Times, 31 December 1894 and 4 January 1895.

"It is a gratuitous insult to the Government of India that the Council should be asked to pass it and the insult is greater and its infliction the more unpardonable, that the circumstances are such that the Government of India is required to choose between becoming the instruments of its own humiliation and furnishing a practical proof of the justice of the imputation which constitutes the insult."
The Friend of India, Calcutta, 16 January 1895, E.P., vol. 76.
[Newspaper cuttings].

that the excise was not sufficient to exclude all possibilities of protection.¹ The agitation was as strong in Manchester as it was in the Parliament.² Fowler had a hard job in taming the turbulent "House". He feared that in the Parliament the members of his own party might vote against the Government.³ R.G.C. Mowbray, a Conservative Member of the Parliament, informed Elgin that a big meeting was held at Manchester on the 14 February under the presidency of Sir Henry James and reported that Lancashire was in a very agitated mood and "for two hours I felt like Mary Queen of Scots being thundered by John Knox".⁴ Lancashire wanted either the exemption for customs below 20S or the excise to begin at a lower count.⁵

Sir Henry James did not lose any time and moved an amendment in the House of Commons on 21 February, which was supported by Lord George Hamilton.⁶ He stated that legislation of December 1894 was against the Principle of free trade and was harmful to the trade of Lancashire and to the commercial interest of England. Fowler denied the allegations and fairly defended the Indian Government measure. He

1 Fowler to Elgin, 2 January 1895, ibid., vol. 13.

2 Fowler to Elgin, 1 February 1895, ibid.

3 Fowler to Elgin, 8 February 1895, ibid.

4 Mowbray to Elgin, 14 February 1895, vol. 30.

5 Fowler to Elgin, 15 February, 1898, ibid., vol. 13.

6 The Times, 22 February 1895.

also stated that Great Britain raised £20 million of her revenue out of custom duties including £3 million on imported Indian tea.¹ G.J.Göschel supported the Liberal Government² and Government triumphed by 304 votes to 109. In the leading editorial, The Times of 22 February fully supported the Government, praised Fowler and defended the action of the Government of India as "just, equitable and impartial".³

While the controversy had not fully subsided, the Scottish manufacturing interests raised their protest. They contended that they sent large quantities⁴ of dyed yarns of low counts to Burma on which they had to pay tax, whereas Bombay yarn did not pay any duty. Therefore, they asserted that it formed a clear case of protection.⁵ Sir Henry Fowler, who had defended the Indian Government measure on 21 February in the House of Commons, wrote to Elgin the very next day - "My own inclination is towards exempting the coarse counts from customs".⁶ As a consequence, the Indian Government agreed to

1 Ibid.

In the course of debate Sir George Chesney further elucidated the point that England imposed 200 per cent import duty on Indian tea and five times that proportion on Indian Cigar.

2 Parliamentary Debates, 4th Series, vol. 30, Col. 1349, 21 February 1895.

3 The Times, 22 February 1895.

4 'Large quantity' was a very vague term. There was no statistics kept for such goods entering Burma.

5 S.S. to Indian Govt., Despatch No. 17 (Rev.), 31 January 1895, Para 1, Revenue Despatches to India, vol. 16.

6 Fowler to Elgin, 22 February 1895, E.P., vol. 13. Telegram S.S. to Viceroy, 22 February 1895, ibid., vol. 18.

exempt the coloured yarn of 20S and under and reduced the duty from 5 per cent to $\frac{1}{2}$ per cent (thereby waiving $4\frac{1}{2}$ per cent) through executive action.¹ However, it was stated by the Indian Government that there was absolutely no evidence, or even allegation of any other item in which duties could have protective effect. The half per cent was required to maintain equality being about equivalent to import duty paid by the Indian manufacturer upon dyeing materials.²

The exemption of certain goods into Burma involved the violation of two principles - one, that the exempted yarn into Burma could be taken into India free and second, that it was contrary to the principle and practice of Government's Customs legislation to deal separately with one port.³ To this effect, the Government of India made a tacit confession in their despatch:

Though it would introduce a new principle in levy of duties on transit from one part of India to another, that anomaly is not greater than the levy of the excise duty itself and must be accepted as the excise duties are, not on its own merits, but as the condition of the fairness of the imposition of cotton import duties.⁴

1 Telegram Viceroy to S.S., 22 March 1895, ibid.

2 Ibid.

3 Elgin to Fowler, Confidential, 1 April 1895, E.P., vol., 138.

4 Indian Govt. to S.S., L. No. 98 (Fin.), 1 May 1895, F.L.I., vol. 182.

But Fowler was not prepared to accept even the retention of $\frac{1}{2}$ per cent and reported to Elgin that he was being pressed by more representations from the Scottish and Lancashire manufacturers.¹ But Elgin was so far not prepared to yield, for there was again commotion in the Viceroy's Executive Council.² This had no effect on Fowler and he accepted the retention of $\frac{1}{2}$ per cent duty only as a temporary measure.³ He further informed Elgin that he was under the pressure to meet the deputation from Lancashire on 27 May 1895.⁴

The deputationists professed that they were unjustly treated in respect to the cotton duties.⁵ Fowler did not seem to be impressed.

- 1 Telegram, S.S. to Viceroy, 27 March 1895, E.P., vol. 18.
- 2 Elgin to Fowler, 1 April 1895, Confidential, ibid., vol. 138.
- 3 Telegram, S.S. to Viceroy, 21 May 1895, India Sep. Rev. Fin. and Com. Department Proc., vol. 5031, No. 767, July 1896. [Hereafter cited as Sep. Rev. Proc.] See also Indian Govt. Notification, 25 May 1895, ibid., No. 775, July 1896.
- 4 Fowler to Elgin, 17 May 1895, E.P., vol. 13.
- 5 Lancashire deputation to Rt. Hon. H.H. Fowler, 27 May 1895. India Sep. Rev., Proc., vol. 5031, No. 785, July 1896. The deputation was accompanied by Mr Holland, M.P. and consisted of the following representatives of the industry. Mr Tom Garnett, President of the United Cotton Manufacturers' Association, Mr Gordon Harvey, Mr W. Noble, Mr W. Thompson, Mr Calder Clegg, Mr John Whittaker, Mr Luke Barker, Mr W. Tattersal, Secretary, Mr T.F. Mackinson, the Federation of Master Cotton Spinners Association, Mr Joshua Rawlinson, The North and North East Lancashire Cotton Spinners and Manufacturers Association and James Mawdsley, operative Secretary.
The Lancashire arguments were conspicuously loaded with threats of their political and economic strength. During the discussion, Fowler was reminded of the said at least five times by the successive representatives.

While reporting his interview to Elgin he said that Lancashire argued on the same lines as Scottish manufacturers.¹ He stated that their case was not based on facts and if the facts were forthcoming, he pledged that he would remove the inequality.² The result of this was that Manchester drew up a formal statement of their case and sent it to the Secretary of State on 9 July 1895.³

In the meantime the Liberal Government was overthrown. The Conservatives came back to power; the significance of which on the cotton duties controversy might not be under-rated. Godley informed Elgin that the Conservative had won with an overwhelming victory and stated, "One feels safer and less likely to see experiments tried which were considered dangerous, who knew India best." But he gave a warning that the question of cotton duties might give trouble.⁴ But the most revealing letter to Elgin came from Lieutenant General Brackenburry. He wrote, "I am rather anxious as to the effect this change may have on the Cotton Duties question. Lord George Hamilton, you may remember, voted with and spoke in favour of Sir Henry James'

1 Scottish cotton manufacturers of Glasgow to S.S., 3 April 1895, Enc. No. 1, to Despatch No. 99 (Rev.), 5 September 1895, Revenue Despatches to India, vol. 16.

2 Fowler to Elgin, 12 June 1895, E.P., vol. 13.

3 Statement drawn by John Whittaker, on behalf of Joint Committee of Cotton Manufacturers, 9 July 1895. India Sep. Rev. Proc., vol. 5031, No. 791, July 1896.

4 Godley to Elgin, 30 July 1895, E.P., vol. 30. Same feelings were recorded by Sir A.P. MacDonnell (Lt. Gov. of N.W.P. and Oudh on leave to England, to Elgin, 21 July 1895, ibid.

Motion. His brother is one of the M.P.s for Manchester. Sir Henry James is in the Cabinet, Lord Salisbury had the Cotton Duties repealed. Lord Cross is strong on Lancashire interests."¹

The new Ministry, however, neither contemplated, nor did anything new. Yet the thumping victory of the Conservative Party must have influenced Elgin.

Lord George Hamilton the new Secretary of State in his first private letter to Elgin clearly opened his mind on the long drawn controversy.² With this letter he sent the Lancashire memorial. The contention of the Memorialists was that the Indian manufacturer had a very substantial advantage over Lancashire as he paid excise duty on the grey yarn value only, while the Lancashire manufacturer had to pay an import duty on the value of the finished goods, bleached, woven, dyed or printed. They represented that Indian woven goods made from yarns just below the excise line could compete with and take a place of imported woven goods liable at 5 per cent duty. The Lancashire deputation laid stress on the statement that it was impossible to work fairly to both the Indian and British manufacturer on artificial dividing line at 20S or at any other count and they cited the experience of 1878-82 in India to show

1 Lt. Gen. Brackenbury to Elgin, 30 June 1895, *ibid.*, vol. 66. The new Cabinet consisted of three former Secretaries of State besides Hamilton; Lord Salisbury, Lord Cross and Lord Devonshire.

2 Hamilton to Elgin, 16 August 1895, *ibid.*, vol. 13.

that any attempt to draw such a line would break down and would result in fiscal inequality.¹ Commenting on the memorandum, Hamilton fully agreed with the deputationists that excise on yarn was insufficient and hammered on the pledge of his predecessor to the Parliament "that no savouring of protection should be associated with these customs duties, and that the excise duties should completely counterbalance the customs duties.... The unconditional promise Sir of Henry Fowler gave as to the removing/all protective tendency can not be escaped, and it is obligatory upon both of us."²

Elgin assured Hamilton that he would do his best to accommodate his views. He wrote, "you could find no one more ready to acquiesce in the extreme gravity of any decision."³ Elgin sent all the papers to Westland for his information and comments.⁴ The first impression of Westland was that "Manchester case was greatly overdrawn and open to challenge even in its general features; but that I admit they have enough of case, in the eyes of the public at all events to render it necessary for us to do something towards meeting their claim."⁵

1 Lancashire Memorial, Enc., ibid.

2 Hamilton to Elgin, 16 August 1895, op. cit.
Also Hamilton to Elgin, 26 September 1895, E.P., vol. 13.

3 Elgin to Hamilton, 3 September, Hamilton Collection, MSS. Eur. D. 509/1 vol. 1. [Hereafter cited as H.C.]

4 Elgin to Westland, 4 September 1895, vol. 67 (E.P.).

5 Westland to Elgin, 6 September 1895, ibid.

Elgin agreed that something must be done to meet the claims of Lancashire.¹

In the meantime Hamilton kept on pressing that Lancashire trade was in a depressed condition and he was under obligation to meet another Lancashire delegation. He emphasised that customs duties must be changed.²

Elgin sent to Hamilton the note prepared by Westland on the representation of Manchester. In this note Westland discussed the question of the abolition of the duties but agreed to exempt all imports up to 20S from duty.³

Hamilton was not entirely pleased with Westland's note and in a letter to Elgin he attached his own note on cotton duties in reply to Westland's Memorandum. He admitted that a certain but very limited amount of goods under 20S were imported into India from England, but asserted that the small value of goods did not "justify the infringement of the parliamentary engagement made nor would such a plea be listened in the House".⁴ Hamilton thought that Lancashire's arguments as to the difference between the initial value of the yarn and the final value of the completed cloth constituted protection

1 Elgin to Hamilton, 10 September 1895, H.C., D. 509/1, vol. 1.

2 Hamilton to Elgin, 3 October and 31 October 1895, E.P., vol. 13.

3 Elgin to Hamilton, 16 October 1895, H.C., D.509/1, vol. 1.

4 Hamilton to Elgin, 7 November 1895, E.P., vol. 13.

for Indian goods, was unanswerable, and on principle Lancashire was correct, though he agreed with Westland that actual difference and consequent amount of protection given was overstated.¹

Hamilton appreciated the proposal of Westland to abolish both existing import duties and excise and its substitution by all round duty by weight on the value of the piece goods. "Assuming that the substitution of weight for value affects actually equally both sides, it seems a basis for settlement."²

Westland explained to Elgin that the reason for assessment by weight was to make excise assessment exactly equal to the import duty. Moreover, it could be easily fitted into the working of the excise system. Two-thirds of the imports were grey shirtings in which value by weight was almost uniform and the value of Indian made fabric over counts twenty was almost the same. There could be loss of revenue only if it was necessary to apply the same system to white goods, but Indian competition in these was very small. Under this scheme, the coarse goods consumed by the poor, being mostly under count 20S would escape the taxation altogether. In this respect Westland had won a great victory.³

1 Ibid.

2 Ibid.

Hamilton after duly consulting Lancashire had agreed to the proposals of Westland, providing weight to be substituted for value in assessing the tax, that is substitution of a tax per pound of cloth in place of 5 per cent ad valorem. Hamilton to Elgin, 29 November 1895, ibid., vol. 13, (~~E-P~~)

3 Telegram Westland to Pr. Secy. to Elgin, 17 November 1895, ibid., vol. 67, (~~E-P~~)
Westland to Pr. Secy. to Elgin, 18 November 1895, ibid.

Hamilton soon realized that he had misunderstood Westland's note and had interpreted the suggestion contained in it as applying to all piece goods above 20S, including the bleached goods. This was because Hamilton had asked for the opinion of George Lord, an influential Manchester merchant, on the proposal of Westland (notwithstanding the fact that he had himself prohibited the Indian Government to consult Indian Chambers on the matters of policies);¹ who stated that ad valorem principle was the only practicable one for bleached and printed goods.² Hamilton insisted on this and the Government of India yielded.³

The Government of India proposed to tax cloth and leave yarn - both imports and excise.⁴ Hamilton agreed and suggested that in lieu of rising exchange the duty might be reduced to $3\frac{1}{2}$ per cent and advised the Indian Government to do so by an executive order.⁵ Surprisingly, Hamilton found in Lord Northbrook a great sympathiser with the proposal of taxing the cloth and exempting the yarn and maintaining a uniform duty on cloth for customs and excise.⁶ Northbrook

1 Hamilton to Elgin, 7 November 1895, ibid., vol. 13.

2 Telegram S.S. to Viceroy, 5 December 1895, ibid., vol. 18.
George Lord to Hamilton, 3 December 1895,
Enc. Hamilton to Elgin, 6 December 1895, ibid., vol. 13.

3 Telegram Viceroy to S.S., 11 December 1895, ibid., vol. 18.

4 Ibid.

5 Hamilton to Elgin, 13 December 1895, E.P., vol. 13.

6 Ibid.

even personally wrote to Godley showing his full concurrence and support to the Government's advocacy. He wrote: "The Indians really want protection, and are quite incapable of understanding (or of admitting their validity if they do understand) any arguments based upon the most ordinary rudiments of political economy."¹ The support of Northbrook strengthened the hands of the Government. Elgin agreed to the proposals, but did not agree to implement it by executive order and in turn informed Westland to prepare for the new legislation.²

New Para
The controversy about cotton goods and yarn leads us to examine some basic questions. What constitutes protection? How far was the claim of Manchester justified? Was there any ground of compromise? The answer to all these questions depends upon the validity of their facts and figures, analysis of the arguments of the Home Government and that of the Manchester group.

It was claimed by Lancashire that 250 million lbs of yarns of 20S and under was annually manufactured in England and that they had substantial interest in the trade.³

But it was nowhere asserted that more than a very limited portion of that/^{manufacture} was destined for, or in any way found its place in Indian markets. There was no statistical information available to that effect.

1 Northbrook to Godley, 29 January 1896. Encl. Godley to Elgin, 1 February 1896, E.P., vol. 31.

2 Elgin to Westland, 26 December 1895, ibid., vol. 67.

3 Lancashire statement submitted to S.S., objection No. I & II, 9 July 1895, India Sep. Rev. (Fin & Com) Proc., vol. 5031, No. 791, July 1896. (Hereafter cited as Lancashire statement).

It was sufficiently well known that, save in one instance of drills,¹ it was not presented at any appreciable extent in the cloth imported. If any misapprehension existed on this point, it was the manifest duty of the representative of the English Cotton manufacturing interest to remove it, and they could have had no difficulty in doing so, as English spinners and manufacturers were perfectly informed as to the ultimate destination of their production. That they had done only in the case of drills, could alone be sufficient to dispose of any allegation that competition either existed or could exist in yarns of 20S and under or goods made from there, while, as to goods woven from the higher counts, there was not only "no instance given of existing competition but no suggestion of possible competition in the

1 Percentage of grey drills imported into Bombay on the total value of entire cotton goods from 1890-5.

Calendar year January to December	Value of entire cotton goods imported ex- cluding yarns Rs.	Approximate average value of grey drills imported Rs.	Percentage
1890	8,75,64,722	15,21,241	1.73
1891	8,03,80,929	20,83,559	2.59
1892	7,08,68,829	13,51,091	1.90
1893	7,78,42,481	18,63,602	2.39
1894	10,01,13,677	19,43,648	1.94
Average of 5 years	8,33,54,127	17,52,628	2.11
1895 (11 months)	6,14,04,294	14,55,654	2.37

Bombay millowners' Association, 7 January 1896, Para 39, India Sep.Rev. (Fin & Com) Proc., vol. 5031, No. 879, July 1896. (hereafter cited as Millowners' statement).

future except by means of substitution."¹

It was asserted by Lancashire that the exemption from the excise duty of yarns 20S and below encouraged the manufacture of duty free cloths. As such exemption resulted in the Indian manufacturer to avoid the excise duty altogether by substituting the manufacture of cloth non-excisable yarns for excisable yarns.²

If such an allegation was true and buyers were captivated by this exceedingly simple and ingenious process, the coarser goods of Indian manufacture could have displaced the heavily sized shirtings of Lancashire years ago. Moreover, as the Indian millowners asserted certain cloths could not be substituted. Some modification did take place in 1878, when the bait of 5 per cent difference induced Lancashire manufacturers to strike out a new like for themselves. What was practicable then, however in making a purer 30S/30S could not now be practicable in dropping down from 30S to 20S. The change in appearance of the quality could be too great.³ Besides, in going above 20S the increased cost of spinning Indian cotton, owing to its short and weak staple could be very heavy. On the other hand, Lancashire on going much below 28S to 30S was, by using high class

1 Ibid., Para 8.

2 Lancashire statement object No. v, op. cit. Noble's conversation with Fowler, Lancashire Deputation, 27 May 1895, India Sep. Rev. (Fin & Com), Proc., vol. 5031, No. 785, July 1896. [Hereafter cited as Lancashire Deputation].

3 Millowners' statement, Para 58, op. cit.

skilled labour, would be working below her economical rule. Over and above, there was no proof that substitution had already taken place.

It was stated by Lancashire on the strength of Westland's statement in the 'Blue Book' that with American Cotton at 3d per lb they could produce coarse counts of 20S or under as cheaply as was done in India.¹

This contention of Lancashire was obviously wrong because it had not taken into consideration the cost of either American or Indian cotton. This could be seen from the average prices of standard qualities of American (mid-uplands) and Indian (good Dhollera) Cotton from 1891-5 per lb.²

	1891	1892	1893	1894	1895
Mid uplands	$4\frac{3}{8}d$	$4\frac{17}{64}d$	$4\frac{1}{2}d$	$3\frac{11}{16}d$	$4\frac{3}{64}d$
Good Dhollera	$3\frac{25}{32}d$	$3\frac{19}{32}d$	$3\frac{15}{16}d$	$3\frac{3}{64}d$	$3\frac{11}{32}d$
Difference	$\frac{54}{64}d$	$\frac{43}{64}d$	$\frac{36}{64}d$	$\frac{41}{64}d$	$\frac{45}{64}d$
Percentage of difference	18.24	15.75	12.50	17.37	17.37
Average difference 16.24 per cent					

1 Noble to Fowler, Lancashire Deputation, op. cit. As a matter of fact Noble had misquoted Westland. What he actually said was "It would obviously never pay Manchester to use up American cotton at 4d a pound in making a class of goods which their Indian competitors can make up as well as out of cotton that only costs 3d." Parl. Papers, 1895, vol. LXXII, (C.7602), (called Blue Book), p. 8.

2 Millowners' Statement, Para 24, op. cit. This statistical data was based on Reuter's Telegram. As a matter of fact, on 15 February 1895, when American cotton was quoted in Liverpool at 3d, good Dhollera was quoted at $2\frac{9}{16}$ per lb. Reuter's Telegram, 15 February 1895, Para 25, ibid.

The most important feature of the Lancashire's protest related to the allegation that their export of piece goods to India for February 1895 were 28.62 per cent less in quantity and 39.12 per cent less in value, for March 44.12 per cent less in quantity and 50.96 per cent less in value, for April 31.26 per cent less in quantity and 42.32 per cent less in value than the corresponding months of 1894; and that, it was due to the custom duties and insufficient excise.¹

The year 1894 could not be taken as the basis of comparative statistics because of two exceptional events— (a) The closure of the Mints in June 1893, which temporarily advanced the exchange rate from 14½d to 16d. The importers took advantage of the temporary high rate as they did in 1890-1 to put their goods on the Indian market as fast as possible. The imports continued very actively long after exchange had begun to fall and indeed the trade was carried on to the end of the year with unusual vigour, importers being apprehensive that the rupee might continue to fall until it reached the level of its intrinsic value in silver. The result was that the value of imported merchandize by the end of the year exceeded that of preceding year by no less than 18 per cent.² In the imports of merchandize, it could be found that the largest increase, amounting to more than half of the whole - Rs 6¼ million out of an aggregate increase in all

1 Thompson to Fowler, Lancashire Deputation, 27 May 1895, op. cit.

2 Trade Statements of British India, 1893-4, Parl. Collection, No. 194 (C.7604), p. 6.

kinds of merchandize of Rs 11½ million - occurred in cotton goods, including yarns. The increase in cotton goods, amounted to 68 per cent of the whole increase, the value of these goods being little more than half of the aggregate import trade.¹

↳ It is probable that this great speculative trade would have been followed by a pause in 1894-5 but a new incentive to speculation was given by the prolonged discussion of the propriety of including cotton goods in the import tariff² - a discussion which was followed by the knowledge that the Government of India were in favour of such an inclusion. As a result of this anticipation the importation of the grey and white goods were much in excess of even the inflated imports of 1893-4.³

During the first four months of 1895 the trade had fallen as could be expected after two years of unnatural inflation.⁴ Therefore, it may be wrong to attribute any portion of this decline to the effect of the customs duty in restricting the consumption. The

1 Ibid., p. 6.

2 Elgin had informed Fowler that in anticipation of import duty on cotton goods, large stocks were being sent to India. Telegram Viceroy to S.S., 7 December 1894, E.P., vol. 17.

3 Trade Statements of British India 1894-5, Parl. Collection, No. 194 (C.7997), p. 19.

4 Fowler had stated to the deputationists that the trade in the first four months of 1895 was higher than previous first four months of any year except 1894. Fowler to Lancashire deputation, 27 May 1895, op. cit.

import duties which were levied on cotton goods before 1882 did not restrict consumption and they were not likely to do so now.¹ The present restriction might, with greater reason, be attributed to the disinclination of traders to pay duty on goods which they could not ~~be able to~~ sell until the market was cleared of the accumulated stocks, imported before the imposition of the duty.

The combination of two factors of over-supplied markets and fiscal uncertainty resulted in a large contraction of trade.²

But there is yet another way of looking at this question. Even if there was a decline in the general volume of trade between United Kingdom and India to the full extent claimed, "It could not in justice be written down to the maleficent influence of an insufficient excise until it could be shown that the deficiency had been supplemented by the products of the Indian mills."³

It was alleged by Lancashire that the present arrangement of the countervailing duties omitted a very important source of raising revenue.⁴

1 Trade Statements of British India, 1894-5, Parl. Collection, No. 194 (C.7997), p. 19. See also Millowners' statement, Paras 10-13, op. cit. Letter of William Fogg (Manchester merchant) 5 November 1895, to the Editor Manchester Guardian, vide, Millowners' statement, Para 67.

2 Trade Statements of British India, 1895-6, Parl. Collection No. 194, (C.8297), p. 6.

3 Millowners' statement, Para. 73, op. cit.
In course of conversation with Lancashire deputation, even Fowler had stated, "I do not know where the trade has gone because there is no corresponding manufacture in India." Fowler to Lancashire Deputation, 27 May 1895, op. cit. For statistics, see India Sep. Rev. (Fin & Com) Proc., vol. 5031, Nos. 880-1, July 1896.

4 S.S. to Govt. of India Proc., Despatch No. 99 (Rev), 5 September 1895, Enc. No. 3, Revenue letters to India, vol. 16.

But it was amply known that the arrangements of the counter-vailing excise were never intended for the purpose of raising revenue. They were imposed as a safeguard against protection and from that point alone it would have been economically as unjust as an excise levied in Lancashire.

Lancashire claimed that they had large trade¹ in grey, bleached, dyed and printed goods of 20S and under. In the examples presented, that showed that the Indian manufacturer was protected to the following extent per piece.²

On grey goods	2.31 per cent
On bleached goods	2.62 " "
On dyed goods	2.92 " "
On printed goods	3.92 " "

The statement of Lancashire apparently has no evidence in any shape of recorded documents. This contention was even summarily dismissed by Westland.³ Even if 60 million yards of Lancashire cloth was imported into India, as was claimed, it was an insignificant proportion to their total export to India which amounted to nearly 1000 million yards annually and it was not proper to penalize 94 per cent of the Indian manufacture which was below the count of 24S,⁴ the
Over and above, the Government of India had already reduced the import duty on dyed yarns of 20S count and under to $\frac{1}{2}$ per cent - its importance

1 'Large trade' is a very vague term until and unless it is backed by facts and figures.

2 William Thompson to Fowler, Lancashire Deputation, 27 May 1895, op. cit.

3 Westland to Elgin, 6 September 1895, E.P., vol. 67.

4 Fowler to Lancashire Deputation, 27 May 1895, op. cit.

was not sufficient to demand special consideration.

It was further pointed out by Lancashire that the statement in the Blue Book that the cost of the stores was 25 per cent was erroneous as it was fallacious.¹

It was a fact that the statement in the Blue Book was a mere oversight but the duty on stores used in Indian Mills in making cloth was more than three times the rate stated by English representatives.

It could be judged from the above facts that if competition existed as was alleged by Lancashire, then their demands could be justified taking into view the colonial status of India. It might be further conceded that ^{if} the Lancashire demands were in theory, if not in practice, reasonable, then the Indian Millowner Association and Bombay chamber of commerce were more than ready to redeem even this theoretical objection of the Lancashire by agreeing to exempt from import duty all cloth and yarns of 20S and under (although they had to bear the import duty on mill stores). They suggested to put them on the same footing as similar local produce. They also suggested that the excise should be imposed on the market value of all Indian cloth made from yarns over 20S instead of on yarn only.² Such a scheme, if accepted, would not have resulted in the loss of much revenue. It would have been an equitable tax also. Above all, poorer classes, who consumed the coarse cloth, would not have been

1 Lancashire Statement, objection No. 3, 9 July 1895, op. cit.

2 J. Monteath, Act. Secy. to Bombay Govt. Rev. Dept. to the Secy. Indian Govt. 23 January 1896, Para 4, India Sep. Rev. (Fin & Com) Proc., vol. 5031, No. 865, July 1896.

burdened with this taxation.¹

But that was not to be. The Government of India had agreed earlier and in turn received congratulations.² The reply of the Bombay Millowners' Association was not even considered. Westland had stated - "we would be too obviously setting it aside."³ The action of the Government of India without going through the Millowners' Association proposals was another clear cut pointer that the Government was under the mandate of the Secretary of State.⁴

Against this background, we may now turn to the Cotton Duties and Tariff Bill which Westland introduced in the Legislative Assembly on 23 January 1896.⁵ There was nothing new in his method of presentation. He stated that much of ^{the} Manchester's case was over-drawn, but they had a case on two issues. First, that the substitution could take place and Lancashire goods could be prevented from competing with coarser kinds of cloth. Secondly, that the tax levied on yarn was higher than levied upon the completed articles⁶ and he added:-

1 See also Paras 6-8, ibid.

Besides, famine of 1896 was showing visible signs of its occurrence.

2 Godley to Elgin, 3 January 1896, E.P., vol. 31.

3 Westland to Babington Smith Pr. Secy. to Viceroy, 8 January 1896, ibid., vol. 68.

4 The Bombay Gazette, 27 January, 1896, ibid., vol. 77. [Newspaper Cuttings].

5 Westland had shown his speech to Elgin and he made a few observations of his own. Elgin to Westland, 15 January 1896, ibid., vol. 68.

6 Proc. of the Council of Governor-General, 1896, vol. 35, pp. 34-5.

*If Lancashire trade were in flourishing condition, I can not help thinking that these differences would have been considered to be more theoretical than practical. But we can not concede from ourselves the fact that Lancashire trade has recently been in a depressed condition, although we certainly contend that circumstances out of which this depression arises have nothing to do with Indian cotton duties.*¹

If that was the excuse of the Government of India, how did they justify so very sweeping a measure as the subjection of the whole of the Indian mill cloth to excise? The Bombay Chamber had unequivocally stated that if Lancashire wished to export coarse cloth, it could do so and they had no objection to their goods coming free.²

Westland had made the best of a bad job. He reduced the duties all round to $3\frac{1}{2}$ per cent. On the burden of the excise tax he said that he did not call it a burden because the Indian millowner would pass it on to the consumer.³ There was no doubt that in all cases the consumer had to pay but why was this consolation not offered to the Lancashire millowners?⁴ Because such an offer could never be accepted.

On 3 February, the Cotton Duties Act was amended and so was the Tariff Act.⁵ Tariff Act abolished the duty altogether from yarns

1 Ibid., p. 35.

2 See above, p. 120

3 Proc. of the Council of the Governor-General in India, 1896, vol. 35, p. 42.

4 J. Piele, Minute of dissent, 10 April 1896, Dissent of India Minute Book (copies), vol. 5, p. 27.

5 Telegram Viceroy to S.S., 6 February 1896., India Sep. Rev. (Fin & Com) Proc., vol. 5031, No. 913, July 1896.

of all kinds and ^{reduced} other cotton manufactures from 5 per cent to $3\frac{1}{2}$ per cent ad valorem. Cotton Duties Act similarly exempted yarns of Indian manufacture and imposed duty of $3\frac{1}{2}$ per cent on woven goods of all counts manufactured by Indian mills.¹ A minor change was introduced to rectify the objections of Indian millowners. Westland imposed ad valorem duties for all imports and tariff values for the chief classes of mill goods. This he explained would approximate closely to the actual values and would not be dependent on day to day changes in price or in estimates of price by different millowners.²

This action meant a remission of taxation of Rupees $51\frac{1}{2}$ Lakhs or (37 per cent) on Manchester goods and an increase of Rupees 11 Lakhs or (300 per cent) of taxation on Indianmade goods.³ What that amounted to was poignantly stated by J. Piele.

The Act puts an excise on all the coarse cloth manufacture of the Indian mills. On what similar manufacture does it put a duty on the other, the Lancashire side? On none whatever. For there is none. There is no import trade of coarse goods from Lancashire, so that 'tax all cloth' means 'tax Indian cloth', and free all yarn? But Indian yarn has always been free. It is Lancashire yarn which is freed so that formula really means 'tax Indian cloth and free Lancashire yarn'.⁴

1 Ibid.

2 Proc. of the Council of Governor General in India, 1896, vol. 35, pp. 54-5.

3 R.C. Dutt, Economic History of India, p. 543. C.N. Vakil, Financial Development of Modern India, p. 433.

4 J. Piele, Minute of Dissent, 10 April 1896, Dissent of Indian Council, Minute Book (copies) vol. 5, p. 33. All the unofficial members of the Leg. Council vehemently criticized the Govt. action but without any avail. For Indian National Congress reaction see P.C. Ghosh, The Development of Indian National Congress 1892-1909, Calcutta, 1960, chap. II. Without any exception all the newspapers Native and Anglo Indian, severely criticised the Government.

What prompted the Lancashire to demand such an unequal status or what might be euphemistically described as an equal status? There were two reasons: first, that Lancashire had never cast a friendly eye on the Indian textile industry ever since its growth. Lancashire never wanted that India should become industrially strong. That was written very broadly in their memorandum also

Lancashire would hail with satisfaction legislation of a kind that would tend to make India prosperous and wealthy by encouraging agriculture and larger exportation of the produce of its own soil, which would prove best source of wealth of such a country, also by a free admission of its products into this country, thereby developing a free exchange of trade such as would bring comfort and contentment to the inhabitants there as well as here.¹

But it was well known that with famine economy, it would be impossible to develop prosperity without industrialization. It was no wonder, therefore, as G.D.H. Cole has stated that Victorian Capitalist looked at the world with the eyes of traders in finished consumable commodities and "their creed of laissez-faire followed logically from their economic ambitions"² and to this Marx would have said - the evils of 'Powers of Production'.

Secondly, other European countries were economically developing very fast and England was losing the industrial monopoly, which she

1 S.S. to Indian Govt., Despatch No. 99 (Rev.), 5 September 1895, Enc. No. 3, Revenue Despatches to India, vol. 16.

2 G.D.H. Cole, Introduction to Economic History 1750-1950, London, 1953, p. 93.

once enjoyed. It was fallacy to suppose that the pace of Industrial Revolution in England would remain unabated. The 'great depression of 1873-96' in England was both a cause and consequence to that effect. British productivity in this period had shown clear signs of relative stagnation and considerable weakening of Britain's economic position.¹ Hoffman's estimate showed that annual rate of expansion which had been 3 to 4 per cent had fallen during this period to 2 per cent.² The cotton industry also experienced declining growth of production.³

This was bound to have its effect on the pattern of British trade, particularly on exports. When the British exports were falling on account of the stiffer opposition everywhere, it was inevitable that the avenue of their expansion would be diverted to neutral or

1 A.E. Musson, The Great Depression in Britain, 1873-96: a Reappraisal, The Journal of Economic History, vol. xix, June 1959, p. 206.

2 W. Hoffman, British Industrial Production 1700-1950, Oxford, 1955, pp. 31-5.
The annual rate of manufacturing growth of U.S. between 1873 to 1913 was 4.8%, 3.9% of Germany, 3.7% for the world as a whole and only 1.8% for the United Kingdom. Folke Hilgerdt, Industrialization and Foreign Trade, League of Nations, 1945, p. 132.
Not only this, the U.K.'s share of world manufacturing production was sharply declining: in 1870 it was 31.8%, between 1896-1900 it had fallen to 19.5%, whereas that of the U.S. had grown from 23.3 to 30.1% and that of Germany from 13.2 to 16.6%.
Folke Hilgerdt, Industrialization and Foreign Trade, p. 13.
See also William Ashworth, A History of the International Economy 1850-1950, London, 1954, pp. 35-8.

3 See S.J. Chapman, The Lancashire Cotton Industry, Manchester, 1904, pp. 23-33, and 70-71.

non-protected markets.¹ Consequently this was bound to have its effect on India. The natural tendency in face of foreign competition, the growth of protectionist tendency, the British policy towards colonies and dependencies therefore tightened up - "a return during this period to the idea of empire, in the hope of finding salvation in colonial market."²

To sum up it may be said that cotton duties controversy brought on surface many things. It sacrificed India's interest to the political and economic interest of England³ and "raised serious doubts about the British Government's claims to disinterestedness and impartiality in governance of its great dependency".⁴ It initiated a principle of excise which could not be approved by any serious student of economics. Valentine Chirol wrote, "No measure has done greater injury to the cause of free trade in India or more permanent discredit to British rule than this Excise duty on Indian manufactured cotton,

1 As a matter of fact, it was with these countries that British trade expended. The Board of Trade's statistics clearly show this shift in the distribution of British exports. See Annual Statement of Trade Statistical Abstracts, Parl. Paper, 1903, vol. LXVII (cd.1761), 1904, vol. LXXXIV (cd.2337).

2 A.E. Musson, op. cit., p. 228.
See J. Gallagher and R. Robinson, 'The imperialism of the Free Trade', Economic History Review, vol. vi, 1953-54, pp. 1-15.
Parker Thomas Moon, Imperialism and World Politics, New York, 1927, chap. iii.
J.A. Hobson, Imperialism: a study, London, 1954, ed., Part 1, chap. iv.

3 Lord Reay to Elgin, 13 March 1896, E.P., vol. 31.

4 P. Harnety, 'The Indian Cotton Duties Controversy', English Historical Review, October 1962, vol. 77, p. 701.

for none has done more to undermine Indian faith in the principles of justice upon which British rule claims and on the whole most legitimately claims to be based."¹ By this action and its clear discrimination the Government antagonised the Indian industrial class.² It also showed more than once that Indian administration played a very docile rôle. Being Elgin's first act, and that too which went against the Indian interests, Elgin started his long rôle of five years on a wrong footing. It may be emphasised that the policy followed towards India in connection with cotton duties was a mere continuation of the same policy which started in 1875. Even during Elgin's period the change of Ministry did not inaugurate anything new.

In this context of controversy, it is not proper to put whole blame on Manchester. Manchester no doubt enjoyed a special treatment as MacDonagh apologetically described the "Manchester technique of exercising pressure ... upon susceptible statesmen."³ Yet, the opinion of Manchester was shared and felt by the majority of the people in England - whether in Scotland or Wales, whether in Oldham or London, Liberal or Conservative, industrialist or a labourer. Even among working classes Toryism dominated. As H.J. Hanham

1 Indian Unrest, London, 1910, pp. 276-7.

2 Percival Spear, India, A Modern History, Michigan, 1961, p. 307.

3 O. MacDonagh, 'The Anti-Imperialism of Free Trade', Economic History Review, 1961-2, vol. xiv, p. 442

in his book Elections and Party Management, states: "Several of the leading cotton union officials were Tories, including the most able of them, Thomas Birtwistle."¹

Lastly, it may be said that the controversy sowed the seeds of discontent, if not of unrest, the echoes of which were heard in India. Of this J. Piele said:

It supplies a weapon to our enemies on the platform and in the press. It is a dangerous thing to set a sense of wrong which we can neither deny nor entirely explain away, circulating above ground and underground among the millions of India. The safety and strength of our empire rests on our being unscrupulously and fearlessly just.²

1 Manchester, 1959, pp. 326-7.

2 J. Piele, Minute of Dissent, 10 April 1896, Dissent of India Council, Minute Book, vol. 5, p. 39.
This part was ordered to be omitted by the Secretary of State when it was printed in the orders of the House of Commons.

Chapter III

RAILWAYS

Elgin's Viceroyalty forms a period of considerable activity in the promotion of railway expansion in India. He viewed the expansion of railway to be the most important and "legitimate" work for a Viceroy to do, "far more so, in my opinion, than wars or expeditions"¹ He was of the opinion that a very large construction of new railways in India would improve the trade and prosperity of the people. The expansion, he believed, was not possible without the substantial aid of private enterprise. But private capital needed to be induced on account of the falling gold value of the rupee. It needed firm and direct guarantee. Elgin boldly acknowledged this fact. For the proper and speedy utilization of private enterprise, and to guard against the exploitation of the promoters, he also thoroughly reorganised the railway branch of the Public Works Department and inaugurated the policy of railway planning in India. What he wanted was investors and no promoters. In this and other dispositions about railways he was abundantly successful. The railway lines were extended from 18,459 miles in 1893 to 22,491 miles in 1899.²

1 Elgin to Westland, 8 July 1895, E.P., vol. 67.

In the same letter he wrote, "For myself, it is a branch to which my own inclination and previous training predisposed me".

2 Parl. Papers, 1899, vol. lxvi, Appendix A.

To get an overall idea of the railway activities in the period of Elgin's administration, it may be fitting to trace briefly the past history of railways in India.

The first sod of the Indian railway was turned in 1849. But it was not before 1853 that the first railway line was opened between Bombay and Kalyan. It was Lord Dalhousie who was largely responsible for giving the real fillip to the railway construction in India.¹ He was convinced of the importance of railways both for the internal order and the external security. He had accurately gauged the important role which India would play both as a supplier of cheap raw materials to the British industries and as a market for their finished goods.²

In well known Minute of April 1853, Dalhousie laid great emphasis upon the necessity of forming a system of 'Trunk Lines' connecting the interior of each presidency with its principal parts and the several presidencies with each other. For this he maintained

1 Sir Theodore C. Hope, in his paper, 'The Rationale of Railways in India', eulogized Dalhousie for raising the question of railways out of the "theoretical and pedantic treatment into the higher atmosphere of political, military and commercial expediency, tempered by common sense". Journal of the Society of Arts, 1890, vol. xxxviii, p. 708. [Hereafter cited as J.S.A.]

2 W.W. Hunter, The Marquess of Dalhousie, Oxford, 1895, pp. 193-4. See also L.H. Jenks, The Migration of British Capital to 1875, New York, 1927, p. 212.

that it was the duty and the interest of the state to encourage the investment of "English capital and English energy" in India.¹ The beginning of the railway was made by the construction of the lines by the "guaranteed companies" incorporated in England.²

The terms of agreements with the guaranteed companies were onerous to the Government. The first companies with which the Government entered into contract were the East Indian and the Great Indian Peninsula Companies. Interest at 5 per cent per annum was guaranteed to the Company on capital paid into the Treasury for ninety-nine years. The guarantee was agreed to be given as an advance which was to be repaid with interest at 5 per cent from the profits above the guaranteed minimum, in such a way that half of the profits was to be credited to the company and the other half was to be applied, firstly towards payment of interest on the debt, and then towards the extinction of the debt. When both the debt and interest were discharged, the companies were to take the whole of the surplus net receipts. At the expiration of the term of ninety-nine years the whole property was to become the property of the Government.³

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- 1 Quoted in J.M. Maclean, 'The State Monopoly of Railway in India', J.S.A., 1884, xxxii, p. 262.
 - 2 Daniel Thorner has discussed in detail the role of English financiers and promoters and the reason for, and the nature and extent of their pressure and method applied on the East India Company. Investment in the Empire, 1825-49, Philadelphia, 1950, Chapters i and vi.
 - 3 H.M. Jagtiani, The Role of the State in the Provision of Railways, London, 1924, pp. 94-6.

4,255 miles of railway were opened in India up to 1869 when the policy of guaranteed companies was given up. Though the railways greatly improved the political, military and commercial situation in India; financially they were still a liability.¹ Soon the defects of the guarantee system began to show. It was found that the guarantee had been fixed at too high a rate, which deprived the companies of all incentive to economy and construction.² It was realised that greater the amount spent, the greater would be the amount of stock which would stand at premium. "Consequently the earnings which might have been sufficient to pay interest charges on a reasonable expenditure, proved inadequate to meet the guarantee on the outlay actually incurred and the Government had to make good the deficit."³

The failure of the guarantee system and the increasing financial burden of the guarantee forced the authorities to find a new solution.

1 D.H. Buchanan, The Development of Capitalist Enterprise in India, New York, 1934, p. 183.

L.H. Jenks states that the cost of railway per mile in India was as high as £18,000 whereas some of the railways in the United States were built, including the cost of the land for only £2,000 per mile. The Migration of British Capital to 1875, p. 222.

2 So long as the English capitalist was assured of 5 per cent on the security of the revenues of India, "it was immaterial to him whether the funds that he lent were thrown into the Hooghly or converted into brick and mortar". W.N. Massey's evidence before the Select Committee of the House of Commons, Q 8867, quoted by C.N. Vakil, Financial Development in Modern India, p. 195.

3 Imperial Gazetteer, vol. iii, p. 368.

In January 1869, Lawrence wrote a Minute scrapping a system under which "the whole profit goes to the Companies, and the whole loss to the Government".¹ Lawrence and his advisers recommended that all future railway extension should be carried out by the direct agency of the Government. This was agreed to by the 'Home Government', with a proviso that a definite annual sum should be devoted to this purpose which was then fixed at £2,500,000.

The experiment of railway construction exclusively through the agency of the state lasted only a decade. Though financially cheaper², it came under severe criticism for the want of speedy construction. Between 1869-1880 only 2,493 miles of railway were constructed.³ The slow growth was primarily due to the fact that the state revenue had proved insufficient for railways, particularly as a result of the famines of 1874 and 1879, the Afghan war and the fall in the gold value of silver.⁴

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- 1 Quoted by Horace Bell, The Railway Policy in India, London, 1894, p. 94.
- 2 The state proved cheaper agency than the companies in the construction of railway. The average cost of a standard gauge under guaranteed companies was estimated at £13,000 per mile. The average in the case of state line was only £10,000. N. Sanyal, Development of Indian Railways, Calcutta, 1930, p. 118.
- 3 H.M. Jagtiani, The Role of the State in Provision of Railways, p. 115.
- 4 It has been argued by many scholars like N. Sanyal and H.M. Jagtiani that there was nothing wrong about the state construction but the limitation which was imposed upon the Government of India by Select Committees of 1871-4 and 1878-9 not to expend more than £2½ million a year out of the borrowed capital in productive Public Works resulted in slow growth. op. cit., p. 84 and p. 128 respectively. See also Amba Prasad, Indian Railways, London, 1960, pp. 54-5.

The famine commission of 1880 underlined the paramount importance of railways for famine relief. The Commissioners urged and recommended an immediate addition of not less than 5,000 miles and subsequent construction of 20,000 miles for protective purposes.¹ Besides, the British mercantile opinion was rapidly growing in favour of larger railway expansion and more and fuller participation of private enterprise.²

Between 1880-4, the elements of the new policy were formulated. The agency of the Companies was reintroduced for the construction of new lines as well as for the working of the state-owned railways. The policy of the state construction continued side by side. The assistance to Companies was to take the form of a "limited guarantee" or "safe or reasonable guarantee", a term difficult to define.³ The departure in railway policy dating from 1881 may be regarded as the beginning of a "new policy" which implies a complete abandonment of the policy of 1869-70.⁴

1 Report of the Famine Commission, 1880, Parl. Papers, vol. lii, [C.2591], pp. 170-88.

2 A. Redford, Manchester Merchants and Foreign Trade, vol. ii, Manchester, 1956, p. 33.

3 It is impossible to define, with exactness the term 'reasonable guarantee'. Horace Bell fails to define it. 'The Recent Railway Policy', J.S.A., 1898, vol. xlvi, p. 531. Amba Prasad is nearer the truth in considering that there was no systematic policy of guarantee, but was "left to the circumstances of each case." The Indian Railways, p. 58.

4 H. Bell, 'The Recent Railway Policy in India', J.S.A., 1898, vol. xlvi, p. 532. See also Vera Anstey, The Economic Development of Modern India, p. 132.

In 1881 and 1882, four companies were brought into existence to undertake new construction and manage the lines without any guarantee at all. The lines were the Bengal Central, the Rohilkhand Kumaon, the Bengal and the North-Western, and the Southern Mahratha Railway. This policy did not prove a success. The first two were soon bought by the state, the third was subsidised by the Government by adding the Tirhout State Railway, a profitable line, for its success. The last was given a sterling guarantee of $3\frac{1}{2}$ per cent in the form of "assistance"¹ - the assistance, however, "taking the very substantial and attractive form of a sterling guarantee, somewhat above the English market rate, together with a prospective share of surplus profits and free grant of land."² The main terms of the guarantee³ were: (a) the railways were to be the property of the state, only the capital was provided by the Company, (b) the interest on the capital raised was $3\frac{1}{2}$ per cent, and (c) the state retained nearly $\frac{3}{4}$ of the surplus profit. These companies, therefore, unlike the old guaranteed companies were merely agents to work the property belonging to the Government and performed

1 The word assisted seemed in fact to have been "invented" in order to screen the facts that such companies were guaranteed, H. Bell, 'The Recent Railway Policy in India', op. cit., p. 532.

2 Ibid.

3 For detail, see A. Prasad, The Indian Railways, pp. 59-60.

the function of raising the money and constructing the lines.

Failing to attract private enterprise and capital, without sterling guarantee, Indian Government proposed on 19 March 1893, to invite capital on a rupee basis, for the construction "principally" of branch lines.¹ The Secretary of State agreed to the terms and the Indian Government issued a Resolution on 15 September 1893, with a view to encourage the construction of feeder railways² by private enterprise.³ The essential features of the new Resolution were: (a) the investor was to select the general direction of the branch lines; (b) he was to raise his capital and place that capital in the hands of the Government; (c) the branch line was "to be worked by the state for not more than 50 per cent of gross earnings, including the provision of rolling stock and the free use of land"; and (d), that

- 1 Indian Govt. to S.S., L. No. 23 (Ry), Railway and Telegraph Letters from India, vol. 35. Enclosed with it is the draft of the Resolution. [Hereafter cited as R.L.I.]
See also S.S. to Indian Govt., Despatch No. 69 (Ry), 27 July 1893, Railway Despatches to India, vol. 13 [Hereafter cited as R.D.I.]
Indian Govt. to S.S., L. No. 62 (Ry), 18 October 1893, (with Enclosure) R.L.I. vol. 35.
S.S. to Indian Govt., Despatch No. 104 (Ry), 30 November 1893, R.D.I., vol. 13.
Public Works Departmental Papers of Council of India, 1953/93, vol. 396. [Hereafter cited as P.W.]
- 2 By branch or feeder lines, the Government meant lines chiefly of local interest, and they formed the small feeders of the main line.
- 3 Parl. Papers, 1897, vol. lxxv, [88], pp. 2-6.

a rebate¹ was to be given by the parent line on traffic interchanged with it, so as to make some return on the approved capital of 4 per cent.

This Resolution failed to get any response. It was considered that the conditions imposed on the investors, whom it was intended to attract were neither clear nor certain. Secondly, the investors who had looked towards some sort of guarantee as a "convenient" system, naturally professed doubt of its sufficiency. It was also asserted that the limit offered in Paragraph 7 of the Resolution, to 10 per cent of the gross earnings of the main line from traffic interchanged between the main line and the branch was too unequal for universal application, for in some cases it could be either too little or too much.² Added to this was the obvious difficulty of estimating the value of the rebate or the probable receipts from the local traffic.³ Also, as the exchange value of the rupee was reaching its lowest figure, as in June 1894, it reached the depth of 1s. 0½d., the terms could hardly be received favourably.

1 Rebate was a payment to a branch line by the parent line from the earnings of the latter from traffic interchanged with the branch. It was limited to (1) a specific proportion of those earnings, and (2) the amount which, when added to the net earnings of the branch, made up a certain fixed dividend on the capital of the branch.

2 Note by Offg. Director General of Railways, Lt. Col. W.S.S. Bisset, 24 January 1894, Para 8, E.P., 132 (S), ix.

3 H. Bell. J.S.A., 1898, op. cit., p. 533.

The unsettled condition of the currency question was causing great hindrance to the extension of railways. On one hand, sterling capital could not be freely employed without the fear of increasing sterling liabilities, and on the other hand private English capital would not be forthcoming until assured of covering the risk. When Elgin came, the railway policy was at crossroads. In the first place, there was a need of a well laid out policy; in the second an organisation to implement the policy.

Elgin considered the resolution of September 1893 to be the first obstacle towards a resolute railway policy and the utilization of private enterprise. He was aware that the Secretary of State in 1884 had imposed a limitation to the extent of £3½ million on the Government borrowing for Public Works. He believed if rapid expansion of railway was to take place beyond this limit, the aid of private enterprise was essential. He was personally inclined to think that for the general improvement of the country, the immediate returns were of little significance and he was eager to "give more encouragement to private enterprise".¹ The Secretary of State, Fowler, was also of the same opinion. He stated that until a way could be found to offer more attractive terms than those of September 1893, little progress could be made.² It was in the attempt to offer

1 Elgin to Fowler, 1 May 1894, E.P., vol. 12.

2 Fowler to Elgin, 9 November 1894, ibid.

better terms to the private enterprise for branch lines that a clear railway policy was laid and an important departure in the railway policy was effected.

The need for the change was growing both at Home and in Calcutta. The first move for the change came from the Indian Government, when Col. Bisset, the Director General of railways, asked for the revision of the terms.¹ But it was the Secretary of State who first officially recommended the alteration of the resolution. This had happened on account of constant pressure on the Secretary of State from the mercantile community of England. The question of railways which always formed a subject of great interest had suddenly drawn more attention by the 1890s. The London Chamber of Commerce, in its letter of 19 June 1894² and Duff Bruce, the Consulting Engineer, Assam-Bengal railway in his letter of 6 June 1894³ to the Secretary of State advocated an enlargement of the terms of the Resolution. Duff Bruce suggested the replacement of the

1 Bisset wrote, "As surely as the certainty of guarantee is withdrawn so surely must the possibilities of a big return on capital to be enlarged and to get railways made in India with English money, Government must be prepared to open their hearts and allow that people who risk something shall have a chance of profiting by their venture." Note by the Director General of Railways, 24 January 1894, Para 12, op.cit.

2 P.W.D. (R.C.) Proc., vol. 4787, No. 84, October 1895.

3 Ibid., No. 86, October 1895.

rebate of traffic (Section 7 of the Resolution) by a fixed guarantee of $3\frac{1}{2}$ per cent to be paid by the main line to the branch line shareholders of their capital after payment of which fixed sums and working expenses all should be divided in the proportion of $\frac{2}{3}$ to the owing (branch) company and $\frac{1}{3}$ to the working (main line) company.¹

Another suggestion was made by W. Shelford in a paper laid before the London Chamber of Commerce that the 'rebate of traffic' principle should be maintained, but the existing maximum of 10 per cent on interchanged traffic might be raised to 40 or 50 or even 60 per cent without any real risk of loss to the state.²

The value of the above notes was discussed by C.S. Calvin, Secretary, Public Works at the India Office. In his note of 8 June 1894, he stated that Bruce's suggestion would be a "too radical departure from the policy under trial". He believed that the limit of 10 per cent for the rebate in question "to be too low an one, and I would seek ^{for} relief in enlarging this limit".³ He supported Shelford's proposal, which the Public Works Committee accepted in full and suggested to the Secretary of State to write to the Indian Government for the revision of the terms of the Resolution of 15

1 Ibid.

2 W. Shelford's Note on extension of Railways in India, ibid., No. 88, October 1895.

3 P.W. 1071/94, vol. 412.
See also C.S. Calvin to O'Callaghan, undated, Enc., O'Callaghan to H.B. Smith, 11 July 1894, E.P., vol. 65.

September 1893.¹ In August 1894, the Secretary of State moved for the amendment.²

Calcutta and Bombay were equally restive for the change. In the Presidential Address to the Bengal Chamber of Commerce, Arthur Allan underlined the importance of feeder lines and pressed the Government to offer favourable terms to the private enterprise. He went on to advocate the cause of the guarantee system.³ The Bombay Chamber also demanded the amendment of 1893 Resolution.⁴

The decisive step towards the change was laid down by Lord Elgin in his Note of 31 December 1894.⁵ In this exhaustive Note Elgin emphasised the general view of the Government's railway policy

1 Ibid.

2 S.S. to Indian Govt., Despatch No. 62 (Ry), 2 August 1894, Para 6, R.D.I., vol. 14.

The Mercantile community was exerting great pressure on the Secretary of State for a long time. As early as June 1893, an influential delegation consisting of representatives of the cotton and woollen manufacturers of Lancashire, Yorkshire etc. waited upon the Secretary of State and urged for the speedy construction of railways and for more facilities for the private enterprise. The delegation included many members of the Parliament, like William Coddington, Sir James Kitson, W.H. Hornby, J.F. Leese, S.W. Sidebotham, Sir William Houldworth, C.P. Huntington, J.M. Cheetham, R.G. Mowbray, Thomas Snape, J. Leigh, M. Oldroyd, W.H. Holland, C.W. Cayzer.

S.S. to Indian Govt., Despatch No. 63 (Ry), 13 July 1893, Encs. 1 and 2, R.D.I., vol. 13.

See also Memorial of the President of the United Kingdom of Commerce, P.W.D. (R.C.) Proc., vol. 4787, No. 90, October 1895.

3 Report of the Bengal Chamber of Commerce, 1894-5, vol. 1 pp. 9-10. The committee of Chamber also recommended the same, p. 82. See also Report of the Bengal Chamber of Commerce, 1895-6, vol. 1, pp. 5-6. There were many more who asserted for a definite guarantee, particularly those like Marquess of Tweeddale, who had substantial railway interests in India. Marquess of Tweeddale to Elgin, 11 January and 7 March 1894, E.P., vol. 29.

4 Bombay Chamber of Commerce to Indian Govt., 27 March 1895, P.W.D. (R.C.), Proc., vol. 4785, No. 46, June 1895.

5 Enc. Elgin to Hamilton, 9 October 1895, H.C., MSS. Eur. D. 509/1.

in order to encourage private enterprise. As a first step he agreed with the Secretary of State to alter the Resolution of September 1893 and increase the terms of rebate. Though he was convinced that without some sort of guarantee the situation was not going to improve, yet for the present he was not inclined to advocate a different principle other than increased rebate.¹ The Indian Government telegraphed the Secretary of State on 5 February 1895 suggesting to increase the returns to branch lines from gross earnings on the traffic interchanged with main line from 10 per cent to 15 per cent.² But Fowler considered this to be too little a concession to warrant a change. He wired back on 12 February recommending "to enlarge the rebate to the extent required to make up to $\frac{1}{4}$ per cent return provided that rebate shall in no case exceed net earnings of main line from interchanged traffic."³

The verdict of the Secretary of State was opposed very strongly by both the Public Works Member, Charles Pritchard and Finance Member, James Westland.⁴ They objected to his suggestion on the ground of

1 Ibid., p. 4.

2 Telegram Viceroy to S.S. P.W.D. (R.C.) Proc., vol. 4787, No. 95, October 1895.

3 Telegram S.S. to Viceroy P.W. 358/95, attached to P.W. 760/95, vol. 436.

4 Telegram Viceroy to S.S., 1 March 1895, ibid.

its being "equivalent to a firm guarantee".¹ They objected on two other counts also. One was that such a scheme necessarily meant the increase in the capital value of the line, if owned or made by a private company and secondly it could adversely effect the state revenue in case the Government decided to buy.² Pritchard tenaciously held to the spirit of the Resolution of 1893 and Westland deterred anything which involved more spending.³

Viceroy concurred in the views of his colleagues against the "firm guarantee" as implied in the proposal of the Secretary of State, but not withstanding this, he preferred the construction of branch lines by "separate companies". He also suggested that the percentage

1 Ibid.

The Railway Minute of the Public Works Department, India Office confessed that the Secretary of State's offer amounted to a firm guarantee. In that context, Pritchard and Westland had correctly assessed the intentions of the Secretary of State.

2 Elgin to Fowler, 6 March 1895, E.P., vol. 13.

3 Ibid.

From the very beginning Elgin and Fowler had realised that Pritchard and Westland obstinately objected to the policy of rebate. [Elgin to Fowler, 6 February 1895, ibid.] At one stage Fowler wrote a stinker against Pritchard saying that "Government here feel that they cannot leave this question any longer unsettled, in order to meet the views of Sir Charles Pritchard." Continuing the same tone towards Westland, Fowler complained to Elgin that "At all events he seems to ignore the cardinal principle that railway facilities create traffic, and his idea that new lines, and especially branch lines are constructed for the purpose of dealing with existing traffic requirements is opposed to the railway experience of every country in the world." Fowler to Elgin, 29 March 1895, ibid.

of net earnings rebate to the Branch should not exceed $3\frac{1}{2}$ per cent instead of 4 per cent.¹ Elgin had two motives in restricting the Secretary of State's proposal to small branch lines and their construction by separate companies. One was to mitigate the fears of his colleague and another was his desire to see feeders develop quickly.² In the case of large lines he did not want the Government to offer such a high dividend, particularly when Government could get capital on a lesser interest in the market or by giving direct guarantee of 3 per cent or $2\frac{1}{2}$ per cent.³ Fowler accepted the suggestion of less dividend but did not restrict either the length of the branch or that of its construction by separate companies.⁴ The Indian Government accepted the proposal for the construction of branch or feeder railways "provided that capital is in rupees" and further added that, "we wish it to be clearly understood that offers in sterling on this basis whether in London or India will not be

1 Telegram Viceroy to S.S. 1 March 1895, op. cit.

2 Elgin actually wanted the main lines, whether the state railways or private or state railway managed by the company to construct their own branch lines. Only in cases where neither of them desired to construct, then an inducement to this extent [guaranteeing the dividend to $3\frac{1}{2}$ per cent], might be given to separate companies. "To lay down that all branch lines must be made by companies independent of the main lines has always appeared to me to be to introduce a most unnecessary complication into a system already almost intolerably complicated." Elgin's Note, 31 December 1894, p. 6, op. cit.

3 Elgin to Fowler, 13 February 1895 and 6 March 1895, E.P., vol. 13.

4 Telegram S.S. to Viceroy, 12 March 1895, P.W.D. (R.C.) Proc., vol. 4787, No. 99, October 1895.
See also S.S. to Indian Govt., Despatch No. 29 (Ry), 28 March 1895, R.D.I., vol. 15.

admitted."¹ But Fowler was not prepared to commit himself as a rule to the extension of sterling capital and stated, "each offer in London must be considered by me on its merits".² Accordingly the Indian Government published the amended Resolution on 29 March 1895.³

The result of publishing the amended resolution without any reference to sterling was unfortunate. The press and the public, particularly ^{the} English mercantile community, objected to the reduction from 4 to 3½ per cent of the dividend to the branch lines whose capital was in rupees. They stated that the Government instead of encouraging rupee capital boosted the sterling interest because their dividend remained at 4 per cent.⁴ They would have preferred its reduction to 3½ per cent. The Bombay Chamber of Commerce showed

1 Telegram Viceroy to S.S., 23 March 1895, P.W.D. (R.C.) Proc., vol. 4787, No. 100, October 1895.

2 Telegram Viceroy to S.S., 27 March 1895, P.W. 492/95 attached to P.W. 760/95, vol. 436.

3 Res. P.W.D. on 'Extension of Railways by Private Agency', Parl. Papers, 1897, vol. lxxv [88] pp. 14-15, Sect. 3 (i) and ii. The amended resolution did not mention any rebate or dividend for sterling offer. In resolution of September 1893, the dividend to branch line was 4 per cent, whether the capital was provided in rupee or in sterling, though it did not contain any such indirect guarantee as offered by the Resolution of 1895. P.W.D., Res., No. 924, 15 September 1893, p. 4, Sect. 1(7), op. cit.

4 Extracts from Bombay Gazette, 1 July 1895; Statesman, 11 July 1895; The Times 14 and 17 September and 4 and 10 September 1895, Register No. 463, Private Secretary's Correspondence, E.P., vol. 96.

its annoyance when it wrote, "The Chamber thinks that effects of the alteration as proposed by the Government of India Resolution of 29 March, will be to render the conditions more complex and obscure than ever, as sterling and rupee capital are to be differently treated."¹ Even Elgin agreed that "Sterling dividend on sterling schemes ought to be somewhat less than $3\frac{1}{2}$ per cent on rupee scheme."² On the whole the amended resolution was an improvement over the resolution of 1893. The intention of the alterations was to give increased inducements for the investments of the rupee capital, but the public misunderstood the offer and instead of welcoming the very substantial increase in the security [which was as good as a firm guarantee], the public persistently fixed upon the difference of rate, $3\frac{1}{2}$ per cent instead of 4 per cent, ignoring altogether that they were the minimum rates. What this resolution suffered from was not the element of inducement but want of clarity.

The significance of this resolution might not be under-rated. It was the first step towards the reintroduction of the guarantee system in order to attract private enterprise. At this stage, the railway

1 Bombay Chamber of Commerce to Indian Govt., 20 May 1895, P.W.D. (R.C.) Proc., vol. 4787, No. 276, November 1895.

2 Elgin's Note on Railways, 27 July 1895, p.1, Enc. Elgin to Hamilton, 9 October 1895, H.C., MSS.Eur.D. 509/1.
See also Elgin to Fowler, 17 April 1895, E.P., vol. 13.

policy implied only an indirect or imperfect guarantee to be given from the net earnings of the railway line and not from the whole revenue of the state. This in itself was a big change and quite a departure from the old policy.

The need for the change in the branch line policy was soon realised. The private enterprise was not yet satiated. Their pressure was not yet exhausted. Government under Elgin also realised that a fresh resolution defining more clearly the terms to be offered to private enterprise was desirable.

On the initiative of Elgin, the Indian Government decided to cancel the Resolution of September 1893 and March 1895, and issue a new resolution.¹ They were resolved to give an absolute guarantee for the branch line construction. On 17 April 1896 a new Resolution was published.² The main feature of the resolution was that the Government allowed the promoter of a company an option between a rebate sufficient to make up a dividend of $3\frac{1}{2}$ per cent (on the terms stated in the resolution of March 1895) and an "absolute guarantee" of interest, the rate being 3 per cent.³ In either case

1 Elgin's Note on Railways, 27 July 1895, pp. 2-3. Enc. Elgin to Hamilton, 9 October 1895, H.C., MSS.Eur.D. 509/1. See also Elgin's Memorandum on Railway Policy, 9 October 1895, p. 1. Enc. Elgin to Hamilton, MSS.Eur.D. 509/1. See also Indian Govt. to S.S., L.No. 78 (Ry), 9 October 1895, Paras 2-3, R.L.I., vol. 37.

2 Parl. Papers, 1897, vol. lxxv [88], pp. 15-18.

3 Ibid., Section 2, vi (a) (b). The proposals of these financial concessions were made on the basis of Elgin's Memorandum on Railways of 23 September 1895, Paras 6-8. Enc. Elgin to Hamilton, 9 October 1895, op. cit.

it was provided that any assistance given by the Government was to be on a silver basis whether the capital was raised in silver or sterling.¹ The new resolution also limited the length of the branch line to 100 miles. This definitely took away the ambiguity from the previous resolution and thereby clearly demarcated the difference between branch and larger or main line construction.² The success of the resolution was immediate. As many as 7 branch line constructions came under the perview of the new resolution.³

Until the old resolution was cancelled, there was only one "statement of terms" opened to the promoters. That was in the resolution

1 Ibid. See also A.C. Trevor to Elgin, 27 September 1895, E.P., vol. 67.

2 Fundamentally, Elgin's administration did not desire that all branch lines should be made on the basis of a guarantee. They believed that as branch lines were constructed chiefly for local interest, they should, in normal cases be subscribed by persons directly interested in the district opened. The Government believed that profit earning companies must make and manage their own branches. Still, there would always remain some branches which neither existing companies nor state would be prepared to take. It was to this class that new resolution was intended to be applicable.

Indian Govt. to S.S., L.No. 78 (Ry), 9 October 1895, Para 12, R.L.I., vol. 37.

See also Elgin's Note on Railway Policy, 27 July 1895, p.3. op. cit.

3 They were: (1) Mymensingh-Jamalpor, (2) Sultan Pur-Bogra-Kaliganj, (3) Bhagalpur-Bansi-Badyanath, (4) Gogri-Baptiahi with branch, (5) Segowli-Ruksaul, (6) Surat-Nandunbar-Amalner, (7) Amalner-Jalgoan.

See Indian Govt. to S.S., L.No. 76 (Ry), 4 November 1896, Para 12, R.L.I., vol. 38.

that dealt with branch lines only. Yet in practice proposals had been made "to apply its terms to lines which by no possibility could be called branches or even extensions" like South Punjab Railway which was 400 miles long. Therefore, there was a need to simplify and declare the general policy towards all construction.¹ As stated earlier, it was in lieu of the Branch line resolutions that a railway policy towards private enterprise came to be firmly established. No doubt in its making it had taken a hammering for nearly two years, in which the efforts of Elgin were singular. As early as 31 December 1894, Elgin had stated that larger lines, if to be constructed by private enterprise, must be given an absolute guarantee of interest.² At that stage neither his executive council nor the Secretary of State was inclined to come forward publicly in favour of such a policy. But soon the opinions began to waver. Fowler promised to consider the question of guarantee.³ The new Secretary of State, Hamilton, seemed to be in agreement: "A limited guarantee, with a prospective increment is what the public would like,

1 See Elgin's Note on Railway Policy, 27 July 1895, p. 2. op. cit.

2 Elgin's Note on Railway, 31 December 1894, pp. 3-4, op. cit.

3 Fowler to Elgin, 16 May 1895, E.P., vol. 13.

and this, I think, we could give."¹ By July 1895 Elgin was gratified to find that there was substantial agreement in his council on the policy of guarantee. By September 1895, Elgin was delighted to know that the Secretary of State and his Council were convinced for the change.² On 9 October 1895, ^{the} Indian Government officially proposed to announce the adherence to the guarantee system for the construction of the railways by the companies.³ The offer for the larger lines was made on the basis of a "plain guarantee", "which was presumed to be in sterling".⁴

The Public Works department at the India Office, in its departmental minute of December 1895, counselled the Secretary of State for the acceptance of the guarantee system.⁵ The joint Finance and Public Works Committee recommended on 9 January 1896

1 Hamilton to Elgin, 31 October, 1895, ibid.

Also Hamilton to Elgin, 10 January 1896, ibid., vol. 14.

2 Elgin's Memorandum on Railway Policy, 9 October 1895, p.1, Enc. Elgin to Hamilton, 9 October 1895, MSS.Eur.D. 509/1.

3 Indian Govt. to S.S. L. No. 78 (Ry), 9 October 1895, paras 9-10, op. cit.

4 Railway Minute, P.W. 1880/95, vol. 447 of Indian Govt. L.No. 78 (Ry) of 9 October 1895, Paras 9-11.
Telegram Hamilton to Elgin, (Pr), 5 December 1895, E.P., vol. 18.
Telegram Elgin to Hamilton, 7 December 1895, ibid.

5 Railway Minute, P.W. 1880/95, vol. 447.
On 10 December 1895, Godley had also recommended in his note to accept Indian Government's proposals without imposing any further limitation. P.W. 1880/95, ibid.
H. Waterfield, the Financial Secy. India Office, in his note of 14 November 1895 concurred in the proposals provided it be "a cardinal point in the new policy that the interest will, on the larger lines as well as on the branches, be paid in rupees, on the rupee amount entered in the capital account." ibid.

the following terms of construction of the main line railway.¹

- (a) On a sterling basis, a limited guarantee of $\text{£}3$ per cent £ plus such share of surplus net profits as may be agreed upon.
- (b) On a rupee basis, a somewhat higher guarantee, $\text{₹}3\frac{1}{2}$ per cent ₹ plus such share of surplus net profits as may be agreed upon.

The proposal of the Indian Government was endorsed and accepted by Hamilton and his committee.²

For the correct appraisal of the policy, it is necessary to examine and analyse the reasons which impelled the Government to undertake the policy of "guarantee" towards the private enterprise. To do this it is imperative to go into its historic perspective. The policy at least in theory after 1880 was to refuse guarantees and either to construct lines with state money and through state agency or through unaided private enterprise. But private enterprise had failed altogether to come forward. For example, the Bengal Central Railway was started as an independent line, but the moment it failed to pay, the pressure was brought to bear, which made the Secretary of State take it over. Similarly, the Bengal and North-Western

1 Ibid.

2 S.S. to Indian Govt., Despatch No. 9, (Ry), 6 February 1896, R.D.I., vol. 16.

line had to be aided by leasing them the Tirhoot state line in order to make the concern a paying one. In 1889, Delhi-Kalkha Railway was formed as an independent line, but as soon as it began to work, the company demanded exemption from the contract.¹ It may be safe to assume that unaided companies did not exist.

In many cases, either a direct sterling guarantee was given, as in the case of South Mahratha Railway and Assam-Bengal Railway or the promoters tried to win guarantee in a round about way. An example could be taken to substantiate this point. It was J. Westland² who examined this point with facts and figures when a promoter [Col. Filgate] offered to take over and complete the East Coast line on the terms which were to make the capital of the line as follows:

A - 450 Lakhs Government money

B - 500 Lakhs Company money

C - 400 Lakhs either Government money or debentures

It was assumed that 'C' would be divided into

(i) - 200 Lakhs debentures

(ii)- 200 Lakhs Government money³

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- 1 In 1896, the Govt. had to supplement the net earnings by giving an annual subsidy as to secure the company $3\frac{1}{4}$ per cent dividend to the shareholders after payment of debenture interest. H. Bell, 'The Recent Railway Policy', J.S.A., 1898, p. 533.
 - 2 J. Westland's Note on Railway and Railway Finance, 16 February 1895, E.P., vol. 132 (S).
 - 3 As Government would actually have spent 450 lakhs under A, this was a fairly probable supposition.

Under the proposal of the promoter, if the line paid on the whole 2 per cent, or 27 lakhs "which may be taken as a certainty", the return would be thus distributed:

$3\frac{1}{2}$ per cent return on (C) - 7 lakhs

$3\frac{1}{2}$ per cent return on (B) - $17\frac{1}{2}$ lakhs

And then the Government would get the balance of $2\frac{1}{2}$ Lakhs as its interest and return upon 650 lakhs contribution, being about $\frac{4}{10}$ of a per cent." To Westland this was "only another name for a direct guarantee; only whereas the company would hardly dare to ask for a direct guarantee of over 3 per cent, they can, by wrapping it up in words in this fashion, ask for $3\frac{1}{2}$." ¹ And he further stressed, "we need not attempt to shut our eyes to the fact; and the first lesson to be drawn from it I take to be this - that it is far better that the guarantee should be straight and simple one than it should be wrapped up in round-about methods." ²

Over and above, the inducement of rebate was not a success.

C.H.T. Crosthwaite, the Member-in-charge of Public Works in the Secretary

1 J. Westland's Note, 16 February 1895. Para 6, op. cit.

2 Ibid., Para 9.

Private enterprise as understood in England did not exist in India, so far as railways were concerned. Elgin had rightly stated that genuine self reliant Indian Railways were few and far between. The schemes laid before the Government as private enterprise were normally the "promoter schemes, where the real interest was to float the company and little else." Elgin's Memorandum on Railway Policy, 9 October 1895, P.1, op. cit.

of State's Council, opined, "I believe the offer of a rebate even with higher interest will rarely be taken."¹ "Experience has shown that no response will be made" stated Gen. R. Strachey, "on any appreciable scale of magnitude, to invitations to capitalists to undertake railways in India at their own risk, such as have been ineffectually made by the Government during a long series of years."²

Though the construction of railway through the state was considered to be the best and the cheapest, but this method suffered on account of the want of continuity. During famine and war, the Government resources had to be diverted. If railway development was to continue, it was essential that money should be regularly forthcoming. In this context, only the private companies could be useful. "The debt of India is really increased", argued Crosthwaite, "just as much by indirect borrowing as by direct loans. But the effect on the credit of the Government may not be the same. By raising money through a company the loan is marked off distinctly as raised for railway construction and is separated from the general unproductive debt of the country. For this advantage, such as it is, a heavier rate of interest will have to be paid."³ Hence the

1 C.H.T. Crosthwaite's Memorandum on the Railway Policy, 24 December 1895, p.1, P.W. 1880/95; vol. 447.

2 Minute by Gen. R. Strachey, Enc. S.S. to India Govt., Despatch No. 69 (Ry), 6 September 1894, R.D.I., vol. 14.

3 C.H.T. Crosthwaite's Memorandum on Railway Policy, 24 December 1895, p.1, op. cit.

need for a guarantee.

In the days of "fluctuations of exchange" the investors needed safe and firm returns and this, it was argued could be provided only through a plain system of guarantee.

In its final analysis and assessment, it would, perhaps be best to understand that the whole thinking in Government and outside was obsessed with the guarantee system.¹ One fact ought to be recognised that the adoption of the guarantee system almost bred a habit with the investors to look for a guarantee, so it did even with the policy makers in subsequent years. Thomas Robertson Report on the Indian Railway of 1903 upheld the principle and stated that "unguaranteed enterprises have always been unpopular."² Mackay Report of 1908, stressed still more for the encouragement of private enterprise.³ Even the Acworth Committee of 1921 was equally favourable to private enterprise.⁴

In formulating the policy, Elgin was primarily influenced by

- 1 There was hardly any opposition from the official quarters towards the change, except from Charles Pritchard. R. Hardie, in his Minute of 23 July 1894 had merely warned the Secretary of State that his policy of offering more liberal terms [in form of rebates] to private enterprise, as conveyed in his despatch (Ry) No. 61 of 2 August 1894 were more onerous to the Government and that he preferred plain guarantee to the indirect one. P.W. 1071/94, vol. 412.
- 2 Report on the Administration and Working of Indian Railways, 1903, Parl. Papers, vol. xlvii, [Cd.1713], Para 117. See also Paras 129-132.
- 3 Report of the Committee on Indian Railway Finance and Administration, 1908, Parl. Papers, vol. 75 [Cd.4111], Para 8.
- 4 Railway Committee Report, 1921, Parl. Papers, vol. x [Cd.1512], chap. vii [Summary of the Report], pp. 86-89.

the falling exchange and the chequered history of the private enterprise. He was convinced that the only solution to the impediment lay through offering "plain guarantee". Though he was conscious not to increase sterling liabilities, yet he was not prepared to curtail it on the argument of adverse exchange. "I cannot help thinking that the indirect advantages of the railway extension go far to counter-balance even the loss on remittance."¹ Elgin was of the firm belief that without railway expansion, the financial condition of India could not improve and for this he was prepared to pay the price. In doing so he had acknowledged the value of accepting the plain facts.

He had also recognised that the Railway policy and railway expansion without the system of proper control, planned programme and efficient organisation could never succeed in India. Administration of Elgin set out to establish such a machinery as well.

There were various reasons which necessitated systematic planning. One was, if private enterprise was given some facilities, it needed to be controlled as well, particularly when there was hardly any "genuine self reliant Indian Railways".² The Government did not want to repeat the old mistake in which profits

1 Elgin to Hamilton, 19 February 1896, E.P., vol. 14.

2 Letter to the Editor, The Times, 10 September 1895.

went to private company and losses to the Government. The Government was interested in giving full scope to private enterprise, but in an organised order. "I see no way in which", admitted Elgin, "the railways of India cannot be wholly divorced from state control, the prejudice thus created can be avoided, except by the Government taking up the perfectly rational position that it does not throw the whole of India open to the company promoter, but will give free scope to private enterprise, the more genuine the better, by placing before the public the real requirements of the country."¹

For the systematic growth of railways, it was essential to regulate the railway programme and maintain coordination between public works departments in London and India. The inconsistency of approach of the two was actually exploited by the promoters. Whenever they wanted to circumvent the Indian Government they went to the India Office and something was done against the wishes of the Indian Government.² The grant of $3\frac{1}{2}$ per cent sterling guarantee to Assam-Bengal Railways in 1892 by the Secretary of State in total disregard to the advice of the Indian Government was one such case. Another case of this type occurred as late as October 1895, when Hamilton announced to the very surprise of many, the sanction of $3\frac{1}{2}$ per cent

1 Elgin's Memorandum on Railway Policy, 9 October, p.2, op. cit.

2 Crosthwaite to Elgin, 4 April 1895, E.P., vol. 30.
Also Godley to Elgin, 1 March 1895, ibid.

guarantee to the promoters of Bhagalpur-Bansi-branch line, without consulting the Indian Government, particularly when a systematic pattern of a policy was being evolved.¹ "All I have to say is that, unless we do something of the kind, it is futile to ask us to pursue a consistent policy, because every forecast that we make is at any moment liable to be upset by the introduction of new and possibly incompatible item."² Elgin's main desire was to shut out all avenues which a speculative promoter tended to exploit.³ He believed that uniformity of policy and approach was pre-requisite to a sound policy. The control of the programme was, therefore, "far more important part of the new policy than any particular rate of interest or rebate."⁴

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- 1 W.S.S. Bisset to H.B. Smith, 19 October 1895, E.P., vol. 67. See also Bisset to H.B. Smith, 20 October 1895, ibid. Elgin to Hamilton, 29 October 1895, ibid., vol. 13. Hamilton to Elgin, 31 October and 15 November 1895, ibid. A. Godley confessed about the mistake. "The concession of certain terms to Sir W. Hudson [the promoter of Bhagalpur-Bansi branch] without previous reference to you, was a serious mistake. We must say 'Peccavimus'." Godley to Elgin, 15 November 1895, ibid., vol. 30.
- 2 Elgin's Memorandum, 9 October 1894, p. 2, op. cit.
- 3 Elgin wrote to Lord Reay, the Under Secretary of State, "I would very much like to get past the promoter and deal with bona fide investors". 22 October 1894, E.P., vol. 29.
- 4 Elgin's Memorandum, 9 October 1895, p. 2., op.cit. The promoters exploited this situation in another way. Many officers of the Public Works Dept. who retired, soon joined some railway syndicate and tended to take advantage of their erstwhile position. One such example was given by Elgin himself. As highly placed an officer as O'Callaghan after retiring from the Secretaryship of P.W. Dept. took up a job with a syndicate. When he was secretary he had opposed the construction of a line from Mughal Serai to the coalfields of Palamow and thence via Sini and Midnapur to Cuttack, which Pritchard, the P.W. Member had highly recommended. O'Callaghan retired in July 1895 and soon after an offer was made by him on behalf of a syndicate for the construction of this very line, on terms to which he had known, Sir C. Pritchard was committed from departmental discussion of the subject. It was to avoid such-like confrontations that Elgin wanted a planned railway policy. ibid.

In order to attract a genuine investor it was as important to check 'speculative jobbers' as it was to avoid delays. At times the departmental delays were appalling and in some cases, like that of 'linking up' scheme¹ it took more than three years to start a project sanctioned by the Secretary of State. These delays were primarily caused by the rivalry between the Finance Department and the Public Works Department in which each encroached on the territory of the other.² To Elgin it was "labour in vain". Elgin felt that the most important need was to amend the departmental procedure and to lay down certain general lines of policy affecting the railway which could help to prevent the interference into the harmonious action by smoothening the differences beforehand.³

This was achieved by Elgin by establishing a committee of experts,⁴ comprising the official of the Public Works and Finance Departments and presided over by the Viceroy. The main business of

1 See below pp.179-86

2 For detail see Elgin to Westland, 8 July; Westland to Elgin, 11 July 1895, E.P., vol. 67.

3 Elgin to Westland, 8 July 1895, ibid.

4 The idea of forming a committee of experts was opposed by Westland quite vigorously. He thought that the purpose of Committee and Railway Conference was to usurp the financial control of the department.
See Westland to Elgin, 25 August; Elgin to Westland 24 and 25 August; A.C. Trevor to H.B. Smith, 24 August; Bisset to Smith, 15 September 1895, E.P., vol. 67.

the Committee was to organise the working of the railways on a planned basis - to examine the schemes, select the best according to the need and implement them as quickly as possible.

The Committee met on 16 September 1896. The first thing Elgin did was to propose the idea of having an annual railway conference. He got this idea endorsed by his colleagues.¹

The deliberations of the first conference were sent to the Secretary of State in November 1896. In this despatch the Government policy towards the railway construction as a whole was recorded. It also underlined their reasons for preferring a particular scheme.² As a first step, the conference had obtained reports from several local Governments regarding their railway requirements.³ After full consideration the conference divided the railway construction scheme into four classes:⁴

Class A. Urgent lines - subdivided into (i) immediate,
(ii) early.

Class B. Lines not urgent - sub-divided into (i) ready,
(ii) incomplete.

1 Elgin to Hamilton, 2 November 1896, ibid., vol. 14.

2 Indian Govt. to S.S. L. No. 76, 4 November 1896, P.W. 2109/96, vol. 475.

3 See P.W.D. (R.C.) Proc., vol. 4786, Nos. 339-43, August 1895.
See P.W.D. (R.C.) Proc., vol. 5001, Nos. 183-241, March 1896.
See P.W.D. (R.C.) Proc., vol. 5003, Nos. 211-222, July 1896.

4 Indian Govt. to S.S., L.No. 76 (Ry), 4 November 1896, Para 7, op. cit.

Class C. Lines set aside - sub-divided into (i) postponed for further consideration, (ii) rejected.

Class D. Lines to be made without state assistance - sub-divided into (i) Native State Lines, (ii) Lines to be undertaken by private enterprise.

The classification was entirely Elgin's idea. "I say I have done so, for the whole thing was so much of a child of my own that I found it necessary to rewrite a good deal of the despatch."¹ This classification was put forth as an original piece just to avoid obstruction, confusion and much talk which normally occurred in conferences.

Paragraph 14 of the Indian Government despatch of November 1896 was the most important one, as indicating generally the various factors the Government had taken into account in formulating its scheme. The distribution of railway lines on the basis of provincial divisions was deliberately avoided, for it could ensue provincial rivalries. It could have been equally impracticable to base it on the administrative areas of the railway companies, because the railway lines passed from one into the another. Elgin decided to base the classification and their distribution on more general terms, depending upon the importance of each case and each area.

Secondly, Elgin decided to keep the composition of the conference to a small assemblage. Unlike Hamilton, Elgin did not

1 Elgin to Hamilton, 2 November 1896, E.P., vol. 14.

want the conference to be overcrowded by the representatives of Local Governments and of large railway companies. He said, "I should keep the shifting of schemes to a smaller official body".¹ As an established rule 1 May of the year was fixed as the date up to which recommendations from Local Governments and Administration could be considered.²

The railway conference, which became an annual feature was the first consultative body of its own type - a precursor to the Railway Board and organised planning. For the first time the schemes and proposals for railway extension, with adequate explanations attached to individual schemes, were presented, discussed and decided upon promptly. It was no surprise when Hamilton paid the following tributes to Elgin on organising the railway on new and scientific planes. He considered Elgin's system of classification as "excellent". He fully shared the reasons given by Elgin against a classification by provinces, Seaboards or Companies, as conclusive. He agreed with the Viceroy that any such division could provoke and aggravate rivalry and controversy.³

1 Ibid. The first railway conference was composed of Elgin, J. Westland, A.C. Trevor (P.W. Member), Col. Bisset (P.W.D. Secy), Col. Gracey (Dir. Gen. of Rys), J. Finley (Fin. Secy), Col. I.S.M. Hamilton (off. Quarter Master General), A.R. Beshar, (off. Accountant General P.W.D) Secy of the Conference was F.B. Herbert.

2 Indian Govt. to S.S., L. No. 76 (Ry), 4 November 1896, op. cit. Railway Conference in 1896 dealt with 133 projects, 116 of which were recommended by Local Governments. Para 5, ibid.

3 Hamilton to Elgin, 4 December 1896, E.P., vol. 14.

Elgin was equally thrilled that his scheme was accepted. It was symptomatic of Elgin to acknowledge his achievement modestly - "so far as I am concerned, it is a sort of work that interests me so much that I need no incentive."¹

The success of a railway policy and planning largely depends upon sound financial arrangements. Before 1896, there was no fixity in the ways and means of the railway. Estimates were prepared but seldom adhered to. On the initiative of Lord Elgin in 1896, the Government decided up to a definite sum for a planned period of three years. The purpose of this three year plan was to secure regular growth and to save the Government the embarrassment normally caused on account of shifting and changes of schemes. The Secretary of State accepted the idea and sanctioned Rs 27 crores for a three year programme.²

1 Elgin to Hamilton, 23 December 1896, ibid.

2 S.S. to Indian Govt. Despatch No. 59 (Fin), 2 April 1896, Para 5, F.D.I., vol. 16.

The fixing of a "standard" of 27 crore for the next three years was accepted but debate actually took place between Elgin and Westland on the meaning of "standard". Westland thought this indicated the fixation of limit, beyond which their programme was not to be expanded. Elgin argued that it merely meant minimum, and therefore the limit could exceed but not be reduced. The agreement reached was that in a bad year, the assistance would come from the Secretary of State's borrowing in London and in a good year when the Government had large funds, it could be left to them to expand it even beyond the standard. Elgin to Hamilton, 31 March 1896, E.P., vol. 14.

Though 27 crores was fixed as a "standard" for three years, the Public Works Department distributed the amount of ten crores for first two years and remaining 7 crores for the third. This arrangement was quite indicative of the fact that if 10 crores were spent one year, the proposal would be made to increase the 7 crores of 1898-99 or demand would be made to increase the total outlay. Westland correctly pressed upon the Viceroy to limit the railway expenditure and argued that the railway construction should be undertaken keeping in view the financial prospects of the country.¹ But the enthusiasm of Elgin could not be subdued. Even before the year expired he suggested the increase of the outlay from 27 crore to 28 crores "to maintain the progressive rate of growth".² In addition, the Government demanded a further sum of Rs 1,66,50,000 which they estimated would be spent by old guaranteed companies outside the limit of 28 crores. The Indian Government had read the financial despatch of 2 April from the Secretary of State as entitling them to treat capital expenditure by the three old guaranteed

1 Westland to Elgin, 25 August 1896, ibid., vol. 69.
Actually Westland had been a constant opposer of the heavy outlays of the railways.
See Westland to Elgin, 16 October; and Elgin to Westland 16 October 1895, ibid., vol.67.

2 Elgin to Hamilton, 2 November 1896, ibid., vol. 14.
See also Indian Govt. to S.S., L.No. 327 (Fin), 4 November 1896, F.L.I., vol. 185

railway companies as outside this limit.¹ The total, combined with the expenditure on lines already in progress, made up a grand total of Rs 29,66,50,000 (2,66,50,000 in excess of 27 crores limit) to be spent in three years from April 1896 to March 1899. With impending famine, it was by all standards a very ambitious scheme. The Secretary of State approvingly stated, "The care evidently bestowed upon the schemes, and the strong personal interest you were taking in them, counterbalanced the arguments of famine and financial difficulties."²

By the middle of 1896, the famine and plague had attained a strong foothold in India but the enthusiasm of Elgin was still high. The Indian Government further inquired, whether it was the Secretary of State's intention to permit the construction of branch lines under the guarantee alternative of their Resolution of 17 April 1896, irrespective of the limitation of the 29½ crores programme.³ The

1 In addition to the imperial expenditure (28 crores), Indian Government anticipated that some 2,763 miles of line would be constructed or commenced, at a cost of Rs 17,85,40,000, before 31 March 1899 by the following agencies: (1) The old guaranteed companies, (The Great Indian Peninsular Co., The Bombay, Baroda and Central Indian Ry.; the Madras Ry.) (2) Native States; (3) Branch line companies and (4) Assisted companies. Indian Govt. to S.S. L.No. 76 (Ry), 4 November 1896, Para 10-13, op. cit. The details of the railways to be undertaken by Companies and Native States (outside the 28 crores limit) will be found in Enclosure No. 3, and the details of the imperial outlay during the 3 years in Enclosure No. 2, of the Indian Govt. Despatch No. 76 of 4 November 1896.

2 Hamilton to Elgin, 11 December 1896, E.P., vol. 14. See also S.S. to Indian Govt., Despatch No. 1 (Fin), 7 January 1897, F.D.I., vol. 17.

3 Indian Govt. to S.S., L.No. 72 (Ry), 29 June 1897, Para 1, R.L.I., vol. 39.

majority in the Viceroy's executive favoured that it did not include the allotments for the construction of branch lines in this total outlay. In their evidence they referred to the Secretary of State's railway despatch of 28 January 1897, which completely excluded the branch lines from this limit.¹ But both Westland² and Waterfield³ strongly urged for the inclusion of such branch lines within the limit of 29 $\frac{2}{3}$ crores. C.S. Colvin in his departmental minute also sided with Westland. The Joint Public Works and Finance Committee also endorsed the view of Westland.⁴ But Hamilton did not agree with the interpretation of his Committee and opined that the paragraphs 10, 13, 14 of the Secretary of State's despatch of 28 January 1897 "specifically state that these branch lines are outside the 29 crore limit".⁵ But ^{he} further added that under the "present circumstances", it was found necessary to undertake "no new construction".⁶

- 1 Despatch No. 8 (Ry), Para 10, R.D.I., vol. 17.
But in the Financial Despatch No. 59 of 2 April 1896, Para 5 and No. 1 of 7 January 1897, Para 9, it was clearly stated that railways whose capital was raised under a direct guarantee were included within the limit.
- 2 Views of Westland were given in Para 4 of the Indian Govt. L. No. 72 (Ry), 29 June 1897, R.L.I., vol. 39.
- 3 H. Waterfield's Note, 26 July 1897, P.W. 1330/97, vol. 489.
- 4 Joint Minute of P.W. and Fin. Committee, 2 September 1897, ibid.
- 5 Hamilton's Minute, 20 September 1897, ibid.
- 6 S.S. to Indian Govt. Despatch, No. 106 (Ry), 4 November 1897; Para 2, R.D.I., vol. 17.
See also Hamilton to Elgin, 16 October 1897, [appendix], E.P., vol. 15.

Furthermore, during July 1897 the Government was obliged to consider their position regarding ways and means because of the appearance of famine, plague and military operations in the North West Frontiers. These demands came upon the Government at a most trying time of the year, so far as the supply of the fund was concerned, for under ordinary circumstances Government cash balances including even loans, receipts, ran down throughout the five months July to November. In view of this, the Government was obliged to ask the Secretary of State to greatly reduce his drawings, and as the military operation became more extensive, he not only had stopped altogether but remitted back to the Government a crore of rupees out of the amount that he had already drawn.¹ Besides, the criticism was mounting from Westland and the members of the Legislative Council to curtail the railway expenditure.² Elgin and

1 Financial Statement, 1898-99, Para 37. See also Para 59.

2 Westland was the most ardent critic of railway expenditure. It was he who relentlessly took pains to see that the expenditure was curtailed. As a matter of fact he had never accepted Elgin's railway policy. "Your Lordship is aware", he wrote, "that I have never accepted the Railway Policy, except in the sense that having done my best to state the financial side of the question, I accepted the orders which the Secretary of State passed on the subject.". Westland to Elgin, 1 November 1897. For detail, see Westland to Waterfield, 22 June 1897, Enc. Westland to Elgin, 26 June 1897 [appendix], E.P., vol. 70. Westland to Elgin, 13 October and 1 November 1897, *ibid.*, vol. 71. Members of the Viceroy's Legislative Council, Syani, Balwant Rai Bhuskute and Griffith Evans asked the Government to temporarily suspend expenditure on the railways. Proc. of the Council of the Governor-General in India, 1897, vol. xxxvi, pp. 193, 208, 224.

the Public Works Department reluctantly agreed to reduce the railway expenditure in 1897 by 1 crore of rupees.¹ It was a disappointment for Elgin that he could not succeed to expend a larger outlay for railways.

Out of the controversy one important development took place. Originally the railway programme was intended to include the state railway and construction by companies, out of the funds raised by them or advanced by the companies, but now the 29½ crore also included construction by branch line companies and old guaranteed companies. The whole question of financing railway was henceforward looked on as one of ways and means, and all expenditure, for which Government had financial responsibility, was included in the programme. Though the companies were permitted to continue sterling borrowings on their own account, they ceased to have the same freedom as before, and their claims to a place on the programme competed on equal terms with those of other lines.²

1 Elgin to Hamilton, 29 June [appendix], 23 September and 21 October 1897, E.P., vol. 15.

2 On the insistence of Elgin, the Secretary of State had laid down that all money obtained in India for other than branch lines should be raised as a general rule by the Indian Government and expended on the state lines or lent to the companies. The Government was to raise as much money in rupees in India as they could profitably raise and the balance was to be raised in sterling. For detail see Elgin to Fowler, 16 October 1894, E.P., vol. 12. Elgin to Hamilton, 9 December 1895, *ibid.*, vol. 13. Hamilton to Elgin, 31 March 1896, *ibid.*, vol. 14. Brackenbury to Elgin, undated, *ibid.*, vol. 67.

It may not be wrong to say that the railway forecast for three years was planned by the administration of Elgin on excessive scale. But in the process of formulation they were now sure that with the rising exchange, and demand of the Chitral Crisis, the financial position of India would improve and this could be best utilized for productive purposes. They could never realise that the improvement of exchange would increase the drawings of the Secretary of State and deplete the cash balances in turn, from which, in past years, such large railway advances had been made. Nor could they visualise that 1896-7 would witness famine, plague and Tribal risings. In the occurrence of these events, the administration had to yield and curtail railway expenditure. Many lines sanctioned by the administration, like Muthra-Nagda railway (354 miles long) were postponed. The forecast of the next three years, 1899-1902 was also limited to 20.3 crores.¹

On one hand Elgin instituted the idea of a consultative body to regulate the railway expansion according to the planned programme, on the other, he also set out to reorganise the Public Works (Railway Branch) department. Both Fowler and Elgin thought that the railway department was not working well. There were incalculable delays. Files did not move. Sir Charles Pritchard had lost the confidence of

1 See Elgin to Hamilton, 15 September 1898, vol. 16.
Hamilton to Elgin, 24 August 1898, ibid.

the department. There was acute rivalry between O'Callaghan, the Public Works Secretary and the Member-in-Charge.¹ As a part of the preliminary reorganisation, Elgin took Pritchard into confidence and appointed Col. Bisset as Public Works Secretary at the retirement of O'Callaghan and also appointed a Director General and a Consulting Engineer for railways, at first stage for one year pending final changes.²

The need for the reorganisation of the department was essentially felt by 1896 when the railway programme was classified.³ The Secretary of State and his Council wanted decentralization to be introduced so that private enterprise could be speedily utilized. In that context it was considered to have a separate office of Director General of Railways outside the Secretariat and bring a person from

- 1 Pritchard had at one stage framed a charge sheet against O'Callaghan. Elgin had to intervene because of O'Callaghan's impending retirement and the fear of publicity it could fetch. Ultimately Pritchard agreed to burn papers about the case. For detail see Brackenbury to Elgin, 19 October; Pritchard to Elgin, 8 October 1894; Elgin to Pritchard, 15 October, Elgin to Brackenbury, 18 October; Elgin to Pritchard, 19 October 1894, E.P., vol. 65.
- 2 Elgin to Fowler, 29 May and 3 July 1894, ibid., vol. 12. See also Fowler to Elgin, 27 July 1894, ibid. Hamilton to Elgin, 19 September 1895 and 31 January 1896, ibid., vols. 13 and 14.
- 3 Indian Govt. to S.S., L.No. 31 (Ry), 14 October 1896, P.W. 1942/96, vol. 38. See also Indian Govt. to S.S., L.No. 6 (Ry), 17 March 1897, R.L.I., vol. 39.

England, like the English General Manager of the railways.¹ But both A.C. Trevor (Public Works Member), and Elgin showed less enthusiasm. Elgin wrote: "I doubt very much any man accustomed to the independence and authority of a General Manager of a railway company in England ever consenting to such a position. The Secretary of the Department he might tolerate as it is possible, though not pleasant to tolerate a thorn in the flesh; but the civilian member, with little or no technical knowledge, but insisting, in accordance with tradition, that his orders are the orders of the Government of India till overruled by Viceroy or Council, would I am sure fatally interfere with his usefulness."² For the same reasons he was not enthusiastic about the Railway Board. He felt that to have ^{the} Railway Board without "full financial independence" was incompatible with the whole structure.³

Actually Elgin was not against any progressive suggestion. But he believed that until and unless the whole structure of railway was modified the scheme like that of a Railway Manager and the establishment

1 S.S. to Indian Govt., Despatch Nos. 47 and 54 (P.W.), 19 November 1896 and 27 May 1897, Public Works Despatches to India, vol. 17 and 18.

2 Elgin to Hamilton, 4 August 1897, E.P., vol. 15. See also Elgin to Trevor, 13 February 1897; Trevor to Elgin, 7 July and Elgin to Trevor, 12 July 1897, ibid., vols. 70 and 71.

3 The establishment of Railway Board in 1905 did not mean that the entire control of railways came under it. The Board remained under the Member-in-charge. Its main duties included the preparation of the annual programme of railway expenditure, the control of the state lines, the supervision of company lines and many cognate duties. See Res. No. 256G of 18 February 1905 and Note by Sir F.R. Upcott, Chairman of the Railway Board, app. No. 18. Mackay Committee Report, pp. 359-61, op. cit.

of a Railway Board would be like dog in the manger. When on his arrival in 1894, Lord Reay, the Parliamentary Under-Secretary of State for India, wrote that the opinion in India Office was of sending a person from England who had experience of railway management;¹ Elgin pronounced his judgement in a very judicious way: "Any one who has had to do with Railways at home, as I have had, knows that in projects for new lines the General Manager, meet face to face with the promoters and the bargain is struck. I am aware that such a course out here might be inconsistent with your financial control, unless limited in some way; but I am confident that such an experienced Railway Manager would be fish out of water unless he had some freedom of action in making bargains."² In this context Elgin predicted the criticism of the Mackay Committee that the friction between the Government of India (member-in-charge) and the Railway Board was because the latter had no financial control which it should be vested with.³ It goes to his credit that Elgin diagnosed the disease 10 years in advance.

In the same context Elgin had made another very careful suggestion. He stated that the Member-in-Charge of the Railway should not be a trained official, "but one of shrewd practical men ... devoted

1 Lord Reay to Elgin, 20 April 1894, E.P., vol. 29.

2 Elgin to Fowler, 29 May 1894, ibid., vol. 12.

3 Mackay Committee Rep. 1908, p. 25, op.cit.

themselves for years to railway working, combining it perhaps with a seat in Parliament."¹ The importance of this lay in the fact that nearly 25 years after, the Acworth Committee had this to say about the Member-in-Charge: "If a man could be found to combine the qualifications of a capable administrator, parliamentarian and railway expert, he would be an ideal selection for the post."² Elgin was, therefore, fully conscious in matters of railway organisation and administration, and his lack of enthusiasm for Railway Manager and Railway Board was not due to any aversion to it, but because it did not fit in the existing machinery; yet in more than one way his reforms were forerunners of further advances in Railway department.

Before the reorganisation was instituted by Lord Elgin's administration, the Public Works Department consisted of a Secretary who was both responsible for Railway and Works Department; the Director General of Railway who was responsible head of the railway administration and, as a Deputy Secretary, exercised general control over both companies and state lines; and Consulting Engineer who was an adviser without executive responsibilities.³

The Government suggested the following recommendations:⁴

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- 1 Elgin to Hamilton, 4 August 1897, E.P., vol. 15.
 - 2 Acworth Committee Report, 1921, p. 25, op. cit.
 - 3 Indian Govt. to S.S., 11 August 1897, L.No. 219 (Fin and Com), P.W.D. (Gen) Proc., vol. 5224, No. 88, August 1897.
 - 4 Ibid., Paras 10-16.

(i) Public Works Department to be separated into two branches - the Railway branch to be under the Secretary to the Government of India in the Railway department and the works branch, including all accounts, organisation establishment cases, other than those relating to railways, under a Joint Secretary.

(ii) The office of the Director General to be abolished and merged into that of the Secretary to the Government in the Railway department.

(iii) Similarly, the office of the Consulting Engineer was also disposed of and his duties were to be combined with those of Chief Engineer and Deputy Secretary in the Railway department with the title of Director railway construction and Deputy Secretary, Railways.

(iv) The Government recommended the establishment of the Second Deputy Secretary under the title of the Director of Traffic, an officer especially selected for his qualifications as a traffic expert.

There were three reasons for disposing of the establishments of Director General and Consulting Engineer. The first was to economise and avoid duplication of work. Second, that three top officers of the railways, the Secretary, the Director General and the Consulting Engineer were all selected from the same cadre. They had probably been rivals throughout their career, and had succeeded each other in the several steps. If any one of them was placed in

the position of independence outside the department or Secretariat, it could lead to bitter jealousies.¹ Thirdly, the Indian Government intended to relieve, especially the Director General, of the functions and responsibilities attached to his position as administrative head of the state railways and to devolve them upon the Managers and Engineer-in-Chief of the several lines.² "I think it is an accepted policy of the Government of India that we should as far as we can see our way from time to time entrust the management and working of the larger system to the Companies."³ He further stressed: "If we were to re-establish an independent Director General of Railways, we shall have an official with a staff who would naturally oppose any curtailment of their sphere of influence, and whom it would be difficult to adjust to any reductions we thought fit to introduce".⁴

These proposals with elucidated reasons were accepted by the Secretary of State. He wrote: "They [proposals] make a decided advance in the direction of decentralization, inasmuch as they enable at once to devolve on the managers of lines executive functions and responsibilities now centred in the Director of Railway and in the future to adopt further measures of decentralization."⁵

1 Elgin to Hamilton, 4 August 1897, E.P., vol. 15.

2 Indian Govt. to S.S. L.No. 219 (Fin and Com), 11 August 1897, Paras 14-15, op. cit.

3 Elgin to Trevor, 12 July 1897, E.P., vol. 71.

4 Elgin to Hamilton, 4 August 1897; op. cit.

5 S.S. to Ind. Govt. Desp. No. 29 (P.W.) 14 October 1897. Par 16. P.W. 1627/97 vol. 492. See also Govt. of India Res. No. 3386 G, 23 December 1897. Encl. with Ind. Govt. to S.S., L.No. 1 (P.W.) 20 January 1898, P.W. 249/98, vol. 509.

The significance of the new establishment was twofold:

First, it was yet another step to encourage private enterprise; and secondly, it outlined the future composition of the Railway Board, which consisted of three members (including the chairman), one administrative expert, one technical expert and one companies representative.

After laying down the essentials of railway policy for rapid expansion, Elgin devoted his energy to put theory into practice. As it is not possible to deal with each and every case of railway construction, it may, therefore, be convenient to confine the study to a few important projects - dealing broadly with various parts of the country.¹

One of the first important lines to be constructed was Wazirabad-Lyallpur-Khanewal branch of the North Western State Railway. This scheme was carried out in two stages. First, in October 1894, a line from Wazirabad to Lyallpur, traversing a total distance of 96 miles was started at the estimated cost of Rs 33,803 per mile.²

1 The administration of Elgin sanctioned following miles of railway to be constructed through the state and private companies on both broad and metre gauge railways.

(a) In 1894-5, 651 miles. Administrative Report of the Railway in India. Parl. Papers, 1895, vol. lxxiii, [C.7845], Para 5, p. 16.

[Hereafter cited as A.R.R.I.]

(b) 1895-6, 2394 miles. A.R.R.I., Parl. Papers, 1896, vol. lxii, [C.8136], Para 6, p. 15.

(c) 1896-7, 1054 miles, A.R.R.I., Parl. Papers, 1897, vol. lxv, [C.8518], Para 3, p. 2.

After 1897, very few miles of railways were sanctioned because of the famine and plague.

2 Indian Govt. to S.S., L.No. 65 (Ry), 10 October 1894, Paras 4-7, R.L.I., vol. 36. See also Telegram Viceroy to S.S., 3 October 1894, E.P., vol. 17. S.S. to Indian Govt., Despatch No. 63 (Ry), 6 December 1894, R.D.I., vol. 14.

Second part of line was started in 1896, further extending it from Lyallpur to Khanewal, a distance of 84 miles.¹ The construction of the line was significant, for, this line tapped the fertile Chenab colony in Rachna Doab² and connected the colony with Karachi port via Multan. Combined with the canal, this railway revolutionised the condition, the former enabling production of wheat on a vast scale and the latter placing it on the market. The rail not only facilitated the cheap movement of surplus food but enormously relieved the pressure of population in the congested districts of the Punjab. This vast area was until 1892 sparsely populated, and in the census of 1891 it numbered 70,000. In 1901, the census showed that

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- 1 Indian Govt. to S.S. L.No. 76 (Ry) 4 November 1896, Enc. No. 1 Statement No. 1, p. 47, E.P., vol. 135 (h).
See also, Para 14 of the Despatch.
Govt. of Punjab to Indian Govt. 6 May 1896, Para 3-4, P.W.D. (R.C.) Proc., vol. 5003, No. 214, July 1894.
See also Elgin to Fitzpatrick, 15 March 1896, E.P., vol. 68.
See also Fitzpatrick to Elgin, 21 March 1896, ibid.
- 2 The area lying between the Chenab and the Ravi and irrigated by the lower Chenab canal was called Chenab colony. This was once a waste and desolate area, unpeopled except for a race of pastoral nomads known as 'Janglis'. This wasteland was called 'Sandal Bar' which was situated in the districts of Jhang, Lyallpur, portion of districts Montgomery and Lahore and Tehsil, Khanghah Dogron and Hafizabad of district Gujranwala. It was in 1889 that perennial canal of the first magnitude was opened. The headworks of the canal are at Khanki, a village near Gujranwala [now in West Pakistan]. The total area watered by the canal at the end of 1903-4 was 5,255 sq. miles. This area became so fertile that it soon earned the reputation of being the granary of the Punjab.
For details see Imperial Gazetteer, Provincial Series, Calcutta 1908, Punjab, vol. I, pp. 208-210, and vol. II, pp. 211-221.

immigrants numbered 539,493.¹

Another line started in early 1895 and completed by November 1897 was Delhi-Samasata Railway or South Punjab Railway. This line was the branch of the North West Railway and was financed by the private capital raised on the terms of the branch line Resolution of 1895. The line passed through Rohtak, Jindh, Tohana, Bhitanda and reached Samasata, a distance of 400 miles.² This provided the shortest route from Delhi to Karachi and was of immense commercial advantage. Also, the line gave an alternative route to the Punjab and therefore, militarily and politically was equally advantageous.

Yet another line to be constructed as a part of the North Western State Railway was Rohri-Kotri, covering a distance of 206 miles, with a bridge over the Indus at Kotri. This line was primarily made to safeguard communications between Karachi and Quetta, because the existing line used to get inundated during the monsoon.

All these lines³ had one thing in common. They added great importance to the port of Karachi and in each case they were the

- 1 Imperial Gazetteer, Provincial Series, Punjab. Vol. 11, p. 221. Most of the immigrants came from the following districts: (a) Sailkot (103,000), Amritsar (68,000), Jullundhar (57,000), Gurdaspur (44,000), Hoshiarpur (35,000), Lahore, (29,000), Gujrat (25,000), Ludhiana (18,000), Shahpur (16,000) and Ferozepur (15,000).
- 2 A.R.R.I., 1895-6, Parl. Papers, 1896, vol. lxii, [C.8136], Para 5, p. 14.
A.R.R.I., 1897-8, Parl. Papers, 1898, vol. lxiv, [C.8921], Para 7, p. 5.
- 3 See the Map.

shortest routes. For instance, Wazirabad-Kehanewal provided the direct and shortest route from Karachi to Jammu. Similarly Delhi-Samasata route provided not only the shortest route to Karachi but formed the shortest rail route from Calcutta to Karachi. Rohri-Kotri line, which was primarily constructed for military reasons also provided an alternative route to Karachi from Rohri to cope with large traffic.

One of the most important questions regarding the railway expansion related to the "linking up case". The linking up case meant the joining up of the metre gauge lines in Northern, Central and Western India. There were four different and disconnected systems of metre gauge lines which had drawn closer over the years due to the railway expansion but were separated from each other by a few miles only. The four systems were:

- (i) Northern System (comprising Bengal and North Western Railway and Tirhōt Railway, North-Bengal and Assam-Bihar Railway) which had a total length of 1173 miles.
- (ii) Rohialkhund-Kumaon Railway and Lucknow and Barielly Railway with a total mileage of 275 miles.
- (iii) Rajputana-Malwa Railway which had a total length of 1900 miles.
- (iv) The Kathiwar Railway or Southernmost system was 333 miles long.

The first was 40 miles away from the second and the second was separated by 45 miles from the third and the third was within

40 miles of the fourth. These gaps were crossed by sections of two railways on another gauge. A section of the Oudh and Rohilkhand broad gauge Railway, not more than 85 miles in length separated the first three mentioned metre gauge systems. The South West end of Rajputana-Malwa system of the Kathiwar Railway was separated from it by 39 miles of broad gauge line belonging to Bombay, Baroda and Central India Railway. This several thousand miles of railway on one gauge constituted four separate lines which were kept apart by a distance of about 120 miles of railway on another gauge.¹

In June 1892, Lord Cross realised the immense value of the link and he intimated the Indian Government to take the necessary steps. There were two reasons which had impelled Lord Cross: one, that an unbroken link would be advantageous to the internal trade, for it could facilitate the conveyance and distribution of salt from Rajputana without break and would promote at the same time the export of the northern produce in exchange. Secondly, the unbroken line of communication across India was very desirable "upon military and political grounds". The purport of the proposal, in short, was to connect all the metre gauge railways from North East Bengal across India to the Western sea coast.²

1 S.S. to Indian Govt., Despatch No. 61 (Ry), 23 June 1892, paras 2-3, Enc. Indian Govt. to S.S., L. No. 10, 15 February 1893, P.W.D. (R.C.) Proc., No. 482 of 1892, P.W. 392/93, vol. 375.

2 Ibid., Paras 5-10.
See also for the past history of the case, Indian Govt. to S.S., L. No. 34 (Ry), 5 June 1894, Paras 1-16, R.L.I., vol. 36.

Unfortunately till the middle of 1894, the Government could not agree to the avenue of alignment for the linking up of the Northern system. There were two opposite views taken by the experts on the railways. Pritchard and Westland proposed that the linking up should take place via Bareilly and Soron, because this link could be favourable to the development of Oudh and Rohilkhand State Railway.¹ As Oudh and Rohilkhand ran from Lucknow to Barielly, therefore, any link on that line would naturally increase its traffic and enhance its importance. The other, led by O'Callaghan,² Crosthwaite,³ Elgin⁴ and supported by trading interest wanted the link via Cawnpore-Lucknow.⁵ This could obviously be beneficial to the Bengal and North-Western Railway. This had resulted in deadlock. To expediate the matter, Elgin appointed a committee of experts.⁶ Ultimately the Government put forward that the linking up

1 Pritchard to Elgin, 21 March, 1 May and 24 May 1894, E.P., vol. 14. Westland's Minute, Paras 1-6 and Para 11, Enc. Indian Govt. to S.S., L.No. 34 (Ry), 5 June 1894, P.W. 1286/94, vol. 415. See also Elgin to Fowler, 17 April and 15 May 1894, E.P., vol. 12.

2 O'Callaghan to Smith, 13 May 1894, ibid., vol. 64.

3 Crosthwaite to Elgin, 24 April 1894, ibid.

4 Elgin to Fowler, 24 April 1894, ibid., vol. 12. See also Fowler to Elgin, 11 May 1894, ibid.

5 Letter from Upper India Chamber of Commerce, 12 April 1894, Enc. Crosthwaite to Elgin, 24 April 1894, op. cit.

6 Committee of experts consisted ^{of} Callaghan (P.W. Secy), Col. Bisset (Dir. Gen.), and Col. Gracey (Consulting Engineer). Report of the Committee, 24 April 1894, P.W. 1093/94, attached to P.W. 1286/94, vol. 415.

should be effected by

- (i) a separate metre gauge track between Cawnpore and Lucknow (running along the broad gauge track) constructed by the state as a part of Oudh and Rohilkhand State Railway.¹
- (ii) The section from Lucknow to Bahramghat was also to be constructed as an integral part of the Oudh and Rohilkhand Railway.
- (iii) The bridge over Gogra and the approaches to the bridge ^{the} up to Bahramghat were to be constructed by/Bengal and North-Western Railway.
- (iv) As a compromise proposal, the Government also recommended the construction by the state of a new metre gauge line connecting Bareilly with Soron, so as to join the metre gauge systems administered by Rohilkhand-Kumaon Railway Company with Cawnpore-Achnera Railway.²

The Secretary of State accepted the first three recommendations but not the last. In so doing, he considered that the double links one at Soron and another at Cawnpore were "unnecessarily expensive", particularly when the purpose could be served with one only.³ In

1 Indian Govt. to S.S., L.No. 34 (Ry), 5 June 1894, Para 17, op. cit.

2 Ibid, Para 21.

3 S.S. to Indian Govt., Desp. No. 77 (Ry), 25 October 1894, Paras 8-9, R.D.I., vol. 14.

November 1894 work was started on Cawnpore-Gogra metre gauge link. This link was no doubt important from trade point of view, but the maximum advantage went to the Bengal and North Western line at the cost of the state line. In doing this, the Government had an ulterior motive. They wanted the Bengal and North Western Company to construct metre gauge railways south of Gogra from Bhatni (east of Gorakhpur) to Azimgarh and Benares with branch to Ballia, in all about 210 miles. Principle object of these lines was political.¹ Actually in 1893, when Hindu-Muslim riots took place, the Government had a lot of difficulty in sending troops. To avoid any risk of the occurrence again and to take quick and decisive action, the Government wanted to have an unbroken link in and around the area. Secondly, the construction would protect the eastern districts of Gogra-Ganges Doab from famine and facilitate the interchange of produce between sub-Himalayan districts of the Gogra and Rajputana, Patna, Gazipur and Benares.² As the Government resources were absorbed to the maximum ($3\frac{1}{2}$ crore limit) and construction was considered essential;

1 Report of the Committee of experts, Paras 25-26, op. cit.

2 Indian Govt. to S.S., L.No. 76 (Ry), 4 November 1896, Encl. No. 1, Statement No. 1, p. 25, E.P., vol. 135(h).
Actually during the famine of 1896-97, the Ganga-Gogra Doab lines were utilized for laying the earthworks as part of the famine relief.

the Government recommended to utilize the private agency.¹

However, at that stage the Public Works Committee declined to sanction the construction of metre gauge lines in Ganges-Gogra and recommended instead the East Indian Railway Company to construct the broad gauge line in district in question.² Though C.S. Colvin, Godley and Fowler³ were all inclined favourably towards the Indian Government, but on account of the strong opposition from J. Strachey and R. Hardie could not succeed in getting the proposals through.⁴ For the time being the decision of the Secretary of State was reserved.⁵

There was, however, a sufficient room for the company and the Indian Government to exert their pressure. The Indian Government

- 1 The recognised policy of the Government was to construct broad gauge lines in Ganges-Gogra Doab. See Note prepared by H. Walpole, 18 July 1894 'a few facts about linking up'. Clause (h) and (i), which referred to the number of previous correspondence to that fact. P.W. 1286/94, vol. 415. The Indian Govt. considered the importance of the line so much that they were prepared to waive this condition. Besides, the metra gauge was cheaper and could serve the purpose. See also the Report of the Committee of Experts, Para 12, op. cit.
- 2 Minute by P.W. Committee, 30 August 1894, P.W. 1383/94 attached to P.W./2005/94, vol. 426.
See also a separate minute by R. Hardie, 27 October 1894, ibid.
- 3 C.S. Colvin's Confidential Note, 4 September 1894, Godley's Note of 18 August 1894, Fowler's Note of 17 August, P.W. 1319 attached to P.W. 2005/94, vol. 426.
See also A.C. Lyall's Note, 8 October 1894, P.W. 1383/94, attached to P.W. 2005/94, vol. 426.
For detail see Railway Minute (Dept), 10 August 1894, P.W. 1319/94, attached to P.W. 2005/94, vol. 426.
- 4 J. Strachey, Minute, 22 November 1894, ibid.
- 5 Telegram, S.S. to Indian Govt., 17 December 1894, P.W. 2005/94, vol. 426.
See also S.S. to Indian Govt., Desp. No. 98 (Ry), 20 December 1894, Para 2, R.D.I., vol. 14.

again addressed the Secretary of State on the issue and pressed for the acceptance of the Bengal and North-Western Railway Company's proposal, which they said was most favourable to the Government.¹ Under their own proposal, the company was to raise their own money, thereby avoiding pressure on the Government finances. Besides, the company in submitting the proposals had added another project for carrying out extension of the Tirhoot system with a line from Hajipur to Katihar (in all 162 miles) with a bridge over Kosi.² A.C. Lyall once again supported.³ Hardie again dissented.⁴ Hamilton accepted the Indian Government's plea and Joint Public Works and

- 1 Indian Govt. to S.S., L. No. 80 (Ry), 16 October 1895; Enc. No. 3, Memorandum by Mr. Izat, Agent and Chief Engineer, Bengal and North-Western Railway, 5 July 1895, P.W. 1938/95, vol. 448. Govt. had also received a proposal from the Indian Railway Syndicate who applied to build the lines in question on the broad gauge, but their scheme did not include, like that of Bengal and North Western Railway Co., a branch to Ballia nor a bridge over Gogra. See Enc. No. 1 to the above despatch. Indian Railway Syndicate to Indian Govt., 13 June 1894.
- 2 The company agreed that capital spent on Tirhoot extensions was to be treated as capital of that railway and that spent on the Doab lines as capital of the company, for the purpose of the division of the residue of the net earnings. The two amounts were to be equal, viz. Tirhoot capital Rs 1,24,75,000 and the company's capital Rs 1,25,50,000. The company were prepared themselves to raise the whole amount by either sterling or rupee debentures. Indian Govt. to S.S., L. No. 80 (Ry), 16 October 1895, Paras 6-7, P.W. 1938/95, vol. 448.
- 3 A.C. Lyall's Note, 20 December 1895, P.W. 1938/95, vol. 448.
- 4 R. Hardie's Note, 14 December 1895, ibid.

Finance Committee approved on 20 December, and the Secretary of State finally informed the Bengal and North Western Railway to go ahead with the construction.¹ At last the Company gained the significant contract to construct 373 miles of Railways.²

There were three important outcomes of the alignment. First, a continuous link was established from North to Central India and from it to Western India, which was of immense political, economic and commercial value. Second, it indicated the enthusiasm of the administration for the utilization and encouragement to the private enterprise. A way was found to expend beyond the Government borrowing by giving concession to private enterprise in the form of the selection of avenue of alignment, so that more construction could take place. Third, the substitution of metre gauge line for the broad gauge in the area otherwise earmarked for broad gauge was a realistic and a purposeful step towards cheaper railway construction.

It was the branch line construction which had received the most notable attention from Elgin's administration. For the rapid construction of the feeders, the administration had not only amended the Resolution of 1893 but also introduced a new Resolution of 1896.

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- 1 Walpole (Under Secy of State) to Secy. Bengal and North Western Ry, 23 December 1895, ibid.
See also Hamilton to Elgin, 26 December 1895, E.P., vol. 13.
- 2 A.R.R.I., 1895-6, Parl. Papers 1896, vol. lxii, [C.8136], Para 5, p. 14. The division of the line was as follows:
(a) The construction in the Ganges-Gogra Doab (211 miles) was to be undertaken by Bengal and North Western Railway (Company section)
(b) And the Tirhoot extension was to be the part of Tirhoot State Railway (162 mile). See S.S. to Indian Govt., Desp. No. 71 (Ry), 27 August 1896, R.D.I., vol. 16.

The purpose of the feeder line construction was twofold: to create traffic of both men and goods and open up the interior for the development of the local produce. The construction of these lines proved as useful in enriching the areas as to protect them from scarcity. Unfortunately as rapid a construction as possibly the administration wanted did not take place due to diversion of the financial resources for famine, plague and frontier fighting. Nevertheless many branch lines were constructed under the terms of the Resolution.

Bengal took lead in the construction of branch lines.¹ One such line was Mymensingh-Jamalpur-Subhankhali (metre gauge) in all 63 miles in length. The line mostly traversed through the Jute districts of the Northern and Eastern Bengal, the entrepots of the valuable and extensive trade.² Similarly another branch line, Sultanpur-Bogra-Kaliganj was opened to the Jute interests from Rungpore district and tea interests from Assam.³ Another metre gauge branch line was opened from Segowli to Ruksaul. At Segowli it left the Pertabjunj branch of the Tirhoot State Railway and ran up to Nepal frontiers near Ruksaul. It was constructed as much for

1 For the lines recommended by the Bengal Govt. see P.W.D. (R.C.) Proc., vol. 5001, Nos. 217-219, 231-232, March 1896.

2 Indian Govt. to S.S., L. No. 76 (Ry), 4 November 1896, Enc. No. 1 Section No. 2, pp. 2-4, E.P., vol. 135(h).
See also Indian Govt. to S.S., L.No. 61 (Ry), 21 July 1896, P.W.D., (R.C.), Proc., vol. 5003, No. 463, July 1896.

3 Ibid., pp. 7-8.

See also P.W.D. (R.C.) Proc., ibid., Nos. 524, 555-558, July 1896.

political reasons as to encourage trade between Nepal and India.¹

At the recommendation of the Bombay Chamber of Commerce and the Bombay Government an important branch line was constructed running from Surat-Nandurbar-Amalner-Jalgoan.² The line was purely commercial, for it brought central provinces in direct communication with Gujrat.³ The importance of the line lay in the fact that the whole of the capital was locally raised in rupee. It was a new and satisfactory departure. The event was considered so vital that Elgin himself went to cut the first sod of the line.⁴ Another branch line for which the capital was successfully raised in India was opened between Ahmedabad-Prantij.⁵

In Central Provinces, a branch line of 2'-6" gauge and 60 miles long was constructed between Raipur-Dhanti-Rajjim. This connected Raipur with Bengal-Nagpur Railway and passed through rich grain producing district of Chattisgarh and provided the shortest route

1 Ibid., p. 16.

See also P.W.D. (R.C.) Proc., ibid., No. 73, July 1896.

2 This line is also called Tapti valley.

The lengths of the line was: Surat-Amalner, 162 miles; Amalner-Jalgoan, 36½ miles.

3 Indian Govt. to S.S., L. No. 76 (Ry), 4 November 1896, Enc. No. 1, Sect. No. ii, pp. 31-32, op. cit.

4 The Times, 3 December 1896.

5 Indian Govt. to S.S., L.No. 76, 4 November 1896, Para 10, op. cit.

between it and the famine districts of Deccan.¹ A very important famine line was constructed in the Central Provinces running from Katni to Saugor. This line passed through scarcity areas and during the famine the earthworks were laid as a part of the famine relief.

In Madras State, Calicut-Campore branch line was constructed. It opened the areas all along the western ghat and catered to the tea plantations. At Calicut it joined the main line to Madras.²

In short, Jute, tea and cotton areas were the main avenues where branch line construction was concentrated. The construction of these lines not only gave full scope to the private enterprise but also resulted in speedier railway expansion and opening up of the new country. Of these, the raising of the capital locally for some railway lines was the most outstanding feature.

As a matter of fact the maximum railway expansion in India during the period was on larger and broad gauge line. Lord Elgin sanctioned "far more standard gauge lines than any Viceroy did before or since".³ The biggest and the most useful commercial lines constructed were Madras to Bezwada, Cuttack to Midnapur and Sini to Midnapur and Howrah.⁴ This completed the northern end of the East

1 Enc. No. 1, Sect. ii, to Indian Govt. letter of November 1896, pp. 35-36, op. cit.

2 Ibid., pp. 39-40.

3 Lovat Frazer, India Under Curzon and After, London, 1911, p. 309.

4 The length of these lines was well over 600 miles. Bezwada-Cuttack line was sanctioned by Lord Lansdowne's administration, but this portion was completed during Elgin's period.

Coast Railway and linked on one side Madras, Cuttack and Calcutta and at the same time provided an alternative means of approaching Calcutta from the West, thereby bringing Bombay-Sini-Calcutta into one line. These lines played an immensely important role in developing the trade and industrial potentialities of the various areas ~~that~~ they touched. The very look at the adjoining map will show their importance. Probably the most important achievement was that Calcutta was linked now directly to Madras, Bombay and Karachi, and in many cases provided not only the shortest but alternative routes as well. The dream of Dalhousie was at last fulfilled.

Assam-Bengal Railway (742 miles long) which was primarily started for tea plantations saw some more expansion during the period. Though the Indian Government was as reluctant to proceed further on the northern section of the line as they were when it was sanctioned, yet the Secretary of State persisted in its completion.¹

1 The Indian administration under Elgin many times appealed to the India Office to curtail at least the northern section, from Badarpur to Lunding and further North up to Mukum. Elgin personally emphasised to Fowler, "considering the under developed state of the country north of the hills, the heavy and unproductive works in the hills ... was a scheme that could not pay if constructed now, and that no injury would be done to the company by a proposal to restrict operation in the meantime to the portion now under construction ... [Chitagong to Badapur]". Elgin to Fowler, 19 May 1894. MSS.Eur. F84/12. Elgin lamented once again when part of the line was destroyed by the earthquake in 1897. "How many Lakhs or crores it will add to the ever increasing total of its cost I cannot guess. If it turns out that that disastrous hill section is completely wrecked, I shall be sorely tempted to make one more attempt to induce you to allow us to shake ourselves clear of this ill omened undertaking." Elgin to Hamilton, 7 July 1897. MSS.Eur. F85/15. All this was without avail and this white elephant and relic of bygone days exerted great pressure on Indian finance.

Another large line sanctioned and started was the Mandalay-Kunlon metre gauge line of 270 miles length at an estimated cost of Rs 225 Lakh. ¹ It was entirely constructed for political and military reasons, in spite of the fact that the Government was facing financial difficulties. ²

It is indeed very difficult to ascertain the nature of the railway expansion accurately. Was the expansion motivated by

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- 1 Railway Minute, undated, P.W. 135/96, attached with P.W. 357/96, vol. 455.
- 2 England feared the division of China into sphere of influences in which Russia and France had already trenched themselves well. Capt. Bower, the intelligence officer of the area, to whose recommendation this line owed its origin had revealed that "although the Chinese Empire is effete and corrupt to an almost inconceivable extent, it has its uses to us ... We cannot be blind to the fact that two aggressive nations, one on the North and one on the South are working in harmony ...". He did not think it probable that China would be parcelled out among the different powers, but he did think that spheres of influence might come to be tacitly recognised. Therefore, he recommended that British influence should reach across Burmah up to Yunan. Indian Govt. to S.S., L.No. 155 (Pol), 30 July 1895, Enc. No. 1, Capt. H. Bower to Assit. Quarter Master General, Intelligence Branch (Conf), 22 June 1895, P.W. 1493/95 attached with P.W. 1839/95, vol. 447. The trading interest of England was equally keen to extend the trade areas beyond Burmah. See for details, S.S. to Indian Govt., L.No. 63 (Ry), 2 Encs. 13 July 1893, R.D.I., vol. 13. Indian Govt. to S.S., L.No. 6 (Ry), 17 January 1894, R.L.I. vol. 16. P.W. 1493/95, and P.W. 1529/95, attached with P.W. 1839/95, vol. 447. Also Elgin to Hamilton, 30 July 1895, E.P., vol. 13. Hamilton to Elgin, 23 August 1895, ibid.

political-cum-military or commercial-cum-economic reasons or both? To answer this, it may be stated at the outset that no Imperial and colonial Government initiated a policy, much less a railway policy, which did not have political advantages. Therefore, all railway construction in India was influenced by that consideration. In some cases railway lines were made exclusively for political and military reasons, like Mandalay-Kunlon, Rohri-Kotri, and ~~the~~ others for both political and commercial, which benefited the economy of India, if not immediately then ultimately, if not directly then indirectly. It is true that only few lines were made exclusively as famine lines, like Sagaur-Katri, though many lines were constructed which brought grain to tracks liable to famine in years of draught.

No doubt much expansion in the last decade of the nineteenth century concentrated on tea plantations, Jute and cotton interests, but surely they proved great foreign exchange earners for India. Though so rapid railway expansion was probably beyond the financial ability of India but railways developed hitherto under developed areas like Assam and Rachna Doab.¹ It is true that railway extension

1 There was a great growth of the immigrant population ever since 1881. Between 1881-1891, the population increased by more than 11 per cent and another 12 per cent by 1901. Imperial Gazetteer of India (Provincial Series) Eastern Bengal and Assam, 1909. Cal., pp. 43-4. Volume of tea production also increased immensely. The following figures give some idea.

	Production	Exported
1885-89 (average of 4 years)	910 Lakhs lbs.	870 Lakhs lbs.
1890-94 " "	1250 " "	1190 " "
1895-99 " "	1580 " "	1540 " "

B. Prasad 'Effects of Improved Transport upon the Distribution of Industry and Population, unpublished, London University M.Sc. Thesis, 1954, p. 133.

benefited investors, bankers, iron and coal and mine owners, but it positively acted as an important ingredient or adjunct in the growth and ramification of modern commerce; both internal and external. There is no doubt that railway investment did not pay till 1899 and there were annual losses, but it is equally certain that but for railway expansion the financial position of India could have been worse. The system of guarantees came back and the guarantee of 3 per cent¹ on sterling borrowing was reasonably high but that was the only convenient means for getting rapid railway construction in India.

Though the expansion of railway during this period of study was to a large extent motivated by political and extra commercial reasons, yet Elgin's personal intention was to see greater expansion towards more productive avenues, like tea, cotton and coal areas. He was personally not in favour of the construction of Mandalay-Kunlon railway; he discouraged the construction of the Northern section of Assam-Bengal railway, and was vehemently against the idea of extending railways beyond India's frontiers in the North West. When military pressure was exerted on him to sanction the railway

1 Actually Elgin had proposed 2½ per cent guarantee on money borrowed in London (Elgin's Note, 27 July 1895, p.3, op.cit.) but the Public Works Committee and the Secretary of State were unanimous in giving sterling guarantee of 3 per cent. (Godley to Elgin, 9/10 January 1896), E.P., vol. 31. See also Hamilton to Elgin, 10 January 1896, ibid., vol. 14.

beyond Khyber, he wrote: "For my part I must say at once that I cannot regard a policy of this kind as either desirable or necessary ... I am not prepared to initiate a procedure which would mean the immediate locking up of a large sum in unproductive works"¹ It was largely due to Elgin's insistence that construction beyond Khyber in the tribal areas did not take place.

Elgin indeed devoted considerable attention to the expansion of railways in India, and worked feverishly to regulate a railway policy.² A remarkable feature of his railway policy was the encouragement given to the branch line construction and utilization to some extent of rupee capital in India. This had earned the praise of the Acworth Committee, which recorded: "It has enabled [the Branch line Res. of 1896] lines to be built which would otherwise not have been built and thereby helped considerably to develop the country."³ An outstanding feature of the railway administration was the laying of a planned programme without which it

1 Elgin's Note on the Construction of Railway (Military) in the North-Western Frontier, 15 August 1898, Enc. Elgin to Hamilton, 15 September 1898, H.C., MSS.Eur. D 509/12. See also Elgin to Gen. G.S. White (C-in-C), 22 November 1898, E.P., vol. 71.

2 More than 4000 miles of railways were constructed during Elgin's tenure of 5 years. Never before had so much railway been constructed in the total span of 5 years. The year 1899 saw the maximum amount of construction [1484 miles] of railways and all these lines were sanctioned by Elgin's administration. N. Sanyal, Development of Railways in India, p. 193.

3 Acworth Committee Report on Railways, 1921, Para 177, op. cit.

was impossible to pursue any policy, however well considered and accepted either as a method of providing capital or the agency to be used in construction. The establishment of an annual railway conference was probably his greatest contribution. Hamilton was right when he wrote, "there are a few things you have done in your Viceroyalty which will be of greater benefit to India than the establishment of this Conference."¹

Railway construction was a passion with Elgin. He genuinely felt that it was through this method that the Government could substantially improve the condition of the vast population of India. While addressing the Legislative Council in 1896, he expressed his belief that the great railway system of India could be made "an all powerful agent in the promotion of the material and social advancement and the political tranquility of the people."² Elgin might not have been a Dalhousie, but for his enthusiasm, railway expansion till the end of the nineteenth century would have been naive.

1 Hamilton to Elgin, 7 September 1898, E.P., vol. 16. Fowler was equally happy about Elgin's Railway policy. Before relinquishing the office of the Secretary of State, he paid tribute to Elgin. See Fowler to Elgin, 28 June 1895, E.P., vol. 13.

2 Proc. of the Council of the Governor-General in India, 1896, vol. xxxv, p. 345.

Chapter IV

THE FAMINE ¹ OF 1896-7

Indian famines have been a recurring calamity since time immemorial. Whenever the seasonal rainfall, which plays a crucial role in determining crop yields failed, a large part of India was subjected to famine. In earlier times, on account of the lack of communications, the failure of food crops actually meant absolute want of food. Therefore, the scope for offering relief during the earlier periods was very limited. During the Company's rule, very little attempts were made to organise measures to meet the challenge of famine.² Systematic and effectual planning to prevent sufferings and mortality incidental to famine belongs to the later period.

In the middle and the later part of the nineteenth century, a great change took place in the very nature of the famines in India. On account of the improved means of transport the famine no longer denoted "an absolute dearth of food". It meant a severe and widely prevalent distress among the population caused by a failure of crops

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- 1 This is not a study of the general famine policy of the British in India. Nor does it deal with the economics of famine and the wider aspect of the question of poverty in India. Such an attempt is not possible when dealing with a specific period of administration. The policies of the Indian Government vis-a-vis the study of the economic conditions have been exhaustively made in a recent publication: B.M. Bhatia, Famines in India 1860-1945, Bombay, 1963.
- 2 For a synoptical view of famine chronology since 1769-1880, see The Report of the Famine Commission, 1880, Parl. Papers, vol. lii, [C.2591], pp. 22-3. See also A. Loveday, The History and Economics of Indian Famines, London, 1914, pp. 29-43.
Report of the Indian Famine Commission, 1901, p. 1.

over a large area which at once diminished the local food and deprived the great majority of the people of their means of livelihood. It was no longer the question of want of food but want of money wherewith to buy food.¹

The first organised effort of the Government to deal with famine was made in 1860, when the Government opened a few large relief works to provide employment on account of the failure of the autumn crop. In 1865, the Government received a rude shock, when more than a million people died in Orissa for want of effective relief. As a result Sir George Campbell conducted a thorough enquiry and inspired the Indian Government to undertake more resolute steps in future. The resolve of the Government was soon put to the test. In 1873, the autumn rains failed in Bengal and Bihar. The Government under Lord Northbrook at once organised extensive relief. The determination of the Government to save every life, whatever the cost, "was for the first time translated into action".² Unfortunately, this famine was followed by another in 1877-8, in which the loss of life and cattle was enormous.

In 1880, the Indian Government appointed a Commission to evolve a certain system to meet the challenge of the famine in India. The

1 A.P. MacDonnell's remarks, Discussion on the paper presented by T.W. Holderness: 'The Indian Famine of 1899 and the measures taken to meet it', Journal of the Society of Arts, 1902, p. 454.

2 B.M. Bhatia, Famines in India, p. 86. For details see E.C. Moulton, Lord Northbrook's Indian Administration, 1872-76, unpublished, London University Ph.D. Thesis, 1964, chapter iv.

Famine Commission of 1880 recommended a twofold famine policy - first, relating to the measures to be instituted before and during the impending famine, and second, suggesting long-term steps to minimise the effects of the future famines.¹ In the former category, they recommended the establishment of certain rules or codes for the famine relief works. The purpose for the establishment of famine codes was explained by the Commissioners in some detail. "The duties involved in relief measures are complicated and multifarious, the utilization of large stores of accumulated experience and a carefully considered and prepared plan; they cannot be safely left to individual energy and resource, or be dealt with on a system improvised only when the emergency has arisen We recommend, therefore, that the Government of India should, as soon as possible, issue a set of rules embodying the main principles that should govern the administration of famine relief, and that these rules should be authoritative in all parts of British India."²

On the basis of the recommendations, certain rules or codes were formulated by each province for the first time in June 1883.

1 See Report of the Famine Commission, 1880, Para 112.

2 Ibid., Para 113.

These rules were further revised in August 1893. All provincial codes¹ emphasised three-fold points. First, the civil officers were to keep watch on any signs of scarcity and rise in the prices of food grain in their areas. Secondly, the officials were required to keep in reserve certain schemes under which the people in distress could be employed for productive purposes as relief works. This principle of relief work was actually the most important feature of all the provincial famine codes. Thirdly, the ratio between labour and wage was to be so regulated as to prevent the relief work looking light or unduly attractive, for this might induce those who were not in distress to seek employment in the relief work.² The relief labour was classified under various classes performing specific work or task depending on the ability and the capacity of the labourer. They were divided into four classes:³

Class A - Professional Labourer.

Class B - Labourers not professional.

Class C - Able bodies, but not labourers.

Class D - Weakly, fit for light employment.

1 See Memorandum on the Provincial Famine Codes, pp. 3-34, Appendix to Report of the Famine Commission, 1898, vol. ii, Parl. Papers, 1899, vol. 33, [C.9258].

2 Report of the Famine Commission, 1880, Para 131.

3 See below also, pp. 246-7

On protective and preventive measures, the Famine Commissioners urged for more rapid extension of railways - to the extent of 20,000 miles. They also recommended the creation of a famine fund as an insurance against famine.

Fortunately, the period from 1880-95 was 'comparatively' free from any major agricultural calamity. There were, however, minor scarcities necessitating relief but none of them was of a very serious nature. By 1896, over 20,000 miles of railways were also constructed - a step towards which Elgin's administration had played no small role.

At the end of 1895, the distress came in the four districts of Banda, Hamirpur, Jhansi, and Jalaun in Allahabad division in consequence of deficient south-west monsoon and the failure of the winter rains of 1895-6. Already due to the prolonged period of drought since 1892, the stock of the grain in the Province was very low.¹ In consequence, not more than $\frac{1}{4}$ of the average yield was expected in 1896.² By the beginning of the year, the prices of the food grains rose and the area of the Allahabad division was suddenly in the grip of a famine.

Immediately the test works were started. Executive staff was strengthened. Relief circles were formed. Sites were selected for

1 Narrative of North-Western Provinces and Oudh Famine, chapter 11 p.9. Parl. Papers, 1898, vol. 62, [C.8739].

2 MacDonnell to Elgin, 18 March 1896, E.P., vol. 68.

the poor houses. The Government forests were opened to the cattle. In many cases the Government suspended land revenue for the autumn instalment in the areas affected. The local Government also advanced loans to the land-owning and cultivating classes.¹ Though the relief was organised effectively and promptly, the works were contracted prematurely in anticipation of monsoons, which caused a lot of hardship to the people.

The rains did not come. There was practically no rainfall during July, a little rainfall in August and by September the hope for monsoon was disappointed. The month of October closed with "the entire Indian Continent face to face with the most wide-spread ... and the gravest impending famine of the century".² Starting from the North-Western Provinces and Oudh, this "grim spectre" stalked aside towards South Punjab, Central Provinces, Central India, Bengal and spread over several parts of Bombay, stretching southwards on the borders of Madras Presidency. 225,000 square miles of tract and more than 62 million people were affected in British India.³

1 Narrative of North-Western Provinces and Oudh, pp. 10-11, op. cit. See also MacDonnell to Woodburn (Member Viceroy's Executive Council), 4 May 1896, Enc. Elgin to Hamilton, 6 May 1896, H.C., MSS.Eur. D 509/2.

2 Holderness Narrative of Famine 1896-7, Para 3, Revenue and Agriculture (Famine) Proc., vol. 5209, No. 23, December 1897, [Hereafter cited as Famine Proc.]

3 Report of the Famine Commission, 1898, Para 339. The famine stretched into 504,490 square miles comprising a population of 96,931,000 people. Holderness, Narrative of Famine, Para 10, op. cit.

The gradual transformation of a local into an all India famine was first indicated by the Governments of North-Western Provinces on 30 September 1896.¹ They reported the total damage of the Kharif crops, doubted the prospects of rabi crops and envisaged the programme to open relief on a large scale. Soon the Government of Bengal reported the failure of vital rice crop.² Lieutenant-Governor Mackenzie feared "acute distress in the part of Bihar and considerable pressure in many parts of the country".³ Similar reports poured in from other provinces.⁴ Elgin said with grief: "It is not only that this will be a bad season, but that it follows other bad ones, and the people have nothing to fall back upon. Burma, Madras, Bengal, Mysore and Coorg are, I believe, looked upon as safe; but if we have distress in all the remaining provinces, it will be an area terribly larger than anything that is commonly affected at one and the same time."⁵ Taking price index

1 N.W.P. and O. Govt. to Indian Govt., Indian Famine Proc., vol. 482, Nos. 1-2, November 1896.

2 Commissioner Patna Division to Bengal Govt., 8 October 1896, Enc. Bengal Govt. to Indian Govt., 16 October 1896, ibid., No. 15, December 1896.

3 Mackenzie to Elgin, 10 October 1896, E.P., vol. 69.

4 See C.P. Govt. to Indian Govt., 23 October; Bombay Govt. to Indian Govt., 5 November; Madras Govt. to Indian Govt., 16 November; Punjab Govt. to Indian Govt., 23 November 1896, Parl. Papers, 1897, vol. 64, [C. 8302].

5 Elgin to Hamilton, 14 October 1896, E.P., vol. 14.

of the food grains as the barometer of the intensity, Elgin's concern seemed to be justified. The prices of the food grains within the past three months shot up to 50 to 100 per cent throughout the country.¹ The gravity of the situation was well overboard when the grain riots took place in Delhi, Agra, Nagpur, Muzaffar Nagar, Mhow and Bombay.²

The Indian Government undertook some prompt measures. They immediately appealed to the Secretary of State to stop the drawings of the council bills, to which he agreed.³ The purpose of this was to withhold sufficient money in the Indian treasury to meet the demands of the famine. Secondly, the Central Government restored the famine insurance grant to its full from rupees 1 crore to 1½ in 1896, which had been curtailed in 1895-6 on account of continuous deficit in the budget. The provincial balances which were partially absorbed earlier were also given back to the Provinces.⁴ Thirdly, an extensive railway programme was started in most affected areas. Elgin privately got some railway lines sanctioned from the Secretary of State, particularly in the Azimgarh district of North-Western

1 Telegram Viceroy to S.S., 31 October, 1896, ibid., vol. 19.
See below also, p. 117

2 See Telegrams Viceroy to S.S., 3, 6, 15 and 31 October 1896, E.P., vol. 19.

3 Hamilton to Elgin, 30 October 1896, ibid., vol. 16.

4 Elgin to Hamilton, 4 March 1896, ibid.

Provinces and Oudh and the Saugor-Katni railway in the Central Provinces to provide the relief works.¹ These were the areas affected very badly in the beginning. By the end of the year 1896, 28 large relief works² were in operation in the Punjab, 64 in the North-Western Provinces, 67 in Bengal and 80 in Bombay. On the relief works in general, the Government was already spending at the rate of rupees one Lakh per day.³ Fourthly, the Government reduced the railway freight for food grains to $\frac{1}{2}$ and in some cases up to 60 per cent.⁴ The main features of the Government famine policy in 1896 were: (a) to discourage any sign causing panic; (b) leave the supply of food grains in the hands of the private trade; and, (c) leave the execution of famine relief work in the hands of Provincial Government.

In order to avoid panic and undue alarm, the Government refrained from making public references to the famine and relief works. This silence was misunderstood by the public. The Indian press which kept a close watch on the pulse of the people felt agitated over the alleged indifferent attitude of the Government. They

1 Elgin to MacDonnell, 10 February 1896, ibid., vol. 68.

Elgin to Lyall (Chief Commissioner, C.P.), 27 June 1896, ibid.

2 Normally a large relief work consisted of 4000 to 5000 workers.

3 Telegram Viceroy to S.S., 10 January 1897, E.P., vol. 20.

4 Report of the Famine Commission, 1898, Para 589.

asserted that the famine conditions had been prevalent ever since the beginning of the year, yet the Government had not officially recognised the famine. They questioned the right of the Government to take so "sanguine" a view of so emergent an event. The Indian newspapers reflected the miserable conditions of the people who were "selling off their movables and cattle to buy rice". Many starved for two or three days after which they could manage one meal.¹ The Government's attitude of "indifference" was severely assailed.² The newspapers proclaimed the right of the people to know what steps the Government contemplated to take in order to save the people from the impending widespread scarcity.³ They repeatedly reminded the Government that famine was everywhere. The Bangawasi wrote, "So great is the prevailing scarcity that even mothers have forgot [sic] their love for their dear ones. A few days ago three girls were sold to prostitutes by their mothers."⁴

The wisdom of keeping silence over the famine was even questioned by men like Mackenzie, the Lieutenant Governor of Bengal and

1 Sanjivani, 1 August 1896, Bengal N.N.R., 1896.

2 Burdwom Sanjivani, 18 August 1896, ibid.
See also Bengalee, 17 October 1896.

3 Sanjivani, 3 October 1896, Bengal N.N.R., 1896.

4 7 November 1896, ibid. See also Mahratha, 27 September, Indu Prakash 28 September, Kesari, 29 September, Bomb. N.N.R., 1896.

J. Woodburn, the Executive Member-in-charge of the famine. The Lieutenant Governor warned Elgin that if there was no rain in November the rabi crop would be damaged beyond repair and that, "coming on the top of four bad harvests", he said "means for Bihar, and probably for many other places, black famine We have not declared famine or serious distress yet anywhere but the wolf is at the door."¹

The "indifferent attitude" of the Government towards the famine was further criticised, when Elgin did not cancel his autumn tour of the princely states. There was hardly any influential Indian newspaper which did not urge the Viceroy to cancel the tour.² Elgin was repeatedly asked to emulate the good example of Northbrook and stay at Calcutta. Many reminded him of the sympathetic attitude of Ripon.³ For not cancelling his tour many newspapers poured their emotions in very strong words, The Bangawasi wrote: "There is no ignoring the prevailing scarcity - no minimising the widespread nature of the impending calamity It is, therefore, a matter of regret that the Viceroy should at present moment be touring about to

1 Mackenzie to Elgin, 2 November 1896, E.P., vol. 69.

2 See Mahratha, 18 October, Kesari, 20 October 1896, Bomb. N.N.R., 1896.
Capital, 7 October 1896, ibid.
Bengalee, 17 October 1896.

3 Champion, 13 December 1896, Bomb. N.N.R., 1896.

the disappointment of the distressed people who cannot be reassured by the optimistic utterances made by His Excellency ... "1

Another, influential paper, The Hitavadi commented: "There are on one side the wails of poor, miserable famine-stricken people, and on the other the sound of noisy festivities. You hear on one side a cry of hungry people for food, and on the other the sound of revelry in stately edifices, on the eve of tiger hunt, the preparation of which are all complete."2

There was some truth in the charges levelled against Elgin and his administration. The earlier attitude of the Government definitely misled the people. But in fact the Government was quite alive to the grave situation. As early as January 1896, when famine conditions were noticed, Elgin showed great concern. He desired that he should be regularly informed about the agricultural condition and about any possible signs of distress. At one time he pulled up the North-Western Provinces Government for not showing proper vigilance. He asked Babington Smith, his Private Secretary, to write to MacDonnell - "It seems that this is not the first time that the officers responsible for the preparation of these reports have omitted to give notice of distress until it has been brought before the Government of India in some other way." He insisted that the Indian Government must be promptly informed, "so that they are in

1 14 November 1896, Bengal N.N.R., 1896.

See also Bengalee, 14 November 1896.

Hindustani, 16 December 1896, N.W.P. and O.N.N.R., 1896.

2 11 November 1896, Bengal N.N.R., 1896.

a position to deal more rapidly and effectively with any application for sanction to special measures."¹ In turn the district officers were asked to give report of the distress immediately. By June the Indian Government was fully alive to the "strains" of famine.² In a private letter to Hamilton in September, Elgin, in fact, admitted that the famine conditions had emerged.³ He further informed him that the relief machinery was being organised throughout the country.⁴ J. Woodburn, the Member-in-Charge of famine, made a public statement in the Legislative Assembly on the 15 October about the agricultural prospects. He affirmed the determination of the Government to effectively meet the challenge.⁵ Elgin went to the extent of pledging any financial help to the local Governments (particularly the most affected ones like North Western Provinces and Oudh and Central Provinces) for relief works. He believed in the need of scrupulous economy in general measures, but for the famine he was prepared to spend any amount. A little later he wrote to Lyall that for the relief works which on the face related to the

1 H.B. Smith to A.P. MacDonnell, 4 January 1896, E.P., vol. 68.

2 Elgin to Hamilton, 2 June 1895, ibid., vol. 14. See above, pp. 203-4

3 Elgin to Hamilton, 16 September 1896, E.P., vol. 14.

4 Elgin to Hamilton, 30 September 1896, ibid.

5 Proc. of the Council of the Governor General in India, 1896, vol. xxxv, pp. 382-5.

See also Woodburn to Elgin, 23, 25 and 27 October 1896, Enc. Elgin to Hamilton, H.C., MSS.Eur. D 509/iii.

famine, he was prepared to pledge any amount of financial aid.¹

If Elgin was so ready and prompt about the measures, why did he not publicly state it? There was only one reason for it. He did not want to cause any undue confusion or alarm in the minds of the public, till he was sure about the intensity and seriousness of the famine. He firmly believed that the great administrative success lay in maintaining high spirits both among the people and the officials. This principle guided Elgin in all his decisions about the famine. When John Woodburn on 15 October 1896 made a statement about the agricultural condition of the year, Elgin added, "If, therefore, the worst comes to ^{the} worst, I hope we shall have no difficulty in bringing every influence to bear in the common cause. If I may speak from my own feeling in the matter, there is not a man who would not strain his utmost to prevent the loss of a single life. But just because I feel this strongly, I also feel that at this

1 Elgin to Lyall, 22 January 1897, E.P., vol. 70.
 See also C.P. Govt. to Indian Govt., 16 December 1896, India Famine Proc., vol. 5203, No. 43, January 1897.
 Telegram Indian Govt. to C.P. Govt., 25 December, ibid., No. 44.
 Elgin to MacDonnell, 21 May 1896, E.P., vol. 68.
 Elgin to MacDonnell, 29 October 1896, ibid., vol. 69.
 In the Legislative Assembly, J. Woodburn publicly stated, "They [Government of India] grudge no expenditure that is necessary to meet it."
Proc. of the Council of the Governor General of India, 1897, vol. xxxvi, p.7. In the same sitting Elgin endorsed the remarks of the Member in the same tone: "our means are ample: our determination to use them is absolute." p.10.
 As a matter of fact the famine measures continued in the North-Western Provinces almost without break since February 1896. The local Government was rather more active in the months after September.
 See also MacDonnell to Elgin, 20 October 1896, E.P., vol. 69.
 See also MacDonnell to Woodburn, 23 October 1896, Enc. Elgin to Hamilton, 28 October 1896, MSS.Eur. D 509/iii.

present moment our first duty is to keep cool and not to excite unnecessary fears."¹ A little later he wrote, "the Native papers show their invincible tendency to exaggerate, and my humble efforts to keep up people's spirits are not at all to their likings."² All his endeavours were directed to avoid any cause of panic. It was for this very reason that he personally redrafted John Woodburn's official statement about the famine which was delivered in the Assembly on 7 January 1897. The original statement appeared rather "gloomy" to Elgin.³ This action of Elgin was deliberately planned to keep the morale of the public high. Besides this, he kept the spirits of his officials alive by constantly lending them his valuable encouragement. When Lyall's administration was assailed by the press and the Secretary of State for want of showing proper vigilance in matters of famine in the Central Provinces, Elgin ^{signally} ~~singly~~ and publicly supported him.⁴

1 Proc. of the Council of the Governor General in India, 1896, vol. xxxv, p. 387.

Commending the speech of the Viceroy, The Times of India wrote, "There is at any rate no cause for panic, and those will be doing a very ill service ... who seek to exaggerate the possibilities of the coming trouble or throw doubt upon the ability of the Government to cope with it." 24 October 1896.

2 Elgin to Hamilton, 23 December 1896, E.P., vol. 14.

3 Elgin to Woodburn, 5 January 1897, ibid., vol. 70.

4 See Elgin to Hamilton, 17 February, 31 March 1897, ibid., vol. 15. Elgin to Hamilton, 20 January 1898, ibid., vol. 16.

It partly explains why Elgin did not cancel his autumn tour of the princely states. Probably his not cancelling the tour was a tactical mistake. It certainly cast doubt on the intentions of the Viceroy, though the real utility of the cancellation of the tour might be doubted, the psychological and political gain from the gesture would have been immense.¹ Another reason which perhaps influenced Elgin for not cancelling the tour was that it would have been mistaken as an interference in the administration of the relief works in the various provinces. He explained this point in great details to MacDonnell, "I am sure you do not sympathise with the silly notion that I ought to run about the country poking my head into all sorts of places, and interfering with business that is much better done by others. But on the other hand, I hope you all know well that I meant what I said when I promised that if I was ever wanted anywhere I would present myself."²

Unfortunately, another controversial point in the earlier stages of the famine policy emerged on the question of appeal to the

1 When Northbrook cancelled his tour and personally supervised the famine in Calcutta, he was well acclaimed by everyone. But during this famine neither Elgin nor his senior officials attached much value to it. It is very interesting to note MacDonnell's reaction to it. He said, staying of Northbrook did no good that he knew came of it. "The machinery of the state went no better, while as wag said, the B(e)arings got heated." MacDonnell to Elgin, 4 March 1897, E.P., vol. 70.

2 Elgin to MacDonnell, 28 February 1897, ibid. Actually Elgin did visit some famine affected areas in C.P., N.W.P. and O. and Bihar.

public for charitable relief fund. It had been symbolic of good gesture on the part of the public to come to the aid of the miserable and the needy in the hour of distress. The English people in particular had in the past shown generosity during famines. In 1877-8, the private charity from England alone amounted to £700,000. It was but natural that during this year of calamity a timely appeal should be made. The question of the establishment of charitable fund and making an appeal to England was for the first time raised by John Woodburn who wrote to Elgin that "a movement of the kind would be quite right and proper and would have a good political effect both in India and England. I am, therefore, inclined to say that I should, under the circumstances, give it my best support."¹ This demand was favoured and urged equally by the Secretary of State and the press both Indian and Anglo-Indian.

In November the Government considered the question of appeal at the repeated requests of George Hamilton.² In the same month also, India had a substantial rain fall. This made the Government optimistic about the prospects of the rabi crops. They thought that the danger

1 Woodburn to Elgin, 23 October 1896, E.P., vol. 69.

2 Hamilton to Elgin, 9 and 20 November 1896, ibid., vol. 14. Also Telegram S.S. to Viceroy (Pr), 16 November 1896, ibid., vol. 19. Hamilton wrote to Elgin stressing that the public in England was desirous of opening the fund earlier and both Lord Mayor of London and the Lancashire cotton and Spinning Association were very anxious to launch an appeal for charity to redeem the Indian grievance about the cotton duty controversy.

of a grave famine had receded. The Government thus decided to defer for some time the launching of an appeal for charity.¹ In the meantime Elgin took counsel from his colleagues and invited their opinions. A.P. MacDonnell, the Lieutenant Governor of the North Western Provinces and Oudh, whose knowledge and experience of Indian famines was widely respected, stated, "if the decision has to be taken on North Western Provinces figures alone, then I think the necessity or expediency of making the appeal is now at least doubtful."² Most of the other local Governments also suggested postponement until Christmas.³ The executive council was also unanimous in holding this view. Elgin personally considered that it would be "pre-mature" to appeal at this time.⁴ But Mackenzie in India was the lone official voice who advised that appeal for public charity be made immediately. He wrote; "It seems to me, however, that Government need not run counter to the public conscience or throw cold water on offers of subscriptions, especially when these

1 Telegram Viceroy to S.S., (Pr), 24 November, E.P., vol. 19.
See also Elgin to Hamilton, 25/26 November, ibid., vol. 14.

2 MacDonnell to Elgin, 30 November 1896, Enc. Elgin to Hamilton, 3 December 1896, H.C., MSS.Eur. D 509/iii.

3 Fitzpatrick to Elgin, 5 December 1896.) Enc. Elgin to Hamilton, Sandhurst to Elgin, 2 December 1896.) 23 December 1896, ibid.
Havelock to Elgin, 12 December 1896.)

4 Elgin to Hamilton, 7 December 1896, ibid.
Elgin to Hamilton, 16 December 1896, ibid.
Telegram Viceroy to S.S. (Pr), 12 December 1896, E.P., vol. 19.

come from outside India."¹ Similar advice poured in from the India Office. Hamilton again wrote, "Politically I think such subscription will be beneficial, and tend to soften any feeling which may still exist in connection with the cotton tariff."² The Times also counselled likewise and warned the Viceroy against taking "so sanguine a view".³ Yet Elgin calculated to defer the appeal and Hamilton regretfully agreed.

This decision added fuel to the fire. It was taken to mean that the Indian Government did not recognise the existence of famine. The Charu Mihir wrote, "he [Elgin] declines to accept England's aid, simply to avoid the humiliating admission that there is famine in India."⁴ The Indian Spectator and The Voice of India questioned: "Are Government determined to show to the world that they can manage a vast national calamity with their own unaided resources?"⁵

- 1 Mackenzie to Elgin, 8 December 1896, ibid., vol. 69.
- 2 Hamilton to Elgin, 17 December 1896, ibid., vol. 14.
See also Queen Victoria to Elgin, 27 November 1896. Family Collection. [MSS. vol.].
See also Godley to Elgin, 20 November 1896, E.P., vol. 32.
- 3 14 December 1896.
- 4 22 December 1896, Bengal N.N.R., 1896.
See also Bangavasi, 26 December; Sahachar, 30 December; Hitavadi, 1 January 1897, ibid., 1897.
Bengalee, 16 January 1897.
- 5 27 December 1896, Bomb. N.N.R., 1897.
See also Indu Prakash, 28 December; Mahratha, 27 December 1896, ibid.

Another paper of North India wrote, "Perhaps they will not recognise the existence of the famine until one-third of the population was [sic] succumbed to starvation."¹ For the first time the Anglo-Indian Press joined hands with the press in criticising the Government. The Times of India commented: "such a step as the Government of India has taken at this juncture is on the face of it hurtful and impolitic, and one that should never have been resorted to People who are hoping against hope that Lord Elgin may be able to vindicate the course that is being followed are amazed at the silence of the Government on the subject, and are asking how much longer the faction who think ill of all the measures of men in authority are to have their case made out from them by the Government itself. It becomes more difficult every day to resist the conclusion that the Supreme Government is allowing itself to be lulled into the belief that a famine is a mere episode, which will be enacted upon a very limited area, and which may easily be coped with by the unaided resources of the state."² The criticism in England mounted too. Dada Bhai Naoraji, Wedderburn and Hydaman held many demonstrative meetings in London. Hamilton admitted to Elgin that public pressure was very hard and the Congress had been

1 Bharat Jiwan, (4 January 1897, N.W.P. and O. N.N.R., 1897. Pryag Samachar, 7 January 1897, published an article entitled 'Cruelty of Lord Elgin the Viceroy to the People', N.W.P. and O.N.N.R. 1897.

2 2 January 1897.

very active. He asked the Viceroy to start the fund immediately for he did not want that agitators should get credit for having forced the hands of the Government.¹ By then it had also become very clear that rains in November were hardly sufficient to ward off the famine. On 14 January 1897, a simultaneous appeal for charity was launched in Calcutta and London by the Indian Government and the Secretary of State.² The response to it was at once very enthusiastic.³

The attitude of the Government towards famine was not all too surprising because from the very beginning the Government intended to be cautious and avoided any hasty steps. They certainly wanted to work on surer grounds before launching an appeal.⁴ Though the Government never abandoned the idea of appeal to private charity, yet its postponement in the given circumstances was certainly impolitic. Without much effort the Government would have earned the manifold sympathies of the millions.

1 Hamilton to Elgin, 31 December 1896, E.P., vol. 14.

2 Elgin's address to the leading citizen of Calcutta, Speeches by Earl of Elgin, 1894-99, pp. 320-5.

3 Up to 12 March 1898, the date of the dissolution of the central executive Committee of the famine fund, the total fund collected amounted to Rs 1,70,27,540. The Report of the Famine Commission, 1898, Para 512.

4 See Indian Govt. to S.S., L.No. 64 (Fam), 23 December 1896, Parl. Papers, 1897, vol. 64, [C.8302], pp. 176-8.

The second and the most important aspect of the Government's famine policy relates to the question of the supply of food. In the traditional British thinking of laissez faire, the generally recognised policy of the Indian Government was to rely on the ordinary operation of trade during famine to meet the wants of the country. This policy was implemented during the famine of 1877-8 and it was endorsed by the first Famine Commission.¹

Whenever prices of food stocks rose to a high pitch, it was feared that the food supplies might totally fail. In the famine of 1896 also the prices rose suddenly and sharply. For example, the Kanpur wheat which was being sold at 16 seers per rupee, in early 1896, shot up to 8 seers a rupee in October 1896.² In view of the exorbitant rise in food prices, the position of the Government, with regard to the food, came under active consideration and discussion.

1 The Commissioners wrote: "We have no doubt that the true principle for the Government to adopt as its general rule of conduct in this [famine] matter is to leave the business of the supply and distribution of food to private trade; taking care that every possible facility is given for its free action, and that all obstacles material or fiscal are, as far as practicable, removed." Report of the Famine Commission, 1880, Para 153.

See also Resolution Govt. of India, 22 September 1869 on the policy of non-intervention in the operation of trade during famine. Quoted in C.H. Philips, Select Documents on the History of India and Pakistan, vol. iv, London, 1962, p. 668.
See also Lytton's Minute on Famine Policy, 12 August 1877, ibid., p. 670.

2 Holderness Narrative of Famine, op. cit., Para 21.

The attention of the Government towards this was drawn by the Indian Press, particularly the vernacular. They forewarned the Government that a country like India where there was "always a chronic food scarcity" and where "Rice" was always in shortage, the Government should take steps to stop its export.¹ The Bangavasi reported that it was beyond the ability of the poor to buy rice at 7 or 8 rupees per maund, where a short while ago it was sold for 2 or 3 rupees a maund.² It was urged that the "only means now of saving the people from starvation and death is to stop the export of corn."³ In its next issue the same paper further stressed that the Government should import food grains on its own account,⁴ and urged upon the Government to follow a liberal policy of Lord Northbrook when on Government account food was imported into the country and not the dangerous policy of Lytton, when no food was imported by the Government.⁵ The Bombay Gazette asked the Indian

1 Charu Mihir, 20 July 1896, Bengal N.N.R., 1896.

2 12 September 1896, Bengal N.N.R., 1896.

3 Sulabh Dainik, 3 October 1896, ibid.
 See also Zamanah, 30 September; Anis-a-Hind, 16 September;
Hindustani, 13 October 1896, N.W.P. and O.N.N.R., 1896.
Kesari, 20 October, Indian Spectator, 18 October, 1896,
 Bomb. N.N.R., 1896.

4 3 November 1896, ibid.

5 9 November 1896, ibid.

Government to give up the policy of non-intervention. It wrote that "adhering to principles of free trade is advantageous in some cases and on some occasions." In ordinary times the Government ought not to interfere with trade but during large scale emergency, like famine, the Government must resort to importation on its own count and should not rely upon the economic principles of demand and supply.¹

The Poona-Sarvajanak Sabha, the ardent mouthpiece of the Indians sent a memorial to the Government to stop export and start the import of food into India.² Some others reminded the Government to keep vigilance on the 'Baniah' who might hoard and further aggravate the situation.³ Some even suggested that Government must open fair price shops to check the growth of rise in prices.⁴ Siyani, the President of the Indian National Congress of its twelfth session, told the Government that the most pressing problem of the hour was not irrigation or railways but the stock of food in the country. If need be, the Government must import from Persia, Russia and America.⁵

1 19 October and 18 November 1896, E.P., vol. 77 (Newspapers Cuttings).

2 Summarised in India, 16 January 1897.

3 Sahachar, 11 November 1896; Bangavasi, 14 November; Dainik-o-Samachar, 22 November 1896, Bengal, N.N.R., 1896.

4 Mahratha, 18 October 1896, Bomb. N.N.R., 1896.

5 Report of the Indian National Congress, 1896, pp. 57-8.

The early criticism of the Press did not make any impact. The Indian Government instructed all the local Governments to refrain from interference with private enterprise in the matter of purchasing or importing grain for famine relief.¹ When the Bengal Government for the first time raised the question of food supply, the situation took a difficult turn. The actual spark of the controversy was provided by Bourdillion, the Commissioner of Patna Division. After making a detailed survey of the Division, taking into account the three harvests of the year together with stocks in hand (assumed to be equal to three months supply); he came to the conclusion that there would be an estimated shortage of 550,000 tons.² Commenting on the report, the Bengal Government doubted the ability of the private trade to provide so huge a deficit and was inclined to the opinion "that little reliance can be placed on supplies from within the province."³ The Lieutenant Governor went on to say: "It is necessary to ^{re}port that, in view of the unparalleled highness of prices and of the extent of the

1 Telegram Viceroy to S.S., 15 October 1896, E.P., vol. 19.

2 Commissioner Patna Division to Bengal Govt., 11 November 1896, Paras 96-104 and 112, Enc., Bengal Govt. to Indian Govt., 18 November 1896, India Famine Proc., vol. 4982, No. 21, December 1896.

3 Bengal Govt. to Indian Govt., 18 November 1896, Para 17, ibid.

area over which there has been shortage of crops throughout India, the situation as regards the food supply is not free, even in Bengal, from elements of doubts and anxiety."¹ The Lieutenant Governor came to the conclusion that some intervention must take place. His resolve was further strengthened by the outcome of his meeting with officials and other public men which was held at Sonapur on 20 November 1896. Everyone was convinced that the only way out of the present difficulty was to increase the present stock of food by more importation.² Thus the Bengal Government recommended to the Indian Government to authorise them to make advances of money to the traders and other persons in Bihar so that they could import or purchase food grains.³ In making such a recommendation the Bengal Government assumed that the question would appear "to be more one of finance than of interference with trade."⁴

1 Para 19, ibid.

2 Proceeding of the Conference, Enc. Bengal Govt. to Indian Govt., 26 November 1896, ibid., No. 22, December 1896. See also Finucane's (Revenue Secretary to the Govt. of Bengal) diary of the tour of the famine stricken area, 23 November to 5 December, pp. 1-7, ibid., No. 26, December 1896. Bengal Govt. to Indian Govt., 30 November 1896, with Encs. ibid., No. 23, December 1896.

3 Bengal Govt. to Indian Govt., 12 December 1896, Para 4, India Famine Proc., vol. 5203, No. 71, January 1897.

4 Bengal Govt.'s Resolution, No. 5133, 10 December 1896, Para 13, India Famine Proc., vol. 4982, No. 25, December 1896.

This caused quite a stir in the Government circles. Elgin, whose adherence to the principles of free trade was amply known at once retorted: "I am sure we shall not agree to anything of this kind."¹ Earlier, he reiterated to the Secretary of State: "Any interference with trade, either in way of prohibiting exports, or promoting imports, would be a very extreme measure, for which there is certainly no justification."² He believed that private trade was resourceful enough and already it was providing the supplies by importing surplus rice from Burma.³ But the question of food supply was too vital to be brushed aside by mere assurances. As the question was of all India importance, Elgin immediately went into the merit of the case. He consulted the members of his Executive. The Executive Council unanimously approved the principle of non-intervention. The views of the Executive Council were best summarized by Westland who opposed the suggestion of the Bengal Government on three grounds: (a) that such a scheme would create a bigger administrative problem of supervision and control and subsequently cause greater confusion, (b) this would be more expensive and would tend to increase the dependence of the people

1 Elgin to Hamilton, 3 December 1896, E.P., vol. 14.

2 Elgin to Hamilton, 11 November 1896, ibid.

3 Elgin to Hamilton, 19 November and 23 December 1896, ibid.

on the public Exchequer, (c) there was yet no reason for taking such an extreme measure.¹ Besides, O'Connor, the Director General of Statistics and Trade, assured Elgin that there was "more than sufficient" food stock for another three months.² Elgin was favourably influenced by the advice of MacDonnell, who officially stated his strong aversion "to departure from the principle of non-intervention."³ MacDonnell was very confident of the 'Baniah' and the private trade. This support from MacDonnell must have strengthened Elgin in the policy of absolute non-intervention. Elgin decided to over-rule the Bengal Government. He went even a step further. He dealt with the question in great detail and published the Indian Government's reply in the Gazette of India.⁴ The important purpose of doing so was to remove fear from the minds of the private traders that the Government ever intended to come into the market.

The Indian Government reiterated their confidence in the efficacy of the private trade. "The Governor-General in council",

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- 1 Westland to Elgin, 21 December 1896, ibid., vol. 69.
See also Ibbetson (Revenue Secretary, Indian Govt.) to H.B. Smith, 16 November 1896, ibid.
- 2 Elgin to Hamilton, 6 January 1897, ibid., vol. 15.
- 3 N.W.P. and O. Govt. to Indian Govt., 23 November 1896, Para 16, Parl. Papers, 1897, vol. 64, [C. 8302].
- 4 Indian Govt. to Bengal Govt., 4 January 1897, India Famine Proc., vol. 5203, No. 74, January 1897.

their reply read, "believes that the intervention of Government as a purchaser or importer would do infinitely more harm than good, as it would cripple and discourage the agency which is best able to gauge the need, which is impelled by self interest to anticipate it and which alone is best able to supply it effectively."¹ The function of the Government, they went on to explain, must be confined to assisting the trade with information, guaranteeing by means of its relief system that the demand of the public for food would be an effective demand, giving every possible facility for the free movement and distribution of grain, like the reduction of the freight. "The fact that there are hungry men in a district", the despatch emphasised, "is not in itself sufficient to induce a flow of food towards that district in the ordinary course of trade, there must also be money available with which the hungry may pay for it. And this guarantee Government provides by undertaking (as it does) to find work for all who are in danger of starvation, and to pay them at rates which will suffice to buy them a subsistence ration at whatever prices may from time to time, be locally current."² Another reason they advanced was that the Bengal scheme would be tantamount to giving "a blank cheque", the effect of which on other provincial administrations was bound to be vital. The

1 Ibid., Para 5

2 Ibid., Para 6.

Government thus rejected the Bengal Government appeal on the ground that it could not be carried into effect without involving interference, or at any rate without bearing the appearance of intervention, for such a case would be almost worse than the reality, since, while producing all its evils, it could carry with it none of its advantages."¹ This decision of the Indian Government was approved by George Hamilton who wrote: "I am sure the less you interfere with private trade, the better, for any dislocation of so ubiquitous an instrument might lead to a wholesale disorder, for the consequences of which you should be held responsible."²

Thus there were two main reasons for the Government to over-rule the Bengal Government. Firstly, their firm belief in the private trade, added by the conviction that alternative to this would lead to confusion. In order to seek maximum cooperation from the private trade the Government intended to give all conceivable help.³ Elgin

1 Ibid., Para 11.

2 Hamilton to Elgin, 7 January 1897, E.P., vol. 15.

3 So strong was the belief in the private trade that the Indian Government rejected the offer of ship loads of grain from Canada and U.S.A. (as a part of charity) for the sake of avoiding to arouse suspicion in the minds of traders. Government preferred money to grain. See H.B. Smith to Col. J.W. Ottley (Secy. Indian Fam. Charitable Relief Fund, 29 January 1897, E.P., vol. 70. W. Ottley to H.B. Smith, 29 January and 3 February, 1897, ibid. Telegram Viceroy to Lord Aberdeen, ^{Governor General} G.G. of Canada, 3 February 1897, ibid. A similar offer was made by Russia and was rejected on a little different ground. The best explanation of this is found in MacDonnell's letter to Elgin: "Bulky gifts attract attention and out of their distribution political capital can be made. Besides, there is nothing we are more criticised for by natives of all classes than our refusal to import grain, and thus pull down the market rate.... We can easily decline all gifts of grain on the ground that we do not interfere with the private trade in grain. If Russia gives help it must be by money contributions to the English or Indian fund. The money is not earmarked." MacDonnell to Elgin, 30 November 1896, Enc. Elgin to MacDonnell 3 December 1896. H.C., MSS.Eur.D 509/iii.

and his advisers were sure that a little restriction would draw the private trade into hoarding. Secondly, some rains in the months of November and December had brought a fresh wave of optimism in the mind of the Indian Government and they at least hoped that the rabi crop would be two-third of the normal - hence no need of intervention.

But the winter rains stopped all of a sudden. The intensity of the scarcity widened. The danger to the rabi crop became real. More deaths on account of hunger were reported. There was a repeated attack on the Government's famine policy in the British Press. Many English newspapers published pictures of hungry and dying men.¹ This criticism alarmed Hamilton. He confessed that he had never visualised that famine would be so widespread.² On the 15 January 1897 he officially urged the Indian Government to be more careful and keep watch, "not only on food supply generally, but its local distribution".³ On 29 January Hamilton wrote to Elgin for the first

1 Reference to the criticism of the British press is found in the private correspondence of Elgin and Hamilton. Hamilton feared that British press criticism was bound to find its way into 'Native Press'; "My main regret is that these allegations find their way into native newspapers, and are used as a weapon for attack upon the Indian Government." Hamilton to Elgin, 26 February 1897. To Elgin, such press criticism appeared as "scandalous and mischievous lies". Elgin to Hamilton, 17 February 1897, E.P., vol. 15.

The Secretary of State also feared the increasing criticism of "Naoroji and Co." The socialists led by Hyndaman held a meeting in St. James Hall and made 'virulent' attack on Government. This incident was given wide publicity. Hamilton to Elgin, 12 February 1897, E.P., vol. 15.

2 ^{Hamilton} Elgin to ^{Elgin} Hamilton, 15 January 1897, E.P., vol. 15.

3 S.S. to Indian Govt., Despatch No. 10 (Rev), 15 January 1897, Para 8, Revenue and Agricultural Despatches to India, vol. 18

time to consider the ways and means in advance, "if due to emergency" the Government had to import food. He advanced three suggestions: (a) direct purchase of food stock by the Government, (b) purchase of food stock indirectly by giving advances (same as Mackenzie had earlier suggested) and, (c) encouraging imports by bonus. Out of the three, he personally favoured the first and went on to say: "I do not want to unduly press you, but summing the situation, I should say that we ought to err on the side of over precaution rather than on that of risk or chance."¹

Members of the India Council, particularly Hardie² and Crosthwaite³ were more agitated. They pressed the Indian Government to regulate the food supply on their own count. In a special Note on the question of food supply Hardie criticised the Government and wrote: "The famine policy of the Government is based on economic theory that the Government should not interfere with private trade - a policy which is in effect little else than that the Government should do nothing at all."⁴ He submitted that private trade under this grave emergency could not provide the relief required for the

1 Hamilton to Elgin, 5 February 1897, E.P., vol. 15.

2 Chairman Finance Committee, India Office.

3 Chairman Public Works Committee, India Office.

4 Hardie's Note on Food Supply, 9 February 1897. Enc. Hamilton to Elgin, 12 February 1897, E.P., vol. 15.

population for two reasons. Firstly, the machinery of private trade did not exist in the interior of India to the extent necessary to secure the object in view. Secondly, the private trade was hampered by the limited supply of money available in India on account of the currency legislation. According to him, the prices of the stock had risen and the scarcity had been rather intensified because the food grains tended to move into the Government relief centres while creating hardship to the majority of the people who did not come to the relief works. He, therefore, strongly recommended that if the Government imported or purchased food for their relief works "only", then the pressure could be largely eased on the bulk of the population, who did not come to the relief centre.¹ This system, as Godley said, in a way would not have been new because the Government already purchased for the army and the gaols.² Crosthwaite, like Hardie also argued on the same lines.³ Even Queen Victoria asked for the purchase of food grains on the Government account.⁴ In addition to this, it may be stated that the very success

1 Ibid.

2 Godley to Elgin, 12 February 1898, E.P., vol. 136.

3 Crosthwaite to Elgin, 10 February 1898. Family Collection.

4 Queen Victoria to Elgin, 5 February 1898, unpublished letters, Family Collection.

See Queen Victoria to Elgin, 19 February 1898, unpublished letters, Family Collection.

of the relief system entirely, depended upon food being purchasable everywhere by the persons relieved. Supposing the monsoon again failed, and the dealers refused to sell grains then the whole system would collapse. Therefore, the protagonists for the intervention urged the Government to hold a reserve stock of food grains in event of sudden collapse of private trade to feed the population on relief for two or three months.

Elgin vehemently denied that the food stock had been or likely to be exhausted in the near future. He saw a downward trend in the prices of the food stocks, particularly in the Punjab where the fall was 15 per cent.¹ The Government decided to adhere to their earlier stand. But before doing so they extensively examined the question of food stock vis-a-vis private trade.

The central Government realised that the problem of estimating the total food stock in the country was immensely difficult. But they were satisfied after their enquiries from the local administration about the food stock in hand till the next crop. Punjab possessed enough stock not only for local consumption but also for some export to other provinces.² Similarly, the position of the North Western Provinces was not considered as bad now as it was in the beginning of the year. There also existed a considerable stock with the grain

1 Telegram, Viceroy to S.S., 6 February and 22 February 1897, E.P., vol. 20.

2 Indian Govt. to S.S., L.No. 33 (Fam), 10 May 1897, Para 4, Revenue and Agriculture Letters from India, vol. 11
See also Memorandum by Director General of Land and Records and Agriculture on existing food stocks in the Punjab, 5 March 1897, Enc. Punjab Govt. to Indian Govt., 11 March 1897, Indian Famine Proc., vol. 5204, No. 127, March 1897.

dealers and agriculturists.¹ Although Central Provinces' stock was considerably depleted, yet some reserve still existed in the richer districts. The Province as a whole, the Government believed, was fairly well exploited. In Madras and Bombay the crop failure was limited to the districts of Carnatic and Deccan where the population was sparse. Elsewhere in Bombay, Sind and in Southern districts of Madras there was a good harvest. In Bengal, there was a great loss of rice crops, but the depleted stock was supplemented from the inflow of Burma rice, where there was a surplus of $1\frac{1}{2}$ million tons.² The Indian Government contended that the general indications regarding the position of the stock of food were good, the prices were stable and the markets were not excited.

The Government had no complaint against the private traders on account of their hoarding and unwillingness to sell. They also asserted: "It must not be overlooked that export of food grains from India to foreign countries has for months past virtually ceased, and that great economy is everywhere exercised under pressure of high prices by nine-tenths of the population."³ The Government believed that even in contingency of the failure or delay of monsoon rains, they would have enough for at least two months' consumption throughout the

1 MacDonnell to Elgin, 4 March 1897, E.P., vol. 70.

2 Indian Govt. to S.S., L. No. 33 (Fam), 10 May 1897, Para 6-10, op. cit.

3 Ibid. Para 11.

country. In case the monsoon failed prematurely, there would then be at least the possibility of reaping 4 anna crop over the whole country (which was actually much lower average than that of 1896) and if added this to what remained from the older stocks, a supply equivalent to perhaps two months could be in reserve. So it seemed to the Government hardly possible that in the worst event, the "failure of supplies" should come upon them so suddenly that foreign supplies could not be brought into the country in the ordinary course of trade.¹ Only in the final eventuality - the failure of 1897 Monsoons, the Government might intervene.²

Elgin said that it was "mischievous" to think that private trade had failed. Private trade, he maintained, had taken advantage in placing food at the disposal of the public through the means of railways. For example, the private trade imported rice from Burma with the help of their own resources. Already, as much as 300,000 tons of rice was imported and another 600,000 tons were available for the market. This he believed was sufficient to feed the entire army of relief workers in the provinces of Bengal and North Western Provinces.³

1 Ibid. Para 12.

2 It was Lord Northbrook who suggested to Elgin that if Monsoon again failed or stopped earlier, then the Government must resort to importing, otherwise he fully appreciated Elgin's food policy. Lord Northbrook to Elgin, 19 March 1897, Family Collection.

3 Elgin to Hamilton, 10 February, 24 February and 10 March 1897, E.P., vol. 15. Indian Govt. to S.S., L.No. 33 (Fam), 10 May 1897, Para 10 and 13, op. cit. As a matter of fact Elgin personally kept watch over the movement of Burma shipment of rice to outside markets. He was assured by Fryer, C.C. of Burma and Playfair, the chairman of Bengal Chamber of Commerce that needs of India would be considered most. India Famine Proc., vol. 5205, Nos. 141-7, May 1897.

Elgin did not agree with the reasoning of Hardie that the Government should export food for its relief works from the external resources and leave private trade undisturbed to supply the rest of the population from local supplies. In repudiating his charge he wrote: "The private trade of a district exists for the supply of the people within it, and to suddenly restrict its operations where perhaps 20 per cent of the population are on relief works, would so absolutely dislocate it that I am convinced that, far from lowering the prices to those outside the Government works, it would be much more likely to run them up. I do not think Mr. Hardie has allowed enough for the manner in which the improvement of railway communication has equalised prices all over India. There is no longer the sharp division between local and external stocks in any particular area."¹ Thus the Indian Government was fully convinced that they could not have done more to relieve the strain on the local stocks.

As to the suggestion that the Government must buy food stocks in advance for the relief workers in the eventuality of the failure of the monsoon, the Indian Government raised objection on two grounds. Their preliminary objection was on the score of expense. The purchase of so large a stock would block rupees two crores. If the contingency did not arise the Government would have to dispose of the stock cheaply and thereby lose half the money spent. This, the Indian Government thought, was not an insuperable objection where the lives

1 Elgin to Hamilton, 3 March 1897, E.P., vol. 15.

of millions were involved. But the real objection lay in making the trading class distrustful of the Government by introducing "an unknown element" into its calculations and by creating an artificial level of prices. "However, clearly we defined our intentions", the Indian Government wrote, "the trade would be always apprehensive that the Government reserves would be poured into the market, or that the Government would be driven to extend its operation."¹ And finally the Government closed the discussion by emphasising: "We are strongly and deliberately of the opinion that, even in the worst conceivable emergency, so long as trade is free to follow its normal course, we should do far more harm than good by attempting to interfere."²

This attitude of the Government has led Dr Bhatia to believe that the policy of non-intervention was carried out to the "absurd limit".³ He further strengthened his charge by stating that where the loss of crop in the year was estimated at one-third of the average annual production or "18 or 19 million tons", the total imports against this [all from Burma only] during the same period amounted to only

1 Indian Govt. to S.S., L.No. 33 (Fam), op. cit., Para 13.

2 Ibid., Para 14.

3 B.M. Bhatia, The Famines in India, p. 240.

6 Lakhs tons.¹ To him this was a sufficient indication of the failure of the Government's food policy. Unfortunately, Dr. Bhatia does not amplify or argue his point and errs on the side of over simplification.

The key to the understanding of the Government's food policy lies in two questions, (a) If the loss was $\frac{1}{3}$ of the total food grains in India, as claimed, then what was the total production? Did India produce the surplus food? Or was there some accumulated surplus of stock? (b) Did the imports increase and exports decrease correspondingly to the loss of the produce - say to the extent of $\frac{1}{3}$ during this crisis? The answer to the first question is indeed very difficult - for total grain production in British India ^{could} cannot be accurately assessed. The Famine Commissioners in 1880 after careful inquiry had come to the conclusion that India produced a surplus of 5,165,000 tons over and above the total consumption. This sum was available for export or storage.² T.W. Holderness, the special officer of 1897 famine, calculated that since the writing of the report, the population of the same area had

1 Report of the Indian Famine Commission, 1898, Para 585.

Shortage of crop during famine 1896-7 was as follows:

Punjab	- 25	per cent of the total yield
N.W.P. & O-	40	" " " " " "
C.P.	- 50	" " " " " "
Bombay	- 35	" " " " " "
Bengal	- 33	" " " " " "
Madras	- 20	" " " " " "

Holderness' Narrative, Para 27, op. cit.

2 Para 156.

risen by 17 per cent. In comparison, the area under food grains had risen by only 8 per cent. On these figures a surplus of the food grains could not remain as high as 5,165,000 tons and fell to only 1,700,000 tons.¹ But a little later the information supplied by the local Governments to the Famine Commission of 1898 - showed a surplus of 9½ million tons.² This contradiction is inexplicable. Coming from the Government sources within a span of one year it would only show that the exact information was not attainable. It may be safe to assume that in any case the surplus could not be as high as 9½ million tons. It might not be as low as 1,700,000 tons, but certainly it could not be more than what was estimated in 1880. Secondly, even the estimated surplus of 1,700,000 tons in 1897 must have been gradual, the fall being corresponding to the area of cultivation yearly and the simultaneous rise in the population. One tends to agree with the Famine Commissioners that there must have been some surplus "in ordinary years".³ But this could not be gauged accurately. Even if it be believed that Holderness' estimate

1 Holderness' Narrative, Para 24, op. cit.

2 Report of the Famine Commission, 1898, Para 587.
In 1902, the Government estimates showed a surplus of 6.1 million tons or excluding Burma, Assam and Coorg 4.5 million tons. Quoted in B.M. Bhatia, The Famines in India, p. 226.

3 Ibid.

was correct, then there was some surplus left after the internal consumption and export. For example in 10 years, before 1896 the export of food grains averaged $1\frac{1}{4}$ million tons from British India and 1 million tons in last 5 years before the famine.¹ In 1897, though the scarcity was extremely acute yet "the stock at the end did not seem to have been close on exhaustion."² But the availability of food did not in any case indicate an abundance or prosperity. Nor did it mean that people did not die of starvation. They died, not because there was absolutely no food (of course during the famine the normal supply was thoroughly dislocated) but because of the inability of the people to purchase the food even when it was available. It was primarily the lack of purchasing power which proved fatal to many. Even the surplus which had been variously explained and calculated, largely varied according to the ability of the community to consume food at the given time. Sometimes the surplus of production over consumption was more because of people's lack of means to buy it. Had there been full consumption of food according to the needs, then the calculation of surplus could not be so high or at times so varied? The poverty in India was amply visible even in ordinary days, but during famine it was much more so. Certainly the large dislocations of the normal supply amounting to 18 or 19 million tons added to this extreme hardship.

1 Holderness' Narrative, Para 24, op. cit.

See also The Trade Review of the relevant years of British India.

2 Report of the Famine Commission, 1898, Para 588.

The people had to get adjusted to the price mechanism of demand and supply. Some of the scarcity must have also been enhanced by hoarding on the part of the private traders and by farmers.

Another significant point regarding the availability of the stock in India can be studied in analysing the nature of the movement of food stock internally from one place to another. There was a large export from comparatively surplus districts to the more distressed. Following is the statement showing the trade movement of food grains from one place to another between January 1897 to September 1897.¹

<u>Bengal</u>			<u>North-Western Provinces and Oudh</u>		
Districts	Import (tons)	Export (tons)	Districts	Import (tons)	Export (tons)
Patna	+ 14,620		Banda	+ 23,573	
Darhanga	+ 44,141		Allahabad	+ 45,529	
Monghair		- 31,055	Bullanshahar		- 28,017
Bhagalpur		- 27,554	Aligarh		- 26,482
<u>Central Provinces</u>			<u>Bombay</u>		
Jubbulpore	+ 12,065		Poona	+ 38,672	
Nagpur	+ 17,365		Bijapur	+ 25,512	
Raipur		- 14,337	Panch Mahal		- 23,399
Sambalpur		- 22,599	Shakurpur		- 74,414
<u>Punjab</u>			<u>Madras</u>		
Hissar	+ 35,985		Malabar	+ 32,539	
Jullundar		- 30,138	Godavari		- 52,976

¹ Holderness' Narrative, Appendix vii, op. cit.

These selections of statistical figures do not represent exactly a methodical pattern of in and outgoing traffic of foodstocks from one to another district of the same province. It serves only as a pointer that a movement in food stocks was taking place from some surplus areas to the deficit areas. These movements took place with the aid and resources of the private trade whose confidence and energy was boosted by the encouragement it received from the Government and the provision of railway facilities.

In the examination of the second question regarding the rise and fall of imports and exports, we find that in 1893-4, the import of the food grains into India was 341,740 cwts; in 1894-5, 483,523 cwts; 1895-6, 306,333 cwts and in the famine year of 1896-7; it increased threefold - 1,080,602 cwts and continued on the same scale in 1897-8, when the import was 1,072,415.¹ Similarly, the export from British India declined more drastically. Whereas in 1894-5, the export of grain was 48,864,395 cwts; in 1895-6, 48,332,973; in the famine year it slammed down to 32,420,134 cwts and continued the downward trend in 1897-8 when the total export was 30,890,379 cwts. The most interesting feature was the decline in the export of wheat to almost nine times in the famine year. Where in 1895-6, the export

1 Tables relating to Trade of British India, 1893-4 to 1897-8, Parl. Papers, 1899, vol. lxvi, part 1, [C.9120], p.8.
Cwt is one hundredweight = 112 lbs. 20 hundredweight = 1 Ton or 2240 lbs.

was 10,002,912 cwts, in 1897-8, it came down to 1,910,553.¹ These figures show that if the production of food stock suffered, the other features like imports and exports also varied, correspondingly in upward and downward directions. Lastly, the very scarcity must have affected the rate of food consumption itself.

If it is supposed that food was available, though in a very limited quantity, then the question arises as to what was the best means of distribution? Again, was it necessary to regulate the supply? The ideal answer would be that the state should have organised and regulated the food supply, particularly when there was so much of poverty. But was it practicable in the given circumstances? Again was it consistent with the spirit of the time?

The policy of intervention and state control was not feasible for various reasons. The civil administration was fully occupied with famine relief operations and plague. The Public Works Department was exhaustively engaged. In 1897 the army was occupied in the North Western frontiers. Further, the regulation of food supply would have been extremely difficult if not impossible for lack of trained and experienced staff. Half control could have been doubly dangerous. Even a modern state with all its vast resources finds it difficult to implement such a policy of state control in the supply of food grains. Besides, the principle of intervention was not popular with the thinking of the age. Even the "enlightened"

1 Ibid., p. 22.

Indians did not approve of the state control. The Indian National Congress never boldly suggested State intervention. S.N. Banerjee's influential newspaper The Bengalee, too, never came out in the open in support of Government intervention in the trade of food grains. In his very forceful speech in the Congress Session of 1896, Banerjee discreetly omitted any reference to the food policy.¹

It is possible that there was some tendency on the part of the private traders to make maximum profits, during the crisis. But the Government failed to find any evidence of a general combination among dealers to keep up the prices. MacDonnell who investigated the question in detail in his province did not find any proof to that effect.² It was, therefore, politic and wise to solicit the cooperation of the private trade to the maximum limit. Keeping this point in view, the Government reduced railway freight and provided regular information about the course of the grain trade to the dealers. Arrangements were made in each district by which the district officer at the end of each week received a weekly return from each railway station in his district of the imports and exports of the grain, so that a grain dealer could readily despatch the grain at the

1 Bengalee, 9 January, 1897.

Bengal National Chamber of Commerce in a special memorandum of 15 December 1896 urged the Government not to interfere in the private trade. They wrote, any attempt as a purchaser or importer would be "mischievous". Enc. Bengal Govt. to Indian Govt., 22 December 1896, India Famine Proc., vol. 5203, No. 50, January 1897.

2 MacDonnell to Elgin, 4 March 1897, op. cit.

place where it was most required.¹ Each local Government maintained personal contact with the important grain dealers for food requirements of the markets.² The Government believed that minimization of administrative problems would leave more room for the officers to concentrate their activities on the field of relief works.

In addition to the administrative convenience, the pursuance of the policy of non-intervention had some other advantages. One was the tightness of money. No trader could afford to tie up large money by hoarding the grain for the doubt in the continuance of high prices. This necessarily checked speculation. Similarly the uniformity of prices throughout India also acted as a deterrent to the speculators. Although, the universal prevalence of high prices must have caused acute suffering, specially amongst the poorer classes of the town, the implementation of control and regulation of import and export trade would have created suspicion among the traders, and induced them to hoard. This could result in enormous sufferings of the people before the Government could think of effectively plugging the hole. Therefore, it appears that the Government's decision was wise. Before upholding the policy of non-intervention, they had twice given a very careful consideration and examined the issue in detail. In deciding so the Government was never more unanimous. Neither was the Government's attitude rigid. In

1 Holderness Narrative, Para 100, op. cit.

2 Elgin to Hamilton, 31 March 1897, E.P., vol. 15.

the exceptional cases where the private trade could not work effectively, the Government did intervene. For instance the Government imported grain in the Palamau district in Bengal, in Bhadrachalam Taluk of Godavari district in Madras, in Shetphal relief work in Poona district in Bombay and in Mandla and Balaghat in Central Province.¹

Much of the controversy seemed to have been caused due to the unfavourable comparison drawn with the famine policy of Lord Northbrook. Howsoever liberal Northbrook's policy was, it could have hardly worked in the present circumstances. Famine of 1873-4 was limited to a small area of Bengal. Therefore, it was not difficult to supervise and regulate the import of grain trade. Yet Northbrook did not fully control the food trade. Exports continued to remain unchecked. Sometimes the same ships which brought Burma rice to Calcutta, carried the freight of Bengal rice to Burma.² Besides, it was probably imperative to purchase rice on the Government account for the lack of communication. In 1873-4 there was only one railway in Bihar (the area of famine), and that ran through the two southern districts of Patna and Shahabad. In 1896 there was at least one line of rail in each district, and in the Patna division 589 miles of railway. In 1873-4 the Son canals had been just opened. In 1896

1 Report of the Famine Commission, 1898, Para 585.

See also Indian Govt. to C.P. Govt., 15 February, Para 2, India Famine Proc., vol. 5204, No. 49, March 1897.

2 George Campbell, Memoirs of My Indian Career, vol. 11, p. 324.

they supplied water communication for many miles. The road mileage in the division touched 12,500.¹ By now the relief work was also streamlined and well regularised. Therefore, the administration, in 1896 was much better equipped to follow the policy of non-intervention and certainly well advised to follow it because of the large extent of the area under famine. Even Lord Northbrook wholeheartedly supported Elgin's policy.² From the practical point of view the policy pursued was the only feasible one.

The third feature of the famine strategy was the administration of the relief works which was left in the hands of the Provincial Governments. Lord Elgin believed that the detailed work of the relief must be left to the local Governments. He gave fervent expression to his belief while addressing the legislative assembly in October 1896: "It is upon the local Governments that, whatever happens, we must rely to carry out the measures that may become necessary We are justified I think in our belief that the work will be done, and will be done well." He added, "as to the share of the Government of India, it is not for us ourselves to enter into the arena and to take charge of the operations. We should hamper the proper authorities, and not assist them. Our duty is to devise means

1 Holderness Narratives, Para 32, op. cit.

2 Lord Northbrook's speech in the House of Lords: The Times, 2 February 1897. He said: "Speaking generally there could be no doubt whatever that the more trade was left untrammelled the greater was the possibility of meeting the demand for grain or any other article that was necessary."

for helping the local Governments with the wider knowledge of the whole circumstances available to us and to supply the sinews of war where required."¹ Thus the success of the relief measures depended largely upon the efforts, planning and efficiency of the respective Provincial administrations.

North Western Provinces and Oudh was the first venue of the famine and it was here that the first famine relief measures were undertaken. The province was specially privileged in having A.P. MacDonnell at the helm of the affairs who had wide experience of famine ever since 1874.² The basic features of his administration were efficiency and economy. To achieve the dual purpose, he introduced new innovations in the field of relief organisation and relief distribution. Firstly, the Government reversed the policy of the code of small relief works and introduced the system of large relief works managed by the department of Public Works. The main reason for laying stress on large relief works was to increase greater returns out of them.³ Due to the expansion of railway it was not difficult to find large works.

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- 1 Proc. of the Council of the Governor-General in India, 1896, vol. xxxv, p. 389.
 - 2 MacDonnell was well known for his report on the Food Supply and Statistical Review of the Relief Operation in the distressed districts of Bihar and Bengal during the famine of 1873-4.
 - 3 N.W.P. and O. Govt. to Indian Govt., 23 November 1896, Para 20, Parl. Papers, 1897, vol. 64. [C. 8302].

The small works were executed locally by giving advances to Zamindars or Landlords. This system was tried earlier in the Bundelkhand famine of early 1896 and proved a success. It was more fully developed in January 1897. The rules provided for the execution of small works of "village utility" by village landlords. The landlords were under the obligation to employ village labour and to pay certain rates of wages out of the loans advanced to them. When the work was duly completed, one-fourth to one-half of the advance, as agreed on was to be remitted back to the Government. The balance was to be refunded by periodical instalments. In case some landlords could not undertake or were unwilling to bear the cost, the collector could execute the work either directly or through the zamindar as an agent.¹ Under this scheme, the Government gave loans and advances to the extent of Rs 42,13,831.² North Western Provinces and Oudh was the only Government "which used to any extent the system of partly recoverable" advances. This system offered a substantial inducement to the landlords to undertake works of general village utility and it was also economical to the state than village works at its sole cost.³ The advances given for developing local resources indeed proved very useful. For example 550,759 temporary wells were constructed in the years of famine. The number of masonry wells

1 Report of the Famine Commission, 1898, Para 101.

2 Ibid., Para 349.

3 Ibid., Para 101.

constructed was 4,227, and many others were repaired and improved. Other facilities for irrigation, such as embankments and tanks, were largely extended. It was calculated that the additions made to various sources of irrigation at the moment were sufficient to protect 1,381,494 acres and produce 465,000 tons of food.¹

In December 1896, the Government of the North-Western Provinces introduced a very important change in the organisation of the famine relief. The Government abolished the fourfold classification of the relief workers. Instead, it introduced twofold classifications called 'diggers' and 'carriers'. The main motive to bring this change was economic. Wage 'A' and 'C' of the 'Code' was abolished. Wage B and the lowest wage D was now awarded respectively to diggers and the Carriers. The following table shows the difference between the grain equivalent wage and dependents dole by the Code and the resolution of 5 December 1896 which brought this latest change.²

1 Narrative of North-Western Provinces and Oudh Famine, p. 24,
op.cit.

2 Report of the Famine Commission, 1898, Para 100.

	By the Code of 1895		By Resolution of 5 December 1896	
	Males Chattacks	Females Chattacks	Males Chattacks	Females Chattacks
Class A				
Professional labourers	21	19		
Class B				
Labourers not Professional	19	17	Diggers	19 16
Class C				
Able bodied not Labourers	16	15		
Class D				
Weakly, fit for light employment	14	13	Carrier Class	14 13
Adult dependent	14	13	Adult dependent	12 10
Children under 14 years of age from $\frac{2}{4}$ to $\frac{1}{4}$ of the adult male wage (i.e. from about 14 to 5 chattacks) according to the age and requirements.			Working children above 12 and under 16 years	Chattacks 10
			Working children over 7 and under 12	6
			Not in arms and under 7 years infants in arms extra pie to the mother.	

In the justification of this change it was said that a full days work on the relief works was done only by a minority of the workers employed as "diggers" and that the majority, whether able bodied or not, consisted chiefly of women and children and was lightly worked as carriers. It was also stated by the local Government that as the people came in family groups to the works, the joint earnings of the family "ought to be so restricted as to be sufficient only

for its subsistence, and that for this purpose the minimum code wage for the majority was enough."¹

This was a rigorous change. It was criticised by the Famine Commission of 1898. In the important matter of periodical conversion of the grain wages into cash wages with reference to prevailing prices, the Commission commented that the new rules were harsher for the labourer than provided in the Provincial Codes, because fluctuations of less than 10 per cent in the price of grain were ignored. Between the rate fixed and actual prices, there was a frequently considerable difference. For example, in Allahabad district the conversion rate remained at 10 seer a rupee from March to July 1897, but the grain was as dear as $8\frac{1}{2}$ seers a rupee.² These changes were introduced in order to achieve economy in the administration of the famine measures. This necessarily imposed extra hardship on the people. The lowering of the wages produced a general complaint that the daily wage paid to them was not sufficient to "allow them to satisfy their hunger".³ It implied that there was some reason to fear that many people must have been "severely pinched", particularly in June and July, "a considerable number of incapable people failed to get the relief that was desirable."⁴ But the Government believed

1 Ibid.

2 Ibid.

3 Ibid., Para 246.

4 Ibid., Para 249.

that stringent measures could be redeemed by efficient and prompt decisions. In this sphere the local Government showed extra care, the Lieutenant Governor personally supervised the famine measures. For this untiring effort he was complimented by the Viceroy, the Secretary of State and the Queen.¹ The two most leading vernacular weeklies of the Provinces Ams-i-Hind (urdu) and Hindustani (Hindi) of the Provinces commended the famine administration.² The famine commission also singled out MacDonnell's administration for showing incessant activity and watchfulness, "a constant grasp of the situation, skill in combining all forms of relief, and a great power of enlisting the services of the leaders of the native society We agree in the general verdict that the result was a conspicuous success and a great administrative feat."³

At one time more than $1\frac{1}{2}$ million people were on direct relief of the North-West Provinces and Oudh. The direct expenditure on relief, excluding establishment and incidental charges came to Rs 1, 67,15,147. The money spent against loans and advances was Rs 42,13,831; revenue suspension, Rs 1,44,64,875 and remission Rs 65,19,100. Rs 48,87,527 of the Indian Charitable fund, as a part of their share was also

1 In recognition of his famine services the Indian Government awarded him G.C.I.E.

2 See the Columns from August 1896 to September 1897, N.W.P. and O., N.N.R., 1896 and 1897.

3 Report of the Famine Commission, 1898, Para 247.

appropriately utilized.¹

Similar relief measures were taken in the state of Bengal. The relief organisation of the province had come into full function by the end of November 1896. The distressed tracts were blocked out into relief charges and relief circles. A charge contained an area of about 25,0000 persons. A relief circle comprised an area of about 30 to 40 square miles with a population of about 25,000 to 30,000.² In its main feature of the relief the Government followed the North-Western Provinces system of recognising the two main classes of workers - the Diggers and the Carriers, with its wage scale.³ As in the North - Western Provinces and Oudh, similar hardship of the stringent measure must have been felt in Bengal. The Bengal Government was too meticulous in enforcing the task work and often resorted to fining. As the ordinary wage for the majority of the workers corresponded to the minimum wage of the provincial code, it was found that workers were fined for short work considerably below this wage which must have imposed extra hardship on the people.

If the system of relief distribution on the works was unduly stringent, the gratuitous village relief was liberally employed in Bengal. For example, in the province persons in receipt of gratuitous relief were always more than on the relief works. In May 1897 the

1 Ibid., Para 349.

2 Resolution, Bengal Govt., 10 December 1896, Para 2, op. cit.

3 Report of the Famine Commission, 1898, Para 108.

number stood as 414,324 and on works 376,295; in June 459,000 and 360,698; in July 423,186 and 218,181; in August 316,424 and 109,402 and in September 108,148 and 35,426 respectively.¹ The reason why so much of gratuitous relief was given could be found in the general poverty of the people and the density of the population in the affected areas.

As regards the nature of relief works, the Bengal Government followed a different policy from the Government of North-Western Provinces. Whereas in the North-Western Provinces the backbone of the system was the large relief works, in the case of Bengal, with few exceptions small works remained throughout the basis of relief. There were two reasons for the preference of small relief works. First, the great mass of the labouring and cultivating population was said to be greatly averse to seeking work at a distance. Secondly, there were very few large works ready for execution. The construction and deepening of village tanks for drinking purposes were considered to be more useful than roads.

In Madras Presidency the relief of the distress was confined to four districts of the Deccan and to the two northern districts of

1 Ibid., Para 110.

Actually in no other province so large a gratuitous relief was given.

For this liberality there was a lot of criticisms at the hands of Elgin and Hamilton, though the former never discouraged the Bengal Government in any correspondence.

Ganjam and Vizagapatam.¹ Early and prompt measures were taken from the very beginning. In marked contrast to the famine organisation of the other Governments, the Madras Government deviated from the code towards liberality. Acting on the advice of the Sanitary Commissioner of the Madras province, the Government recommended the abolition of the two lowest classification of labourers from the Code.² It was decided that all relief workers should be placed in one or other of the two highest classes and given A or B wages. The C and the D wage was abolished. The task of each gang of the relief works was closely adopted to the working capacity. Fining below the lowest wage level was prohibited.³ The basic reason for taking such humane view was that the existing level of wages for the relief worker was not considered safe.⁴ Due to this consideration, the labour test was "less severe in Madras than elsewhere, while the average wage paid to relief workers was higher and that throughout the greater part of the relief operations, the tendency was to relax provisions of the code in favour of workers,

1 At the time of the greatest pressure, in July 1897, the total area of the province declared to be affected covered 26,073 square miles with a population of 5,674,000 persons. Report of the Famine Commission, 1898, Para 301.

2 Madras Govt. to Indian Govt., 4 May 1897. India Famine Proc., vol. 5206, Nos. 109-111, June 1897.

3 Ibid.

4 Madras Govt. Res. 18 February 1897, ibid.

not to tighten them as in other provinces."¹ Havelock, the Governor of Madras, proudly wrote to Elgin: "We might have erred on the side of indulgence, but perhaps this is safer than to err on the side of severity."² The liberal policy did have a profound effect in keeping down the mortality rate within 4 per cent of the normal rate.³

Other local Governments like Bombay, Punjab and Berar executed prompt and extensive relief works, and were distinctly successful both as regards the saving of human life and mitigation of distress.⁴

It was only the Government of Central Provinces which failed in organising the machinery of relief works promptly and efficiently. The province had unfortunately suffered from famine condition ever since 1894, particularly in the three districts of Saguar, Damoh and Jubbulpore. But strangely, the first direct relief measures were

1 Indian Fam. Com. Report (1898), Para 190.

The reason why the famine administration was so liberal was explained by H.E.M. James, the Secy. of Indian Fam. Charitable Relief in a letter to the Governor of Madras, Havelock: "The fact is that I believe Mr. le Fanu and Mr Cole [The Famine Commissioners in Madras] both have so vivid a recollection of the terrible mischief done by Sir Richard Temple in 1876-77 in driving off the Works all persons who seemed at all well-to-do, that in this famine they have run to the other extreme." 16 June 1897, Enc. H.E.M. James to H.B. Smith, 18 June 1897, E.P., vol. 70.

2 Havelock to Elgin, 11 May 1897, E.P., vol. 70. Actually when the orders prohibiting fines were issued in March 1897, the total workers on the relief were 81,000. It rose to 157,000 in April, 312,000 in May, 507,000 in June, and 773,000 in July 1897. Report of the Famine Commission, 1898, Para 131.

3 Ibid., Para 309.

4 Ibid., see Paras 319-31

taken in December 1896 only.¹ This lack of vigilance on the part of Central Provinces Government was specially criticised by the Famine Commission of 1898. They wrote, "It seems to us that dangerously little was done by Government in all three districts in 1894-95, and that the theory that though privation prevailed among the poor classes it was not too acute, was too sanguine."² Asserting the same criticism they further charged the Government with staking too much on the hope or chance of better harvests in the future.³

After having realised the gravity of the situation, though late, the Government organised extensive relief. C.J. Lyall, the Commissioner made a thorough tour of the whole province.⁴ Following the example of North-Western Provinces and Oudh, large relief works under the Public Works Department were opened. Subsidiary to these large works, small works of local utility were started.⁵ But by then

1 See Report on Famine in Central Provinces, Paras 1-20, India Famine Proc., vol. 5207, No. 9, July 1898. Actually Lyall privately admitted to Elgin for taking a little less serious view of the situation and apologised for the mistake. Lyall to Elgin, 30 November 1896, E.P., vol. 69. See also Indian Govt. to C.P. Govt., 4 January 1897, Para 7, Indian Famine Proc., vol. 5203, N. 47, January 1897.

2 Report of the Famine Commission, 1898, Para 271.

3 Ibid., Para 278.

4 Lyall to Elgin, 25 December 1896, 12 February and 21 March 1897, E.P., vols. 69 and 70.

5 Report of the Famine Commission, 1898, Para 114.

enough damage had been inflicted. The death rate rose much above the normal. From the average of 33.76 per cent (per mile, per year) it increased to 49.31 in 1896 and 69.34 in 1897.¹ According to the official report of Central Provinces, 91,397 people died of famine.² But this figure appears to be low and was even doubted by the famine commission of 1898.³ Many of the starvation deaths were attributed to the lack of proper and timely appreciation of the situation. In passing its judgement on the Local Governments, the report said: "We regret to have to express the opinion that the degree of success in the saving of life and relief of the distress was not all that it should or might have been."⁴

The public criticism had its effects. For showing lack of proper vigilance C.J. Lyall was duly reprimanded. He was immediately transferred from his post, much to his regret, and sent to the India Office as a Revenue Secretary. In such a way his Indian career

1 Ibid., 294.

2 Report on Famine in Central Provinces, Para 22, op. cit.

3 Para 298.

See also T.W. Holderness to H.B. Smith, 4 April 1897, E.P., vol. 70. The total mortality on account of this famine had been variously estimated. William Digby, puts the estimate of deaths to 4.5 million. Prosperous British Rule in India, p. 129.

In an article 'India under Elgin' the total deaths due to famine were estimated as 150,000. Quarterly Review, 1899, vol. 189, p. 325. Unfortunately neither the Famine Commission nor the Indian Govt. gave mortality figures in any cut and dry form.

4 Report of the Famine Commission, 1898, Para 299.

(which should have taken him very high in the executive hierarchy) was suddenly terminated. Secondly, the tragedy of 1896-7 had taught a lesson to the local Government to start relief in time. During the famine of 1899, the Government showed extra care and prompted immediate measures. Of the total famine units (1135 million) given as relief in 1899 famine, nearly 50 per cent (555.8 million) were in central provinces.¹

It is clear that relief administered through the machinery of the local Governments was extensive, varying and at times insufficient, depending on the efficiency and effectiveness of the provincial Government. The Government of North-Western provinces showed as much awareness of efficiency as of the need of economy. The Madras Government gave top priority to the saving of human life by giving generous relief. Only the Central Province administration was unable to grasp the gravity of the situation and therefore was a failure.

To sum up it may be said that a large scale government relief was undertaken; actually, "far greater than any that has yet been recorded."² In the beginning of the famine, in October 1896, there were only 50,000 persons on relief and in time of acute distress, in April 1897, their number rose to 3.3 million. In all total

1 B.M. Bhatia, The Famines in India, p. 253.

2 Report of the Famine Commission, 1898, Para 404.

number of units relieved were 821 million,¹ each at the cost of 1.42 annas a day per person. This was equivalent to an average of 2,220,000 persons relieved day by day for the period of one year, at the rate of rupees 32.7 per head per annum.² The total relief expenditure in the famine of 1896-97 was as follows:³

Direct expenditure on relief	Rs 6,22,64,970	∟ This does not include
Loans and advances	1,84,11,519	the establishment and
Suspension of Land revenue	2,10,73,135	incidental charges.
Remission	1,17,90,898	If included, it will
Indian charitable fund	<u>1,49,04,571</u>	make Rs. 72700000. ∟
Total	12,84,45,093	

If the loss of revenue under salt, excise, custom and the loss of railway freight is added (which was rupees 1,24,04,000 and 2,98,19,000 respectively) the grand total comes to more than 17 crores of rupees. This was the largest single expenditure on any famine in the nineteenth century - it was higher than that of the much publicised famine of 1899, when the total expenditure including the private charity was 16.5 crore of rupees.⁴

Finally the Indian Government appointed a commission to examine

1 Out of which 479 million (58 per cent) were relieved on works and 342 million (42 per cent) gratuitously.

2 Report of the Famine Commission, 1898, Para 339.

3 Ibid., Para 349.

4 Report of the Famine Commission, 1901, Para 22.

the measures taken and suggest recommendations for future guidance.¹
 The Commission was headed by Sir J.B. Lyall² and included an Indian,
 Rai Bahdur B.K. Bose, an advocate from Nagpur.³

The Commission made a useful and exhaustive critical survey of
 the whole situation. In their findings and recommendations, by
 and large they agreed with the "principles" as laid down by the
 Commission of 1880. In some avenues the report made valuable
 suggestions.⁴ Firstly, they accepted the innovation of the North-
 Western Provinces and Oudh Government regarding the twofold classi-
 fication of relief works, - the 'Diggers' and the 'Carriers', as

- 1 See the following in connection with the appointment of the Famine Commission.
 Elgin to Hamilton, 14 October 1897, E.P., vol. 15.
 Hamilton to Elgin, 15 October 1897, ibid.
 Telegrams, S.S. to Viceroy (Pr), 11 November 1897; Viceroy to S.S., (Pr), 15 November 1897; Viceroy to S.S., 22 November 1897; S.S. to Viceroy, 22 November 1897; and S.S. to Viceroy, 30 November 1897, E.P., vol. 20.
 Indian Govt. to S.S. L.No. 86 (Fam), 25 November 1897. Rev. Letters from India, vol. 13
Resolution, Indian Govt. on Famine, 23 December 1897. Parl. Papers, [C. 8737] 1898, vol. 62, pp. 6-8.
- 2 Earlier, C.A. Elliot was selected but on the advice of J. Woodburn, the Executive Councillor, who was at that time on leave in London, Lyall was appointed. It is not clear why this change was made. Probably it was feared that Elliot might be more critical. Woodburn to Elgin, 12 November 1897. Correspondence from Abroad, E.P., vol. 32.
- 3 The other members of the Commission were Surgeon Colonel J. Richardson, T.W. Holderness and T. Higham.
- 4 See the summary of the recommendation, Report of Indian Famine Commission, 1898, pp. 319-325.

convenient and desirable.¹ But they did not agree to its wage scale and instead adhered to the original full ration of Class 'A' for the diggers. For the other class (carrier) they recommended the wage scale to be 75 per cent of the first.² Secondly, they also suggested that all relief works should be classed in the programmes under either the heads of "Public Works" or "Village works", devoted mostly to the development of irrigation projects. And finally, regarding the policy of contracting ordinary public works in time of famine, they suggested that so far as Imperial or Provincial finances and establishments could possibly permit they should be fully maintained or expanded in districts not recognised as actually distressed but in which there was reason to suppose the existence of an exceptional demand for labour.³ By recommending this they tended to avoid the extra hardship caused to the people who were forcefully driven back from the works near the beginning of the monsoons.

In the final analysis it might be said that the famine of 1896-7 gave the Indian Government quite a difficult time. It came at a time when the cotton duty controversy was still fresh, and currency changes

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- 1 Indian Fam. Com. Report, 1898, Para 439. Earlier, T. Higham, who was appointed a special famine officer in connection with the inspection of famine relief who made the same suggestion for its acceptance. See Notes by T. Higham, Parl. Papers [C.8823], 1898, vol. 62. See also Note on the task of a 'Carrier Unit on Famine Work', T. Higham, Report of Indian Famine Commission, 1898, vol. vii (appendix) Parl. Papers [C.9259] 1899, vol. 33 pp. 33-42.
- 2 Ibid., Para 452.
- 3 Ibid., Para 421.

were just beginning to take effect. Nor did it come alone. It was accompanied by plague and war on the North-Western Frontier of India. But Elgin's administration did not lose its nerves. Although in dealing with the famine he never innovated any new policy - the policy as laid in 1880 was followed in its detail, in devising the famine strategy he led his team through the troubled water without chaos or confusion. He neither had conflict with any local administration as Lytton had had, nor did he over expend as Northbrook did.¹ The relief measures were not necessarily extravagant but more exacting. In handling the administration of famine he was his own master who neither showed any subservience nor deliberate obstinacy. The Secretary of State fully supported him, his colleagues and subordinates cooperated with him. His energetic railway policy which resulted in adding nearly 4000 miles of railway proved a useful asset in the utilization of relief works. Besides, the Commission appointed by the Government left some valuable recommendations for the future guidance of famines in India.

But the most important outcome of the famine of 1896-7 and the one that followed on its heels in 1899 was that the economic aspects of the British rule became the most important target of the Indian nationalists. Famine, it was urged by leaders like Dadabhai Naoroji,²

1 See E.C. Moulton, Lord Northbrook's Administration, op. cit., chapter iv.
L.M. Gujral, The Internal Administration of Lord Lytton, op. cit., chapter ii.

2 See Causes and Cure of Famine, Speech delivered on 30 April, 1901, in London, vide His Speeches and Writing. See also, Dadabhai Naoroji, Poverty and British Rule in India.

R.C. Dutt,¹ D.E. Wacha,² William Digby³ and many more, was the result of India's poverty. It was the question of poverty - the root cause of all suffering which attracted most attention. They urged for economic changes and better utilization of India's resources.⁴ It was during this period that 'drain theory' became a catchword with the nationalists.

The Government also began to realise the need of a change in their attitude towards the people. This change in the attitude of the Government towards the subject of the prevention of famine was probably the most important development of the period. It was in this context that the Punjab Alienation Act was passed on 19 October 1900.⁵ Actually the work in connection with alienation of land on

- 1 Economic History of India (India in the Victorian Age), op. cit., pp. vi-xix.
- 2 Presidential Address to the Indian National Congress, 1901 Session. See also P.C. Ray, Indian Famines: Their causes and Remedies, Cal. 1901
- 3 The Prosperous British India Rule (London 1901), *chaps. iv and ix.*
See also Major Cecil B. Phipson, India's difficulties: some ways out of them: Indian Poverty and Indian Famines (London 1903)
In England an Indian union was formed which included Marquis of Ripon, Lord Hobhouse, Sir Raymond West, S.S. Thorburn, Wedderburn and Vaughn Nash.
- 4 The 1896 session of the Congress, Res xii stressed need for husbanding the Indian resources.
See also Annie Besant, How India fought for freedom, p. 247.
- 5 For principle and features of the Act - See C.H. Philips, Select Documents on the History of India and Pakistan, iv, pp. 646-7.

account of unchecked borrowing had been in progress for some time back.¹ On 26 October 1895, Denzil Ibbetson, Officiating Revenue and Agriculture Secretary to the Indian Government invited the views and the proposals of local administration on the problem of land transfers. Ibbetson remarked that the gift of the free power of transfer was an "evil" and a "positive political danger."² Unfortunately due to so many pressing problems, nothing much could be achieved except that a useful attempt to "advance its discussion" was made.³ Another preventive measure was started in the beginning of the new century. The Government devoted considerable attention to the development of irrigation, so as to reduce the dependence of crop on the vagary of the seasonal rainfall. A plan of rupees 44 crores for the next twenty years was drawn in 1905.⁴

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- 1 See for detail S.S. Thorburn, Mussalmans and Money Lenders in Punjab, London, 1886.
S.S. Thorburn, Report on Peasant indebtedness and Land Alienation to Moneylenders in parts of the Rawalpindi division, 1896.
S.S. Thorburn, His Majesty's Greatest Subject, London, 1897, p. 151.
M.L. Darling, The Punjab Peasant in Prosperity and Debt, London, 1932, chapters i, x and xi.
 - 2 Indian Govt., Confidential Circular to Local Govts., 26 October 1895, Enc. Indian Govt. to S.S. L.No. 58 (Rev), 30 October 1895, Revenue and Agriculture letters from India, vol.16.
 - 3 Elgin's Minute, vide Summary of the Administration of Lord Elgin, Revenue and Agricultural Department, p. 45.
 - 4 Report of the Irrigation Commission, 1903, para 114.

Fortunately, there was a great contrast between the beginning of the new century, which ushered in hope and new changes and the nineteenth century which was unceremoniously closed with two ghastly famines and a dastardly plague. Politically - the very occurrence of famine was a stigma - an unfortunate event, which made Elgin's rule unpopular, not for what Government did but the fact that it occurred. Paradoxically enough, though British rule to a very great extent had been responsible for the economic growth in India, yet up to the end of the nineteenth century the effects of the British rule "on the prosperity of people were undoubtedly disappointing."¹

1 Vera Anstey, Economic Development of Modern India, p. 5.

Chapter V

PLAGUE AND SEDITION

"For India, 1897 has been a year of calamities, Famine, Plague, earthquake, floods - offended Nature seems to have avenged herself, on the people and the rulers alike, with these and other afflictions."¹ This was how B.M. Malabari summarized the events of 1897. Added to these frowns of fortune were riots, murders, political trials and the change in sedition laws. Undoubtedly the last years of the viceroyalty could have been hardly more inauspicious and hectic.

Of all the troubles, it was plague which gave the Government and the people by far the most anxious time. Although in real terms famine was a much greater social and economic evil, in combating that challenge the Government had long evolved a famine policy. In case of plague there was neither any policy nor any systematic machinery to deal with it. In the first place, therefore, the steps taken to encounter the disease were experimental and often conceived in a spirit of alarm, fear and haste. When the trade of Bombay was seriously threatened with the outbreak of bubonic plague,² the

1 B.M. Malabari, India in 1897, Bombay, 1898, p. 3.

2 Plague is an acute infection of the blood by a bacillus which is usually introduced by the rat-flea and is often infectious. Col. W. Glen Liston: 'The Plague', Millray lecture, British Medical Journal, 31 May 1924, vol. 1, pp. 951-2.

Government undertook some strong measures which came in conflict with the social and religious beliefs of the people. The result of which was the outbreak of violence in various parts of the country. This necessarily assumed political importance and ultimately prompted the Indian Government and the Home Government to take stock of the wider issues of administrative policy towards India.

The presence of plague in the city of Bombay was officially recognised on 23 September 1896.¹ The responsibility to deal with plague was entrusted upon the Municipal Authorities. On 6 October 1896, the Bombay Government gave special powers to the Municipality to clean, disinfect, remove or destroy any insanitary property and take away the patient to the hospital or put him in isolation.² The provisions of this notification, particularly the removal of the sick from their homes to the hospitals evoked great resentment from the public. They began deliberately to conceal the cases. Many more migrated out of the city which resulted in the closing down of mills

1 Telegram, Viceroy to S.S., 2 October 1896, E.P., vol. 19. See also Report of the Indian Plague Commission, 1901, Para 21. See also Indian Govt. to S.S., L.No. 1 (Sanitary), 27 January 1897, Para 2. The first suspected case in Calcutta took place in October.

See Telegram, Viceroy to S.S., 12 October 1896, E.P., vol. 19. See also Mackenzie to Elgin, 10 October 1896, ibid., vol. 69. By December the port and city of Karachi were also affected. Telegram, Viceroy to S.S., 30 December 1896, ibid., vol. 19.

By April it had travelled into the interior of India. Report of the Indian Plague Commission, Para 105.

2 Municipal Commissioner's Report, Para 7. [Hereafter cited as Snow's Report after the name of the chairman].

and the dislocation of the economic life of the town.¹ The public expressed their grievances by resorting to complete hartal [strike] throughout the city on 29 October. On the same day 1000 mill workers attacked a Municipal hospital. The Government apprehended serious violence. Gauging the emotions of the people, the Bombay Government immediately issued a proclamation by which the earlier notification of 6 October was tacitly withdrawn. The public was assured that there would be no compulsion for the removal of the sick and no insistence for the evacuation of the infected houses.²

One important outcome of this development was that it became clear that the people would not tolerate anything infringing or affecting their social and religious customs. Much tact, persuasion and skill were needed to evolve a plague policy with which the public could cooperate.

In the meanwhile, during the winter months, the plague epidemic assumed serious proportions. Mortality rate increased and Bombay's foreign trade declined. In the first six months of plague more than 9000 deaths were recorded in the Bombay Presidency,³ and during

1 J. Nugent (Member Executive Council, Bombay) to J. Woodburn, 6 January 1897, Enc. Woodburn to H.B. Smith, 10 January 1897, E.P., vol. 70. From October to December 1895, nearly 250000 people had fled from Bombay. Statement of Moral and Material Progress in India, 1896-7, Parl. Papers, 1898, vol. 63, p. 29.

2 Report of the Indian Plague Commission, op. cit., Paras 600 and 605.

3 Report of the Indian Plague Commission, op. cit., Para 27.

the financial year 1896-7, the aggregate value of the trade of the port of Bombay fell off by 9 per cent.¹ This fall in the trade was neither very extensive nor was it entirely due to plague. Actually the decline in the overall foreign trade of India in the same year was only 3.6 per cent from the preceding year.² Further, the shrinkage in the export from Bombay and Karachi was largely due to famine, yet it was actively feared that western countries would object to carry on trade with India and that there would be a larger decline in trade unless more positive steps were taken to suppress plague. Both the Indian Government and the Home Government realised the gravity of the situation. Lord Elgin immediately dispatched Surgeon-General Dr Cleghorn of the Indian Medical Service to Bombay to report on plague. He prepared a memorandum in which he expressed dissatisfaction with the Bombay Government's handling of plague. He stated that plague was a disease of dirt and insanitary conditions and, therefore, needed thorough and strong sanitary measures. He recommended two main measures: first, the evacuation and segregation of the sick; and secondly, the destruction of unhygienic surroundings and dwellings.³ The Home Government, particularly the

1 Statement of Moral and Material Progress in India, 1896-7, Parl. Papers, 1898, vol. 63, p. 180.

2 Trade Review of India, 1896-7, Parl. Papers, [C. 8692], 1898, vol. 64, p. 6.

3 Cleghorn's Memorandum, Director General of Indian Medical Service, 16 January 1897, Enc. Indian Govt. to S.S., L.No. 1 (San), 27 January 1897, Revenue Letters from India, vol. 19. [Hereafter cited as Rev. L.I.].

Secretary of State, George Hamilton, who was frankly "more concerned about plague than famine" for the reason that a "market once lost, or even partially diverted is not easily regained," goaded the Government of India for still stronger action.¹ In addition to compulsory segregation and evacuation he asked for the closure of Indian ports to Haj pilgrims.² Such an action, he believed, would please the European countries and thus act as a great deterrent against the possible loss of trade.

Elgin was more disposed to accept Cleghorn's recommendations. Unlike Hamilton, he was moved not only by economic considerations but was inclined to take stock of social and religious implications of such a policy.³ Before giving a final reply to the Secretary of State, the Viceroy decided to gauge the opinion of local Governments, particularly the Government of Bombay.⁴ The Bombay Government agreed to close their port to pilgrim traffic.⁵ Similarly all other local Governments, except the Bengal Government, agreed that the

1 Hamilton to Elgin, 21 January 1897, E.P., vol. 15.
See also Telegram, S.S. to Governor of Bombay, 18 January 1897, Enc. Sandhurst to Elgin, 20 January 1897, ibid., vol. 20.

2 Telegram, S.S. to Viceroy, 10 and 12 February, 1897, ibid.

3 Elgin to Hamilton, 3 February 1897, ibid., vol. 15.

4 Telegram, Viceroy to Govt. Bombay, 13 February 1897, ibid., vol. 70.

5 Telegram, Govt. Bombay to Viceroy, 14 February 1897, ibid.

Bombay port should be closed but after observing quarantine rules and medical precautions, the pilgrims should be allowed to proceed from Calcutta and Madras.¹ It was the candid opinion of most of the responsible officers that total prohibition of Haj would be "politically injurious". John Woodburn, the Home Member, personally undertook a survey of the muslim feelings and came to the conclusion that total prohibition would complicate rather than ease the situation.² Such was the opinion of MacDonnell also.³ It might be further stressed that after 1 February 1897 no pilgrim ship had gone from Bombay. In response to the protection of trade and commerce the Indian Government had already instructed the Bombay Government to adopt any measure to prevent the outbreak, including the stoppage of pilgrims and the checking of the railway passengers.⁴ In compliance with the wishes of Dr. Cleghorn, the Municipal organisations

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1. See Elgin to Hamilton, 10 February 1897, ibid., vol. 15. See also Telegrams, Punjab Govt., 14 February 1897; C.C. of Central Provinces, 14 February; N.W.P. & O. Govt. to Viceroy, 15 February 1897. Enc. Elgin to Hamilton, MSS.Eur. D 509/iv.
 2. J. Woodburn's Note, 14 February 1897, Enc. Elgin to Hamilton, 17 February 1897, MSS.Eur. D 509/iv.
 3. MacDonnell to Elgin, 16 February 1897, E.P., vol. 70.
 4. Indian Govt. to Bombay Govt., 6 February 1897, Enc. Indian Govt. to S.S., L.No. 5 (San), 10 February 1897, Rev.L.I., vol. 19.

in Bombay, Madras, Bengal, North-Western Provinces and Oudh were provided with summary powers by their respective provincial Governments so as to restrict abatement of overcrowding, evacuation and cleaning of the affected areas.¹ In so doing the Government not only took almost all precautionary measures but also retained their confidence in the municipalities which was a very important step in soliciting the cooperation of the public.

After taking into account all shades of opinion, Elgin forcefully reiterated his views against total prohibition of Haj pilgrimage. He wrote: "It was an axiom of Indian administration, established by teaching of bitter experience, that to enforce orders which the ignorant masses could regard as infringing religious privileges must be dangerous."² Elgin's view was supported by the majority of the Executive Council.³ But nothing short of total prohibition appealed to Hamilton. He over-ruled the Indian Government.⁴ In over-ruling the Indian Government, Hamilton supported by Lord Salisbury, was merely motivated by imperial considerations and did not take into account the possible political implications. He

1 Indian Govt., to S.S., L.No. 7 (San), 24 February 1897, Para 3, ibid.
 2 Elgin to Hamilton, 17 February 1897, E.P., vol. 15.
 3 Two Military Members, Collins and Gen. White and Law Member, Chalmers, dissented from the majority opinion.
 4 Telegram, S.S. to Viceroy, 18 February 1897, E.P., vol. 20.

himself confessed to Elgin, "I am always sorry from here to press you to do something, the benefit of which we feel in Europe and the danger and drawback of which you have to bear in India."¹ From 20 February, for the first time, the annual Haj pilgrimage was suspended,² obviously to the annoyance of Elgin, who recorded: "I must confess to some surprise that those whom you consulted were unanimous in recommending the step, but perhaps it is another illustration of the fact that it is the men who were actually concerned in the administration on the spot who were most keenly alive to the possible presence of waves of sentiment."³

This action of the Home Government was not an isolated one but was coupled with many other restrictive instructions to change the structure of plague administration in Bombay. Hamilton believed that it was beyond the powers of the municipal authority to shoulder so huge and onerous a responsibility. He considered it essential to substitute the municipal authority by an executive body of a few officials.⁴ In the first instance, both Sandhurst, the Governor of

1 Hamilton to Elgin, 26 February 1897, ibid., vol. 15.
See also Hamilton to Elgin, 19th February, 12 March, 2 April, 1897, ibid.

2 Report of the Indian Plague Commission, op. cit., Para 696.

3 Elgin to Hamilton, 10 March 1897, E.P., vol. 15.

4 Telegram, Hamilton to Sandhurst, 6 January 1897, Enc. Sandhurst to Elgin, 20 June 1897, ibid., vol. 20.
See also Hamilton to Elgin, 7/8 January 1897, ibid., vol. 15.

Bombay and Elgin were not favourably disposed towards Hamilton's views.¹ But soon the pressure of the English and the Anglo-Indian press increased. The Government's plague policy was condemned as weak, foolish, timid and obstinate.² Unfortunately, under the bellicose and hysterical attitude of the India Office and English press, the Bombay Government by March 1897, succumbed to their pressure and relieved the municipal authority of their plague duties, and appointed instead an executive committee of four under surgeon Brigadier-General Gatacre.³ The Committee was given the widest possible powers. It was authorised to evacuate any building, destroy it, forcibly search the private homes, segregate the patient and remove him to hospital.⁴

To fulfil these tasks search parties were used which acted as flying squads. They visited houses in order to detect the cases or

- 1 Telegram, Sandhurst to Hamilton, undated, Enc. Sandhurst to Elgin, 20 January 1897, ibid., vol. 70.
See also Elgin to Hamilton, 27 January 1897, ibid., vol. 15.
See also Elgin to Sandhurst, 22 February 1897, ibid., vol. 70.
- 2 See The Times, 16 March and 22 March 1897.
See The Times of India, 29 January 1897.
See The Englishman, 5 February 1897.
See The Pioneer, 27 and 28 February and 3 March 1897.
- 3 Other members of the Committee were, Mr. Snow, the Municipal Commissioner, Surgeon-Major Dimmock of Indian Medical Service and Mr. James, an Engineer from the Bombay corporation. Indian Govt. to S.S., L.No. 9 (San), 10 March 1897, Para 3, Rev.L.I., vol. 19.
- 4 Indian Govt. Notification, 20 February 1897, Enc. Indian Govt. to S.S., L.No. 9 (San), 10 March 1897, Rev.L.I., vol. 19.
See also Gatacre Report on Plague, page 5.
See also Indian Plague Commission Report, op. cit., Para 28.

insanitary surroundings and were supported by a cordon of soldiers to prevent the people from escaping.¹ These search parties were not always sensitive to the feelings of the local people. An evidence of the reckless attitude of the search parties could be seen in the very words of a City Health officer, who said "We treated houses practically as if they were on fire, discharging into them from steam engines and flushing pumps quantities of water charged with disinfectants."² The most intolerable feature of the search parties which were exclusively composed of the British officials related to their invasion of the privacy of an Indian house - for the Indian women, Hindus and muslims alike practised purdah. Secondly, the behaviour of the British soldiers was not often quite up to the standard. Sandhurst himself was not too sure of the "Tommyes!"³ This lack of concern for the private property and other social customs excited distrust and alarm among people. The feelings of the people in Bombay ran high. By the end of March riots were only avoided by the timely withdrawal of all British search parties and by incorporating the Indian element into them.

1 Report of the Indian Plague Commission, Para 581.

2 Quoted in the Memorandum of the Army Sanitary Commission Report of the Municipal Commissioner of Bombay, 1896-97, India Home Proc. (Municipal), 1896, vol. 5646, No. 9, January 1899. Another example of the nature of their work could be deduced from the contents of one of the Governor's weekly telegrams, stating their activities in Bombay city. It read: "130 dwellings condemned, 109 recommended for alterations, tiles removed from 1027, floors dug in 492, 547 lime washed, 299 vacated, 3 destroyed by fire etc." Telegram, Gov. of Bombay to Viceroy, 14 March 1897, E.P., vol. 20.

3 Sandhurst to Elgin, 17 March 1897, ibid., vol. 70.

These measures which were already exceedingly unpopular did not deter the India Office from suggesting some more stringent steps, like corpse inspection and a system of land quarantine. The latest suggestions were made by Dr. Lawson, the Medical Director General at the India Office, who ardently believed in very vigorous and drastic measures. Hamilton and his special committee on plague¹ recommended to dispatch Dr Lawson and Dr Reade to India to carry out their schemes. Both of them, who had previous experience of plague in Hong Kong, arrived in Bombay on 1 March 1897.² With their arrival a new chapter in the history of anti-plague operation was opened.

No sooner did Dr Lawson land in Bombay than he started advocating land quarantine. He proposed a sort of sanitary cordon across the affected places in order to completely seal off the infected areas. He found a passionate supporter to the idea in the Lieutenant Governor of Bengal, Mackenzie.³ However, Elgin and his executive council generally with the exception of Collen, came out forcefully against land quarantine. The Indian Government rightly argued that land quarantine would be ineffective and could not be

1 Plague committee consisted of J. Piele, S.C. Bayley and Charles Crosthwaite.

2 Sandhurst to Elgin, 1 March 1897, E.P., vol. 70.

3 Elgin to Hamilton, 17 March 1897, ibid., vol. 20.

administratively feasible. It would give opportunities for "oppression and extortion" and quarantine stations could themselves become centres of serious outbreak.¹ It was argued that any additional restriction on the movement of the people would be bitterly resented and might lead to disastrous consequences.²

The Bombay Government could not, however, check Dr Lowson's measures for corpse inspection. Under the influence of the Secretary of State, Sandhurst agreed to put this into practice. The purpose of inspecting the dead was twofold: to ascertain the cause of death and to detect the suspected cases in the houses of the deceased. Surely the examination of the corpse, particularly that of the ladies was bound to excite the religious prejudices of the public. It appeared relatively too inflammable an issue to be more useful medically. Elgin, who was as baffled by plague as any one else, but unlike many others realised the probable effect of such an issue. He for once refused to take a panicky view of the situation. He termed Dr. Lowson's opinion as "rash" "lacking in experience" and urged Hamilton not to commit the Government to more severe measures.³ It was as much to Elgin's insistence as to Lord Sandhurst's concurrence with him, that Bombay proper escaped the

1 Indian Govt. to S.S., L.No. 12 (San), 31 March 1897, Para 7, Rev.L.I., vol. 19.

2 Ibid.

3 Elgin to Hamilton, 7 April 1897, E.P., vol. 20.

practice of corpse inspection, through Poona and Karachi were less fortunate. It was, therefore, not a matter of surprise that in June 1897 sharp violence broke out in Poona. Elgin had done his best to forewarn Hamilton. He discreetly wrote: "I am not sure that it would be safe to conclude that the Bombay Government were not well advised in feeling their way towards the very severe restrictions they now impose. For myself I shall wait till the history of this Plague is written."¹ In yet another letter he emphasised that "a very small spark might cause an explosion".²

Dr. Lawson still insisted on the extension of corpse inspection in Bombay city. But the Bombay Government was now no longer prepared to tolerate any rash measures for fear of open violence. They discreetly packed off Dr. Lawson to Calcutta, where he and Mackenzie formed a formidable team. The Lieutenant Governor of Bengal, with the aid of Dr. Lawson, revived the demand for land quarantine.³

Elgin reacted swiftly and sharply. He wrote curtly to Mackenzie: "I will only say that no amount of protest from Dr. Lawson will convince me that any responsible authority in India can shirk the consideration of the political dangers of forcing the people prematurely into methods repugnant to their ideas of right and wrong. Much can

1 Ibid.

2 Elgin to Hamilton, 4 April 1897 (appendix), ibid.

3 Mackenzie to Elgin, 10 May 1897, ibid., vol. 70.

be done by kindly leading, much can be lost by rigid and unsympathetic attitude."¹ He plainly told the Lieutenant Governor that the system of land quarantine was not even favoured by Dr. Cleghorn, the highest medical authority in India. Talking about Dr. Lawson, he wrote "I believe that the Home Department had no wish to enhance his (Dr. Lawson) importance as an adviser, but felt bound to forward the Bombay recommendation. I sometime wonder if Bombay in their hearts wished to see his energies employed elsewhere."² Lest Elgin's weakness were over-emphasised; the Viceroy categorically told the Secretary of State that if Bengal Government passed any legislation in favour of land quarantine, he would be constrained to over-rule and disallow such an act.³ Elgin at last succeeded in restricting the more ominous and vulnerable tendencies.

In the meantime plague restrictions began to bite. The muslims showed strong resentment against the suspension of pilgrimage and compulsory removal of the sick. In the muslim centres of the North-Western Provinces and Oudh there was a smouldering of bitter feelings

1 Elgin to Mackenzie, 17 June 1897, ibid.

In a separate letter to Sandhurst, Elgin showed his disappointment with Mackenzie: "I do not believe that Mackenzie has managed to arrest a single genuine case, though he has several bogus ones, and has caused a great amount of inconvenience and heartburning." Elgin to Sandhurst, 3 May 1897, E.P., vol. 70,

2 Elgin to Mackenzie, 31 May 1897, ibid.

3 Elgin to Hamilton, 25 May 1897, ibid., vol. 15.

against the Government.¹ These restrictions were not only disliked by the Muslims but were also hated by Hindus. There was a unanimity between the two communities in registering their condemnation of the Government measures. The emotions were almost at a fever pitch. Indian newspapers, who really represented the feelings and reactions of the people were extremely critical of the Government's handling of the plague. The Hitavadi, wrote: "The plague regulations have made the people more uneasy than the plague itself."² The most despised regulation related to segregation and inspection of females. The Hitavadi commented that the "inspection is most offensive to female modesty, as it is made on a crowded platform by touching various parts of the body."³ The executors of the Government policy were named as "brutes", "butchers", "barbarous" and "wild bulls".⁴

The final outcome of these emotions resulted in open-violence. Plague riots broke out in the Punjab, Mysore, Calcutta and Bombay and the most serious of all in Poona, where the restrictions were the severest.⁵ On 22 June 1897, the chief plague officer W.C. Rand

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- 1 MacDonnell to Elgin, 4 March 1897, Enc. Elgin to Hamilton, 10 March 1897, MSS.Eur. D 509/iv.
See also Elgin to Hamilton , 24 and 31 March 1897, (appendix), E.P., vol. 15.
See also Woodburn to H.B. Smith, 23 March 1897, ibid., vol. 70.
 - 2 Hitavadi, 26 March 1897, Bengal N.N.R., 1897.
 - 3 12 March 1897, ibid.
 - 4 Kalaputra, 18 April 1897, Sudharak, 3 May; Danyan Prakash, 10 May, Kesari 27 April, and 6 May; Mahastra Mitra, 29 April 1897. Bomb. N.N.R. Report, 1897.
 - 5 See Poona Memorial to W.C. Rand, 17 April 1897, J.P. Papers 1896 A/97, vol. 456.

and Lieutenant C.E. Ayerst were fatally shot.¹ On the same evening Captain Ross was assassinated in Peshawar.² Almost simultaneously serious riots took place in Chitpur, Calcutta.³ These riots coincided with the Tribal rising, in the North-Western frontier of India. Last but not the least, there was a great excitement in India on the Turkish victory over Greece in the Greeco-Turkish war, which gave stimulus to Pan-Islam movement.⁴ Although circumstances and reason for these various disturbances were different but all these events taken together became a source of great concern and suspicion to the large section of the Anglo-Indian community. Their fears were further aggravated when the real issues were confused with imaginary and alarming news published by the English press in India and outside India.

The Pioneer stated that there was a well-planned conspiracy throughout India and the Poona murders were deliberately planted to coincide with the Jubilee.⁵ Echoing the same sentiment, the

1 Sandhurst to Elgin, 27 June 1897, E.P., vol. 70.
The Pioneer, 25 June 1897.

2 Ibid.

3 The Times, 1 July and 3 July 1897.

4 See Hamilton to Elgin, 14 May and 21 May 1897 (appendix), E.P., vol. 15.

See also 'The Musalmans of India and Sultan', The Contemporary Review, vol. lxxi, [February 1897].

See also Lepel Griffiths, 'The Breakdown of the Frontier Policy', The Nineteenth Century, vol. xlii, [October 1897].

5 The Pioneer, 11 July 1897.

Englishman wrote that the commulative developments exhibited a large scale antipathy of the "natives" against the British.¹ The Times of India saw in the events a clear "sign of preparation and organisation".² Many others reported that there was a general unrest comparable with the rising of 1857. The St. James Gazette wrote that Chitpur and Poona riots and other accidents "bears too much resemblance to that which was allowed to be brought about in the parts of India.... Every sensible man is very well aware that the old antipathy of East to West was not ended - has not even, it may be, really diminished. Sometimes it reaches a point at which the different sects will sink their mutual hatreds for a space to unite against the common enemy. They did so in the early days of mutiny."³

The Times specially took a conservative view. It repeatedly stressed that events of the time represented a political danger to the Empire. Elucidating its point, The Times gave reference to the incident in the Punjab, that on the jubilee day, a certain rowdy element (mostly children) disturbed the opening ceremony of the statue of Queen Victoria in Lahore. Commenting on this incident, which in any other circumstances would not have been

1 The Englishman, 2 July 1897.

2 The Times of India, 9 July 1897.

3 The St. James Gazette, 3 July 1897, E.P., vol. 79. (Newspaper cuttings).

See also The Morning Post, 3 July 1897, ibid.

worthwhile, the Times wrote: "And this happened, be it be remembered in the capital of the Punjab, the most loyal province of India, which turned back the tide of the mutiny and stemmed the National Congress movement. If ... such things are done there, what may not occur in Poonah, Benares, and Calcutta, the head centres of Brahmin or Bengali disaffection."¹ In view of the outcome the Times recommended the control of the vernacular press - the mouthpiece of sedition.² In a special article on Indian affairs,³ the Times repeated its call to check the Indian press. It constantly drew attention to "a new danger from possible combinations by masses of ignorant men, accustomed to work together in their daily life, but totally ignorant of the motives and designs of those who would use them for their own ends."⁴

1 The Times, 2 July 1897.

2 5 July 1897.

3 W.W. Hunter was the special correspondent of The Times in India.

4 The Times, 19 July 1897.

It is strange but refreshing to see that The Observer, 4 July 1897, took a very realistic view and came out against the move to decry the Indian Press. It wrote: "It would be unpardonably silly if the Government were to import some of those continental methods of Press censorship which we are never tired of decrying The Native Press with their violent and illogical diatribes, may not be a very satisfactory gauge of popular feeling, but it is a rough and probably true index as to what is currently said in still more violent and illogical circles below, and an approximate guide to such underground movements is better than no guide at all." E.P., vol. 79 [Newspaper cuttings].

The question boils down to one fact: were these outrages the result of a calculated political move against the British Raj? Was India inseminated with a wave of unrest and sedition? Was there any need of controlling the vernacular press?

Lord George Hamilton, appeared convinced by the utterances of the English press. He felt certain that the "outrages" in Poona were not the outcome of personal revenge or religious fanaticism but the work of a critical and hostile press which preached and sowed the seeds of sedition.¹ He assumed that the vernacular press offered a favourable medium to the Brahmins of Poona, "to fan the flame of ignorance and prejudice, and they have done so successfully."² He believed that the hostile Muslim feelings, the popularity of the Turkish victories and the rapprochement between Hindus and Muslims - all indicating a serious trend dangerous to the British Raj. Hamilton suspected a definite connection between the Pan-Islamic movement and the Tribal rising, which he surmised was fostered by the vernacular press.³ He wrote, "It seems to me impossible that so widespread a combination of disturbance can be indigenous."

1 Hamilton to Elgin, 24 June 1897, (appendix), E.P., vol. 15.

2 Hamilton to Elgin, 2 July 1897, (appendix), ibid.

3 Hamilton to Elgin, 30 July 1897 (appendix), ibid.
See also Telegrams, S.S. to Viceroy (Foreign Secret), 12 August, 16 August and 18 August 1897, ibid., vol. 20.

Hamilton attributed this unpopularity to "the processes of education, of an unlicensed press, and the development of national feelings or religious enthusiasm which they [Press] work to create, all tend to make the onslaught against our Government more powerful while the powers behind the authorities do not correspondingly multiply."¹ Speaking of the overall situation, Hamilton wrote: "Not since the Mutiny has there been such combination of difficulty inside India."² He feared that the "Native troops", who formed the main pillars of British imperialism in India were being gradually influenced and there appeared to him already some visible signs of unrest. He could think only of one remedy - the adoption of "exceptional measures" to control the Indian press.³ He expressed similar views in the House of Commons on 1 July 1897.⁴ On 10 July he telegraphed Elgin to bring a new Press Act and change the sedition laws immediately.⁵

Elgin, on the other hand, was sceptical of any such widespread danger which warranted so sweeping a treatment.⁶ But it induced him to

1 Hamilton to Elgin, 19 August 1897, [appendix], ibid., vol. 15.

2 Hamilton to Elgin, 12 August 1897, [appendix], ibid.

3 Telegram, S.S. to Viceroy, (Pr. Conf), 3 July 1897, [appendix], ibid., vol. 20.

4 Parl. Debates, H. of C., 4 Series, vol. L. p. 863.

5 Telegram, S.S. to Viceroy, (Pr. Conf), 10 July 1897, [appendix], E.P., vol. 20.

6 Telegram, Elgin to Hamilton, 4 July 1897 [appendix], ibid.

investigate the real truth. Accordingly Elgin wrote confidentially to MacDonnell, Mackworth Young, Lyall, and Sandhurst enquiring as to whether there was any visible element which lent support to the view that the Poona murder, the Peshawar outrage, the Calcutta riots and the Tochi business were evidences of a general movement which was alleged to be taking place in India.¹

Regarding the Poona murders it was evidently known that they took place as a reprisal against the plague measures which were exceedingly unpopular in Poona and other places.² Sandhurst and K.C. Ollivant, the Home Member of the Governor's executive council, were of the opinion that the murder of Rand was due to the personal vendetta against him.³ C.S. Bayley, the superintendent of the department of Thagi and Dakaiti who carried out a thorough investigation, never found any semblance of evidence linking the Poona tragedy with anything else.⁴ Nor has any evidence cropped up since then.

1 Elgin to MacDonnell, Sandhurst, Lyall, Mackworth Young, 6 July 1897, (appendix); 6 July (appendix); 11 July (appendix); 11 July (appendix) respectively, ibid., vol. 71.

2 Bombay Govt. to S.S., L.No. 52 (Jud), Conf., 29 July 1897, Para 3, J. and P. Papers 1657/97, vol. 454.
See also Elgin to Hamilton, 29 June 1897, E.P., vol. 15.

3 Sandhurst to Elgin, 27 June 1897, ibid., vol. 70.
See also Telegram, Sandhurst to Elgin, (Pr), 15 July 1897, ibid., vol. 71.
See also Ollivant to Woodburn, 10 July 1897, Enc. Woodburn to Elgin, 16 July 1897, ibid.

4 C.S. Bayley to H.B. Smith, 12 July 1897, J. and P. Papers 1896A/97, vol. 456.

As to the murder of Captain Ross at Peshawar, the Punjab Government's enquiries revealed no clue or collaboration with any outside influence. It was merely an act of a muslim fanatic - nothing beyond it.¹

Nor was there any evidence available which could trace any bearing of Chitpur riots to any such general wave of unrest. Actually the trouble originated on a controversy over a plot of land belonging to Sir Jotendra Mohan Tagore which was wilfully occupied by a Muslim, Himmat Khan, who falsely alleged that the plot contained a mosque. On 30 June 1897, the police got possession of the land. Next day nearly 2000 Muslims assembled and again rebuilt the mosque. The police went and dispersed the crowd. To avoid trouble Sir Jotendra Nath agreed not to force the eviction. But the Bengal Government thought it judicious to carry out the orders of the court. On 2 July 1897 the rioters attacked Tallah pumping station and also some Europeans. The police resorted to firing and some people were killed.² On 6 July many mill hands in Barrackpore struck in sympathy with their cause. Many Europeans who feared an attack on mills fired indiscriminately till the mob was bogged down by the police. Many

1 Mackworth Young to Elgin, 15 July 1897, [appendix], E.P., vol. 71.

2 Telegram, Chief Secy. Bengal Govt. to Secy (Home) Indian Govt., 3 July 1897, India Public (Home) Proc., vol. 5181, October 1897, No. 125.

were killed and many more were injured.¹ Stevens the officiating Lieutenant Governor of Bengal, believed that these riots were caused due to the Europeans taking a very alarmist and exaggerated view of the situation.² He said that the general behaviour of the English was panic-stricken and wrong. Reporting to the Indian Government, the chief secretary of Bengal wrote: "There has been much unreasonable excitement in Calcutta among the non-officials, and much foolish correspondence has been admitted into the papers."³ Stevens asserted, there was no doubt that muslim feeling was agitated on account of the plague rules. It was in the same vogue that Pan-Islam movement in Bengal carried their sympathy. He was firmly of the opinion that the Chitpur riots were an isolated event which needed no overestimation.⁴

- 1 Telegram, Lt.Gov. Bengal to Viceroy, 6 July 1897, India Public (Home) Proc., vol. 5181, October 1897, No. 133.
See also for details A.H. James, Commissioner of Police Calcutta, to Chief Secy. Bengal, 22 July 1897, India Public (Home Proc) vol. 5181, October 1897, No. 150.
Also J.P. Hewet Secy (Home) Indian Govt. to Bengal Govt., 13 August 1897, India Public (Home) Proc., vol. 5181, October 1897, No. 154. See also Calcutta Review, October 1897, pp. 391-4.
- 2 C.C. Stevens to Elgin, 8 July 1897, Enc. Elgin to Hamilton, 14 July 1897, MSS.Eur. D 509/6.
The Lt.Governor reported to Elgin that one Captain Petley made some very inflammatory speeches and on 7 July he took a party of naval officers to Barrackpore without any authority.
- 3 W.C. Bolton, Ch. Secy. Bengal to J.P. Hewet, Secy. (Home), Indian Govt., 7 July 1897 (Conf), J. and P. Papers 1796/97, attached to 1813/97 vol. 456.
- 4 Stevens to Elgin, 8 July 1897, op. cit.

There was no foundation in the charge that the army was disaffected. The recent performance of both the Muslim and the Sikh Sepoys against the tribesmen had proved their loyalty to the Raj. There was no manifestation of any malevolent feeling on the part of the army, asserted Elgin and C.S. Bayley.¹ Similarly no proof was forthcoming indicating the Amir's connivance with either the tribes or the sepoys. Kabul and Constantinople were distinctly apart.²

On the whole, Assam, Burma, the Central Provinces, Berar and Madras were perfectly quiet and "free from agitation and ill feelings".³ In the North-Western Provinces there was some excitement, particularly amongst the Muslims and some natural sympathy with Turkey but there were no indications of any sedition. MacDonnell reported that there was dissatisfaction with the existing orders of things on the part of the English-educated classes, but their purpose was not to destroy or supplant the British Government.⁴ Alike, the vernacular press was not disloyal but dissatisfied. He frankly confessed that much had been exaggerated by the "hysterical"

1 Elgin to Hamilton, 6 July 1897, E.P., vol. 15.

C.S. Bayley to H.B. Smith, 12 July 1897, op. cit.

2 Elgin to Hamilton, 4 August 1897, [appendix], E.P., vol. 15.
See also Elgin to MacDonnell, 17 January 1898, ibid., vol. 72.

3 C.S. Bayley to H.B. Smith, 12 August 1897, op. cit.

4 MacDonnell to Elgin, 16 and 19 July 1897, [appendix], E.P., vol. 71.
See also Memorandum on state of public feeling in Rohilkhand division as related by district officers at a conference held in Barielly on 12 July 1897, J. and P. Papers 1896A/97, vol. 456.

English Press and added, "Perhaps the Pioneer is doing more harm than any Native paper by its needlessly alarmist letters under the heading 'the signs of times'."¹ Bayley too was of the opinion that most of the European fears were exaggerated by the needlessly dismayed and panic-stricken Anglo-Indian Press.² MacDonnell who had experience of the Home Office, considered it neither necessary nor desirable to remedy the situation by controlling the press. However, he did not object to taking judicial action against any patently seditious paper.³

C.J. Lyall, the Chief Commissioner of the Central Provinces and formerly Home Secretary to the Indian Government, also attached no political significance to the Calcutta or Poona riots. He agreed that the sympathy of the Muslims with Turkey was a disturbing factor but in no case was it dangerous. He said that though of late the vernacular press had become hostile, but it had not "in any part of the empire, with which I am acquainted, gone the length of producing serious and active disaffection." He advised strongly against the resurrection of the Vernacular Press Act.⁴ Such was also the

1 MacDonnell to Elgin, 22 August 1897, [appendix], E.P., vol. 71.

2 C.S. Bayley to H.B. Smith, 12 July 1897, J. and P. Papers, 1896A/97, vol. 456.

3 MacDonnell to Elgin, 22 August 1897, [appendix], op. cit.

4 Lyall to Elgin, 17 July 1897 [appendix], E.P., vol. 71.

opinion of both Stevens and Sandhurst.¹

Macworth Young, the Lieutenant Governor of the Punjab, on the other hand, discerned among some people a growing feeling of impatience with the authority. This feeling, he said, was more alive in the urbanised and educated section of the society and was encouraged by the newspaper editors, unsuccessful pleaders and disappointed aspirants for Government jobs. He found the Indian press "scandalous" and largely responsible for the Poona riots.² He personally favoured the re-arming of the Government with the "Lytton Act" but hastened to add: "I realise that the spirit of the times is against anything in the shape of the Press Act and the extension of the Criminal Law is the only practical method of dealing with such firebrands."³

From the evidence given above it could be deduced that there was in India discontent but no disaffection, resentment but no sedition.

Much of the bitterness was due to the plague rules. The vernacular press was not outrageously scandalous. It was the Anglo-Indian press which was often irresponsible. Even in Bombay where the Indian press was deemed to be the fountainhead of sedition, the Government's annual report issued on 27 July 1897, found only

1 Stevens to Elgin, 15 July 1897 [appendix], ibid.
Sandhurst to Elgin, 25 July 1897, [appendix], ibid.

2 Macworth Young to Elgin, 15 July, [appendix], ibid.

3 Ibid.

12 papers out of 200 using offensive language which could be "near the verge of seditious writing".¹ On the other hand, the press of Madras far from being hostile was distinctly friendly.²

Strengthened by the opinions of the officials, Elgin finally surmised - "If special executive powers against the press are intended we consider them undesirable".³

Elgin's opinion did not please Hamilton. In addition to the strengthening of the law against sedition by adopting summary procedure at Simla, he urged and repeated his preference for executive action to suppress the "Native Press".⁴

Hamilton's latest communication upset Elgin, but he declined to hurriedly legislate at Simla and to revive Lytton's Press Act. He argued that any legislation produced under the pressure of panic would not be durable and, may even be dangerous. Secondly, the implementation of so strong and extreme measures "would do absolutely nothing to assist in the detection and punishment of those concerned in the recent outrages."⁵ Therefore, he asserted, there was no

1 Quoted by Elgin, Elgin to Hamilton, 4 August 1897, [appendix], E.P., vol. 71.

2 Report on the Nature of Vernacular Press of Madras, Chief Secy. Madras to Secy. (Home), Indian Govt., 21 June 1897, J. and P. Papers 1498/97, vol. 452.

3 Telegram, Elgin to Hamilton (Pr), 17 July 1897, [appendix], E.P., vol. 20.

4 Telegram, Hamilton to Elgin (Pr), 19 July 1897, [appendix], E.P., vol. 20.
See also Hamilton to Elgin, 14 and 23 July, 1897, [appendix], ibid., vol. 15.

5 Elgin to Hamilton, 20 July 1897, [appendix], ibid.

justification in passing an Act of the kind at Simla. He then elucidated the point of difference between him and the Secretary of State: "In your telegrams you imply that, unless we are unanimously opposed to it, we ought still to consider the strengthening of the executive powers by which I suppose I am to understand some such powers as were conferred by Lord Lytton's Act. I am afraid that I should have to oppose that, whatever the opinion of the Council."¹

Elgin knew that public opinion in England had been led astray by the gross misrepresentations of the Anglo-Indian Correspondents. The Poona murders could have been serious at any time; but without the "scandalous exaggerations" from Calcutta there would have been nothing to suggest a widespread conspiracy throughout the empire.

Elgin urged that

if, as a result of a deliberate and careful investigation, it is determined that the powers of the Government of India to deal with the Sedition are insufficient, I do not think it is likely I should refuse any support to proposals for amendment of the law, even if they go in a direction which I generally disapprove. But what I do not think I can fairly be asked to do is to prejudge the case against my own side. If I stood alone, it might be different. The remedy then will be simple, for I could stand aside and let someone else play the part I refused I must confess your yesterday's telegram has disturbed me and it may be well if I unfortunately am compelled to differ from you that you should know that I have not decided lightly.²

1 Ibid.

2 Ibid. See also Telegram, Viceroy to S.S. (Pr), 22 July 1897, ibid., vol. 20.

In this long letter Elgin made two things clear:

(a) that he was fundamentally against a Vernacular Press Act and would prefer to resign than to agree to it;

(b) that he would resort to non-executive action against sedition but not without due consideration and deliberation.

This resolute stand of Elgin had the desired effect. Hamilton agreed, though reluctantly to drop the demand for a Vernacular Press Act.¹ Perhaps the most significant outcome was that Calcutta regained the initiative once again in dealing with matters of vital administrative importance, which it had lost in connexion with the cotton duty controversy. Secondly, Elgin had refused to be committed to any negative restrictions. Though his attitude might not be considered to be liberal, it was calm, cautious and calculating.

Hamilton's attitude in this whole affair deserves some explanation.

Hamilton knew and realised from the very outset that there was no general movement of any kind, but he found in the murder of Rand an excuse to crush the press. In the very first telegram after Rand's murder, Hamilton wrote to Sandhurst whether the outrages could be connected with the incendiary tone of the press.² The very next day he expressed the same sentiments to Elgin.³ A little later

1 Telegram, S.S. to Viceroy (Pr), 23 July 1897 [appendix], ibid. See also Hamilton to Elgin, 12 August 1897 [appendix], ibid., vol. 15.

2 Telegram, S.S. to Sandhurst (Pr), 23 June 1897, MSS.Eur. D 506/1.

3 Hamilton to Elgin, 24 June 1897 [appendix], E.P., vol. 15.

he wrote to Elgin that both he and the Judicial and Public Committee¹ of his council were strongly of the view that advantage should be taken at this juncture to legislate and restrict the vernacular press.² To make it sound more convincing he suggested to the Viceroy that the initiative must come from India and this, he wrote, "you have, especially if Rand's murder can be associated with his personal denunciation by the press."³ He was obviously more insistent to do it quickly, lest the tempers might cool down and the opportunity slip.

Though Elgin refused to be hustled, Hamilton kept up the pressure. Replying to Elgin's long letter of 20 July, Hamilton wrote:

In my earlier telegrams I rather pressed the immediate alteration of the law, as I thought we could more easily carry public opinion with us in England, when the shock of the two murders at Poona had generally affected the public. It is really a question of tactics, and tactics depend on local considerations, and what may be judicious in England may have an opposite effect in India; but my own political experience is in favour of utilizing without hesitation for the accomplishment of a difficult but necessary task any unforeseen advantage an exceptional occurrence may give.⁴

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- 1 The members of the committee were, J. Piele, A.C. Lyall, Charles Crosthwaite, Denis Fitzpatrick and Bayley.
 - 2 Hamilton to Elgin, 8 July 1897 [appendix], E.P., vol. 15.
 - 3 Ibid.
 - 4 Hamilton to Elgin, 12 August 1897 [appendix], ibid.

In the same letter he again stressed

I dread the day when the northern or/^{the}fighting races, from whom we draw recruits, take to reading the vernacular press. Prevention rather than conviction should be our object. A summary executive power exercised without noise, or demonstration, is what oriental peoples appreciate

Hamilton was obviously more anxious about the future than about the present.¹ He wrote: "I am anxious to utilize the present opportunity, when we have a House of Commons ready to assent to anything the Government of India may demand, to try and put our house in order for future troubles."²

This illiberal view was not suddenly acquired by Hamilton. Ever since he became the Secretary of State for India he had been constantly pressing Elgin to pass some restrictive laws. If there was one thing which he feared most, it was the Indian Press. Writing in September 1896, when no riots or any other trouble had taken place, he had dwelt on the danger of allowing the freedom of press. He could not trace in the papers he read any symptoms of loyalty to the British rule.³ In another letter he wrote, "I grant that Indian native press do not advocate the overthrow of our rule but their everlasting criticism and imputation of motives must ultimately

1 Hamilton to Elgin, 19 August 1897, [appendix], ibid.

2 Hamilton to Elgin, 26 August 1897, [appendix], ibid.
See also Hamilton to Elgin, 16 September 1897, ibid.

See also Hamilton to Elgin, 30 September 1897, [appendix], ibid.

3 Hamilton to Elgin, 17 September 1896, ibid., vol. 14.

make an impression just as a perpetual drop wears out the stone."¹
 He added: "Every year we turn out more and more educated Natives, every year the press will increase, and become more powerful. Its circulation may now relatively be small, but it must continually increase, and, if there is nothing to counteract it, its effects must be yearly more and more pernicious."²

This was only one aspect of his concern. He also wanted to see the influence of the Indian National Congress decline by merely ignoring it.³ He was equally determined to see that the Hindus and the Muslims remained disunited. He believed that when the Hindus and Muslims were disunited they were an administrative problem, but when they were united they would become a political problem and a political problem was worse than an administrative problem.⁴

Elgin, on the other hand, thought precisely the opposite. First, he said, it would be as much wrong to set the clock back by bringing in Lytton's Act, as to look far ahead to the dangers of distant future. He wrote to Hamilton, "I feel the force of what

1 Hamilton to Elgin, 30 October 1896, ibid.

2 Ibid.

3 Hamilton to Elgin, 17 July 1896, ibid.
 Also Hamilton to Elgin, 11 December 1896, ibid.

4 Hamilton to Elgin, 3 May and 14 August 1897, ibid., vol. 15.
 See also Hamilton to Elgin, 21 January 1898, ibid., vol. 16.

you say of dangers that may arise in the future, the comparatively distant future. So far as we can, we must, I admit, frame our measures so as to guard against these dangers. But at the same time there is a danger in looking too far ahead, and not observing the rocks that may be under the bows."¹ Secondly, it was too much to expect from a man belonging to Gladstone's and Ripon's party to enact a law already repealed. Even then Elgin was prepared to go far, if there was any apparent danger to the empire. He approached the problems of India not as Hamilton did - from narrow and limited view, nor also, as probably Ripon would do - from a positively liberal point, but in his own way from a deliberately cautious and non-alarmist view.

He was genuinely convinced that the "Native Press" was not hostile. Actually much of the muddle was created on account of the extra-suspicious attitude generally adopted by the European officials towards the Indian Press.² His colleagues like Trevor and Westland entertained serious misgivings against the press and would welcome some means of repressing it. But Elgin was not influenced by them. Writing to the Home Member he said, "Personally I do not consider the Native Press to be either so seditious or so dangerous as I know some do.

1 Elgin to Hamilton, 7 September 1896, [appendix], ibid., vol. 16.

2 Elgin to Hamilton, 27 July 1897, [appendix], ibid., vol. 15.

I doubt whether any amendment of the law relating to sedition is at this moment required, and if it is not required, it cannot be desirable."¹ He maintained that it was the Anglo-Indian Press which excited racial feelings by publishing false and exaggerated stories.² He rightly calculated that it would be a political mistake of the first magnitude to enact extreme measures and merely decided to resist the demand for any such measures.

Elgin's approach towards the Indian Press had been very consistent from the beginning. He had not found in the selections from the "native press" which he "conscientiously" studied, any trace of a design to "substitute for British authority a native, far less another foreign rule". Nor did he attach much importance to what he called the "vapouring of the papers" as some of the "thin-skinned" bureaucrats did.³ In fact Elgin, immediately after his arrival, was put to a very severe pressure from his colleagues to change the press laws. This happened when in June 1894, Crosthwaite,

1 Elgin to Woodburn, 20 July 1897, [appendix], *ibid.*, vol. 71.

2 Elgin to Hamilton, 13 July 1897, [appendix], *ibid.*, vol. 15. See also Elgin to Hamilton, 14 July 1897, [appendix], *ibid.* Danik-o-Samachar Chandrika from Bengal very pertinently remarked, "The Anglo-Indian Papers are doing their best to create disaffection, and if any Press law becomes necessary, it will be necessary for them." 19 July 1897, Bengal N.N.R., 1897.

7 October 1896,

3 Elgin to Hamilton, /E.P., vol. 14.

then the Lieutenant Governor of the North-Western Province and Oudh considered prosecuting Bishan Naryan Dhar, the writer of an allegedly seditious pamphlet, which criticised the Government's pro-Muslim and anti-Hindu bias.¹ Elgin had written: "what I want to say now is that I think the majority of my Council are distinctly in favour of strong measures to put down 'false and seditious writings' I consider some (both vernacular and English) papers perfectly shameless, but I think it is impossible to exaggerate their importance, and that where 96 per cent of the population is illiterate, and secret agencies (for example tree smearing) can defy detection, it is better not to drive everything under surface."² It was on the strong insistence of Elgin that Crosthwaite reluctantly agreed not to prosecute B.N. Dhar.

1 Crosthwaite to Elgin, 12 June 1894, ibid., vol. 64.

2 Elgin to Fowler, 12 June 1894, ibid., vol. 12.
 See also Elgin to Fowler, 19 June and 3 July 1894, ibid.
 See also Elgin to Crosthwaite, 16 June 1897, ibid., vol. 64.
 In July 1894 Elliot, the Lt. Gov. of Bengal wanted to institute proceedings against Hitavadi, an influential Bengalese newspaper and again on the advice of Elgin the matter was not pursued. Elliot to Elgin, 28 July 1894, ibid., vol. 65.
 See Englishman, 2 June 1894; Spectator, 5 May 1894, E.P., vol. 74.
 See Telegram, S.S. to Viceroy, 7 May 1894, ibid., vol. 17.
 See also Elliot to Elgin, 15 April, 19 June 1894, ibid., vol. 64.
 See also Elgin to Elliot, 8 June 1894, ibid.
 See also Crosthwaite to Elgin, 8 May 1894, ibid.
 See also Harris to Elgin, 19 May 1894, ibid.
 See also Indian Govt. to S.S., L.No. 52 (Pub), Enc. 17 October 1894, India Public (Home) Proc., vol. 45, October 1894, Nos. 200-4.

The very circumstances of their existence inclined the Anglo-Indians to take alarm at any unusual development in India. The tree-smearing episode is too well known to be repeated here.¹ It was, therefore, fortunate that at the head of the Indian administration was a statesman like Elgin who took a sensible view and refused to act in panic.

Elgin's attitude towards Hindu-Muslim issue also differed considerably from that of the Secretary of State. He stressed the need to tackle any problem concerning the two communities with "absolute impartiality".² He even did not hesitate to impress this point on Queen Victoria, who was specially interested in placating the Muslims. In September 1894, when Hindu-Muslim riots took place in Poona, she wired, "Mohamedans should be protected, and their worship not disturbed. They are real supporters of British Government".³ To this Elgin replied that his Government was committed to the policy of impartiality and informed the Queen that reasonable men existed on both sides.⁴ As a matter of fact, Elgin

1 Telegram, Viceroy to S.S., 8 May and 4 June 1894, E.P., vol. 17. See also Elgin to Fowler, 24 May; and Fowler to Elgin, 1 June 1894, *ibid.*, vol. 12. MacDonnell to Elgin, 6 June and Elgin to MacDonnell, 6 June 1894, *ibid.*, vol. 64.

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2 Elgin to Hamilton, 24 March/[appendix], E.P., vol. 17.

3 Telegram, Queen to Viceroy, 17 September 1894, *ibid.*, vol. 125 e.

4 Telegram, Viceroy to Queen, 18 September 1894, *ibid.* See for details of riots Proc. of Poona riots, 13 September 1894, Enc. Bombay Govt. to S.S., L.No. 21 (Jud), 22 December 1894, J.P. Papers 32/95, vol. 389. See also The Times, 15 October 1894.

had shown great interest in the Hindu-Muslim issue. On his arrival in India he undertook determined measures to avoid any clashes between the communities on Id festival and deliberately avoided taking any sides. All local Governments were specially armed with preventive powers. It was a great achievement on the part of Elgin that no untoward incident took place during the Id festival in 1894.¹

Their common dislike of the plague measures brought the Hindus and the Muslims rapprochement closer together in 1897. This baffled and disturbed some. Many emphasised that the Muslim sympathies towards the British Raj had been sacrificed for small imperial reasons and they urged to take necessary steps to win back the Muslims. One of the ardent advocates of this approach was E.K.C. Ollivant. He wrote, "there is a common ground of discontent in reference to plague measures, but much more than this there can be no doubt that the recent unfortunately anti-Mohomedan attitude of English political parties and English public speakers has produced a great feeling of resentment. Those hostile to us are not slow to take advantage of this, and I should hail with delight any freedom from European political entanglement which would enable us once more to enlist the Indian Mohamedans cordially on our side."²

1 See Elgin to Fowler, 21 March, 29 May, 9 June, 19 June and 31 July 1894, E.P., vol. 12.

2 E.K.C. Ollivant to J. Piele (Member Indian Council) (Pr), 3 November 1897; Enc. Hamilton to Elgin, 21 January 1898 [appendix], E.P., vol. 16.

There were, on the other hand, influential officials like MacDonnell who pointed out that the successive British Governments had been so far showing partiality towards the Muslims, especially in the North-Western Provinces and Oudh. This had, he believed, necessarily alienated the larger section, that is, the Hindus whom he considered more loyal. He informed that until now the Muslims dominated in the subordinate executive and police services. For example, out of 240 Tehsildars, 140 were Muslims and there were 2,570 Muslim police officers against 2,120 Hindu, though the population ratio was 7 to 1 in favour of Hindus. He therefore proposed to win the support of the Hindus by altering the ratio in course of time to 5 to 3 in favour of the Hindus for these jobs.¹ It is doubtful to say as to how far this and other suggestions were given practical effect, but this sort of exhibition of personal likes and dislikes by the officials must have perpetuated the rift between the two communities. However, Elgin maintained an outward calm and did not express any preference for one to the other.² But he felt constrained to explain to Hamilton that the Muslims distrusted the clever Hindus and he did not apprehend any danger

1 MacDonnell to Elgin, 22 August 1897 [appendix], E.P., vol. 71.

2 Elgin to Hamilton, 16 September 1897, ibid., vol. 15.

on that account.¹

Elgin personally was not motivated by the desire of driving a wedge between the two communities and did not take any special steps which could further aggravate the Hindu-Muslim differences. But the fear of a possible unity between the Hindus and Muslims was always a source of great uneasiness to certain British administrators.

Elgin was also fundamentally at variance with Hamilton in dealing with the growing politically conscious and 'discontented' elements in the society. Elgin realised that Indian nationalism was bound to develop with the passing of time and British rule in India would "never be free from anxiety". He frankly recognised that the danger in the present and the future was obvious in the movement that "they can no more stop than Canute could restrain the waves, the progress of education and the acquisition of knowledge."² The Indians considered the English as alien and there was truth in what T.J.C. Plowden, the British Resident to the Court of the Nizam of

1 Elgin to Hamilton, 30 December 1897 [appendix], ibid.
C.J. Lyall, the Chief Commissioner of Central Provinces expressed this point in detail. "At present I believe that Indian Musalmans - that is, the thinking and educated portion of them - are generally loyal, because they clearly realise that their safety, in presence of the vast Hindu majority, and of the immense growth of the Hindus during last century in power, wealth, education, and influence, is bound up with the existence of British rule." Lyall to Elgin, 17 July 1897 [appendix], ibid., vol. 71.

2 Elgin to Hamilton, 27 July 1897, [appendix], ibid., vol. 15.

Hyderabad stated, "I have been too long in India to have illusions to the real feelings of the Natives towards us".¹ But there was no such move to supplant the British Government. Nor was the Congress ready to usurp the reins of the Government. But of late discontentment and dissatisfaction with the British rule had grown. To some extent it was due to the spirit of the times and to the exceptionally hard time through which the people had passed in the years 1896 and 1897.

Elgin's diagnosis was essentially moderate and realistic. He fully recognised that it was difficult to concede the same amount of liberty of action in a country under a foreign rule but he equally realised the danger in annihilating "all right of free speech".² Total restriction could exacerbate the political situation rather than ease it. He desired to divert the growing political consciousness in India into constitutional channels and not to turn it into open hostility against British rule by trying to suppress it.³ Secondly, he emphasised that it would be dangerous to exaggerate the potentiality of the discontented elements. Talking of the Congress, which was a "red rag", to the Secretary of State and many officials, he said that the Congress "not infrequently trespasses on the border land of what is permissible and I dare say

1 T.J.C. Plowden to Elgin, 28 July 1898, ibid., vol. 73.

2 Elgin to Hamilton, 10 February 1898, [appendix], E.P., vol. 16.

3 Elgin to Hamilton, 30 December 1897, [appendix], ibid., vol. 15.
See also Elgin to Hamilton, 21 April 1897, ibid.

contains within its ranks men who would go much further if they dared, I doubt whether any responsible man would even propose to prohibit the congress."¹ Earlier he had written "Remember I do not myself admit that these men are disloyal. Some of them are discontented men, and discontent may of course verge on disloyalty, but I do not believe that a man like Mr Mehta wishes to overthrow the British Government."² It was a fact that the Congress merely agitated "to improve the system of administration and not to abolish it."³ It was in the context of the circumstances that the Viceroy desired to bring that element into the open. This attitude of Elgin is fully reflected in the stand he took in dealing with the question of Legislative Councils for the Punjab and Burma and bears a sound testimony to his administrative farsightedness.

In 1892 the Punjab and Burma were the two provinces which were not given the Legislative Councils. For the reason that both were border states and both needed a strong and powerful executive. Actually the retiring Lieutenant Governor Sir J.B. Lyall had conceded the desirability of having a Legislative Council in the Punjab but the question was left to the discretion of the new Lieutenant Governor.⁴

1 Elgin to Hamilton, 27 July 1897, [appendix], ibid.

2 Elgin to Hamilton, 25 August 1896, ibid., vol. 14.

3 B.M. Malabari, The Indian Problem, Bombay 1894, p.12.

4 See India Govt. (Home) to Punjab Govt., 28 March 1896, India Public Proc., vol. 4959, No. 171, August 1896.

The new Lieutenant Governor, Fitzpatrick, vehemently opposed and the matter was allowed to be dropped.¹ But when the question of raising the status of Burma from a Chief Commissionership to a Lieutenant Governorship was mooted, Elgin took the opportunity of suggesting a Council for Burma as well as the Punjab.² Fitzpatrick opposed the move again and emphasized the uniqueness of the Punjab in being a border state, containing a turbulent people and rival religious sects which at all costs needed a strong executive.³ To Elgin, Fitzpatrick's objections appeared rather flimsy. Commenting on his Note, Elgin said that if his objections were taken into account there would be no legislative Council in any province. In his usual diplomatic way, Elgin decided to take advantage of Fitzpatrick's retirement and approached the Secretary of State for making an appointment of a new Lieutenant Governor who necessarily would not stick to his predecessor's opinion.⁴ Such a person Elgin found in Mackworth Young. But Elgin's executive council was still opposed to his idea and he asked Hamilton to give him his positive

1 Punjab Govt. to Indian Govt. (Home), 31 October 1892; ibid., No. 175.

2 See S.S. to Indian Govt., Desp. No. 1 (Pub), 9 January 1896, India Public Proc., vol. 4959, 1896, No. 170, August 1896.

3 Note by Denis Fitzpatrick, 10 April 1896, Para 14. India Public Proc., vol. 4959, No. 174, August 1896. Burma Government had agreed to accept the Legislative Council. Burma Govt. to Indian Govt. (Home), 14 April 1896, Para 2, ibid., No. 176.

4 Elgin to Hamilton, 16 June 1896, E.P., vol. 14.

support.¹ When the matter was finally put before the Executive Council, the majority agreed with Fitzpatrick and opined "it would be impolitic at present to establish a Legislative Council in the Punjab." Surprisingly a Legislative Council was approved for Burma by 5 to 2 and rejected for the Punjab by 5 to 2, Elgin and Woodburn dissenting.² Elgin's Minute is very revealing and significant and needs to be quoted at length, for it mirrors his basic approach to the political problems of the period. He wrote:

I affirm that to oppose the institution of Provincial Councils on the ground of the possibility of a recrudescence of sedition and disloyalty is to misunderstand the whole situation. No one can absolutely deny that hidden dangers may exist, or that the smouldering embers may some day be fanned into a flame. But if so, it will not be the open discussions of a Council, but one of the mysterious agencies, which the 'voiceless millions' of India know both how to use and how to conceal from our most careful scrutiny, that will once more imperil the existence of the Indian Empire How best to cope with the great silent, indefinite and implacable danger is a problem that has yet to be solved. Of one thing I am confident, and that is, that it will not be overcome by stifling criticism, but rather by inviting free discussion, whenever and wherever we can, and by throwing open to the light of day and being prepared to justify every act of our administration and of the officers who carry out our orders.³

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- 1 Elgin to Hamilton, 21 July 1896, ibid.
- 2 Indian Govt., to S.S. L.No. 64 (Pub), 25 August 1896. India Public Proc., vol. 4959, No. 177, August 1896. See also Proc. No. 178-182.
- 3 Elgin's Minute, 24 August 1896, Enc. Elgin to Hamilton, 25 August 1896, MSS.Eur. D 509/2. See also Woodburn's Minute, 15 August 1896, Enc. to Hamilton, 25 August 1896. See also Woodburn to Elgin, 23 August 1896, E.P., vol. 69.

Elgin refuted the charge of those who said that the Act of 1892 was a "concession to political agitation" and urged Hamilton to extend the constitution of 1892 to the Punjab as well.¹ In September the matter was referred to the Judicial and Public Committee of the Secretary of State's Council. There was a strong pro-Fitzpatrick element in the Council. Arthur Godley suggested a compromise that a Council might be created not on the basis of 1892 Constitution but on the 1861 Act.² Hamilton agreed.³ The majority of the Councillors approved except A.C. Lyall who favoured extending the 1892 Act to the Punjab.⁴ With the best of intentions, Elgin did not entirely succeed, but he gained his point substantially. In December 1896 the Legislative Councils were granted to both Burma and the Punjab;⁵ though there were many who protested and agitated against restricting the scope of the new change to the 1861 Act.⁶ It was a matter of regret that no elective element was introduced.⁷

1 Ibid.

2 A. Godley Note, 25 September 1896, J. & P. Papers, 1619/96, vol. 429.

3 Hamilton's Note, 6 October 1896, ibid.
See also Hamilton to Elgin, 30 October 1896, E.P., vol. 14.

4 A.C. Lyall, Note, 14 October 1896, ibid. See also J. and P. Minute, 21 October 1896, ibid.
See also India Council Minute Book, vol. 77.

5 S.S. to Indian Govt. Desp. No. 116 (Pub), 3 December 1896, Paras 3-5, India Public Proc., vol. 5180, No. 35, February 1897.

6 Memorial, Indian Association (Lahore), India Public Proc., ibid., No. 14. See also Report of the Indian National Congress, 1898, Res. xxi.

7 The Legislative Council in Punjab came into existence with 9 nominated members. The first council consisted of 4 European officials, one non-official European and 4 non-official Indians. India Public Proc., vol. 5181, No. 415, October 1897.

This analysis of the two different approaches, impulses and reflexions of the Secretary of State and the Viceroy is very revealing. First, we find that Hamilton's wit and judgement were obscured by his imperialist myopia and prejudice. Elgin, in contrast to him, appeared liberal and more pragmatic, especially because he had to deal with a dominant Secretary of State, intellectually shrewd, constitutionally strong and politically Conservative. The tension between the two accounted for a compromise in the context with the basic policies to be followed towards India. They were to be more cautious than liberal, more watchful than suspicious. This was the main significance. Secondly, it also explodes the myth that Elgin was unduly subservient to either Whitehall or the Indian bureaucracy. Nor did he lose his grip over the administration. He refused to take a panicky view of the situation - a fact which Hamilton was constrained to admit. He wrote to Elgin, "whilst I differ from you as to the nature of weapons to be employed, it is most satisfactory to find that you hold such strong and non-alarmist views as to the general condition of India."¹

On the main issue concerning sedition, Elgin agreed in principle to strengthen the existing law. But the nature of the change and the extent to which it would be strengthened were left to the deliberate and careful attention of the Indian Government.

In connection with the Poona riots the Bombay Government arrested

1 Hamilton to Elgin, 12 August 1897 [appendix], E.P., vol. 15.

some people under Section 124A of the Indian Penal code for making seditious utterances, the most notable among them being B.G. Tilak, who was arrested on 27 July 1897.¹ This trial, which ended in conviction, had the distinction of passing through three stages. There was a trial in the High Court, then the application for leave to appeal to the Privy Council and finally the application before the Privy Council itself.

The charge against Tilak was that he made some provocative and irresponsible statements intended to cause disaffection. Tilak had written in the Kesari of 4 May 1897, that the Bombay Government should not have entrusted the execution of objectionable plague orders to a "suspicious, sullen and tyrannical officer like Rand". On 12 June 1897 he addressed a Shivaji memorial meeting in which he justified the murder of Afzal Khan and reminded his audience that everything was permissible to attain national ends. He said, "do not circumscribe your vision like a frog in a well; get out of the penal code."² Writing a week later in the same paper Tilak said, "to speak the truth, none can help thinking that this is surely not the proper time for celebrating the jubilee, at least not in India."³ These statements

1 Bombay Govt. to S.S., L.No. 52 (Jud), 29 July 1897, Para 4, J. P. Papers 1657/97, vol. 454.

2 The Kesari, 15 June 1897.

3 Ibid., 22 June 1897.

were considered incendiary enough and he was brought to trial on 8 September 1897. A jury of 6 Europeans found him guilty against 3, two Hindus and one Parsi, and Tilak was convicted for 18 months.¹ An appeal against the conviction and for leave to appeal to Privy Council was rejected by the full bench of the High Court on 24 September 1897.² This decision was finally upheld by the Privy Council.³

The significance of the trial was immense. Tilak at once became a national hero. The Bengalee of 25 September appeared with black borders. In the Amraoti Congress that year, S.N. Banerjee said, "For Mr. Tilak my heart is full of sympathy, my feelings go forth to him in his prison house. A nation is in tears."⁴ Actually Tilak and many more were convinced that there was nothing seditious in what he had said or written and that he had no hand in the crime of 24 June.⁵

1 Telegram, Bombay Govt. to Indian Govt., 14 September 1897. India Public Proc., vol. 5413, No. 345, May 1898. See for details, India Public Proc., vol. 5413, Nos. 356-9, May 1898.

See also J.P. Papers 2254 and 2255/97, vol. 461.

See Report of the Tilak Trial, Times of India, 10 September - 18 September 1897.

See Full and Authentic Report of Trial of B.G. Tilak: edited by S.S. Sethur and K.G. Deshpande.

2 See for details, India Public Proc., vol. 5413, No. 362, May 1898. Also J.P. Papers 2291/97, vol. 462.

3 For details, India Public Proc., vol. 5413, Nos. 377-80, May 1898.

4 B.P. Sitaramyaya, The History of the Indian National Congress, 1885-1935, p. 37.

5 T. V. Parvate, Bal Grangadhar Tilak, Ahmedabad, 1958, p. 505.

Sandhurst, the Governor of Bombay did not find Tilak's speech particularly seditious - "I have read a full translation of the Shivaji speech, but I can see nothing in it."¹ On the other hand it gave the Government some satisfaction that Section 124A was found workable. The Government was obviously pleased with Justice Strachey's interpretation of Section 124A, defining disaffection as simply an "absence of affection. It means hatred, enmity, dislike, hostility, contempt and every form of ill-will to the Government." He went on to add that, "the amount of intensity of the disaffection is absolutely immaterial, except perhaps in dealing with the question of punishment: if a man excites or attempts to excite feelings of disaffection, great or small, he is guilty under the section."²

Three other sedition trials were held in which two convictions were upheld and one was discharged after tendering an apology.³

1 Sandhurst to Elgin, 12 July 1897 [appendix], E.P., vol. 71.

2 W.R. Donogh, The History and Law of Sedition, Calcutta, 1907, p. 47. See for the detailed summing up by Justice Strachey, India Public Proc., vol. 5413, No. 359, May 1898. See also J.P. 2576/97, vol. 468.

The summing up of the Judge earned the following remarks from the Secretary of State: "The Judge was judicial, judicious, and temperate and strong." Hamilton to Elgin, 16 September 1897, [appendix], E.P., vol. 15.

3 See for details, Imperatrix vs Ramchandra Naryan (editor of Pratod) and Krishanji Dhandev (Publisher). India Public Proc., vol. 5413, No. 352, May 1898.

Imperatrix vs Shankarvishvanath Kelkar (Printer Poona Vaibhav) and Sakharam Gopal Parandikar (Publisher), ibid., No. 366. Imperatrix vs Kashinath Vaman Dele (editor Madvritha), No. 374.

In spite of the fact that three out of four sedition trials had succeeded and the adequacy of Section 124A had been proved, the Government decided to change some sections of the Indian Penal Code and the Criminal Procedure Code to make generally the judicial machinery flexible to deal with sedition effectively. After the trial of Tilak, Elgin wrote to Sandhurst, "Though it is satisfactory to have got a verdict against Tilak, it was only by a majority, and the result of the subsequent trial shows how the change of sides of one member of the jury might have prevented Tilak's conviction. It cannot be pleasant for either you or me, personally to be responsible for the proposals to set aside juries in these cases, but it is exceedingly difficult to see how we can avoid it."¹

The amendment of the sedition laws was discussed in the Executive Council meeting on 3 October and it was decided that the changes should be of a non-executive and general nature.² The Indian Government also did not attempt to redefine Section 124A of the Indian Penal Code.³ Three sections of the Criminal Procedure Code and two sections of the Indian Penal Code were recommended for amendment by the Indian Government.

1 Elgin to Sandhurst, 20 September 1897, [appendix], E.P., vol. 71. See also Hamilton to Elgin, 30 September 1897, [appendix], ibid., vol. 15.

2 Telegram, Viceroy to S.S., (Pr), 4 October 1897, [appendix], ibid., vol. 20.

3 Indian Govt. to S.S., L.No. 68 (Pub), 14 October 1897, Paras 2-5. India: Public Proc., vol. 5413, No. 334, May 1898.

First, they enlisted for the amendment of Section 107 of the Criminal Procedure Code and proposed to empower the Magistracy to demand security to keep the peace from a person who was likely to do any such wrongful act, not only as might probably occasion a breach of the peace, which was the existing law, but also as might probably disturb the public tranquillity.¹ Secondly, the Government suggested that a new clause be added to Section 109 of the Criminal Procedure Code, which would provide a summary method for stopping the dissemination of seditious or defamatory matter, written or spoken in cases which were not of sufficient importance to make it desirable to institute prosecutions under the Indian Penal Code.² Thirdly, they recommended the addition to column 8 of the Schedule II of the Criminal Procedure Code in relating to the offences under Section 124A, Indian Penal Code, of the words "Presidency Magistrates or Magistrate of the First Class" - after the words court of session. This amendment would enable trials under 124A, Indian Penal Code, to be held by a Presidency Magistrate and Magistrate First Class.³

The two changes proposed in the Indian Penal Code related to Section 505 and 499. Section 505 pertained to false statement with intent to cause mutiny or commit offence against the public peace.

1 Ibid., Para 6.

2 Ibid., Para 7.

3 Ibid., Para 8.

The Government proposed to reword the explanation so as to leave the burden of proving it on the defence.¹ The accused under the changed clause would be liable to conviction in spite of his intentions or actual effect, if he could not prove that the statement he made was false. Second amendment of the Indian Penal Code concerned Section 499 which related to the offence of defamation. The majority of the councillors favoured to add to the earlier explanation that it would be an offence to make imputation against one class or community of persons. The purpose of this addition was to restrict the embitterment between one sect and the other.² Woodburn supported by Elgin opposed this change because it could suggest to various sects or make it more easy for sects to bring charges of defamation against each other and could further inflame the class animosity. He pointed out that already under Section 107 and 109 of the Penal Code executive possessed the exact authority, it seemed to need.³ With these recommendations, Elgin asked Hamilton to give their proposals a fair trial.⁴

Elgin also invited the opinions of the local Governments on the

1 Ibid., Para 10.

2 Para 9. This change was strongly favoured by E.C.K. Ollivant and Sandhurst. See Sandhurst to Elgin, 4 October 1897, [appendix], E.P., vol. 71.

3 Woodburn to Elgin, 3 October 1897, [appendix], E.P., vol. 71.

4 Elgin to Hamilton, 13 October 1897, [appendix], E.P., vol. 15.

nature and extent of the changes proposed in the despatch to the Secretary of State. All local Governments agreed that there was no need for reviving the Vernacular Press Act, or changing the wording of Section 124A, except the Government of Madras who wanted to amend it to make it clear to a layman.¹ Similarly most of the governments accepted the principle of amendment but Lyall, Stevens and MacDonnell felt that the wordings of some of the changes must be more sober.² It was Cotton, the Chief Commissioner of Assam who totally rejected the need for any change. He wrote: "I trust I may not be deemed to have exceeded my duties if I venture to offer you my most respectful warning against the trend of legislation it is proposed to undertake. It will certainly be received with tremendous opposition in India, and I anticipate that the embitterment of racial feelings which is continually growing will be augmented."³ Besides Cotton, all approved of the changes in Sections 107 and 109 of the Criminal Procedure Code. Regarding Section 499 of the Indian Penal Code, all local heads except Havelock

1 Havelock to Elgin, 15 November 1897, J. and P. Papers 2184/97, vol. 459.

See also Telegram, Viceroy to S.S., (Pr), 2 December 1897, [appendix], E.P., vol. 20.

2 Lyall to Elgin, 19 November 1897, J. and P. Papers 2184/97, vol. 459. Stevens to Elgin, 4 November 1897, [appendix], E.P., vol. 71. Also Stevens to Elgin, 16 November 1897, ibid. MacDonnell to Elgin, 9 November 1897, [appendix], ibid.

3 Cotton to Elgin, 13 November 1897 [appendix], ibid. See also Cotton's Minute, 12 November 1897, J. and P. Papers 2184/97, vol. 459.

and Young supported John Woodburn.¹ Section 505 of the same code was opposed only by Cotton and Stevens who wanted that the burden of proving falsity should lie on the prosecution.²

After receiving their opinions Elgin was inclined to further soften down the wordings of certain clauses. He emphasised that there was a need for minimising the opposition, particularly by redrafting the wordings of Section 505 and completely dropping Section 499 of the Criminal Procedure Code. His inclination was to alter the new Section 505, by omitting the word 'false' which was objected to and make the explanation an exception. This he considered would be a distinct improvement, the effect of which would be that the prosecution could bring up against a man any statement, true or false, but the accused by proving its truth could escape. There would thus be shifting of the onus of proof, though the practical effect in working would be exactly the same under both forms of section.³

Elgin rightly feared that there would be bitter criticism at the hands of the public of the provision giving all powers to the District Magistrates, the Presidency Magistrates and Magistrates

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- 1 Havelock to Elgin, 15 November 1897, op. cit.
Mackworth Young to Elgin, 30 November 1897, J. and P. Papers, 2184/97, vol. 459.
 - 2 Telegram, Viceroy to S.S., (Pr), 2 December 1897, [appendix], E.P., vol. 20.
 - 3 Elgin to Hamilton, 24 November 1897, [appendix], ibid., vol. 15.

First Class to try sedition cases and deprive the jury of the right to do so. He summed up his personal views by stating that "to be charged with introducing legislation restricting the right of free speech and free criticism and trial by jury is so unpalatable that nothing short of a feeling that it is a positive duty would induce me to support what is now proposed."¹

While Elgin was trying to further minimise the effect of the new changes, Hamilton was planning to further enhance its scope and extend the nature of the changes proposed. The recommendations of the Indian Government were at once presented to Wilson, the legal expert at the India Office. He opined in favour of the Indian Government and approved their suggestion not to redraft Section 124A of the Indian Penal Code. He also hinted that the Magistrates should not be given such wide powers.² Arthur Godley did not approve of the above opinion and forcefully suggested that Section 124A must be amended and the powers of the Magistrates need not be curtailed.³ Hamilton dittoed Godley.⁴ But the Judicial and Public Committee did not agree to amend Section 124A. However, it agreed to the amendment of Section 499 of the Indian Penal Code and also accepted the Secretary of State's suggestion to modify Section

1 Ibid.

2 Wilson's Memorandum, 9 November 1897, J. and P. Papers 2184/97, vol. 459.

3 Godley's Memorandum, 16 November 1897, ibid.

4 Hamilton's Memorandum, 16 November 1897, ibid.

505 which would make even a true statement which was "likely to cause offence" punishable.¹ Godley again sent a memorandum to Hamilton repeating his earlier views, in spite of the fact that the Privy Council had upheld the decision of John Strachey on 19 November. He also stated that he had obtained the concurrence of Wilson to the draft of his instructions.² On 27 November, Hamilton gave his decision to reward Section 124A. In line of the new amendment, he agreed to drop his proposal to change Section 499 of the Indian Penal Code.³ On 4 December 1897, in accordance with the wishes of the Secretary of State, the Legal Committee approved his decision. In their minute the Legal Committee wrote, "It appears to us however open to question whether, after the recent favourable decision of the Privy Council, it is desirable to make any amendment of the section." Yet they hastened to add: "But as we understand that the Secretary of State considers the time opportune for a restatement of that law, we think it advisable to take advantage."⁴ On 7 December, Hamilton telegraphed his decision. In addition to the changes suggested in Section 505, he proposed to add the following new words to the Section 124A: "hatred, contempt or

1 Judicial and Public Committee Minute, 24 November 1897, ibid.

2 Godley's Memorandum to Hamilton, 24 November 1897, ibid.

3 Hamilton's Minute, 27 November 1897, ibid.

4 Legal Committee Minute, 4 December 1897, J. and P. Papers, 2184/97, vol. 459.

disaffection, towards the Queen or Government or promote or attempt to promote feelings of ill will between different classes of the Queen's subjects."¹ He also urged Elgin to push through both amendments in the Indian Penal Code and the Criminal Procedure Code together and quickly.²

Elgin accepted Hamilton's modifications, but refused to combine both bills together for want of proper deliberation and for reasons of political tactics.³ He wrote, "It appeared to me that to make one Bill of these proposals would have the inevitable result of concentrating all attention on this Bill, and its attaining unenviable notoriety as the Press Legislation of Lord Elgin's Government."⁴ After having secured the major point, Hamilton was prepared to leave to the Indian Government the discretion in the method of introduction.⁵

The question arises as to why Elgin agreed to change Section 124A of the Indian Penal Code? A simple answer to this query

- 1 Telegram, S.S. to Viceroy (Pr), 7 December 1897, [appendix], E.P., vol. 20.
See also S.S. to Indian Govt., Desp. No. 44A (Jud), 6 December 1897, India Public Proc., vol. 5413, No. 340, May 1898.
- 2 Telegram, S.S. to Viceroy (Pr), 9 December 1897, [appendix], E.P., vol. 20.
See also Hamilton to Elgin, 10 and 16 December 1897, ibid., vol. 15.
(Pr),
- 3 Telegram, Viceroy to S.S.,/11 December 1897, [appendix], ibid., vol. 20.
- 4 Elgin to Hamilton, 16 December 1897, [appendix], E.P., vol. 15.
- 5 Telegram, S.S. to Viceroy, (Pr), 13 December 1897, [appendix], ibid., vol. 20.

is rather difficult. It could perhaps be best rationalised that in considering to agree to the concession he was striking a compromise with the Secretary of State. However, he attempted to minimise the impact of such a change.

Elgin informed Hamilton that all his proposals were adopted and on 21 December 1897 two separate Bills were introduced in the Legislative Council. One to amend the Indian Penal Code and the other, the Criminal Procedure Code.

The changes in the Indian Penal Code were first discussed and were bitterly assailed by the non-official members of the Council.¹ Officials like Cotton protested against them.² The Burma Government also doubted the necessity of widening the scope of 124A and Section 505. The Governments of Bengal and the Central Provinces felt constrained to object to the new changes.³ There was a good deal of criticism outside the official and Council chamber - all declaring that the new changes were uncalled for, restrictive and punitive.

1 See Proc. of the Council of the Governor-General in India, 1897, vol. 36, pp.

See also Elgin to Hamilton, 30 December 1897, [appendix], E.P., vol. 15.

See also Bishamber Nath's Note, (Member Legislative Council), 25 December 1897, J. and P. Papers 141/98, attached to J. and P. 529/98, vol. 474.

2 Assam Govt., to Indian Govt., 31 December 1897, Para 2, J. and P. Papers 195/98 attached to 529/98, ibid.

3 Bengal Govt. to Indian Govt., 18 January 1898, Para 9-11, ibid.

Central Provinces Govt. to Indian Govt., 10 January 1898, Para 3 and 7, J. and P. Papers 233/98 attached to 529/98, vol. 474.

But Chalmers actually denied that any change in 124A was really contemplated. The Government was merely introducing a few words to make the clause more understandable.¹ But this was not true. Actually by choosing to change the explanations of 124A, the Government had the intention of arming itself with substantial executive powers. So strong was the opposition that Elgin had to re-examine the situation.² He telegraphed to Hamilton privately that the Select Committee on the Penal Code had proposed certain amendments and urged him to agree to it. The Committee believed that some degree of ill will was inseparable from criticism, however

1 Proc. of the Governor General Council in India, 1897, vol. xxxvii, pp. 379-81.

2 See Naoroji's statement, The Times, 29 December 1897. See R.C. Dutt's letter to the Editor of Englishman, 4 January 1898. See The Capital, 5 January 1898, E.P., vol. 80, [newspaper cuttings/. See Indian Association to Indian Govt., 21 January 1898, J. and P. Papers, 292/98, attached to 529/98, vol. 474. See European and Anglo-Indian Defence Association to Indian Govt., 23 January 1898, J.P. 292/98, attached to 529/98, vol. 474. See British-India Association to Govt. of Bengal, 21 June 1898, ibid. See note by Advocate General, Madras, 8 January 1898, ibid. See President, British India Association to Indian Govt., 28 January 1898, J.P. 358/98, attached to 529/98, vol. 474. See Bombay Presidency Association to Indian Govt., 26 January 1898, ibid. See Report of the Indian National Congress, 1897, Res. xiii. See Poona Savvajanik Sabha to Indian Govt., 2 January 1898, J. and P. Papers 419, attached to 529/98, vol. 474. See Bengal National Chamber to Bengal Government, 3 February 1898, J. and P. Papers 475, attached to 529/98, vol. 474. See Public Memorial from the citizens of Calcutta, 17 February 1898, J. and P. Papers, 533, attached to 529/98, vol. 474.

legitimate, and could be compatible with genuine loyalty. Accordingly the committee suggested to drop the words "or promotes or attempts to promote feelings of enmity or ill-will between different classes of Her Majesty's subjects" from the text of the clause which were originally recommended by the Secretary of State in Council. They also proposed to drop the word, "ill will" from the explanation and defined disaffection to include "disloyalty and all feelings of enmity".¹ They also added another explanation stating that "comments expressing disapprobation of the administrative or other action of the Government without exciting or attempting to excite hatred, contempt or disaffection, do not constitute an offence under this section."²

A similar suggestion to tone down the element of extra-harshness in the Section 505 was also recommended. The committee forcefully pointed out that it was too much under the conditions of modern journalism to require persons publishing statements to prove its actual truth. Its proposed new explanation read: "an offence within the meaning of this section when the person making, publishing or circulating any such statement, rumour, or report has reasonable grounds for believing that such statement, rumour or report is true, and makes, publishes or circulates it without such intent as aforesaid."³ The Secretary of State chose to accept the

1 Telegram, Viceroy to S.S. (Pr), 26 January 1898, [appendix], E.P., vol. 21.

2 W.R. Donagh, The History and Law of Sedition, p. 71.

3 Telegram, Viceroy to S.S. (Pr), 26 January 1898, op. cit.

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 recommendations. These changes were finally passed by the
 Select Committee on the Bill to amend the Indian Penal Code.² On
 18 February the Bill was approved by the Legislative Council.

As a matter of fact, all these changes now approved of were
 originally proposed by Elgin and Chalmers on 16 December 1897. But
 Westland and Trevor, the members of the Executive Council, had
 opposed it and it was then decided that if the pressure mounted
 the concession could be given to render soft appearance to the
 public opinion.³

The changes in the Bill to amend the Criminal Procedure Code
 were also hotly contested and concession had to be made before
 they were enacted on 18 March 1898. The most important change
 actually pertained to the summary method of stopping sedition and
 its dissemination by giving powers to the Chief Presidency Magistrates
 and the Magistrates First Class to try the cases and also allowing
 them to take a security from the persons suspected of any such
 activities.⁴ The new alteration was criticised by almost all
 the Europeans and the Indians who submitted their criticism to

1 Telegram, S.S. to Viceroy (Pr), 27 January 1898, [appendix],
 E.P., vol. 21.

2 See Report of the Select Committee on the Bill to amend
 Penal Code, Enc. Elgin to Hamilton, 3 February 1898, MSS.Eur.
 D. 509/ix. See also P. Ananda Charlu's dissenting Note, 31
 January 1898. He questioned the very need of any change in
 Indian Penal Code, J.P. 529/98, vol. 474.

3 Elgin to Hamilton, 16 December 1897, [appendix], E.P., vol. 15.

4 This amendment became subsequently Section 108 of the Criminal
 Procedure Code.

the Government. The European and Anglo-Indian Defence Association asked that either the amendment be cancelled or the Magistrates should have a definite proof of a person's guilt before taking a security.¹ H.T. Princep, formerly the Judge of the Calcutta High Court and now the additional Member of the Viceroy's Council, also voiced his concern on the issue and wrote, "I am sorry that it has been settled to propose to give such power to magistrates both by lowering the jurisdiction in cases under Section 124A, Penal Code, and in security cases of this class. In neither case, in my humble opinion, was it essential to enforcing the law, and I also think that it certainly is not worth the agitation that it will provoke in which Europeans will join the natives."²

Actually the main motive of the European agitation was that they did not approve of being equated with the "native" press. The Pioneer openly advocated to confine the restrictions to the "Vernacular papers" and often eulogised Lytton that his arrangements were "distinctly more convincing than those of Lord Elgin and Lord Chalmers".³ The European critics were most interested in confining the jurisdiction of 124A to the Presidency and the District Magistrates

1 Secy. of the Association to Indian Govt., 10 February 1898, India Leg. Proc., vol. 5480, Appendix A31.

2 H.T. Princep to H.B. Smith, 15 December 1897, [appendix], E.P., vol. 71.

3 The Pioneer, 28 January 1898.

who were Europeans. They feared that in case of reducing the jurisdiction to Magistrates, there could be the possibility of a European being tried by a "native".¹ The motive behind their agitation was primarily racial. Sir C. Paul, the Advocate General of Bengal, was openly carrying on propaganda in the Calcutta Bar.² The most fervent support of this idea came from G. Evans, a member of the Legislative Council, and Mackenzie. The latter even threatened to move an amendment to that effect.³ Elgin did not like this tendency of introducing any element of race distinction.⁴

The Indian Press and the public were equally critical. They resented the abolition of the trial by jury. They wanted some safeguards and demanded the provision for review of cases by the High Court. In most cases they did not trust the young Magistrates. Rivaz, the new Home Member, and Chalmers were also now convinced that some changes were required. Similarly Elgin felt that the stringency of the law should be relaxed as far as it could be done

1 Telegram, Viceroy to S.S., (Pr) 4 February 1898, [appendix], E.P., vol. 21.

2 Westland to Elgin, 7 February 1898, [appendix], ibid.

3 See Elgin to Hamilton, 10 February 1898, [appendix], ibid., vol. 16. To Mackenzie's attitude, Elgin had taken strong exception and wrote curtly to him that any of his hostile moves would be "intolerable". Elgin to Mackenzie, 12 February 1898, [appendix], ibid., vol. 72. See also Elgin to Hamilton, 17 February 1898, [appendix], ibid., vol. 16. This brought a prompt apology from the Lt. Governor. Mackenzie to Elgin, 12 February 1898 [appendix], ibid., vol. 72.

4 Elgin to MacDonnell, 6 February 1898, E.P., vol. 72.

safely.¹ Ultimately the Government made many changes. The Magistrates were now allowed to have sureties of good behaviour from the publisher and did not insist on securities. Secondly, all orders issued under Section 108 were subjected to review of the High Court.² These recommendations were accepted by the Secretary of State and by March both the Indian Penal Code and the Criminal Procedure Code stood amended.

There is no doubt that but for the active opposition they aroused and the ready conciliation and moderation shown by Elgin, the sedition laws would have been very restrictive.

One important fact emerged. Political offenders could now be tried by the Presidency, the District and the First Class Magistrates without recourse to the jury. This meant wider and greater powers for the Government. By omitting the clause 'which he knows to be false' from Section 505, it made impossible for the newspapers to publish any news regarding the action or intention of the Government.

During all this period of political difficulty, the Government did not ignore the presence of plague. The Government measures

1 Elgin to Hamilton, 24 February 1898, [appendix], *ibid.*, vol. 16.

2 Report of the Select Committee on the Bill to amend the Penal Code, Para 24, Appendix A49, India Leg. Proc., vol. 5479.

continued with almost unabated zeal. During the summer months there was a marked decline in the plague cases and fewer plague deaths were reported.¹ The decline in the outbreak of plague gave the impression to the Government that plague had been contained due to the implementation of strong measures. But by the beginning of monsoon and the coming of winter the plague recrudesced with great virulence.. Some thought that the large scale outbreak was again due to the relaxation of rules after the riots and other political disturbances. A cry was raised for more effective arrangements, which meant the revival of land quarantines and corpse inspection. Sandhurst and Elgin were not disposed to take steps in that direction.² But by December and January plague reached its peak

1 See Indian Govt. to S.S., L.No. 12 (Sanitary), 31 March 1897, Para 2, L.N. 14 (San), 28 April, Para 3, L.No. 15 (San), 12 May 1897, Para 3, Rev.L.I., vol. 19.

See also Campbell (he became the Chairman of the Bombay Plague Committee on 1 July 1897 after the exit of Gatacre) Report, p.1.

2 Sandhurst to Hamilton, 29 August 1897, Enc. Sandhurst to Elgin, 29 August 1897, E.P., vol. 72.

Elgin doubted if corpse inspection would not be very unpopular with the women.. He pointed out that even in most advanced countries people had to heed their social and religious customs. He gave the example of Lady Rosebery, a Jew; when she died her body was not touched when funeral ceremony began. He added, "If in England among a highly educated section of society, feeling of the kind is so strong, it would be worse than folly for us to neglect or ignore its existence here." Elgin to Hamilton, 30 December 1897, E.P., vol. 15.

and more cases were reported than ever before.¹ Hamilton again feared the loss of trade.² In December 1897 rules were once again issued for compulsory segregation³ and in January military search parties were employed to evacuate the sick in various parts of the Bombay Presidency.⁴ In addition, the Bombay Government voluntarily resorted to land quarantine.⁵

On 3 February 1898 the Government of India issued a fresh resolution and tightened the plague rules. The segregation of the sick with the aid of search parties was its main measure; but the Government still refused to agree to any drastic measure like corpse inspection.⁶ But as it was, the situation was already explosive. In March 1898 it was rumoured that the Government in Bombay was instituting corpse inspection. This was the proverbial

1 See Indian Govt. to S.S., L.No. 27 (San), 9 December 1897, Rev. L.I., vol. 19; L. No. 1 (San), 6 January 1898, Rev.L.I., vol. 21.

2 Hamilton to Elgin, 21 January 1898, E.P., vol. 16.

3 Campbell Report, op. cit., pp. 12-13.

4 Report of the Indian Plague Commission, op. cit., Para 36.

5 Elgin to Hamilton, 27 January 1898, E.P., vol. 16.

6 Enc. Indian Govt. to S.S., L.No. 4 (San), 3 February 1898, Rev.L.I., vol. 21.

See also Telegram, S.S. to Viceroy, 15 February 1898, Political and Secret Letters from India, 1898, vol. 100.

See also Telegram, Viceroy to S.S., 24 February 1898, P.S.L.I., vol. 100.

Also Elgin to Hamilton, 24 February 1898 [appendix], E.P., vol. 16.

last straw which broke the camel's back. Already in Bombay all British search parties were in use for plague purposes and land quarantine, though officially prohibited was being regularly practised in Bombay.¹ On 9 March 1898 very fierce riots broke out in Bombay. The disturbance was caused due to the attempted removal of a Muslim female plague patient to the hospital. There was complete 'hartal' of the Bombay dock workers and cartmen which continued with varying success from 9 March to 16 March 1898.²

This spontaneous outbreak forced the Government to reconsider its policy.³ On 15 March 1898 the Bombay Government announced the withdrawal of the military search parties. House visitation was restricted to voluntary groups composed of the local population.⁴ MacDonnell and Macworth Young also sounded the note of caution and

1 Telegram, Gov. Bombay to S.S., 13 March 1898, P.S.L.I., vol. 102.

2 Telegram, Gov. Bombay to S.S. (Pr), 9 March 1898. MSS.Eur. D. 508/1.

Conf. Telegram, Gov. Bombay to S.S., 11 March 1898, P.S.L.I., vol. 102.

Also Telegram, Gov. Bombay to S.S., 16 March 1898, ibid.

Also Telegram, Viceroy to S.S., 10 and 12 March, 1898, E.P., vol. 21.

Also Sandhurst to Elgin, 3 April 1898, ibid., vol. 72.

3 There were many riots in various other parts of India. The riots broke out in Nasik on 27 January 1897; in Sharanpur, 30 March; Jullundhar 24 April; Hoshiarpur, 28 April; Calcutta May 1898. Besides there were minor riots in Delhi. See Indian Govt. to S.S., L.No. 19 (San), Conf. 25 August 1898, Rev.L.I., vol. 21.

4 Campbell Report, pp. 23-27.

See also Indian Govt. to S.S., No. 7 (San), 14 April 1898, Para 3, Rev.L.I., vol. 21.

both urged that the responsibility of the plague administration should and must be given to the Indians and the local people.¹ By now the medical and administrative authorities were convinced that plague did not recede on account of stringent measures but increased and decreased in the winter and summer months respectively.² Hamilton was also brought around and was finally convinced that extra-hard rules did not necessarily bring good results.³ Local Governments were given maximum discretion to apply rules according to the need and circumstances of the situation. Segregation and compulsory evacuation were completely given up in large towns.⁴ These new propositions were fully supported by John Woodburn, till recently Home-Member and now the Lieutenant Governor of Bengal;⁵

- 1 MacDonnell to Elgin, 29 April 1898, E.P., vol. 72. Macworth Young to Elgin, 13 April 1898, [appendix], ibid. See also MacDonnell to Elgin, 5 May 1898, ibid. See also Elgin to MacDonnell, 11 April 1898, ibid.
- 2 Elgin to Hamilton, 11 April 1898, ibid., vol. 16.
- 3 See Hamilton to Elgin, 1 April 1898 [appendix]; 7 April [appendix]; 6 May 1898 [appendix] and 17 June 1898, ibid.
- 4 Elgin to Hamilton, 28 April, 26 May, 16 June, 14 July 1898, E.P., vol. 16.
- 5 Sir John Woodburn, A Biographical Sketch by His Daughter, London, undated, p. 23.

Rivaz the new Home Member; Hewett, the Home Secretary, and Surgeon-General Harvey, the Director of the Indian Medical Service. In a way the Bombay Government reacted most effectively. The special plague Committee was abolished and the Municipality was again brought into the picture.¹ The importance of this was that public co-operation which could always be the most effective weapon in an extremely conservative society, was fully put to use. The confirmation of its utility could be seen in the fact that Curzon followed it up.

In our attempt to evaluate the plague policy of the Indian Government, we find many symptoms of muddle and confusion. It was probably due to the fact that it had to work under two limitations. Firstly, the plague policy was not yet evolved and the lessons were learnt the hard way. Secondly, the confusion was worse confounded on account of the unnecessary and persistent interference of the outsiders. It was due to outside influences and imperial considerations that the pilgrims for the Haj were stopped which consequently irritated the feelings of the people. Even the Venice Sanitary Convention of 1897 did not prohibit the departure of the pilgrims from the infected areas, if proper precautions were taken.² In so doing the Government

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- 1 Sandhurst to Elgin, 11 May 1898 [appendix], E.P., vol. 72. See also Telegram, Govt. Bombay to S.S., 3 May 1898, 11 May, 16 May 1898. MSS.Eur. D. 508/1. See also Resolution Bombay Govt. 27 May 1898, Enc. No. 9, Indian Govt. to S.S., L.No. 12, 16 June 1898, Rev.L.I., vol. 21.
- 2 Report of the Indian Plague Commission, op. cit., Para 696.

went beyond the requirements of the convention. In addition, the Government was ill advised to institute very stringent measures. The excessive use of the search parties created social and political hardships. Their high-handed attitude neither mitigated plague nor appeased the people. Sandhurst himself said that wholesale searching did not show results which were not out balanced¹ by disadvantages and hardships, especially those caused by indiscreet or corrupt subordinates. The result was that the entire population was being set against the measures.¹ It was therefore not so surprising that the plague Commissioners did not favour compulsory segregation or evacuation in their findings.² Fortunately, due to the guarded opposition of Elgin, more unpopular measures of doubtful utility like corpse inspection were avoided. It was equally tragic that the Bombay Government was wrongly advised to wrest powers from the municipality. The only effective way to deal with epidemics of the type in the given circumstances was to solicit the maximum cooperation from the public. And that is what ultimately happened.

It was only after two years of consistent and patient endeavours on the part of Elgin that a plague policy worth the name was evolved which laid stress on the isolation of the sick, disinfection of the

1 Telegram, Governor Bombay to S.S., 17 March 1898, P.S.L.I., vol. 102/1898.
See also India under Lord Elgin, Quarterly Review, op. cit., p. 328.

2 See Report of the Indian Commission, op. cit., Paras 581, 627 and 637.

affected areas and finally in preference to coercion, the compliance of the regulations through persuasion. It was this policy which won the approval of the Plague Commissioners.¹ The lessons were learnt by Elgin by 1898 and the probable benefit of this experience was reaped by Curzon.

The year 1896-7 was a year of great misfortunes. But India was not overwhelmed by "disruptive forces", as depicted by The Times.² Nor did the year inaugurate "a repressive regime unparalleled in the annals of India", as asserted by The Bengalee.³ Both these views were journalistic exaggerations.

The most important feature of the period was Elgin's ability to face the crisis and keep his head cool. It goes to his credit to steer the ship of the state through the rocks without either grounding it or wrecking it. The situation might have easily gone out of control but for the foresight shown by Elgin. He not only contained the external forces but maintained a united administrative front. Though his policies were by no means liberal, they were decidedly motivated by deliberate caution.

1 See the Preliminary Report of the Plague Commission, Enc. Nos. 28-32; Indian Govt. to S.S., L.No. 6 (San), 9 February 1899, Rev.L.I., vol. 24.
See also Report of the Indian Plague Commission, op. cit., Paras 727 and 731.

2 19 July 1897.

3 31 July 1897.

CONCLUSION

Lord Curzon arrived in Bombay on 30 December 1898 and Lord Elgin left Calcutta for London on 6 January 1899. Thus ended a momentous Viceroyalty.

At the end of Elgin's tenure there was hardly any forum of Indian public opinion which praised him. To some extent the reason for this attitude was obvious and possibly justified, because a new and uncertain currency system marked the beginning of the administration; controversial cotton and excise duties and unprecedented natural calamities made it a target for criticism; change of sedition laws earned it still greater unpopularity. The Indian press, in fact censured Elgin for not paying due regard to the wishes of the governed.

The Indu Prakash wrote: "Whatever allowance may be made for the serious difficulties Lord Elgin had to contend against, the fact is undeniable that his administration has been not only barren of any good results, but positively productive of harm."¹ The Amrit Bazar Patrika deplored a Viceroyalty which excited "discontent" and abated "repression" and thereby demolished the reputation, the British statesmen built in India for justice and generosity.² Some

1 26 December 1898, Bomb. N.N.R., 1899. See also Kesari, 27 December 1898, ibid.

2 3 November 1898, Selection from the Indian Newspapers, Thagi and Dakaiti Department, P.S.L.I., vol. 110.

others complained that a "thorough going liberal" had been converted into a "narrow minded Anglo-Indian".¹ Another Bombay weekly described Elgin's rule as "pernicious and mischievous in the extreme".² Another newspaper recorded that "Lord Elgin in India has been a type of the very worst Anglo-Indian" and people would rejoice at his retirement.³ The same opinion was dittoed by the Bengalee some time later. It described the period "wherein their [the people's] sufferings knew no bounds."⁴ "Lord Elgin's administration was", wrote the Hitavadi, "from beginning to an end, marked by error, want of intelligence and light mindedness."⁵

Many of the above comments lack a correct perspective because they were made in the heat of the moment. Elgin's administration, in fact, was not so barren of results nor was Elgin personally a reactionary. On the main issue of finance and currency Elgin showed a good deal of personal interest. He fully realised the gravity of a

1 Akhbar-i-Am, 19 October 1898, ibid.
See also Indian Spectator, Gujrati, Champion, 23 October 1898; Sudharak, 24 October; Indu Prakash, 24 October; Kesari, 25 October 1898, Bomb. N.N.R., 1898.

2 Indu Prakash, 25 October 1898, ibid.

3 Prabhat, 9 April 1898, ibid.

4 7 January 1899.

5 6 January 1899, Bengal N.N.R. 1899. See also Bangavasi, 6 January 1899, ibid.

unnatural monetary standard and tried his best to establish gold standard in the country. He was equally alive to the monetary needs of the community. In order to meet the demands of the public and the famine he released the monetary reserves from the currency balances. Elgin remained alive to the problem of currency and tried his best to terminate the transitory stage as early as possible. By 1898 the fluctuations in the exchange rate stopped, the Government treasury was enriched and by the time Elgin left, the Government showed a surplus, but in the process the Elgin's administration had to act as a shock absorber to the new changes that had taken place in 1893.

The cotton duty controversy was indeed another important event. Elgin was personally criticised very much by the Indian public and press for showing his inability to protect the interest of Indian textile industry. But the decision to do so - in spite of Elgin's ~~rote~~ - was made under various pressures, influences, and motives that seemed to be at work. It was no doubt, an unjust decision to impose duty on Indian cloth when there was no question of any competition between India and Manchester made goods. Its significance is further enhanced when one realises that it was dictated by a liberal Government.

Some of Elgin's most notable achievements in the field of railway expansion were obscured on account of other unfavourable developments. He was the first person to appreciate the value of feeder railways to develop hitherto underdeveloped areas and utilized for its

construction the locally raised capital. The Viceroyalty witnessed the maximum amount of railway growth that ever took place in span of five years. Besides, great experiments were made with the system of mixed economy (private sector and public sector) in the public utility services of India. Elgin was personally responsible for completely organising the railway establishment and introduced financial and administrative planning in India. His activities in connection with the Indian railways were most outstanding example of his sound administrative ability.

His performance in the most difficult time of India's famine was commendable. His non-alarmist and definite views on famine proved fruitful. His food policy though based on the old principle of free trade was used in the best possible way in the given circumstances.

Finally, Elgin's association with the sedition changes and the plague rules further told upon him, although his role effectively softened the more stringent measures. Elgin in fact, showed due regard to the wishes of the public and as a result many changes were introduced in the sedition laws before they were finally enacted. Had he been of the same opinion as Hamilton, who could have stopped the re-imposition of the Vernacular Press Act? To Elgin must be given due credit for containing racial antipathies which were largely overstated by the Anglo-Indian press and the Secretary of State.

The main point of importance which emerged out of this stirring period was that the British attitude towards India which had been

taking shape for some time hardened. It finally announced that it was most difficult to reconcile liberalism with autocracy. Justice was all right in the abstract. It was upheld as long as vital British political and economic interests did not clash with those of India. For example, on the currency question, it clashed with the British, and the Indian Government had to follow the dictates and interests of the British Government.

Most important change levelled against Elgin was that he allowed himself to be guided either by the 'mandate' of the Secretary of State or by the advice of the members of his Executive Council. "The retiring Viceroy", wrote the Tribune, "proved an apt pupil in their [bureaucracy] hands."¹ Showing thorough disappointment at Elgin's personal ability, the Phoenix asserted that he should not have entered upon his duties unless he was resolved to do his best and instead should not have acted as a "puppet or entrusted the keeping of his conscience to others."² Maintaining the same beat, the Paisa Akhbar stated: "Weakness in a Viceroy of India is a sin and weakness has been the most prominent characteristic of Lord Elgin's administration."³ Nor did the India of London, a Congress journal, spare Elgin. Though it credited Elgin with "excellent intentions"

1 1 November 1898, Selections from the Indian Newspapers, Thagi and Dakaiti Department, P.S.L.I., vol. 110.

See also Indian Mirror, 2 November 1898, ibid.

2 26 October 1898, ibid.

3 26 October 1898, ibid.

and popular sympathies, it added, "perhaps after the experience of his Government some Indians may prefer a Viceroy who, though his views may be far less in harmony with those of the people of the country, has yet sufficient strength of will to make him the ruler and not the puppet of the high officials at Simla."¹ This stigma Elgin continued to have much after his death. The Dictionary of National Biography wrote, "His personal influence on affairs was weakened by a retiring disposition and a self-distrust, from which there sprang a subservience to Whitehall that has perhaps no parallel in Viceregal records."²

Was Elgin really a "puppet" in the hands of his officials? This charge is absolutely unfounded. A recent writer quotes Curzon to prove that Elgin's period was the "apotheosis of bureaucracy".³ He further asserts that officials acted as they pleased and goes on to cite a case of a certain executive councillor who openly defied the Viceroy and it was only with the help of Cabinet that he could ultimately control the councillor.⁴ Dr Gopal has used this citation

1 28 October 1898, ibid.

R.C. Dutt in an article written for the Indian Mirror considered that Curzon "would be a better change after that of Lord Elgin." Quoted in J.N. Gupta, Life and Works of Romesh Chandra Dutta, p. 239.

2 D.N.B., 1912-1921, p. 72.

3 S. Gopal, British Policy in India, 1858-1905, p. 180.

4 Ibid., p. 181.

completely out of context. The real issue pertained to the question of the imposition of excise duty on Indian cloth and yarn to match that of Manchester goods. Both Pritchard, the then Public Works Member and Miller, the then legal Member of the Viceroy's Council were recalcitrant and threatened to vote against the Government measure in the Legislative Council. Elgin, as a matter of fact, faithfully forwarded their views to the Secretary of State and in doing so he exhibited their strong feelings against the course. Nowhere did Elgin demand from Fowler that any action be taken against them. Actually the significance of that assertion is completely the other way round. It revealed that the British Government had taken a strong stand in spite of the fact that many in the Indian Government, including Elgin, sympathised with the Indian cause and had proceeded to give sound judgment. It is rather befitting to relate that Elgin's attitude towards his colleagues vis-a-vis the stand of the Secretary of State, was admirable and statesman like. Fowler had acted in an indiscreet and thoroughly dictatorial way. It lay to Elgin's credit in not reopening the wound or add salt to it. He politely warned both Pritchard and Miller of the strong feelings of the Home Government and did not allow the matter to be stretched too far. A little outburst from the Viceroy too, could, in all probability have led to their resignation which in turn would have proved damaging to the reputation of the Indian Government.¹ Furthermore, it is hardly

1 See Elgin to Miller, 7 November 1894; Elgin to Pritchard, 28 28 December 1894, E.P., vol. 65.

appropriate to prove a point or pass a judgment on someone by merely quoting the opinion of a person who mostly looked unkindly towards any one's ability. Dr Gopal himself subsequently testifies to the fact that Curzon had no ability to judge men.¹

Elgin in his own right was dominating and assertive but rarely outspoken and arrogant. When the Bengal Government opposed the Central Government, Elgin was sufficiently assertive and saw to it that the local Government did not do anything contrary to the decided policy. Of course he did not catch Mackenzie, the Lieutenant Governor of Bengal by ear or punch him on the nose but in his usual discreet, diplomatic and forthright way got him around. Similarly when Westland and Trevor, two members of the Executive Council were more inclined to Hamilton's remedy of the "political ill" of the time, he squarely brought them to his side so that the Secretary of State would not get the opportunity of forcing the hands of the Government. It was a rare tribute to Elgin's administrative ability to maintain complete unanimity when many of his senior officials preferred a harder hand to strike against the Indians.

It was a special attribute of Elgin to get the work done by his subordinates and yet not to give the impression of any undue dominance. Another example of his subtle way pertained to the issue of the Legislative Council for the Punjab. On this question Elgin

1 British Policies in India, p. 250.

had strong feelings. So did Fitzpatrick, the Lieutenant Governor of the Punjab for the opposite reason. Elgin avoided a headlong collision and after the retirement of Fitzpatrick, he found it congenial to impose the condition on the new Lieutenant Governor Mackworth Young as the price of promotion. He did not have any unpleasant affair as Curzon had with Young on the issue of the creation of a separate Province on the North Western Frontier.

Surely Elgin consulted his colleagues on almost all issues, but consultation did not mean either weakness or subservience. After discussion on important issues Elgin usually proceeded on his own to recommend, execute or reject policies. The execution of famine policy, particularly food policy is a pointer in that direction. As regards railways, Elgin more than anyone else was responsible for whatever happened during this period. Actually his colleagues faithfully followed him and the India Office toed his line. Similarly in dealing with plague, he showed robust commonsense and the policy which finally came to be followed represented most of his personal views. On technical matters like the currency question, he depended upon the experts though there too he took keen personal interest. There was certainly nothing wrong in having adopted this attitude. It is a keynote of any sound administrator to interfere as little as possible in the matters where one's personal knowledge is either deficient or lacks comprehension. Yet another distinctive feature of Elgin was that he believed in giving due credit to one who deserved most and often lauded him publicly. In a letter to Sandhurst in

connection with his plague activities Elgin wrote: "I am a great believer in Palman qui meruite ferat. You have fought this fight [against plague], and I believe you are about to emerge triumphant, and I should like your name to stand alone in connection with it."¹ Much of the adverse criticism against him resulted either from attaching too much importance to one single issue or in mistaking his unassuming nature for weakness or from a lack of understanding of his administrative policies in their totality.

If on one hand, the Indian press assailed Elgin bitterly; on the other, the Anglo-Indian and English Press in contrast praised him immensely. The Times of India called him a "statesman of unpretentious but solid attributes".² The Pioneer described his all round operations as "highly systematised".³ The Times wrote: "It is but common justice to say that LORD ELGIN has more than justified the wisdom of Mr GLADSTONE's selection. The difficulties with which he has had to contend have been rarely equalled, even in annals of India. He has manfully confronted them all."⁴ These observations were not necessarily impartial either.

1 Elgin to Sandhurst, 18 March 1897, E.P., vol. 70.

2 17 October 1898.

3 21 October 1898.

4 17 October 1898.

See also The Times, 3 January 1899.

The fact of the matter is that Elgin's administration was a period of problems - some old and some new. He hardly had any time to initiate reforms, except in the field of railways. Neither in the field of economics nor in that of politics Elgin displayed new or invigorating ideas. The economic aim of his policy was based on the principles of free trade and private enterprise. Even during the famine of 1897 this aim remained the main guiding feature. The political aim of his policy was to draw the discontented and educated element out into the open and offer more responsible outlets. Yet in the implementation of this policy the Government did just the opposite. In most part the response of the Government was not active enough or liberal enough to keep pace with the growing political consciousness amongst the Indians. In the practical field of administration, Elgin boldly tackled the problems. He left for Curzon a rich exchequer, an effective famine administration and at last, a sound plague policy. In this way he prepared the ground for Curzon's more ambitious plans. In a way Elgin's period is a fitting prelude to the Curzonian period of reforms.

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Bundle of miscellaneous papers containing the following items:

- (a) Minute by Lord Elgin on the Imperial Service Troops (MSS.).
 - (b) Minute by Lord Elgin on Railways (MSS.).
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Summary of various Departments of Lord Lansdowne**Summary of the various Departments of Lord Elgin**

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64	1897	[C.8302]	Papers Regarding Famine Relief
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64	1897	[C.8504]	Papers Regarding Famine Relief

Vol.	Year	No.	Description
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31	1899	[C.9178]	Report of the Indian Famine Commission 1898.
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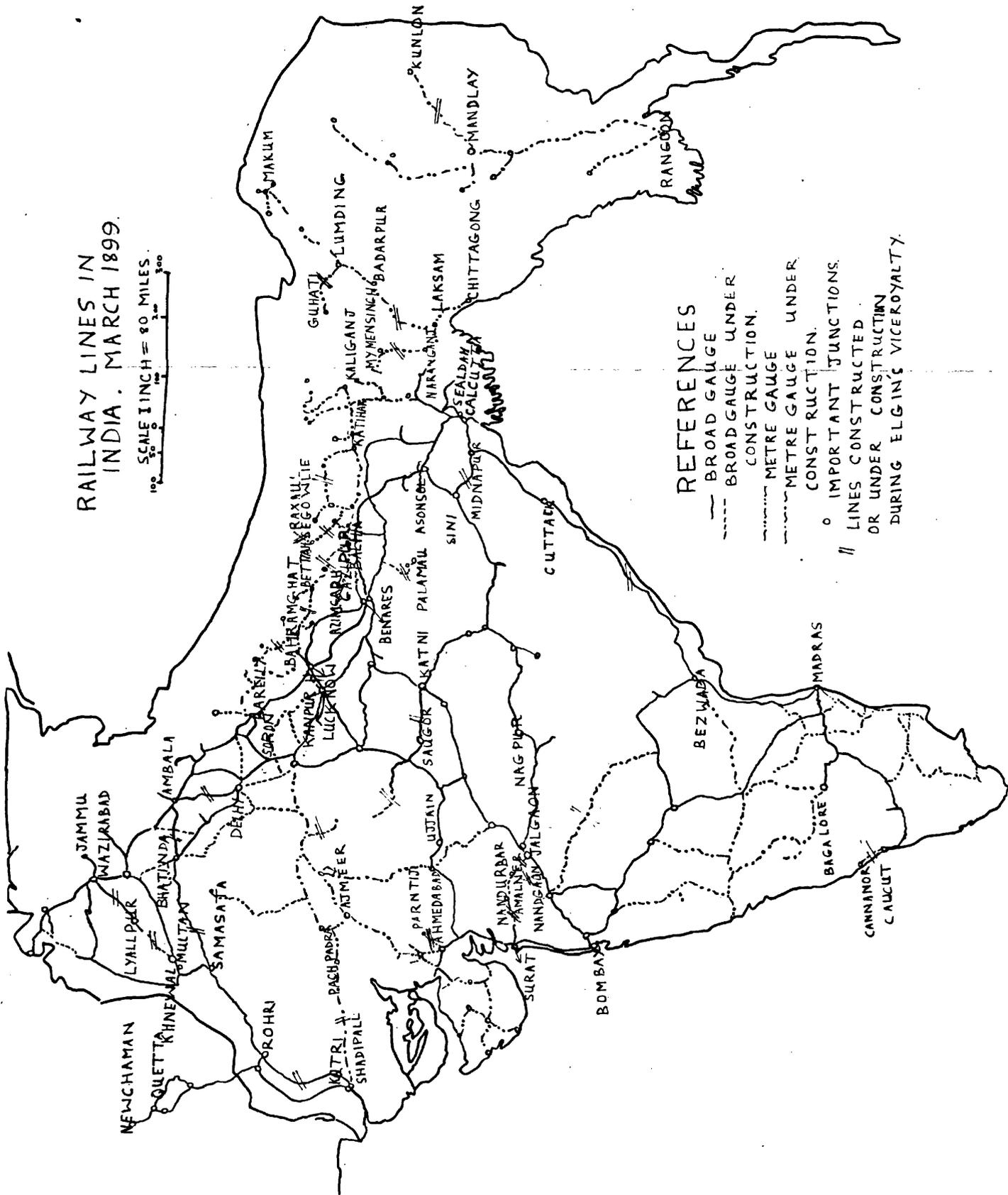
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SCALE 1 INCH = 50 MILES.



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- - - - METRE GAUGE UNDER CONSTRUCTION.
- o IMPORTANT JUNCTIONS.
- // LINES CONSTRUCTED OR UNDER CONSTRUCTION DURING ELGIN'S VICEROYALTY.

Scale 1 inch = 128 Miles or 211080.

FAMINE OF 1896-7

MAP AS ILLUSTRATED IN THE
REPORT OF FAMINE COMMISSION
7 1898.

REFERENCES.

The area affected by famine
in British Territory - 

The area affected by famine
in Native States - 

