

GOVERNMENT OF INDIA.

DECENTRALIZATION COMMITTEE

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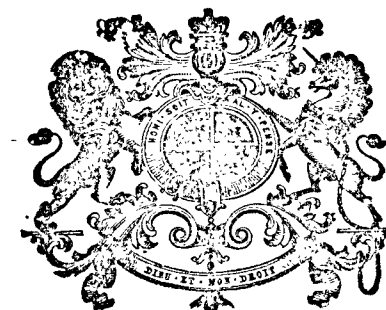
ON

DECENTRALIZATION.

GENERAL MEMORANDUM ON THE DEVELOP-
MENT OF BRITISH ADMINISTRATION IN
INDIA, AND ON THE ORIGIN AND
FUNCTIONS OF THE INDIAN
GOVERNMENTS.

BY

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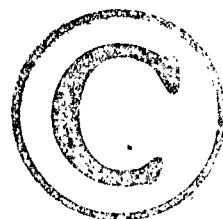


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*General memorandum on the development
of British administration in India, and
on the origin and functions of the Indian
Governments.*

1. In this and other memoranda the relevant chapters of the recently published volumes of the Imperial Gazetteer of India relating to the Indian Empire as a whole will be freely utilized and quoted from.* Their writers were persons specially cognizant of the subjects they had to deal with; they were subject to strict editorial† control; and the chapters were individually submitted to the Departments of the Government of India concerned, and in some cases modified with reference to suggestions made by them.

2. In treating of the large subject of this memorandum it will be convenient to consider matters under four periods. The first covers the conversion of the trading 'Presidencies' of the East India Company into large Provinces, the initiation of control over them by the Government and Parliament of Great Britain, and the establishment of a Central Government in India itself, though the Governor General was still also Governor of the Bengal Presidency. This period ends appropriately with 1832, for the Charter Act of the following year first established the Government of India, as opposed to a mere controlling Government of Bengal, and placed the Madras and Bombay Presidencies under its direction to a much greater degree than had hitherto been the case. The second period covers the interval from 1833 to 1857 when the Company's Government disappeared. The third period commences with the direct government of India by the Crown, and goes on in its main features to the present day. A break may, however, conveniently be made at 1877, when Queen Victoria assumed the title of Empress of India, and thus emphasized the paramount control of her Indian Government over the Native States, while about the same time the financial position, and consequently the powers, of the Provincial Governments were considerably improved by the measures associated with the name of Sir John Strachey. Accordingly, the third period of this memorandum will end with the year

* Also, where necessary, the as yet unpublished articles on the Provinces.

† I was for more than two years the Indian editor.

1876, while the fourth period will carry the story on to the present day.

I. First period, up to the passing of the Charter Act of 1833.

3. The position of the Local Governments of British India *vis-à-vis* of the 'Government of India,' *i.e.*, the Central Government—itsself controlled by His Majesty's Government through the Secretary of State in Council, cannot be adequately comprehended without some general idea of the circumstances under which the Indian Provinces as they now stand, and the existing system of administration, came into existence.

4. It is, of course, well known that the Indian Empire of to-day has grown out of scattered trading settlements established along and near the coasts by the agents of the East India Company. "Trading relations were instituted with Masulipatam on the east, and Surat on the west, coast in the years 1611 and 1612. Madras was rented from a local Raja in 1639. Bombay was ceded to the British Crown as part of the dower of Catharine of Braganza in 1661 and granted in 1668 to the East India Company to be held of the Crown 'as of the manor of Greenwich in free and common soccage'. Leave to trade with Bengal was obtained from the Mughal emperor in 1634; the factory at Hooghly was established in 1640; and Calcutta owes its foundation

"The subordinate Presidencies were forbidden to wage war or make treaties without the previous consent of the Governor General of Bengal in Council, except in case of imminent necessity. The Governors of these Presidencies were directed in general terms to obey the orders of the Governor General in Council, and to transmit to him intelligence of all important matters. But the then isolated position of the three Presidencies rendered the control of the Bengal Government more theoretical than real, as was shortly proved by the embarrassing action of the Bombay authorities in the Maratha troubles of 1775-82."

Imperial Gazetteer, Volume IV, page 14.

The first Governor General and Councillors of Bengal were named in the Act and were to hold office for 5 years* after which the patronage was to be vested in the Company. The decisions of the Council were to be by the majority of the members, the Governor General having only a casting vote in the case of an equal division. The trouble and embarrassments which this provision caused to Warren Hastings are well known.

The Governor General in Council was to obey the orders of the Court of Directors and keep them constantly informed of all matters relating to the interests of the Company.

The Act also provided for the constitution of a Supreme Court in Calcutta which became the ancestor of the present High Court. Similar Courts were created for Madras and Bombay in 1801 and 1823.

our own territories and those of our allies; or to make fresh treaties guaranteeing the integrity of any Native State. It was the practical ignoring of these provisions by Lord Wellesley, under the stress of circumstances, which caused so much friction between himself and the Directors."

11. The first Governor General of Bengal was, as is well known, Warren Hastings (1772-85),* but his tenure of office, while it marks the successful issue of a most critical period in the maintenance of British rule in India, was, as regards direct advance, only signalized by the acquisition, in 1775, of the greater part of the territory now constituting the Benares division of the United Provinces.

12 The Governor-Generalship of Lord Cornwallis (1786-93) is marked by—

(1) The passing of an Act (25 George III, c. 16) "authorizing the Governor General to override the majority of his Council and to act on his own responsibility in matters of grave importance. This condition was repeated in subsequent enactments and is still in force..... Under the board system of administration initiated by Lord Cornwallis, the Council acted in the capacity of advisers only, offering opinions on the cases put before them but exercising no individual responsibility," and the real heads of the Government Departments were the Secretaries.

14. The Governor-Generalship of Lord Wellesley (1798-1803) marks a great territorial advance both in the north and the south. By the acquisition of territory consequent on the final overthrow of Tipu Sultan (1799); by the cession of the present districts of Bellary, Anantapur, Cuddapah and a part of Kurnool by the Nizam in return for the maintenance of subsidiary forces in his territory (1800); and by the absorption of the Carnatic kingdom (1801) and the principality of Tanjore (1799), the Madras Presidency was extended to its present limits; and the only important alterations subsequently made have been the acquisition of the rest of Kurnool through the deposition of the local Nawab (1839), and the transfer of the North Kanara district to Bombay (1862).

15. In the North—

(1) In 1801 the Nawab of Oudh ceded, in return for a guarantee of protection in respect of his remaining territories, the so-called 'Ceded Provinces' which include, roughly speaking, the present Gorakhpur and Rohilkhand divisions of the United Provinces and the bulk of the divisions of Agra and Allahabad.

(2) As a result of the successful Maratha war with Sindhia in 1803, the latter ceded what were known as the 'Conquered Pro

taken under British administration for this reason in 1831, and remained so administered until 1881.

22. Lastly, the war with Nepal in 1814-16 resulted, as has already been stated, in an accretion of territory along the Himalayas in what are now the United Provinces, and in the acquisition of Simla.

23. The first Burmese war of 1824-26 led to the acquisition of Assam, and of the Arakan and Tenasserim divisions of the present Province of Burma.

24. Accordingly in 1833, when the British Charter Act of that year brought about important developments in the system of Indian Government which will be noticed presently, we find that of the three Indian Governments then existing—each of which, it should be noted, had its separate army—the two minor Presidencies, Madras and Bombay, had attained almost to their present size, save for the subsequent addition of Sind to Bombay; while the Governor-General, besides exercising general control over these two Presidencies, ruled directly over areas which correspond generally to the present Provinces of Bengal, Eastern Bengal and Assam, and the United Provinces, together with the Saugor and Nerbudda territories, Ajmer and a portion of Burma. Of these outlying areas, the Saugor and Nerbudda territories were managed by an Agent to the Governor-General; Arakan was attached to Bengal; Tenasserim was under a special Commissioner; and Ajmer was managed by a Superintendent under the direction of the Resident at Delhi.

William Bentinck inaugurated the appointment of native officers of a higher class, Deputy Collectors, who are now entrusted with the same duties and responsibilities as the Collector's civilian Assistants. The Collector's principal subordinates, European and Native, were like himself generally entrusted with magisterial and police functions also, their powers varying according to the revenue position they held.

29. At the base of all came, as ever in India, the village, whose organization, which had survived from remote Hindu times, gave each village community its own staff of petty officials, and a large degree of autonomy which has perforce been considerably curtailed by the advance of British administration.* Where settlements of land revenue were not made with large land owners who owned several or many villages, they were, throughout the greater part of this period, made with the villages as a whole, and it was only towards the close of this time that the ryotwari system of Madras, evolved by Sir Thomas Munro, which involved a settlement with each individual landholder, emerged as the predominant system in the Madras Presidency (its application to Bombay commenced in 1836). The ryotwari system, while preventing local oppression of poor or low-caste peasant proprietors, naturally led to many matters which would formerly have been settled by village headmen or village councils (*panchayats*) being referred to the Government revenue officer or magistrate.

Villages had, especially in the south of India, their own system of village police, and were held responsible for undetected thefts or other crime committed within their area.

and Circuit Courts till 1845: in Bombay they had already disappeared in 1830.

33. The system of appointing natives of India to be subordinate civil judges had been initiated, the bulk of the original civil work of the country was already in their hands, and there were Munsifs and *Sadr Amins* in existence corresponding to the District Munsifs and Subordinate Judges of to-day, though the limits of their jurisdiction were smaller. In Madras, too, a Regulation of 1816 had given heads of villages power to act in petty civil and criminal matters.

Employment of natives of India as subordinate civil judges.

34. The supreme courts of the Presidencies were of a double character. There were the Supreme Courts proper, established in Calcutta by the Regulating Act of 1773 and in Madras and Bombay subsequently, and consisting of British barristers; but their jurisdiction, as curtailed by an Act of Parliament of 1781 already referred to in another connection in paragraph 9, was practically restricted, territorially to the Presidency towns, and personally to British subjects (European British subjects as we should now say) outside these; and they were forbidden to interfere with acts done in the collection of the revenue according to the usage and practice of the country or the Presidency Regulations. It was also laid down that in suits between natives falling within their jurisdiction, regard should be paid to the personal law of the party whether Hindu or Muhammadan

was anything but effective.* The same authorities dealt with the provision of barracks and other building accommodation required. As regards Irrigation, little had been done beyond taking advantage of such works as had been constructed by previous native rulers, though between 1817 and 1823 work was commenced on the system now known as the Eastern and Western Jumna canals which owe their first beginning to canals previously constructed by Firoz Shah Tughlak and the Mughal emperors.

38 There was no organized postal system. Mail runners were kept for Government purposes along main lines of communication, but the use of this post by private individuals was conceded only as a privilege, and on payment.

39. As regards State responsibility for famine-relief and prevention, little advance had been made over native methods, under which "occasionally a large relief work was started and spasmodic attempts were made to send food to famine stricken areas, but primitive transport could not enter fodderless and roadless country, and so broke down where most required;" and the great Bengal famine of 1770, which cost millions of lives, took place before the Company had assumed direct responsibility for the government of the Province. Relief works "were first opened in Madras in 1792; [but] the obligation to provide work for all who sought it was fully recognised for the first time [only] in the Agra famine of 1838."

- (3) Abkari or Excise revenue.
 (4) Stamp duties and fees on judicial proceedings.

The receipts falling under head (2) were not, at any rate in Bengal, under the Revenue Boards proper, but under a separate Board of Customs, Salt and Opium, which was subsequently abolished by Lord Dalhousie.

43. The Land revenue was, as usual in Oriental countries, the mainstay of the Government. During the first years of British rule it had been exacted without any definite principle, except that of obtaining as much as it was thought the land could yield to the State, by means of frequent and arbitrary re-assessments and by farming the collection of these to the highest bidder, a method which had become generally prevalent under native rule with the decay of the Mughal empire and the political anarchy that set in subsequently. But in 1793, Lord Cornwallis, as already observed, placed Bengal under a permanent settlement, which not only gave the great landlords with whom he dealt fixity of assessment, but precluded the Government from raising this for ever. The right of the Government to a share in the produce of the soil was in fact compounded for a fixed land tax, which at that time was, however, (though it now is not) heavy in proportion to the landlord's receipts. Endeavour was made to introduce this system elsewhere, but it was not generally adopted; and outside Bengal in the wide sense and parts of Assam, it only survives, as already indicated, in portions of Madras and of the Province of Agra, the Benares division of which belonged to Bengal in Lord Cornwallis's time. The alternative system, since adopted, of giving the landholder an assessment which should yield him a considerable

over the principal routes, but shortly after the close of this period steps were taken, in the Bengal Presidency, to substitute customs lines along the external frontier.

49. Excise revenue, derived from the production and sale of country liquor, and to a minor extent from the sale of imported spirit, was generally obtained, as under native rule, by farming out the rights of manufacture and sale to the highest approved bidders. The first attempt to impose a quantitative duty on locally produced spirit under a distillery system was made in Bengal in the year 1813, in Bombay in 1816, in Upper India in 1861-62, and in Madras in 1869.

Excise.

50. The currency arrangements were as yet anything but uniform. The rupees issued from the Company's mints were, at the close of this period, still of four different standards and weight. The Murshidabad or *sikka* rupee, struck at the Calcutta mint, represented the old Mughal coin; the Farrukhabad mint in the Upper Provinces followed the standard of the Lucknow rupee struck by the Wazirs of Oudh; the 'Surat' rupee was the standard of the Bombay Presidency; and the 'Arcot' that of Madras; while in addition there was considerable circulation of coin struck by native sovereigns. The Company's accounts were generally kept in 'current' rupees, but these represented merely the estimated value of the standard coin

Second Period (1833-57).

53. This period opens with the passing, in 1833, of a fresh Company's Charter Act (3 and 4 William IV, c.85). By it—

(1) The Company's trading privileges were now finally taken away and it became henceforth a purely governing body. One result of this change was more economical administration, since trading profits were no longer available to eke out taxation receipts, and by consequence the larger employment of native agency.

(2) "The superintendence, direction, and control of the whole civil and military Government were expressly vested in a Governor General and Councillors who were to be styled 'the Governor General of India in Council.' This Council was increased by the addition of a fourth ordinary member [the Commander-in-Chief, it will be remembered, sat only as an extraordinary member] who was not to be one of the Company's servants, and was not to be entitled to act as Member of Council except for legislative purposes."

(3) "The over-grown Presidency of Bengal was to be divided into two distinct Presidencies [administered by Governors in Council] to be called the Presidency of Fort William and the Presidency of Agra. But this provision was suspended by an enactment of 183

subject of His Majesty resident therein, shall, by reason only of his religion, place of birth, descent, colour, or any of them, be disabled from holding any place, office or employment under the Company.' "

(9) Lastly the Act established bishoprics at Madras, and Bombay, as well as in Calcutta.

5. Accordingly from this period we may date—

(1) The commencement of the present active control of the Government of India over all the Provincial Governments, the latter losing for the time even the power of separate legislation and of fresh expenditure in regard to establishments.

(2) The creation of fresh Provinces outside the three old Presidencies, and the administration of such Provinces not by a Governor in Council, but by a single Lieutenant-Governor, or, in the case of later lesser charges, by a Chief Commissioner.

(3) The dissociation of the Government of India from direct charge of any of the principal Provinces. It is true that the Governor-General remained up to 1854 Governor of Bengal; but as he was frequently absent from this Province, its administration fell more and more into the hands of the Deputy Governors above referred to. But,

Commissioner in Sind has much larger powers than an ordinary Commissioner of Division, and is practically a sub-Governor having in his hands the threads of the local administration in all its branches.

63. The annexation of Sind is also notable for the fact that Sir Charles Napier there introduced what was to become the model of the present Indian police system, *viz.*, a force modelled on the Irish constabulary, "the main characteristics of which were separate organization, severance of police and judicial functions, and a reasonable degree of discipline." In 1853 a similar system was introduced in the Bombay Presidency proper; and shortly after the annexation of the Punjab in 1849, that Province received an ordinary police force on similar lines, and a semi-military force for escort and guard duty. These bodies were however distinct forces under the District Magistrates. The wider application of Sir Charles Napier's system belongs to the next period.

64. The Governor-Generalship of Lord Dalhousie (1848-56) is marked by enormous advance both as regards acquisition of territory and the constitution of new Provinces, and in respect to internal administration.

(1) The year 1849 witnessed the final fall of the Sikh power and the constitution of the present Province of the Punjab, lacking, it is true, the Delhi territory, which still belonged to the North-Western Provinces, but embracing, on the other hand, the districts which now form part of the separate Frontier Province. This Province was at first placed

and was made into a separate Chief Commissionership, to be subsequently (though not within this period) joined to the North-Western Provinces.

65. Lord Dalhousie's new acquisitions were all non-Regulation Provinces, and were at first administered in a very simple manner, all powers—revenue, police, magisterial and judicial, being concentrated in the hand of the Deputy Commissioners (corresponding to the Collectors of the older Provinces), while the same concentration of power applied to their assistants and above them to the territorial Commissioners*. The civil administration of these Provinces was, moreover, not confined to the Company's covenanted servants, but military officers and some locally recruited uncovenanted men were also employed and there is still, it may be noted, a considerable 'military civilian' element in the civil administration of Burma, Assam and the Punjab, though hereafter only civilians will be recruited outside Burma. Lastly, legislation required for these Provinces was carried out not by Act, as for India generally under the Charter Act of 1833, but by Regulations of the Governor-General in executive Council.

66. In 1853, the Company's last Charter Act (16 and 17 Vic., c. 95) authorized the constitution of Bengal into a separate Presidency under a Governor in Council, and also the similar creation of one new Presidency, but provided that in each case a Lieutenant-Governor might be appointed in the meantime. The former power was put into effect at once in the case of Bengal, which became a separate Lieutenant-Governorship in 1854. That of creating a new Presidency, or in default

time there was a separate Irrigation branch only in the Punjab and the North-Western Provinces.

70. Lord Dalhousie's Governor-Generalship was marked by substantial progress in road making, and the construction of the large irrigation works which now form one of the great assets of British rule had been vigorously commenced during the period now under review. In Madras Sir Arthur Cotton had strengthened and improved the works on the Cauvery delta which had been first made under native rule, and had undertaken (though the Kistna project was not finally carried out by him) the great canal systems which now radiate from the Godavari and Kistna rivers. Work was also started, though with much less successful result, on the Kurnool-Cudapah canal. In the North-Western Provinces the great Ganges canal, the pioneer of all large canals subsequently constructed in Upper India, had been opened in 1854. The necessity for obtaining trained subordinates for this work led to the establishment, in 1848, of the Thomason College at Roorkee, the first, and still by far the most important, of the Indian engineering colleges.

71. The commencement of a general postal service in 1837 has already been referred to. In 1854 the Post Office department was organized on the lines upon which it has since worked, as a department directly under the Government of India, and controlled by a Director-General, with Postmasters-General under him in the larger Provinces, and, later, Chief Inspectors (afterwards styled Deputy Postmasters-General) in the smaller ones. Postage stamps were now

the educational activity thus evolved, and the year 1857 witnessed the establishment of the Universities of Calcutta, Madras and Bombay.

74. To Lord Dalhousie also is due the establishment of annual Administration Reports, to be furnished by the various Provinces, showing the progress made in the various departments during each year. This system of reports is not only of great value as a standing record of administration, but it affords a ready means to the Indian Governments to exercise control in matters of policy over the departments subordinate to them; while it assists the Government of India in advising, and if necessary intervening, in regard to the conduct of Provincial administration, and in the last resort, helps the Secretary of State to do the same where he thinks this necessary. The system has thus become an instrument of centralization, though so long as the interference of outside authorities is not carried too far, such centralization is inevitable and beneficial.

75. As regards some of the other matters mentioned in Part I of this memorandum—

(1) In the older Provinces tranquillity and improved communications were enabling a better developed administration. Districts were being gradually reduced to more manageable size, and the proceedings of the Collectors and Commissioners were necessarily becoming subject to greater check by the Provincial Governments, and those of the latter to larger control by the Government of India.

(2) The revenue and judicial

to be Superintendent of Forests in Pegu.

- (8) Customs duties on goods imported into India were, at the close of this period, subject to a general duty of 5 per cent. *ad valorem*. The Internal Customs arrangements were reformed in 1843, all articles except salt, exported sugar and cotton being exempted from taxation; and the main Customs line ran along the frontiers of the North-Western Provinces, the Commissioner of Inland Customs being placed under that Government. The annexation of the Punjab pushed the line out to the north-west, and brought the great salt sources of the Punjab under control. In 1855 the cotton duties were abolished, and the greater part of the Central Provinces was brought within the Northern India Customs line, which remained under the supervision of the North-Western Provinces administration. Duties on salt were levied at different rates in Northern India, Bengal, Madras and Bombay; and the local manufacture of salt had been stopped in the North-Western Provinces, and was gradually coming to an end in Bengal which was being supplied by importation from abroad. One of the main functions of the Internal Customs department was to prevent the transit of the lighter taxed Madras and Bombay salt, and of the outside Rajputana salt, into the Northern India sphere without payment of the higher rates of duty prevalent there.

- (9) As regards general finance, the control of the Central Government was becoming more systematized as well as much closer, and in 1857 the Civil Accounts establishments

Oudh (under Chief Commissioners), and, save for the maintenance of their separate armies, the prerogatives of the Presidency Governments of Madras and Bombay were now little larger than those of Lieutenant-Governors.* The period was one of constantly increasing administrative efficiency, combined with growing centralization; but in two important respects—legislation and finance—centralization had been carried to an undue extent by the concentration of all law-making power, and of the creation of all fresh appointments however small, in the hands of the Central Government. A uniform coinage had been introduced, and English had become the official language. Internal and economic development had led to the creation of new or improved departments for the management of Post Offices, Telegraphs, Civil Accounts, Public Works, Railways, Education and Jails. The first three of these were under the direct management of the Government of India; the last two under the Provincial Governments, which also dealt with ordinary public works; while the control of railways was divided between the Central and the Local administrations.

Third period (1858-1876).

80. This period, though short in duration, is marked by large administrative change, due partly to the necessity for re-building and strengthening foundations which had been shaken by the Mutiny, and partly to the assumption of direct government by the Crown, which emphasized the responsibility of the Government of India for improved administration, while it enlarged the ultimate control of the Home Government and of Parliament. The first years of the period witnessed a series of important Acts of Parliament affecting Indian administration.

81 (3) above, while he directly controls all receipts and expenditure relating to India which arise in England, the Government of India has, necessarily, large powers in regard to the revenue and expenditure which accrue in India. This matter will be dealt with in a separate memorandum on financial powers. It will suffice to mention here that the Government of India has to refer to the Secretary of State on any matter which raises an important question of financial or administrative policy or involves considerable expenditure of an unusual nature.*

And, specifically, the Secretary of State's sanction has till lately been required *inter alia* to—

- (1) The creation of an appointment of which the salary exceeds Rs. 250 a month.
- (2) The raising of the salary of an existing appointment to an amount exceeding Rs. 416-10-8 a month (Rs. 5,000 a year).
- (3) The revision of an establishment at a total cost of more than Rs. 25,000 a year.

But in his despatch No. 107 Financial, dated 2nd August 1907, the Secretary of State has now, except in the case of gazetted appointments habitually held by officers appointed in England, raised the Government of India's power of creating fresh appointments to Rs. 500 a month, of increasing the emoluments of existing appointments up

dominion of the Crown.' And, in particular, the [Legislative] Council has no authority to repeal or alter the Army Act, or any of the Government of India Acts of 1833, 1853, 1854, 1858 and 1859,* or any Act enabling the Secretary of State for India to raise money in the United Kingdom. But, within the limits and under the conditions above indicated, the Council possesses plenary power to legislate for all persons, courts, places, and things within British India. And, further [as laid down by 28 and 29 Vict. c. 17] it has extra-territorial power in that it may make laws for native Indian subjects of the King-Emperor anywhere; for European British subjects and servants of the Government of India in the Native States of India; and for native officers and soldiers in the army, and persons belonging to the Royal Indian Marine, wherever they may be serving."

- (5) "An exceptional power was given to the Governor-General, in cases of emergency, to make, without his Council, Ordinances which were not to remain in force for more than six months."

Special Ordinances by the Governor General.
Ilbert's Government of India, page 101.

85. "The power of legislation which had been taken away from the Governments of Madras and Bombay by the Charter Act of 183

the circumstance that the penal settlement of Port Blair is situated in the former. The Superintendent of the settlement is also entrusted [as Chief Commissioner] with the general administration of the islands, and maintains relations with their wild aboriginal inhabitants. He is assisted by a Deputy Superintendent and several Assistants, who form the 'Port Blair Commission'."

188. In conclusion I desire to express my obligation to the members of my present Committee (Messrs. Hill and Tucker), and to our Secretary (Mr. Rainy), for willing and useful assistance in respect of some of the information which I required for the purposes of this memorandum.

W. S. MEYER.

17th October 1907.

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