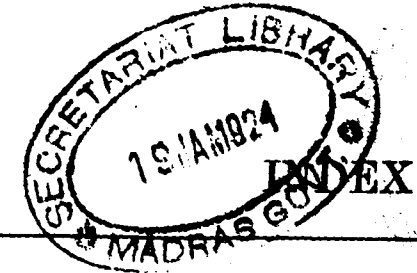
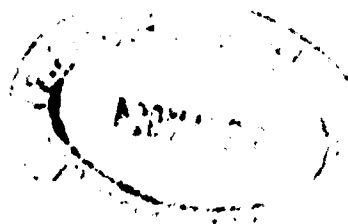


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COUNCIL OF STATE.

Tuesday, the 17th January 1922.

The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President (Sir Alexander Muddiman, Kt., C.S.I., C.I.E.) was in the Chair.

MEMBERS SWORN:

The Honourable Mr. Samuel Perry O'Donnell.
The Honourable Srijut Chandradhar Barua.
The Honourable Mr. Henry Telford Stonor Forrest.
The Honourable Mr. Arthur Innes Mayhew.
The Honourable Dewan Tek Chand.
The Honourable Major-General Sir William Rice Edwards.
The Honourable Major Mohamed Akbar Khan.

DEATH OF MR. MALCOLM MACGREGOR HADOW.

THE HONOURABLE THE PRESIDENT: I regret to have to report to the Council that, since we last met, we have suffered a sad loss by the death of one of our Colleagues. The Honourable Mr. Malcolm Macgregor Hadow proceeded to England in the spring under medical advice and that news was received soon after the termination of the last Session that he had passed away. The Honourable gentleman was elected at the first general election, but was never able to take the oath. He was a man of somewhat advanced years and, when preparing to come to Delhi for the first Session last year, he was taken ill. He was greatly distressed at this as he was most anxious to take part in our deliberations. He was the representative of the Assam Non-Muhammadan constituency, a constituency which extends over the whole province of Assam. I think he was almost the only example of a European being elected by a mixed electorate. He, therefore, must have commanded the confidence of all classes of the community. He was, I am informed, a Solicitor well known in the Upper Assam Valley and greatly respected in that part of the country. I think that Honourable Members will wish that I should cause to be communicated to his nearest relatives an expression of the sympathy of this Council in their loss.

CONGRATULATIONS ON KNIGHTHOOD CONFERRED ON THE PRESIDENT.

THE HONOURABLE SIR ZULFIQAR ALI KHAN: Sir, on behalf of Honourable Members of this Council, I have the high privilege of offering our cordial congratulations to you on the high distinction of which you have been the recipient. You deserve it as the exalted President of this Honourable Council, but you deserve it also as a recognition of the meritorious services which, during the development of the Reforms Scheme, you were able to render to the State and the Empire, services for which we are all grateful.

[Sir Zulfiqar Ali Khan.]

Sir, you have endeared yourself to us all by your affability and by your courteous manners, and it is with a sense of great cordiality and appreciation that we offer our heartfelt congratulations to you, and I have no doubt that Honourable Members, on whose behalf I have the honour to speak, would have expressed the same views as I have if I were not addressing you, but that is my privilege and I give expression to those views on their behalf.

THE HONOURABLE THE PRESIDENT: I have to thank my Honourable Friend Sir Zulfiqar Ali Khan for his kindly if too flattering congratulations. It is particularly pleasing that the observations which he has made should have come from him, for I have known him for a great many years now, and we have been associated in fields of activity other than this Council. I also thank Honourable Members of this Council for the very cordial way in which they have received his remarks. I need say the less on the subject as I think, that as a matter of fact, I have had correspondence on the subject with nearly every Member. Your letters have quite frankly given me great pleasure, for the honour which has been conferred on me is doubly welcome since it appears to give gratification to the Council whose representative I am. The marks of Royal favour which have been conferred on the Presidents of both Chambers of the Indian Legislature can be rightly considered as yet another manifestation of the great interest and sympathy which His Imperial Majesty the King-Emperor extends to the working of the reformed constitution. The fountain of honour, however, has not been concentrated on your humble servant. There are others in this Chamber who have also been distinguished by marks of Royal favour. I wish particularly to refer to my Honourable Friend Sir Muhammad Shafi, my Honourable Friend Raja Sir Harnam Singh and my Honourable Friend Sir Arthur Froom on all of whom have fallen very distinguished marks of honour which, I think, the Council will agree with me necessitate our offering them our hearty congratulations.

There is one absentee to-day whom I should have liked to congratulate. He is unfortunately not infrequently absent. I refer to my Honourable Friend Raja Sir Govinda Krishna of Venkatagiri. I understand on this occasion he is engaged on duties in Madras which prevent his attendance here to-day.

NEW COUNCIL CHAMBER.

THE HONOURABLE THE PRESIDENT: Before we proceed to the business of the day there is one other matter I should like to deal with. This is the first time we have met in our new Council Chamber, and I am happy to think that we shall now be able to assemble under conditions of comparative comfort. The building, though hardly a gilded chamber, is still reasonably comfortable and commodious. The previous arrangements were of so unsatisfactory a nature that nothing but the greatest mutual forbearance enabled us to conduct our meetings at all. We have to thank those members who sit in another place for the grant of funds, not excessive funds, for carrying out this important, this very necessary extension. We have further to thank the officers of the Department, presided over by my Honourable Friend Mr. Sarma, for the expedition and care with which they have carried out the work. I should like to have mentioned by name those officers principally responsible for carrying out the work, but my friend Mr. Keeling, the Chief Engineer of the Delhi Province, declines to afford me information, as to who those officers are. I understand that the reason for that is, that there has been

considerable change of staff during the progress of the work and it is difficult to assign the credit to particular officers. It is therefore my pleasant duty on behalf of the Council to thank in general terms Mr. Keeling and those of his professional staff engaged on the work, as also the contractor, Khem Singh. There is one circumstance which I fear may be brought unpleasantly to the notice of Honourable Members, and that is, that the Chamber is still exceedingly damp. I have made inquiries and have received a statement which may possibly console the relatives of any Honourable Member who may leave this vale of tears by way of pneumonia or bronchitis. It runs as follows:

'The building is not dry, but as it takes two or three months for a *kutchra* building to dry out, it was not expected that it could be dry.'

That is very satisfactory, plain and comforting (laughter). However, the Members of the Council of State are a hardy race in spite of their advanced age, and having safely survived confinement in a dungeon for some weeks during the last winter session, I have every hope that they will weather this present storm.

BUSINESS FOR THE DAY.

THE HONOURABLE THE PRESIDENT: We will now proceed to the business of the day and take questions.

(Calls on the Honourable Maharaja Shoshi Kanta Acharyya.)

I see that the Honourable Member is absent. I had, during the last Session to call attention on one or two occasions to the fact that Official Members were not here to answer questions. I think when a Member who has questions down on the notice paper intends to absent himself, he should as a matter of courtesy give private notice to the member of Government concerned in order that important officers of the State may not be brought down here unnecessarily to answer questions which will not be put.

QUESTIONS AND ANSWERS.

PURCHASE OF RAILWAY SLEEPERS FROM OUTSIDE INDIA.

1. THE HONOURABLE MAHARAJA SHOSHI KANTA ACHARYYA CHAUDHURI: Will Government be pleased to state the circumstances in which purchase of railway sleepers from outside India is permitted, and the number of sleepers so purchased from outside India during each of the last five years, giving the names of the supplying countries and the number of sleepers supplied by each, together with the cost thereof?

THE HONOURABLE MR. H. A. F. LINDSAY: It is presumed that this question refers to the purchase of wooden sleepers only and this reply has been framed accordingly. Railways not worked by the State make their own arrangements for the supply of sleepers.

Sleepers required for the State worked railways are purchased outside India, only if they are not available in India in sufficient quantity, of requisite quality and at a price that is not unfavourable.

During the past five years, only two purchases of wooden sleepers have been made from outside India for the State worked lines, namely, 65,000 (metre gauge) from Australia at about Rs. 4 each and 30,000 (broad gauge) from the United States of America at about Rs. 12 each. Both these purchases have been made this year.

Information is not available as to details of purchases by railways not worked by the State. It is, however, believed that none were made during

the above period prior to last year, since when about 200,000 or 300,000 American sleepers have been imported at prices varying between Rs. 12 and Rs. 20 each.

PURCHASE OF SLEEPERS FROM AMERICA OR ANY PLACE OUTSIDE THE BRITISH EMPIRE.

2. The HONOURABLE MAHARAJA SHOSHI KANTA ACHARYYA CHAUDHURI: (a) Is there at present any contract or proposal for the purchase of sleepers from America or any other place outside the British Empire?

(b) If so, what is the number of sleepers to be supplied therefrom and how do the rates quoted compare with the current price of Indian sleepers of equivalent kind?

The HONOURABLE MR. H. A. F. LINDSAY: (a) It is presumed the Honourable Member refers to wooden sleepers. Particulars of present and recent contracts are given below. The Railway Board have received no proposals for further purchases from outside the British Empire.

(b) For the State worked railways 30,000 American sleepers at about Rs. 12 each. Details of purchases by Company worked railways are not available, but it is understood that 200,000 to 300,000 American sleepers have been purchased during the last year or two at prices from about Rs. 20 to Rs. 12 each. Prices are falling and are now a little over Rs. 9.

• Indian hardwood sleepers cost at present about Rs. 8 each. They are superior to the American sleepers in quality and are much preferred to any imported sleepers. For some time past the supply of Indian hardwood sleepers has not been equal to the demand and the deficiency this year is very considerable. It is hoped that in the near future the deficiency will be met by the production in India of concrete, iron and treated soft wood sleepers at prices comparing not unfavourably with the price of Indian hardwoods.

SUMS ADVANCED TO CERTAIN NON-GAZETTED POSTAL OFFICIALS FOR TEMPORARY RELIEF.

3. The HONOURABLE MAHARAJA SHOSHI KANTA ACHARYYA CHAUDHURI: Is it a fact that representations were addressed by certain non-gazetted postal officials in Bengal to the Director-General of Posts and Telegraphs, praying that the amounts advanced to them as a measure of temporary relief from the destruction of property caused by the cyclone in Eastern Bengal in September, 1919, might be written off against the Postal Guarantee Fund?

If so, what action has been taken thereon?

The HONOURABLE MR. B. N. SARMA: Yes. Some representations were received from those who suffered in the cyclone of September of 1919 in the Bengal and Assam Circle for remission of the advances granted to them. As the advances were sanctioned on the distinct understanding that they would be recovered in 12 equal monthly instalments and as there were no special reasons for remission, the Director General did not consider it advisable to make a special application to Government to waive the recovery, the more so as no such advances had been granted by the Local Government to their servants.

POSTAL GUARANTEE FUND.

4. The HONOURABLE MAHARAJA SHOSHI KANTA ACHARYYA CHAUDHURI: (a) Is it a fact that the Postal Guarantee Fund has been created

and supplemented by subscription realised from non-gazetted Postal officials and one of its objects is to compensate such officials against loss of private property?

(b) Is it a fact that Postal officials, who had suffered from the last Danodar flood in Western Bengal, were given a similar advance which was subsequently written off? If so, against what fund were these advances written off?

The HONOURABLE MR. B. N. SARMA: (a) The Post Office Guarantee Fund was formed by contributions realised from all postal officials below the rank of Deputy Postmaster-General, with the exception of certain classes of inferior servants. No contributions have been realised since 1905. One of the purposes to which the Fund may be applied is to compensate Postal officials for loss of private property, subject to the condition that not more than one month's pay may be awarded to any officer.

(b) Yes, in certain deserving cases compensation equivalent to one month's pay was granted in the first instance as a charge against the Post Office Guarantee Fund. Subsequent applications were not entertained on the ground that the Local Government had granted no relief to their servants.

INCREASE OF INDIAN ELEMENT IN HIGHER RANKS OF MINT MINISTERIAL ESTABLISHMENTS.

5. The HONOURABLE MAHARAJA SHOSHI KANTA ACHARYYA CHAUDHURI: Have Government considered the question of increasing the Indian element in the higher ranks of the Mint ministerial establishments? If so, will Government be pleased to state their decision in the matter?

The HONOURABLE MR. E. M. COOK: No bar exists to the employment of Indians in the ministerial establishment of the Mint and a considerable proportion of such posts are actually held by Indians.

ENTERTAINMENT OF TWO ANGLO-INDIANS IN THE CALCUTTA MINT.

6. The HONOURABLE MAHARAJA SHOSHI KANTA ACHARYYA CHAUDHURI: (a) Is it a fact that Government have recently sanctioned the entertainment of two Anglo-Indians in the Calcutta Mint in the higher ministerial grades?

(b) Are Government aware of the dissatisfaction caused among the Indian ministerial officers of the Calcutta Mint by such appointments, as also by their present scales of pay?

The HONOURABLE MR. E. M. COOK: (a) Two Anglo-Indians were appointed not in the higher ministerial posts but in the sanctioned time scale of the ordinary clerical establishment of the Mint on a higher initial pay than the minimum of the scale. The appointments were made because men with the requisite qualifications for the vacant posts were not obtainable on the minimum pay of the scale. There is no bar against similar appointments of suitably qualified Indians on a higher initial pay than the minimum. The two clerks in question have since resigned their posts at the Mint as they have secured better appointments in firms in Calcutta.

(b) Government are not aware of any dissatisfaction caused among the Indian ministerial officers of the Calcutta Mint by the appointments referred to.

As regards the adequacy of the present scales of pay, these scales were sanctioned in May, 1920. A number of memorials asking for increased pay

were received from members of the clerical staff in November, 1920, but the Government of India decided that no further revision could be taken up for the present.

MEMORIAL FROM IMPERIAL SERVICES.

7. The HONOURABLE SIR ALEXANDER MURRAY: Will Government be pleased to lay on the table the correspondence that passed between them and His Majesty's Secretary of State for India regarding the subject-matter of the Resolution No. 1559-E.A., dated Simla, 16th August, 1921, published in the *Gazette of India*, dated 20th August, 1921?

The HONOURABLE MR. E. M. COOK: Government are not prepared to lay the correspondence.

IMPERIAL SERVICES IN INDIA.

8. The HONOURABLE SIR ALEXANDER MURRAY: Will Government be pleased to state—

(a) Whether their attention has been drawn to a statement made not long ago in the House of Commons by the Secretary of State to the effect that a comprehensive Resolution would be issued, which would, it was hoped, give general satisfaction to members of the Imperial Services in India?

(b) Whether Government still adhere to the policy that a strong element of Europeans is required in India's public services?

The HONOURABLE MR. E. M. COOK: (a) Yes.

(b) The orders passed not long ago by the Secretary of State provide for the recruitment of a considerable European element. My Honourable Friend will understand, however, that the declared policy of the Government, namely, the progressive association of Indians with the administration implies that the percentages at present fixed will be subject to re-examination from time to time in the light of future developments.

INCREASE OF SALARY OF CERTAIN IMPERIAL SERVICES.

9. The HONOURABLE SIR ALEXANDER MURRAY: Will Government be pleased to state exactly—

(a) What increase, if any, has been sanctioned by them in the rates of salary of members of the following Imperial Services:—

- (i) Indian Civil Service,
- (ii) Indian Police Service,
- (iii) Indian Forest Service,
- (iv) Indian Educational Service,
- (v) Indian Agricultural Service,
- (vi) the Public Works Department,
- (vii) the Civil Veterinary Department,

over the rates recommended by the Public Services Commission?

(b) Whether the rates recommended by the Public Services Commission were based on pre-war conditions?

The HONOURABLE MR. E. M. COOK: (a) I lay on the table a statement giving the required information.

(b) Government are not in a position to give a definite reply, but as the Commission's report was submitted in August 1915, it certainly cannot have taken into account any but the earliest effects of the war.

Statement showing the rates of salary of members of certain Imperial Services as recommended by the Public Services Commission and as now applicable.

Service.	Appointments.	Rates of pay recommended by the Public Services Commission.		Rates of pay now applicable.		REMARKS.
		No.	Pay.	No.	Pay.	
Indian Civil Service.	Superior.*		R		R	*Excluding posts under the Government of India in regard to which the Public Services Commission did not make any special recommendations. +Including exchange compensation allowance, which the Public Services Commission proposed to merge into salary. The allowance has, however, been withdrawn from the Indian Civil Service without merging into pay in the case of appointments above the time-scale, hence the reduction in pay in these cases.
	Governor.	..	..	1	10,000	
	Ditto	..	..	1	8,333 ¹	
	Ditto	..	..	1	6,000	
	Ditto	..	..	1	5,500	
	Lieutenant-Governors	4	8,333 ¹	1	8,333 ¹	
	Chief Commissioner	1	5,500	..	..	
	Ditto	1	4,805 ¹	..	..	

Statement showing the rates of salary of members of certain Imperial Services as recommended by the Public Services Commission and as now applicable—contd.

Service.	Appointments.	Rates of pay recommended by the Public Services Commission.		Rates of pay now applicable.		REMARKS.
		No.	Pay.	No.	Pay.	
Indian Civil Service—contd.	Members of Councils	6	R 5,333½	7	R 5,333½	
	Ditto	2	5,000	3	5,000	
	Ditto	...	...	1	4,000	
	Ditto	...	...	1	3,500	
	High Court Judges	14	4,145*	21	4,000	
	Chief Judges	2	4,145*	1	4,000	
	Judges, Chief Courts	3	3,645*	1	3,500	
	Members, Boards of Revenue	2	3,500	2	3,750	
	Ditto	4	3,500*	4	3,500	
	Ditto	2	3,140*	2	3,000	
	Chief Secretaries	2	3,890*			
	Ditto	1	3,475*	3	3,750	

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Ditto	4	3,140*	5	3,000	
Secretaries	1	3,140*			
Ditto	1	3,265*	1	3,125	
Ditto	3	2,890*	1	3,000	
Ditto	1	2,640*	...	...	
Commissioner in Sind.	1	3,890*	1	3,500+500	
Financial Commissioners	4	3,640*	4	3,500	
Commissioners	3	3,640*	3	3,500	
Commissioner of Customs, Salt, etc.	1	3,140*	...	...	
Commissioners	41	3,000	41	3,000	
Municipal Commissioner	1	3,140(a)*	1	3,000(b)	
Chairman, Calcutta Corporation and Calcutta Improvement Trust.	2	3,640*	2	3,500	

(a) Pay to range between R2,125 and R2,640 and may be raised to R3,140 after 3 years' service.

(b) Pay to range between R2,000 to R2,500 and may be raised to R3,000 after 3 years' service.

COUNCIL OF STATE.

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Service.	Appointments.	Rates of pay recommended by the Public Services Commission.		Rates of pay now applicable.		REMARKS.
		No.	Pay.	No.	Pay.	
Indian Civil Service—contd.	Deputy Commissioner, Upper Sind Frontier.	...	R Proposed to be merged into Collector.	1	R	
	Deputy Commissioner of Salt and Excise	...	Ditto	1		
	Secretaries	...	Ditto	5		
	Secretaries to Commissioners, Land Revenue and Salt and Abkari Revenue.	2	1,650—70—1,950	2		
	Registrars, High Courts	1	1,000—70—1,350			
	Ditto	2	1,300	5		
	Ditto	1	1,750			
	Registrars, Chief Courts	2	1,550—50—1,500	1		Pay on the superior time-scale for the Indian Civil Service plus the allowance and subject to the maxima indicated in the Home Department Resolution
	Private Secretaries to Governors .	3	1,000	3		
	Sub-Collectors, Madras	19	1,750	23		
	Sub-Collectors, Bombay	13	1,350	...		
	Assistant Remembrancer of Legal Affairs	1	1,350—50—1,500	1		

Judge, Small Cause Court, Sind.	1	1,350	No. 283, dated the 13th February 1920.
Assistant Commissioner in Sind .	...	Proposed to be merged into Sub-Collector.	1
Deputy Chairman, Calcutta Corporation .	1	1,600	...
Assistant Commissioners: Assistant Collectors.		1st year . . . 450	...
		2nd " . . . 500	...
		3rd " . . . 550	...
		4th " . . . 650	...
		5th " . . . 700	...
		6th " . . . 750	...
		7th " . . . 850	...
		8th " . . . 900	...
		9th " . . . 1,050	...
		10th " . . . 1,150	...
		11th " and over . . . 1,250	...
Sub-Collectors, Joint Magistrates, etc., including certain special appointments classed as inferior.	615	Subject to the conditions laid down in paragraph 30 of Appendix X to the Public Services Commission's Report.	754

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Service.	Appointments.	Rates of pay recommended by the Public Services Commission.	Rates of pay now applicable.	REMARKS.
Indian Police Service.	Deputy Inspectors General.	R 1,500—100—2,000	R 1,750—100—2,150	
	Superintendents, 1st grade.	1,200		
	Superintendents, 2nd grade.	700—50—1,000		R725—1,600 including overseas pay of R125—250 with a selection grade on R1,700 not exceeding 10 per cent. of the provincial cadre.
	Assistant Superintendents.	300—50—400—50—600		R450—925 including overseas pay of R125 to R250.
Indian Forest Service.	Inspectors General of Police.	As shown in the Indian Civil Service.		For the existing rates please see paragraph 6 of the Home Department Resolution No. D-449, dated 26th July 1921.
	Assistant and Deputy Conservators of European domicile.	380—40—700—50—1,250	475—50—725—825—50—925—1,000—50—1,500.	
	Assistant and Deputy Conservators of Indian domicile.	380—50—500—50—1,050	325—50—725—850—50—900—900—50—1,350.	
Indian Educational Service.	Conservators.	1,500—100—2,000	1,750—100—2,150	
	Chief Conservators.	2,250—50—2,500	2,500—125—2,750	
	Inspector General of Forests.	3,900	3,250	
	Ordinary scale.			
	(a) Recruited in India.	350—50—1,250		The scale is uniform for all officers, Indian or European, 400—50—1,250 with two pauses at R600 and R1,000.
	(b) Recruited in Europe whether statutory natives of India or not.	550—50—1,250		
	Selection Grades.			
	(i) Lower.	10 per cent. of cadre on 1,250—50—1,500	15 per cent. of cadre, 1,250—50—1,500.	
	(ii) Higher.	10 per cent. except Assam on 1,500—50—1,750	5 per cent. of cadre, 1,550—100—1,750.	
			Overseas pay.	All officers of non-Indian domicile and such officers of Indian domicile as were in service prior to the 1st December 1919, receive overseas pay of R150 (for the 1st five years), R200 (for the next three years) and R250 from the ninth year onwards.

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Statement showing the rates of salary of members of certain Imperial Services as recommended by the Public Services Commission and as now applicable—contd.

Service.	Appointments.	Rates of pay recommended by the Public Services Commission.	Rates of pay now applicable.	REMARKS.
Indian Educational Service— contd.	Selection Grades—contd.	<i>Principal's allowances.</i> R	<i>Duty allowances.</i>	
		(i) Principals of col- leges.	(i) All Principals of first grade colleges and large Training Colleges get a duty allowance of R150.	
		(ii) One Principal in each Province.	(ii) One Principal in each Province, R250.	
			(iii) All Deputy and Asst- ant Directors of Public Instruction, R150.	
		Directors of Public Instruction	i. Madras } R2,500—100 Bombay } —3,000 Bengal } ii. United Provinces } 2,250 Punjab } —100- Bihar } 2,750 Orissa } iii. Central Provinces R2,000 —100—2,500. iv. Assam R1,750—50—2,000 or 2,000—50—2,250	*Madras, Bombay, Bengal, United Prov- inces, Punjab, Bihar, and Orissa.

Indian Agricultural Service	Normal scale for officers recruited in India.	Normal scale for officers recruited in Europe.	Selected grade for officers recruited in India.	Selected grade for officers recruited from Europe.	Director of Agriculture	Agricultural Adviser and Director, Agricultural Research Institute, Pusa.	if and when the Province is allotted a higher selection grade appointment.
Indian Service of Engineers	Assistant Executive Engineers—	Europe recruited	India recruited	Europe recruited	India recruited	Europe recruited	India recruited

[17TH JAN. 1922.]

Statement showing the rates of salary of members of certain Imperial Services as recommended by the Public Services Commission and as now applicable—concl.

Service.	Appointments.	Rates of pay recommended by the Public Services Commission.	Rates of pay now applicable.	REMARKS.
Indian Service of Engineers — contd.	Executive Engineers —		R	
	Europe recruited . . .	800—50—1,250	1,025—1,125—50—1,275— 1,275—50—1,525—1,525— —1,575—1,575—1,625.	
	India recruited . . .	600—50—1,050	750—50—950—50— 1,200—1,200—1,250— 1,250—1,300.	
	Superintending Engineers . . . Chief Engineers . . .	1,500—100—2,000 . . . 2,500—50—2,750 . . .	1,750—100—2,150 2,750—125—3,000	
Indian Civil Department.	Veterinary Officers recruited in Europe	500—50—1,400	500—50—1,500 and *selection grade of 1,500—50—1,750.	* Limited to 15 per cent. of the total cadre of the Civil Veterinary Department.
	Any officers who may be recruited in India in the future (there is one Indian in the Department).	300—30—600—50—1,000 .	Ditto less overseas pay of R 150—50—250.	

GOVERNMENT OF INDIA.

HOME DEPARTMENT.

ESTABLISHMENTS.

RESOLUTION.

Delhi, the 13th February 1920.

No. 286.—His Majesty's Secretary of State for India has been pleased to sanction revised rates of pay for the Indian Civil Service as detailed in the following paragraphs. They will take effect from 1st December 1919 :—

(1) Time-scale.

Year of service.	INFERIOR.			SUPERIOR.		
	Pay.	Overseas Allowance.	Total.	Pay.	Overseas Allowance.	Total.
	Rupees per mensem.			Rupees per mensem.		
1st . . .	450	150	600	...	...	...
2nd . . .	500	150	650	...	...	...
3rd . . .	550	150	700	...	...	...
4th . . .	600	150	750	...	...	...
5th . . .	650	150	800	1,000*	150	1,150
6th . . .	700	150	850	1,050	150	1,200
7th . . .	750	150	900	1,100	150	1,250
8th . . .	800	200	1,000	1,150	200	1,350
9th . . .	900	200	1,100	1,200	200	1,400
10th . . .	1,000	200	1,200	1,275	200	1,475
11th . . .	1,100	200	1,300	1,350	200	1,550
	Efficiency bar here.					
12th . . .	1,200	250	1,450	1,425	250	1,675
13th . . .	1,300	250	1,550	1,500	250	1,750
14th . . .	1,300	250	1,550	1,600	250	1,850
15th . . .	1,350	250	1,600	1,700	250	1,950
16th . . .	1,350	250	1,600	1,800	250	2,050
17th . . .	...	...	...	1,900	250	2,150
18th . . .	...	...	...	2,000	250	2,250
19th . . .	...	...	...	2,050	250	2,300
20th . . .	...	...	...	2,100	250	2,350
21st . . .	...	...	...	2,150	250	2,400
22nd . . .	...	...	...	2,200	250	2,450
23rd . . .	...	...	...	2,250	250	2,500
24th . . .	...	...	...	2,250	250	2,500
25th . . .	...	...	...	2,250	250	2,500

* Or any earlier year.

(2) As there are no Commissionerships in Madras the following special rates have been approved for Collectors in that Presidency in lieu of those set out in columns 5, 6 and 7 above for the years mentioned below :—

Year of Service.									Pay.	Overseas Allowance.	Total.
									Rs.	Rs.	Rs.
20th	...	...	...	...	...	...	...	...	2,150	250	2,400
21st	...	...	...	...	...	...	...	...	2,200	250	2,400
22nd	...	...	...	...	...	...	...	...	2,350	250	2,600
23rd	...	...	...	...	...	...	...	...	2,400	250	2,650
24th	...	...	...	...	...	...	...	...	2,500	250	2,750
25th	...	...	...	...	...	...	...	...	2,500	250	2,750

(3) The overseas allowances set out in columns 3 and 6 above (which will reckon as salary for all purposes of the Civil Service Regulations) will ordinarily be granted only to officers of non-Indian domicile; but as an exception to this general rule, all Indian officers now in the Indian Civil Service, as well as the Indian candidates selected at the Open Competitive Examination of 1919 who are now undergoing probation, and all Indian candidates selected at the next five Open Competitive Examinations beginning with the examination of 1920, will be regarded as eligible for the allowance. Thereafter the continuance of this concession will be further considered.

NOTE.—Overseas Allowance will cease for officers holding appointments outside the time-scale and the pay sanctioned for such appointments will be the same for all incumbents.

(4) With the exception of 1st grade Judges on Rs. 3,000, mentioned in paragraph 3 below, all officers on the general time-scale holding superior judicial appointments including Legal Remembrancers will draw a duty allowance of Rs. 150 a month in addition to their salary under that scale. Judicial officers serving in the Madras Presidency will draw this allowance in addition to the salary permissible under the general time-scale and not in addition to that admissible under the scale sanctioned for Madras Collectors.

(5) Officers will become eligible for the increment of Rs. 50 per mensem shown in the second and third years of the time-scale on passing the first and second departmental examinations respectively, and will remain on Rs. 700 per mensem (or Rs. 550, if not eligible for overseas allowance) until the completion of their third year of service.

(6) The time-scale set out above will take the place of the existing grade pay and will cover appointments now graded as Assistant Commissioners, Assistant Collectors and Joint Magistrates or Sub-Collectors, all of which (with the exception of 1st grade Sub-Collectors in Madras mentioned in paragraph 2 below) will be classed as inferior; and Deputy Commissioners or Magistrate-Collectors, and District and Sessions Judges or Divisional Judges, Additional Magistrates and Additional Judges and such appointments as are graded with Magistrates and Collectors or Deputy Commissioners and District and Sessions Judges, all of which will be classed as superior. The 1st grade Judges on Rs. 3,000 and the other appointments on fixed rates of pay mentioned in paragraph 3 below will, however, be outside the time-scale.

(7) An officer holding an appointment classed as "inferior" will draw pay according to the inferior scale subject to the efficiency bar at the beginning of the twelfth year. An officer holding an appointment classed as "superior" will draw pay according to the superior scale for so long as he holds the appointment (whether appointed to it substantively or officiating in it).

2. Appointments, the pay of which is regulated by the time-scale subject to certain limitations or with certain additional allowances :—

NOTE.—The maxima indicated in the list below are exclusive of overseas allowance, except in the case of 1st grade Sub-Collectors in Madras.

Appointments.

Pay per mensem.

(a) MADRAS.

- 1 Commissioner of Coorg ... Pay under the superior time-scale subject to a maximum of Rs. 2,150.
- 2 Secretaries to Government ... Pay under the superior time-scale for Madras Collectors with a duty allowance of Rs. 250.
- 1 Private Secretary to Governor... Pay under the superior time-scale subject to a maximum of Rs. 1,800. (Non-Indian Civil Service officers will draw a pay of Rs. 1,500).
- Sub-Collectors, 1st grade ... Pay in accordance with the superior time-scale subject to a maximum of Rs. 2,650.
- 4 Under Secretaries ... Pay under the inferior time-scale with a duty allowance of Rs. 200.

- 1 Assistant Resident, Travancore Pay under the inferior time-scale without any maximum.

(b) BOMBAY.

- 1 Commissioner of Settlement and Director of Land Records ... Pay under the superior time-scale with a duty allowance of Rs. 250.
- 1 Deputy Commissioner, Upper Sind Frontier. Pay under the superior time-scale subject to a maximum of Rs. 1,275 exclusive of existing local allowance of Rs. 300 which will continue.
- 1 Assistant Remembrancer, Legal Affairs. Pay under the superior time-scale subject to a maximum of Rs. 1,600, but no judicial allowance.
- 1 Assistant Commissioner in Sind Pay under the superior time-scale subject to a maximum of Rs. 1,275; the existing local allowance will be withdrawn.
- 1 Deputy Commissioner, Salt and Excise. Pay under the superior time-scale with a duty allowance of Rs. 250 subject to a maximum of Rs. 1,600.
- 3 Assistant Judges exercising Appellate and Additional Sessions powers. Pay under the superior time-scale, subject to a maximum of Rs. 1,500 excluding the judicial allowance of Rs. 150.
- 1 Private Secretary to Governor... Pay under the superior time-scale subject to a maximum of Rs. 1,800. (Non-Indian Civil Service officers will draw Rs. 1,500).
- 2 Under Secretaries ... Pay under the inferior time-scale with a duty allowance of Rs. 200.

(c) BENGAL.

- 3 Secretaries ... Pay under the superior time-scale with a duty allowance of Rs. 250.
- 1 Private Secretary to Governor Pay under the superior time-scale subject to a maximum of Rs. 1,800. (Non-Indian Civil Service officers will draw Rs. 1,500).
- 4 Under Secretaries ... Pay under the inferior time-scale with a duty allowance of Rs. 200.

Appointments.

Pay per mensem.

(d) UNITED PROVINCES.

1 Commissioner, Kumaon Division.	Pay under the superior time-scale with a duty allowance of Rs. 250.
1 Joint Secretary to the Board of Revenue.	Pay under the superior time-scale subject to a maximum of Rs. 2,050.
1 Deputy Director of Land Records.	Pay under the superior time-scale subject to a maximum of Rs. 2,150.
1 Superintendent, Dehra Dun ...	Pay under the superior time-scale.
1 Deputy Commissioner, Naini Tal.	Pay under the superior time-scale.
2 Deputy Commissioners, Garhwal and Almora.	Pay under the superior time-scale subject to a maximum of Rs. 1,600.
3 Secretaries (now ranked as Collectors).	Pay under the superior time-scale with a duty allowance of Rs. 250, but without the daily allowance of Rs. 10 which they now draw while stationed at Lucknow.
2 Under Secretaries	... Pay under the inferior time-scale with a duty allowance of Rs. 200.
1 City Magistrate, Lucknow	... Pay under the inferior time-scale with a duty allowance of Rs. 100.

(e) PUNJAB.

1 Judge, Small Cause Court, Simla	Pay under the superior time-scale with the judicial allowance of Rs. 150, subject to a maximum of Rs. 1,275 exclusive of allowance.
2 Secretaries	... Pay under the superior time-scale with a duty allowance of Rs. 250.
1 Senior Secretary to the Financial Commissioner.	Pay under the superior time-scale subject to a maximum of Rs. 1,800.
3 Under Secretaries	... Pay under the inferior time-scale with a duty allowance of Rs. 200.
1 Junior Secretary to the Financial Commissioner.	Pay under the inferior time-scale with a duty allowance of Rs. 200.

(f) BURMA.

1 President, Rangoon Municipality.	Pay under the superior time-scale with a duty allowance of Rs. 250.
1 Director of Agriculture and Co-operation.	Pay under the superior time-scale with a duty allowance of Rs. 150.
2 Secretaries	... Pay under the superior time-scale with a duty allowance of Rs. 250.
1 Deputy Director of Land Records.	Pay under the superior time-scale with a duty allowance of Rs. 200.
1 Secretary to the Financial Commissioner.	Pay under the superior time-scale with a duty allowance of Rs. 200 subject to a maximum of Rs. 1,800.

Appointments.

Pay per mensem.

(f) BURMA.

2 Under Secretaries (now graded as Assistant Commissioners).	Pay under the inferior time-scale with a duty allowance of Rs. 200.
1 Warden of the Yenang-Yaung Oil-fields.	Pay under the inferior time-scale with a duty allowance of Rs. 200.

(g) BIHAR AND ORISSA.

2 Secretaries	... Pay under the superior time-scale with a duty allowance of Rs. 250.
3 Under Secretaries	... Pay under the inferior time-scale with a duty allowance of Rs. 200.

(h) CENTRAL PROVINCES.

Second and Third Secretaries	... Pay under the superior time-scale with a duty allowance of Rs. 250.
2 Under Secretaries	... Pay under the inferior time-scale with a duty allowance of Rs. 200.
3 Sub-Judges	... Pay under the inferior time-scale.

(i) ASSAM.

1 Chief Secretary	... Pay under the superior time-scale with a duty allowance of Rs. 400.
1 Secretary	... Pay under the superior time-scale with a duty allowance of Rs. 150.
2 Under Secretaries	... Pay under the inferior time-scale with a duty allowance of Rs. 200.

(j) REGISTRARS OF HIGH AND CHIEF COURTS AND OF JUDICIAL COMMISSIONERS' COURTS.

Registrars of High Courts or Chief Courts except Patna High Court.	Pay under the superior time-scale subject to a maximum of Rs. 1,600; judicial allowance will not be drawn. Local allowances of Rs. 100 should continue in case of Registrars, Punjab and Burma, as Secretary to Rule Committee.
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Registrar, Patna High Court	... Pay as District and Sessions Judge, subject to a maximum, including judicial allowance of Rs. 2,400.
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Registrar, Judicial Commissioner's Court, Oudh.	Pay under the inferior time-scale with existing duty allowance of Rs. 100.
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Registrar, Judicial Commissioner's Court, Central Provinces.	Pay under the inferior time-scale with existing duty allowance of Rs. 100—50—200.
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(k) POSTS UNDER THE GOVERNMENT OF INDIA.

(i) HOME DEPARTMENT.

1 Deputy Secretary	... Pay under the superior time-scale with a duty allowance of Rs. 400, subject to a maximum of Rs. 2,250 including duty allowance.
1 Deputy Commissioner, Delhi	... Pay under the superior time-scale subject to a maximum of Rs. 2,200.

Appointments.

Pay per mensem.

(k) POSTS UNDER THE GOVERNMENT OF INDIA.

(i) HOME DEPARTMENT.

1 Personal Assistant to Chief Commissioner, Delhi.	Pay under the inferior time-scale with a duty allowance of Rs. 100.
1 Assistant Commissioner, employed as Additional District Magistrate, Delhi.	
1 Assistant Commissioner, employed as City Magistrate, Delhi.	
1 Assistant Commissioner, employed as Secretary to the Delhi Municipality.	
1 Personal Assistant to the Director, Central Intelligence.	Pay under the inferior time-scale with a local allowance of Rs. 300 subject to a maximum of Rs. 1,350.
1 Under Secretary ...	Pay under the inferior time-scale with a duty allowance of Rs. 300.

(ii) FINANCE DEPARTMENT.

1 Deputy Secretary ...	Pay under the superior time-scale with a duty allowance of Rs. 400, subject to a maximum of Rs. 2,250 including duty allowance.
1 Under Secretary ...	Pay under the inferior time-scale with a duty allowance of Rs. 300.

(iii) FOREIGN AND POLITICAL DEPARTMENT.

2 Deputy Secretaries ...	Pay under the superior time-scale with a duty allowance of Rs. 400, subject to a maximum of Rs. 2,250 including duty allowance.
1 Under Secretary ...	Pay under the inferior time-scale with a duty allowance of Rs. 300.

(iv) LEGISLATIVE DEPARTMENT.

1 Deputy Secretary ...	Pay under the superior time-scale with a duty allowance of Rs. 400, subject to a maximum of Rs. 2,250 including duty allowance.
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(v) DEPARTMENT OF REVENUE AND AGRICULTURE.

1 Under Secretary ...	Pay under the inferior time-scale with a duty allowance of Rs. 300.
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(vi) DEPARTMENT OF COMMERCE AND INDUSTRY.

2 Under Secretaries ...	Pay under the inferior time-scale with a duty allowance of Rs. 300.
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3. Appointments above the time-scale on fixed rates of pay :—

Appointments.

Pay per mensem.

(a) MADRAS.

	Rs.
1 Chief Secretary ...	3,750
1 Member, Board of Revenue ...	3,750
1 Member, Board of Revenue ...	3,500
2 Members, Board of Revenue ...	3,000
2 District and Sessions Judges (1st grade) ...	3,000
1 Secretary, Revenue Department ...	3,000

Appointments.

Pay per mensem.

(b) BOMBAY.

	Rs.
1 Chief Secretary ...	3,750
3 Commissioners ...	3,500
2 Commissioners ...	3,000
1 Judicial Commissioner, Sind ...	3,500
1 Secretary to Government, Revenue and Financial Departments ...	3,125
1 Additional Judicial Commissioner, Sind ...	3,000
1 District and Sessions Judge (1st grade) ...	3,000

NOTE.—The pay of Municipal Commissioner in Bombay will continue to be regulated by law as heretofore.

(c) BENGAL.

	Rs.
1 Chief Secretary ...	3,750
1 Member, Board of Revenue ...	3,750
5 Commissioners ...	3,000
3 District and Sessions Judges (1st grade) ...	3,000

NOTE.—Pay of Chairman and Deputy Chairman, Calcutta Corporation, and Chairman, Calcutta Improvement Trust, will continue to be regulated by law as heretofore.

(d) UNITED PROVINCES.

	Rs.
2 Members, Board of Revenue ...	3,500
1 Judicial Commissioner ...	3,500
1 Additional Judicial Commissioner ...	3,333½
1 Chief Secretary ...	3,000
9 Commissioners ...	3,000
2 District and Sessions Judges (1st grade) ...	3,000
1 Opium Agent ...	2,500—100—3,000

(e) PUNJAB.

2 Financial Commissioners ...	3,500
1 Chief Secretary ...	3,000
5 Commissioners ...	3,000
2 District and Sessions Judges (1st grade) ...	3,000

(f) BURMA.

1 Financial Commissioner ...	3,500
1 Judicial Commissioner, Upper Burma ...	3,500
1 Chief Secretary ...	3,000
9 Commissioners including Commissioner of Settlements and Director of Land Records ...	3,000
1 Divisional Judge (1st grade) ...	3,000

(g) BIHAR AND ORISSA.

1 Member, Board of Revenue ...	3,500
1 Chief Secretary ...	3,000
5 Commissioners ...	3,000
2 District and Sessions Judges (1st grade) ...	3,000

(k) CENTRAL PROVINCES.

1 Financial Commissioner	...	...	...	3,500
1 Judicial Commissioner	...	...	...	3,500
2 Additional Judicial Commissioners	...	...	...	3,600
3 Commissioners	...	...	...	3,000
1 Chief Secretary	...	...	...	3,000

(i) ASSAM.

2 Commissioners	...	...	...	3,000
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4. (1) In bringing officers at present in service on to the revised rates of pay, articles 156 to 158 of the Civil Service Regulations will not be held to apply. Existing incumbents of offices will be protected against any immediate loss of pay due to the introduction of the revised rates.

(2) Subject to the general proviso above that officers shall not receive less than they were drawing substantively at the time of the introduction of the time-scale their initial pay in the superior scale will be regulated according to the length of their total service counting from the date of commencement of service.

(3) The broken period of a year of service which an officer put in before the date of the introduction of the time-scale shall remain at his credit for the next increment.

5. Exchange compensation allowance is withdrawn with effect from the 1st December 1919.

6. The pay of appointments outside the time-scale which are not mentioned in this Resolution are under separate consideration and orders concerning them will be issued later.

Order.—Ordered that a copy of this Resolution be forwarded to all Local Governments and Administrations, the several Departments of the Government of India (including the Financial Adviser, Military Finance) and the offices subordinate to this Department, for information and guidance.

Ordered also that it be published in the Supplement to the *Gazette of India* for general information.

H. MCPHERSON,

Secretary to the Government of India.

SELECTION OF SUITABLE SITE FOR QUARANTINE PURPOSES IN BOMBAY.

10. The HONOURABLE SIR ARTHUR FROMM: Will the Government be pleased to state—

- Whether the selection of a suitable site for quarantine purposes in Bombay is still under consideration?
- If so, when may a decision be expected?
- Is it a fact that the final recommendations of the Yellow Fever Committee appointed in Bombay to consider the question of a Quarantine Station were made as long ago as November, 1918?
- If so, what is the cause of the delay in coming to a decision with regard to those recommendations?

The HONOURABLE MIAN SIR MUHAMMAD SHAFI:—(a) Yes.

(b), (c) and (d). The opinion of the Government of Bombay on the recommendations of the Bombay Yellow Fever Committee was received by the Government of India in December, 1918. In February, 1919, the Government of India replied to the local Government expressing their agreement with the Government of Bombay that the site at Butcher Island recommended by the Committee was the most suitable for quarantine purposes. On further examination, however, the proposal was found

to be open to objections and had to be dropped. Another alternative, *viz.*, the securing of hulks for quarantine purposes, was also considered, but, on the advice of their sanitary authorities, has been considered unsuitable by the Government of India. In June, 1921, a fresh committee was appointed to consider afresh the question of a suitable land site. This Committee has submitted its report, and the question is under consideration with the Government of Bombay. The Government of India regret the delay that has taken place, but the question of finding a suitable site which can be made readily available has presented very considerable difficulties.

The HONOURABLE SIR ARTHUR FROMM: Will the Honourable Member be prepared to say what the objections to Butcher Island are?

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: I must have notice of that question.

GRIEVANCES OF MUKHTARS.

11. The HONOURABLE RAJA MOTI CHAND: (a) Have the Government received any representation under the signature of the President, the three Vice-Presidents, and the Secretary of the United Provinces Mukhtars' Association, regarding certain grievances of Mukhtars?

(b) Do the Government propose to take any action on the representation?

The HONOURABLE MR. S. P. O'DONNELL: (a) Yes.

(b) Notice of a Bill to remove the disability has been received, and it will be possible for the Indian Legislature to consider the question in connection therewith.

SLAUGHTER OF CATTLE FOR MILITARY PURPOSES.

12. The HONOURABLE LALA SUKHBIR SINHA: Will His Excellency the Commander-in-Chief be pleased to state—

- The age of cattle slaughtered in cantonment slaughter-houses for the military?
- If no age is recorded, whether the contractors are bound by agreements to bring for slaughter cows of tender age in their prime of life below the age of five years?
- How many calves are killed every year in these slaughter-houses?
- In how many slaughter-houses cattle are killed by means of power machines?
- Is it not possible to replace beef with other kinds of meat for British soldiers?
- Is it not possible to get beef from Australia or any other country?
- If it may be so, what extra cost would it involve?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (1) Between three and nine years.

(2) The contractors are not bound by any terms such as those suggested.

(3) None.

(4) None.

(5) It is quite impossible to discontinue the issue of beef to the British soldiers.

(6) and (7) It would be possible to import beef from Australia, but the extra cost would be approximately Rs. 22 lakhs annually. To this figure should be added a very large sum on account of the cost of installing

a cold storage plant at the ports and in cantonments, and of providing special refrigerator cars on trains, as well as the recurring expenditure on account of railway freight.

COUNCIL OF STATE CHAMBER AT SIMLA.

13. The HONOURABLE LALA SUKHBIR SINHA: Will Government be pleased to state whether it is under their contemplation to have a Chamber for the meetings of the Council of State at Simla, close to that of the Assembly?

The HONOURABLE MR. H. MONCRIEFF SMITH: Government do not propose to erect a Chamber for the Council of State in the neighbourhood of the existing Legislative Assembly Chamber in Simla, which is designed for temporary use only. Should it be decided hereafter to erect permanent Legislative Chambers in Simla, the question of locating the Chamber of this Council in proximity to that of the Assembly will be considered.

EFFECTS OF NON-CO-OPERATION ON EDUCATION.

14. The HONOURABLE MR. LALUBHAI SAMALDAS: Has the attention of the Government of India been drawn to the statement made by the Vice-Chancellor of the University of Calcutta on the effects of Non-co-operation on education?

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: The Government of India have seen reports in the Press of the statement made by the Vice-Chancellor of the University of Calcutta.

INFORMATION ON CERTAIN POINTS FROM INDIAN UNIVERSITIES OTHER THAN THE CALCUTTA UNIVERSITY.

15. The HONOURABLE MR. LALUBHAI SAMALDAS: Will Government be pleased to call for reports on the following points from Indian Universities other than the Calcutta University and from the Provincial Departments of Education and place the replies on the table of the Council:—

- Number of colleges and recognised schools which have disaffiliated themselves from the University and the number of students in such colleges or schools, respectively, at the time of disaffiliation.
- Number of students in colleges and recognised schools at the end of September, 1920, March, 1921 and September, 1921.
- Number of students that appeared for the various University Examinations as well as the University School Final, School Leaving Certificate and similar examinations for the years 1920 and 1921.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: (a) The information asked for will be collected.

(b) The Government of India had already called for information regarding the number of national schools and the number of students in Government and aided schools. A statement is laid on the table. The information is not precisely in the form required by the Honourable Member, but it appears unnecessary to call for further information.

(c) The Honourable Member's attention is invited to pages 68-75 of *Indian Education in 1919-20*. The figures for 1921 will be supplied when available.

Statement showing the number of national schools and colleges, the number of students in them, and the number of students in Government or aided schools and colleges.

Local Government or Administration.	Number of national schools and colleges opened between the period 1st January and 31st July 1921 (both dates inclusive).	Number of students in national schools and colleges opened between the period 1st January and 31st July 1921 (both dates inclusive).	Number of students in Government schools and colleges on the 31st March.		Number of students in schools and colleges aided from public funds (i.e., by Government, Local Funds or Municipal Boards, vide General Table III appended to the annual report on education, on the 31st March.		REMARKS.
			1920.	1921.	1920.	1921.	
Madras.	92	5,072	55,993	61,025	928,146	1,176,805	* Approximate. Correct figures not obtainable as authorities of many national schools refuse to supply the information. † The annual report is still under preparation. The figures therefore are subject to revision. ‡ Includes one school which was opened last year in the Fyzabad Division. § These figures are based on the average during the first three months of the school year and exclude primary and vernacular middle schools. The numbers vary considerably from month to month, but have not exceeded 120. ¶ Include students in aided schools in certain cases.
Bombay.	225	14,808	21,938	24,360	186,212	189,574	
Bengal.	116	10,266*	26,271	Figures awaited.	1,366,006	1,450,920†	
United Provinces.	137‡	8,476	25,531	29,186	111,369	138,931	
Punjab.	21	1,416	17,497	17,656	124,304	126,372	
Burma.	70	14,558	10,630	7,268	356,234	343,919	
Bihar and Orissa.	166	No information available.	21,410	19,035	597,777	594,578	
Central Provinces.	86	6,338	9,064	8,110§	11,047§	8,209§	
Assam.	28	1,567	17,116	16,846	31,344	30,210	
Coorg.	Nil	Nil	2,400	2,850	202	550	
Delhi.	Nil	Nil	391	402	6,857	7,465	
North-West Frontier Province.	4	120	1,250	1,364	9,927	10,374	
Administered areas.	8	965	21,267¶	22,777¶	24,754	25,107	

[17TH JAN. 1922.]

OFFICES OF THE HIGH COMMISSIONER, LONDON.

16. The HONOURABLE MR. SETHNA: Will Government be pleased to state the amount paid for the purchase of the lease for 35 years of the two houses in London occupied by the Offices of the High Commissioner, in addition to the ground rent of £154 per annum?

The HONOURABLE MR. H. A. F. LINDSAY: £21,000.

COST OF FITTINGS AND FURNITURE FOR THE TWO OFFICES IN LONDON.

17. The HONOURABLE MR. SETHNA: Will Government be pleased to state the amounts spent up to 30th November, 1921 for fittings and furniture in connection with the Offices in London (1) of the High Commissioner and (2) of the Trade Commissioner?

The HONOURABLE MR. H. A. F. LINDSAY:

High Commissioner	...	...	£4,780
Trade Commissioner	...	...	£787

STORES PURCHASED IN ENGLAND FOR INDIAN RAILWAYS.

18. The HONOURABLE MR. SETHNA: Will Government be pleased to give in tabular form for each year details of the stores purchased for the Indian Railways in England during the last five years showing:—

- (a) total amount of purchases
- (b) amount of purchases outside Great Britain and the percentage such amount represents of the total amount, viz. (a)
- (c) amounts of purchases made—
 - (i) by advertisement ("open tender")
 - (ii) by invitation to a limited number of firms ("limited tender")
 - (iii) by invitation to one firm only ("single tender" or "private purchase")

and the percentages (i), (ii) and (iii) represent respectively of the total amount, viz. (a)?

The HONOURABLE MR. H. A. F. LINDSAY: (a) The Honourable Member is referred to Appendices 24 in Volume II of the Administration Reports on Indian Railways for the years 1915-16, 1916-17; Appendices 25 in Volume II of the Reports for the years 1917-18, 1918-19; and Appendices 23 in Volume II of the Reports for the years 1919-20 and 1920-21, the latter of which will shortly be published.

(b) The Government of India are not in possession of the information asked for. They are not prepared to put the High Commissioner to the trouble of working out the information required for the past five years, but they will ask the High Commissioner to supply the information for the year 1921.

(c) Here, again, the Government of India are not in possession of the information, and they do not think that the High Commissioner should be asked to supply it. Private purchases or purchases by a single tender are resorted to only in exceptional cases. The ordinary practice of the Stores Department is to call for competitive tenders, and I take this opportunity of informing the Honourable Member that there are several thousand firms entered on the list of approved contractors maintained by the Stores

Department and that the Government of India have been informed that during the past 12 months actual orders have been placed with upwards of 1,500 different firms.

PARSIK TUNNEL ON THE GREAT INDIAN PENINSULA RAILWAY.

19. The HONOURABLE MR. SETHNA: Will Government be pleased to state in regard to the Parsik tunnel between Thana and Kalyan stations on the Great Indian Peninsula Railway:—

- (a) the amount the tunnel has cost,
- (b) date when it was opened for use,
- (c) date when its use was discontinued,
- (d) when it is likely to be ready for use again?

The HONOURABLE MR. H. A. F. LINDSAY: (a) Approximately, Rs. 29,64,700.

(b) 31st March 1917.

(c) 1st April 1919.

(d) The Tunnel has been ready since July 1921, but it is not proposed to bring it into use until the quadruple tracks are restored. These are awaiting the renewal of the Thana Creek girders. Until the new girders are fixed quadruple working could not be restored without the provision of a special junction and expensive signalling, and as the new girders are arriving at site, it is not considered that the expenditure required to open the Parsik Tunnel at once would be justified.

STATE SCHOLARS SENT TO EUROPE.

20. The HONOURABLE MAHAMAHOPADHAYAYA DR. GANGANATH JHA: Will the Government be pleased to state—

- (a) The names of State scholars who have been sent to Europe for higher study, during the last ten years;
- (b) the subjects for the study of which the scholarship was awarded to each scholar;
- (c) the work that has been done by each scholar since his return to India; and
- (d) the works and papers published by each of them since their return to the country?

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: (a) and (b). The information, so far as available, is laid on the table. The information regarding technical State scholarships in recent years is however not available, since those scholarships were provincialised with effect from 1918.

(c) The occupation taken up by State technical scholars since their return to India is given in the statement so far as it is available. The Government of India have no information regarding the history of other scholars after return to India.

(d) The Government of India have no information and do not think that the advantages of collecting this information would be commensurate with the labour involved.

STATEMENT I.

Statement relating to Indian Government scholars nominated by the Universities.

Year.	Province.	Name of scholar.	Occupation after return to India.
1911	Bombay	Hassamal Baharnal Shiydasani, B.A. (Bombay and Cantab.).	I.C.S.
	Allahabad	Girja Shankar Bajpai, B.Sc.	I.C.S.
1912	Madras	Kuruvilla Zachariah, B.A. (F. E. S.)	Indian Educational Service (Professor, Presidency College, Calcutta).
	Punjab	Mohammad Husain Qazi	Unemployed. Was a candidate for a Professorship of Mathematics in a college.
1913	Bombay	Pandurang Shrinivas Katti, M.A.	I.C.S.
	Calcutta	Satyendrapath Modak, B.A. (Cantab.), Bar-at-Law.	
1914	Madras	S. S. Suryanarayanan, M.A.	
1915	Allahabad	Jagat Behari Seth	Recommended for Indian Educational Service as second Professor of Physics, Government College, Lahore.
	Calcutta	Nilratan Dhar, M.Sc.	Indian Educational Service (Professor of Physical and Inorganic Chemistry M. C. College, Allahabad).
	Punjab	Ganesh Chandra Chatterji, M.A.	Indian Educational Service (Professor of Philosophy, Central Training College, Lahore).
1916	Bombay	Rustam Nasarwanji Cooper.	
	Allahabad	Krishna Kumar Mathur.	
1917	Madras	S. Sangudayan, B.A.	
	Punjab	Baldev Das Puri, B.A.	
1918	Calcutta	Amarendra Chakrabarti, M.Sc.	
	Pomtlay	Madhusudan Damodar Bhat, B.A.	
1919	Allahabad	Bhabo Nath Banarji, M.Sc.	
	Madras	H. Parameswaran.	
1920	Punjab	Pandit Parduman Kishan Kaul, B.A.	
	Patna	Babu Dharendra Nath Sen, M.Sc.	
1921	Pomtlay	G. S. Mahajani, B.A.	
	Calcutta	Kulada Charan Das Gupta, B.A.	

STATEMENT II.

Statement relating to State Technical scholars.

Financial year	Province.	Name of scholar.	Nature of studies.	Occupation after return to India.
1911-12.	Madras	M. C. Sitaram	Weaving	Weaving Expert for the Society for the promotion of National Education and working partner of a dyeing factory newly started in Madras under the name of Brothers and Company. Receives Rs. 150 per mensem from the Society.
		H. Sakharan Rao	Textile manufacture	Chemist and dye-house master at the Sholapur Spinning and Weaving Company, Limited. Pay Rs. 575 per mensem with free quarters.
	Bombay	P. V. Mehd	Manufacture of tanning extracts and their use in tanning.	Partner in the Pioneer Magnesia Works, manufacturing magnesium chloride and Epsom salts at Ahmedabad. Monthly income above Rs. 700 per mensem.
		H. D. Bennett	Mechanical and Electrical Engineering.	Obtained a commission in the Royal Engineers. Now in England.
	Bengal	Rhani Bhusan Ray	Ditto	Deceased (1917). Was employed in the Electricity Department of the Bristol Corporation.
		Ram Chandra Srivastava.	Manufacture of Sugar.	Resigned his appointment with Messrs. Beg and Company, Cawnpore, and is at present in Europe engaged on the purchase of machinery and other business.
	United Provinces.			
	Eastern Bengal and Assam.	Abinash Chandra Datta.	Silk weaving, dyeing and refining.	Sub-Deputy Collector in Assam, 4th grade, Rs. 250 a month.
	Central Provinces.	M. Ghulam Ali Mohammadi.	Manufactures of oils, fats, and their products.	Assistant Director of Industries and Commerce, Government Soap Factory, Hyderabad (Deccan). Salary B. C. Rs. 900 per mensem.

Statement relating to State Technical scholars—contd.

Financial year.	Province.	Name of scholar.	Nature of studies.	Occupation after return to India.
1914.	Madras	D. M. Amalasad-wala.	Sizing and weaving	Temporary weaving expert for 8 years in the Department of Industries, Madras. Pay Rs. 600—50 000 per mensem. Present pay Rs. 600.
	Bombay	P. R. Udawadia.*	Architecture and Building construction.	
	Bengal	U. N. Banerji†	Mechanical Engineering.	Assistant Loco. Superintendent, Indian State Railways. Pay Rs. 460 including temporary allowance of 15 per cent. and average house allowance of Rs. 46 per mensem.
		O. L. D'Souza alias Dalton.‡	Electrical Engineering.	Has joined his father in business at 72, Serpentine Lane, Calcutta, as Electrical, Mechanical and General Engineers.
	United Provinces.	Bashir-ud-Din Ahmed.	Municipal and Sanitary Engineering.	Scholarship withdrawn.
	Punjab	Arjan Das†	Textile Industries	Died in England in 1918.
		W. J. Sorby‡	Mechanical and Electrical Engineering.	Assistant Loco Superintendent, Oudh and Rohilkhand Railway (State). Salary Rs. 460 per mensem.
	Central Provinces.	R. S. B. Bhargava §	Mining	Serving as Mining Engineer under the Gwalior State for establishing iron, cement, marble and other industries, on Rs. 800 per mensem.
	Assam	Kashinath Saikia§	Paper pulp industry	
	Baluchistan.	Abdul Ghafoor Khan.†	Electrical Engineering.	Electrical Engineer, Public Works Department, Delhi. Salary Rs. 675 per mensem.
1915	Bengal	Khagesudra Nath Ghose.	Electrical Engineering	Engi. Return not yet reported.
	Punjab	Khalil Ahmad	Metal work	Resigned scholarship.

* Proceeded to England in 1916.

† Proceeded to England in 1915.

‡ Scholarship kept open until his release from military duty.

§ Was trained wholly in India.

Statement relating to State Technical scholars—contd.

Financial year.	Province.	Name of scholar.	Nature of studies.	Occupation after return to India.
1915— contd.	Bombay	R. S. Sathe*	Pressing and refining of castor oil.	Is in charge of the British Indian Oil Mills, Garden Reach, Calcutta, managed by Messrs. M. M. Ismail and Sons, 5, Ezra Street, Calcutta.
		N. G. Bal*	Ditto	Filling in a term to appear for the Bombay Boilers Act Examination.
	Bengal	Birendra Nath Dey.†	Architecture	Failed at final examination for the Associate of the Royal Institute of British Architecture and abandoned his architectural studies.
1916	Madras	Muliyil Karun	Higher Electrical Engineering.	Assistant Engineer in the Andhra Valley Power Supply Company, Limited, Bombay. Pay Rs. 400 per mensem.
	Bombay	Mahadeo Balkrishna Hudlikar.‡	Tanning and leather manufacture	A Managing Director in Messrs. Narvikar, Hudlikar and Company, Managing Agents of the Mysore Tanning Company, Limited, of Bombay. Draws Rs. 750 per mensem.
	Bengal	M. V. S. Bailey	Motor Engineering.	
	United Provinces.	Mahesh Chandra Gupta.	Sanitary Engineering	
		Purneshottam Das Kapur.‡	Sugar Engineering.	
1917	Bombay	E. C. Gentry	Architecture.	
		G. D. Kelkar	Glass Manufacture	
		N. V. Modak§	Sanitary Engineering and sewage disposal.	

* Stipend of Rs. 75 per mensem granted to enable them to pursue a course of instruction in India for a period of one year.

† Was studying at Glasgow when the scholarship was granted him.

‡ Received preliminary training in India for one year. Mr. Hudlikar proceeded to England in 1917.

§ Awarded stipends of Rs. 75 per mensem for one year for preliminary training in India.

Statement relating to State Technical scholars—concl'd.

Financial year.	Province.	Name of scholar.	Nature of studies	Occupation after return to India.
1917— contd.	Bengal	Cyril Pearce*	Railway carriage and wagon building.	
	United Provinces.	Jogesh Chandra Mukharjee.	Tanning.	
	Punjab	Bhagat Gopal.†	Pottery.	
		Malik Karam Singh.†	Paper manufacture.	
	Central Provinces.	Jal F. Karani	Mechanical Engineering.	Scholarship cancelled.
	Madras	Rama Prasad	Electro-Chemistry with special reference to electric furnaces, electrolysis and the manufacture of fertilizers from atmospheric nitrogen.	
1918	Bengal	E. C. Barlow	Tanning.	
		J. M. Das	Iron smelting and the working of bye product coke ovens.	
	Punjab	S. Dogar Singh	Ceramic industries.	
	Bihar and Orissa.	Nirendra Nath Ghosh.	Metallurgy of iron and steel.	

* Scholarship held in abeyance till his release from military duties.

† Awarded stipends of Rs. 75 per mensem for one year for preliminary training in India.

STATEMENT III.

Statement relating to male scholars of the domiciled community who have been granted State scholarships.

Year.	Province.	Name of scholar.	Occupation after return to India.
1911	Punjab	R. S. Blaker	Has not returned to India. Recently held a commission in the Army (R. F. A.) and served in France.
1912	Bengal . .	G. B. Halloran	2nd-Lieutenant, 3rd Berkshire Regiment.
1913	Bihar and Orissa.	A. T. Davis	Was appointed to a commission in the Special Reserve of Officers in March 1915 and attached to the 7th Battalion, Royal Fusiliers.
1914	Bombay	P. A. Gasper.	
	Madras	J. P. Sears*	Killed in action in France. Was 2nd-Lieutenant in the Oxfordshire and Buckinghamshire Light Infantry.
1915	Bengal . .	H. S. Stark.	
1916	...	No scholarship awarded.	
1917	Madras	J. A. Frost.†	
	...	No scholarship awarded.	
1918	Burma . .	W. E. Hardinge.	
1919	Bengal . .	J. McDougall.†	
	Punjab . .	N. C. Hypher.	
1920	Punjab	A. M. Matthews.	
1921	Bombay	C. H. Robertson.	

*Special scholarship.

†Awarded the 1916 and 1917 scholarships.

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STATEMENT IV.

Statement relating to Sanskrit and Arabic scholars.

Year.	Province.	Name of scholar.	Nature of studies.	Occupation after return to India.
1911	Bombay	I. J. Sorajbi, B.A.	Sanskrit	Head of the Central Hindu Collegiate School at Benares.
	Punjab	Todar Mall, M.A.	Sanskrit	
1912	United Provinces.	Munshi Abdussattar Siddiqui.	Arabic	Was studying in Germany where he died in 1918.
	Punjab	Pandit Tara Chand	Sanskrit	
1913	Bengal	Maulvi Muhammad Shahidullah.	Sanskrit	Professor of Arabic Muslim University, Aligarh.
	Punjab	Pandit Hari Chand	Sanskrit	
1914	Bengal	Maulvi Muhammad Shahidullah.	Sanskrit	Studying in Germany.
	Punjab	Pandit Hari Chand	Sanskrit	
	United Provinces and Punjab.	Sadr-ud-din.	Arabic	
1915	Bombay	Vinayak Sakharan Ghatge.	Sanskrit	Scholarship disallowed on medical grounds.
	United Provinces.	Hari Ram Chandra Divekar.	...	
1916	Bombay	I. J. Sorajbi, B.A.	Sanskrit	Indian Educational Service (Superintendent of Sanskrit studies, Bihar and Orissa).
	Punjab	Todar Mall, M.A.	Sanskrit	
1917	Bombay	Vinayak Sakharan Ghatge.	Sanskrit	Declined scholarship, which was re-awarded in 1915.
	United Provinces.	Hari Ram Chandra Divekar.	...	
1918	Bombay	Vinayak Sakharan Ghatge.	Sanskrit	Indian Educational Service (Professor of Sanskrit, M. C. College, Allahabad.)
	United Provinces.	Hari Ram Chandra Divekar.	...	
1919	Bombay	Vinayak Sakharan Ghatge.	Sanskrit	Declined scholarship, which was not re-awarded.
	United Provinces.	Hari Ram Chandra Divekar.	...	
1920	Bombay	Vinayak Sakharan Ghatge.	Sanskrit	Declined scholarship, which was not re-awarded.
	United Provinces.	Hari Ram Chandra Divekar.	...	
1921	Bombay	Vinayak Sakharan Ghatge.	Sanskrit	Declined scholarship, which was not re-awarded.
	United Provinces.	Hari Ram Chandra Divekar.	...	

*Awarded the scholarship vacated by Maulvi Muhammad Shahidullah.

Statement relating to Sanskrit and Arabic scholars—contd.

Year.	Province.	Name of scholar.	Nature of studies.	Occupation after return to India.
1916	Punjab	Lakshmana Sarup	Sanskrit.	Indian Educational Service (Principal, Chittagong Madrasa).
	Bengal	Shams-ul-ulama Kamal-ud-din Ahmad.	Arabic	
1917	Madras	P. P. Subramanyam	Sanskrit.	Declined scholarship which was awarded in 1919.
	Punjab	Pandit Jagan Nath Puttack.		
1918	United Pro- vinces.	Maulvi Muhammad Iqbal.	Arabic.	
	Bengal	Nalini Kumar Datta	Sanskrit.	
1919	Bengal	Sunity Kumar Chatterjee.	Sanskrit.	
	Punjab	Mangal Shastri.		
	Bihar and Orissa.	Ananta Prashad Shastri.		
1920	Punjab	Muhammad Bazl- ul-Rahman.	Arabic.	
	Madras	C. Kunham Raja	Sanskrit.	
1921	Bombay	P. L. Vaidya	Sanskrit.	
	Bengal	N. P. Chakrabarti		

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STATEMENT V.

Statement relating to female scholars of the domiciled community who have been granted State scholarships.

Year.	Province.	Name of scholar.	Nature of studies.	Occupation after return to India.
1913	Ajmer-Merwara.	Muriel Agnes Isabella McKenzie.	To be trained for the teaching profession.	Employed at the Girls' High School, Allahabad.
1914	Madras	Amy Watts	Ditto	Was recently a teacher in the Presentation Convent, Vepery.
1915	Madras	Daisy Michael	F.R.C.S. (Edin.) and Licentiate in Medicine (Dublin)	
1916	United Provinces.	Maud Annie Keogh	To be trained for the teaching profession.	
1917	Bengal and Delhi.	Gladys Helen Marchant.*	To continue her medical studies in England.	
1918	Burma and Bengal.	May M. Kingsley*	To continue her studies, particularly in the science of education.	
1919	Bengal	Iris M. le Blond	Teacher of modern European languages.	
1920	Bombay	Lisbeth V. Benjamin.	To read for English and French Honours Degree in London University, preferably at Bedford College, and then take a diploma in teaching.	
1921	Bengal	Ellen Armstead	To study for the F.R.C.S.	

*Took up the scholarship in September 1919.

STATEMENT VI.

Statement relating to Indian women scholars who have been granted State scholarships.

Year.	Province.	Name of scholar.	Nature of studies.	Occupation after return to India.
1916	Bengal	Satya Priya Ghosh	F.R.C.S. (London), M.R.C.P. and L.M. (Dublin), if possible.	
1917	Bombay	Avabai Jehangirji Dholi.*	Desires to continue her medical studies in England.	
1918	Delhi	M. M. Mehta†	Study of Science, specializing in Chemistry.	
	Punjab	D. S. Bali‡	Course of study of secondary character for the teaching profession.	
1919	United Provinces.	Gulzar M. Ali, M.B.B.S.	Higher course of training in Medicine and Surgery.	
1920	Madras	Miss A. Pichamuthu	Desires to undergo a post-graduate course in medicine.	
1921	Assam	Miss P. Chaudhuri	Desires to complete her course for the degree of B. Sc.	

*Took up the scholarship in September 1919.

†Departure for England postponed till 1920.

‡Special scholarship, Punjab bearing half the cost.

CONFERENCE OF ORIENTALISTS HELD AT SIMLA IN 1911.

21. The HONOURABLE MAHAMAHOPADHAYAYA DR. GANGANATH JHA: Will the Government be pleased to state what steps have been taken for giving practical effect to the recommendation made by the conference of Orientalists held at Simla in 1911, under the presidency of the Honourable the Education Member?

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: The recommendations made by the Conference of Orientalists in 1911 fall under the following heads:—

- (1) Encouragement and improvement of the old indigenous learning.
- (2) Establishment of a Central Institute of Oriental studies.
- (3) Reforms in the examinations in Oriental languages.
- (4) Archæology.
- (5) Museums.

The steps taken to give effect to the recommendations are as follows:—

- (1) The attention of the local Governments and Administrations was drawn to the proposals made at the Conference. Recurring Imperial grants of Rs. 13,600 and Rs. 20,000 a year were made to the Governments of the United Provinces and Burma for the encouragement of ancient learning and improvement in instruction in the classical languages of India. In view of the financial stringency due to the war no grants could be given to other local Governments.
- (2) A scheme was framed for the establishment of an Oriental Research Institute; but difficulties arose and, in consequence, the scheme had to be postponed. In the meantime an Institute has arisen at Poona and other action has been taken in various provinces.
- (3) The recommendations made by the Conference have been generally accepted by the Government of India and incorporated in the revised rules for examination in Oriental languages.
- (4) The recommendations under this head have been carefully examined and action has been taken on them so far as has been deemed necessary. Orders have been issued to certain local Governments for the complete preparation of the lists of ancient monuments. Distribution lists of the archæological reports and of the *Epigraphia Indica* have been extended and honorary correspondents of the Archæological Department have been appointed. Steps have been taken to ensure the timely publication of the reports. It has also been arranged to publish separate memoirs of the Archæological Department in place of Part II of the Annual Report of the Director General of Archæology. Four conservation assistants have been appointed in the United Provinces, and the question of appointing similar assistants in other provinces is under the consideration of the Government of India. The appointment of Assistant Superintendent, Western Circle, has been made permanent. The number of archæological scholarships has been increased, and great importance is attached to the employment of Indians in archæological work. The question

of the interchange of duplicates of archæological specimens between Museums has been settled. Finally, an adequate staff for the Archæological Section of the Indian Museum has been sanctioned.

- (5) A scheme for the training of apprentices in all branches of Museum and Laboratory work has been sanctioned. The Zoological Survey of India has been constituted with a view to give training for research in Zoology and research assistants are entertained for the purpose. The question of the utilisation of Museums in India for educational purposes was brought to the notice of the local Governments for necessary action. The Government of Bengal having expressed their intention to give the proposal a trial have been given some financial help for the purpose. Facilities to officers of the Indian Museum for Marine Zoological work, travel and collection have been afforded as far as possible. Owing to financial stringency the question of the establishment of an Ethnological Institute in Delhi has been held in abeyance. The other minor matters such as the exchange of duplicates and type specimens, co-operation between Museums and other Departments and enhanced facilities to local Museums and other institutions of a scientific nature have been brought to the notice of the local Governments for necessary action. The question of the establishment of an Imperial Biological Station is at present under consideration by the Government of India.

UNIFORMITY OF WEIGHTS.

22. The HONOURABLE MAHAMAHOPADHAYAYA DR. GANGANATH JHA: Will the Government be pleased to state what steps have been taken for giving effect to the Resolution of the Council of State regarding uniformity of weights in the country?

The HONOURABLE MR. H. A. F. LINDSAY: I would refer the Honourable Member to the Resolution on the subject issued in the Gazette of India of the 7th January 1922.

PENSION OF DEPUTY COLLECTORS, UNITED PROVINCES.

23. The HONOURABLE LALA SUKHBIR SINHA: Will Government be pleased to state—

Why in Section 375, Civil Service Regulations, 2 years' probationary period or the period of passing Departmental Examinations does not count for service required for pension of Deputy Collectors in the United Provinces?

The HONOURABLE MR. S. P. O'DONNELL: The question of the revision of Article 375, Civil Service Regulations, is already under the consideration of Government.

ADOPTION OF REPRESSIVE POLICY.

24. The HONOURABLE LALA SUKHBIR SINHA: Will Government be pleased to state—

- (a) For what reasons it was not considered advisable to consult the Indian Legislature, as to the adoption of the repressive policy, to combat with the non-co-operation movement?

(b) Whether the Government of India before adopting this policy had consulted the Right Honourable the Secretary of State in the matter and, if so, to lay on the table papers relating to it?

(c) Whether all or which of the Members of the Viceroy's Executive Council were in favour of it and who opposed it?

The HONOURABLE MR. S. P. O'DONNELL: (a) The Honourable Member presumably refers to the action taken under the Criminal Law Amendment Act, and the Seditious Meetings Act. The Government of India cannot admit that this action can properly be described as the adoption of a repressive policy. It has been directed solely to the prevention of violence, intimidation, and disturbances of the peace. The responsibility for the maintenance of law and order rests on the Executive Government.

(b) & (c). The Government must decline to make any statement regarding the matters referred to in these parts of the question.

GOVERNMENT MONEY IN IMPERIAL BANK.

25. The HONOURABLE LALA SUKHBIR SINHA: Will Government be pleased to state—

(a) Total amount of Government money deposited in the Imperial Bank on 30th November, 1921?

(b) Is the deposit in current floating account or in fixed deposit?

(c) Does Government get any interest on this deposit? If not, why?

(d) Is it not advisable to select a few other banks also for the deposit of Government money, in order to give them help in their business?

The HONOURABLE MR. E. M. COOK: (a) The amount of Government money deposited in the Imperial Bank on the 30th November 1921 was Rs. 11 crores and 54 lakhs.

(b) Current account.

(c) Government does not obtain any interest. The following are the main considerations which have induced Government not to claim any interest from the Bank.

Firstly.—Under the old arrangements the Presidency Banks of Madras, Bombay and Bengal (now amalgamated into the Imperial Bank of India) were entitled to receive certain annual payments amounting to Rs. 67,840 for the conduct of Government business at their head offices. Under clause 6 of the present agreement with the Imperial Bank, the Bank is not entitled to any remuneration for the conduct of the ordinary business of Government.

Secondly.—The Bank has undertaken to adopt a progressive policy in the matter of opening new branches, that is, to open 100 new branches within five years from the 27th January 1921. Those centres of trade at which a branch is likely to show a profit in the near future have to a large extent already been exploited by the old Presidency Banks, and as new branches

are established a comparatively longer time must elapse before the opening up of the localities will result in a business profit.

Thirdly.—The possession of additional funds derived from Government entails additional responsibilities, since the Bank has so to arrange its policy as to maintain itself in a position to meet sudden and unforeseen demands. These previously fell on the Reserve treasuries which have now been abolished.

Fourthly.—The Bank has refrained from stipulating for any fixed minimum deposit as the bankers for Government and it follows that it has at certain times and places to use its own private funds for Government purposes. I may mention that the week before last the Government balance with the Bank was under 5½ crores. Further, on the 30th November Government had actually outstanding Ways and Means Advances from the Imperial Bank to the extent of 15 crores.

(d) Government do not think it would be advisable to deposit their funds with any other banks in order to assist them in their business. The Imperial Bank is, as the Honourable Member knows, governed by a special enactment which in the public interests strictly limits the nature of the business the Bank can do and lays upon it a number of definite obligations.

MUNITIONS BOARD CASE.

26. The HONOURABLE MR. SETHNA: (i) Will Government be pleased to state, if—

(a) as many as five counsel were engaged on their behalf in the Munitions Board case,

(b) if not five, the correct number and their names,

(c) the fees paid to each counsel per day, and

(d) the total fees paid to each counsel?

(ii) Will Government be pleased to state—

(a) if in addition to the number of counsel engaged by them in the Munitions Board case they had also retained the services of the Public Prosecutor,

(b) if there were any other pleaders engaged besides the Public Prosecutor and, if so, their names,

(c) the fees paid per day to the Public Prosecutor and to each of the other pleaders, and

(d) the total fees paid to each of them?

The HONOURABLE MR. H. A. F. LINDSAY: I place on the table a statement showing the rates of fees paid per diem, and the total payments, to the various counsel and pleaders employed in the case against Rai Bahadur Sukhlal Karnani and others, which, I presume, is the case referred to in the question. The total amount is Rs. 47,089. It will be understood that a proportion of this expenditure was undertaken in connection with the proceedings in the Magistrate's Court in 1920 for the extradition of one of the accused in this case, who is also an accused in certain other cases.

Cost of proceedings in Court (including consultation fees) in the case against Rai Bahadur Sukhlal Karnani and others.

	Names.	RATES OF FEE PER DIEM.			Total fees earned.
		High Court.	Police Court.	Consultation.	
		Rs.	Rs.	Rs.	Rs.
Counsel.					
1	Mr. T. C. P. Gibbons	255	510	85	11,696
2	Mr. C. Ross Alston	...	1,000 + 15	...	6,250
3	Mr. J. Camell	170	374	51	5,151
4	Mr. N. C. Sen	170	340	51	8,976
5	Mr. S. Sen	119	119	51	238
Pleaders.					
1	Babu H. N. Mitra	150	150	68	3,842
2	Rai Bahadur T. N. Sadhu (Public Prosecutor).	100	34	34	1,222
3	Babu R. M. Banerjee	102	102	34	9,656
4	Babu Ananta K. Banerji	17	17	...	34
5	Babu Bijoy K. Chatterji	...	12	...	24
	Total	...	...	...	47,089

CAPTURE OF MOPLAH REBELS.

27. The HONOURABLE DIWAN BAHADUR NAIDU: Will the Government be pleased to state what methods are adopted in capturing the Moplah rebels who had escaped and hidden themselves in forests and mountains and who make depredations from there on villages being away from the operations of the Military?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The Military and police forces traverse, as expeditiously as possible, every area in which the Moplah rebels are known to exist, until the rebels are rounded up and captured.

LAND REVENUE COLLECTED PROVINCE BY PROVINCE.

28. The HONOURABLE SARDAR JOGENDRA SINGH: (a) What is the total amount of Land Revenue collected every year, province by province? (b) What was the total amount of Land Revenue in 1890?

COST OF KEEPING LAND RECORDS, ETC., PROVINCE BY PROVINCE.

29. The HONOURABLE SARDAR JOGENDRA SINGH: What is the total

cost of keeping Land Records and collecting Land Revenue and of the Settlement Departments, province by province?

The HONOURABLE MR. B. N. SARMA: The Honourable Member is referred to statements 15A and 15B of the Finance and Revenue Accounts of the Government of India for 1919-1920. The land revenue received during the year ending 31st March 1890 was 24 crores 67 lakhs.

ANNUAL INCREASES IN LAND REVENUE PROVINCE BY PROVINCE.

30. The HONOURABLE SARDAR JOGENDRA SINGH: What are the annual increases in Land Revenue province by province, brought by the Revenue and Settlement Departments?

The HONOURABLE MR. B. N. SARMA: The information is not available with the Government of India, and since the question relates to a purely provincial subject, the Government of India are not prepared to call on local Governments to undertake the collection of the statistics asked for.

LAND REVENUE SUBJECT TO VOTE OF PROVINCIAL COUNCILS.

31. The HONOURABLE SARDAR JOGENDRA SINGH: Land Revenue being a transferred subject, is it subject to the vote of Provincial Councils?

The HONOURABLE MR. B. N. SARMA: Land revenue administration is a provincial subject under the Devolution Rules, but is not a transferred subject. The attention of the Honourable Member is drawn to section 72D of the Government of India Act.

ADMINISTRATION OF ADEN.

32. The HONOURABLE MR. SETHNA: Will Government be pleased to lay on the table copies of the correspondence passed between them and the Secretary of State on the subject of the resolution passed on 26th September, 1921 to the effect that the administration of Aden be continued under the Government of India?

The HONOURABLE SIR JOHN WOOD: His Majesty's Government were duly apprised of the debate and resolution in the Council of State. As their answer is still awaited, it would not be in the public interest to lay the papers on the table.

PUBLIC WORKS DEPARTMENT ACCOUNTANTS, UNITED PROVINCES.

33. The HONOURABLE MR. G. S. KHAPARDE: (a) Will the Government be pleased to state whether they have received memorials addressed to the Secretary of State from Public Works Department Accountants, United Provinces, complaining of the inadequacy of the revision of their scale of pay, the maximum and minimum of which is the same as that fixed in 1864?

(b) If the answer to (a) above, be in the affirmative, have the said memorials been forwarded to the Secretary of State for India?

(c) If so, would the Government be pleased to indicate the recommendations made by them?

The HONOURABLE MR. E. M. COOK: (a) Yes.

(b) and (c). The memorials are at present under the consideration of the Government of India, along with the general question of the adequacy of pay in Accounts offices.

ARTICLE 408, CIVIL SERVICE REGULATIONS.

34. The HONOURABLE MR. G. S. KHAPARDE: (a) Is the Government aware that Article 408 of the Civil Service Regulations makes a distinction between officers spending their leave out of India and those spending their leave in India, the former being allowed to count as service 4 years of their leave against 2 years allowed to be counted as service by the latter in a total service of 30 years?

(b) Do the Government propose to modify the above article so as to do away with the differentiation?

The HONOURABLE MR. S. P. O'DONNELL: (a) Yes.

(b) I can promise the Honourable Member that the question will be considered, but I cannot hold out any very great hope that it will be possible to meet his wishes. The existing system does not involve racial discrimination, seeing that the concession to which the Honourable Member refers is granted to both Indians and Europeans alike. It has always been the policy of Government to encourage both classes of officer to take leave in Europe, as they consider that visits to Europe add to the efficiency of the officer in both cases.

INDIAN AND EUROPEAN SERVICE LEAVE RULES.

35. The HONOURABLE MR. G. S. KHAPARDE: (a) Is the Government aware that among officers who come under Indian Service Leave Rules great dissatisfaction exists on account of their being debarred from getting furlough on full average salary unless they can produce medical certificate or spend the leave out of India, none of these two conditions applying to officers who come under European Service Leave Rules?

(b) What step does the Government propose to take to remove the above grievance?

The HONOURABLE MR. S. P. O'DONNELL: (a) The existence of such discontent has not been brought to the notice of Government.

(b) The attention of the Honourable Member is invited to the speech made by the Honourable the Home Member in connection with the Resolution moved by the* Honourable Sardar Jogendra Singh in this Council on the 9th March, 1921.

As a result of the recommendations of the Public Services Commission Government intend to restate the criteria according to which officers are brought under one or the other set of rules, and the matter is now under consideration.

STANDARDS OF ASSESSMENT OF LAND REVENUE.

36. The HONOURABLE SARDAR JOGENDRA SINGH: Will the Government of India be pleased to say whether Provincial Governments have the liberty to revise standards of assessment of Land Revenue, and to fix short or long terms of settlement at their discretion?

*Vide page 474 of Volume I of Council of State Debates of 9th March, 1921.

The HONOURABLE MR. B. N. SARMA: In virtue of his general powers of superintendence, direction and control, the Governor General in Council retains a right to regulate the general principles on which land revenue is assessed and to intervene in all matters affecting such assessment. In the Madras and Bombay Presidencies, the local Governments have full powers to sanction the inception of settlement operations, to confirm settlements, and to fix the periods for which they are to be in force. In the case of other provinces the Government of India have not yet abandoned certain powers of control. For instance, in Bengal, Bihar and Orissa, United Provinces, the Central Provinces, Assam and the Punjab, their sanction is required, if a revision entails a total enhancement of revenue exceeding 33 per cent., similar sanction is required if the term of settlement exceeds 30 years in Bengal, Bihar and Orissa, the United Provinces and the Punjab. In the Central Provinces without this sanction the term of settlement may not exceed 20 years and in Assam and Burma it may not be for less than 20 years or more than 30 years. In Burma, the sanction of the Government of India is also required if the proposed enhancement of revenue exceeds 40 per cent. The question of revising the existing assessment instructions and of abandoning or relaxing their powers of control is at present under the consideration of the Government of India. Attention is also invited to Rule 2 (e) of the Reservation of Bills Rules.

In accordance with the recommendation of the Joint Select Committee on the Government of India Bill, the desirability of embodying in provincial legislation the main principles on which land revenue is determined has been brought to the attention of all local Governments where such legislation is not already in existence.

BRANCHES OF IMPERIAL BANK OF INDIA.

37. The HONOURABLE MR. SETHNA: Will Government be pleased to state:—

(a) how many branches have been opened by the Imperial Bank of India during the year ending 31st December, 1921, and at what places?

(b) how many additional branches it is proposed to open in the year 1922 and where?

The HONOURABLE MR. E. M. COOK: (a) The branches opened by the Imperial Bank of India during the year ended 31st December, 1921 are located at Berhampore, Bezwada, Erode, Rajahmundry, Jubbulpore, Rawalpindi, Mandalay, Peshawar, Multan, Lyallpur, Bassein and Cuttack. Twelve more branches will, it is expected, be opened shortly, viz., at Amritsar, Ambala, Meerut, Bareilly, Gorakhpur, Moradabad, Noakhali, Asansol, Larkana, Dharwar, Cuddalore and Muzafferpore.

(b) The Bank proposes to open additional branches during the year 1922—the second year of its existence—at Ferozepore, Sargodha, Jullundur, Jhansi, Saharanpur, Muttra, Mirzapur, Jherria, Bhagalpur, Darjeeling, Rungpur, Hijli, Shillong, Khandwa, Dhulia, Ahmednagar, Nasik, Vizagapatam, Vellore and Kumbakonam.

WORKING OF PRINCIPAL STATE RAILWAYS.

38. The HONOURABLE MR. SETHNA: Will Government be pleased to give the figures showing the results of working of each of the principal

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State railways during the years 1918-19, 1919-20, and 1920-21 under the following heads:—

- (a) mileage open at the end of the year,
- (b) total capital outlay,
- (c) gross earnings,
- (d) net earnings,
- (e) percentage of net earnings on total capital outlay,
- (f) interest paid,
- (g) annuities paid,
- (h) Company's share of surplus profits,
- (i) percentage of Company's share of surplus profits on Company's share capital,
- (j) final nett gain or loss to the State.

The HONOURABLE MR. H. A. F. LINDSAY: The information asked for by the Honourable Member in respect of the years 1918-19, and 1919-20 is available in the Railway Board's publication entitled the "History of Indian Railways constructed and in progress," a copy of the last issue of which, i.e., corrected up to 31st March 1920, is available in the Library of the Council of State. The information in regard to the year 1920-21 has not been received yet from all the Railway Administrations and cannot, therefore, it is regretted, be furnished.

PROFESSOR HORNE OF PATNA UNIVERSITY.

39. The HONOURABLE MR. V. G. KALE: (a) Will Government be pleased to state what truth there is in the newspaper report that Professor Horne of Patna University is on a propagandist tour in America on behalf of the Indian Government?

(b) Will the expenses of the tour fall, in whole or in part, on Indian revenues?

The HONOURABLE MR. S. P. O'DONNELL: Professor Horne, who is Professor of Political Economy at Patna College, was placed on deputation to enable him to take up a temporary lectureship in Harvard University, at the invitation of the authorities of that University. The cost of his deputation was borne by Indian revenues, as the appointment enabled the Professor to lecture on Indian conditions generally, with a view to counteracting the false and mischievous reports regarding India appearing in a certain section of the American Press. In this connection the Honourable Member's attention is invited to a speech made by the *Honourable Sir William Vincent in the Legislative Assembly on the 11th March last year, on the subject of the visit of an American Lecturer to India.

The HONOURABLE MR. V. G. KALE: May I ask a supplementary question? What special qualifications were looked for in Professor Horne that he was selected for this work?

The HONOURABLE MR. S. P. O'DONNELL: It was because he was well acquainted with conditions in India.

GRANT OF CONCESSIONS BY CERTAIN RAILWAYS FOR CARRIAGE OF MATERIALS.

40. The HONOURABLE MR. V. G. KALE: Will Government be pleased to state whether the Bengal Nagpur, the Great Indian Peninsula and other

* Vide page 937 of Volume I of Legislative Assembly Debates of 11th March 1921.

Railways grant any concession rates for the carriage of materials for European mission buildings, and, if so, whether similar rates are allowed to Indian charitable institutions?

The HONOURABLE MR. H. A. F. LINDSAY: Inquiries go to show that on occasions concession rates for the carriage of materials have been granted from time to time by the Bengal Nagpur and most of the other important Railways for both European Mission buildings as well as for Indian charitable Institutions. No differentiation is made between applications on behalf of either of the above. A reply is awaited from the Great Indian Peninsula Railway, and the result will be communicated to the Honourable Member on receipt.

LANDS PROVIDED FREE OF COST FOR RAILWAY PURPOSES.

41. The HONOURABLE MR. V. G. KALE: Will Government be pleased to state the amount charged, up to the end of the year 1920-21, to "11-Subsidised Companies—Land" on account of lands provided free of cost for railway purposes?

The HONOURABLE MR. H. A. F. LINDSAY: The amount charged to "11-Subsidised Companies—Land" on account of lands made over to Railway Companies free of cost for Railway purposes to end of the year 1920-21 is Rs. 2,33,32,601.

RAILWAY CARRIAGES FOR HIGH GOVERNMENT OFFICIALS.

42. The HONOURABLE MR. V. G. KALE: Will Government be pleased to place on the table a statement showing the railway carriages built for high Government officers, their cost, the charges actually paid by Government to Railway Administrations for the use and haulage of these carriages during 1920-21, and the charges which would have been levied if ordinary public rates had been charged?

The HONOURABLE MR. H. A. F. LINDSAY: I will send the Honourable Member the information he requires about railway carriages built for high officers of Government. I may mention for the information of the Honourable Member that with the exception of one carriage built in 1917 no carriage of this kind has been built for the last eight years. The information required regarding the cost of haulage of these carriage is not available. I will see if I can obtain it, and if so, I will furnish it to the Honourable Member in due course.

LADY CLERKS IN BOMBAY GENERAL POST OFFICE.

43. The HONOURABLE MR. V. G. KALE: (a) Will Government be pleased to state if it is a fact that lady clerks employed in the Bombay General Post Office are started on Rs. 70 per month with an annual increment of Rs. 5 and with a maximum of Rs. 140?

(b) Why is a distinction made between male and lady clerks in matters of pay and promotion?

(c) Is the employment of lady clerks an imperative necessity so that they have to be offered specially favourable terms?

(d) Is Government aware of the feeling of discontent that prevails in the minds of the general clerical staff of the Post Office owing to the favourable terms offered to lady clerks?

(e) Are the lady clerks at present in Post Office employ restricted to one community mainly?

(f) Will Government kindly give an idea of the limit up to which lady clerks will be engaged in the Post Office as compared with men clerks?

The HONOURABLE MR. B. N. SARMA: (a) Yes.

(b) The difference in pay is not confined to the Post Office, but exists in all Departments of Government. A reference is invited to the report of Mr. Sharp's Committee issued with Home Department Resolution No. 165-C., of the 29th November 1916 in which the reasons for granting a higher scale of pay to women are fully explained.

(c) No; but women clerks have been found to be useful in dealing with certain classes of business and have proved to be a success from an administrative point of view.

(d) A few complaints of this nature have been received.

(e) No.

(f) At present only 75 per cent. of the clerical staff are women. It is not possible to fix any limit, but the number is not likely to exceed one per cent.

SALARIES OF CLERICAL STAFF, BOMBAY POST OFFICE.

44. The HONOURABLE MR. V. G. KALE: Is Government aware that the starting salaries in the Bombay Post Office for the clerical staff are smaller than those in other Government Departments?

The HONOURABLE MR. B. N. SARMA: Yes. The Honourable Member is referred to paragraphs 7 to 9 of Chapter II of the Report of the Postal Committee, 1920.

QUALIFIED RECRUITS FOR BOMBAY POST OFFICE.

45. The HONOURABLE MR. V. G. KALE: Is it a fact that some difficulty is experienced in securing properly qualified recruits for clerical posts in the Bombay Post Office?

POSTS VACANT IN BOMBAY GENERAL POST OFFICE.

46. The HONOURABLE MR. V. G. KALE: Is it a fact that during October 1921 a large number of posts were vacant in the Bombay General Post Office for want of substitutes?

EMOLUMENTS AND CONDITIONS OF WORK IN THE BOMBAY POST OFFICE.

47. The HONOURABLE MR. V. G. KALE: Will Government be pleased to say if, in its opinion, the present emoluments and conditions of work in the Post Office in Bombay are sufficiently inviting to attract a suitable class of men for employment?

The HONOURABLE MR. B. N. SARMA: The information called for by the Honourable Member is being collected and will be supplied when available.

SURVEY BY THE IMPERIAL OFFICE FOR ELECTRIC INSTALLATION.

48. The HONOURABLE DIWAN BAHADUR NAIDU: (a) Is it a fact that survey is made by the Imperial office in suitable places with a view to generate electricity and construct installations therefor throughout India?

(b) If so, what are the places selected?

(c) Besides lighting, are the Government going to supply electricity for driving mills, pumping water from wells for irrigation and driving machines for other industries?

(d) Is it the intention of Government to give the water used in generating electricity for the purpose of irrigating dry lands and supplementing the irrigation of the mamul wet lands?

The HONOURABLE MR. B. N. SARMA: The hydro-electric survey of India is a provincial subject and is being carried out by local Governments, although an imperial officer has been appointed to co-ordinate the results. The places where and purposes for which electricity will be generated rest entirely with the local Government concerned.

FACILITIES FOR PILGRIMAGE TO MECCA.

49. The HONOURABLE MR. MARICAIR: (a) With reference to D. O. No. 76, dated the 3rd March, 1921, from the Honourable Khan Bahadur Mian Muhammad Shafi, C.I.E., Member in charge of the Education Department, and my reply thereto, regarding the question of pilgrimage to Mecca, will Government be pleased to state what action Government have taken to afford necessary facilities to pilgrims?

(b) Do Government propose to open the port of Madras also for embarkation of pilgrims to Mecca as suggested by me in my letter of 3rd March, 1921?

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: (a) The Honourable Member is referred to the Communiqués dated the 12th May, 1921, and the 1st June, 1921, issued by the Government of India. Copies of the Communiqués are laid on the table.

(b) The Government of Madras, who were consulted on the suggestion of the Honourable Member, consider that there is no need to open the port of Madras to pilgrim traffic. A copy of the local Government's letter is laid upon the table. The Government of India agree with the opinion of the Government of Madras.

GOVERNMENT OF INDIA.

DEPARTMENT OF EDUCATION.

SANITARY.

COMMUNIQUE

Simla, the 12th May 1921.

As certain misunderstandings have arisen regarding the attitude of Government towards the conditions under which tickets are issued to pilgrims to the Hedjaz, the following facts are made public. Some years ago the question arose of insistence upon compulsory return tickets for such pilgrims. The matter was carefully considered by the Government of India, local Governments were addressed and the opinion of Anjumans and other Muhammadan authorities was collected. Opinion was found to be divided on the subject and the Government of India decided to make no rule under section 58 (1) (p) of the Pilgrim Ships Act, since the matter was one in which they were unwilling to move save with fairly unanimous backing of Muhammadan opinion. A modified system of compulsory return tickets was introduced in 1919 as a condition of the arrangements which the Government of India made in that year with a view to reducing the return fares for pilgrims from Rs. 175 to Rs. 125 in each case. This was a purely administrative measure introduced as a condition of the monetary grant; and at the same time an arrangement was made between the two Steamship Companies

which then had vessels upon this run to make tickets interchangeable. Although the Government of India continued their assistance to pilgrims in 1920, this modified arrangement for compulsory return tickets has already been discontinued. Nor, unless the Muslim community are themselves of opinion that such a system is desirable, do the Government of India propose to make any such rule.

2. The system of compulsory return tickets is the simplest and most humane system which can be devised for the convenience of pilgrims. But Government are aware that certain Musalmans object to it. Accordingly, the possibility of a system of compulsory deposits, which would have somewhat similar effect, was discussed at Bombay at the close of 1920 and again with non-official Muhammadan Members of the Council of State and of the Legislative Assembly early in the present year. The Government of Bombay was also asked to consult the local Haj Committee. Although a considerable body of the opinions collected by the Government of India was in favour of the compulsory return ticket system, a slight majority declared themselves in favour of option in the matter combined with private contributions to assist repatriation. Opinion was also invited from the Bombay Haj Committee, a number of Muslim Associations in that Presidency and the Muslim Members of the Bombay Legislative Council. The views of these Associations and individuals, so far as single tickets. The Government of India have accordingly, in deference to these views, again decided not to frame any rule under the Pilgrim Ships Act but to permit the Companies a free hand in the issue of tickets.

3. The Government of India are fully aware of the inconveniences which may result if large numbers of pilgrims, who have furnished themselves with single tickets, find themselves on the return journey stranded at Jeddah without means to purchase the passage back to Bombay or Karachi. They understand that in the past the Shipping Companies have on occasion afforded free repatriation and rations to destitute pilgrims. Such repatriations were made in the past by the Shah Line, Messrs. Shirazi & Co., and Messrs. Khandwani & Co., and last year by the Mogul Line (Messrs. Turner, Morrisno & Co.). Possibly other Lines have taken similar action; but the Government of India are not in possession of information about them. Private generosity and Government assistance have also contributed.

4. The sympathetic interest of the Government of India in the success of the pilgrimage has been demonstrated by the expenditure of about 1½ lakhs of rupees during the past two years in securing cheap tickets for pilgrims. In 1919, when shipping was scarce, they secured the release of a large and suitable vessel for purposes of the pilgrim traffic. Last year they equipped and maintained, at the cost of about 2 lakhs, a hospital at Jeddah, which will again be maintained during the forthcoming year. They have also at various times expended considerable sums on the repatriation of indigent pilgrims.

5. The Government of India agree with the opinions which have been laid before them by the majority of the Muslim Members of the Council of State and the Legislative Assembly regarding the method of repatriation. They desire fully to recognise the generosity shown in the past by the Shipping Companies and by private individuals in their efforts to assist destitute pilgrims stranded at Jeddah. But it is clearly undesirable that the Muhammadan community as a whole or the pilgrims to the Hedjaz should continue to rely upon such generosity or even upon Government assistance. The Government of India accordingly have under consideration the question of proposing the raising of a repatriation fund which should be managed, so far as possible, by non-official agency. The object is one which the Government of India are convinced will make a strong appeal to the charitable instincts of the Muslim community at large and it is confidently hoped that such a fund may serve for the needs of repatriation in the present and in the forthcoming years.

GOVERNMENT OF INDIA.
DEPARTMENT OF EDUCATION.

SANITARY.

COMMUNIQUE.

Simla, the 1st June, 1921.

From time to time pilgrims to the Hedjaz find themselves stranded at Jeddah after the performance of their pilgrimage without means of subsistence and unable to return to their homes. Their condition in these circumstances is often attended

with great hardship. In the past the situation has been met by private subscription, by the generosity of Steamship Companies and by assistance from Government. Experience has shown that this haphazard method of assisting destitute and stranded pilgrims is inconvenient and unsatisfactory. The Government of India recently consulted certain representative Mussalmans on the subject and the opinion generally expressed was that assistance should be sought from the Muslim community and from Muslim Princes and other Princes and Rulers of Indian States which have an appreciable number of Muslim subjects. It is firmly trusted that an appeal for this object will find ready response in the Muslim community at large and among the Ruling Princes and Chiefs. The Government of India trust that, subject to the approval of such a vote by the Legislative Assembly, they will be able to assist by a substantial grant the contributions which may be collected. It is hoped that it will be possible to place the funds collected at the disposal of an agency largely non-official and composed in the main of Muhammadans, and that the funds will be sufficient to enable that agency to deal with cases of distressed pilgrims both in the current and in future years. The Government of India are at present in communication with the Government of Bombay on the subject. In the meantime, it is requested that any contributions made should be sent to the Imperial Bank of India, Bombay, to be placed to the credit of a fund named "The Jeddah Repatriation Fund."

Copy of a letter from the Secretary to the Government of Madras, Law (General) Department, to the Secretary to the Government of India, Department of Education, No. 927, dated the 26th July 1921.

Reference Government of India letter No. 510, dated the 22nd June 1921.

I am directed to state that His Excellency the Governor in Council has given careful consideration to the matter and on the latest information available cannot find any sufficient reason to depart from the view stated in Mr. Cardew's letter No. 1515 of the 11th December 1912, namely that there is no need to open the port of Madras for pilgrim traffic.

2. According to the reports received from the District Magistrate the number of pilgrims who applied for passports to proceed to the Hedjaz during the years 1912-1920 from the several districts of this Presidency are as follows:—

1912	...	...	...	...	...	86
1913	...	...	...	...	...	32
1914	...	...	...	...	...	34
1915	...	...	...	...	...	Nil
1916	...	...	...	...	...	1
1917	...	...	...	...	...	Nil
1918	...	...	...	...	...	33
1919	...	...	...	...	...	373
1920	...	...	...	...	...	

These figures do not include local resident who may obtain passports outside the Madras Presidency. The pilgrim traffic was naturally in abeyance during the currency of the war and as was to be expected the number of pilgrims was substantially higher in 1920, but out of the total of 373 who proceeded to the Hedjaz in that year, no less than 245 came from the district of Malabar where there is a decided preference for the shorter and more economical Bombay route. There has been no indication of any spontaneous and pressing demand from the Muslim community of this presidency for a port of embarkation at Madras.

INDIAN TITLES HELD BY OFFICIALS AND NON-OFFICIALS.

50. The HONOURABLE MR. MARICAIR: (a) With reference to *question No. 7 put by Khan Bahadur Sarfaraz Hussain Khan in the Legislative Assembly on 15th February, 1921, and the Government's answer thereto, intimating that 5,000 Indian titles were awarded by Government, will Government be pleased to state how many of them are held by officials and how many by non-officials?

*Vide page 21 of Volume I of Legislative Assembly Debates of 15th February 1921.

(b) Is it a fact that the major portion of the titles are held by officials?

(c) Do Government propose to consider the advisability of discontinuing the conferring of any more titles on officials until a larger proportion of titles are conferred on non-officials?

The HONOURABLE SIR JOHN WOOD: (a) and (b). The Honourable Member's question was put down for answer last session, but owing to his inability to attend did not appear on the list of business. An answer was however prepared and the returns received from the different Departments and Local Governments showed a total of 5,517 holders of Indian titles now alive in India. The figures included holders of hereditary titles but not Ruling Princes and Chiefs or military officers holding the titles of Sardar Bahadur and Bahadur in virtue of the Order of British India having been conferred on them. Of these 5,517 title-holders, 2,773 were persons who were or had been in the service of Government and 2,744 were shown as non-officials. A certain number of the former and a few of the latter were counted twice over in the returns. It is not possible without detailed scrutiny of the lists to say exactly what deductions should be made on this account; but apparently titles are divided in almost exactly equal proportions between officials and non-officials. Among the latter are included for classification purposes officials of Indian States.

(c) The answer is in the negative.

DECK PASSENGER COMMITTEE.

51. The HONOURABLE MR. MARICAIR: (a) Will Government be pleased to state in what stage the work of the Deck Passenger Committee is at present?

(b) Will Government be pleased to lay on the table the papers relating to the inquiry and give sufficient time to the Council to discuss the matter before final decision is arrived at?

The HONOURABLE MR. H. A. F. LINDSAY: (a) The Deck Passenger Committee have submitted their Report and it is under the consideration of the Government of India who have invited the views of the maritime Local Governments thereon.

(b) As each member of both Houses of the Legislature has already been supplied with a copy of the Report, it will not be placed on the table. The Honourable Member will no doubt have observed that many of the recommendations made by the Committee involve amendments to the Native Passenger Ships Act X of 1887. They will therefore come before the Legislature in due course. The Government will consider how other important recommendations which do not involve legislation can best be brought before the Legislature. In the meantime, they have invited the views of the maritime Local Governments on the Report generally.

OPENING OF PORT OF CALCUTTA FOR PILGRIM TRAFFIC TO MECCA.

52. The HONOURABLE MR. MARICAIR: (a) Is it a fact that the Government of Bengal have declared that the port of Calcutta will be opened for the pilgrim traffic to Mecca and other places?

(b) Do Government propose to consider the desirability of giving similar concession to the people of Madras Presidency and arrange to open the port of Madras for the purpose?

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: (a) No decision has been arrived at regarding the opening of the port of Calcutta for pilgrim traffic to the Hedjaz.

(b) The Honourable Member is referred to the reply given to another question asked by him on this subject.

RE-OPENING OF THE PENAL SETTLEMENT IN ANDAMANS.

53. The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: (a) Is it a fact that Government contemplate re-opening the penal settlement in Andamans?

(b) If so, will the Government be pleased to state the reasons for doing so?

The HONOURABLE MR. S. P. O'DONNELL: As announced by the Honourable Sir William Vincent in his speech in the Legislative Assembly on the 11th March 1921, Government have decided to abandon the Andamans as a penal settlement and not to retain it even in the modified form suggested by the Indian Jails Committee. This decision was communicated to local Governments in March 1921 with directions to stop absolutely the transportation of females and to repatriate female convicts already in the Andamans not married locally, also, as far as practicable and as accommodation become available in India, to stop the deportation of fresh male convicts. As stated in the reply given on the 5th September 1921 to the Honourable Rai Bahadur Lala Ram Saran Das' question No. 21, the transportation of convicts ceased in March 1921.

It has, however, always been recognised that the process of closing down the penal settlement must be a lengthy one, and must depend upon the rate at which new jails can be constructed in India. Complete effect cannot be given to the decision to abandon the penal settlement until new jails have been constructed in India to accommodate not only those convicts who are to be repatriated from, but also those who would ordinarily have been transported to, the Andamans. The Government of India have urged local Governments to provide funds for this purpose, but provincial finances allow only of gradual and slow expansion of jail accommodation. The stoppage of transportation to the Andamans has resulted in serious over-crowding in nearly all the provinces, especially in the Punjab, where the position is said to be dangerous and where an outbreak recently occurred in the Lahore Central Jail, in the Madras Presidency owing to the influx of prisoners in connection with the Malabar disturbances, and also in the North-West Frontier Province, where the jail population now exceeds the available accommodation by over 40 per cent. Overcrowding necessarily means deterioration in jail administration and discipline, and there is besides the grave danger of epidemics on a large scale. For these reasons the Government of India, in consultation with the Secretary of State, have reluctantly come to the conclusion that there is no alternative but temporarily to re-open transportation from those provinces where the position is most serious. This is a purely temporary measure designed merely to relieve the dangerous overcrowding that exists in the prisons of certain provinces. It will be stopped as soon as the necessary additional accommodation can be provided, and every effort will be made to ensure that the accommodation needed is provided as soon as possible. It may be

explained, however, that transportation will continue to be absolutely prohibited in the case of (1) females, (2) persons convicted of "political" offences, and (3) prisoners suspected of a tendency to unnatural vice.

Subject to the foregoing conditions, the Government of India have for the reasons stated, so far authorised the Governments of the Punjab and Madras temporarily to re-open transportation to the Andamans, and they propose to give similar authority to any other province whose circumstances may justify this course.

ANNOUNCEMENT REGARDING ADDRESS OF WELCOME TO HIS ROYAL HIGHNESS.

The HONOURABLE THE PRESIDENT: I understand the Leader of the House has an announcement to make.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, with your permission I have to read a letter received from the Chief Secretary to His Royal Highness the Prince of Wales regarding the address of welcome to be presented to His Royal Highness. The letter runs as follows:—

'I have the honour to acknowledge Mr. Tonkinson's letter No. 130-Public, dated the 8th November, 1921, forwarding a copy of the Government of India Despatch with enclosures to the Secretary of State, No. 13, dated the 29th September, 1921, relating to the Resolutions adopted by the two Chambers of the Indian Legislature regarding the presentation of an address of welcome to His Royal Highness the Prince of Wales. The papers have been laid before His Royal Highness the Prince of Wales, who commands me to express his appreciation of the spirit which has animated the Indian Legislature in this matter. I am to inform you that His Royal Highness will gladly accept the proposed address.'

STATEMENTS LAID ON THE TABLE.

The HONOURABLE MR. B. N. SARMA: I lay on the table a copy of a letter addressed to the Honourable Mr. Altaf Ali, with reference to *part (b) of the Honourable Member's question in Council on the 15th September, 1921, regarding the recruitment of Muhammadan candidates for the Bengal and Assam Postal Circle.

Copy of a demi-official letter No. 792-P. W., dated Simla, the 24th October 1921, from the Honourable Rao Bahadur B. N. Sarma, Member in charge, Public Works Department, to the Honourable Mr. Altaf Ali, 1, Dover Park, Ballygunge, Calcutta.

'In continuation of my *ad interim* reply to part (b) of your question No. 85 regarding the recruitment of Muhammadan candidates for the Bengal and Assam Postal Circle, I write to communicate the following information which has now been obtained from the Director General of Posts and Telegraphs.

The intention of item (2) of letter No. A. I.-42, dated the 5th March, 1920, issued by the Postmaster General, Bengal and Assam, is that, in order to give Muhammadan candidates an opportunity of joining the appointments offered to them, they should receive timely notice of the occurrence of vacancies from the Deputy Postmaster General, the Divisional Superintendent or the first class Postmaster concerned. The intention of item (3) of the same letter is that when suitable Muhammadan candidates cannot be secured by the Officer who makes the appointment, the assistance of recognised Muhammadan Associations and of the Assistant Director of Public Instruction should be sought. All the officers for whom the instructions were intended duly carried them out and in places where there was a dearth of suitable Muhammadan candidates, the officers concerned actually consulted Muhammadan Associations and the Assistant Director, but the help asked for was not given freely.'

*Vide page 164 of Volume II of Council of State Debates of 15th September 1921.

The HONOURABLE MR. E. M. COOK: I lay on the table a statement showing the cost of the India Office buildings, furniture and fittings, with reference to the Honourable Mr. Sethna's *question in Council on the subject on the 6th September 1921.

Information asked for by the Honourable Mr. Phiroze C. Sethna in his question regarding the cost of the India Office buildings, etc., at the last Simla session of the Council of State.

(a) The whole cost of site, buildings, furniture, and fittings, of the India Office has been paid out of Indian Revenues. The amounts are as follows:—

	Original cost.	£
Site and approaches	...	100,490
Buildings	...	379,492
Furniture and fittings	...	38,383
Total 31st March 1870	...	518,365
	Subsequent additions.	
Buildings	...	23,674
Furniture and fittings	...	2,848
		26,522
Total to 31st August 1921	...	544,887

(b) The sum of £156,332 realised by the sale of the East India House was credited to Indian Revenues. This amount has not been deducted in arriving at the figures given above, and, if it is desired to arrive at the net cost of rehousing the Secretary of State's establishment, may be regarded as a set-off against the expenditure specified above.

The HONOURABLE SIR JOHN WOOD: I lay on the table the reply to the Honourable Diwan Bahadur V. Ramabhadra Naidu's question† in Council on the 29th September 1921, regarding the devolution of the pension of the late Raja of Anagondi.

Statement to be laid on the table during the ensuing session of the Council of State.

In answer to the question by the Honourable Diwan Bahadur V. Ramabhadra Naidu at the meeting of the Council of State on the 29th September, 1921, regarding the devolution of the pension of the late Raja of Anagondi, the Honourable Sir John Wood stated that inquiry would be made from the Government of Madras on the subject. The following information has now been received from that Government.

'On the death of the late Raja of Anagondi on the 10th December, 1918, Srimanth Rani Narasingamma Sahiba, his widow, presented a memorial to the Government of Madras praying that the pension of the late Raja might be continued to her minor son. The Collector of Bellary reported that the family was believed to own considerable landed interests in His Exalted Highness the Nizam's Dominions and that His Exalted Highness' Government had taken up the question of succession and guardianship and were then holding an inquiry into the matter. The Honourable the Resident at Hyderabad was then requested by the Madras Government to report the result of the inquiry. He forwarded a translation of a letter from the Nizam's Government from which the Madras Government understood that Rani Kupppamma Sahiba, the adoptive mother of the late Raja of Anagondi, Srirangadevarayulu, was recognised by that Government as the head of the family. As, under orders which had been issued by the Government of India in 1902, the pension was to be continued at the pleasure of Government to the person who was accepted by Government as the head of the family for the time being, it was continued in the name of Rani Kupppamma Sahiba by an order of the Madras Government dated the 19th August 1919. The arrears of pension were, however, paid to the widow of the late Raja on behalf of her minor son.

*Vide page 115 of Volume II of Council of State Debates of 6th September 1921.
†Vide page 494 of Volume II of Council of State Debates of 29th September 1921.

[Sir John Wood.]

In August 1920 the Nizam's Government informed the Madras Government through the Resident that after examining the old records carefully they considered the request of the widow of the late Raja on behalf of her minor son for the continuance to him of the pension of Rs. 500 to be reasonable. The Nizam's Government were then asked whether this communication was to be taken to mean that the Madras Government had misunderstood the previous letter from the Nizam's Government, or that the latter Government had changed their opinion; information as to the nature and purport of the old records were also requested. The reply received from the Nizam's Government, while expressing the opinion that the pension should be paid to the widow on behalf of her minor son, admitted that Rani Kuppamma continued to be recognised as the owner of the Samasthan in the Nizam's Dominions. The Madras Government accordingly decided to continue the pension in the name of Rani Kuppamma as the head of the family.

BILLS AS PASSED IN LEGISLATIVE ASSEMBLY LAID ON TABLE.

The SECRETARY OF THE COUNCIL: In accordance with rule 25 of the Indian Legislative Rules, I lay on the table the Bills which were passed by the Legislative Assembly at its meeting of the 10th January, 1922. These Bills are as follows:—

- (1) A Bill further to amend the Indian Electricity Act, 1910.
- (2) A Bill further to amend the Indian Factories Act, 1911.

MESSAGE FROM LEGISLATIVE ASSEMBLY.

The Secretary of the Council read the following message from the Legislative Assembly:—

"Sir, I am directed to inform you that the draft address of welcome to His Royal Highness the Prince of Wales, as drafted by the Committee appointed by Resolution of both Chambers in September last, was approved and adopted by the Legislative Assembly at its meeting of the 16th January, 1922."

ADDRESS OF WELCOME TO HIS ROYAL HIGHNESS THE PRINCE OF WALES.

The HONOURABLE SIR ZULFIQAR ALI KHAN: Sir, in the autumn Session at Simla the following Resolution was passed by this Honourable Chamber. It was moved by the Honourable Sir Maneckji Dadabhoy, and runs as follows:—

"This Council recommends to the Governor General in Council that he may be pleased to convey to His Royal Highness the Prince of Wales its humble request that he may be graciously pleased to accept a loyal and dutiful address of welcome from the Indian Legislature, and invites the co-operation of the Legislative Assembly in constituting a Committee of the Indian Legislature to draft a suitable address for the purpose."

In pursuance of this Resolution a Committee was duly appointed by both Houses of the Legislature, and at its meeting, which was held in due course, a Select Committee was again appointed from amongst its members to draft an address for its approval. This address was drafted, and a copy was put before the original Committee of the two Houses, which was approved by it. Copies of that draft address are now with Honourable Members.

Before I put it before the House, Sir, for its approval, I wish, with your permission, to say a few words. Sir, the presentation of this address is not an empty and soulless formality. To my mind it gives expression to the appreciation of the whole of India for the great benefits which the

British people have conferred on this country under the auspices of the British Crown. It would be manly on our part to appreciate, and cordially appreciate, all those benefits which have accrued from the British Crown to this country. Sir, before the British came to this country India was strewn with the wreckage of defunct Empires. Peace and security had entirely vanished, there was no law and order, and the civil wars had destroyed whatever vestige there was of administration. India, in short, was overwhelmed with a terrible misfortune. But, Sir, a miracle was soon worked, and the British officials within a few decades evolved order out of chaos and set India on the path of progress and prosperity. An era of peace was inaugurated and we saw all round us, phenomenal improvements, railways, canals, and so forth. We also see that what China, Persia and several other Oriental countries did not give to their people, the British people gave to India. We were awakened from a long slumber; we were made to realise our high destiny; we were made to feel those impulses which awaken an enlightened nation's feelings. Sir, we were made to take our position amongst the great nations of the world. It was within a century that all this miracle was worked, a work which might have taken perhaps centuries if India had been left alone to work out its own destiny.

Queen Victoria of blessed memory was the first Queen who initiated the policy of sending the Heir to the Throne to visit the Indian Dominions. It was an admirable policy. Both King Edward, as Prince of Wales, and King George, visited India and were accorded enthusiastic receptions. The present Heir to the Throne comes as a symbol of the unity of the Empire; he is like the lovers' knot, binding the East and West together. He is young, he is full of hope. We have seen how cheering and cheer-inspiring he is wherever he goes. He has visited Australia, Canada, New Zealand and the other Dominions, and it was only in the fitness of things that he should come to this great country also. We appreciate the great honour which the King and Queen have conferred upon us by sending this young Prince to this country. He will one day wear the Crown with which are associated the most progressive and benevolent traditions. He is the great grandson of the late Queen Victoria, whose memory is very dear to us, who is held in the highest reverence and love by Indians. Her memory is immortal. It is her great grandson who is coming to visit us very shortly, and I think all of us must combine to give him a rousing reception.

Sir, India's future, India's interests, India's aspirations demand that we must offer our unstinted love and loyalty to this young Prince. We see and we read that even a Bedouin in the sterility of the desert, whenever a guest reaches his lonely tent, entertains that guest with unstinted hospitality. He puts everything before him, sacrifices everything for his comfort, in order to demonstrate his sense of hospitality. India is a mighty Empire, and we are a great people who owe such a deep debt of gratitude to the British Crown; and the Heir of that Crown is coming, and I think it is our duty, and bounden duty, to show those traditions of hospitality and loyalty which have always been associated with the East.

With these few words, I ask this Honourable Chamber to adopt this draft Address of Welcome to His Royal Highness the Prince of Wales.

The motion was adopted unanimously.

BENARES HINDU UNIVERSITY (AMENDMENT) BILL.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, I have the honour to move for leave to introduce a Bill to amend the Benares Hindu

[Mian Sir Muhammad Shafi.]

University Act, 1915. A reference to section 9 (2) of the existing Act will make it clear to Honourable Members that under its provisions no person not being a Hindu can become or be appointed a member of the Court, save in the case of the first Court. Now, by reason of the Statutes annexed to the Act, the period of office of the members of the first Court is expiring. If the law were allowed to stand as it is at present, the non-Hindu member who under this exception is now member, ceases to be a member of the Court of the Benares University. By Resolution passed at one of its meetings the University have asked the Government of India to undertake the present legislation in order to enable the non-Hindu member of the Court to continue as hitherto a member of the Court of that University. That is the object with which this short enactment is sought to be placed on the Statute-book.

The motion was adopted.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, I beg to introduce the Bill.

OFFICIAL BUSINESS DURING JANUARY, 1922.

The HONOURABLE THE PRESIDENT: I should like to inquire whether any Member of Government is prepared to make a statement as to the official business which is likely to be taken during the month of January.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: It may be to the convenience of the Council if I make a statement as to the probable official business to be brought before this Council in the immediate future. Meetings of the Council for official business will probably be held on Monday, the 23rd, Thursday, the 26th, Monday, the 30th and Tuesday, the 31st of January. At the meeting of the 23rd motions will be made recommending that the Indian Electricity (Amendment) and the Indian Factories (Amendment) Bills which have been passed by the Legislative Assembly be taken into consideration, and it is hoped that it may be possible to pass them either on the 23rd or on the 26th January. A Bill to amend the Indian Lunacy Act, 1912, and a Bill to incorporate Trustees for the European Lunatic Asylum at Ranchi, the Special Laws Repeal Bill and the Indian Criminal Law Repealing Bill will probably be introduced on the 26th January, and towards the end of the month Government hope to introduce a Bill to consolidate the law relating to merchant shipping.

ADJOURNMENT OF COUNCIL.

The HONOURABLE THE PRESIDENT: Before I adjourn the Council, I should like to ask the non-official members if they will be good enough to meet me to-morrow, a quarter of an hour before the Council is due to re-assemble after the lunch interval, in the large Committee Room in Metcalfe House. I wish to put before them the present state of the business of the Council and to ascertain their wishes in regard to meetings in the month of February.

The Council then adjourned till Wednesday, the 18th January, 1922, at Eleven of the Clock.

COUNCIL OF STATE.

Wednesday, the 18th January, 1922.

The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

RESOLUTION RE CONFERENCE OF REPRESENTATIVES TO CONSIDER POLITICAL SITUATION.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I beg to withdraw 11 A.M. draw the Resolution in my name:—

"This Council recommends to the Governor General in Council that a conference of representatives of the several political parties, members of both Houses of the Legislature as well as non-members, be summoned by His Excellency the Viceroy to consider in consultation with members of Government the present political situation and to suggest means of restoring it to its normal condition."

The Resolution was, by leave of the Council, withdrawn.

RESOLUTION RE SEPARATION OF BURMA FROM THE REST OF THE INDIAN EMPIRE.

The HONOURABLE MAUNG PO BYE: Sir, I beg to move the Resolution that stands in my name:—

"This Council recommends to the Governor General in Council to be so pleased as to take early steps to make an inquiry by appointment of a commission or otherwise to examine the question of separation of Burma from the rest of the Indian Empire with a view to collection of information and opinion, and in order to determine how the question would affect the Indian Empire as a whole and Burma separately."

The Resolution in its bare form may be looked upon as an unnecessary side issue in the midst of the controversial political atmosphere prevailing as an anxious moment for a round-table conference, etc., but to Burma it is not a side issue, but a very important affair as it would most likely result in the creation of a great event, an epoch, in the annals of the country.

When things are fully explained, it will be seen that there is a complaint requiring a careful inquiry, a diagnosis to be made out whether the complaint is of mere imaginary or of substantial character calling for treatment with great care and attention.

To do away with any misapprehension that may be entertained with the object of this Resolution, I want to point out very clearly that the Burmese people do not conceive any idea that the interests of the Indians in Burma are in any way to be affected or prejudiced. Any man of common sense can discern clearly that the relations between Burma and India, whether separation takes place or not, must inevitably be so close and their mutual inter-dependence must be so great that it would be impossible for Burma to inflict any injustice or injury on the Indian inhabitants of Burma without that injustice or injury recoiling on the heads of the Burmese people and without incurring retaliation from India affecting greatly the interest of Burma.

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We, the Burmese people, have a very strong national sentiment, our consciousness to preserve our race and our nation in our country is the chief object for which we looked to the Indian brethren and the Central Government to help us, and to do justice to us.

The first point is of a political character. It began from the report of the Local Government of Burma, when Reform was initiated as a tentative scheme. It is a question of relations between the Provincial and the Central Governments.

I would briefly quote a few extracts, which embraced the undivided opinion of the Local Government and the entire population of Burma, that—

"Burma is a separate country, a distinct nationality and her people belong to an entirely different family of races. To the Burmese the Indian is just as much an alien as the European. Burma does not therefore fit into the scheme of an Indian Nation governed by Indians. She wishes to preserve intact her special characteristics and genius and to contribute her national individuality to the common stock of nationhood embraced within the British Empire. While, however, she gratefully acknowledges the protection and support which she derives from her membership in the Indian Empire, she is entitled to ask for recognition that she is a separate entity with a separate future before her. . . . At the same time, while she has no desire that the affairs of Burmans in Burma should come under an Indian governed State, she on her side has no wish to take any part in the control of Indians in India."

The Government of India in submitting the proposal for a new constitution for Burma pointed out that the report of Mr. Montagu and Lord Chelmsford took the view that—

"Burma was not India, and that its problems were altogether different. Historically and geographically Burma is only by accident a part of the Indian Empire."

The Joint Select Committee of Houses of Parliament are of the same opinion and expressed that—

"Burma is only by accident part of the responsibility of the Governor General of India and that the Burmese are as distinct from the Indians in race and language as they are from the British."

To these weighty and substantial conclusions I, as a Burman, should not add any more.

It is desirable that, owing to special and distinctive needs, Burma should work out her own salvation, and for that she should first of all have a permanent representation with the Government of India as well as with the Home Government in order that her interests do not suffer for want of adequate representation.

What representation has Burma now with the Home Government and the Government of India? With the former there is none. With the latter there is only a Burman in this Honourable Council and another Burman in the Legislative Assembly, and what these two Burmans or the full force of Burma members can do must be well known to the Honourable Members.

Would this be called an adequate representation? In the Executive side there is not a Secretary, and a member is beyond the reach of a Burman mortal.

The higher appointments given to Indians in the services in other provinces are of much higher ratio and Burma is still a long way behind.

The Burmese people could not help notice that there are Indian representatives in the Secretary of State's Council, in the Standing Committee of Indian affairs, in the Imperial Conference of British Empire, and in the League of Nations, and they have to remain wondering whether those Indian representatives have ever set foot in Burma.

I have known no instance as yet that the Executive Members of the Government of India ever visited Burma for the purpose of acquiring first-hand knowledge from the sons of the soil. The inter-provincial interests of eight Indian Provinces are analogous and common in ninety-nine cases out of hundred, whereas Burma's interest may be said to be one out of a hundred.

Under these circumstances, can the Honourable Members of this Council imagine that the Government of India is always well posted with the affairs of Burma and possesses first-hand knowledge from the Burmese people.

Burma has suffered longer and more than many people can imagine.

When Lord Ripon's Reform Scheme was introduced and a start was given in India for local self-government, Burma was left severely alone.

About the middle of Lord Lansdowne's Viceroyalty the Indian Councils Act was amended and the Imperial and Local Legislative Councils were reformed and reconstituted, and Burma was left without a Legislative Council.

The reform of Lords Morley and Minto increased the size of the several Councils with a larger number of elected members and placed the local self-governments on broader basis. What effect was given to Burma? No Legislative Council with elected members was introduced, and the local self-government institutions were not efficiently worked.

For the Montagu-Chelmsford reform the Honourable Members know that Burma is about to get her own share.

The Local Government of Burma is still continuing to report on a very sore point which the people of Burma felt most keenly that Burma not having the practice of Morley-Minto reform is now scarcely fit to adopt the Montagu-Chelmsford reform.

There is absolutely no reason to consider that civilization of the people of Burma was in any way behind those of other Indian Provinces for the last 600 years, and I defy any one to prove it.

On the other hand, Burma could show that her people were highly educated in their own vernacular before the advent of British rule. I would just mention one item for consideration and comparison that, in 1870, when the law of free and compulsory education was to be introduced in England, the percentage of school-going population was 15. There was no contemporaneous record for Burma for that period, but in 1881, when the census was taken in Burma, it shewed that the school-going percentage was 16, whereas India proper could show only 1.9.

For a period of not less than last six centuries about 50 per cent. of Burman adult males were literate, and Burma now still holds the highest record of literacy of people above other provinces.

As regards expansion of trade and commerce in Burma, I need not go into statistics, but it suffices to assert that under the British rule the pace is set to proceed quicker and in longer strides and there is every prospect of:

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outstripping many other provinces. The country is replete with agricultural, industrial and mineral resources for development much greater than most of the other provinces.

What was the cause of denying the past reforms and delaying the present one?

The whole cause was entirely due to Burma being allowed to be governed only by autocratic and bureaucratic official rulers, without there being any representation in the Councils of Government of India and Home Government and no responsible Council even an executive now exists in Burma.

The words of the Head of the Administration as an autocrat was strict law from the time of the annexation of the country to the Indian Empire and up to the present.

The Burmese people did not agitate until recently, say, three years since the Secretary of State's announcement on 20th August 1917, and that fact of non-agitation was taken adversely against the interest of the people, and Burma has been treated as a back-water province, and the consequence of one man's rule, without representation at the proper quarters, has rendered the country to suffer and it is still suffering.

In the matter of current events of agitation in Burma, I have to say only one word and that is, that the Government of Burma resorted to working the moribund law, the Indian Defence Act, which is a red rag to the agitators and the peaceful alike. It is a law regarded in other provinces as inadvisable to work.

When that Act was passed it was not meant for the Burmese people.

It is an Indian heritage and it proved, as an established fact, that Burma got punished for the accident of being part of the Indian Empire.

The next point is of an economical character.

Burma was a self-contained country and there was no need of help from foreign lands in the matter of ordinary commodities for the people; but with the advent of British rule the country was thrown open to the world, while the people are quite strange to the new order of things.

The enterprises of Europeans and Asiatics to acquire wealth in Burma have no distinction in rights and privileges. The Japanese and Chinese immigrated into the country and practised trade and commerce, developed industries and owned landed property in the same way as a Britisher and the Indian. The Britishers and the Indians are the citizens of the Empire in equal position as the Burmese, but the same cannot be said of the Japanese and the Chinese. The Chinese cannot find an easy and open field in India proper because the Indians are more than a match for them in the matter of business, labour and thriftiness, whereas the Burmese in Burma for want of training and experience cannot stand the competition and are being beaten in almost all kinds of business. The Capital town of their country, Rangoon, has become a cosmopolitan, if not an Indian, town, and the rural areas are being affected in the same way steadily.

All paying business of a substantial form, as trade, commerce and industry, is almost entirely in the hands of other people. The Burmese are not fit to stand the severe application of the law of the survival of the fittest in the field of economic competition.

My earnest appeal to this Honourable Council is, please do not allow things to slide, which would lead the Burmese people to be in perpetual sorrow for the days that their country had been annexed to the Indian Empire.

The more a Burman studied the rights and the privileges of the citizens of the British overseas dominions the heavier pang he felt for his disabilities for the accident of his becoming a citizen of the Indian Empire and not the full fledged citizen of the British Empire.

If India requires dominion Home Rule and the independent fiscal unit of the country, Burma requires not a whit less, perhaps more, urgently to stem the tide of depredations for the material stability of the country economics. If what Indians say is true that they are having European exploitations in India Burmans can say that they are having European and Asiatic exploitations four-fold heavier.

The next point is the financial relations between the Government of India and the Government of Burma.

The report of Lord Meston's Committee has given Burma some relief, but there still remain many important points to be put forward by Burma in the form of a heavy bill to be made against the Imperial Exchequer if an equitable basis for levying of contributions from Provinces to the Central Government is once settled.

The Committee's report pointed out that the question of the levy of the contributions met with a serious obstacle in the disparity and inequality of burdens on different provinces, and the authors of the report found no alternative remedy in the method of fixing the amounts to the assessment in the ratio of the gross surplus of revenue estimated that each province should enjoy under the new allocation of resources recommended by the Committee.

A short extract may be quoted where Burma was mentioned in the report.

"The provinces which caused us most anxiety were Burma and Bihar and Orissa. In the former the coming improvement in its revenues has been largely discounted by the heavy commitments necessary to give Burma the reasonable administrative conveniences which it now lacks. The Province as we have satisfied ourselves, is far behind India proper in what its Government does for the people."

The Committee recommended no initial contribution for Bihar and Orissa, but for Burma it was put down as 64 lakhs, which is a lakh more than that of Bengal.

The Government of India recently remitted the initial contribution of Bengal.

Bengal has a great advantage over other provinces, particularly over Burma in the matter of stabilizing revenue of the agricultural land in the way of a permanent settlement system, whereas in Burma the rate of land revenue is elastic and continually raised, and if the incidence of taxation is taken acre for acre Burma pays twice or thrice higher than those in Bengal.

I want this Honourable Council to consider why the people of Burma should go on paying taxes higher and higher to make up sufficient funds for India, while some other provinces are left off paying contributions although a very favourable percentage of taxation exists in those provinces. I do not for a moment propose to raise the taxation in other provinces, but my claim

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is for Burma to have a fair and equitable treatment in the matter of contribution to the Central Government's fund.

In the matter of standard contributions recommended by the Meston Committee, please note what the committee expressed in the report. It runs thus—

"In recognition of the admitted fact that this method, of fixing the provincial contributions, would largely affirm existing inequalities, they advised that the whole question should be re-investigated by the statutory commission after 10 years' working."

It is a very tall order that inequalities must remain for ten years and to a young country like Burma, unprovided even with administrative conveniences, and in the largest need for improvement in many ways even to come up to the standard of other provinces, it would be a case of more for breaking down than for making up the administrative system.

There are many subjects the Government of Burma could claim with irresistible force to be made provincial instead of remaining central, but the bogey of unsettled financial contribution stood in the way and in a very awkward position too. I would enumerate a few without going into detail as the Resolution is not for the settlement of accounts, but for inquiry into accounts with a view to settlement of great necessity.

The Port of Rangoon has been declared a major port, just it took away the Provincial control as if the Government of Burma is not an authority on the spot and the work is being run under its immediate control. Delhi or Simla is not in a better position than Rangoon itself for supervision and local knowledge. It is not a gate-way to any province except for Burma, and no other province is interested in its administration.

The declaration is at least not in accordance with the principles of Provincial Autonomy, and there is not a strong reason to believe that Rangoon port affairs would be better managed in Delhi or Simla, where Burma's representation is disproportionately insignificant. If it is an exigency for the requirement of His Majesty's Navy as a port of call, for supply or for defence of the Empire, Burma Government can attend far better and more expeditiously than India. Burma has distinctly one advantage in the supply of oil fuel if other things are equal. If the Customs revenue as Imperial revenue is any consideration to be depended on the proper working of the port, why Burma Government can attend both, run the port and collect the revenue not less efficiently, and it is simply a matter of adjustment of accounts for the revenue.

The Customs revenue from Burma is purely Burma's acquisition and no other province has any interest in it; it is quite a different case from other provinces like Bombay, Bengal and Madras, where the interprovincial interest exists. This is another factor where Burma's case requires special consideration in the allocation of revenue resources.

There is another very important point of financial arrangement to be arrived at, it is the cost of maintaining a large force of Military police for the frontier defence of Burma. For the North-Western defence the Government of India maintains the army and pays the whole cost out of the Imperial fund, but for the North Eastern defence, Burma still has to contribute a large sum out of the Provincial revenue. The military police, so far as frontier defence is concerned, should be paid entirely out of Imperial funds, and the Government of Burma should be called upon to pay for the civil police only as in the case of other provinces. There was a

large force of military police of Burma made to serve in Europe and Mesopotamia during the war, and some battalions have still not returned yet. Such a force is purely military and no police about it.

Burma's expenditure out of the Provincial revenue in the matter of equipment and payment of pension for such force should be very carefully adjusted.

The expenditure on military in Burma is about three quarters of a crore, and Burma pays to India something like six crores net per annum, not including the Government of India's receipts from Posts and Telegraphs. It is a great question for Burma to be enlightened how she stands out of the expenditure of the Central Government if compared with other provinces.

Burma does not wish to court favour and shirk payment of every pie of her share of the National debt of India and the cost of the protection of the Indian Army and the British Navy, but she claims justice in the financial relations in which she considers disparity and inequality of burden on her exist.

My humble suggestion for the points of inquiry is in a very crude form. I am stating what the Burmese people aspire to have.

1. Burma should be separated from India as far as all subjects of the administration of the Province are concerned, except the Army, the Navy and Foreign affairs, which should remain with the Government of India and the Home Government as heretofore, and Burma to contribute a certain amount of its revenue as may be decided by the Home Government after inquiry and report by the Commission.

2. Burma's representatives with the Government of India and Home Government should take no part in the administration of Indian affairs nor the Indian representatives of other provinces in that of Burma, and Burma's representatives in the Indian Legislative Chambers should retire altogether.

3. There should be Burma's representatives with the Home Government and with the Government of India in the Executive Council.

4. The Secretary of State for India should be the Secretary of State for India and Burma, and the Governor General should be the Governor General of India and Burma.

5. The Governor of Burma should be appointed by the Home Government from the United Kingdom.

6. Dominion Home Rule should be introduced at an early date and the Governor and Executive Council should have Reserved Subjects as the Home Government may decide during the transitory state of introduction of responsible government.

7. The Governor should have the full power of veto as laid down in the Government of India Act of 1919; and the Governor should deal direct with the Home Government in all subjects, except the Army, the Navy and Foreign affairs which should be with the Government of India.

8. The Government of Burma should have the power of an independent fiscal unit in the British Empire, subject to the control of Home Government.

9. The financial relations between the Government of India and the Government of Burma should be examined and revised every five years,

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and if there is a conflict of opinion between the two Governments, the decision of the Secretary of State shall be final.

10. All Europeans, Indians and other Asiatics, who are British subjects and who have a stake in the country, should have the same rights and privileges as the Burmese people.

There is one explanation more to offer that the Burmese people do require the good-will and co-operation of Europeans and Indians to establish a real responsible government in Burma and invite them to live and prosper with Burmans as citizens of the free state of Burma within the British Empire.

In conclusion, I have to say that the Resolution is pure and simple, for the issue of a Commission of inquiry, and there should not be any objection or opposition.

The inquiry should be conducted by a statutory commission, as the questions involved require independent determination by a majority of members having no interest either in India proper or in Burma.

I believe I have made out a plain case to meet the approbation of the Honourable Members of this Council for favourable decision.

The HONOURABLE MR. SETHNA: Sir, I have heard the Honourable Member's speech with great interest. What he desires is a commission to inquire into the question of the separation of Burma from the rest of the Indian Empire. He has not, however, informed us whether he is speaking for himself alone, or whether he is the spokesman of any recognised body or bodies of Burmese public opinion. I think, Sir, that, before taking any steps in regard to the appointment of a committee or commission, there should be a consensus of opinion to be forwarded to Government. For aught I know, this is the first time this question has come before this Council, and, as far as I know, Burmese opinion has not expressed itself publicly in the manner in which the Honourable Member has declared it to be in this House to-day. I would, therefore, ask the Honourable Member to allow this matter to stand over for the present and to do all in his power to move organisations throughout Burma to assure Government that it is the wish of a large section of the Burmese public to have separation in the manner he desires.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: I would ask the Mover of the Resolution to withdraw it on certain grounds. The first thing, Sir, to think of is that, after all, we are all Asiatics and want to be together. Why break Burma away from India? Why let Burma break away from us? I hope, Sir, that the Resolution will be withdrawn. The other difficulties, to which the Mover referred could be easily put right by representing matters to Government. In these circumstances, I would ask that the Resolution be withdrawn.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, may I congratulate my Honourable Friend on the splendid manner and the moderation with which he has put his case before the Council. I do not know if other Honourable Members have been to Burma or not, but I have twice been to Burma and seen the country, and I do think there is a demand from people there of Burma for the Burmans—whether it is artificial or natural is a different matter. There is also a feeling that the country is being

exploited both by Indians and by Englishmen, and as I hear this morning for the first time—a fact I did not know before—also by the Chinese and Japanese. But perhaps my Honourable Friend does not realise that the Indians in Burma have really tried their best to increase its trade and industries, and also to help them in starting industries. It may be exploitation, as some of the Burmans themselves think. Personally I do not think it is.

As regards the question whether there should be more Members in the Legislative Assembly or in the Council of State, or whether there should be a Burman representative in the Legislative Council, these are all questions that can be decided later on. My Honourable Friend knows that a Committee presided over by Sir Frederick Whyte, the President of the Legislative Assembly, has recently gone into all these questions. That Committee's Report, when it is published, will perhaps give us some idea as to how it is proposed to meet the demands of the Burmans for self-government. I have myself the greatest sympathy with the idea underlying the Resolution of my Honourable Friend, that Burma must have self-determination. If they want to be with us, with India, we shall be glad to have them. If they want to be outside the control of the Government of India, we can have no objection. What they want, if I understand my Honourable Friend aright, is what we here have been calling Provincial Autonomy, for he says the Foreign Department, the Army and the Navy, shall be under the Government of India, while the other departments will be under the Provincial Government. In view of the fact that the Report of Sir Frederick Whyte's Committee has not yet been published, a new Committee working on the same lines would be redundant, and I do not think will serve any useful purpose. I would, therefore, ask my Honourable Friend to withdraw his Resolution, not because I do not agree with the reasons for his demand, but because I think we ought to await the Report of Sir Frederick Whyte's Committee before taking any further action in the matter.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I think it will be agreed that, whatever views may be held on the subject of the separation of Burma from India, the inquiries on which this Committee would have to embark would necessarily be of a long, laborious and protracted nature. Burma is racially and geographically a distinct country from India. That is a fact which cannot be ignored when considering the form of government which it should enjoy. But Burma has been associated with India for a not inconsiderable period, and it is now linked with India by many and intimate ties; and it is perfectly clear, in view of the existence of these ties, that the task which would fall to the Commission would be far from easy and far from short. Consider, for example, the military requirements of Burma. At present Burma is part of the Indian Empire, and if her frontiers are threatened, she has behind her all the resources of the Indian Empire. If Burma were to be separated, it would be necessary for her to have her own Army, and the Commission suggested would have to determine what the strength of that Army should be. Possibly the forces required would have to be far more numerous and far more expensive than those at present maintained in Burma. Also the composition of the troops would have to be considered. The troops maintained in Burma at present are mostly Indian troops, and the Commission would have to determine from what sources in future the Burma forces should be recruited. It is thus clear that on this side the task of the Commission would be by no means an easy one.

[Mr. S. P. O'Donnell.]

Again, there are the commercial relations between the two countries. It is not always realised how close these relations are. India supplies the large labour demands of Southern Burma. Indian traders have penetrated the whole of Burma. Rangoon, the capital of the province, is very largely an Indian town. India is dependent on Burma, in times of scarcity, for large supplies of rice. On the other hand, Burma depends on India for coal. It is clear that separation might seriously affect these relations. It might impede or reduce the interchange of commodities between the two countries. It might affect the supply of labour to Burma. Here also, therefore, it is clear that the Commission would have to examine many difficult questions. Then there are the problems connected with finance and currency. The Commission would have to consider what the effect of separation would be on the finances of Burma, a matter which would demand prolonged inquiry and the hearing of much expert evidence. There are doubtless other matters, such as the Services; but I have only attempted to indicate the more outstanding issues.

Now it is not my intention to suggest any conclusion whatever regarding the desirability or otherwise of separating Burma from India. The Honourable Mover of this Resolution made it perfectly clear that, in his opinion, there can be only one answer. Although he suggests the appointment of a Commission, he seems to regard the finding as already settled. It is quite unnecessary, however, for this Council to come to any conclusion on the general question of separation. It may be that the interests of Burma will be best served by separation; it may be that those interests will be best served by continued inclusion in the Indian Empire. The point I wish to make is, that as several other Honourable Members have already said, it would be premature and inopportune to appoint this Commission now. That was the view taken by many non-official members at the meeting of the Burma Legislative Council held some months ago. They did not conceal their opinion that separation is the ultimate destiny of Burma. At the same time, they made it perfectly clear that the present is an inopportune moment for taking up this question. That also is the attitude of the Local Government. They consider that separation is bound to come, but they strongly deprecate raising the question at the present moment. The reason for that is perfectly obvious. Burma is on the eve of great changes. The Committee appointed to inquire into the questions of the franchise and the classification of subjects has submitted its report. That report is under consideration, and it will not be long now before Burma receives a new constitution which will bring her into line with the major Provinces of India. There could not well be a more inopportune time, therefore, for embarking on the inquiries proposed. One of the objects suggested by the Resolution is the ascertainment of opinion. I do not know why the Honourable Member has put that in, because he has made it clear that he regards separation as the only possible course. But in any case a commission is not the proper machinery for ascertaining opinions. As soon however as the new constitution comes into force, there will be ample means of finding out what the people of Burma desire, for there will be a Council elected on a very wide electoral franchise, a franchise probably wider than that enjoyed by any of the Provinces in India. Surely the proper course is to wait till this Council has come into being and till it has had time to take stock of the situation and formulate its views. I hope, therefore, that the Council will agree that whatever may be the merits of the proposal as regards separation this is not the time to bring it forward.

The HONOURABLE MAUNG PO BYE: I only meant to ask for an inquiry. I may be a separatist at the present moment, but at the inquiry I may change, the whole people of Burma may change. We only want statistics, opinions and information to be collected and I do not mean to start separation at once. If the inquiry is not allowed a Burma member can do nothing more. I hope the Government would not start too late.

The HONOURABLE THE PRESIDENT: The question is that the following Resolution be accepted:—

“This Council recommends to the Governor General in Council to be so pleased as to take early steps to make an inquiry by appointment of a commission or otherwise to examine the question of separation of Burma from the rest of the Indian Empire with a view to collection of information and opinion and in order to determine how the question would affect the Indian Empire as a whole and Burma separately.”

The Resolution was rejected.

RESOLUTION RE EXEMPTIONS UNDER THE INDIAN ARMS ACT, 1878.

The HONOURABLE LALA SUKHBIR SINHA: The Resolution that stands in my name runs thus:—

“This Council recommends to the Governor General in Council to exempt from the operation of prohibitions or directions contained in the Indian Arms Act, 1878, or the Indian Arms Rules—

(a) Head or Manager, as well as

(b) other major members of those joint Hindu families which pay Rs. 20,000 or over as land-revenue.”

It may be said that I have come again to this Council for the exemption of more persons, because I moved a Resolution in this Council last March for the exemption of Members of the Legislature and Magistrates. But this Resolution stands on an entirely different basis. So long as the system of exemption will continue, such questions are bound to come, and the cases of those who are affected will have to be considered by the Government. This is one of such cases. Under clause 6 (g) of Schedule I of the Indian Arms Rules, 1920, all zamindars in the United Provinces who pay Rs. 20,000 or more land-revenue have been exempted. In Oudh all the taluqdars without regard to any amount of land-revenue have been exempted. But in the Agra province and also in Oudh among the zamindars there is a general complaint from the joint families. In these families, though they pay Rs. 20,000 or more, even the head or manager has not been exempted, perhaps on the ground that the members of the family are not individually paying the required amount of land-revenue. But I beg to submit that they are responsible individually as well as jointly to pay the amount of land-revenue, viz., Rs. 20,000 or more, and it makes no difference whether the zamindar individually pays Rs. 20,000 or pays as head of the joint Hindu family. This principle has been adopted in the Council Election Rules as well as in the Municipal and District Board Election Rules, and under those rules, the heads or managers of joint Hindu families and even representatives of banks and other societies have been given the right to vote. Similarly, I do not see any reason why the head of a joint Hindu family or of any society or bank or firm should not be allowed this right of exemption from the Arms Act. This right of exemption has been given to zamindars as a recognition of their services and loyalty to Government, and, therefore, the Indians appreciate this right very much, and it has been appreciated for a very long time. If

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[Lala Sukhbir Sinha.]

Government decides once for all that there will be no exemption, the question will end there. But if the right of exemption will continue, I think the rights of those who are affected should be considered. The interpretation made by the Government in the case of joint Hindu families, I have quoted above, is not correct. They say that those individual members of zamindars who personally and individually pay Rs. 20,000 or more are to be exempted, but not any members of a joint Hindu family or even the head or manager of such a family. It may be said that these heads or managers may get licenses. It is true that any person may apply to the Magistrate for a license. If that is so, why should any exemption be made at all? Those who are now exempted may do the same thing and apply for a license. They can apply to the Magistrate as others do and get their licenses. But it is a great botheration to have to apply for a license, and pay Rs. 10 for a pistol and so on. It is to save this trouble of getting licenses every year and having to pay for the license that this right of exemption has been given, and it ought to be extended to those who are fit for it. Such joint families in the U. P., I think, will be very few. If the heads or managers of such families are exempted the number will not go beyond fifty or sixty. If all the major members of the families are exempted the number may not go over two hundred. This is my approximate estimate, and I cannot mention the exact figures. There may be some cases in the Punjab also. In the Punjab, so far as I know, there are very few big zamindars, but still there may be a few cases. In Madras and the other provinces there may be some cases where the joint Hindu families have not been exempted. Therefore, on the principle of exemption made to zamindars in the United Provinces and Oudh, I request this Council to recommend to the Governor General in Council to exempt the heads and managers of joint Hindu families, as well as all major members of those families who pay Rs. 20,000 or more as land-revenue.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, I support the Resolution to this extent. I think, Sir, the various arms should be defined. There should be some committee or some body should be asked to consider this. If the followers of one religion or one particular sect of people are allowed to possess swords or anything else, I am not against it, but the thing is that we are all your subjects, we want an equal status. We are not allowed to keep swords, while one particular section is allowed. They should not be sorry if we asked that swords, particularly in the Punjab, or say in the whole of India, should be considered as non-licensable,—that one should be allowed to keep a sword. But if not, then it should be stopped for everybody. I do not see that keeping arms is a very nice thing. It may be of some help to zamindars to have them for keeping off the various things which affect their crops. At the same time, the same things can be rather awkward, as they have found, especially in the Punjab, which I may say is a province in which they really do not speak but they do lots of other things. So what I want, Sir, is that there should be equality amongst everybody for keeping arms. And as for zamindars, I think they are on the side of the Government,—they always will be on the side of law and order, at any rate. So I think if they get arms, they will use them in the right direction. Therefore, I do support the Resolution to that extent.

The HONOURABLE NAWAB MUZAMMIL-ULLAH KHAN: Sir, I cordially support the first part of the Resolution that the heads of families—the few heads of joint Hindu families who are paying so much as Rs. 20,000 as

land-revenue,—they will be very few—should be exempted. To exempt others would incur the displeasure of those people who do not belong to joint Hindu families. Therefore, I cordially support the first part of the Resolution of my friend.

The HONOURABLE SAIYID RAZA ALI: Sir, I am really surprised that in this age, in 1922, when equality is being preached and when special privileges are being attacked right and left—and very properly—my Honourable Friend should have thought it proper to move a Resolution of this character. Sir, there is not the least doubt that it was very wrong of Government to make any exemptions whatsoever under the Indian Arms Act. Those who sow the wind must reap the whirlwind, and Government now naturally find that, having deviated from the right path once, they are confronted with the present demand. May I ask my Honourable Friend if he is prepared to claim special privileges for any section of the community, with what face can he ask Government that those privileges which are enjoyed by certain specially favoured sections of the community should be done away with? The Resolution is wrong in principle, and naturally, if adopted, it will lead to Government's position being rendered more difficult than it is to-day. I have no quarrel with the system of Hindu joint family. I wish it good luck. But I attack the Resolution on principle. And as I said, Sir, it is really very sad that a Resolution of this character should have been brought forward in the age in which we are living. I strongly oppose the Resolution.

The HONOURABLE MR. S. P. O'DONNELL: Sir, the rule to which the Honourable Lala Sukhbir Sinha has taken exception is the outcome of the general principle underlying the Arms Act. As Honourable Members will doubtless remember, the old rules included a very long list of exemptions. When these rules came to be examined as the result of a Committee which sat in 1918, it was finally decided that exemptions should be cut down to the lowest possible extent. It may be that, as the Honourable Saiyid Raza Ali has said there ought to be no exemptions at all. However, the principle adopted was that there should be a very small list of exemptions. One of the classes exempted was that of the great landlords in each province. Originally in the United Provinces the exemption extended only to the Taluqdars of Oudh, for this reason that the Taluqdars were a determinate class defined by Statute. The United Provinces Government subsequently represented that a similar concession ought to be extended to the great landholders of Agra. In the case of that province it was necessary to fix a monetary limit, since there was no other means of defining who were and who were not great landholders. It was thought that the payment of Rs. 20,000 as land-revenue was a reasonable limit. The suggestion now made is, that not only every landlord who pays Rs. 20,000 land-revenue, but every major member of a joint Hindu family whose estate pays a land-revenue of Rs. 20,000 or over should be exempted. Now, the acceptance of that proposal would, in the first place, be inconsistent with the general principle that there should be a very small list of exemptions. In the second place, it would involve a differentiation in favour of the joint Hindu family, for which there seems to be no sort of justification. Take the case of a joint Hindu family consisting of five members. I have selected the number five as more favourable to the Honourable Lala Sukhbir Sinha's proposal, but of course the number of members might run up to 20. Suppose that their estate, which pays a land-revenue of Rs. 20,000, were partitioned, each member would then pay Rs. 4,000 as land-revenue, and none of them would have any claim whatever to being exempted.

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Why then should they be exempted, simply because they are members of a joint Hindu family? Is there any sense, logic or reason in that? It has been suggested that the Resolution should be accepted so far as the head of the family is concerned. But the head of the family, though he manages the estate is in all other respects on the same footing as the other members of such a family, and has no special claim to be considered a great landlord. It seems to me, therefore, Sir, that the Honourable Lala Sukhbir Sinha has really made out no case whatever. He and I are old acquaintances, and I believe he has a considerable assortment of arms adequate for all his purposes. He has of course to pay license fees, but so have others, and I do not suppose that the payment constitutes an excessive drain upon his monetary resources.

The HONOURABLE LALA SUKHBIR SINHA: Sir, the Honourable Saiyid Raza Ali has said that this is not the proper time to move this Resolution. But, as I said before, so long as this system of exemptions continues, such cases will come up and ought to be considered by the Government. The Honourable Mr. O'Donnell has said that if a joint family has five members and if they are divided, each member will pay only Rs. 4,000 as land-revenue and cannot be called a great landlord, but will he induce members of joint families to be divided up, which we do not like? The Hindus appreciate very much the joint Hindu family system in this country. Government also, I believe, are opposed to partition.

They have put limits beyond which partition cannot go. It is simply to keep lands intact and not to partition them. Sir, when this principle has been adopted in elections to Councils and Municipal Boards, why should it not be adopted in the case of exemptions under the Arms Act also? If a person is the head of a joint family which pays Rs. 20,000 as land-revenue, he and every major member of that family ought to have a right of exemption. If they are divided, they ought not to have that right. But if they live together, the major members should have that right. Therefore, Sir, I strongly recommend this Resolution for the acceptance of this Council.

The HONOURABLE THE PRESIDENT: Would the Honourable Member like me to put his Resolution in two parts?

The HONOURABLE LALA SUKHBIR SINHA: Yes, Sir.

The HONOURABLE THE PRESIDENT: Then, I will put the major part of this Resolution first.

The question is that the following Resolution be accepted:

"This Council recommends to the Governor General in Council to exempt from the operation of prohibitions or directions contained in the Indian Arms Act, 1878, or

(a) the Head or Manager of those joint Hindu families which pay Rs. 20,000 or over as land revenue."

The Council divided as follows:—

AYES—9.

Ayyangar, Mr. K. V. R.
Chettiyar, Rao Bahadur S. Rm. M. A. A.
Jaffer, Khan Bahadur E. H.
Kale, Mr. V. G.
Khaparde, Mr. G. S.

Muzammil-ullah Khan, Khan Bahadur N. M.
Ram Saran Das, Rai Bahadur Lala.
Sukhbir Sinha, Lala.
Umar Hayat Khan, Colonel Sir.

NOES—22.

Akbar Khan, Major Mohamed.
Amin-ul-Islam, Khan Bahadur.
Barron, Mr. C. A.
Bhurgri, Mr. G. M.
Borooah, Mr. C.
Cook, Mr. E. M.
Edwards, Major-General Sir W.
Forrest, Mr. H. S.
Froom, Sir A.
Harnam Singh, Raja Sir.
Lloyd, Mr. E. S.

Mayhew, Mr. A. I.
Murray, Sir A. R.
O'Donnell, Mr. S. P.
Raza Ali, Saiyid.
Sarma, Rao Bahadur B. N.
Sethna, Mr. P. C.
Shafi, Mian Sir M.
Tek Chand, Diwan.
Wood, Sir J. B.
Zahir-ud-din, Khan Bahadur S.
Zulfiqar Ali Khan, Sir.

The Resolution was therefore rejected.

The HONOURABLE THE PRESIDENT: I do not propose to put the* second part of the Resolution. Since the major portion is lost, the 12 P.M. other part goes—

* "This Council recommends to the Governor General in Council to exempt from the operation of prohibitions or directions contained in the Indian Arms Act, 1878, or the Indian Arms Rules—

(b) other major members of those joint Hindu families which pay Rs. 20,000 or over as land-revenue."

RESOLUTION RE ROUND-TABLE CONFERENCE.

The HONOURABLE MR. SETHNA: Sir, I beg to move that—

"This Council recommends to the Governor General in Council to convene immediately an informal joint sitting of the two Houses excluding press representatives and visitors to settle on what lines a round-table Conference of all party leaders should be held."

I have ventured to bring forward this Resolution in the hope that, if it meets with the acceptance of this Council, it will help to persuade Government to handle the present situation in such a manner as may prove acceptable to all parties. It will be no exaggeration to say that the situation in the country to-day is perhaps as critical as it may have been at any other time during the British occupation—not even excepting the days preceding the Mutiny. For years past a change has been going on all over the East, and notably in India, which constitutes an epoch in our history, with the same significance perhaps as the French Revolution in the history of continental Europe. But, bearing in mind the horrors which accompanied the birth of political liberty in continental Europe, it is necessary that we should proceed in this country with due care and caution. A century and a half ago there was not a single leading power in Europe—I mean on the continent of Europe—which could have boasted of a constitutional form of government. To-day there is no State in continental Europe which has not some sort of constitutional government based perhaps on the model of that Mother of Parliaments, the British House of Commons. The East India Company, at first a purely commercial organisation, developed, as we know, into a great Empire which, it cannot be denied, has brought to this country a real unity and a strong central Government. But Great Britain has awakened India by opening to her the door of Western education, as a result whereof, we cannot wonder, India has ever since been struggling for a constitutional form of government. Many have been the professions made by Government in the past for granting equality of status and further political rights to Indians—which professions, I am sorry to say, have been honoured more in the breach than in the

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observance. And I say this is unfortunate both for the Governors and the governed. But we do believe that the angle of vision has now really turned, to judge from the memorable pronouncement of 20th August, 1917, whereby constitutional self-government by successive stages has been definitely promised.

The acceptance or otherwise of this pronouncement constitutes the main point of difference between the political parties in this country. There are at present two schools of thought. The Moderates, or as we call them, the Liberals, have faith in the present professions of Government, and in that faith they accepted the reforms at the time when they came into existence a year ago. On the other hand, the Extremists, or as we now know them better the non-co-operators, doubted and still doubt the honesty and sincerity of Government, and insist upon immediate and complete self-government. If it is well said that successful administration consists in an intelligent anticipation of coming events and, no matter whatever may be said to the contrary, it is abundantly clear that both the Home Government and the Government of India did not intelligently foresee the events that have happened in this country during the last 15 years, or that, if they did, they certainly did not handle the situation in such a manner as might have proved of benefit both to the Indian population, as well as to themselves.

It is a reasonable conjecture to make that, if the Montagu-Chelmsford Reforms of 1921 were conceded to the country in 1909, when the Morley Minto Reforms came into existence, perhaps the history of India during the last ten or fifteen years would have been different, and, what is more, India would have been prepared by now to receive gradually and peacefully the final instalment of complete self-government as an integral part of the British Empire. Such foresight would have added greater lustre to British statesmanship, and would have prevented the present unrest and the present deep-rooted discontent. In fact, India has now been so thoroughly awakened that what the Government thought was a generous gift in 1919 is rejected wholesale by one section of the public, whilst the other already, within twelve months, is clamouring for a further and more substantial advance in reforms.

To enable Government to carry on its work successfully, it is necessary that it must have the support of one section of the public or another which is prepared to co-operate with it. The Liberals accepted the Reforms, and our present Councils are filled from among their ranks. The work done by them has been considered very satisfactory. But it will not go well with the Government if several of the leading Members in both Houses and in the country begin to waver and to believe that the measures adopted by Government at the present moment in handling the situation are not conducive to the best interests of the country. The non-co-operation movement since its inception has passed through many different phases, as we know. The Moderates have kept studiously aloof from it. It was in fact dying a natural death, but for the present repressive measures adopted by Government, which has given non-co-operation a new lease of life and added force. Non-co-operation, we know, gains public acceptance the more readily when its doctrine is translated into that gross and degenerate form in which we have seen it in Malegaon, in Dharwar, in Bombay, and within the last five or six days in Madras, and, last but not least, in Malabar. After the riots in Bombay and in spite of the riots,

the Bombay Government did not think it necessary to introduce any repressive measures. Other Provincial Governments—I presume with the consent of the Government of India,—the Governments of Bengal, Bihar and Orissa, the United Provinces and the Punjab have adopted measures which are certainly not acceptable to the great majority in this country. Such proceedings on the part of Government are welcomed by the non-co-operation party because they set aglow the fire which was fast going out. There is no denying that *hartals* have grown in number and increased in significance. They are the outcome of the tactics of terrorism and the inflammatory propaganda practised among the ignorant and the unthinking classes of the public. Direct defiance of authority has been preached and practised, and civil disobedience is recommended by people who do not pause to think that civil disobedience is but another name for civil war, which in its turn must mean bloodshed and many other concomitant evils.

I understand that it is the duty of Government to protect all those who are on the side of law and order, but the burning question of the day is, whether the repressive measures adopted by Government will prove our salvation. If Government think that repression will help to chasten and quiet India, it can at best be only for a time.

His Excellency the Viceroy, in the course of more than one of his speeches, has forcibly impressed upon us that the British Parliament is the paramount authority which alone can extend further concessions to this country. May we respectfully ask him if the British Parliament and the British public with their past traditions will tolerate the sort of repression that is going on for any length of time in this country? Lord Meston, who is so thoroughly familiar with this country, in an article he recently, contributed to one of the English monthlies, says—

"To lay hands on the ring-leaders of the movement to-day would probably mean disturbances much more far-reaching than those of the spring of 1919 involving more extensive military operations and consequent loss of life."

Sir, a panicky pessimism helps nobody but the revolutionaries themselves. Be it remembered it is not the men but it is the ideas behind the men which are explosive and formidable.

We quite realise that the task of the Government is by no means easy. But can the Government afford, I ask, to disregard the sentiments of the Moderates who have stood by them through and through, Moderates who have studiously kept away from the Non-co-operation Movement, who will have nothing to do with violence, and it is manifest that Moderates to-day, both inside the two Houses and outside in the country, do not approve of the action of the Government of the present day.

We are asked, why should we object to measures which Government are adopting for the purpose of the safety and security of law-abiding citizens? The answer is plain. They have put into force the Criminal Law Amendment Act. When this Act was introduced the Mover, the Honourable Sir Herbert Risley, gave the Council clearly to understand that it would only be put into motion against revolutionary associations and against societies of bomb-throwers. It is yet for the Government to prove that the Congress and the Khilafat Volunteer movements which have been proscribed under this Act are revolutionary. The Government may have something up their sleeve and we should welcome any information or any light which the Honourable Member in reply may throw on the subject. In addition, from the manner in which the Seditious Meetings Act is just now enforced, it appears there is an attempt to prevent the liberty of speech

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that is practised in all free countries. Further, Government ought not to forget that it was only a few months ago that the Legislature demanded the repeal of the very Acts which have just now been set in motion. But above all, the reason why the present form of action is alienating the Moderates is because of wholesale and indiscriminate arrests for political offences, and, worst of all, the very brutal and cruel manner in which sentences of maximum rigorous imprisonments are inflicted upon political offenders. These, Sir, help to alienate the Moderates who have throughout been with Government so far.

Such being the condition at the present moment in this country, a round-table conference has been suggested from all sides. The influential deputation which waited upon His Excellency the Viceroy in Calcutta was informed by His Excellency that he would not mind a conference, provided of course, and he was perfectly right, that the non-co-operators were in a better frame of mind, and they were prepared to stop *hartals* and civil disobedience. As the Council knows within the last five days a representative conference of prominent Indians of all shades of opinion was held in Bombay which lasted for two days. At its deliberations Mr. Gandhi was present and after much pressure was brought to bear upon him, he agreed, upon certain conditions, to stop *hartals*, picketting of liquor shops and civil disobedience, and only up to a certain date, pending the result of the Resolutions being laid before His Excellency the Viceroy and His Excellency in reply agreeing to a round-table conference.

If a round-table conference is summoned either in pursuance of the deputation which waited upon His Excellency or in pursuance of this Resolution, if passed, it will not be able to effect much unless it is determined beforehand how and on what lines and for what ends it is to work. One of the objects of my Resolution, therefore, is to deal with the methods to be adopted and other allied matters. One cannot help foreseeing that, if a round-table conference is not held to-day or to-morrow, it is bound to be held in the next few weeks or the next few months, and it will be to the interest of Government, as I shall point out later, to have such a Conference.

As a vague and barren talk of a conference cannot enlighten the Government and the public as to what people who talk of a round-table conference mean, I may be permitted roughly to outline the manner in which I would recommend the holding of such a conference. I would propose that it consists of four different groups, the first to consist of representatives of Government, the second to consist of representatives of the two Houses of the Legislature, the third and fourth of representatives of the Moderates and the Extremists, respectively. It may be argued that because the Council consists of Moderates why should they have a separate representation? I think that this group from the Legislature will perhaps be the most important in the Conference, because of the fact that they are the elected representatives of recognised constituencies in the country, and what is more, they have worked in conjunction with Government during the last twelve months under the new reforms, and they will be able to say how far they have proved satisfactory, or to what further extent they would desire them to be carried in the near future. In regard to the Moderates, I regard them as the rightful successors of the old Congress, and therefore representing the views of educated Indians, as also of the strong middle classes. Then there is a certain section of Indian politicians who, for reasons best known to themselves, have kept aloof from one side or the other

--at times they are with the Moderates and again on occasions with the Extremists.

In order not to leave them out, I would suggest to them that, for the purposes of this conference, they should temporarily ally themselves to the one side or the other if they wish for a representation. I would not have the conference an unwieldy body. If each group is asked to send six or at most eight men, I think the one or the other number ought to suffice. Each group should elect its own leader who would be the spokesman for his party.

Each of these four groups should preferably act as separate units and consider the situation for themselves and take up a reasoned and reasonable attitude, not only as to how to deal with the unrest, but as to the manner in which it should be handled at present and in the future. A questionnaire, comprehensive and precise, might be prepared, and the members might be invited to give their replies, and this would clear the ground for a conference.

Sir, I consider that the Government, the non-co-operators and the Legislature could easily select their representatives. There might be some difficulty in regard to the Moderates because of their not having similar central organizations. The difficulty could be overcome by Government inviting the National Liberal Federation and some of the other principal moderate bodies to send between them six or eight representatives, as the case may be.

Then at the first stage of the proceedings of the conference I would suggest that, with the exception of course of Government, the other three parties should place their views of the case and place before the Government their irreducible minimum in each case. An interval might be allowed thereafter to enable Government to consider themselves the proposals made by the three parties and also to enable them to place themselves in communication with the Home Government.

At the second stage of the conference, Government might well be expected to pronounce their tentative views as to how far they were prepared to go in the matter of further concessions and what policy of progress they hold out for the future. At the last stage if a satisfactory understanding is arrived at between all four parties, it will indeed be a great achievement and prove of lasting good to the country.

But, Sir, in common with several friends I have very grave doubts, if Mr. Gandhi, to judge from what he said at the Bombay conference, will be disposed to attend a conference convened by Government. Having been present myself for two days at the Bombay conference, I confess I doubt if in his present frame of mind he will be tempted to come. My friend on the left, who was also present, says he will. If he does, it will be a terrible climb down for him.

Mr. Gandhi, in the course of the speech he made, observed that he pined for an opportunity to meet his moderate friends and to prove to them that he was as reasonable to-day as his moderate friends admitted he was until two years ago. I certainly cannot consider him at all reasonable to-day. In fact, Sir, I will go the length of saying that perhaps Mr. Gandhi is now troubled with a disease, ordinarily known as megalomania. Mr. Gandhi has got himself appointed Dictator by the National Congress. To my mind he imagines himself to be not only the Dictator for all-India, but for all Asiatic peoples. His speeches before the Conference have already appeared in the press, but his attitude in the Committee was certainly more dictatorial. It is quite likely that he will not

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come to a Conference if Government invites it. But, on the other hand, whilst I have known and understood Mr. Gandhi to be an idealist, I have also seen during the last few days that he is such a great tactician that there are equal chances that he may as readily climb down and attend the conference if it suits his purpose.

If Mr. Gandhi attends the conference well and good. If he does not, I say even then it is necessary for Government, in its own interest, to have a round-table conference. I say in its own interest because Government must have the support of one party or another: and Government to-day are losing the support of the Moderates, on whom they rely. It is, therefore, urgently necessary for Government to lay their cards on the table before all the parties. If the non-co-operators stand out, then Government can tell the Moderates and the representatives of the Legislature how far they are prepared to go and stop repressive measures: and if they satisfy these two parties, I for one hold that the country at large will thereafter feel bound to help Government in all its legitimate efforts to maintain law and order. It is therefore that I propose that a conference should be held of all the parties, and that we should also invite Mr. Gandhi. If he does not come, let us go on without him, and convince the country that Government gave him every opportunity which he will not avail himself of. The country must thereafter lose confidence in him.

I recommend a joint sitting of the two Houses, and perhaps a word is necessary as to why I recommend a joint sitting. I do so because a joint sitting will secure a free and full exchange of views, and Government and the Legislature will thereby come to close quarters, and Government could state their case without formality and, let us hope, without fear of publicity, and the avenues of a settlement including the conference question could be explored in a calm atmosphere, and all the necessary preliminaries could be threshed out. The Conference, amongst other matters, should take in hand and consider:—

Firstly, a full and frank discussion of the present situation, its causes, immediate and underlying, its gravity, complexity and trend;

Secondly, the attitude of the Government, its handling of the unrest and its considered views to cope with the present and immediate future;

Thirdly, the position of the Legislature and of the well-wishers and supporters of the reformed Government with regard to Government's recent activities and impending developments; and

Lastly, the urgent necessity for the Government of India to forcibly impress upon the British Cabinet and the Premier the need for speedy action for the formulation and initiation of a further constructive policy.

Considerations of prestige have often weighed with the Government of this country in the past. I hope considerations of prestige will not weigh with them at such a juncture as the present. And let me remind you that even the British Premier when he saw that the Irish question was very gloomy and the sky thick overcast with threatening clouds, he of his own took the initiative for a conference with the Sinn Féiners, with the good result that we know. If His Excellency Lord Reading, with the sagacity and courage with which we associate his name, forcibly impresses upon the Home Government the necessity for urgent action, and if he can get Mr. Lloyd George to take up this matter in right earnest, there is no denying that he will prevail upon the British Parliament and the British public to respond to the considered wishes of the people of this country.

The visit of the King-Emperor in 1911 was signalised by the repeal of the partition of Bengal, which won back many millions of disaffected people in this country. Let us hope that the visit of His Royal Highness the Prince of Wales will be signalised by the announcement of a further constructive policy: and that such announcement will be made even before he leaves the shores of India, and that the announcement will be the means of restoring once again peace and plenty to this land we hold so dear.

The HONOURABLE SIR ALEXANDER MURRAY: Sir, so far as the question of a round-table Conference is concerned the position has altered considerably since the Resolutions down for discussion to-day were drafted or even since they were ballotted for. And I will frankly say that my own views on this question have undergone a change as the result of the meetings of the so-called representative Conference of leaders that have taken place in Bombay during the past few days.

No one can deny that we live in troubled times, and I feel sure it is the earnest desire of every Member of this House that every effort should be made to end the present state of affairs and restore the country to normal conditions. But what I am not sure is that the proposal contained in the Resolution now before us is likely to have the desired effect. Indeed, my feelings at the moment incline me to believe that a Conference on the lines suggested will serve no useful purpose, and I intend, therefore, to vote against this Resolution.

As we all know, the attempt to hold a round-table Conference in Calcutta last month broke down, chiefly for the reason that the leader or leaders of the Non-co-operators not only refused to attend, but refused also to stop *hartals* and other activities against the Government pending the result of the discussions. From what I have read in the newspapers of the proceedings at Bombay over the week-end, it seems to me that the leader of the Non-co-operation movement continues to adhere to his non-co-operation policy even so far as a conference only is concerned. I say 'leader' advisedly instead of 'leaders', for, since the question of a Conference was first raised, Ghandi has been appointed a Dictator by his fellow non-co-operators, with the result that now more than ever is he responsible for the policy of his party.

It is quite true that Ghandi attended the Conference held in Bombay, but he did so only to advise and help, and not as member or delegate. It follows, therefore, that, so far as we know at present, the leader of the non-co-operation movement is not prepared to take part in a conference on equal terms with the leaders of other political parties. We have present here two Honourable Members who were present at the Conference in Bombay. One says Ghandi will attend a round-table Conference; the other says Ghandi will not attend. Typical of the Ghandi movement, isn't it? This alone, to my mind, would render infructuous any round-table conference, no matter how anxious other political leaders may be to arrive at a common understanding.

In order to explain what my objections are to this Resolution, I would like, Sir, to refer to what took place at Bombay as evidence that the conditions precedent to a Conference formulated by party leaders there are such that no self-respecting Government and no self-respecting Member of the Indian Legislature could possibly accept them. I consider I am justified in referring to these conditions for the reason that they are the considered opinions of a representative conference of leaders who have anticipated our

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deliberations regarding a conference and have laid down in advance the terms on which they would be willing to come in—terms I say which no self-respecting Government or legislators can accept. The first condition proposed—and this is a condition we will be asked to consider no matter who arranges for a conference—is that all notifications and orders issued under the Criminal Law Amendment Act of 1908 and the Prevention of Seditious Meetings Act of 1911 be withdrawn, and all persons convicted or under arrest under these orders should be released. Now we hear and read a lot about these two Acts, and of the loss of freedom of the Press, of liberty of speech and of liberty of association that results from the use of these particular laws. May I remind Honourable Members that the first private business discussed in this House was a Resolution moved by our now Right Honourable Colleague, Srinivasa Sastri, as the result of which a Committee was appointed to examine the repressive laws on the Statute-book and to report whether all or any of them should be repealed or amended. I wonder how many of us have read the report of this Committee which was published in the Gazette of India Extraordinary, dated 19th September, 1921. I have a copy here and wish I had time to quote freely from it.

A point I wish to make is that nine Members of the Indian Legislature signed this Report, of whom seven are Indians and only two Europeans. Apart from Dr. Sapru, whose opinions as Legal Member of the Government may in some quarters be considered prejudiced, the Indians who signed are Sir P. S. Sivaswamy Aiyer, Mr. J. Chaudhuri, Mr. Samarth, Dr. Gour, Mr. Shahab-ud-Din and our Honourable Colleague Mr. Bhurgri. He will be a bold man who will say that any of these gentlemen are reactionary. Yet what did they do? They agreed with a recommendation to remove certain special laws from the Statute-book excepting Part II of the Criminal Law Amendment Act and the Seditious Meetings Act—

“which cannot be abandoned until the present tension created by the non-co-operation movement has been relieved by the action of its leading promoters.”

As, no doubt, the Honourable Mr. Bhurgri will take part in this debate, I would like to read his own words to the meeting. The last words of their Report are:

“We advise that the repeal of the Prevention of Seditious Meetings Act, 1911, and Part II of the Indian Criminal Law Amendment Act, 1908, should be deferred for the present. Their retention is necessary in view of recent occurrences and possible developments, which we cannot but regard with the gravest apprehension.”

Now, this was not an expression of opinion lightly arrived at. It was their carefully considered opinion after examining, I think it was, 29 witnesses. They referred to what they did in paragraph 2 of their Report, where they said that they had examined witnesses. They also say:

“We have also considered the opinions of Local Governments and some written statements sent by witnesses or by recognised associations. In addition we perused a large amount of documentary evidence in the shape of reports of disturbances, and so on.”

They also make a special point in paragraph 16 of saying:

“There remain these two Acts,” that are quoted and which have been referred to by the Honourable Mr. Sethna. “It is around those two Acts that controversy has centred and regarding which we have been careful to obtain a full expression of opinion.” They further go on to say: “These Acts are first attacked as being ‘unconstitutional’, and they explain the reasons that prompted them to the conclusions they arrived at.”

Now, this is not an old Report, for it is dated 2nd September last and the Committee's meetings were held in July and August.

Some Honourable Members will, no doubt, say the position has changed since that time. Of course it has, and changed for the worse too, in my opinion. But who is to blame most? The Government for showing to Ghandi and his followers too much leniency to start with, or Ghandi and his fellow non-co-operators for taking undue advantage of that leniency and converting this onetime peaceful country into a house of disorder where no man, or woman either, is safe from intimidation and unlawful oppression.

Sir, I personally hold to the opinion that the law should be enforced, that Government should put down with a firm hand intimidation of every description in order that the people of this land may once more be able to proceed with their lawful vocations without fear of assault or social boycott of any description. If anybody chooses to break the law, he does so with his eyes open and should take the consequences. There is no sense in setting out deliberately to break the law and then crying out because “some of our respected leaders and citizens,” who ought to know better, “have been arrested and imprisoned.”

Has Ghandi not openly said that the Non-co-operators are at war with the Government? They have declared rebellion against it. These are his own words in a signed article in his paper “Young India.” Surely, in the face of this declaration of war it is up to Government to use all the powers at its disposal to maintain law and order.

Another condition proposed by the representative conference of leaders is that all the *Fatwa* prisoners should be released. Why should they? They, too, broke the law with their eyes open and should take the consequences.

Yet another objectionable condition is that His Excellency the Viceroy should be clothed by His Majesty's Government with the authority necessary for the purpose of arriving at any settlement which may be come to as the result of the Conference. How can this be obtained at a moment's notice? In any event why should His Excellency have his hands tied and be bound to commit the peoples of the British Empire to any settlement that may be arrived at? Are the Houses of Parliament at Home to have no say in this settlement? Are the Members of both Houses of the Indian Legislature to be bound by this settlement without having opportunities of discussing the whole merits of the case in full Sessions? So far as I can gather, everybody is to be bound except the non-co-operators.

But, even assuming that Government and the supporters of Government were agreeable to accept the other conditions suggested by the representative Conference of leaders in Bombay, Ghandi still persists in maintaining that he will be entitled to proceed with the enlistment of volunteers and with his preparations for civil disobedience. Could anything be more fatuous? On the one hand, Government is asked to release all persons arrested and imprisoned under the Criminal Law Amendment Act and the Seditious Meetings Act; on the other hand, Ghandi is to be entitled to go on enlisting his volunteers and making his preparations for civil disobedience,—two of the principal offences—in respect of which proceedings have been taken under the Acts referred to.

Further, I wholeheartedly object to the implication contained in one of the Resolutions passed by the Party Leaders in Bombay that civil disobedience can be, and ought to be, resorted to in the event of other means

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 failing to secure redress for the country's grievances and the status of full responsible government. This, in my opinion, is nothing more or less than a threat. It amounts to saying to Government if you do not settle the Khilafat question—which, after all, is an international question and not a purely Indian matter; if you do not re-open the Punjab question and go into all the merits of the case over again; if you do not give *Swaraj* forthwith,—if you do not do all these things, and if you do not get authority for His Excellency the Viceroy to settle all these matters, then civil disobedience may—indeed, ought to—be resorted to.

Sir, I think I have said enough to explain why I object to the calling of a round-table conference at the present time. A day may come when leaders of political parties in this country may profitably meet together, but that day, Sir, in my opinion, is not yet.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: I support the Resolution but only up to a point, and this "but" is something like Gandhi's "but" about his getting *Swaraj*. The whole thing, Sir, is that the country is in a state of war, and war may be carried on by guns, by words or by deeds. The deeds which are now going on spell bloodshed, as everybody knows, in Malabar, in Madras, Calcutta, Bombay and elsewhere. The whole thing, Sir, is that we, the representatives of the people, have either to predominate or those who want to get the present Government out. I do not understand, as far as I have seen, who is going to come in if the present Government go out. The truth is that Bolshevism is at the bottom of the whole trouble. On the one side is Bolshevism and on the other side are the representatives of the people. All that I want to put forward, Sir, is that, if such a round-table conference is going to come off, of those who are great advocates of it let two or three, Sir, first communicate with the other party for a truce. If they find there is a common basis on which they can work, then no harm will have been done. But the whole thing is rather difficult. There is a saying, Sir, that—

"ten beggars can sleep under one canopy, but two Kings cannot remain in one together."

If, Sir, Gandhi wants to be the Dictator, then how is this Government going to carry on? One side or the other must surrender. It is for this, Sir, I say that no time should be wasted. Always when negotiations are going on people take the opportunity to make mischief, and all that I want, Sir, is that there should be no time lost; but if our friends want a conference let them first have an informal one and see whether they can come to any understanding. If they find the conference is going to be a failure, then what is the use of going on with it? All that I want to say is that such a conference, which may spoil things and make things even worse than they are, is not worth having. But as a preliminary move, let both Houses appoint their men, and then let them negotiate with their foes and see whether there is any common ground. If there is not, then it is no use going on with it.

The HONOURABLE MR. BHURGRI: Sir, my Honourable Friend Sir Alexander Murray was good enough to refer to me in his speech, because I happen to have been—fortunately or unfortunately—one of the members of the Repressive Laws Committee. I am glad my Honourable Friend has given me this opportunity to clear up the position. Reliable evidence was placed before us in that Committee

The HONOURABLE THE PRESIDENT: Do I understand the Honourable Member proposes to reveal matters which transpired in the Committee and which are confidential?

The HONOURABLE MR. BHURGRI: No, Sir, I was only going to explain why I supported certain proposals.

The HONOURABLE THE PRESIDENT: To that extent only.

The HONOURABLE MR. BHURGRI: Yes. I will not disclose even names.

Reliable evidence was placed before the Committee that there were certain associations which were anarchical in their object and character, and that actually revolver practising was being carried on by some of them secretly; and it was thought that Government should keep power in their hands to suppress such associations. I considered that there was sufficient evidence to warrant this, and I think every other non-official member of that Committee who supported Government, was prompted by this move. And now, Sir, instead of that, we find Government using this Act indiscriminately not against associations of that nature, but against all sorts of associations, good, bad and indifferent, proclaiming one province after another. I say I have a positive complaint against the Government that there has been a positive breach of faith in this. So much as regards the Repressive Laws Committee.

Sir Alexander Murray has referred to the Bombay Conference. May I tell him, as one of the conveners of that conference, that this idea that something ought to be done to save the situation was started long before His Excellency the Viceroy made his speech at Calcutta. It was then considered that the time had come for a conference between Government and the people's representatives; and when the Malaviya deputation waited on His Excellency, and His Excellency himself said that he was prepared to have a round-table conference, provided certain preliminaries were agreed to, we decided to approach Mr. Gandhi to see how far he was agreeable to it. Well, at Ahmedabad during the Congress session, some of us went there for this purpose, but there was no time for any general discussion of this question with Mr. Gandhi. So it was that this Bombay conference was called, and I may tell you that, before and after this Bombay conference, there have been many private conferences between some of the leading public men and Mr. Gandhi. The position now is this. Mr. Gandhi does not say that he is not prepared to come to a round-table conference. He says:—

"I will come unconditionally, not as a representative of the Congress, but in my individual capacity, in any Conference with Government. I will come there and press my own views."

I think that is a thing which everybody is quite entitled to say; whether he can convince you or not that is another matter. But he says:—

"If you want the Congress party to come and if you want that the atmosphere should be cleared for the success of such a conference, then I have got certain preliminaries to urge."

I should like to remind my Honourable Friend, Sir Alexander Murray here that His Excellency the Viceroy himself has said that the Government were prepared to withdraw the notifications, provided Mr. Gandhi also withdrew his hostile activities. The only new condition precedent to a

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[Mr. Bhurgri.] conference which was agreed to by us at Bombay was the release of *Fatwa* prisoners. We feel that the Muhammadans of India will never agree to come to a conference with Government without Messrs. Muhammad Ali and Shaukat Ali being there. . . .

The HONOURABLE SAIYID RAZA ALI: Hear, hear.

The HONOURABLE MR. BHURGRI: It was the Mussulmans, not so much Mr. Gandhi, who insisted on this condition. If Sir Alexander Murray thinks that a round-table conference with Mahatma and other non-co-operation leaders will be of no use that is a different matter. But I feel that if we are going to make an attempt to understand each other, and to understand the Government of India's position about the Khilafat question and other questions at issue, then surely we will have to concede that the leaders of the movement must be in that conference. That is also the reason why we ask for the release of the Ali brothers.

My Honourable Friend made a point that Mr. Gandhi says:—

"During the truce I will go on with my volunteers."

True he says that. But he says, he is stopping all civil disobedience, all *hartals*, and he will have his volunteers to carry on the work of *swadeshi*, national education and preaching against the use of liquor. If any one says that he is going to use these volunteers for civil disobedience or for anything else of a hostile character, then I can understand him. But I want to tell the House that Mr. Gandhi says positively that he will stop hostile activities the moment you do the same. As a matter of fact, I am told that yesterday he must have got the Working Committee of the Congress to pass a Resolution stopping civil disobedience till the 31st of this month. . . .

The HONOURABLE THE PRESIDENT: Order, order. The Honourable Member must address his remarks to the Chair, and not to Sir Alexander Murray.

The HONOURABLE MR. BHURGRI: I beg your pardon, Sir. I was simply looking at the Honourable Sir Alexander Murray. The position in short is this. Mr. Gandhi is prepared to stop his hostile activities in the nature of *hartals*, in the nature of picketting, in the nature of civil disobedience, but he says that he must go on with the work of *swadeshi*, with the work of national education and with the work of preaching against liquors without picketting.

Then, Sir, my Honourable Friend came down very heavily on us, those who were in the Bombay conference, for being party to a Resolution which says that as a last resort when all other means have been exhausted, civil disobedience may come in. I ask my friend that when every other source has been exhausted and there is no hope of any reconciliation, and there is absolutely no hope from the Government, is it that my Honourable Friend will have us resort to armed rebellion or resort to civil disobedience? I ask him to tell me if there is any third method? If not then we say, civil disobedience may come. This is what we mean by the Resolution, but we first say: Let us exhaust all other means, explore other avenues which we have as yet not done; let us have a round-table conference which is one of the means now open to us. When this and all other means are

exhausted and there is no other means, then I submit the only way open to a country like India will be civil disobedience. I frankly say that if I am convinced to-day, which I am not, that there is no other way and that all means are exhausted, I will certainly support civil disobedience. That is really the position the Conference took after a great deal of deliberation.

Now, Sir, granting that Mr. Gandhi is unreasonable, granting that the non-co-operators do not come to any reasonable terms, does that really answer for the present attitude of the Government who have known for the last two years that there are some legitimate grievances which require to be redressed? Mr. Gandhi's strength comes because these grievances are there, not because he is a Mahatma, not because he wears a *langoti* and walks bare-footed. These may have had some influence with some people, but surely all those who are behind him will not be behind him if the grievances are removed. I ask Government, is it right that even if non-co-operators are unreasonable, Government should neglect this aspect of the question, and should not find out a satisfactory solution independently? I want an answer to that. We want Government to come to a round-table conference and convince us and the world outside that they are reasonable, and that Gandhi and his party are uncompromising and that therefore the blame lies on the latter. We want Government to show that they are prepared to go a reasonable length to meet legitimate demands. That is what we want Government to do, and nothing more than that. For that can clear the whole air and put the blame on right shoulders. I appeal to Government to consider and arrive at a decision before it is too late. The country's condition is really one which cannot but be described as extraordinarily critical; and I feel that, if once civil disobedience is started—I am against it, and I am trying my best to avoid it—if that is started, I do not know where the country will be landed.

The HONOURABLE MR. BOROOAH: Sir, I am quite a new man, still my sense of duty prompts me to speak a word on this important matter. I come from the most remote north-eastern corner of India. My province is far away from the great centres of the Indian Empire, and was so long renowned for the admirable peace and security it afforded us; but what is the situation to-day? We have altogether lost our peace of mind. There is hardly a house in the province that has not been affected.

There is disagreement between father and son, brother and brother, husband and wife. People are daily being put into prison; and although we cannot see eye to eye with them, still we cannot but feel for these people; for they are either our brothers or sisters or our friends. On the eve of my departure for Delhi, I received reliable information to the effect that there was a movement on foot not to sell food-grains to the tea garden coolies of Assam, or to sell only at exorbitant prices. Now, Sir, if this is really going to happen, I can only say that the effect will be simply disastrous. I want *Swaraj* as much as any other man in India does, but I want it with as little harm as possible, and I want peace and order in the country, and facilities to the people to do their business in the meantime. The measures adopted by Government to reserve peace and order have rather aggravated the situation. This state of affairs cannot certainly be allowed to go on any longer: and this is why we are asking Government to find some remedy, in consultation with the leading representatives of the people. It is possible that some parties may not join; but even then it is the duty of the Government and every well-wisher of the country to

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[Mr. Borooah.] find out means for the removal of the unrest. We are quite prepared to render our humble assistance and do our humble bit, by all legitimate and honourable means. After hearing the Honourable Mr. Bhurgri, I am of opinion that a round-table conference will do good, but even if it fails to do any, the Government has nothing to lose and it will not bring about any harm. We shall at least have the satisfaction of feeling that both the Government and ourselves have done our best in the matter.

With these words, Sir, I beg to support the Resolution.

The HONOURABLE THE PRESIDENT: The Council now stands adjourned to 2-30 P.M.

The Council re-assembled after Lunch with the Honourable the President in the Chair.

The HONOURABLE MR. S. P. O'DONNELL: Sir, no one will deny that there is much in the present condition of the country which must give cause for anxiety to every well-wisher of India, nor that any proposal, which promises a practical and satisfactory solution of our difficulties, deserves the most careful consideration. Unfortunately, the proposal put forward to-day is not one of that character. I shall give my reasons for that view later, but before doing so, I must deal with certain arguments which have been advanced as grounds for holding that a round-table conference should be held. In the first place, these are the criticisms which have been passed by the Honourable Mr. Sethna and the Honourable Mr. Bhurgri in regard to the action taken by Government under the Criminal Law Amendment Act. The Honourable Mr. Sethna has said that the Government has embarked on a repressive policy, that there have been indiscriminate arrests, and that there have been brutal sentences of rigorous imprisonment. Now, Sir, what are the facts? The Government took action against these volunteers only with the greatest reluctance. From the very beginning the Government has made it clear that, in regard to the non-co-operation movement, its policy was one of non-interference limited only by the necessity of suppressing violence and incitements to violence, and of maintaining law and order. Up to November last almost all the steps that were taken were taken under the ordinary law. At that time, however, Government was faced with a new situation, a situation which demanded other measures. Government was confronted with associations, the members of which habitually practised violence and intimidation and obstruction. I know that has been denied; I know that it has been suggested that, although there may have been a few isolated individual cases of intimidation, nevertheless intimidation was not habitually practised. But the facts are undeniable. In regard to Bengal, they were set out in a speech by His Excellency the Governor, which emphasised the intolerable situation which had arisen, the numerous complaints of intimidation and molestation received from all parts of the province, the impossible position in which the police were being placed, and the rampant spirit of defiance of law and order. They were given in regard to the United Provinces by His Excellency the Governor of that province. So far as the Punjab is concerned, I would refer Honourable Members to recent debate in the Punjab Legislative Council and as illustrating the activities of the volunteers in that province, I will read out to the Council a telegram which has just been received. It is as follows:

The Commissioner of Ambala wires:

"Deputy Commissioner of Rohtak wires volunteers have taken possession of the Town Hall, Jajar. They have stopped the octroi. They are picketting the city gates. Violence is increasing."

That illustrates the methods of these volunteers. The Bihar and Orissa Government has sent up a long list of cases of assault and intimidation, and of course that list includes only a fraction of the total number of cases that have occurred. It is idle to suggest, as has been suggested, that faced with these developments Government should have relied only on the ordinary law, idle because the ordinary law is useless unless you can produce definite evidence of a particular act against a particular person, and as the Committee on the Repressive Laws, of which the Honourable Mr. Bhurgri was a member, recognised, when intimidation is widespread and prevalent, evidence is never forthcoming. The Honourable Mr. Sethna has said that, when this law was originally introduced, some undertaking was given that it would be used only in regard to the anarchical conspiracies in Bengal. I have not been able to look up the reference, but I dare say it is the case that when that law was introduced what the Government at the moment had primarily in view was action against anarchist associations in Bengal. But is it to be argued that a law which is in existence, and which is perfectly applicable is not to be applied merely because all the contingencies in which it might legitimately be applied had not been foreseen at the time it was passed? Then, Sir, the Honourable Mr. Bhurgri has said that in applying the Criminal Law Amendment Act the Government has been guilty of a breach of faith. I have listened to that statement with amazement. It is perfectly true that, in their report, the Committee did refer to the question of secret associations. They say:

"We have received information of a possible recrudescence of secret associations in another part of India."

But may I refer the Honourable Member to some other remarks made by the Committee. The Committee say:

"As regards Part II," that is, Part II of the Criminal Law Amendment Act "the conspiracy sections of the Indian Penal Code might meet the case if, but only if, evidence were forthcoming. It was in no small measure the impossibility of obtaining evidence owing to the intimidation of witnesses that led to this enactment. As we have already seen, there is definite evidence of certain organisations encouraging acts of violence or resorting to intimidation. Recently in Delhi it has been necessary to declare certain Associations of Volunteers unlawful under section 16 of this Act. We have carefully examined the circumstances which led to this action. The Volunteer movement began with 'social service,' but the adherents soon developed a definite tendency to interfere with the duties of the police and the liberty of the public."

"They then began to intimidate and terrorise the general body of the population. There was a tendency towards hooliganism. It has been proved that some of these associations resorted to violence, that their behaviour at Railway Stations and public meetings was objectionable and rowdy; that they obstructed the funeral of an honoured citizen and held a most undesirable demonstration at the house of another. They actively interfered with the elections by threats and picketting. There was every reason to believe that their activities, if left unchecked, would lead to serious disorder. The conclusion we have arrived at is, that some of these Volunteer Associations in Delhi were seditious organisations, formed for the purpose of intimidating loyal citizens, and interfering illegally with the administration of the province. The result of the action taken by Government has been, we are told, to destroy the worst features of volunteer activity in so far as it was synonymous with rowdiness in the city of Delhi."

Now no one has ever suggested that the Volunteer Associations at Delhi were of the same kind as the associations in Bengal which dealt in

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[Mr. S. P. O'Donnell.] bomb-throwing and assassination. These associations were proclaimed because they were associations which practised violence and intimidation, that is, associations whose activities were of the same kind as those of the associations against which Government has recently taken action. No one has regretted more than the Government that it has been necessary to make arrests and institute prosecutions and particularly that action has had to be taken against persons of education and position. But if people not already members of these associations deliberately join them with the sole purpose of courting, provoking and compelling arrest, are Government to blame if arrests are made?

Then we have been told that indiscriminate arrests have been made. On the contrary, every Provincial Government has done its best to keep down the number of arrests. Large numbers of volunteers have been released almost immediately, while others have been let out simply on giving an undertaking.

Then the Honourable Mr. Sethna said that brutal sentences of rigorous imprisonment were passed. He seemed to suggest that in all cases rigorous imprisonment was imposed. I have not got any statistics on this point, but my impression is that in the majority of cases the punishment imposed has been simple imprisonment though, in some cases, certainly rigorous imprisonment has been imposed. Moreover, sentences are most carefully reviewed by the Provincial Government. For example, I may refer to the cases of the two Malaviyas and the case of Lala Lajpat Rai. I understand that in the latter case the sentence of rigorous imprisonment has been remitted. I may add that the Government of India are considering whether any modification of the law is possible which will provide an effective means of dealing with intimidation and violence that shall not meet with the criticisms which have been levelled against Act XIV of 1918.

Then as to the Seditious Meetings Act. May I point out that this Act is in force only in a small number of places and that it is employed for purposes which the Committee on Repressive Laws considered legitimate. Referring to the fact that these Acts had been applied to certain areas the Committee observed:

"We consider it probable that if in those areas to which the Seditious Meetings Act has recently been applied, no preventive action, other than that possible under section 144 of the Criminal Procedure Code, had been taken, the dangers of disorder would have been appreciably increased, and the number of prosecutions under these punitive sections would have been larger which might have had the effect of exasperating public opinion. We would point out that in some cases referred to in Appendix B, the riot was directly connected with such a prosecution."

Now, Sir, reference has also been made by the Honourable Mr. Sethna to the question of constitutional reforms. I am very anxious that we should all appreciate what the question is that we have to consider to-day. We are not discussing to-day the question of constitutional reform. It is always open to any Honourable Member at any time to raise that question; but the issues we are debating to-day relate exclusively to the holding of a round-table conference. I might indeed point out that the Act of 1919 has been in force for little more than a year. I might point out that, so far as I am aware, no Resolution proposing the revision of that Act has been carried in this Council. I prefer, however, not to stress these

aspects of the matter. I desire merely to emphasise the fact that the question we are considering to-day is simply whether a round-table conference is a practical, satisfactory and desirable solution.

Now what is the position with regard to a round-table conference? As Honourable Members are aware, a deputation waited on His Excellency the Viceroy with a request that a round-table conference should be held. Honourable Members will recollect the speech delivered by His Excellency on that occasion. I will merely cite one particular passage. His Excellency said:

"I wish with all my heart that it had been possible to deal with these problems in a large and generous spirit worthy of such an occasion in the history of India. Had there been indications to this effect before me to-day in the representations which you have made in your address on the part of the leaders of non-co-operation: had the offer been made to discontinue open breaches of law for the purpose of providing a calmer atmosphere for the discussion of remedies suggested, my Government would never have been backward in response. We would have been prepared to consider the new situation in the same large and generous spirit, and I would have conferred with the Local Governments for this purpose."

I think it will be agreed that if the holding of a conference at that moment was made impossible, it was made impossible not by any action of Government, but by the attitude of Mr. Gandhi and his party. And what has been their attitude since? It will be remembered that, in the debate in the Subjects Committee, Pandit Madan Mohan Malaviya's Resolution was rejected by an overwhelming majority. It will be remembered further that it was made clear that if a conference were to be held, it must be a conference which would meet merely to register the decrees of Mr. Gandhi and his associates. Since then there have been further discussions in Bombay to which reference has been made to-day and certain proposals have been put forward in the form of a Resolution which has been passed by a number of eminent politicians. The proposals in that Resolution purport to be put forward in response to the sentiments expressed by His Excellency the Viceroy. And what do we find? As regards the Government there are various conditions which no Government could accept, or which it would be useless to discuss. And as regards the activities of the non-co-operators what is it that is suggested? Not that the enrolment of volunteers should stop; not that the volunteer associations should be disbanded; not that seditious propaganda and the seducing of soldiers and policemen should cease, but merely that *hartals* and picketting and civil disobedience should be abandoned. And what is the attitude of the Non-co-operators and of Mr. Gandhi? Mr. Gandhi has said that personally he was quite willing to attend a conference without any conditions, but that the position was quite different in so far as the Congress and Non-co-operators were concerned; "there was a wall between the non-co-operators and the other parties and it could not be broken down without the former surrendering a vital principle and the latter joining them. A conference was not their goal, but a proper declaration of penitence on the part of Government." Further, he has insisted on the right during a conference to enrol volunteers and to make preparations for civil disobedience.

The Honourable Mr. Bhurgri suggested that what Mr. Gandhi had in mind was his campaign in favour of *khaddar*, and the abandonment of drink.

The HONOURABLE MR. BHURGRI: *Swadeshi*, national education and liquor.

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The HONOURABLE MR. S. P. O'DONNELL: Very well, but I can find nothing to bear out that statement in the reports of what Mr. Gandhi said Sir Sankaran Nair, who I suppose is as well acquainted with what Mr. Gandhi meant as the Honourable Mr. Bhurgri, says that Gandhi insists upon his freedom to make all active and intensive preparations during this period by enrolment of additional volunteers, and active propaganda to carry on his campaign of civil disobedience. And may I refer the Council to some further remarks of Sir Sankaran Nair?

"I have come to the conclusion along with many others, that any further conference with Mr. Gandhi and his followers is useless, and that he will not be a party to what I consider any honourable settlement, or that any settlement will be faithfully carried out.....Mr. Gandhi does not want a conference or a settlement except on his own impossible terms, and any stray observations made by him amid a cloud of statements supporting any other view are only calculated to mislead."

Now, that being the attitude of the non-co-operation party, it seems to me that it is absolutely useless to discuss this question of a round-table conference. The discussion can lead to no results. The fundamental condition without which all talk of a conference is vain, namely, that there should be a cessation of the illegal activities of the non-co-operation party is entirely lacking. I hope that that view will commend itself to the Council. I hope the Council will recognise that such being the attitude of the non-co-operation party if the Council accept the Resolution they will place themselves in a false and undignified position. I hope they will also recognise that the acceptance of this Resolution by the Council will constitute an encouragement to that party and to the forces of disorder. (Loud applause).

The HONOURABLE THE PRESIDENT: (Addressing the Honourable Mr. Khaparde). I will inquire, in the first place, whether the Honourable Member desires to move the amendment that stands in his name?

The HONOURABLE MR. G. S. KHAPARDE: Yes.

The HONOURABLE THE PRESIDENT: If that is so, I would ask him to look at the amendment and see if it reads.

The HONOURABLE MR. G. S. KHAPARDE: I move my amendment No. 2, the first Resolution being withdrawn by the Honourable Mr. Lalubhai Samaldas. In that amendment No. 2 I have to ask for a little indulgence. By mistake some few words ought to have been omitted which have not been omitted. The amendment which I move will be—

"This Council recommends to the Governor General in Council to convene immediately a round-table conference of all party leaders to consider the present situation and make recommendations."

The HONOURABLE THE PRESIDENT: In this connection I have received an amendment from the Honourable Lala Sukhbir Sinha which has practically the same effect, and I cannot permit him to move it.

The HONOURABLE MR. G. S. KHAPARDE: In moving this amendment I wish to state that the word "parties" which I have got in my amendment means "parties in the two Houses." It does not mean parties all over the world. The other point I wished to submit about is, that in the beginning I was myself somewhat inclined in favour of a round-table conference, but, considering that we are discussing the subject here and

the same subject is being discussed at this very moment in the other House, a round-table conference is not likely to bring out more. We shall know what the other House said about it this evening, and the other House will know what we said about it to-day. So a round-table conference would not do much; but if this Honourable House is inclined to hold that a round-table conference should be held, I certainly do not object. I let it alone. But I think that this round-table conference, if it is to take place, should be confined to the two Houses.

The HONOURABLE THE PRESIDENT: I think that the Honourable Member must make his meaning clear. "Party leaders" does not necessarily mean "party leaders of the two Houses." A round-table conference of representatives of both Chambers is apparently what the Honourable Member means?

The HONOURABLE MR. G. S. KHAPARDE: That is so. In my manuscript I had "in both Houses," but this has been omitted.

The HONOURABLE THE PRESIDENT: I think I should again read it to the Council so that there should be no mistake as to what it is. The Resolution as amended finally by the Honourable Mr. Khaparde runs as follows:—

"This Council recommends to the Governor General in Council to convene immediately a round-table conference representative of both Chambers to consider the present situation and make recommendations."

The HONOURABLE MR. G. S. KHAPARDE: My reason for saying this, is that in this House we represent under the existing law all persons that the constituents have elected and are entitled to elect. Then the next thing is that, even in this Bombay conference to which reference has been made, I find that members of both Houses are representatives appointed by the Bombay conference to confer with the Government, and among them are Sir M. Visweswaraya, Mr. Seshagiri Aiyar, the Honourable Mr. Bhurgri, then there is Dr. Gour. So there are Members of both these Houses among the representatives appointed by this Bombay conference. If this is so—and in both the Houses we have got people who are able to represent the people, those who are outside,—I do not see that anything is to be gained by calling representatives again from all the parties in India or all over the world. We are here to legislate, to advise, to pass Resolutions and to take all measures that we think right for improving the condition of our country, and also to work the law as it exists. If that is so, I fail to see where strangers come in, how they come in, and why we should admit them. These are questions which weigh very heavily with me, and, therefore, I propose that if at all a conference is accepted by this Honourable House, it should be confined to Members of the two Houses and, of course, the Members of the Government, because I lay stress on these three things as my Honourable Friend in making his speech I think made a mistake. That mistake was, he thought, that there were only three parties. There was the Government, there were the Moderates or Liberals as they call themselves, and, lastly, he said Extremists. Now, I want to submit that there are no Extremists or people who can be called Extremists because Extremists are bomb-throwers and violent. If there are such people, there is no use of calling them in. His Excellency the Commander-in-Chief will deal with them on a different field and under different conditions altogether. What I say then is, that these Extremists go out altogether. What remains? He afterwards said, there are the Government, there are the Liberals and there are the non-co-operators. I submit he was again wrong, because there are humble people, not so few as you would imagine, nor

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[Mr. G. S. Khaparde.]

altogether devoid of influence in this world, and they are neither non-co-operationists nor are they Liberals. I submit there are people, not so few as you imagine, nor altogether devoid of influence in this world; they are neither non-co-operators nor Liberals. They stand and claim to stand somewhere between what was the old Moderate party, which called themselves Liberals on the one hand, and those who call themselves non-co-operators on the other side. We are neither Liberals nor Moderates nor non-co-operators. We are responsible Independents. We claim to judge each measure as it comes on its own merits. If it is beneficial, we adopt it, if not, we oppose it,—that is the position we hold. We do not belong to the non-co-operation section nor to any other section wedded to supporting any particular movement. We claim to judge everything on its own merits. We are the humble followers of that party: and they are not so few as people imagine. They do not write to newspapers nor make speeches or otherwise advertise themselves, but they exist all the same, and are in the background,—they are the backbone of the Indian public as I humbly submit.

There is another mistake also which the Honourable Mr. Sethna makes. He also recognises that there are these Independents and he cannot escape them altogether. He said that these Independents ought to coalesce either with the co-operators or with the non-co-operators. According to our creed and our notions of things, we do not belong to the Moderates nor do we ever claim to go with the non-co-operators, so that advice which Mr. Sethna gave falls altogether.

Now, there is a third point. He thinks that at present the situation is such that there is no way out of it, except that we either become non-co-operators or we become co-operators; there is no third way, as I thought he imagined. He thinks also that the conditions have come to such a pass that, unless we invite these people who decline to co-operate with us and unless we take their advice, we cannot get on at all; we cannot exist; our existence depends upon the good-will of these people who state that they do not want to co-operate with us, who say that there are no representatives of the people here, and who say that they do not recognise Government: that it is on the good-will of these people that our existence—that is the existence of India as a nation—depends. I humbly submit that this is the position. Well, I do not think that things have come to such a pass that either we must request them to come to our help or we must suffer extinction altogether. Well, such a state of things has not yet come to be. As I also happen to be a real Indian, I know and believe that things have not come to such a pass that we should now seek to abdicate our functions, that Government should abdicate their functions, and that we should appoint a Dictator. That position has not yet been reached. So, if at all this Honourable House decides to have a conference of the two Houses and Government members, what is there to be done? Mr. Sethna wants that the lines along which such a round-table conference is to be held should be settled. Now what are the lines on which the conference is to be held? "Lines" means what? In what place is it to be held, in what manner is it to be held, what are the subjects to be considered? What are the lines? We all understand, we are all here interested in the welfare of India,—we all want that India should advance, and we all know that India should get Dominion rule as early as possible—those are the lines on which we are here, and we ask, what other lines are there? Are there any other lines beyond these? Are

we to say, with the Congress, that there are some laws which we give you permission to disobey, and that there are other laws which you may obey if you like? I do not think such a thing is possible. At least so far as I know of constitutional law,—and I do not set myself up as an authority on constitutional law—I do not think there are two classes of laws, one class which may be obeyed, and another class which may be disobeyed. Such a distinction is unknown at least to jurisprudence that I studied, and about which I have been arguing up to this time in the Courts. Therefore, it is that I propose to omit the words "on the lines" and also the words "Press representatives and visitors." Why should we exclude them? Are we going to be a secret conclave of certain people sitting here? Why are we afraid of our proposals and our counter-proposals being discussed in the Press? That is not very democratic. Democracy hates secrecy, I think: and to such an extent that in England they say that even foreign relations ought to be discussed on the floor of the House. If that is so, why this secret conclave of certain Members to determine on what lines the thing is to go. Those lines are indefinite themselves. These are the objections which I feel to this Resolution, and I move my amendment. It has been read out, I suppose owing to my own fault, but it has been read out twice, so I need not read it out again a third time; but I earnestly hope that if at all this conference comes off, it will be confined to the Members of the two Houses and Government, and that no stranger will be brought in because there is no provision in the law, so far as I am aware, under which a stranger can be brought in, except in one instance and that is when you take the votes of the whole country, that is when you have a plebiscite, and where every man, woman and child is asked, "do you want to remain in this country or go out of this country."

and you take the votes of all. There is no provision that I know of, and I suppose Government might very well say,—

"under what section or under what rule do you make this proposal to us; excepting a plebiscite, there is no third way of bringing in strangers."

These are the objections which I feel and which weighed with me. So at the risk of being characterised, I suppose, as a reactionary or anything of that kind, I still think that this conference, if it is held, should be confined within the limits set by my amendment.

With these few words, I submit my amendment for the consideration of this House.

THE HONOURABLE THE PRESIDENT: The question now before the House is the original Resolution and Mr. Khaparde's amendment. They can be discussed together, and therefore I do not propose to restrict the debate to Mr. Khaparde's amendment. I now see that of the Honourable Lala Sukhbir Sinha, which is not the same amendment as that proposed by the Honourable Mr. Khaparde. The Honourable Lala Sukhbir Sinha will be given an opportunity to move his amendment later.

THE HONOURABLE LALA SUKHBIR SINHA: Sir, the original Resolution of my friend Mr. Sethna is limited to a joint sitting of both Houses, but in my amendment I suggest that the words—

"a round-table conference of representative leaders of all shades of opinion, of Indians and Europeans in India including Members of the Indian Legislature with a view to consider the present political situation and find out ways and means of a satisfactory settlement of the questions which have brought about this situation"

be inserted after the words "to convene."

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[Lala Sukhbir Sinha.]

The Resolution as amended will then run as follows:—

"This Council recommends to the Governor General in Council to convene a round-table conference of representative leaders of all shades of opinion, of Indians and Europeans in India, including members of the Indian Legislature, with a view to consider the present political situation and find out ways and means for a satisfactory settlement of the questions which have brought about this situation."

Sir, to my mind the time for having a limited sitting of both these Houses is gone. The time for such a meeting was before the Government decided to adopt this policy of what is called repression or to bring the Criminal Amendment Law more generally into operation. Sir, this suggestion has been in my mind for the last nine months. When Lord Reading landed in this country, I made this suggestion to him at once. In September last at Simla I gave notice of a similar Resolution, but a discussion of that Resolution could not be brought about. In December last I wired again to the Viceroy at Calcutta to have a round-table conference as soon as possible.

Sir, it is said that by this measure which has been taken by the Government much of the non-co-operation movement has gone down or will go down. But, Sir, there is a great difference of opinion about this matter. The majority of people do not think that this action taken by the Government is putting down the existing movement. I come from the United Provinces, and I can tell this Council from my personal experience that this feeling of non-co-operation is going deeper and deeper every day. Aman Sabhas have been started in the United Provinces and the Governor, Sir Harcourt Butler, has said in some of his speeches that the Aman Sabhas were working well and that the movement is going down. I mean the non-co-operation movement. With due deference to Sir Harcourt Butler, I disagree with him. I find from my experience that these Aman Sabhas have in fact not put down this movement, and these repressive measures and these arrests, which I may call indiscriminate arrests, are giving more force to this movement instead of putting it down. Sir, there are many Moderates, many Liberals, who have helped and are still willing to help the Government in preserving law and order. There is not a single right-thinking man in this country who wants any breach of the law, any bloodshed or any decline in the strength of the Government. Sir, what we want to find out is, whether this policy adopted by the Government at the present moment is the only one of putting down this non-co-operation movement, I mean this violent movement. If Government thinks that it is the only way of putting it down, then, of course, I think there is no need of any conference, but, if Government thinks that there may be some other means of putting it down and having the co-operation of others, then I think it is most desirable to have a round-table conference as soon as possible, and to this conference should be recruited people of all shades of opinion. If, for instance, the conference is limited to Members of this Council and of the Legislative Assembly, then Pandit Madan Mohan Malaviya, Mr. Jinnah and others will not be able to come. There are many leaders who are well-wishers of the country, who are supporters of the Government in preserving law and order, and I see no reason why they should be excluded from this conference. Sir, it is said that the non-co-operation leaders will not come. I find from various speeches that the Honourable Mr. Sethna says they will not come, but, on the other side, the Honourable Mr. Bhurgri says they will come and that Mr. Gandhi will come. When there is this difference of opinion, why should we say they will not come. If they come, so much the better; if they do not come, let

them not come. There are many Moderates, many people, blaming the Government for not having consulted them before adopting this policy. But, if in a conference all are agreed that the measures taken by Government are the only measures necessary to meet this situation, then all will join with the Government in putting down this non-co-operation movement: and there will be a great sympathy in the country with the Government. Therefore, I commend my Amendment for the acceptance of this Council. I think the time has passed for a joint sitting of these two Houses. A round-table conference should be held as soon as possible including people of all shades of opinion, so that they may be able to express in the conference what they feel on the subject and what they suggest to be done, so that people may come forward to help the Government in preserving law and order.

The HONOURABLE THE PRESIDENT: The question now before the Chamber is that in the Resolution as originally proposed the following amendment should be made—

after the word "convene" the following clause should be substituted, namely:

"a round-table conference of representative leaders of all shades of opinion, of Indians and Europeans in India, including members of the Indian Legislature, with a view to consider the present political situation and find out ways and means for a satisfactory settlement of the questions which have brought about this situation."

There are thus three proposals for a round-table conference. The first proposal is for a round-table conference after reference to the Legislature. This is the proposal both of the Honourable Mr. Sethna and of the Honourable Mr. Khaparde. There is now the Honourable Lala Sukhbir Sinha's amendment. He proposes to bring into the conference persons who are not Members of the Indian Legislature without reference to the two Chambers. I think it will facilitate the course of this debate to dispose of that amendment first. The point before the Council is this: that, in the event of a round-table conference being considered desirable by this Council, what form it should take. The debate must be strictly confined to that point.

The HONOURABLE SAIYID RAZA ALI: May I take it as open to me to speak to all the three motions?

The HONOURABLE THE PRESIDENT: I have already said that the debate at present will be confined to the disposal of the Honourable Lala Sukhbir Sinha's amendment. When that is disposed of, we shall go back to the main question and the Honourable Member may then speak on it if the debate is still alive.

The HONOURABLE SAIYID RAZA ALI: Sir, the oath of allegiance that I took to His Majesty the King in the early part of last year makes it incumbent upon me to speak to this motion. Sir, I attach such great importance to the subject, that I have, if I may be allowed to make mention of a personal matter, travelled several hundreds of miles to participate in to day's debate.

Turning now, Sir, to the question that is before the Council, we find that the Honourable Lala Sukhbir Sinha recommends that other party leaders than the Members of the two Chambers should be invited to a round-table conference, which finds mention in the original Resolution as also in the first amendment. Now, Sir, I must at once point out that, very reluctantly, I have come to the conclusion that the best method of serving the country at present is to hold, if possible, a round-table conference to which we should induce all party leaders to come. I am very sorry that in the speech delivered by the Honourable Mr. O'Donnell the recommendation for holding a conference did not commend itself to Government. The Honourable

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[Saiyid Raza Ali.]

the Home Secretary has at the same time gone into the facts which have brought about the present situation. I personally, Sir, do not think it necessary to give a large part of my time to the last proposition, namely, to the consideration of the factors which have brought about the present situation; but as the Honourable Lala Sukhbir Sinha has specifically mentioned this in his amendment, and bearing your ruling in mind, Sir, I shall just content myself with saying a few words on that subject. We should not, of course, forget that this is not the main question before the House, though the importance of it in our present debate cannot be denied. I must confess, Sir, that after listening very carefully and attentively to the speech of the Honourable Mr. O'Donnell, I yet stand unconvinced of the necessity of the measures that have been taken by Government. He has briefly stated that the present situation was brought about because these volunteer associations were indulging in violence and intimidation. Without admitting for a moment what the Honourable Mr. O'Donnell has stated, I will assume, for the sake of argument, that there were cases of violence and intimidation on the part of volunteers on the 17th November. These cases, as is known to Honourable Members, have been either in Bombay—I mean cases of active violence—or some cases of intimidation in Calcutta on the same day. Now making a present of these facts to the Honourable Mr. O'Donnell, may I ask how the Government was justified.....

The HONOURABLE THE PRESIDENT: Order, order. The Honourable Member really must let us dispose of this amendment. The amendment is as to a choice of round-table conferences. The speech the Honourable Member is delivering is a speech on the main issue. I do not think he can have understood my ruling. The Honourable Member has a perfect right to make his speech on the main issue when we have got the Honourable Lala Sukhbir Sinha's amendment out of the way. I am not trying to prevent him from speaking on the main issue: I am only trying to prevent him from speaking on the main issue on an amendment.

The HONOURABLE SAIYID RAZA ALI: May I just invite your attention, Sir, to the last three lines of the amendment that is before you, namely,—
“with a view to consider the present political situation and to find out ways and means of a satisfactory settlement of the questions which have brought about this situation.”

The HONOURABLE THE PRESIDENT: That occurs also in the Honourable Mr. Khaparde's amendment.

The HONOURABLE SAIYID RAZA ALI: Nothing is further from my intention than to say anything which would give an indication that I do not accept your ruling, Sir. That is the last thing in my mind. The only thing I am trying to find out is, whether the remarks I have just made fall within the subject-matter of the last three lines of the amendment.

The HONOURABLE THE PRESIDENT: I do not think they do.

The HONOURABLE SAIYID RAZA ALI: In that case it is no use my taking up your time and the time of the Council. I will resume my seat till the main proposition comes before the House.

The HONOURABLE MR. E. S. LLOYD: Sir, the point immediately before the House is the question—

“If a round-table conference is held what form should it take?”

Assuming for a moment that a conference is to be held, I am inclined to support the Honourable Mr. Khaparde's proposal that it should be confined to Members of both these Houses.

It seems to me that that is the constitutional method. We, the Members of both Houses, are in the best position to advise His Excellency the Viceroy and his Government on what measures seem to us to be called for for the preservation of law and order in this country. It has been explained by the Honourable Member who spoke on behalf of Government that at the present moment any attempt to get into touch with the Extremist party is, as far as can be seen, doomed to failure. I do not say I am in favour of a round-table conference of any sort. It seems to me that it would be better that we should stiffen our backs and attempt to rule this country in the only way it can be ruled by maintaining law and order to the best of the Government's ability and letting the Extremists do what they please. But if the House is of opinion that some form of conference is necessary, I, Sir, consider that the right thing to do is for the two Houses to get together in some sort of way and see whether some possible solution cannot be found.

The HONOURABLE MR. SETHNA: I wish to speak on the amendment, Sir. The Honourable Mr. Khaparde suggests that there should be a joint sitting of the two Houses and they alone should consider the points which are included in my Resolution. Now, if the inquiries or discussions are confined just to the two Houses, my fear is that the same would by no means inspire confidence in the minds of the general public. It has been said by the non-co-operators and others that the Councils consist exclusively of Moderates. Therefore, if the two Houses were to meet in this way, their deliberations according to non-co-operators would represent the views of only one party. That is why I think, Sir, that the Honourable Mr. Khaparde's amendment does not meet the situation as my Resolution does.

The HONOURABLE MR. V. G. KALE: Sir, I support the proposal for a conference of members of the two Houses, and for this reason: We appear to be very seriously divided on the question of a round-table conference. Rather than face a deadlock, I would have the two Chambers of the Legislature discuss among themselves the present situation, and consider what steps should be taken to meet that situation. My friend the Honourable Mr. Sethna has just pointed out that such a round-table conference—I do not myself call it a round-table conference, but a conference of representative Members of the two Houses,—he is inclined to think that such a conference will have no weight inasmuch as it will have no representatives upon it of outside people—especially of non-co-operators. My difficulty is that, even supposing you call a round-table conference to which outsiders are invited, I do not believe that even that conference is likely to carry weight. Differences will arise as to who is to represent the non-co-operators. The non-co-operators have no recognised leaders on whose judgment the country at large—especially the non-co-operating public—can rely. I am afraid the numbers which will have to be admitted as representative of the non-co-operators will be so large that it will be impossible for us to call it a representative gathering. So that the difficulties which we have got to face will remain even then, and, therefore, the Honourable Mr. Sethna need not be afraid with regard to the representative character of this conference. Even if a conference like the one he would have is held, it is open to the non-co-operators to say—and I am sure they will say that—

“those who actually represented us in that conference are not our real representatives; and that consequently we are not going to accept what the conference decides.”
They can always get out of it in that way.

[Mr. V. G. Kale.]

Let us, therefore, consider among ourselves what it is possible for us to do, what practical suggestions we can make, and if we then come to the conclusion that a larger conference is desirable, it will certainly be open to us to have such a conference at a later date; but at the present moment I think we should confine ourselves to a conference of Members of the two Houses.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, the position as I understand it at this moment is this: while the Honourable Mr. Sethna and the Honourable Lala Sukhbir Sinha want a round-table conference with representatives of all parties inside and outside this Council, the Honourable Mr. Khaparde and the Honourable Mr. Kale would confine the conference to Members of the two Houses. Am I right in describing.

The HONOURABLE THE PRESIDENT: I think that hardly describes the position. It convenes a round-table conference composed of Members of both Chambers to consider whether a conference should be convened.

The HONOURABLE MR. SETHNA: Certainly.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: But the subsequent conference to be held is a conference of representatives of all parties inside and outside both the Houses?

The HONOURABLE MR. SETHNA: That is so.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, speaking first on the proposal as put forward by the Honourable Lala Sukhbir Sinha, I venture to think that the proposal is both impracticable and futile. I have arrived at this conclusion upon a careful study of what has happened at Bombay. What happened at Bombay? Certain non-party leaders desirous of restoring calm and peace in this country invited the leaders of all parties to a conference at Bombay. The invitation which they sent out to the leaders of the non-co-operation party met with a response which, to say the least, really indicates that a conference such as is contemplated by the Honourable Lala Sukhbir Sinha is impossible. What did they say in response to that invitation? All the leaders of the non-co-operation party replied that they would not attend the conference, that Mr. Gandhi replied that they would not attend the conference and he would be all sufficient unto himself.

The HONOURABLE LALA SUKHBIR SINHA: They have changed.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: That is beside the point. Whether they subsequently changed their mind and a few of them attended the conference or not is absolutely irrelevant. Well, Mr. Gandhi attended that conference, but as what? Did he attend as a member of the conference or as a delegate to the conference, so that whatever decision the conference may have arrived at would be binding on him as it would be binding on the other members of the conference. No, he came to the conference and described his position in these somewhat curious terms. I am now reading from his own speech, the first speech that he delivered at this conference. This is what he said—

"So far as he was personally concerned, he was quite willing to attend any conference without making any conditions, but the position was quite different in so far as the Congress and the non-co-operators were concerned."

Then he went on to say,—

"In accepting the invitation to the conference the non-co-operators merely wanted to prove their sympathy with the conveners, but beyond this they did not want to be a party to the passing of the Resolutions by the conference."

Further on, he said,—

"There was a wall between non-co-operators and the other parties, and it could not be broken down without the former surrendering a vital principle"

and mark the words that follow—

"and without the latter (that is to say, the Moderates, co-operators) joining them, (that is to say, the non-co-operators)"

Then in the final speech which he delivered in replying to the debate, this is what he observed:

"Mr. Gandhi replying to the debate regretted that there are non-co-operators who did not identify themselves with the resolutions of the Congress which were in the best interests of the country."

Then later on, before the conference adjourned finally to enable the Committee, appointed to settle the terms of the Resolutions, Mr. Gandhi again made it clear—

"that neither he nor his fellow non-co-operators would have anything to do officially with the committee though he would assist it in every way he could unofficially."

Now this was a most extraordinary position for Mr. Gandhi to take. Honourable Members of this Council, every one of them I feel certain, are imbued with a sense of responsibility. Would any one of them if he had been invited to the conference have taken the attitude which Mr. Gandhi took?

"My party is not willing to come to this conference. My party will have nothing to do with the committee that this conference is setting up. I am here, but not as a representative of my party. I am here only to advise. The resolutions which you are going to adopt my party will have nothing to do with, although I admit that they are in the best interests of the country."

In the whole history of all the controversies that have taken place in this country or anywhere else during recent times I have never known a responsible statesman taking up a ridiculous attitude such as this. Well, Sir, does my Honourable Friend, Lala Sukhbir Sinha, in these circumstances, expect that the conference which he advocates and to which he would invite Mr. Gandhi and his followers is likely to bring about any practical results? Is he in a position to guarantee that on an invitation being issued to Mr. Gandhi to attend the conference such as he contemplates, Mr. Gandhi will not adopt the same attitude as he did in connection with the Bombay conference? Has he obtained any assurance either from Mr. Gandhi or from any of his followers that they will come into this conference not merely as visitors, not merely as advisers, but as patriots deeply interested in the welfare of this country, taking part as members, as delegates, and not merely as advisers or visitors, in the deliberations of the conference in order to bring about the desired result? If he has any such assurance, if he has any such guarantee, let him say so, and then let him ask the Council of State, this august body, to take his proposal into serious consideration. But if he has no such assurance, if he has no such guarantee, it seems to me it is useless on the part of a member of this august body to come forward with such a highly impracticable and futile proposal. (Applause).

Sir, what was the result of Mr. Gandhi attending this conference, not as a member but as an adviser? What was the result? Personally, I feel

[Mian Sir Muhammad Shafi.]

convinced, that it was the result of the advice given by him, that those three impossible conditions to which the Honourable Sir Alexander Murray referred in his speech were adopted by this conference. The impossible conditions which were adopted were such and the attitude taken up by Mr. Gandhi at this conference was such that the Chairman of that conference, Sir Sankaran Nair, about whose patriotism there can be no possible doubt, no shadow of doubt, about whose sense of responsibility no one can dare to raise any challenge, was compelled to leave the conference, and was ultimately obliged to make the declaration which he has made in the columns of the "Times of India" which was read out to you by the Honourable Mr. O'Donnell this morning. Can the Honourable Lala Sukhbir Sinha guarantee that in the conference which he asks the Government in concurrence with the Council of State to convene the same impossible conditions will not be put forward by Mr. Gandhi? Has he any assurance that Mr. Gandhi will not even at this conference say,—

"Appoint a representative and we will appoint another, and someone is to be appointed as an umpire over your head."

No Government, no responsible Government carrying on the administration of a country, can contemplate such a thing,—an umpire sitting over the head of the Government as the final authority for settlement of any disputes, any points at issue between the two parties. It seems to me that the Honourable Lala Sukhbir Sinha is showing not a very high sense of responsibility when he puts forward a motion like this in spite of the fact that he knows that such impossible conditions were put forward by the very authority whom he would call to this conference, at the recent meeting held in Bombay. Then, as has been pointed out by the Honourable Mr. O'Donnell, instead of coming forward as persons who are serious and sincerely interested in restoring a peaceful and calm atmosphere in the country,—instead of coming readily forward and agreeing to a suspension of their activities so that at any rate during the period that the conference is sitting, there might be calm, there might be peace in the country, what is the position adopted by Mr. Gandhi and his followers? hartals, picketting, and civil disobedience, which however he has not yet officially begun, may cease but—

"we will go on enrolling volunteers, we will go on with our other activities."

The Honourable Mr. Bhurgri remarked that the enrolment of volunteers was only for the purpose of carrying on *swadeshi*, education and the temperance movement, but does the Honourable Mr. Bhurgri guarantee that, in the event of the conference failing, the volunteers enrolled during the period of the conference will at once be disbanded? Is not the object of Mr. Gandhi obvious?

"While these discussions are going on, I shall go on enrolling volunteers, so that in the event of the conference failing, I may make use of these very volunteers whom I have enrolled during the period of the conference for the purpose of helping me in my campaign of civil disobedience."

Let him suspend picketting and all his non-co-operation activities, and then come forward and request the Government to convene a conference. It seems to me, Sir, that the proposal put forward by the Honourable Lala Sukhbir Sinha is both impracticable and futile, and that this House should not adopt the amendment.

Coming now to the original Resolution and the amendment moved by my friend the Honourable Mr. Khaparde. . . .

The HONOURABLE THE PRESIDENT: We are hardly as yet dealing with that.

The HONOURABLE LALA SUKHBIR SINHA: I think. . . .

The HONOURABLE THE PRESIDENT: There is no reply on an amendment. The original Resolution proposed was that:—

"This Council recommends to the Governor General in Council to convene immediately an informal joint sitting of the two Houses excluding press representatives and visitors to settle on what lines a round-table conference of all party leaders should be held."

The present amendment to that Resolution which is now under the consideration of the Council is that after the words "to convene" and for the clause beginning with the words "immediately an informal joint sitting" the following clause should be substituted:—

"A round-table conference of representative leaders of all shades of opinion, of Indians and Europeans in India including members of the Indian Legislature, with a view to consider the present political situation and find out ways and means of a satisfactory settlement of the questions which have brought about this situation."

The question is that for the words in the Honourable Mr. Sethna's Resolution, the words I have read out to you, which are proposed by the Honourable Lala Sukhbir Sinha, should be substituted.

The HONOURABLE LALA SUKHBIR SINHA: (Rose to speak).

The HONOURABLE THE PRESIDENT: Order, order. I have already proceeded to put the motion. If the Honourable Member wishes to rise on a point of order, he may do so.

The HONOURABLE LALA SUKHBIR SINHA: My point is this, that the Honourable Mian Sir Muhammad Shafi raised an issue in his speech, and I think I may be permitted to reply to it.

The HONOURABLE THE PRESIDENT: The Honourable Member is under some misapprehension. He has moved his amendment. That amendment has now been put from the Chair. When that amendment is disposed of, we shall go back to the former discussion. I understand the Honourable Member has not spoken on that discussion, and therefore he will be entitled to speak, but he cannot speak until the amendment is out of the way. On the amendment, there is no right of reply.

The question is that the words I have read out be substituted in the original Resolution.

The motion was negatived.

The HONOURABLE THE PRESIDENT: The debate is back to the Honourable Mr. Khaparde's amendment and the original Resolution.

The HONOURABLE SIR ARTHUR FROMM: Sir, I cannot see that the Honourable Mr. Sethna's Resolution, as it reads, is on all fours with Mr. Khaparde's amendment. The Honourable Mr. Sethna's Resolution reads:

"to convene an informal joint sitting of the two Houses."

If the Resolution is accepted, an informal joint sitting of the two Houses is convened, to call a conference of party leaders, and it only remains for them to determine on what lines the conference should proceed.

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THE HONOURABLE THE PRESIDENT: Those are undoubtedly the words in the Resolution. But the point is this. Honourable Members are aware there can be no joint sitting in the proper sense of the term, except for legislative business, as provided for in the Government of India Act. I understood the Honourable Mr. Sethna was using the expression "joint sitting" in a loose way; there can be no question of a joint sitting,—that is not possible under the Government of India Act. The actual difference between the two Resolutions, as I understand it, or rather between the three Resolutions, was that the Honourable Lala Sukhbir Sinha's amendment, which has just been lost, involved the fact that outsiders should be immediately brought in. The other two propositions to my mind did not appear to involve that fact, and that is why I was most anxious that the Council should settle that point before proceeding to the alternative proposals now before the Chamber.

THE HONOURABLE SAIYID RAZA ALI: I take it, Sir, that both the original Resolution as also the Honourable Mr. Khaparde's amendment are the subject of discussion.

THE HONOURABLE THE PRESIDENT: That is so.

THE HONOURABLE SAIYID RAZA ALI: Now, Sir, with regard to the circumstances that have brought about the present situation and which have been dealt with in the speech of the Honourable Mr. O'Donnell, I do not want to repeat what I have said already. Assuming that there were some cases of violence in Bombay and some cases of intimidation in Calcutta, how is it that the Criminal Law Amendment Act and the Seditious Meetings Act were extended by a large number of Local Governments who, till that time, had not claimed that either violence or intimidation had been practised by these volunteer associations in those provinces? Where so many Governments have taken the same view and acted under the same laws, it is rather difficult to mention any special two enactments was taken by the Punjab, the Bengal, the United Provinces and the Central Provinces Governments. I forgot the Bihar and Orissa Government which also availed itself of the provisions of these Acts. Now, Sir, I say that, whatever may have been at the back of the mind of the Governments—and if it was a case of mental reservation, it is rather difficult for us to pry into the reasons which led the Governments to take such a step—I submit that, on the facts stated in the various notifications issued by those Governments, it has not been made out that any necessity had arisen for taking that action in the various provinces concerned. I have some of the notifications with me, but I do not want to tire the Council with them. A general allegation was made therein to the effect that it was necessary to take action under these two Acts, but no specific instances were cited either in the notifications or in any Communiqué issued by those Governments. The Honourable Mr. O'Donnell has just read out a telegram from the Commissioner of Ambala. If I heard him rightly he said it had just been received. I take it this telegram was received either to-day or yesterday, or in the course of the week. Am I right in that?

THE HONOURABLE MR. S. P. O'DONNELL: The telegram has only just been received. I saw it for the first time last night.

THE HONOURABLE SAIYID RAZA ALI: I must thank the Honourable Member. He is forgetting that he was dealing with the situation as it existed in the third week of November, 1921, and not with that on the 17th of January, 1922.

THE HONOURABLE MR. S. P. O'DONNELL: May I, Sir, point out that I merely cited that instance as indicating the character of these Volunteer Associations. I never suggested that the notifications issued in November last were based on a telegram only received last night.

THE HONOURABLE SAIYID RAZA ALI: The Council will have to make a very large assumption in favour of the proposition of the Honourable Mr. O'Donnell. He also read out some Communiqué or some communication from the Government of Bihar and Orissa.

THE HONOURABLE MR. E. S. LLOYD: On a point of order, has this anything to do with the amendment?

THE HONOURABLE THE PRESIDENT: The discussion is now on the general question and the amendment and the Honourable Member appears to me to be strictly in order.

THE HONOURABLE SAIYID RAZA ALI: I hope, Sir, that by my observations I am not giving any offence to any Member of this Council. I am myself convinced, and you have said so, Sir, that I am strictly within my rights. The question was whether there was any occasion for this action to be taken in the third week of November, 1921. I submit there was none, and I rely on the notifications, Communiqués and communications issued by the various Governments concerned. That being so, my submission is that the Government by having recourse to these two special measures of legislation, invited on their own shoulders the defiance of the law which was resorted to subsequently by the non-co-operators. The question has been put this afternoon by more Members than one, are the Government to surrender to these non-co-operators when they find themselves confronted by defiance of their authority? My simple answer to that is that the Government had no business to take action under these two Acts, and, if the Government have taken action, they ought to have calculated the results at the time when they decided to take this extraordinary step. If the Government find their authority challenged by the non-co-operators, surely the Government cannot take advantage of that fact and say: "Here we are. We have already taken action. We find our authority defied and flouted. Therefore, we can go on in this course of repression." My answer is that a wrong initial step having been taken by the Government, the Government owe it—and I say this with a full responsibility of what I am saying before this Assembly—to this august Assembly,—the Government owe it to the country, the Government owe it to all those who live in British India, to recall these measures quite independently of what takes place after that whether a round-table conference takes place or does not take place. I submit that if the Government want to act justly, they owe it to the country and to this Assembly to recall these measures. This much by way of meeting the point made by the Honourable the Home Secretary.

Now, Sir, coming to the round-table conference itself, as I submitted, I have not the least hesitation in saying that if the Government on the one hand and the distinguished leader of the non-co-operation movement, Mahatma Gandhi, on the other, are really desirous of coming to a settlement, there is no doubt that a way can be found of concluding an honourable settlement. I must ask this House not to treat the vast influence that Mahatma Gandhi and his party hold on the country lightly. I do not want to give the slightest offence to the susceptibilities of any over-sensitive members of this august Assembly, but, Sir, my own feeling about the situation is that to-day 90 per cent. of the people are either

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directly under the spell of non-co-operation or sympathise with that movement, and those that are outside the pale of this movement do not exceed 10 per cent. I assure you, Sir, that I am making a very liberal calculation in favour of those who have nothing to do with the non-co-operation movement. That being so, I submit, Sir, that it is not discreet, it is not wise, it is not expedient, it is not politic, to make a light estimate of the influence of that great leader. I should also submit that it is the duty of everyone of us who is under a solemn obligation to speak out what he thinks to be the situation in the country to give free expression to his views on this subject. Though I do not see eye to eye with the Honourable Sir Alexander Murray—as a matter of fact we are poles apart, the way I look upon this question is just the opposite of what my Honourable Friend does—in spite of that, I think we can take a lesson from the Honourable Member, inasmuch as he has not minced matters and he has represented the real feeling of the constituency which he has the honour in this House to represent.

I submit, Sir, it is the bounden duty of everyone of us to speak out—
4 P.M. not to mince matters but to give expression to our view of the political situation in the country. Now, I was saying, Sir, that if the Government, on the one hand, and Mahatma Gandhi on the other hand, are sincerely desirous to bring about a settlement there is nothing to prevent it. Let me point out that, so far as I can see, there are only two important parties to this compromise, Government and Mahatma Gandhi. Without casting any aspersion on the dignity and position of this Council, or of the other Assembly, I must say that they are nowhere, so far as the real expression of the public mind is concerned. I do not say, Sir, that none of us represents our constituencies. We do represent them; but to me it seems that we do not represent that public opinion of this country which has a perfect sway over the land from end to end. To me it seems, Sir, that the speeches that were delivered by the leader of the Non-co-operation party do not close the door. I do not want to read his speech, the full text of which is with me. Anyone who goes through the speech will see that the leader of that party is prepared to attend the conference unconditionally; so far as he himself is concerned, he is prepared to attend unconditionally. But if anybody asks him to go there as the leader of his party along with his followers, then he lays down certain conditions. I for one do not think that any of these conditions is unreasonable. He has promised us that he is prepared to give up *hartals*, picketting, and civil disobedience pending the conference, if one is to be convened. Now, on the other hand, Government are expected to do something in return. I do not think it is necessary for me to go into what the Government are to do, since the matter is well known; but I think, Sir, that a golden opportunity has presented itself at this truly critical moment. I do not think there is any one of us here who does not know to a certain extent what is happening in the country. Sir, I am bold enough to say, and I think it my duty to say, that we are on the eve of a revolution. The situation is extremely serious. It would be folly on our part to deny the gravity of the situation, and I am glad that the importance of this question has been recognised by every Member who has preceded me. That being so, is it not for Government not to allow this opportunity to slip by without inviting any discussion by a conference on the subject? Now it has been said what is the use of discussion when such an attitude has been taken up by Mr. Gandhi? On this question let me remind the Honourable Mr. O'Donnell

that on the eve of the meeting of the conference in London his distinguished countrymen, Messrs. Michael Collins, Griffith and others, were determined that they would not be satisfied with anything short of an Irish Republic? It is not for me to tell Honourable Members here what has happened there. After all, in politics there must be give and take. To some of us Mr. Gandhi may appear a bugbear, but after all he is a very intelligent and distinguished man. He has devoted his whole life to the service of his countrymen in many parts of the Empire. I hold no brief for Mr. Gandhi. I do not know what his attitude will be; but, taking human nature for what it is, I have not the least hesitation in saying that if Government would come down from its high pedestal and do away with this false sense of security and prestige, it will find that Mr. Gandhi will be prepared, as I hope and trust, to meet it half way.

I will just say one word on this occasion Sir, about the admirable and highly statesmanlike utterance of His Excellency Lord Reading on the 21st December at Calcutta. That speech breathes peace and calm, and I am sure that, if Honourable Members of this Council had taken up the same attitude as was taken up in that speech by His Excellency, the settlement of the question would not be difficult. I will just read two lines from that speech. His Excellency said:

"I am not one of those who think that all wisdom is to be found in those who happen to be in a position of authority."

I hold, Sir, that if a response is made by this Council, and if an appeal is made to Mr. Gandhi by this Council, since the situation is very critical, there is no doubt there are reasonable prospects of a settlement.

Just one word more and I have finished. Without dealing with the speech of the Honourable Sir Alexander Murray, I must protest against the manner in which he constantly referred to the distinguished leader of the non-co-operation party as Gandhi. My Honourable Friend constantly referred to that distinguished statesman as Gandhi. I listened to him very carefully and every time I found that it was so.

The HONOURABLE THE PRESIDENT: I would remind the Honourable Saiyid Raza Ali that a very distinguished gentleman is called "Shakespeare" by all of us.

The HONOURABLE SAIYID RAZA ALI: I congratulate the Honourable Member on the distinguished commentator he has found. But I noticed no indication in his speech as to what was the real motive.

The HONOURABLE THE PRESIDENT: Had I considered that the manner of his reference was gratuitously discourteous, I should at once have called him to order.

The HONOURABLE SAIYID RAZA ALI: I compliment him on this interpretation and I do hope that Honourable Members will be more careful in the future.

Now, Sir, just one thing more, and it is this, that Mahatma Gandhi, as was once pointed out, is really a co-operator. Those of us who have read the address to the jury made by Mr. Shaikat Ali will remember that in that address he made a grievance of this fact against Mr. Gandhi. He said, addressing the jury, "Gentlemen, let me tell you my distinguished Guru Mahatma Gandhi is a co-operator at heart!" That being so, there is no reason why he should be considered hopeless or why we should not invite Mr. Gandhi to a round-table conference. It is for this House not to let the opportunity slip. But, Sir, let me strike a note of warning. A

[Saiyid Raza Ali.]

very grave and heavy responsibility rests on this Council if it gives any hostile reception to the motion that is before the House to-day.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, I have not the slightest doubt that my friend the Honourable Mr. Sethna is actuated by the most patriotic motives in bringing forward this Resolution. I give him credit for a very sincere effort on his part towards the restoration of a calm and peaceful atmosphere. But I am afraid that the proposal put forward by him is, as I said before in connection with the amendment moved by the Honourable Lala Sukhbir Sinha, impracticable and futile.

I do not wish to repeat what I have already said in connection with the amendment. I ask Honourable Members to bear in mind that all the arguments I then adduced in support of the position which was taken up by me with reference to that amendment apply equally to the Resolution moved by my Honourable Friend. I shall, in what I am going to say now, confine myself to examining some of the arguments put forward by the Honourable Mr. Sethna. In support of his motion the Honourable Mr. Sethna pointed out that a round-table conference will not be of value unless it is settled beforehand what methods are to be followed. Now the conference at Bombay was convened for that very purpose. That conference was of a preliminary nature. The final round-table conference was, according to the originators of the idea, to be held after settlement of conditions in this preliminary conference. I venture to think that a slight reflection will convince my Honourable Friend opposite that his preliminary conference is destined to meet with the same fate as the Bombay conference, and therefore it is perfectly useless for us to spend our energies and our time in bringing about such a preliminary conference.

Then my Honourable Friend said that, even if Mr. Gandhi does not attend the conference, nevertheless the convening of the conference itself is very necessary. Well, I venture to submit that, if Mr. Gandhi and the leaders of the non-co-operation party do not attend the conference, such a conference is obviously absolutely unnecessary, for on the floor of this House and in the Legislative Assembly the representatives of the people, together with the representatives of the Government, can, any day and every day, discuss not only the causes of this unrest, not only the remedies which occur to individual members as necessary in order to bring about the desired end, but any other Resolution that my Honourable Friends Messrs. Sethna and Bhurgri, and my Honourable Friend Saiyid Raza Ali may think fit to bring forward in this Council. What more representative conference do you wish than such a body as this, that such a body as the Legislative Assembly in which you have the Government, all the members of the Government, and in which you also have the elected representatives of the people?

The HONOURABLE MR. BHURGRI: Can we discuss foreign policy?

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Even if my Honourable Friend cannot discuss foreign policy in the strict sense of the term, he can always recommend to the Governor General in Council that such and such a course should be adopted. I have not the slightest doubt as to what is in the mind of my Honourable Friend when he made this particular remark. I can assure him, if he will very kindly give me his ears for a moment, I can assure him that as regards the particular question of foreign policy he is thinking of, the Government of India have been acting as the advocates of the community that he represents

with regard to that particular question, and to me as a Muhammadan it seems strange that a section of the Muhammadan community should adopt the attitude of non-co-operation against their own advocates.

Well, Sir, proceeding with my Honourable Friend's motion, it seems to me that, if Mr. Gandhi and the non-co-operation party were not to attend such a conference, then the conference would be entirely useless and unnecessary. In another part of his speech, the Honourable Mr. Sethna told us that what he wanted was four things; in the first place, full and free discussion of the political situation; in the next place, the Government should state its case frankly and fully; in the third place, justification for the repressive policy adopted by Government, and fourthly, constructive proposals for future constitutional reform. The reply to this portion of his argument is very simple. All these things that my Honourable Friend wants can be satisfied either at a meeting of the Legislative Assembly or at a meeting of the Council of State. Every one of these things, I venture to submit, is being discussed in the Legislative Assembly and here also in the Council of State. Why is there then any necessity for a preliminary conference with a view to the holding of an ultimate conference in order to ventilate these four points mentioned by the Honourable Mr. Sethna? We have a ready-made conference here in the Council of State for the achievement of those objects. Coming now to the Honourable Mr. Khaparde's amendment, Mr. Khaparde would have a preliminary conference not of the two Houses, but of the party leaders in the two Houses. I venture to think that in proposing such a conference.

The HONOURABLE THE PRESIDENT: Representatives of both Chambers.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: I venture to submit that that position is unconstitutional. Every Member in the Council of State and every Member in the Legislative Assembly has the right to take part in any discussion affecting political questions of such vital importance. The method proposed by my Honourable Friend would deprive all Members of the two Houses, excepting those whom he calls representative members, of the right to take part in the discussions. How are these representatives to be elected? All sorts of questions and complications will arise in the framing of any scheme for the election of representatives to this conference. It seems to me that, in view of the fact that full debates are being held to-day both in this House and in the Legislative Assembly, another debate in which only representative members of the two Houses are to take part on a subsequent day is absolutely unnecessary and would not bring about any results.

The Honourable Saiyid Raza Ali took up this position, conceding that there were cases, individual cases, of intimidation and violence here and there, why did the various Local Governments in India extend the second part of the Act to the volunteer associations? The reply to that is very simple.

The Local Governments came to the conclusion that the main object of these organizations was violence and intimidation. They had evidence in support of that conclusion before them: and having arrived at that conclusion, they proclaimed these associations to be unlawful. But I may in this connection again emphasise the fact mentioned by the Honourable Mr. O'Donnell, which I hope Honourable Members in this House will bear in mind when voting on this Resolution, that the Government of India are

[Mian Sir Muhammad Shafi.]

considering the question of the modification of the law so far as this particular matter is concerned, and possibly the result of their deliberations may be the enactment of a measure which will avoid the very difficulties and the very mistakes to which reference has been made, if there were any mistakes at all. Then my Honourable Friend Saiyid Raza Ali put forward an extraordinary contention. He said that 90 per cent. of the people in India are either directly under the spell of this movement or on its side. Now let me examine for a moment in a very few words the value of this statement. There are at this moment in this country 8 millions of students in our public and aided schools, and I presume that the guardians of these 8 million students number something like 16 millions, so that here are obviously at least 24 millions of people in this country whom the non-co-operation leaders have striven their utmost to persuade that the children should leave the schools and colleges. They have utterly and ignominiously failed in their attempts. Does that show that 90 per cent. of the population of this country are directly under the influence of the non-co-operators? Well what is the number of Indians employed in the various Departments of the Government of India and of the various Provincial Governments, both civil and military? Their number can only be counted in millions. For over 18 months past the non-co-operation party have been trying their level best to induce these servants of Government to desert Government service. Have they succeeded? No. Does that imply that 90 per cent. of the population of this country are under the influence of the non-co-operation leaders? No.

The HONOURABLE SAIYID RAZA ALI: Will the Honourable Member say how many have resigned?

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Not a single soldier in the Indian Army has resigned as a result of these efforts of religious leaders and secular leaders. Possibly a few policemen have resigned. Their number is very small, but many more have taken their place. A few Patwaris have resigned and have been replaced. To give you but one instance in my Department. We wanted a librarian and we advertised for that, and for that single post we received over 400 applications. This is the extent of the influence of the non-co-operation leaders. Exaggeratedly futile on the part of any Honourable Member of this House to try to support his position by putting forward exaggerated statements or valueless arguments, which may please an uneducated audience, if he were addressing people from a public platform. But arguments like that ought never to be put forward in a responsible House such as this Honourable House. It seems to me, Sir, that the Resolution as well as the amendment moved by the Honourable Mr. Khaparde really cannot be supported upon any sound basis, the proposals put forward by them are both impracticable and futile, and I would earnestly appeal to this House to reject the Resolution.

The HONOURABLE SIR ARTHUR FROMM: Sir, we have had a good deal of discussion on the subject of whether the Resolution recommending a conference should be adopted or not, but I should like to call the attention of this House to the point that if this Resolution were adopted, it would resolve itself more or less into a vote of censure on the Government who are trying to maintain law and order in this country. I should like Honourable Members to keep that clearly before them. It will be recognized, I think by all, that Government have been very patient and long-suffering with this non-co-operation movement, and have only taken action

when that movement ceased to be capable of controlling its policy of non-violence. We have had a sad experience in Bombay, Madras and elsewhere as to where this non-co-operation movement has led to by reason of the introduction of violent preaching of sedition and hatred against Government. Here I would like to bring forward another point, and it is this. Violence did not break out as a result of any so-called repressive laws. It started first, and, as a result Government had to take measures to put it down. Honourable Members of this House should keep that too clearly before them. Also, I ask whether it is reasonable to expect any self-respecting Government to allow the present state of affairs to continue, or whether it is not the right policy to take steps to avoid outbreaks which must inevitably result in loss of life. Is it not better, gentlemen, to take precautionary measures, before the climax is reached, when you have to call out the military and shoot? My next point is, we should not lose sight of the fact that the eyes of all the Dominions in the British Commonwealth are upon India at the present time, and if we, the Legislature, the elected Legislature in this country, are not prepared to support Government in maintaining law and order now, what will the Dominions expect, what can they expect, when India attains self-government? Can the other Dominions hope that India will be capable then of maintaining law and order? I think not. I appeal to you, members of this Council to reject this Resolution and to refrain from taking any action and to abstain from doing anything which might hamper Government in putting down this internal strife. If we do not help Government at this juncture—I have a great number of friends in the Colonies and I have received many letters from them—I can assure you we shall be setting back the clock for many years for the recognition of India as a self-governing Dominion by the other Dominions of the Empire.

There is one other point, and I have finished, and that is, that if we, as representing the Legislature of India, permit a party to start a movement—call it the non-co-operation movement or call it what you may—with the idea of thwarting Government and that movement is allowed to go to the extent of breaking law and order in the country, if you permit that now, then, in years to come, when you have Dominion self-government, are not you furnishing your future opponents with a weapon that they may sharpen against you and throw in your face? There will always be opponents of Government, there will be opponents of the Government of India when it has attained to the status of a self-governing Dominion, and, if you give them the example now of allowing the non-co-operation movement to extend its operations to the extent of breaking the law and the creation of disorder for the purpose of getting its way, that weapon will be made use of against the Government of India in the future.

With these remarks, Sir, I cannot support the Resolution.

The HONOURABLE MR. K. V. RANGASWAMY AIYYANGAR: I agree with every word of what the Honourable Mr. Phiroze Sethna has given expression to on the main issue raised about the present situation and the remedies he proposes, though I dissociate myself from him entirely in making the non-violent movement and Mr. Gandhi responsible for the violence caused. I may say that there were and are elements in the country which are opposed to the doctrines of non-violence, which chafe at Gandhi as an impossible idealist and which take any and every opportunity to display their activities. To this class belong all the misdeeds and cowardly action in different parts of India. For justice sake

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[Mr. K. V. R. Aiyangar.]

I would not allow anybody to make Gandhi's movement responsible for bloodshed. Mr. Gandhi is sharing the reproach of some, I know, for carrying coals to Newcastle by preaching *Ahimsa* to a humane nation and for helping recruiting for the army during the last war for fighting for aggressive purposes.

To come to the point, I may enlighten the Council about the attitude taken up by the different parties that met for a conference at Bombay. These were the Liberals who were anxious to work out the reforms and who thought that the country wanted peace and compromise. There were the merchants who have been dealing in foreign goods, who wanted that the activities and propaganda of non-co-operation should cease. They thought that the tension would end only if Gandhi's powerful party could be brought to a round-table conference. I have to tell the Council of what was passing at Bombay only because I was given to understand the feelings of some Members of Council who did not quite relish the idea of a round-table conference with members outside the Council. The idea of a round-table conference never emanated from the Nationalists, but it did from the Liberals and merchants dealing in foreign goods, and I bear testimony to what was said by the Honourable Mr. Sethna that these people took great pains to get at least a show of consent from the Mahatma for the conference. The shrewd businessmen were telling each other—

"You may announce to-day that the round-table conference takes place and the next moment you will notice the rise in the prices of foreign cloths apart from the results of the conference."

While this is the case I am surprised to find that there are many voices of friends of the Government in this Council to oppose this conference and the last of them I was listening to was the oration from that unabashed partisan of Pan-Islamism in no less a person than that of the Honourable Sir Muhammad Shafi, the Member of the Government of India which is pledged to religious neutrality. On the other hand, the followers of Gandhi and others, who did not agree with Gandhi in his non-violent non-co-operation I knew advised him that the proposal for a round-table conference was a direct negation of the fundamental principles of non-co-operation movement. In the first place, they said they thought it sought co-operation with those who had been grievously injuring them even at that moment and, secondly, they being pledged to stand on their own legs and educate the country on their own methods, had no business to go to a round-table conference with the bureaucracy. The Mahatma had put aside all this advice and he has come to a compromise, and the deed of compromise is in the hands of Pandit Madan Mohan Malaviya. I may say the Honourable Sir Muhammad Shafi could have saved much of his breath had he known of the further developments that had taken place. The Moderates being responsible sons of India as much as Sir Shafi or Sir Sankaran could not keep quiet when their co-workers have been put in jail and when status or leadership counted for nothing in the face of blind force.

Sir, I should be failing in my duty if I did not raise my voice of emphatic protest against the application of the Criminal Law Amendment Act to non-violent non-co-operation, the wholesale arrests of such constitutional lawyers as Pandit Motilal Nehru and Mr. C. R. Das and the methods of treatment of the prisoners in jail and the suppression of lawful assemblies and meetings. Protests from even ultra-conservative sources are coming

in. The Maharaja of Darbhanga in a speech before the Bihar Land-holders Association said on the 20th:

"Recent events in Calcutta and elsewhere have led to a *revulsion* of feeling even on the part of loyal citizens who are friends of the Government."

The action of the Government is really putting a great strain on those who are co-operating. Let us see what has been gained by their 'strong action'? Repression has failed, people are acclimatised to prison life and a humiliating atmosphere, and the bitterness against the Government has become very acute. The non-co-operators are really congratulating each other. They have just reasons for congratulation because but for the repression their movement could not have gained so rapidly the objective it has gained to-day. Yet all this at a time when there should be rejoicings and greetings! I did my duty during September last to beseech the Head of the administration not to arrest the Ali Brothers as that was the time for a calm atmosphere. Five months ago all the reproaches of the thoughtful sections were directed against the discontented, but to-day a perusal of the speeches of such Moderates as Mr. Jinnah, Pandit Malaviya or Sir H. Wadia will show who share the reproaches. Sir H. Wadia who is a most moderate gentleman has gone the length of saying—

"Law and order have been made a cover and an excuse for tyranny."

The feeling of the country is very bitter, and statesmanship and wise steering, God willing, can avert a wreck and a catastrophe.

THE HONOURABLE SIR ALEXANDER MURRAY: May I make an explanation, Sir?

THE HONOURABLE THE PRESIDENT: Certainly, but it must be a personal explanation only. The Honourable Member has already spoken once.

THE HONOURABLE SIR ALEXANDER MURRAY: The Honourable Saiyid Raza Ali complained that I spoke of Mr. Gandhi as Gandhi. I have listened with great interest to the speeches which followed mine, and I noticed that on no occasion was Gandhi referred to as Mr. Gandhi. Surely, I might be excused for the mistake which I made.

THE HONOURABLE LALA SUKHBIR SINHA: Sir, as my amendment has been lost I wish to support the Resolution of my Honourable Friend Mr. Sethna. The Resolution contains the same suggestion as did my amendment. The only difference between us is on the question of time. He wants the conference to be held after an informal joint sitting of the two Houses has settled the lines on which the conference should be held, while in my amendment I ask for the conference to be held at once. Sir, the question is at present very serious, not only serious, but very dangerous, to men of property and money; and the sooner the conference is held the better. It was said on behalf of the Government by the Honourable Mian Sir Muhammad Shafi, and again very strongly urged by the Honourable Sir Arthur Froom, that the policy adopted by the Government is the best and only policy to be adopted at this juncture. Well, as I said before in moving my amendment, if Government is determined to adopt this policy, and is of opinion that there cannot be any improvement on it, and think that public opinion is of no use and not worth consulting at this juncture, then there is no use of holding any conference and Government must continue its present policy whatever may be the result. The result of this policy has been very bad, and if this policy is continued, the position will be much more serious and dangerous. The object of

[Lala Sukhbir Sinha.]

a conference is to support Government in maintaining law and order. We are with Government in that. We will support the Government to maintain law and order. But what we want to do is this, that Government should see whether any better suggestions can be made by the leaders of the different parties and how far Government is able to adopt them. If Government finds some better suggestions, there is no reason why it should not adopt them. If it finds there are no better suggestion, it can continue the present policy. But until and unless you allow the leaders of different parties to give their opinion, I do not see how Government is right in upholding its policy when there is a consensus of opinion against it in the country. It was said by the Honourable Mian Sir Muhammad Shafi that these Councils are fully representative. I admit it, but we are not representatives of the people of all shades of opinion. Of course in the view of the Government we are, but in the view of the public we are not. There are thus other people also who have a right to give an opinion on the political situation in the country, and therefore, if a conference consisting of several Members of this Council and of the Assembly, as well as outsiders like Pandit Malaviya and others, is held, I think it will have a good result. Sir, I admit I have no authority to say that Mr. Gandhi and others will come to this conference. If they do come, so much the better. If they do not come, let them not come. The great advantage in holding the conference will be that the opinion of all parties will be put before the Government. Many people say the Government has adopted this policy at the suggestion of some persons. But they did not even consult these Councils, as I think they ought to have done. They adopted this policy without the advice of the Assembly or the Council. They have not consulted any public bodies and adopted their policy simply on the advice of some Members of the Executive Council and others who are in the confidence of the Government. The position is very serious, and a dangerous one, and at this time as many leaders of public opinion should be allowed to express their opinion as it is possible for the Government to consult. It is said that this is not the time to convene a conference. I differ from that opinion. The Government is to the people like a father to a son who are its children. It is not the duty of the father to kill a disobedient or unruly child, or to deport him or punish him very severely. It is for the Government, as the father, to advise the people and bring them round and not crush them by such forcible and repressive measures, as arresting their leaders and sending them to jail. Sir, I will remind this Council that when a few days ago the Prime Minister in England, Mr. Lloyd George, settled the Irish question, it was asked in some questions in Parliament why Government had shown weakness. In reply, it was pointed out that the settlement was not a weakness but a great victory in that the matter after 700 years fighting had at last been settled. Similarly, I do not think it will be a weakness on the part of Government to hold this conference in order that the Government might be put in possession of different shades of opinion which may help it in finding a solution. I, therefore, strongly support the Resolution moved by the Honourable Mr. Sethna that a Joint Committee of both the Houses be held first and then a round-table conference as soon as it may be possible.

THE HONOURABLE THE PRESIDENT: The Honourable Mr. Kale has given me an amendment which, I think, is covered by one of the others. It is unnecessary therefore to read it again.

THE HONOURABLE MR. V. G. KALE: Sir, the amendment which I wanted to move is already covered by the one moved by the Honourable Mr. Khaparde. I wish to support that amendment.

I regret to find that the position taken up by Government creates a deadlock. Government says—

"We have taken these measures because we think they are absolutely necessary, and the critics of Government, who are co-operating with Government, have to be satisfied with this explanation."

On the other hand, the co-operators themselves think that the policy of Government requires modification in certain material respects. I do not understand, therefore, why anybody should regard this amendment or the Resolution as a vote of censure on the Government. Far from there being a vote of censure on the Government, it is an indication on the part of this House, as far as possible, to help Government in understanding from the people's point of view what the needs of the country are. I look at the whole question from this standpoint.

I know that there are a number of people in the country who do not want to side with non-co-operation, but at the same time they feel that there are certain things which it is absolutely necessary for Government to do. There are two aspects of the matter. They think that the Government should refrain from doing certain things, and that there is a positive aspect in which the Government must do other things. What are those things? That can be decided only in the course of a discussion. I do not myself think that a discussion among the Members of the two Houses of the Legislature would be futile. So far complaints have been made that the Government have not taken the Legislature into its confidence, and I do not think it is proper for Government to say:—

"We are the responsible executive authority. What we have done we have done. It is for the Legislature to support it or to declare that they will not support it."

It is placing the Legislature in an awkward position and I will appeal to the Government that they should not do that in the case of those who want to help Government and the country by suggesting certain measures. They may be regarded as impracticable at the present moment, but perhaps in the course of a conference among the members of the Government and of the Legislative bodies certain things might come up, and perhaps it might be possible to satisfy in a large measure reasonable public opinion in the country by the modification that may be introduced in the policy of the Government. I do not wish to go into the details of the measures that have been taken by the Government. This is not the time to criticise the details of the policy, but I must say that in certain matters the Government have gone wrong. I can show from my own experience that Government could have refrained from taking certain steps, and that instead of weakening the hands of the no-co-operators, their policy has only strengthened their hands. There are examples of this type which are occurring in many parts of the country. I must take this opportunity to congratulate the Government of Bombay on the general attitude of cool-headedness which they have so far taken. Everybody in the Bombay Presidency remembers with gratitude the manner in which the administration of the Province is being carried on in this connection. Even under provocation they have kept their heads cool, and consequently the situation in Bombay is much more easy than it is in some other parts of the country. But even in spite of this general attitude, there are cases occurring of what is called repression, and I may cite the example of an occurrence in

[Mr. V. G. Kale.]

the city of Poona itself. There has been a proclamation issued against picketting the liquor shops. The Liberals of Poona feel that this is uncalled for. They are prepared to stand by Government and support it in any measures that are found to be absolutely necessary for maintaining law and order. But, at the same time, I want to point out that in Poona city the non-co-operators did not know what to do owing to the inactivity of Government. They were non-plussed, and were placed in a difficult situation. The Government was not taking any action against them and unless some action was taken by the Government, practically non-co-operation was going to die. It was in this situation that the Government of Bombay came to the rescue of the non-co-operators, and on account of this prohibition of the picketting of liquor shops they got an opportunity. And what is the position? Has the majesty of the law, has the prestige of the Government been enhanced by the petty prosecutions which are taking place day after day? A batch of ten or fifteen go to liquor shops. These people are arrested; they are fined Rs. 15 or 20; and this farce goes on from day to day. It has gone on for more than the last fortnight, so that instead of the majesty of the law being enhanced, I may say that the law has been brought into ridicule, and children, young men and even women are going out to picket liquor shops.

I think that this order prohibiting picketting was absolutely unnecessary. In these circumstances, is it not the duty of the Executive Government to take into confidence those people who are prepared to advise and support it? But the executive authority in the Poona District never thought it necessary to take the people into its confidence. The Government want the Moderates, the Liberals and other people to support them. They are prepared to support them, but the attitude which has been assumed by the Government is one which will land the country into a very critical situation. For this reason it is that discussions are necessary, and the sort of discussion that has taken place in the Council to-day has not tended and is not likely to tend even to clear up any of those things which we want to be cleared up, and therefore a conference is needed.

I do not mind if the debate is protracted. The issue is so serious that, even if we have to sit here for two or three days together, it is worth while our sitting out and devising means. Certain suggestions will be brought forward in the course of discussion and the Government will say what they have to say against those suggestions, and from the point of view of the majority of the people, perhaps they might be found acceptable in the long run and might be adopted.

For this reason I support the amendment in favour of a discussion taking place in a sort of conference of members of the two Houses where the members will be able to give what they think to be proper advice under the peculiar circumstances in which the country stands to-day.

With these few words, I support the Honourable Mr. Khaparde's amendment.

THE HONOURABLE KHAN BAHADUR NAWAB MUHAMMAD MUZAMMIL ULLAH KHAN: Sir, in spite of the lateness of the hour and in spite of my poor English, I venture to submit a few words on this occasion. The Resolution, as it is on the Agenda, is quite a simple one. One may have said 'yes' or 'no' to it straightaway, but the speeches which have been delivered in support of the Resolution indicate that it is a Resolution of censure on the Government, and if it be so, it is not very easy to say 'yes' or 'no.'

To censure or to praise is quite easy, but the result will be very serious. To support Government at the present moment is to support peace and law and I do not think that any sane man will hesitate for a moment to support peace and law. My Honourable Friend, Saiyid Raza Ali, has referred to certain percentages of the country, saying ten per cent. and ninety per cent. But there are some one per cent. people also in the country who can draw after them either the ten per cent. or ninety per cent. people when they choose to exercise their influence. Why should not the one per cent. people be taken into consideration? The situation in the country is this that there are hundreds and thousands of ignorant people who always like to listen to wonderful things and are always ready to accept anything which they hear, out of curiosity or something like that. But as soon as the curiosity is gone and as soon as any of this one per cent. people have gone to them, they will be quite ready to listen to them and go back to their normal state of mind again. I, being a humble person in my position, have something to do with no less than 60,000 men. I always find the people ready to listen to my advice, more ready to listen to mine than any outside advice. In this connection, I want to ask this House, a responsible House such as this, if by passing this vote of censure it is going to uphold peace and law in this country.

The consequences of such action will be that there will be no peace in the country. It may be on the eve of what one has called revolution or on the eve of a mutiny, but still there is a body behind the Government. I do not know how many mistakes I have made, but I shall add a few mistakes more. It is this. Hundreds of things have been said about the policy of Government to-day, but not a single syllable has been uttered to advise the Government what to do. The question is this. Government may be right or they may be wrong in doing this or that, but supposing to-morrow there was grave trouble on the railways. The whole country may be in a state of panic. Hundreds of men will come forward to avert the trouble. I am, therefore, at a loss to see why no one now comes forward to say to Government, "don't do this, but do this in order to keep back unruly mobs." However, the question is only a round-table conference. That question has been long dealt with by His Excellency the Viceroy and the other people. The Liberals presented an address to the Viceroy and the Viceroy has replied to that. There were certain conditions from the one side—the Viceroy had some other conditions. Those are the people to settle about the round-table conference. Why should we have a joint sitting of the two Houses, as the other House has not consented? We expect their valuable advice, and I do not know whether they have yet considered the thing. Supposing they have considered it and they are of the same opinion, still the question rests with the other people. So they are the best people to settle this question. As I said before, to pass this Resolution would mean a vote of censure on the Government and we are not prepared, and I certainly am not prepared, to adopt it. In these circumstances, Sir, I am not in a position to support the Resolution.

THE HONOURABLE MR. JAFFER: Sir, at the far end of the discussion, I have no desire to inflict a large speech.

THE HONOURABLE THE PRESIDENT: The Honourable Member should address his own remarks to the Chair.

THE HONOURABLE MR. JAFFER: I have already expressed my views only recently at the Meerut sittings of the All-India Cantonment Conference, and therefore I need not take up the valuable time of this Council

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[Mr. Jaffer.]
by repeating them. I would have much liked the amendment of my Honourable Friend, Lala Sukhbir Sinha, to have been passed, but since it has failed, I heartily support the Resolution of Mr. Sethna.

The HONOURABLE MR. SETHNA: Sir, with your permission, I shall endeavour to reply as briefly as I can. In the first place, I will take the point raised by the Honourable Member on my left whom I have not yet had the privilege of knowing, and who said that the Resolution amounted to a vote of censure. Let me assure him that instead of my Resolution being a vote of censure, it is meant entirely to support Government and, if carried, it will result in helping not only the Legislature but the country at large to back up Government in the measures it will take now and hereafter.

I now come to the Government Benches. I pointedly referred to the application of the Criminal Law Amendment Act, which I said was applied in a manner contrary to what was laid down at the time that Act was passed, and I referred to the speech of the Mover, Sir Herbert Risley. I also observed that I would not be surprised if Government had in their possession facts and figures with which they might enlighten this House so that the House might be convinced that the measures they have adopted are fully justified. After hearing the Honourable Mr. O'Donnell I can only say that I for one am certainly not at all satisfied, and I doubt not that my Honourable Colleagues, or at any rate most of them, think the same. Sir, the only reply I get from Mr. O'Donnell is a reference to a telegram he received last night in regard to the possibility of some volunteers becoming violent at Ambala. They had not yet become violent when the telegram was received. They may have by now. But, Sir, the repressive measures under this Act have been in force now for weeks together. I certainly expected that my Honourable Friend would have laid before us facts in regard to the Congress and Khilafat volunteer organizations at Calcutta and various other places where this law is in operation. The only instance, as I say, given by Mr. O'Donnell is the one which is likely to take place according to a telegram received from Ambala last night.

Now, Sir, the Honourable Mian Sir Muhammad Shafi has dealt at length with Mr. Gandhi's attitude at the Bombay conference. I entirely support and quite agree with what has fallen from him, and I am sure most Honourable Members here will likewise agree with him. I do not for one moment endorse the action of Mr. Gandhi. I know that he has taken up an impossible attitude. If a conference is to be held, if it is to be a success—whether the conference be held in Delhi or Bombay or in Geneva or Washington—there is no use having a conference unless those who are invited to it approach it in a conciliatory spirit. Mr. Gandhi's attitude has by no means been conciliatory, I admit. But I may also add from what one knows of him that when Mr. Gandhi finds he is fighting a losing cause, he will consider it in the interest of the non-co-operation party to immediately change his tactics and avail of the invitation to be present at the conference.

My Honourable Friend, Sir Alexander Murray, referred in very strong terms to the second Resolution of the Bombay Conference. May I point out to him, as some of us pointed out at the conference itself, that this Resolution as framed clearly indicated that if no other measures of redress

availed then in the opinion of the conference civil disobedience was permissible; many of us were strongly opposed to such a view. Again, the Honourable Mian Sir Muhammad Shafi referred to the *fatwa* prisoners. I may say in brief that that was the last straw that broke the camel's back and the insistence to ask for their release was what drove Sir Sankaran Nair to resign his seat as Chairman of the conference.

The Honourable Mian Sir Muhammad Shafi has said that it will be absolutely impracticable and futile to call this conference because Mr. Gandhi will not come. I say that it will be in the interests of Government and of the country at large if a conference of the kind that I propose is called and an invitation is extended to Mr. Gandhi and his party. If they do not avail themselves of it judgment will go against them by default. That is what is greatly necessary at the present moment for the reason I explained this morning, namely, that there are waverers in the camp of the co-operators who think that the action of Government is unwarranted and that Government have not made out a case for their repressive policy. We are not at all satisfied with the replies from the Government Benches this afternoon.

My Honourable Friend, Saiyid Raza Ali, observed that non-co-operation has gained in such force that 90 per cent. of the population is on the side of Mr. Gandhi. I do not accept his percentage, but I certainly will say, and say from personal experience, that Mr. Gandhi and his party are gaining in influence every day. My reason for saying so is this. As a bumble worker during the riots in Bombay in November last, those of us who went about with non-co-operators to restore peace did find that the influence possessed by his party over the rabble was certainly of a kind with which we never credited them. This House must not forget that Mr. Gandhi and his followers are appealing with greater success not to the intelligent classes, but to the unthinking masses whose numbers count.

The Honourable Mian Sir Muhammad Shafi has disputed the Honourable Saiyid Raza Ali's figures. May I put the point to the Honourable Member in another way?

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Only two instances, that is all. If I had gone on I could have shown that there are millions of others.

The HONOURABLE MR. SETHNA: There may be millions of other instances, and I think there are millions of other instances to prove the contention which I am putting forward in reply, and it is this. Suppose there is a party of a hundred people who have no particular leanings one way or the other and in that crowd there are, say, half a dozen who are virtuously inclined and half a dozen inclined towards vice and both set about to work their propaganda and convert the rest each to their own side. Will not my Honourable Friend admit that the experience all the world over is that the people who would try to propagate vice will meet with greater success and sooner. The non-co-operators have their own way of doing things and, as I say, because they appeal to the unthinking masses with whom anything goes down that is against Government, their party is gathering greater force every day. It is right, it would be wise on the part of Government to take heed in time and to convince the country by every means in their power that they are doing their best to meet the existing situation, but that the non-co-operators are proving themselves irreconcilable and impossible. I do think, therefore, that it will relieve the tension to a very great extent if a conference were held at which Government could explain their

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[Mr. Sethna.]

present position and hold out a definite programme of progress and reform for the future.

The Honourable Mian Sir Muhammad Shafi has said that the two Houses of the Legislature are in themselves a conference. I do not deny this, but I do say that a conference restricted to the two Houses cannot inspire confidence in the public mind. Government and the Legislature which is now part of the Government, must admit other party leaders and discuss views with them in a conciliatory spirit and in a spirit of compromise and try to arrive at a solution. If the Honourable Mian Sir Muhammad Shafi wants to skip that stage, namely, a joint sitting of the two Houses, I have no objection. If the Honourable Member decides to have a conference straightaway without a preliminary sitting of the two Houses, I shall be perfectly agreeable, but a conference is necessary in the interests of the country, and I repeat that, if it is not held to-day, if it is not held to-morrow, it is bound to be held a few weeks hence or a few months hence, and it is better to have it before it is marked "too late."

The HONOURABLE MR. S. P. O'DONNELL: Sir, I have nothing to add to what I have already said as to the futility of discussing the question of a conference while the attitude of the non-co-operation party remains what it is. I have, however, a few remarks to make as regards some of the applications which fell from the Honourable Mr. Sethna in reference to the observation of the Criminal Law Amendment Act. I regret that the statement I made should have failed to carry conviction to him. The Council will understand, I think, that I had to deal with the question in a general fashion. I cannot, however, admit the statement that all I did was to refer to a telegram received last night from the Punjab which referred vaguely to the question of violence. That is not a correct statement of what I said at that time. On the contrary, I referred the Honourable Member to the speech delivered by His Excellency the Governor of Bengal; I referred him to the speech delivered by His Excellency the Governor of the United Provinces; I referred him to the debate which took place in the Punjab Legislative Council, and I also told him from Bihar and Orissa a long list of cases had been received, over 120 cases, of violence, assault and intimidation. I have not that list with me at the present moment, but I am perfectly willing to furnish the Honourable Member or any other Honourable Member of this Council who wishes to see that list of cases with a copy of it.

The HONOURABLE THE PRESIDENT: The original Resolution runs as follows:—

"This Council recommends to the Governor General in Council to convene immediately an informal joint sitting of the two Houses excluding press representatives and visitors to settle on what lines a round-table conference of all party leaders should be held."

The Honourable Mr. Khaparde proposes that from the original Resolution the words after "immediately" down to the word "lines" should be omitted and that for the words "of all party leaders should be held" the words "of representatives of both Chambers to consider the present situation and to make recommendations" should be substituted. The result of the Honourable Mr. Khaparde's amendment would be to make the Resolution run as follows:—

"This Council recommends to the Governor General in Council to convene immediately a round-table conference of representatives of both Chambers to consider the present situation and to make recommendations."

The Amendment was rejected.

The HONOURABLE THE PRESIDENT: It now remains for me to put the original Resolution as moved by the Honourable Mr. Sethna. It runs as follows:—

"This Council recommends to the Governor General in Council to convene immediately a joint sitting of the two Houses excluding press representatives and visitors to settle on what lines a round-table conference of all party leaders should be held."

The Council divided as follows:—

AYES—10.

Bhurgri, Mr. G. M.
Boroah, Mr. C.
Jaffer, Khan Bahadur E. H.
Kale, Mr. V. G.
Raza Ali, Saiyid.
Sethna, Mr. P. C.

Sukhbir Sinha, Lala.
Umar Hayat Khan, Colonel Sir.
Yachendruvaru, Raja Sir G. K. of Venkatagiri.
Zulfiqar Ali Khan, Sir.

NOES—23.

Akbar Khan, Major Mohamed.
Amin-ul-Islam, Khan Bahadur.
Barron, Mr. C. A.
Cook, Mr. E. M.
Edwards, Major-General Sir W.
Forrest, Mr. H. S.
Froom, Sir A.
Khaparde, Mr. G. S.
Lalubhai Samaldas, Mr.
Lindsay, Mr. H. A. F.
Lloyd, Mr. E. S.
Mayhew, Mr. A. I.

Murray, Sir A. R.
Muzammil-ullah Khan, Khan Bahadur N. M.
O'Donnell, Mr. S. P.
Ram Saran Das, Rai Bahadur Lala.
Rawlinson, His Excellency Lord.
Sarma, Mr. B. N.
Shafi, Mian Sir M.
Smith, Mr. H. Moncrieff.
Tek Chand, Diwan.
Wood, Sir J. B.
Zahir-ud-din, Khan Bahadur S.

The Resolution was therefore rejected.

The HONOURABLE THE PRESIDENT: There is a motion* on the paper in the name of the Honourable Mr. Bhurgri, but it appears to be very largely covered by the discussion we have had to-day.

The HONOURABLE MR. BHURGRI: Yes, Sir. In view of the discussion we have had to-day, I beg to withdraw my Resolution.

The Resolution was, by leave of the Council withdrawn.

The Council adjourned till Monday, the 23rd January, 1922, at Eleven of the Clock.

*"With a view to arrive at a constructive policy for the purpose of controlling effectively the elements of disorder and disaffection now at work in the country, and firmly establishing the confidence of all the peaceful and law-abiding British Indian subjects of His Imperial Majesty in British justice and fair-play, this Council recommends to the Governor General in Council to take necessary steps immediately to invite a conference of representative leaders of all shades of opinion of Indians and Europeans in India at a round-table Conference."

COUNCIL OF STATE.

Monday, the 23rd January 1922.

The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

MEMBER SWORN:

The Honourable Mr. Charles Maurice Baker.

BILLS ASSENTED TO BY HIS EXCELLENCY THE VICEROY.

The SECRETARY OF THE COUNCIL: Sir, information has been received that His Excellency has been pleased to grant assent to the following Bills:—

The Indian Marine (Amendment) Act, 1921;
The Indian Works of Defence (Amendment) Act, 1921;
The Negotiable Instruments (Amendment) Act, 1921;
The Carriers (Amendment) Act, 1921;
The Indian Lac Cess Act, 1921;
The Indian Post Office (Amendment) Act, 1921;
The Indian Penal Code (Amendment) Act, 1921;
The Cattle-trespass (Amendment) Act, 1921;
The Maintenance Orders Enforcement Act, 1921;
The Land Acquisition (Amendment) Act, 1921.

REPORT OF JOINT COMMITTEE ON INDIAN INCOME-TAX BILL.

The SECRETARY OF THE COUNCIL: Sir, I beg to lay on the table the Report of the Joint Committee on the Bill to consolidate and amend the law relating to Income-tax and Super-tax, which was presented to the Legislative Assembly on the 18th January 1922.

BENARES HINDU UNIVERSITY (AMENDMENT) BILL.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, I beg to move that the Bill to amend the Benares Hindu University Act, 1915, be taken into consideration.

The motion was adopted.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: I beg to move that the Bill be passed.

The motion was adopted.

INDIAN ELECTRICITY (AMENDMENT) BILL.

The HONOURABLE MR. H. A. F. LINDSAY: Sir, I beg to move that the Bill further to amend the Indian Electricity Act, 1910, as passed by the Legislative Assembly, be taken into consideration.

The HONOURABLE MR. C. A. INNES: Sir, I ask permission to say a very few words in explanation of this Bill. It is a difficult Bill and perhaps a dull Bill, but, at the same time, it is not without importance for the consumers and suppliers of electricity in this country. In this

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[Mr. C. A. Innes.]

Council, Sir, which contains so many eminent business men, I need not enlarge on the importance of fostering the development of electrical enterprise. Originally electrical energy was used in India almost entirely for lighting, for fans, and for tram-car services in the towns. These services are of great importance to the community, but new uses are continually being found for electrical energy. Here, as elsewhere, it is tending more and more to become the handmaid of industry. It is tending to displace steam as a source of industrial power, and in those parts of the country where hydro-electric schemes are feasible, its potentialities as a factor in industrial development are illimitable. Now the best way in which Government can foster electrical enterprise and can attract capital to it is by wise and equitable regulation of the supply and use of electrical energy, and this is the reason why periodically we overhaul our Electricity Act, bring it up to date to suit changing conditions, and correct the errors which experience has brought to light. And naturally we do not interfere with so technical an Act without calling expert opinion into counsel at every stage of our proceedings. This has always been our policy. Our first Act was passed in 1903. It was replaced, seven years later, by the Act which we now seek to amend. On the whole, this Act has stood the test of time remarkably well. Certain small defects have been brought to our notice from time to time, but, considering the lapse of time since the existing Act was drafted, the wonder is that the defects are not more numerous and more important. Such as they are, however, we wish to correct them. The first suggestions for amendment came from the Electrical Conference of 1916 which was attended by Electric Inspectors and representatives of Electric Supply and Traction Companies all over India. The conferences of the two following years again subjected the Act to detailed scrutiny. Their suggestions were carefully examined by our own Electrical Adviser, and opinion throughout India was again consulted through Local Governments. Then a Bill was introduced in the other House last Delhi Session. It has been examined clause by clause by a Joint Committee which contained distinguished representatives of both Houses, and it has passed through the other House. The final product, Sir, is the Bill which the House is now considering. I have entered into these details, Sir, because they substantiate my claim that the changes we suggest in the present Act have not been proposed without taking the public fully into our confidence and without careful consultation of those best able to advise us.

The changes which we propose to make have been explained in detail in the Notes on Clauses appended to the Bill as introduced and in the Joint Committee's Report. I do not propose, therefore, to deal with them in detail, and I will content myself with drawing the attention of the Council to one or two of the more important of them.

I have already referred to the increasing use of electric energy for industrial purposes. Clause (9) of the Bill has a direct bearing on this question. It regulates the manner in which charges for current may be made, and it expressly authorises a licensee, in calculating his charges, to take into account a consumer's load factor. It authorises him, that is, to reduce his charges for consumers who take the most paying load, and it should have the effect definitely of encouraging the use of electric power for industrial purposes.

The amendments in sections 20 and 24 of the Act are intended to remove, subject to due safeguards for the consumer, certain difficulties which licensees have experienced in recovering their just dues.

In the same connection, I may refer to section 39 of the Act. This section penalises the theft of energy, but in actual practice it has not proved very effective. It is usually impossible to prove who actually made an illegal connection; yet unless we succeed in doing this, it is usually impossible to obtain a conviction. Government originally proposed, therefore, to lay upon the consumer, for whose benefit the illegal connection was proved to exist, the onus of proving that he was not guilty of dishonest abstraction. It was felt, however, by a majority of the Joint Committee that the proposed amendment went too far, that it laid upon the consumer an obligation which for no fault of his own he might not be able to discharge, and in short that it was a dangerous remedy. This decision has been endorsed, at any rate, it has not been challenged, by the other House, and the Government do not propose to press their original suggestion.

Clause 17 of the Bill is another important clause. Section 36 of the Act as now drafted gives a general right of appeal to a Local Government against the decisions of an Electric Inspector. But, Sir, the subject-matter of such an appeal is usually very technical, and such appeals, as a matter of course, are referred by the Local Government to the very officer whose decision is in question and whose opinion the Local Government is not ordinarily in a position to challenge. The right of appeal, therefore, is to some extent illusory, and, in the interests of licensees and consumers alike, we propose specifically to empower Local Governments to refer such appeals to the Advisory Board constituted by section 85 of the Act.

There is only one other clause to which I need refer, namely, clause 28. Clause VI of the existing Schedule gives a Local Government power, after a certain period, to reduce the maximum rates which a licensee is empowered to charge by his license.

Section 7 of the Act empowers a Local Government, in certain circumstances, to buy out a license. It has been represented to us that it is unfair that both powers should be vested in one and the same authority. The powers are not likely to be abused. But it cannot be denied that *prima facie* there is reason in the complaint, and we propose to remedy the position by prescribing that a Local Government's powers under Clause XI of the Schedule should not be exercised without reference to the Advisory Board.

I do not think, Sir, that I need trouble the Council further, and I commend the Bill to their favourable consideration.

The HONOURABLE THE PRESIDENT: The question is—

'that the Bill further to amend the Indian Electricity Act, 1910, as passed by the Legislative Assembly, be taken into consideration.'

The motion was adopted.

The HONOURABLE MR. H. A. F. LINDSAY: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The HONOURABLE THE PRESIDENT: The question is—

'that the Bill further to amend the Indian Electricity Act, 1910, as passed by the Legislative Assembly, be passed.'

The motion was adopted.

INDIAN FACTORIES (AMENDMENT) BILL.

The HONOURABLE MR. H. A. F. LINDSAY: Sir, I move that the Bill further to amend the Indian Factories Act, 1911, as passed by the Legislative Assembly, be taken into consideration.

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The HONOURABLE MR. C. A. INNES: Here, again, Sir, I ask permission to offer some explanation of the provisions of this Bill, and I make no apology for taking up the Council's time, for the Bill is an important Bill. We are amending the Indian Factories Act for various reasons. In the first place, the Act dates back from 1911, and it is only natural that ten years' experience of the working of the Act should have disclosed defects. But we are doing more than merely remedying defects. We believe that the time has come for an advance in our Factory law. Industrial undertakings in India have increased in number and in size. Public opinion has become more educated, our hands have been strengthened by the coming into being of the Reformed Councils, and we are satisfied that reforms in Factory law, which ten years ago could not have been contemplated, will now commend themselves not only to those directly interested—whether employers or workmen,—but also to the public at large. And, finally, we have certain international obligations to meet. I need not remind the Council that a year ago they recommended that the Government of India should ratify certain Conventions and Recommendations adopted by the International Labour Organisation of the League of Nations at Washington in October 1911. The Bill gives effect to these obligations. In one sense it is the fulfilment of a pledge, and in some of its most important features it has already been accepted in principle by the House. The Council, for instance, has already accepted the principle of a 60-hour week for factory labour.

As usual, Sir, the ground has been explored with great care. As I have already mentioned, the Conventions and Recommendations of the Washington Conference have already been discussed by the Legislature. Local Governments, and, through Local Governments, industrial organizations, have been consulted, and, finally, the Bill has been carefully examined by a strong Joint Committee of both Houses of the Legislature. The Report of the Joint Committee was not unanimous. It would be too much to expect complete unanimity of opinion on a Bill which touches so many conflicting interests so nearly. But I think I may claim, Sir, that the Bill represents a fair compromise between extreme views on one side and the other. At any rate, I am certain that it has been most carefully examined and that it represents a real step in advance.

The changes made by the Bill in our existing Act are numerous, but I do not propose to examine them all in detail. I think that I shall explain sufficiently the objects which we have in view if I deal briefly on broad lines with the main features of the Bill.

The first point to which I desire to draw attention is, the changes we have made in the class of factory to which the law will apply. In the first place, we have greatly extended the definition of "factory." The existing Act includes only those factories which use mechanical power and employ not less than 50 persons, but gives Local Governments power to apply the law to factories using mechanical power and employing not less than 20 persons. By clause 2 (b) of the Bill we extend the definition so as to include factories using mechanical power and employing not less than 20 persons; and we give Local Governments power to extend the operation of the Act to factories which employ not less than 10 persons, whether they use mechanical power or not. This is an important change in the law, as Honourable Members will realise if they consider it in relation to our other proposals for the limitation of hours of work and the restriction of the employment of children. But I confess that we would have liked

to go even further. Small factories are multiplying fast in India, and there is reason to believe that it is in small factories rather than large that abuses are most likely to occur. But for practical reasons we have judged it necessary to go slow. It is the Local Governments that will have to administer the Act, and we feel that we must leave it to them to decide how far they can undertake the expense of regular and effective inspection of small factories employing less than 20 persons. The larger factories, it should be remembered, tend to group themselves round towns; smaller factories spring up anywhere and the cost of inspection is disproportionately high.

We have made another important change in regard to the application of the Act. The present Act draws a distinction between textile and non-textile factories. It limits the hours of work for the former, but not for the latter. There may have been good reason for the distinction ten years ago in that textile factories are uniform in type, and it was easy to design a law which could safely be applied to all of them. But whatever the reasons may have been, we consider that it no longer exists, and we propose to abolish the distinction altogether.

Again, the treatment of exemptions in the present Act is not very satisfactory. Some classes of factories are altogether exempted from the operation of the Act by section 3. Others are exempted from the operation of certain sections by Schedules or by express sections. And, finally, principles are laid down on which further exemptions can be granted. We have altered all this. We limit the definite exemption from the operation of the Act to one single class of factories, namely, Mines, the case of which is under separate consideration.

For the rest we have contented ourselves in Chapter V of the Act, as amended with laying down the principles on which exemptions from particular sections should be granted, and leaving it to Local Governments to deal with each case or class on its merits. We have also given Local Governments that latitude of action in regard to quasi-agricultural factories which we are advised to be necessary. This part of the Bill relating to exemptions is very important, and was examined by the Joint Committee with special care. It is intended to provide machinery whereby the operation of the Act can be prevented from being unduly oppressive in certain cases and to certain special classes of industrial undertakings.

I now come, Sir, to some of the more detailed provisions of the Act. We propose definitely to assert the principle that the hours of work in all factories should be limited. Under the existing Act the hours of work in textile factories are limited to 12 hours a day, and section 24 of the Act limits women's labour to 11 hours in one day. But there is no limitation on the hours of work of adult males in non-textile factories. Now, Sir, I do not propose to go into the history of this question, nor to refer to the recommendations of the Indian Industrial Commission, the discussions with Local Governments and the changes which certain industries—notably the important textile industry of Bombay—have made in this direction of their own volition. I have already reminded the Council that they have accepted the general principle of a 60-hour week for all factories, and this principle has been embodied in clause 27 of the Bill. Our original intention was that the daily limit of hours of work should be fixed at 12, but the Joint Committee has recommended that the daily maximum should be reduced to 11, and we readily accept the change.

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[Mr. C. A. Innes.]

It is unnecessary for me to dilate on the importance of this change, but I may perhaps emphasise the fact that its importance lies mainly in the statutory recognition of the principle. I trust that it will not embarrass industries, partly because many of them already observe a 60-hour limit, and partly because the limitation applies only to the hours of work of labourers, not to the hours of work of the machinery. All factories are at liberty to work continuously day and night if they so desire, provided that a suitable form of shifts is adopted. Provision is made in certain special cases by the sections dealing with exceptions to which I have already referred.

In connection with the question of hours of work, I may refer briefly to two other reforms. Section 21 of the present Act prescribes that work must be stopped at intervals of not less than six hours for a period of not less than half an hour. Experience shows that a rest period of half an hour is not sufficient for rest and refreshment, and we have raised it to one hour. But we do not object to the suggestion of the Joint Committee that if the workers themselves so desire the rest period may be taken in two intervals of half an hour each.

The Joint Committee has made another change in regard to the weekly holiday. I do not propose to enter into detail. But the effect is that every workman will secure 52 holidays in the year, and that no worker will go without a holiday for more than ten days at a time. We accept the solution proposed.

I come now, Sir, to the important provisions of the Bill which deal with the protection of child labour. In the first place, by clause 14 of the Bill, we raise the minimum age of child labour from 9 to 12. This reform has already been accepted by the Council, and I need not refer further to it. By the same clause we restrict child labour to 6 hours a day. And, finally, by clause 2 (a) of the Bill we raise the upper limit of age for half-timers from 14 to 15.

This last change has been the subject of some controversy and debate, but I may state the issues very shortly. On the one side it is said that in this proposal we are going beyond the prescriptions of the Washington Conference and the law in England. It is pointed out that in England childhood for the purpose of Factory law ceases at 14, and it is suggested that, in the interests of the boys and girls themselves, the law should be the same in India. It is suggested that it is unfair that between the ages of 14 and 15 they should be debarred from earning full wages. We admit, Sir, that we have gone beyond the recommendations of the Washington Conference, but we do not admit that we have gone beyond the law of England. If the law is amended as we propose, the effect will be that in India children between the ages of 12 and 15 will be allowed to work only half-time. In England children under 14 are not allowed to work at all in a factory. That is one point of difference. The second point of difference is, that in England the employment of young persons between the ages of 14 and 18 is regulated by special rules and regulations. There is a special young persons class, and we have not thought it advisable to complicate this Act for ourselves and for employers by an innovation of this kind. Thus I claim, Sir, that the analogy between England and India in this matter is not a true analogy. For the rest I need only say that after due deliberation we consider that the upper limit of age for children should be raised to 15, because we feel that, in the climate and the physical conditions of India, it is unfair to ask a boy or

a girl of less than 15 years of age to work for as much as ten or even eleven hours a day. Low stature and lack of muscle are too often a characteristic of boys and girls of this age in India, and in the interests both of the health of the nation and of India's industrial efficiency, we feel that it is advisable to delay by one year the age at which a child is promoted to man's estate and becomes liable to a man's hours of work. Both sides quite sincerely base their case on the true interests of the child himself; the only difference of opinion lies on the point where those true interests lie. Our view in the matter has been accepted by the other House, and I am confident that it will be endorsed by this Council also.

I need not refer in detail to other provisions which have been made in the Bill for the protection of child labour, but there is one point which I must mention. Section 46 of the Act prescribes that—

'if a child over the age of 6 years is found inside any room or part of a factory in which room or part children are employed and in which any manufacturing process or work incidental to any manufacturing process is being carried on, he shall, until the contrary is proved, be deemed to be employed in the factory.'

Experience has proved that the safeguard which this section was intended to afford is ineffective. The manager who wishes to evade the law has little difficulty, on the approach of an Inspector, in sending the children he is employing unlawfully into the factory yard, and it is thus impossible for the Inspector to prove an offence against section 46. In the Bill as introduced, therefore, we proposed to tighten up the section so as to create a presumption that any child over 6 years of age found within the precincts of a factory was employed in that factory. But the sense of the other House was against us, and it was felt that we had gone too far in our efforts to protect the children. The Government of India accept the decision and do not propose to press further their original proposal.

I am afraid, Sir, that I have already detained the Council for a considerable time. I have now explained the main features of the Bill, and without going further into detail, I will commend the Bill to the sympathetic consideration of the Council.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I rise to support the second reading of this Bill, not because I think that it is an ideal Bill even for our present circumstances, but because I think that it is a move in the right direction, and, on the whole, it is a fairly great advance on the Act of 1911. More than forty years have passed, Sir, since the time that the first factory legislation was passed by the Government of India in 1881. At that time the Local Governments—I am not sure if the Government of India did so—under the influence of capitalists did not approve of the idea of legislation on this subject, and the capitalists themselves were strongly opposed to any factory legislation. Even a liberal Viceroy like Lord Ripon had to give in on a most important point, that is, the reduction of the minimum age of a child from 8 to 7, to win the support of the Bengal representatives. He said very clearly that he was very sorry that he had to do it. He put it on record thus:—

'I shall always regret that I yielded to Sir A. Eden's strong wish that the minimum age for the employment of a child should be reduced from 8 to 7. I was quite wrong, and I wish to leave my opinion on that point on record.'

He did it, Sir, because the Lieutenant-Governor of Bengal and others under the influence of capitalists were strongly opposed to any factory legislation, and it was as a compromise that this was done. Ten years

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[Mr. Lalubhai Samaldas.]
passed, and in 1891 another Factory Act was passed. When that Act was passed, the then Viceroy, Lord Lansdowne, thought that that was the final word and nothing more would be necessary to do as regards factory legislation. He said:—

'We believe that the effect of our measure will be to place factory labour in India on a proper footing and our Bill will be accepted here and at Home not as a mere prelude to still further restrictions, but as a settlement as final as any settlement of such a question can be.'

Thirty years have passed, Sir, since then, and during this period there have been vast changes. Labour has found its place, labour knows how to combine, and having combined it knows how it can get what it wants. Capitalists too, I believe, have grown wiser. They know that for their self-interest, if not on higher grounds, they must work in unison with labour, and Government also, I believe, have grown wiser. Government have now realised that it is not the capitalists alone who are to be reckoned with, but labour also, and they feel that it is its duty to protect labour against any exploitation by capitalists. This is the present condition of affairs, and it is in these times that this measure has been brought forward.

Another change was undertaken in factory legislation in supersession of the previous Acts after making inquiries into local conditions in India. But now India has taken her place in the International Councils of the world, and as such she has to carry out her responsibility as regards labour as it is understood in the International Councils, and this Bill, as my Honourable Friend, Mr. Innes, has just explained, is the practical outcome of the recommendations of the Washington Conference. Our representatives there made a mark, and I am only sorry that Sir Alexander Murray is not here to-day who would have put the case much more strongly for labour—I hope he would have done so—than I can.

The Joint Committee considered the case on its merits, and Government as represented by the Honourable Mr. Chatterjee,—I hope I am not giving out any secrets when I say—usually supported labour against capital. He tried to be fair to both, but it was never the capitalist who got a good word from him, but it was always the labourer, and I congratulate him for this.

Now, Sir, in this year of Grace, 1922, I do not think anybody can say, either in this House or outside this House, what Lord Lansdowne said in 1891 that we have reached the final stage as regards factory legislation. I think, Sir, that in the years to come, labour problems will be the most important problems. They will loom large on the horizon, perhaps much larger than even political problems, and it will be the duty both of Government and of capitalists to combine and see that labour gets its due. It is not merely a question of keeping labour well paid, but of recognising that they as human beings have as much right to all the good things of the world as the capitalists, or, as I was going to say, the sun-dried bureaucrats. They ought to have equal opportunities—as good opportunities—as anybody else. I think that if Government and the capitalists do not do their duty to them, the time may come when we may be faced with the same problems that the West has to go through. We must learn our lessons from the West. There capital and labour have unfortunately been fighting. Is it not possible that here capital and labour might combine,

co-operate and work for the good of the country? If that is done, I think India can very well take her place, not only in the labour conferences, but in all international conferences.

With these words, Sir, I strongly support the second reading of this Bill.

The HONOURABLE MR. V. G. KALE: Sir, I stand to accord my cordial support to the Bill. The position of labour in India has been considerably strengthened by the influences which have been brought to bear upon the solution of labour problems by events which have occurred outside this country. I am afraid labour's claims would not have received the strong support which they have received at the hands of Government and others had it not been for the fact that labour has come to occupy a position of very great importance in the solution of international problems. It is the recognition of the importance of labour even by the League of Nations and the recognition of the contribution that labour has made to the successful prosecution of the war, which has facilitated the task of the reformer in India in improving the position of labour. Capitalists would certainly have been able otherwise to put up a stronger fight against the claims of labour than they have actually been able to do. But events occurring outside and inside the country have proved too strong for them.

Government and public opinion have been as it were leagued against them, and consequently they felt that their cry would be a cry in the wilderness. I say it is a fortunate circumstance for labour that this situation has been created by events that have taken place outside, but the reform here has come none too soon. The number of factory labourers in this country is indeed comparatively small. Compared with the total number of labourers engaged in different industries, including agriculture, workers in factories are few, but India has to take advantage of the fortunate circumstances in which she is placed. As my Honourable Friend, Mr. Lalubhai Samaldas has just pointed out, we are in a position to learn lessons from the experience of the West. We need not in this country go through the same struggles and troubles as the West, and we can here adopt, in the course of a single generation, reforms which it took a country like England, for example, nearly two or three generations. The questions relating to labour which require solution at the hands of Government and the public are those relating to hours of work, protection of children and women, and improved conditions of work in factories. On all these points the Bill before the Council has made important steps in advance. With regard to the age of children, there have been great differences of opinion, but I think the actual amendment that has been introduced into the Bill is absolutely necessary. Even with regard to the upward limit of the age of children, namely, 15 years, about which capital was very strong in not accepting it, I think we ought to recognise that at this very time work in factories is always found to be injurious especially to children and to the younger generation. From the point of view, therefore, of national interests it is necessary that children and women should be properly protected. I am very glad to find, therefore, that this Bill has embodied provisions in this respect. Then with regard to the hours of work. Certainly the time is coming when a further claim to reduction of the hours of work will be put forward, but as it is, we must say that the limitation which has been imposed is for the time being satisfactory. We cannot help having a conflict between capital and labour in this country. We do undoubtedly

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[Mr. V. G. Kale.]

want that, if possible, capital and labour should co-operate with each other and work in harmony, and much depends in this regard upon what capital is prepared to do. If capital performs its duties properly, if it takes a wide and liberal view of its duties to workmen and to the country generally, certainly the bitterness of the struggle which would otherwise take place would very largely be minimised. But labour certainly will put forward demands which capital will regard as very unreasonable. And if such a struggle takes place, as it is bound to, there will be strikes and strong labour organisations; and we must be prepared to legislate in view of all these developments. Our legislation must take into account the provisions which have been made in other countries in this respect. We are, therefore, proceeding on the whole along correct lines, and therefore I have great pleasure in according my support to this Bill.

The HONOURABLE MR. BHURGRI: Sir, my Honourable Friend Mr. Kale has anticipated me in many things which I wanted to say to this Council, but I feel that, before this Bill is passed, I must touch on one or two points. In the first place, I must congratulate Government and this House for having approved the age question on which we had some differences last year. The only other point on which I have got some doubts is the retention of section 46 without the modifications suggested by the Joint Committee. I am not blaming Government. I know my Honourable Friend the Member in charge of Industries and Commerce pressed that amendment in the Assembly and could not carry. But I still feel, Sir, that if you make a law and if you want that law to be enforced, then you must give proper means to your officers to enforce that law. But by retaining section 46 as a compromise, you actually leave the position where it was, namely, that you give a loophole to the factory owners to successfully evade the law, and still go on employing children of the prohibited age. For these children may easily be taken out at the time the Inspector comes, and then the Inspector cannot successfully prosecute them. I have thought it over whether I should not move an amendment to safeguard against this, but I thought I should not complicate matters, especially in a matter of this sort of legislation in which my Honourable Friend is already having some difficulties. I will not increase his troubles by any such proposal at present, though I still believe that this compromise involves the result that factory owners and factory managers will still be free to evade the law against all vigilance of Factory Inspectors.

The HONOURABLE SIR ARTHUR FROMM: Sir, were my friend the Honourable Sir Alexander Murray here, I should leave it to him to support this Bill. For myself, I do not wish to detain the Council for any length of time. Indeed, the words which I should have said in support of this Bill have already been uttered by the three previous speakers. We welcome this Bill as a protection to, and for the good of, labour in this country, which we, employers of labour, have at heart.

There is one note I should like to sound, however, and that is, that I would appeal to those champions of labour, or leaders of labour, to try and keep labour on the right lines. Labour does not always keep on the right lines in their demands on the employers, and if the leaders of labour would only bear this in mind and sometimes keep the fact before them that there are two sides to a question, we in Bombay should have very much less trouble with labour than we have had in the past. I have not got very much more to say about this, but I think perhaps it would interest the

Council to give you a very short example of what I wish to bring before them in a matter which has come up to me here. I am connected with some works in Bombay. At busy times we perhaps employ something like 8,000 or 9,000 men. Unfortunately the number is very much reduced now. It has been our practice—I cannot guarantee the practice will continue—in past years that when Christmas Day has fallen on a week day, we shut down our works. We shut down our works for the important Christmas festival, but we have recognized that we were keeping labour out of a day's pay, and we have paid them for that day though no work has been done. Last Christmas Day fell on a Sunday, and we have had an application for a day's pay! Well, I cannot see that our labour on this occasion has any claim for a day's pay. They are not losing any pay since Christmas Day fell on a Sunday. Still, I do not altogether complain of their application. Labour is not very literate, and I do not blame them for trying it on, but what I do complain is, that one of their leaders has written to me and pressed this unreasonable claim. It is in cases like this where I appeal to leaders of labour to keep the men on the right lines and not to put forward preposterous claims on their employers. I am all for improved conditions of labour in this country: it is good for the men, it is good for their work. I heartily support this Bill.

The HONOURABLE MR. C. A. INNES: Sir, the reception which this Bill has received in Council has been so generous that there is very little left for me to say. With reference to what the Honourable Mr. Samaldas and the Honourable Mr. Kale said, I may say at once that we do not for a moment claim finality for the Bill. We recognize, as every one must recognize, that conditions must change in India. The Industries Department exists for the purpose of noting and studying those changes, and I have not the slightest doubt that periodically our Factories Act will be modified in order to suit conditions as, or even before, they change. The Honourable Mr. Samaldas referred to the attitude of a certain Honourable Member of Government in the Joint Committee. I was not in the Joint Committee myself and I am unable to say what happened. But this much I will say, the Government would be very ungrateful if I did not take this opportunity to-day of expressing our great obligations to employers of labour in this country. They have met us throughout in this difficult matter in the most reasonable spirit of compromise. They have helped us throughout not only in formulating our own views, but in the actual drafting of this Bill; and I am sure that we all regret the unavoidable absence from this Council to-day of Sir Alexander Murray, who has been our guide, philosopher and friend throughout. It only remains for me, Sir, before the Bill passes to its final stage, to congratulate the Indian Legislature in placing on the Statute-book in the first year of its existence a very important piece of social legislation. As I have said, Sir, we do not claim finality for this Bill; but I do claim, and I claim with confidence, that it marks a very real advance.

The HONOURABLE THE PRESIDENT: The question is:—

‘that the Bill further to amend the Indian Factories Act, 1911, as passed by the Legislative Assembly, be taken into consideration.’

The motion was adopted.

The HONOURABLE MR. H. A. F. LINDSAY: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

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The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, my Honourable Friend Mr. Bhurgri referred to the dropping of the clause for amending section 46. I think it is necessary for me to reply to this portion of the debate, because the Honourable the Government Member perhaps does not see eye to eye with us in this matter. This question was brought up in the Joint Committee. I am sorry the Honourable Member was not a member of the Committee. If he had been he would have seen the justification for leaving section 46 as it was. What happened there was this. We were told that there were cases where Factory Inspectors found that some Managers who employed children in their mills sent them out in the compound when the Factory Inspector came so that he might find them there. But, on the other hand, it was proved that there are mills—I will only quote one here, the Sholapur Mills belonging to Morarji Goculdas and Company—where the mill area is so great that it includes hospitals for in-patients, a dispensary, schools, gymnasium, play-grounds for sports, and so on. Now if the clause amending section 46 of the existing Act had been kept as it was, all the social welfare activities would have to be stopped or hundreds of children playing in the play-ground would be hauled up. It is true that two alternatives were proposed by some of the Members either that section 46 should be kept as it is or the definition of "precincts," as in the English Act, should be incorporated in the amending Bill. My Honourable Friend, Mr. Bhurgri, asks a question as to how many mills there are of this kind. If the Honourable Mr. Bhurgri will be good enough to go round the mills and see things for himself (for instance, the Currimbhoy Institute for the Currimbhoy group of mills or the Tata social welfare institute for the mills), he will find that the employers are not exploiters, but are prepared to help the labourers to lead a better life economically and socially. In the beginning I did say that labour should be supported. But that did not mean that one ought to be unfair to the employers. Employers know the interests of their labourers much better than outsiders do. If my friend, the Honourable Mr. Bhurgri and Professor Kale took the same trouble that my friend Mr. Joshi does for ameliorating the condition of the labourers and work with a view to get the support of the mill-owners and get money from them, then they would see that the mill-owners do not want to exploit or do harm to employees. They do realise that the welfare of the industry lies in the well-being of the labourers. It may be said that it is highest selfishness. I do not object to it. It may be so. Still to cry down capital without knowing the labour conditions is not fair, especially just now, because I do not see here, except my friend the Honourable Sir Arthur Froom, any large employer of labour. If my friend, Sir Alexander Murray, or Sir Maneckjee Dadabhoy, or Sir Dinshaw Wacha, had been here, they would have been able to reply much more strongly than I can. I say, Sir, it is not fair to those who employ labour to cry them down in season and out of season. The employers of labour do realise that, when they make better profits, labour should be given its share. I would not be surprised if somebody came here and said that labour should be given a share in the profits also. That time is still far away and has not come even in England. We want to have co-operation between capital and labour in this country, and I hope my friends, the Honourable Mr. Bhurgri and the Honourable Mr. Kale, will use all their influence to bring labour and capital together. With these words I support the motion.

The HONOURABLE MR. BHURGRI: I may at once assure my Honourable Friend, Mr. Lalubhai Samaldas, that it was far from my thought to

run down the capitalist. As a matter of fact, I do join in the remarks which my Honourable Friend, Mr. Innes, made that in piloting through this Bill, Government had the active support of some of the capitalists and labour employers. I appreciate that and I am the last man to run them down. I may tell my friend, the Honourable Mr. Samaldas, that I also am, though on a very small scale, a factory owner, and, therefore, know the tricks of the trade.

My complaint is that, when you make a law that a certain age should be fixed and that nobody must employ children under that age in any factory, then I say the logical conclusion of that is that the Legislature should make provision to give enough power to the Executive to enforce the law. That is not done by this Bill. On the contrary, by the compromise arrived at in the other House and which my Honourable Friend Mr. Innes, was compelled to accept at the point of the bayonet has left loopholes for the successful evasion of the law.

My Honourable Friend, Mr. Lalubhai Samaldas, gave an example, that of the Sholapur mills, where he said that hospitals, play-grounds, schools and other buildings are within the same compound as the factories. I ask my friend, is it not possible to draw some demarcation line between the factory area proper and other institutions attached to it? That, I believe, can very easily be done. What I objected to was that, while you all agree that children under a certain age should not be employed by factory owners, you are not willing to give power to the Executive to see that the law is enforced. I would have moved an amendment, but I did not want to make complications for my friends who are piloting this Bill through the House. Therefore, I refrained from doing so; but I feel it my duty to express my views on the subject. I never intended to say anything to annoy my friend the Honourable Mr. Lalubhai Samaldas or any other capitalist.

The HONOURABLE MR. LALUBHAI SAMALDAS: May I rise to a personal explanation? If the Honourable Mr. Bhurgri will refer to the Minutes he will see that it was suggested that the definition of "precincts," as in the English Act, should be introduced so that what he has suggested could have been done if the Government had so desired.

The HONOURABLE THE PRESIDENT: The question is—

that the Bill further to amend the Indian Factories Act, 1911, as passed by the Legislative Assembly, be passed.

The motion was adopted.

ELECTRIC HEATERS FOR COUNCIL CHAMBER.

The HONOURABLE SIR ARTHUR FROOM: Sir, before you close the proceedings of this morning, might I bring before you a question which is, I think, of considerable interest to the Members of this House. To-day we have passed an Electricity Bill, and I should very much like to know whether some of it could not be introduced into this Chamber in the shape of electric heaters. I find this House extremely cold and damp, and I think if, with some ingenuity, say a dozen electric heaters could be placed round the room, we should be enabled to conduct our business with more warmth and in greater comfort.

The HONOURABLE THE PRESIDENT: I think the Honourable Sir Arthur Froom has drawn attention to a point of great interest to all of us. I also

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 am not immune from human frailty. I also feel the cold. I will at once bring the matter to the notice of those who are responsible, but I am not hopeful of a successful issue, because I have already drawn attention to the matter without eliciting any action.

Before I adjourn the Council, I should like to ask non-official Members to meet me in the large Committee Room here in ten minutes time, if they will be so good.

The Council then adjourned till Wednesday, the 25th January, at eleven of the Clock.

COUNCIL OF STATE.

Wednesday, the 25th January, 1922.



The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

COUNCIL CHAMBER, METCALFE HOUSE.

The HONOURABLE THE PRESIDENT: Before we proceed to the business of the day I wish to inform the Council generally and the Honourable Sir Arthur Froom in particular that, owing to the efforts of the Department presided over by my Honourable Friend, Mr. Sarma, some attempt has been made to mitigate the Arctic chill in this Council Chamber. I am informed that further progress in this direction will be effected by to-morrow. In the meantime, I am asked to convey a warning and that is, that Honourable Members will do their best to avoid the wires, as otherwise we may have a case of involuntary electrocution.

RESOLUTION RE PRESENT UNREST.

The HONOURABLE MR. BHURGRI: Sir, in view of the debate on the 18th instant, I beg to withdraw the Resolution *that stands in my name, and which runs as follows:—

* 'This Council recommends to the Governor General in Council that all papers and correspondence in the possession of the Government of India relating to the present unrest which have passed between the Government of India and the Local Governments on the one hand, and the Government of India and the Secretary of State on the other, be laid on the table of the Council.'

RESOLUTION RE RETRENCHMENT AND ECONOMY IN NATIONAL EXPENDITURE.

The HONOURABLE MR. V. G. KALE: Sir, the Resolution which I have to move runs as follows:—

'This Council recommends to the Governor General in Council that a committee consisting of members of the two Houses of the Legislature be immediately appointed to explore all possibilities of retrenchment and economy in national expenditure, and to make concrete proposals regarding the same.'

Sir, next to the political situation, the financial position in India presents to the Government and the people the most difficult and anxious problem for early solution. In considering this question of Indian finance, I do not want to say anything with regard to the position of currency and exchange, or with regard to the position of the Indian Government relating to its public debt, though all these matters have a very important bearing upon the problem involved in my Resolution. I do not, likewise, propose to anticipate a discussion of the Budget for the next year. I do not want to say much with respect to the position of revenue and expenditure, or

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with regard to the prospects of taxation in the coming year. All I want to say at the very outset is, that there are three or four facts of outstanding importance, which, I think, are indisputable. The first fact is that of increased expenditure. The expenditure of India has steadily increased during the last few years. Secondly, even at the present time in spite of all increased revenues, in spite of the fact that we are passing away from the extraordinary conditions which prevailed during the time of war, we are faced in the Central Government, as well as in the Provinces, with the prospect of a deficit. Thirdly, everywhere anxiety is being felt with regard to additional taxation which seems to the people to be inevitable. Under these circumstances, fourthly and finally, before we can make up our minds with respect to the level of taxation that must be maintained in this country, the time has come when a vigorous effort ought to be made to find out where retrenchment and economy in national expenditure are possible. In discussing this question, there are two difficulties which we meet in the very beginning. If we try to compare the revenue and expenditure of the country at the present moment with what they were, say, eight or nine years ago, the comparison is likely to be misleading, first owing to the fact that our accounts are now maintained on the basis of a rupee which is valued at 24d. and secondly, because the income and expenditure on the Central Government have been entirely dissociated, for all practical purposes, from the revenue and expenditure of the Provincial Governments. Decentralization of finance,—the new financial arrangements which have been recently introduced—and the new method of keeping accounts on a new basis, these two are difficulties in the way of instituting a fruitful comparison with regard to the finances of the country for, say, the current year and any year previous to the outbreak of the war. I will, however, try to place before this House, without going into details, what appears to me to have been the development of the finances so far as expenditure and taxation are concerned. I will give you rough figures which will be approximately correct. Previous to the outbreak of the war, say, in the year 1913-14, the total income and expenditure of the Government of India, together with those of the Provincial Governments, may be put down at about Rs. 125 crores. I am speaking of rupees, and I will leave aside the question of the conversion of the rupees into sterling which is not necessary for my purposes. So, we may take the total pre-war income and expenditure of the Government of India, including those of the Provincial Governments, at Rs. 125 to Rs. 130 crores. Of this amount, Rs. 80 crores constituted the revenue and expenditure of the Central Government, and about Rs. 45 to Rs. 50 crores the revenue and expenditure of the Provincial Governments. During the time of war, the Provincial Governments were not allowed, and could not be allowed, to increase their expenditure. But the expenditure of the Central Government and along with that expenditure, the revenues of the Central Government, went on steadily increasing, till at last what we have been landed into the position of to-day. The position may be summed up by saying that to-day the income and expenditure of the Government of India alone, independent of the income and expenditure of the Provincial Governments, are equivalent to what were the revenues and expenditure of the whole country, of the Central Government and the Provincial Government taken together, in the year 1913-14. In that year the income and expenditure of the whole country were, say, Rs. 125 crores. To-day the expenditure of the Government of India alone exceeds that figure, the Provincial Governments spending Rs. 70 crores in addition. That will give the House some idea of the increase which has

taken place in national expenditure. The increase may be put down roughly at Rs. 60 crores in the Central Government. Now, what are the sources which have contributed to this increase? So far as the Central Government is concerned, they are chiefly the Customs and the Income-tax. Between these two, an increase of Rs. 42 crores has taken place during the last few years. The Customs and the Income-tax are between them thus responsible for this large increase. Then additional taxation has been levied also in other forms. The House is aware how there has been a surtax upon railway goods traffic, and how during the current year the special additional increase in the rates is expected to contribute no less a sum than Rs. 5½ crores. I will not speak of the increases which have likewise taken place elsewhere. For my purposes these two or three heads are enough to show that there has been an increase which may be put down roughly at, say, 60 per cent. between 1913-14 and the present time. Now, the bulk of this increase in revenue has been absorbed by expenditure upon the Army. Increases have also taken place on Civil charges, on salaries and allowances and other matters. Similarly, the interest charge has also gone up on account of the increased indebtedness of the Government. So the military expenditure, the civil expenditure and the interest charge are mainly responsible for most of the increase which has taken place in national expenditure. On account of this increased expenditure, which even during the current year has been maintained on a high scale, the burden of taxation has been heavy, and during the next year, people believe, the expenditure will remain at an equally high level and so will taxation, if they will not rise to even greater heights. A few weeks before the Budget comes out, speculation is, every year, generally rife about these matters, and everybody is believing to-day that fresh taxation is coming as there is going to be a very large deficit. Whatever that may be, the fact is there, namely, expenditure has not yet seen the last stage of increase. One does not know when we shall be in a position to say that the highest limits of taxation have been reached and that the time has come for retracing our steps towards the normal. It must be borne in mind that there are deficits in the accounts of the Provincial Governments also; and in considering the finances of the Central Government, we cannot altogether leave out of account the position of provincial finance. We are concerned with it because Provincial contributions, which are now being made to the Central Government, will have to cease in the course of the next few years. In fact, the Provinces are demanding that these contributions shall cease forthwith. But knowing as we do the financial situation of the Central Government, we cannot hope that these contributions will come to an end in the course of the next year or two. Look at the position of the Provinces. In almost all of them, there is a deficit apprehended. In Madras, in Bengal there are deficits, and even in Bombay which is regarded as very wealthy and as having a large revenue, and therefore a large amount of money to spend, I am told that even there, there is the unwelcome prospect of a deficit of no less than 1½ crores. The question that the Governments in the Provinces have to consider, is how this deficit can be met. Some of the Governments say: "Relieve us of our responsibility of making Provincial contributions, and we shall be able to make the two ends meet." It is a demand that has come forth not only from the Legislative Councils, but also from the Heads of the Executive Governments in the Provinces. How is the situation being met in the Provinces? In the first place, they are trying to cut down expenditure as far as they can. Some of my Honourable Friends must have read an account of the proceedings of the Bengal Legislative Council. There, the Honourable Mr. Kerr recently gave a lucid account of the financial position of Bengal.

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There he was able to show that the Province was confronted with a deficit of about 1½ crores of rupees in spite of the fact that the Government of India had gone to the relief of Bengal and had granted them exemption from payment of the Provincial contribution for three years. In spite of that special concession, there is a huge deficit. The Bengal Government, in the first instance, has, therefore, tried to cut down expenditure as far as possible. The Honourable Mr. Kerr described the remaining deficit as a bedrock deficit. The question arose how it should be met, and three additional taxes are being proposed, taxes upon amusements and betting and an increase in the stamp duty. Similar taxes are being contemplated elsewhere also. But what will be the use to which these taxes will be put? Will the proceeds of these taxes enable the Government of Bengal or Bombay to undertake reforms which are so badly and urgently needed? No. The taxes are needed to enable the Governments to meet normal expenditure. The Governments cannot think of financing any progress, industrial, social and material. What they have to grapple with, is the deficit arising from normal expenditure. The situation in Bombay is similar to that in Bengal. I am told that the Government there is contemplating additional taxation. I have to remind Honourable Members here that whoever the taxing authority may be,—it may be the Central Government, it may be the Provincial Government, it may be the Local Government, the Municipality or the local authority—ultimately it is the poor tax-payer who has to find the money. The Government of India has taxed luxuries. The Provincial Governments say, whenever they want more money, “tax luxuries.” The Municipal body that wants more money, “tax luxuries.” Luxuries cannot be taxed thrice. Necessities and comforts have, therefore, come to be the objects of taxation.

My Honourable Friend (Mr. Annamalai Chettiyar) reminds me that it is being proposed to tax betel leaves in Madras. We are coming now to betel leaves which are regarded as a great necessity in Madras, I believe. So that, we are reduced to these shifts of taxing small commodities of ordinary consumption, many of them necessities of life. And it is the poor tax-payer on whose back all this burden is to fall. Consequently, the Provincial Governments have thought it necessary, in the first instance, to explore all possibilities of retrenchment and economy. In some Provinces committees have been appointed, and some of these committees have already made concrete proposals as to where the pruning knife should be applied. In Bombay, there is such a committee carrying on inquiries at the present moment. I cannot say what reductions in expenditure that committee will be in a position to recommend, but I have reason to believe that reductions in expenditure, which is to-day regarded as absolutely necessary and which Government would ordinarily never consent even to touch, are going to be proposed, and even Government, I am told, will be favourable to the adoption of a recommendation of that character. I give this illustration merely to show that every effort is being made in the Provinces to cut down expenditure, to find out where it is possible to reduce expenditure and to bring about economies. In these circumstances, it becomes the duty of the Government of India to do the same. It is not my purpose to-day to point out where such reductions can be made. I might have given a few instances, but I do not want to go into details and raise issues with regard to expenditure in different Departments and different heads of charges. My main object is to call attention to the fact that the time has come when we cannot think of additional taxation, when we cannot think even of maintaining the present level of taxation

unless and until we have convinced ourselves that every possible reduction in expenditure has been effected. In fact, the cry in the country, and I believe it is a perfectly reasonable cry, is—

‘No additional taxation without retrenchment and economy.’ ‘Show us,’ the public says, ‘that you have sincerely attempted to curtail every possible item of expenditure which can be avoided, and we are prepared to pay whatever additional money you want.’

It is indeed no use believing that expenditure will ever go back to pre-war levels. You cannot restore the normal expenditure of this country to the figure of the year 1913-14 for example.

Expenditure upon a larger scale will have to be maintained. And as we go on, if we want material, economic and social progress, more money will have to be found for various purposes. But, at the same time, it cannot be doubted that there are many directions in which you can and must cut down expenditure. Therefore, an inquiry is needed in the first instance. Government itself is certainly aware of the necessity for such an inquiry. I may refer, in this connection, to what Sir James Meston, as Finance Member, observed on the 1st of March, 1919. Having reviewed the financial situation of the country, having pointed out what the Government's liabilities in the near future were, and having also pointed out how expenditure upon a higher scale had to be maintained, he observed:—

‘If this teaches us anything it is that our watchword must be rigid economy both in the Government and in the lives of individual citizens. We shall want a relatively high scale of taxation to get rid of our superfluous obligations. If the taxes are to be paid, the people must save; and unless the taxes are to be oppressive the Government must economise. You may think that economy is a threadbare motto in our financial statements, but I am convinced that, coupled with courageous outlay on the essentials of progress, a strict economy in all non-essentials will in the near future be more necessary than it has ever been.’

Now, this was the principle which Sir James Meston in his capacity as Finance Member laid down for the guidance of his own Government. As the representatives of the public, we are responsible to our constituencies; and as people knowing what is passing to-day in the minds of the public, it is our duty to ask Government to see that immediate retrenchment and economy are effected. And in order to enable this House and the other House to know exactly what the Government itself is doing, and in order to enable the Legislature to point out to Government the directions in which economy and retrenchment can be effected, a committee is absolutely necessary. Similar committees have been appointed, for example, in England. Many of you are aware how persistent agitation has been carried on in that country, which has been characterised as an ‘anti-waste’ agitation. You are aware how even some elections are being fought out on the anti-waste issue, how time after time the Chancellor of the Exchequer has been asked to appoint committees, and how committees have been actually appointed. I can give you instances to show how during the last two years numerous committees have been appointed in England. For example, seven different committees consisting of three members each were appointed more than a year ago to inquire into the expenditure of seven different Departments, each committee consisting of one Member of Parliament, one Member of the Government and one Member of a Department other than the one whose affairs were being investigated. Recently two other committees, the newspapers state, have issued their reports, which unfortunately are not yet out for public information. All that only goes to prove how in England the Parliament feels—the people who are responsible to their constituents

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feel—that retrenchment is absolutely necessary. And in to-day's newspapers you will find a declaration made by Mr. Chamberlain in which it is said that a reduction of at least 150 to 200 million pounds is absolutely essential in the expenditure of England. We cannot certainly compare the revenue and expenditure of England with the revenue and expenditure of India, but the fact underlying the position of the two countries is the same, namely, that you cannot go on indefinitely taxing and taxing; you cannot go on indefinitely increasing your revenues by means of taxation; a time must come, and the time has already come in this country, when an impartial inquiry and a strict scrutiny must be made into national expenditure. Well, it may be said that such an inquiry is not likely to be very helpful; that already there is a Finance Committee of the other House which is entrusted with the scrutiny of the expenditure of the Government. It will also be pointed out that there is a Public Accounts Committee. These are bodies consisting of elected members who have been appointed for doing this very business, and if a committee of the kind which is proposed by me, were to be appointed, it would only be a sort of fifth wheel in the coach; it would only be interfering with the smooth working of the machinery which has already been provided, and consequently it would be futile and ought not to be conceded. Now, my answer to this is, that the committee I propose is not calculated in any way to interfere with the work either of the Government, which may be thinking of reductions in expenditure, or of the Finance Committee or the Public Accounts Committee. The committee proposed will not concern itself with immediate reductions in view of the next year's budget. That is not my object at all. The object of my committee will be to take a large view of Government expenditure as a whole; it will take time; it will go into the various items of expenditure of the various Departments, and it will point out where economies are possible. In certain cases recommendations may have to be made to the Secretary of State. Those recommendations will be made by this committee, and consequently the hands of the Government of India will be strengthened to that extent. There is a feeling in the provinces that in certain matters the Provincial Governments cannot reduce expenditure because the matter has to be referred every time to the Government of India and the Secretary of State. We, in this Council, represent the provinces very largely and are responsible to the people in the provinces; we have to see to it that the interests of the Provincial Governments and of the people of the provinces are properly safeguarded. Now, as the committee which I propose will make recommendations of this nature and will go into the larger issues of Government expenditure and consider even the policy underlying all expenditure, it will have its work cut out—work which will be entirely independent of the work which is being done at the present time by Government Departments or by other bodies. Consequently, Sir, I feel that the Honourable Members of this House will support me in the request which I am making to the Government. They know, each one of them, the feeling in the minds of the public in their own provinces. They know what their constituents feel in the matter. They know how public sentiment is inclined to take the view that the highest limits of expenditure and taxation have been reached and that there is a lot of unnecessary expenditure, some may call it even extravagance; they think at any rate that a great deal of unnecessary expenditure is being incurred, and unless the pruning knife is vigorously applied, it is not possible for them to cheerfully consent to additional taxation. All reasonable people will agree, as I have already

said, that for a progressive country some additional expenditure may be needed; but that additional expenditure can be supported by reasonable people only if they are convinced by Government that no reduction is possible and no economies are possible. Grave responsibility therefore attaches to every one of us in this regard.

I have now a word to say to the Government. I want that the Government should not look upon the committee I am asking for as something in the nature of an unnecessary interference. The inquiry I am asking for, is an inquiry which is calculated, in my humble opinion, to support Government and to strengthen their hands. When the Government wants to go before the country and say to the people:—

'These are the charges we have got to meet; these are the additional funds that we want.'

Government must, at the same time, be in a position to tell the public—

'Well, we have listened to the advice of the members of the Legislature; we have allowed them every opportunity to scrutinise our expenditure; and the Legislature has found that there is not much room now for further reductions of expenditure, and consequently we are thoroughly entitled to demand from the people more money for the ordinary conduct of Government and for the purpose of financing reforms.'

In order to strengthen the hands of Government for this purpose, I am making this proposal, and I hope that the Government will take my proposal in the spirit in which I have made it. With these words, Sir, I move my Resolution.

The HONOURABLE SIR ARTHUR FROMM: Sir, I consider that this Resolution is one which might well commend itself to Government. As the Honourable Mover has pointed out, it is not a Resolution of adverse criticism, but, as I read it, it is a genuine offer of assistance to the Finance Department in the extremely difficult period through which India, in common with other countries, is passing at the present time, the difficulty being that of trying to make both ends meet in the matter of expenditure and receipts. When the revenue side of a profit and loss account is falling away one naturally turns to the expenditure side, and it is here that a committee, such as that suggested by the Honourable Mover of this Resolution, might be of considerable assistance to Government. The Finance Department, no doubt, is considering and bringing into practice retrenchment in every possible direction, and I have also no doubt that we shall hear the result of their deliberations on this point when the Budget is introduced. A policy of retrenchment, however—and it is here again where I think a committee might be of considerable assistance—has to be handled with the greatest care. I for one am no believer in cutting expenditure on certain items to relieve the immediate present when the result brings about in the future very much heavier payments to re-establish what has been sacrificed as a temporary expedient. Also it is quite conceivable that retrenchment is possible in the administration of some Government Departments, and one can hardly expect Government to sit in judgment on itself with the same clearness of vision that an outsider might possess; and a committee, such as that suggested by the Honourable Mover of this Resolution, might prove of considerable benefit in this direction also. I will not detain the Council any longer in going over the ground that my Honourable Friend has travelled with such ability; but I should like to emphasise one point in his speech and that is, he clearly stated, and we all recognise that what he stated is correct, that the object of his Resolution is to induce confidence in this country that there is no culpable waste. Once that confidence is felt throughout the country, then I consider

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that any fresh taxation which the Finance Department might find it necessary to introduce would be less unpalatable to, and less resented by, all concerned. Sir, with these few words, I commend this Resolution to Government.

The HONOURABLE MR. ANNAMALAI CHETTIYAR: Sir, it has become a common thing in India for the past few years with the general public to look with more than ordinary interest to the Budget proposals, for they believe and with reason that every fresh year brings with it its fresh taxation. Everybody admits that there has been an enormous increase of expenditure in almost every Department of Government. There has also been too much talk of retrenchment, but unfortunately the talk has not been followed up by any substantial action. Side by side with that, there is also the demand among the services for increases in their salaries. Between the cry for reduction of expenditure on the one hand and the demand for the increase in salaries on the other, the Financial Members of both the Local and Central Governments experience difficulties in finding out ways and means of satisfying both. In this connection, Sir, I may be allowed to say here that there is some justification for increasing the salaries of men of the lower grades in order to meet the increased cost of living; but there can be no justification for following the same in the case of the higher grades. Of course much has been said about the maintenance of status and prestige of those who are in the higher grades. To this let me at once say that when thousands of men of the subordinate services are loudly clamouring for increased salaries just to make both ends meet, and when the general tax-payer says that he has reached his limit and when there is every likelihood of fresh taxation being so interpreted as to set up the people against the Government, we need not bother ourselves about the so-called status and prestige. Sir, there is then the Provincial contribution to the Central Exchequer. Here Bengal has given a lead which other provinces will not be slow to adopt. My own province, Madras, is already in difficulties. We have there a deficit of more than a crore and half, and long ago the Madras Government addressed the Government of India representing their financial difficulties. It was practically settled to send a deputation. When I left Madras there was a feeling that the Government of India are taking an unusually long time in replying to their representation. But, at the same time, it was also felt that the delay meant a favourable consideration, and I hope my Honourable Friend, Mr. Cook, will be in a position to enlighten this Council on the subject. I believe, Sir, that in most other provinces also the same is the case. Sooner or later all the provinces may be expected to approach the Central Government for a re-adjustment of their provincial contributions. Here there is a possibility of the central revenue growing less and less year by year. How to meet the central expenditure with a falling revenue is a difficult problem to solve. Unless there is a cutting down of expenditure to the maximum limit, I am afraid we may have to land ourselves in bankruptcy. Hitherto, Sir, the policy of the Government has been to resort to fresh taxation and loans. It is to be regretted that much attention was not given to the reduction of expenditure. While it should be admitted that when there is a deficit fresh taxation and loans must be resorted to. Those who are responsible for the good government of this country must take seriously into consideration the different conditions prevailing in the country and the popular cry for retrenchment and try, as far as possible, not to go in for loans and fresh taxation.

Therefore, I think the appointment of a committee as suggested by the Honourable Mover of this Resolution is not a superfluous one, but I should like to add that, unless there is a determination on the part of the Government to reduce expenditure, there will be no use in having a committee like this.

One word more, Sir. Last night the "Eastern Mail" brings us the news of the formation of a party in England called the 'Coalition Liberals.' The President of this party is Mr. Lloyd George, our Prime Minister, and the Vice-President is the Right Honourable Mr. Winston Churchill. Reduction of expenditure and remittance of taxation are the definite policies of this party. Though the party is not the Government yet inasmuch as the Premier is the President and another prominent member is the Vice-President, we may take it that this is the policy of the Home Government. Will the Government of India follow the Home policy? The air is thick with rumours of fresh taxation.

The HONOURABLE RAJA SIR HARNAM SINGH: Sir, I cannot exaggerate the importance of the motion before the House. The time has come when the utmost economy should be tried in the national expenditure. The Honourable Mr. Cook spoke rather gloomily, in the last Simla Session on the financial prospect. Disquieting rumours are afloat of a big deficit in the budget. Although it is premature to make a forecast now, and we must wait till the statement of accounts and the budget do actually come before us, there is however no doubt that expenditure has gone up everywhere and it is becoming increasingly difficult indeed to cope with it. The Honourable the Finance Member, I am sure, has been doing all that is possible for the solvency of the Government. But it is beyond the power of a human financier to meet increasing demands on the national purse when the national resources are limited. During the last few years there has been a continuous increase in taxation, chiefly in the form of a higher income-tax and super-tax, export duties, and a general increase in the customs tariff. Taxation in India, I am afraid, has reached the breaking point. Further taxation will inevitably lead to great hardship on the people of India, and may cause a depression in the Indian industries. If we cannot safely increase the income, it is only proper that we should try and cut down the expenditure, wherever possible. It is incumbent on the Government, therefore, to explore all possibilities of retrenchment in national expenditure. There are in this House, also in the Legislative Assembly, expert financiers who can be of great service to the Government and to their country. I shall, therefore, strongly support the idea of a Committee consisting of members of the two Houses of the Legislature to be appointed for the purpose. The Government ought to take such men into their confidence as may be of true service and help at a time when a financial crisis is feared in all quarters.

The HONOURABLE MR. SETHNA: Sir, I rise in response to the appeal with which the Honourable Mover concluded his speech and asked his Colleagues to support the Resolution. In the first place, I congratulate him for bringing forward this Resolution which I consider most timely, and I also congratulate him for the very lucid presentation of his case. I say the Resolution is timely, because not only is our expenditure considerably exceeding our revenues, but according to the telegram which he quoted and which we have seen in this morning's papers, it is equally the case at Home and we learn therefrom what is the feeling there. He did not however

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give the reason which is stated in the telegram as to why Mr. Chamberlain said that the expenditure should be reduced by about 150 to 200 millions. The reason he gave for the reduction of the expenditure in the United Kingdom was not in order to bring down taxation, but to make both ends meet. That our finances are by no means in a strong position to-day is an open secret, and I am sure that my friend opposite, the Honourable Mr. Cook, as well as his distinguished chief, the Finance Member, must at present be at their wits ends and racking their brains as to how best to meet the deficit with which they will have to face the Legislature when they present the Budget, a few weeks hence.

Sir, when the reforms came into existence, it was expected that Departments like Education, Sanitation and the like, which help to raise the condition of the people of this country, would profit very largely by the grants which the reformed Governments would be able to give to these particular Departments. If these grants are not large to-day it is, as we know, because the revenues do not cope with the expenditure. If the revenues and expenditure are to balance, this can only be done, so far as we can see, by one of two courses,—either a reduction in the military expenditure or a considerable increase in the rate of taxation.

The question of military expenditure, I admit, is a very thorny subject, a subject upon which Government and the public have not been able to see eye to eye. Government are of opinion that they could not possibly reduce the military expenditure or the strength of the army with safety to the country. That the country as a whole thinks differently, I venture to show by quoting the opinions of Members of the two Houses as expressed in the motions they intended to bring forward. Notice of a Resolution was given by the Honourable Sir Dinshaw Wacha in September at the Simla Session, which however was not ballotted for. This is the view he expressed in his Resolution, which was to the following effect:—

'To make a strong and reasoned appeal to His Majesty's Government for the total repeal of the Army amalgamation scheme at an early date, and substitute for it one which shall in every way satisfy the Indian tax-payer and besides empower the Government of India to exercise a full right of determining all matters of Indian Army organisation and requirements involving expenditure from the revenues of India.'

That is so far as regards this House. In the other place, as recently as yesterday, there stood an amendment in the name of a very distinguished member, Sir P. S. Sivaswamy Aiyer, which however was not reached. It reads as follows:—

'This Assembly further recommends that, in view of the strain upon the financial resources of the country, the Government will be pleased to steadily carry out a policy of reduction of the strength of the British troops in India with due regard to the safety of the country.'

I have quoted these to show that the country and the country's representatives in the Legislature hold a different view in regard to the military expenditure from that held by Government. However, Sir, this is a subject on which I need not enlarge, but I do hope that the time will come and come soon when the Legislature will be placed in a position to express an opinion which it will be binding on the Government of India to carry out.

As I have observed either a decrease in military expenditure or an increase in taxation could meet the present situation. In regard to an increase in taxation, opinion has already been expressed that we cannot go

much further without a general howl and cry from the tax-paying public. But let us examine the sources which could be tapped so far as increase of taxation is concerned. The Honourable Mover has told us that since the war, Customs and Income-tax have brought in an additional revenue of Rs. 42 crores. I wonder if we could go any further, at any rate in the present times. So far as Customs are concerned, only last year, the duties were raised from 7½ to 11 per cent. and for luxuries to 20 per cent. and I doubt very much if, to meet the present deficiency, the Finance Department will endeavour to raise the Customs duty even by a further half per cent, particularly in view of the fact that there is a Fiscal Committee sitting, and it will not be wise to prejudice its decisions. So much in regard to the Customs duty.

Then, Sir, we come to the other head referred to by the Honourable Mover, namely, Income-tax. This nightmare tax, as it is now called in England, was raised last March to 16 pies in the rupee for maximum incomes. This 16 pies in the rupee, we are told, is by no means as much as what the British tax-payer has to pay. We know that capitalists at Home have to pay as much as 6s. in the £, and 16 pies in the rupee is equivalent to only 1s. 8d. in the £, but I would point out to this Council that 16 pies in the rupee in India, all things considered, goes perhaps as long a way as does 6s. in the £ in Great Britain. Therefore, I wonder if the Finance Department will try to raise income-tax to any further extent. If they do so, the situation here will become the same as it is said to be in England, where it is said that the continuance of the payment of 6s. in the £ will bankrupt business-men if they go on paying at this rate, and in the alternative, if they do not go on paying 6s. in the £, it will bankrupt the country. Of course, my Honourable Friends in the Finance Department with their fertile brains will certainly try to find out ways and means, but it will not be without, as I have said, raising a howl and cry in the country.

In these circumstances, what shall we fall back upon? Certainly there is no better course than what is prescribed by our friend the Honourable Mover of this Resolution, namely, retrenchment in expenditure, and the appointment of a committee to suggest ways and means to bring about such retrenchment. The Honourable Mover has not told us in what particular Departments or directions he would welcome such a reduction, but another Honourable Speaker on my right referred in particular to the question of salaries in high appointments. I beg to differ strongly from him. I know that there is a Resolution in another House recommending that in the case of all fresh appointments, the salaries should be only two-thirds of what they are to-day. I say I differ, for, I believe, that every labourer is worthy of his hire, and I know that conditions have so greatly altered that it would not suit people to take up Government service if they were paid any less than what they could get elsewhere. There was a time when we could get young men from Europe to come out here on a start of Rs. 250. They will not now do so for less than double that amount. There was a time when the Secretariats here laid down the minimum pay of a clerk at Rs. 25. This has now been altered to perhaps Rs. 50 or Rs. 60. I understand from the Honourable Mr. Cook it is Rs. 80. I am told, however, by my Honourable Friend on my right that the figure is lower than Rs. 80 in Provincial Secretariats. Whatever it be, my argument is that conditions have so greatly altered that the higher salaries which Government are paying to-day are by no means higher than what the same men would get if they sought employment in commercial and other organizations. And consequently, even if a committee is appointed, I am sure that, so far as

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the majority of cases are concerned, such a committee would not think it right to bring about any reduction in salaries. But, Sir, they certainly will be able to effect very many changes. My friend the Honourable Mover observed that he might have quoted instances where such reductions could be brought about, but he did not do so. I am not in a position to quote any specific instances, but I do believe that Government are so hide-bound in the manner of their working their Departments, so conservative in their ways, so accustomed to work in a set groove from year to year, that it cannot occur to them to bring about a reduction without impairing efficiency in the same way as it would occur to business-men. I believe that if the committee were composed of capable business-men who were themselves in charge of large concerns, it would certainly be able to suggest ways and means whereby considerable reduction could be effected. It may be argued that even if a reduction of a crore or two is effected, what would that avail in an expenditure of 175 crores or more? My reply to that is, that if you are able to effect a saving of a crore or two, that saving is not for a year or two, but it is a recurring saving; and, consequently, a committee which could recommend even that much reduction without impairing the efficiency of the work to be done ought certainly to be appointed.

With these words, Sir, I very heartily support the Resolution.

The HONOURABLE MR. E. M. COOK: Sir, it goes to my heart to have to say it, but I am afraid I must resist the temptation to follow my Honourable Friend Mr. Sethna in his interesting, though I think, somewhat premature, discussions of the pros and cons of certain kinds of additional taxation.

In speaking on this Resolution, I think that I can fairly claim the indulgence of the Council, and that for two reasons. In the first place, this is a very important Resolution, and of such a character, that it could be dealt with very much more appropriately by a Member of the Government, and by that Member of the Government who is in charge of the portfolio of Finance. Unfortunately, the Finance Member informed me yesterday that he would almost certainly be detained in another place on pressing financial business. Secondly, it is, as I am sure the Council will realise, just a little awkward to deal with a Resolution of this kind before March. One cannot speak with quite the same freedom, and for that reason I hope the Council will excuse me if my remarks perhaps lack a little preciseness and if I seem to indulge somewhat in generalities. I need hardly say, Sir, that any Resolution which seeks to reduce public expenditure is, so far as its underlying principle is concerned, entirely welcome to the Department which I represent, even if we cannot, for the present, completely identify ourselves with the procedure which my Honourable Friend asks us to follow, as to which I shall have a few words to say later on.

But before I come to the actual wording of the Resolution I should like, if the House will bear with me, to say a few words about retrenchment in general. In the first place, I should like to emphasise the great and essential difference between economy and retrenchment. Economy is one thing, retrenchment is another; or rather, I should say, retrenchment goes very much farther than economy. I will explain what I mean. Economy, as I conceive it, consists in attaining one's object with the minimum expenditure possible; and every Finance Department that is worth its salt must keep the enforcement of economy before it as its watch-

every day of its existence. It must do that equally when times are good as when they are bad. Because, even if a country's finances are in a prosperous state, as ours are not, even then, I submit, there is no justification for spending one pice more of the tax-payers' money than is absolutely necessary. Taxation is not a good thing in itself, and, if there is any surplus, then that should go in the remission of taxation and not in unnecessary expenditure. I think that the Finance Department can claim, and might indeed bring into Court as witnesses some of my Official Colleagues here, that it does its best, and not without some measure of success, to enforce economy and to secure that on each object, each branch of the administration, no more expenditure is incurred than is necessary. I need hardly say, Sir, that at a time like the present the Finance Department exercises that pressure as strongly as it possibly can, more particularly when proposals for new expenditure come before it. It is no great secret—any intelligent reader of the newspapers who looks at our monthly returns of revenue and expenditure knows very well—that we are working to a substantial deficit in the current year. And deficits have a very inconvenient habit of repeating themselves. I need, therefore, hardly say that at the present moment we are doing all we can to exercise economy, to cut and clip and trim wherever we can. I hold in my hand a lengthy list, which I shall be very glad to show to any Honourable Member who likes to see it, of a very large number of items which the Finance Department has cut out of the Departmental estimates, on the ground that expenditure thereon would not be consistent with the tax-payers' interests in the coming year. That is what I understand by economy. I do not say that by going carefully into every detail, and by cutting out a clerk on Rs. 40 here and Rs. 1,000 from contingencies there, the total might not be to a limited extent further reduced; but we have done all that a Finance Department can by itself be reasonably expected to do; and that is what I mean by economy.

Once you go further than the mere restriction of expenditure on existing objects to a minimum, then you begin to touch on the sphere of retrenchment. For, obviously, there must come a time, sooner or later, when you have reduced expenditure on existing objects to the minimum, and the question then arises whether it is justifiable to continue to incur expenditure on those objects at all, whether you ought not to draw in your horns and reduce the number of objects on which you incur expenditure. I do not wish to harrow the feelings of any representatives of the Departments here by giving instances of how retrenchment would and, I may say will, affect their Departments. But let us take the case of some hypothetical office. You can economise on that office. You can reduce the establishment to the bare minimum for carrying on the work; you can ~~cheapen~~ the wages bill, so that the people employed there get no more than a living wage. Once you go further, then you have to consider whether you are going to keep that office on at all, whether you will restrict its sphere of activity or even abolish it altogether. That is what I call retrenchment. Now—and this is my next point—I admit that a time may come in the history of a country's finances when it has to consider whether, after all, it is not aiming too high, and whether it is possible, without actually becoming insolvent, or without raising taxation to a level which would seriously hamper trade and industry, to maintain an administration of so complex a nature, or even at such a high level of efficiency, as was possible at a time when prices were lower and the expense of carrying on the administration was less. Let me say at once

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that the Government consider, and have indeed for some time felt themselves driven to the conclusion, that such a time has arrived in the case of India.

But before I say exactly what Government proposes to do in this matter, I should like, if I may for a few minutes, to examine the actual sphere of retrenchment which exists in the expenditure of the Central Government. I think I can show that the position is fundamentally different from that of any Provincial Government. If we take the figures in the Budget for the current year, we find that our total gross expenditure budgeted for was Rs. 196½ crores; that is a gross figure, as in our actual budget estimate we show the figures net and take the working expenses of railways as a deduction from receipts. Let us see what this figure is composed of. First of all we have the working expenses of commercial Departments, viz., Railways, Posts and Telegraphs—Rs. 68½ crores. Now, I admit you may be able to economise there, but you cannot actually retrench on the working expenses, otherwise you will not get your revenue. I say, therefore, that there is no real sphere for retrenchment there. What is the next item? Interest, Annuities and Sinking Funds—Rs. 86 crores. There is no sphere for retrenchment there; it is all obligatory. Then we have Rs. 3½ crores. Exchange on the expenditure of the non-commercial department; that is merely to bring the accounts back to reality instead of leaving them on the artificial basis of 2 shillings. The next item is Pensions, including territorial and political pensions, about 2½ crores. There is no sphere for retrenchment there. Then we have adjustments with Provincial Governments—Rs. 63 lakhs, which represents payments for services rendered to the Central Government. I do not think there is any sphere for retrenchment there. What have we got left? Only two items. There is the Military expenditure—66½ crores; that of course is gross, there are some military receipts, and we usually speak of the current year's military budget as 62½ crores. Finally, the ordinary civil expenditure is 18½ crores, or less than 1-10th of the total expenditure. Now I think, Sir, that what I have said proves that the problem we have to face here is very different, fundamentally different, from the problem which Provincial Governments have to face. Their possible sphere of retrenchment is well nigh 100 per cent. of their expenditure; they can have their committees of retrenchment, and those committees can roam over the whole field of administration; they can go and examine the arrangements of each district; they can, for example, examine the work of two neighbouring Munsifs and say:

'These two men have not enough work; we will double them up and have one.'

They can reduce the number of patwaris in the province. They can remove a police station from a certain place because the people there are not sufficiently criminal. There are heaps of things they can do, and they can spend a nice happy year wandering over the whole field of administration, retrenching right and left. It is a very different thing when you come to consider the expenditure for which, under the Reforms Scheme, the Central Government is responsible. I am not begging the question and I am not saying we ought not to retrench in the Government of India; but I do want to indicate the nature of the problem when you come and try to do it. It may be a matter of abolishing half a dozen regiments. It may be a matter affecting some important question of our relations with Indian States. It may be some big question of frontier policy. Or even it may

be a question affecting our relations with His Majesty's Government. I want the Council to think that over, and understand that retrenchment in the Central Government is not so easy a matter as it may look at first sight.

Now let me just examine these two items, military and civil, which afford in theory some sphere for retrenchment. In the first place, we have 66½ crores of military expenditure. I do not think that I need say very much about that at present; it will be in the recollection of Honourable Members that there was, sitting at Army Headquarters in Simla, very unobtrusively, a Committee which was known as the Military Requirements Committee; and I think I am right in saying that at least two of the members of that Committee were non-officials, certainly one of them was a very prominent and respected member of the other House. That committee, I believe, has presented a unanimous report and I understand that that report is now before the Home authorities. The origin of that committee, I think I am correct in saying, was financial pressure. It was in fact for all practical purposes a retrenchment committee. It did an immense amount of spade work; it sat, I think, throughout the greater part of the summer and carefully considered the whole problem of military expenditure; its idea was how to ensure safety with the minimum expenditure possible.

Now let me turn to the civil side. It is responsible for 18½ crores, or less than 1-10th of our whole gross expenditure. The Honourable Mr. Sethna stated that, if we could save one or two crores, it would be something; I quite agree, and I should be very grateful for a crore or two. But to save a crore out of 18½ crores means a retrenchment of between 5 per cent. and 6 per cent. I do not say it cannot be done, personally I think it can be done, but it is not going to be an easy business. From what I have already said it will be clear to Honourable Members that this is a matter which the Government have been considering very anxiously for some time; and I am in a position to say that His Excellency the Viceroy, who has for sometime had this matter under his personal consideration, has decided to issue an order calling on all Departments to point out directions in which retrenchment can be effected, and making it clear that it is the intention of the Government to effect retrenchment in every direction possible, excepting only where it can be shown that a really vital service would be hampered thereby or that there would be a contingent loss of revenue. At the same time, an experienced financial officer will, simultaneously and independently, review the expenditure of the various Departments, in order to point out where there is a *prima facie* case for retrenchment. In the vast majority of cases it is highly probable that questions of policy will arise and, if so, every such case will thereupon be at once considered by the Governor General in Council. We have some precedent for action of this sort in the action which has been taken at Home, to which certain Honourable Members have referred. As we know, the Departments at Home were first of all called upon to produce retrenchment, and they were told to get a certain sum of money; I think they were able to reduce expenditure by something like £70 millions. The Prime Minister was not satisfied with that, and thereupon—I admit—they did have a committee; but I must point out that it was not a committee of the Legislature—you had the famous Super-Axe Committee. But let us for a moment consider what scope for retrenchment exists at Home. Let me give the Council an instance. You have got there a Ministry of Pensions. In that Ministry of Pensions the number of clerks on the

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establishment is no less than 36,000, and, even after the post-war reductions that were made they have had to build in London a building, to house all these people, which, I understand, is the biggest office in the world.

The HONOURABLE MR. LALUBHAI SAMALDAS: Did you say 36,000 clerks?

The HONOURABLE MR. E. M. COOK: Yes, 36,000. Now look at the Disposals Commission at Home. They have got 23,000 clerks. I say it is no wonder that they have such a large field for retrenchment when you have a state of affairs like that.

I have indicated the action that Government proposes to take, and I do want to make it quite clear to Honourable Members that Government are not shirking or shelving this matter. This procedure which the Government have decided on is not some hasty improvisation got up in order to meet my Honourable Friend's Resolution. There is no intention whatever, as I have said, of shelving the question or of running away from retrenchment. Indeed, I think I may fairly say, Sir, that if the Government of India wanted merely to keep the matter going and to show that they were doing something without being really in earnest about it, they would have a committee and then sit down and see what happened. But I guarantee to the Council that, by adopting the procedure which I have just sketched, you are going to get more retrenchment, and quicker retrenchment, than if you had a Committee; and that is why, very much to my regret, I am afraid I cannot accept the Resolution as regards the exact terms of the procedure contemplated by it. I shall have spoken in vain if I have not made it clear to the Council that Government are wholeheartedly committed to a policy of retrenchment.

The HONOURABLE MR. E. S. LLOYD: Sir, I wish to confine myself to only one of the reasons given for the appointment of this committee, and that is, the question of the Provincial contributions. I am aware that this is not quite the time to raise the question of the proportion of the contribution paid by the various Provinces to the Government of India, though I suppose the House knows that this is a very sore point from the Madras point of view, and in season and out of season the Madras Government have pressed, and wish to press, the injustice of the proportion that they have to pay. That however is not quite the point that I wish to press to-day. I wish to emphasise what the Honourable Mover said and what my Honourable Friend to my right said, that the Government of India must realise,—they probably do realise, but they must, I think, realise more and more,—that these Provincial contributions must be abolished at the very earliest possible moment, and if they cannot be abolished in a year of deficit like the present, they must somehow or other be reduced. I do not quite know if the House realises how very strong the feeling is, at any rate, in the Madras Presidency, and I have no doubt in the other Presidencies too. The Provincial Governments have done and are doing everything they can to retrench, to economise, and not only to cut down expenditure, but to take steps to impose extra taxation. They have to do this almost entirely, because they are being strangled by this contribution which they have to pay to the Central Government. I do not say that the Central Government can altogether help this; they may have to continue these Provincial contributions for some time more. But they must realise,

and as I have said they do probably realise, the terrible stringency which is being thereby imposed on the provinces. It is not by any means only one section of the community that has a grievance about these contributions. The feeling is insistent.

The HONOURABLE THE PRESIDENT: Order, order. I do not desire to interrupt the Honourable Member, but he must really confine his remarks more closely to the terms of the Resolution. The Honourable Mover used his arguments regarding Provincial contributions very skilfully in support of his main proposition. I cannot let the debate degenerate into a discussion as to whether there should or should not be a Provincial contribution.

The HONOURABLE MR. E. S. LLOYD: Certainly, Sir, but the existence of these contributions is surely one of the strong reasons for the appointment of this committee. However, I bow to your ruling. If the Government of India can assure the provinces that there is some hope of reduction of the contributions, possibly the feeling will be less strong, but if they cannot do so, I think that there will be, and there is, a very strong feeling in the provinces that the Government of India should not necessarily appoint a committee, but at any rate give some indication that they are setting their own house in order and taking every step possible to reduce their expenditure. They cannot expect the provinces to do so unless they make it absolutely clear to the country at large that they are doing the same thing in the Central Government. That is the point I wish to press. I do not say that a committee is the only possibility, or is possibly even the right way of approaching the problem. But it is the feeling not only among the non-officials, but among the officials also, that we must economise, and if we have got to do it in the provinces, we certainly ought to do it in the Central Government as well.

The HONOURABLE MR. G. S. KHAPARDE: Sir, I rise to support the Resolution that has been brought forward for the appointment of a Retrenchment Committee. My object in supporting the Resolution is threefold. One is that there is a sort of a general notion—I do not say that the general notion is justified, but there is a general feeling that a good deal of money is spent needlessly, and this committee will for once set at rest, I think, in the public mind all doubts of that kind. But there is a further reason, and that a stronger one, and that occurred to me while my Honourable Friend, Mr. Cook, was speaking. It happened in my younger days that our master prescribed a long lesson, and then we had an argument with him. He said:

'Look here, you ought to get through this lesson.'

We said—

'Look here, Sir, so much time is necessary for sleep, so much time is necessary for food, and so much time is necessary for play, and when we put these three things together there is no time to prepare this long lesson.'

Then the master said:

'Look here, I quite agree that you do require so much time for sleep, so much time for food and so much time for play and for this and that, but I want that you should do this, because there is a fourth factor.'

We asked him—

'Sir, what is that fourth factor.'

He said:

'This is the fourth factor. I will add also that of punishment. Let us see how these four factors work and whether you prepare your lessons or not.'

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So saying, he put the cane on the table. He was a pleasant gentleman. The result of it was that in consequence of the fright of the cane we prepared our lessons the next day. It is true that Government requires so much money for this, and so much money for that, that they have gone through all the items and they have been reduced to what we call the irreducible minimum. Yet, there is this consideration. In mercantile offices the fight is between the business and the profit to be made. In Government offices the fight is as to how efficiency can be increased. These two factors work differently. I think that on this committee there will be some business gentlemen from both the Houses, and they will bring in that necessary screw which the desire for profit brings in. Government offices have no such screw on them. Government offices have been brought up in a particular groove which becomes a rule in course of time even with the best of intentions and with the highest desire to economise or retrench as a distinction has been made between the two. Government offices have been taught in a particular manner. They cannot see where retrenchment or economy can be applied, whereas the business-man, with a limited income and having great liabilities, and considering also the maintenance of his family, will always look to the profit side. He employs his brain and all his intelligence to see how he can increase the profit. Government offices apply all their mind to see how efficiency can be lettered and how they will be able to show better results. I should like this committee to be a combination of business-men and men with official experience. Efficiency will not then be sacrificed, and, at the same time, the business-men will see to the profit side of the question, that is to say, where economy or retrenchment can be made. This, Sir, is my second reason for supporting this Resolution.

There is also a third reason why I support this proposition. That reason, if not as important as the second, at any rate comes very near to it. That reason is that we have got to learn and we have got to be associated with all the Departments. I quite agree that His Excellency the Viceroy is deeply thinking about retrenchment now, and I have no doubt that all the papers and figures that are necessary have been brought up before him and that everything possible will be done. But I also like to be present there to see how they work, so that, hereafter, if it becomes necessary for me to do it, I shall know how to do it. Otherwise it will always be my being told:

'Look here, you have no official experience. You go on talking about it, but the difficulty is how to do it.'

I must learn what that difficulty is. If I am to do anything at all hereafter, I must not only know what is right to be done, but I should also know how it is to be done. This committee, which if appointed will go into this matter, will have the advantage of having official experience present on it, and business experience present on it. It will further have the advantage of our knowing what the deliberations are and how they are carried on. The Committee will be able to know on what points importance is laid, which points are considered of minor importance, and so on. Both from the educative point of view and from the economic point of view, and also from the point of view which I have put forth by telling the story of the school master—and the school master in this case will of course be public opinion—all these three things working together and concentrating upon this point will certainly produce better results than the official routine by which proposals are sent up, and they are either

accepted or not accepted. There should be what you may call fresh blood. I call it a little common sense of our own. There is a great deal of efficiency; there is a great deal of skill; there is everything in Government offices; and yet there is nothing like what has been acquired by a long course of business. That has got to be brought to bear upon public affairs. That is the reason why even in England at this time this question of retrenchment is not left entirely to Departments, nor is it undertaken entirely by officials. You know that in war time business people were associated with the Government, and these people pointed out the way to make savings, increase the efficiency and carry on the war to a successful termination. These are the reasons, Sir, why I say that a committee ought to be appointed as proposed by the Honourable Member. Not that less strenuous efforts will be made by officials. They will certainly do everything possible. But I would like to add to that public opinion, or common sense as I would call it—the sanction of the action in the school master's case—in this case, the sanction will be of public opinion. For these reasons, Sir, I strongly support the Resolution that has been brought forward.

The HONOURABLE LALA SUKHBIR SINHA: Sir, I give my full support to this Resolution. The time has come when the Government of India and the Local Governments should see how far retrenchment can be made. Taxation has gone up very much. In this country, the average tax per head, as we find, is about Rs. 3 a year, while the income per head is about Rs. 30 a year. It is said that the tax per head of the population here is very light when compared with other countries. But, Sir, when we compare the income per head of other countries with the income per head of this country, we find that the tax here is not light, but much more than the other countries pay. Therefore, I think that the time has come when the Government of India should find out how expenditure can be met from the present receipts. Sir, I was a member of the Finance Committee in the United Provinces for ten years, and I can say from my experience in that Council that we tried our best to stand in the way of the Departments in having their demands, but we could not succeed. There was a tendency for Departments to get as much money out of the Provincial funds as was possible. We find that in every Province, expenditure has gone up by leaps and bounds, and so is the case in the Government of India, where also the expenditure has gone up by leaps and bounds. The Honourable Mr. Cook has, I am very glad to find, quoted a letter or an order from His Excellency the Viceroy to all Heads of Departments to see that retrenchment is made. He has also pointed out that the Viceroy has appointed a Retrenchment Officer to find out how retrenchment can be made in all these Departments. Therefore, it is quite appropriate that a small committee of non-officials is associated with this special officer. I think that the hands of the Government of India will be strengthened much more if they will agree to have a small committee of both Houses associated with this special officer who is going to make inquiries for retrenchment. I thought that the Honourable Mr. Cook would be able to accept this Resolution. But it is a surprise to me, and it may be a surprise to many Honourable Members of this Council, to find that he has not found his way to accept the Resolution. I think that if a small committee is appointed to help the Finance Department, it will be very useful to them. There is a rumour—I do not know how far it is true—that this year also there will be a great deficit in the Government of India. In that case, the Finance Member will have to find out ways and means how to meet that deficit. It is possible that he may propose some new taxation or an increase of

[Lala Sukhbir Sinha.]

taxation which the country will take with much resentment. Last year there was a deficit of about Rs. 20 crores, and the rates of taxation had to be increased. Some new taxes had to be imposed in order to meet that deficit of Rs. 20 crores. The Honourable the Finance Member will have to do some such thing again this year. But, Sir, I submit very strongly that instead of having new taxation, instead of raising the rates of taxation, it is much wiser to make retrenchment in our expenditure. Sir, the success of an administration depends upon its credit. If the expenditure is in proportion to the receipts the administration will be successful. If the expenditure is more than the receipts, then the administration cannot be successful. It is a common saying that we must cut our coat according to our cloth. If that principle were adopted in the Central as well as in the Provincial Governments, I think the deficits would vanish and the administration of the country would be more successful than it is at present. I, therefore, strongly support this Resolution, and I hope that the Honourable Mr. Cook will find his way to accept it and to have this committee associated with the special officer whom the Governor General is going shortly to appoint.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, I have been trying to get up several times, because I think that the subject has not been exhausted. No public man can be against the principle of retrenchment, but I am against the proposal of appointing a small committee. The Members of both Houses of the Legislature represent certain constituencies, and I think that the best way for each member to make the weight of public opinion in his constituency felt, is for him to object to any particular item which he thinks is unnecessary when the budget comes before each House in turn—happily this year we also are being allowed to discuss the budget—for at that time the Government has to place all its cards on the table, and it is open to any member to challenge any item he likes. I, therefore, suggest that we should consider both Houses as a committee when the budget comes before them and discuss how economy and retrenchment can best be effected.

Then there is another point, Sir. The expenditure of Government being already what it is, would not the appointment of this committee add to that burden? It is sure to add something. Another reason why, I am against this proposal is, that I belong to a constituency which consists very largely of soldiers. There has already been so much retrenchment in the Army that out of every three regiments two have been disbanded. The same thing has happened nearly everywhere in the Army, and I want to impress upon the House that people are already discontented, and if in the future you want to raise additional troops from those areas the people would not be willing to join, for the experience of their fathers and brothers has shown them that after being called up they have been thrown out into the world without funds or means of occupation. That is a point which I want particularly to put before this House. Then, Sir, as the House knows, my active service is something like 8½ years in various campaigns. I have seen what the requirements of an army are. It has been said, again and again, that the Indian Army was the worst clad. When prices are rising universally it is natural that the expenditure on the army must also rise, and if it is to be kept, I think it ought to be kept in a state of efficiency. With that I think every one will agree. Then, Sir, it must be further considered that great changes are taking place in the matter of military equipment by the

introduction of mechanical transport, aeroplanes, etc., and it is very necessary that we should keep pace with those changes or the efficiency of the Army will suffer greatly. The consequence is of course that we must face the expenditure involved. Finally, it has to be borne in mind that the curtailments already effected have unsettled the minds of officers and men alike, and they do not know what will happen next. I hope the House will consider all these points. It is for these reasons, Sir, that I am against the Resolution.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I join the Honourable Mr. Cook in expressing regret that the Honourable the Finance Member's other duties have not allowed him to honour us and to give us a lead in this matter. But when the Honourable Mr. Cook said that he could not perform the duty of speaking on this Resolution as well as the Honourable the Finance Member would have done, I believe he was being too modest; because, as you have seen, he has discharged the duty practically as well as the Honourable the Finance Member would have been able to do.

Coming now, Sir, to the Resolution that is before us, the Honourable Mr. Cook defined the two methods of reducing national expenditure, both of which have been raised in the Resolution of my Honourable Friend Mr. Kale. He gave us—I will not call it a lecture—but he told us what was the difference between retrenchment and economy. I entirely agree as to the distinction drawn by him between those two terms. But I do not think that he was quite justified in saying that the Finance Department has always been practising economy. He said that at the present time and in times of stress they have to do so. I believe they do. But he went a little further and said that even in prosperous times there would be no justification for spending a single pice more of the general tax-payer's money than was absolutely necessary. I quite agree with him on the principle that there can be no justification for spending any more money than is absolutely necessary. But can every Finance Member lay his hand on his heart and say that in prosperous years he has always abided by that rule, and that he has not relaxed his scrutiny of the demands of other Departments? The Honourable Mr. Cook referred us to his Official Colleagues as witnesses in his behalf. I have been among his Official Colleagues and I have heard complaints against the Finance Department. I have been told that they are—I will not say miserly—such strict economists that the Departments have to suffer in consequence. That is true enough of this year, of the last year also, but can it be said that even in prosperous years the Finance Department has not winked at various items of expenditure? That is the reason why we should go in for retrenchment now. We want to economise and we do want to have the opportunity of suggesting measures for effecting economy in various Departments; but we cannot stop there; we may have to go in for retrenchment. I do not agree that the Government in the Finance Department have always looked only to the interests of the general tax-payer and have not at times allowed the Departments to increase their costs unnecessarily. Now my Honourable Friend, Mr. Cook, gave us figures—very interesting figures—of the various items of expenditure. His idea was to floor my friend Mr. Kale and those who supported him by saying here 'these are the figures, can you show us any method of reducing them?' I am prepared to accept the challenge and I will take item by item and show how we can, if a committee is appointed, reduce the amount. The first item, which is the most important, of 68½ crores for the working expenses of Railways, Posts and Telegraphs, which it is said were required if we were to keep up the efficiency of those services. My point

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is that a committee composed of strong business-men would be able to go into this item and find out whether it was not possible to have retrenchment or economy in those three Departments.

The HONOURABLE MR. E. M. COOK: Sir, I would like to make a personal explanation. I said as regards those working expenses that we might perhaps be able to economise, but we certainly could not retrench without a loss of revenue.

The HONOURABLE MR. LALUBHAI SAMALDAS: My Honourable Friend, Mr. Cook, says that you could not retrench. I say we may. I do not say that we shall be able to do so, but it is just possible that we may be able to show methods of retrenchment without in any way impairing the efficiency of the Department. Let the Departments concerned lay all their cards on the table and let the committee examine them, and then it will be our duty to say—

'Here are methods by which retrenchments can be effected without in any way impairing efficiency;'

if we cannot do it we will say that expenses have gone on quite well; and then as my Honourable Friend, Mr. Khaparde and others have said you could go to the public and say—

'We have the support of these business-men. They have gone into all these Departments' expenditure and they say it cannot be reduced without impairing the efficiency, that is, impairing the income-raising power of those Departments.'

Then, Sir, the next item is Military. My Honourable Friend, Colonel Sir Umar Hayat Khan, said that there was a grievance in the Punjab amongst the military classes, due to the disbanding of two regiments. I quite sympathise with what the

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: May I just say, Sir, that I did not say two; I said two out of every three, that two-thirds had been disbanded and one-third left.

The HONOURABLE MR. LALUBHAI SAMALDAS: The military requirements have been considered, as my Honourable Friend, Mr. Cook, said by the Military Requirements Committee. But I do not know whether that committee had the power to examine the whole of the policy of the Military Department in the country. If it was not the case, is it not time that the whole question of the policy underlying the military service should be examined by a committee composed of His Excellency the Commander-in-Chief and some of his best military men and assisted by business-men who could advise as to where economies could be effected? That is a large question. It has been suggested, as My Honourable Friend, Mr. Sethna, said, it was suggested by two eminent members, one of whom was a member of the other House at

The HONOURABLE THE PRESIDENT: With reference to that, I have no recollection that any Resolution of the kind was moved in this Chamber.

The HONOURABLE MR. LALUBHAI SAMALDAS: Not moved, but was to be moved

The HONOURABLE MR. SETHNA: On a point of personal explanation, Sir, I said it was not reached.

The HONOURABLE MR. LALUBHAI SAMALDAS: That shows that the country is really very anxious to have this question examined very thoroughly by its representatives. There is a feeling among students of that

question that it is just possible—not perhaps to reduce the army, because that is a question on which we laymen have no right to pass an opinion—but that it is just possible, for instance, to reduce some of the British Army and have instead an Indian Army; that is a question that will have to be gone into, whether the number of British officers should be the same, for instance; and all those questions of policy will have to be examined. Will it not be better if one committee went through all these questions of economy and had an opportunity of studying this subject?

Then, the third item is Interest and Annuities. My Honourable Friend Mr. Cook said that we have to incur these charges; I see of course that we cannot reduce it, but a committee can give a lead as to how future loans should be raised. I had a Resolution, Sir, which was not reached, where I said that the sterling loan of 7 per cent. was a mistake by the Secretary of State and his advisers. We do not want such mistakes to be repeated; and a committee appointed to go into this question might suggest as to what should be the best lines on which future loans should be raised. In that connection, Sir, may I refer to an opening remark of my Honourable Friend, Mr. Kale? He said he did not want to refer to the question of currency and exchange. I think he did aright, because if he had spoken on it he would have exceeded the half-hour, since as we saw in the other House the debate took three hours yesterday. But that is also a question on which we non-official members who are business-men and who suffer the most by Government's manipulating the exchange ought to have a right to give some opinion on the subject.

The last item, Sir, is Civil. My Honourable Friend, Mr. Cook, said:

'Are you going to reduce departments? Are you going to interfere with the relations with the Indian States? What about frontier policy? And what about the relations with the British Government?'

These are questions which are very big questions. As regards Departments, I do not know why a committee like that might not be able to say—I hope my Honourable Friends who are sitting here will not misunderstand me when I say that—that departments which are transferred and provincial should not have Executive Members of Council in the Central Government. That is a question that may have to be gone through. Why should Revenue and Agriculture or Education and Sanitation, which are purely provincial and transferred subjects, be represented here? Revenue may not be a transferred subject yet, but agriculture is; and if Members of Council are not here, why should there be those departments? It is a question of policy. And why should we not be given an opportunity of expressing our opinion on such policy?

Now, Sir, I refer lastly to one point. My Honourable Friend said that His Excellency the Viceroy had taken up the matter personally. We are very grateful to His Excellency because it is really a matter of very great importance. You cannot go on increasing taxation without hitting industries and commerce; and hitting industries and commerce means lowering of wages all round; and lowering of wages all round means reducing the consuming capacity of the population and that also reacts on the consumer who will not be able to order things. It goes on in a vicious circle and if we go on like that, it will be making the country poorer and poorer. I am quite sure that His Excellency the Viceroy and Members of the Executive Council have realised the importance of this subject, and having realised it have decided to make an appeal to all the Departments concerned to find out ways as to how expenditure should be

[Mr. Lalubhai Samaldas.] reduced. A special officer with strong financial experience is to be appointed, as my Honourable Friend, Mr. Cook said. My Honourable Friend, Lala Sukhbir Sinha said:

'Why should not our committee be associated with this officer?'

That will meet the demand made by my Honourable Friend, Mr. Kale, for a committee and at the same time, it will merely be a little addition to the expense, as my Honourable Friend, Sir Umar Hayat Khan, said in carrying out this work of making inquiries and retrenchments and economy in the administration. Excepting that the committee might lead to delay or might lead to further extra expense, my friend, the Honourable Mr. Cook, has not shown any reason why a committee should not be appointed. I myself may say that I have not very great faith in committees, but in the absence of any other alternative, I think the best alternative is to have a small committee associated with the special officer appointed under the orders of His Excellency the Viceroy to find out in what way economy should be introduced into the administration. With these words, Sir, I support the Resolution.

The HONOURABLE RAI BAHADUR LALA RAMSARAN DAS: Sir, I rise to support the Resolution which has so ably been moved by my Honourable Friend Mr. Kale. I will not take much time of the Council, as what I wanted to say has already been said by some of my Honourable Colleagues who spoke in its support. My Honourable Friend, Mr. Sethna, has compared the tax on incomes in England with the tax on incomes in India, and in this connection I should like to mention that in India we have got land-revenue which means land tax, and this, as far as I know, does not exist in England. In India, we are assessed at practically 50 per cent. on our net agricultural incomes, and I think Government, if they do consider the question of enhancing the income-tax, will bear this point also in mind. In considering the present situation, I think it will be unwise to launch on a scheme of very high taxation. It will give another tool in the hands of the agitators who are at present creating and fostering discontent. When this Council offers its help to the Government in trying to solve the present financial stringency, I do not see why Government should not take advantage of the offer. There should be a limit to taxation, and that limit, as far as I think, has already been reached.

The HONOURABLE MR. BOROOAH: Sir, I am very glad to hear that His Excellency the Viceroy is trying his very best to find out means to reduce expenditure. But I am of opinion that the proposed committee, if appointed, will greatly strengthen His Excellency's hands. I, therefore, beg to support this Resolution. The Honourable Mr. Kale has made only a very modest demand. He does not want the Government to cut down expenditure arbitrarily or at once. He simply wants a small committee to make inquiries and make proposals. These proposals again are to be concrete, which shows that he makes quite a business-like and practical suggestion. Again, Sir, he does not ask for a purely non-official committee or even one with a non-official majority. It is open to the Government to put on the committee their own members and also their experts. Perhaps, all that the Resolution aims at is, that there should be a strong non-official element in the committee. Sir, I need hardly submit that the non-official members in both the Houses of the Legislature are as much anxious for good and efficient government as their Official Colleagues, and that there is, therefore, absolutely no reason whatever to suppose that they will

embarrass the Government by making unreasonable and impracticable proposals in the committee.

Now, Sir, the reforms have caused an enormous increase in the expenditure, without bringing about a corresponding increase in the income. Some of the Local Governments are working at a considerable loss. Look at Bengal, look at Madras, look at Assam. It is the same everywhere.

Again, as an effect of the great war everybody has been compelled to cut down expenditure. Every business, every industry has drastically cut down expenditure and is practising strict economy. I am not aware of the Government ever being able to do much in this direction. I assure this House that there is a very large section of the cautious, considerate and intelligent people in the country, both officials and non-officials, who hold that there is vast room for economy almost in every department of Government. The remark of some of these gentlemen, when put in modest language, comes to something like this, that economy can be learnt with greater advantage in some of the big business firms than in any Department under Government.

I must also point out here that want of economy and the recent increase in expenditure in Government Departments are some of the causes of the present unrest; and this leads me to believe that the Honourable Mover has put in his Resolution at a most opportune moment.

With these words, I support the Resolution, and I hope, considering the above circumstances, and considering also the modest nature of its demands, there will be very little opposition in the House to the Resolution.

The HONOURABLE MR. V. G. KALE: Sir, I am very thankful to my Honourable Colleagues who have supported, by their speeches, the request that I have made in the Resolution for the appointment of a committee. The attitude which the Honourable Mr. Cook has taken up, on behalf of the Government has come—I cannot say—as a surprise upon me. I must congratulate the Honourable Mr. Cook on the doggedness he has shown in resisting a popular demand for a committee of inquiry. He has thrown down a challenge to me and asked me if it is possible for me to put my finger upon items of expenditure where either economy or retrenchment can be brought about. I do not think, Sir, that it is a very fair challenge to make.

The HONOURABLE MR. E. M. COOK: Sir, I did not make any such challenge at all.

The HONOURABLE MR. V. G. KALE: I am very glad that no such challenge has been thrown down. Had it been thrown down, I would have very gladly taken it up. Government who are in possession of all facts and statistics relating to expenditure are certainly in a position of advantage when compared with their critics. It is easy for Government to come down upon their critics and say: 'well, you are suggesting to us economy and retrenchment, do you think this is practicable?' My reply is that it is practicable. Give us all your facts and figures; allow us to have a glimpse at all your items of expenditure, and I am certainly prepared to show where a large reduction in expenditure can be made. It has also been suggested that we may try to make reductions in expenditure which will stumble upon matters of policy. Now, Sir, I am not afraid of matters of policy. I do not see why the representatives of the people should not be allowed to discuss even questions of policy. In England and other countries the position is otherwise. When a complaint was recently made

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in the House of Commons about the growth of expenditure, the Chancellor of the Exchequer, Mr. Chamberlain, could say:

'I am not here to say that there is no expenditure which might not be prevented. We ought to be striving all the time for this. I am not here to say that there are not small savings to be made, but I do say that a large amount of money is in policy. The problems which involve large expenditure have not been forced upon an unwilling House by an arbitrary Government. They have been called for by the House, and in many cases perhaps forced upon the Government which was reluctant to adopt the measures.'

Now the position in India is quite the opposite. We have not forced any policies upon the Government: we are not allowed to do so. The Government are themselves responsible for the policies which are at the back of many of their items of expenditure. We should very much like to discuss even these questions of policy, policy for example, which is at the back of the expansion of the railways, policy which is at the back of the incurring of a public debt, policy which is at the back even of the organization of the Army. I see no reason why the public should not be taken into their confidence by Government and given an opportunity of discussing such questions. It is upon questions of policy that public opinion is very sore. Public opinion does want that the policy should or should not take a particular turn, because it is upon the direction of policy that public expenditure depends. That being so, I think that Government should not resist a request for a committee. I am very glad that the Viceroy has issued orders to different Departments that they should explore all scope for economy; but I shall not be satisfied with these orders. Such orders have been issued in England by the Prime Minister and the Chancellor of the Exchequer. They have issued orders to different Departments, but over and above that, there have been independent committees. Numerous committees have thus been appointed as I have already pointed out. After all, the administration can be successfully carried on if it inspires confidence in the public mind. What is most urgently needed at the present moment is, therefore, that public confidence in the policy of Government and in the actions of Government, and especially in the financial policy and measures of Government, should be enlisted by Government; and I do not think that Government will be acting very wisely in opposing a request of this character. So far as I see, it is a very modest and a reasonable request, and if it is opposed, the feeling will be created in the public mind that the Government do not want the public to be taken into their confidence. Promises have been made in the past about curtailment of expenditure; those promises have not been carried out, and the present promise will be like those others in the past which did not fructify. I do not want that such an impression should be created in the public mind. Consequently, if a committee is appointed and is associated with the officer that is going to make inquiries into the question—it may be a small committee; I have not named the number; I have not prescribed the composition of the committee;—if a small committee were associated with the officer who is going to make an inquiry, I shall certainly be satisfied and even the public will be satisfied.

With these words, Sir, I request my Honourable Friends to support my Resolution.

The HONOURABLE MR. E. M. COOK: Honourable Members have gone thoroughly into this question, and I really think that there is not very much more to be said. We have, if I may say so, had a most interesting debate, on one of those matters on which, if it is not impertinent for me

to say so, this Council always shows itself at its best. Whatever the result may be, it certainly will have one consequence and that is, it will very much strengthen the hands of the Government in their policy of retrenchment. I am very sorry indeed that the Honourable Mr. Kale has not found it possible to meet us half way. I am very sorry that he is not willing to accept the view that Government should make the first attempt at retrenchment. I am sorry that he has not been able to give weight to the reasons which I gave to the Council as to why it is, on the whole, preferable, if you are trying to achieve retrenchment, that this should be carried out by the method that I have described to the Council. I think I have showed the Council, and I think that it was convinced by what I said, that we are absolutely sincere in this. Now, it is a very unthankful task to seem to be refusing such a request, or to create any impression in the country that Government are not earnest about this matter. If that impression is created, I do not think it will be the fault of the Government. If, as I said in my first speech, we were really not in earnest, if we wanted to shelve this matter, we should undoubtedly have agreed to the appointment of a committee. It is because His Excellency the Governor General in Council is so determined to effect retrenchment to the maximum extent in the shortest possible time that he has decided upon this procedure. I appeal to my Honourable Friend, and I appeal to the Council, to give Government a chance in this matter. Let us see what we can do. If you are not satisfied, then you are of course at liberty to come up again for a committee. It is not that we do not want to retrench; it is not that we have got anything to conceal; it is not that we despise non-official advice or despise business advice; it is because we want to get on with the job; it is because we want to get it done. I take it that my Honourable Friend would have felt better to withdraw this Resolution if there had been some sort of non-official association with the procedure which Government contemplate. I take it that it is also the wish of the Council that, as far as possible, Members of the Legislature and non-officials should be associated with this work which is now shortly to commence. I need hardly say that that view will be brought before His Excellency the Governor General, and I think we can be quite sure that he will attach the greatest possible weight thereto. If it is found possible to associate non-officials with this inquiry that is about to begin, I for one will be pleased. But we want to start it and get on with it. There is one argument that has found its way here, and that is;

'It will set the public mind at rest to have a joint committee of the two Chambers. We shall then be able to go to our constituencies and say: Look here, we have got something' . . .

The HONOURABLE MR. LALUBHAI SAMALDAS: Nothing of the kind.

The HONOURABLE MR. E. M. COOK: At least one Honourable Member said that it would set the public mind at rest. Well, Sir, I admit that that is a very important consideration. But I came here to-day supposing that we were going to discuss the quickest, the best and the most effective method of retrenchment, and not any matter of tactics. I am sure that the public will be convinced, when it reads this discussion, that the Council and Government are of one mind in this matter. I am sorry there has been a difference over this matter of procedure, but I can assure my Honourable Friend, and I can assure the Council, that it does not arise in any way from Government being lukewarm on this vital matter of retrenchment. I, therefore, must conclude by appealing to the Council

[Mr. E. M. Cook.]

to be patient, and in view of what Government itself intends to do, to wait and see what we accomplish.

The HONOURABLE MR. SETHNA: On a point of order, Sir. In view of the suggestion that has fallen from the Honourable Mr. Cook, will it be right to request you, Mr. President, to postpone the voting on this Resolution until to-morrow when we meet? The Honourable Mr. Cook has told us that the views of this Council in regard to one or two members of either House being associated with the Government officer who is to look after the retrenchment in the Departments as decided upon by His Excellency the Viceroy will be duly conveyed and the Honourable Mr. Cook has hinted that His Excellency might accept the suggestion and perhaps Mr. Cook will be able to let us know His Excellency's decision to-morrow.

The HONOURABLE THE PRESIDENT: That is not a point of order. The matter is now ripe for decision after full discussion, and the Council must take its decision. There can be no question of postponing the voting while negotiations are going on. If it is a question of negotiations, the negotiations should have been carried on before the termination of the discussion.

The question is that the following Resolution be adopted:—

'This Council recommends to the Governor General in Council that a committee consisting of members of the two Houses of the Legislature be immediately appointed to explore all possibilities of retrenchment and economy in national expenditure, and to make concrete proposals regarding the same.'

The Council divided as follows:

AYES—13.

Ayyangar, Mr. K. V. R.
Bhurgri, Mr. G. M.
Borooah, Mr. C.
Chettiar, Rao Bahadur S. Rm. M. A. A.
Froom, Sir A.
Harnam Singh, Raja Sir.
Kale, Mr. V. G.

Keshava Prasad Singh, Maharaja Bahadur.
Lalubhai Samaldas, Mr.
Ram Saran Das, Rai Bahadur Lala.
Sethna, Mr. P. C.
Sukhbir Sinha, Lala.
Zulfiqar Ali Khan, Sir.

NOES—19.

Akbar Khan, Major Mohamed.
Amin-ul-Islam, Khan Bahadur.
Bahram Khan, Nawab Sir.
Baker, Mr. C. M.
Barron, Mr. C. A.
Cook, Mr. E. M.
Edwards, Major General Sir W.
Forrest, Mr. H. S.
Lindsay, Mr. H. A. F.
Lloyd, Mr. E. S.

Mayhew, Mr. A. I.
O'Donnell, Mr. S. P.
Rawlinson, His Excellency Lord.
Sarma, Rao Bahadur B. N.
Shafi, Mian Sir M.
Smith, Mr. H. Moncrieff.
Tek Chand, Diwan.
Wood, Sir J. B.
Zahir-ud-din, Khan Bahadur S.

The Resolution was therefore rejected.

ADJOURNMENT OF COUNCIL.

The HONOURABLE THE PRESIDENT: Before I adjourn the Council, I should like to ask Honourable Members a question. There is one more Resolution on the paper for to-day. To-morrow there is very little work

and this Resolution might perhaps be taken to-morrow instead of this afternoon.

(The proposal was agreed to).

I think then that the view of the House is that the remaining *Resolution, which runs as follows, be taken to-morrow:—

* 'This Council recommends to the Governor General in Council that steps be taken to increase the number of Indians in the higher grades in the service of the Port Trusts and to lay down a definite policy in regard to the same for the future.'

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, with regard to the proposal which you have been pleased to place before the Council there is one observation I should like to make. Under the Rules of Business on days other than those which have been allotted by the Governor General in Council for non-official work, no non-official work can be taken without the consent of the Governor General in Council. The rule which lays this down is rule 20. On behalf of the Governor General in Council, however, I am agreeable to this postponement.

The HONOURABLE THE PRESIDENT: I am much obliged to the Honourable Member for drawing my attention to that rule. The rule is a new one and was not included in the rules framed by the Parliamentary Committee. I much regret that it escaped my attention and thank the Honourable Member for bringing it to my notice. It is possibly a matter which will subsequently come before the House in another form.

The Council then adjourned till Thursday, the 26th January, 1922, at Eleven of the Clock.

COUNCIL OF STATE.

Thursday, the 26th January, 1922.

The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

MESSAGE FROM LEGISLATIVE ASSEMBLY.

The SECRETARY OF THE COUNCIL: Sir, a message has been received from the Legislative Assembly.

The HONOURABLE THE PRESIDENT: Let the message be read.

The SECRETARY OF THE COUNCIL: *Sir, I am directed to inform the Council of State that the following motion was carried in the Legislative Assembly at their meeting on the 25th January, 1922, and to request the concurrence of the Council of State in the recommendation contained therein, namely:*

'That this Assembly do recommend to the Council of State that the Bill to establish and incorporate a unitary teaching and residential University at Delhi be referred to a Joint Committee of this Assembly and of the Council of State, and that the Joint Committee do consist of fourteen members.'

CONSENT OF GOVERNOR GENERAL IN COUNCIL TO NON-OFFICIAL BUSINESS ON OFFICIAL DAYS.

The HONOURABLE THE PRESIDENT: Before we proceed to the business of the day, I would ask Honourable Members to turn to page 55 of the red book "The Manual of Business and Procedure of the Council of State", which contains the rules known as the Indian Legislative Rules. As Honourable Members are aware, our procedure in this Chamber is governed by two distinct classes of regulations, the one consists of rules made by the Governor General in Council under section 129A of the Government of India Act with the sanction of the Secretary of State in Council, over which this Chamber has no power; the other of Standing Orders, which are made by this Chamber subject to the assent of the Governor General. If Honourable Members will turn to the page to which I referred, they will see that an important alteration has been made in these rules. Rule 6 is the rule in question. Rule 6 originally ran:

'The Governor General, after considering the business of the Chamber, shall, at the commencement of each Session of that Chamber, allot as many days as are in his opinion compatible with the public interests to the business of non-official members in that Chamber and may, from time to time during the Session, alter such allotment, and on these days such business shall have precedence. At all other times, Government business shall have precedence.'

It now runs:

'6. The Governor General, after considering the state of business of that Chamber, may allot so many days as may, in his opinion, be possible compatibly with the public interests for the business of non-official members in that Chamber, and may allot different days for the disposal of different classes of such business, and, on days so allotted for any particular class of business, business for that class shall have precedence. On other days no business other than Government business shall be transacted except with the consent of the Governor General in Council.'

[The President.]

This new rule was communicated to me in a somewhat unostentatious manner. It was probably also communicated to other Honourable Members of the Council in the same way. It was communicated to me by means of a correction slip. I, therefore, think it proper publicly to invite the attention of this Chamber to the change that has been given effect to. I have no intention whatever of discussing the propriety of the provisions of the rule, but I want to explain, for the information of Honourable Members, that the rule as it stood was a rule of precedence and precedence only. It admitted of non-official business being transacted on official days, and it admitted of official business being transacted on non-official days. The rule laid it down that the special business of the day should have precedence and that the business which had precedence should be disposed of before the other business was touched. Therefore, if the business of the day—the strict business of the day—took up the whole time of the Council, there was no time available for any other class of business, but if it did not do so, then the time could be made use of. The new rule, as I construe it—and I think there is no other construction possible—lays down that on days set apart for Government business no other business can be transacted except with the consent of the Governor General in Council.

I regret that yesterday this new rule had escaped my attention. The Honourable Mian Sir Muhammad Shafi very properly drew my attention to the rule. I do not think myself that the rule will cause any great inconvenience, because there are other provisions in the Act, rules and orders which are known to the Council. It will certainly require to be carefully borne in mind by the Chair in fixing the dates for meetings, and it will, I think, possibly make it slightly more difficult to provide—at any rate in this Chamber—for the most economical disposal of the time available. As I have said, the rule was communicated in an exceedingly unostentatious manner, and therefore I think Honourable Members should take care that their copies of the rules are corrected lest they fall into the same mistake as I fell into yesterday.

The HONOURABLE MR. BHURGRI: May I ask, Sir, one question on this matter? This is a very important change as it takes away a certain right of this Chamber. If I understand the rules correctly, and section 129A of the Government of India Act, it is incumbent on Government not to make any change in the rules without laying it on the table of both Houses of Parliament and getting their assent. Has that been done in the present case? I should also like to know whether you, Sir, as President, have been consulted?

The HONOURABLE THE PRESIDENT: I think when a rule is promulgated by Government, the presumption is that everything has been done that ought to have been done. At any rate as far as the Chair is concerned it must adopt the maxim *Omnia praesumantur rite esse acta*.

DELHI UNIVERSITY BILL.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, I have the honour to move that this Council do agree to the recommendation of the Legislative Assembly that the Bill to establish and improve

the Joint Committee do consist of 14 members instead of 12 as in the Resolution recorded on the Agenda.

Honourable Members will have seen from the statement made by the Law Officers that in the other House by the motion which was carried yesterday and which has been sent up for the information of this House, they have resolved that the Joint Committee should consist of 14 members; and as under the rules the number nominated by both the Chambers is to be exactly equal, we will have to nominate 7 instead of 6 members as originally proposed. Honourable Members are aware that, after the Bill has been considered by the Joint Committee, the next motion in this House will be for the consideration of the Bill as it emerges from the deliberations of the Joint Committee. That will be the stage when, while placing the motion before the Council, to discuss some of the important features of this legislation. At this stage I need only say that the establishment of a University in the Imperial City of Delhi formed an integral portion of the scheme for the transfer of the Capital of India from Calcutta to Delhi. Owing to the World War and various other causes, which it is unnecessary to mention to-day, the scheme could not be taken in hand until only recently. I am sure all Honourable Members will recognise that the Imperial Capital of India should have a University of its own. Moreover, the existing state of things, under which the Provinces of Delhi, the Punjab and the North-West Frontier Province, with a population of something like 40 millions, have a single University at Lahore catering for the educational needs of the huge population of these areas is, to say the least, not very satisfactory. The complications which at present exist, in regard to the situation which I have described, place considerable difficulties in the way of the authorities of the Punjab University at Lahore in introducing reforms in accordance with the recommendations of the Sadler Commission. Here at Delhi, we have already got three Arts Colleges and also a Medical College as the nucleus of the University which we seek to establish in the Imperial City. It is true that, in view of the financial stringency which we have to face, the permanent scheme cannot at once be taken in hand, and, therefore, the Bill embodies what I might call a transitional stage of this legislation—that is to say, a provisional scheme for the immediate establishment of the University, and an ultimate scheme for its completion when financial conditions permit. With these few words, Sir, with your permission, I place the motion before the House.

The HONOURABLE MR. BHURGRI: May I know, Sir, as the Bill is not before us, how we can discuss the provisions of the Bill. I understand that the Bill is not now before the House.

The HONOURABLE THE PRESIDENT: The Bill is not before the House, but the Bill has been circulated and Honourable Members must have copies. I have a copy on my table.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: The Bill is in the hands of every Honourable Member.

The HONOURABLE MR. BHURGRI: It is not for any motion, such as first reading, or second reading.

The HONOURABLE THE PRESIDENT: I understand the Honourable Member's difficulty. The only question now before the House is, whether it will concur in the Resolution passed in the Legislative Assembly. That is the object of this motion.

The HONOURABLE MR. BHURGRI: Exactly, Sir.

The HONOURABLE MR. V. G. KALE: Sir, as one closely associated with higher education for more than seventeen years and as one deeply interested in the progress of University education in this country, I am very glad to find that Delhi is going to have a University of its own. We are now called upon in this Council to assent to a suggestion which has come from the other House for the appointment of a Joint Committee to consider the University Bill which has already been circulated. I should have expected the Honourable Member opposite to have explained at some length the principles underlying the scheme of the Delhi University. At this stage we are not expected to go into the details of the scheme. Those details will be duly considered in the Joint Committee. We have, at the present moment, to restrict ourselves to the several principles underlying the University scheme. I should have very much liked to know from the Honourable Member for Education what the peculiar features of the Delhi scheme are going to be. It has been briefly stated in the Statement of Objects and Reasons to be found at the end of the Bill which has been printed and circulated, that the Delhi scheme will be just on the lines of the Dacca and Lucknow schemes, with certain slight modifications. I do not, however, know exactly how the constitution of Dacca and Lucknow is going to be fitted into the conditions prevailing in Delhi. For example, we are told that it is going to be a unitary University, a teaching University and a residential University. We have been told, at the same time, that there are only three Arts Colleges in existence in Delhi and a Medical College. I want to know whether these will be parts of the University from the very beginning, or whether they will be allowed to have an independent existence. If the latter is to be the case, for how many years will it be? What will precisely be the position of these constituent parts? Will they be University Colleges or independent Colleges, somehow or other associated with the University? Then again, I should like to know where the University will be located. We are entirely in the dark about this important question. Where is it going to be located? What buildings, what equipment, is the University going to have? Whether there will be new buildings, new laboratories, new hostels, or whether the old Colleges are to retain their old buildings, their hostels, if they have any; and in how many years is this full scheme likely to fructify? Then, again, we have been told nothing about the financial aspect of the scheme. There is an academic aspect of the scheme, but to my mind the financial aspect of the thing is equally important. How much money is the Government going to spend over it? What will be the Government's annual contribution to the University? What will be the initial and non-recurring expenditure? We know that Universities are very costly. The cost of buildings alone in these times is sure to be enormous. I should have been glad to know how much the Government of India is going to spend upon the Delhi University. Much will depend upon the contribution that the Government of India makes to the finances of the new University. Perhaps there will be considerable Government control because there will be Government money in the University. Therefore, I should like to know to what extent Government control is going to be exercised in view of the fact that Government funds will be placed at the disposal of the University. Certainly the Colleges in Delhi require a good deal of financial and other assistance, being in the difficult position in which they are placed to-day, especially with reference to the teaching of the Honours Courses. I am not jealous of the good fortune of the Delhi Colleges. I am not jealous of the fact that the Capital of India is going to have a University of its

own. But nothing has been said in this Council as to whether Delhi is ripe for a University. When the Government of India is going to spend its funds upon a new University, I should like to know whether other centres of education in the country, which have long been more than ripe for a University, have no better claims to Government assistance than Delhi. As the Capital of the Government of India, we are told that Delhi ought to have a University of its own. What is the number of students in Delhi who will be able to take advantage of this University? So far as I see, there are no more than 600 students all told in all the Colleges in Delhi. I am also told that not more than 200, or 250 at the most, will be able to take advantage of the facilities of a Delhi University. There are other centres in India which have thousands of students and want a University very badly. I have in mind my own place, Poona.

(A voice: Ahmedabad.)

The HONOURABLE MR. V. G. KALE: My Honourable Friend suggests Ahmedabad. Certainly. There are already in existence five Colleges in Poona—three Arts Colleges, one Engineering College and an Agricultural College. The student population there is very large. It is a great educational centre, and has a special educational atmosphere. But it has not yet got an independent University. I do not see why the claims of such educational centres should be set aside in favour of an Imperial University at the Imperial Capital. I believe that matters are not yet ripe in Delhi, so far as one may judge from the information that is available to us. The Honourable Member opposite tells us nothing about this aspect of the question. Simply because Delhi has become the Indian Capital, it does not follow that it should have a University. A University for Delhi will, to my mind, be a sort of costly luxury at the present time. Whereas a University is a necessary of life, so to speak, in other centres, in Delhi it will be an expensive luxury. If we are going to provide new buildings and new sites, everything new in fact, if we are going to have new laboratories—and laboratories will have to be provided for a Science College—I do not know whether one crore of rupees will be enough for the building up of such a University as is contemplated, and whether the Government of India will have at its disposal sufficient funds to spend upon this University. We also do not know whether private contributions are available. What funds are already there to form the nucleus of the resources of the new University, we do not know. Information should have been given to us in this regard. Then, I should like also to say something about the constitution which has been proposed for the University in the Bill before us. Of course, it is open to modification in the Joint Committee that will consider the Bill. From what I see in the Bill, however, too much power has I think, been vested, under the constitution, in the hands of the Government. In the new Universities which are cropping up and will crop up in several parts of the country, Government control should really be the minimum absolutely necessary. I do not see why the control of Government should be maintained in the working of these Universities to the extent to which it has been contemplated in the Bill which is before us. It is those who are directly connected with the University, teachers in Colleges and the public, that ought to have the bulk of the control of the University in their hands. Simply because the Government of India will contribute largely to the funds of the University, it ought not to keep in the hands of the Governor General or other officer a large amount of control of the Delhi University. Simply because the Government of India will be contributing largely

[Mr. V. G. Kale.]

to the funds of the University, they ought not to keep in the hands of the Viceroy and Governor General a large amount of control over the University. These are very important matters on which I should have liked to be enlightened. Under other circumstances, I would have opposed the motion before the House. I do not, however, want to be discourteous to the other House. The suggestion embodied in the motion has come from that House. It has been, however, fully debated there; while from the side of Government sufficient information has not been vouchsafed to us in this House. Inasmuch as the proposal has been placed before us, I want to make it clear that I do not want to stand in the way of the University being established in Delhi. But I cannot make up my mind on the subject even on matters of principle which we are considering to-day in the absence of the essential information to which I have referred, and I would ask my Honourable Friend to enlighten me. I think many other Members of the House are in the same position in which I stand in regard to the essential features of the scheme which we are being asked in principle to adopt.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: I support my Honourable Friend Mr. Kale to a large extent, but if the motion is carried that there should be a University at Delhi, all that I suggest is that it should be at arm's length from the city of Delhi, like ~~Kanpur~~ ^{Kanpur} College, Amritsar, for the reason that the atmosphere, specially at the metropolis generally, is not very right, as we have seen when the Government of India was in Calcutta, and as we now see when the Government of India has moved to Delhi. If the students are in the middle of a city like Delhi, I think it will be injurious to them, as it is inadvisable for them to enter into politics. All that I ask is that if Delhi should get this luxury, the University should be some three or four miles out of the city where the people should not frequent the colleges. The boys also should remain at the hostels and not come to the city.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, I am much obliged to my Honourable Friend, Mr. Kale, for the welcome he extended to the legislation which is now to go to a Joint Committee. During the course of his speech, he complained that I did not describe to this House the principal features of the Bill. I was under the impression that, the Bill having already been placed in the hands of Honourable Members and the Honourable Members having read the Statement of Objects and Reasons, which embodies the principal features of the proposed scheme, it was perhaps at this stage unnecessary for me to take up the time of the House, particularly when the motion which is before the House does not really require my dealing with the features of the scheme itself. Even a cursory glance at the Statement of Objects and Reasons will show to Honourable Members that the scheme of the proposed University at Delhi is modelled on the lines of the University at Dacca. I presume that Honourable Members are familiar with the principal features of the Dacca University. The points in which the proposed scheme differs with the Dacca University are described in the Statement of Objects and Reasons of the Bill. As I said in my opening speech, I do propose to explain the scheme in somewhat greater detail when the next motion for consideration of the Bill itself is placed before the House, and I, at any rate, was under the impression that at this stage it was not necessary for me to take up the time of the House by discussing the principal features of the scheme itself.

My Honourable Friend, Mr. Kale, has further asked me to state whether the Colleges now in existence in Delhi will form an integral part of the University and what their position will be in the scheme which we have formulated and placed before the two Houses. There, I think, I can satisfy him. These Colleges will be an integral part of the Delhi University, and I may mention to him that the Education Department, or rather the representatives of the Education Department, have had more than one meeting with the authorities of these Colleges and have discussed the principal features of the scheme with them so that we have been acting in conjunction with the authorities of these Colleges in formulating the scheme. My Honourable Friend also wanted to know where the University will be ultimately located. The University will ultimately be located in the new City of Delhi, otherwise called Raisina. At present during the transition stage the University will be in the old city where the three Colleges and Hostels at present are situated. My Honourable Friend further asked me when the University scheme will be completed. That is a question which, it is obvious, I am at this moment not in a position to answer. The cost of the whole scheme as estimated in the Department is Rs. 34 lakhs, and it is obvious that in erecting the various buildings which will be required in order to complete the scheme, our financial condition will naturally have to be borne in mind, so that the buildings will probably be undertaken gradually by instalments just as the Imperial Capital itself is being erected by instalments. In these circumstances, at this moment it is impossible for me to say within how many years the whole scheme of buildings in connection with the new University will be completed.

My Honourable Friend also asked a question somewhat to this effect: What about the other educational centres in India whose claims in so far as establishment of new Universities are concerned are superior to those of the Imperial City of Delhi? Perhaps it would be sufficient for me to point out to him that, so far as these educational centres which he has in view are concerned, the matter does not rest in the hands of the Government of India. It rests in the hands of Provincial Governments. So far as the Government of India are concerned, I am not aware of any other place having so direct and so important a claim as an educational centre on the Government of India as the Imperial City of Delhi. Other educational centres there may be in various parts of the country in which the existing educational conditions probably require that the question of establishment of Universities in those places should be taken in hand. But that is a matter for the Provincial Governments or the Ministers who are now in charge of education in the provinces, and not a matter for the Government of India.

My Honourable Friend also threw out a suggestion that the bulk of control in our proposed scheme should be in the hands of non-officials. This is a matter to which I have no doubt the Joint Committee will give its careful consideration, and as the question will come up for final decision before this House, I have no doubt that the House itself will have ample opportunity of pronouncing its opinion upon the scheme with regard to control as it will emerge from the deliberations of the Joint Committee.

My Honourable Friend, Colonel Sir Umar Hayat Khan, emphasised the necessity for establishing the University at a place which, to quote his own words, should be "at arm's length" from the City of Delhi, so that our students may not have to live in environments which my Honourable Friend

[28TH JAN. 1922.]

[Mian Sir Muhammad Shafi.]
deprecates. As I have already mentioned, the ultimate aim is to establish the buildings connected with the proposed University at Raisina. I hope that that statement will satisfy him, in so far as his anxiety is concerned.

I do not think, Sir, that I need detain the House longer. I hope I have made the position, in so far as it is necessary for me to do so at this stage, clear.

The HONOURABLE THE PRESIDENT: The question is:

'That this Council do agree to the recommendation of the Legislative Assembly that the Bill to establish and incorporate a unitary teaching and residential University at Delhi be referred to a Joint Committee of the Council of State and of the Legislative Assembly, and that the Joint Committee do consist of 14 members.'

The motion was adopted.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, I beg to move that the following seven Members of the Council of State be nominated to serve on the Joint Committee to consider and report on the Bill to establish and incorporate a unitary teaching and residential University at Delhi, namely:—

The Honourable Raja Sir Harnam Singh, the Honourable Mr. Mayhew, the Honourable Dr. Ganganath Jha, the Honourable Sir Zulfiqar Ali Khan, the Honourable Mr. Bhurgri, the Honourable Mr. Lalubhai Samaldas and myself.

The HONOURABLE MR. BHURGRI: May I move an amendment, Sir?

The HONOURABLE THE PRESIDENT: The Honourable Member asked me if he could move an amendment. Certainly, subject to this, that the Council have already agreed to a Committee of seven Members. Therefore, if you move any amendment, it must be to substitute another name for one of the names already mentioned.

The HONOURABLE MR. BHURGRI: I propose the name of the Honourable Mr. Kale instead of my own name.

The HONOURABLE THE PRESIDENT: Has the Honourable Member obtained the consent of the Member whose name he proposes?

The HONOURABLE MR. BHURGRI: Yes, Sir. I have spoken to him, and he has consented.

The HONOURABLE THE PRESIDENT: The following amendment has been moved:

'That for the name of the Honourable Mr. Bhurgri the name of the Honourable Mr. Kale be substituted.'

That question is now open to debate.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: I accept the amendment on behalf of Government.

The HONOURABLE THE PRESIDENT: The question is:

'That for the name of the Honourable Mr. Bhurgri the name of the Honourable Mr. Kale be substituted.'

The amendment was adopted.

The HONOURABLE THE PRESIDENT: I will now put the motion as amended, namely:—

'That the following seven Members of the Council of State be nominated to serve on the Joint Committee to consider and report on the Bill to establish and incorporate a unitary teaching and residential University at Delhi, namely:

The Honourable Raja Sir Harnam Singh, the Honourable Mr. Mayhew, the Honourable Dr. Ganganath Jha, the Honourable Sir Zulfiqar Ali Khan, the Honourable Mr. Kale, the Honourable Mr. Lalubhai Samaldas and the Honourable Mian Sir Muhammad Shafi.'

The motion was adopted.

INDIAN CRIMINAL LAW AMENDMENT REPEALING BILL.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I move for leave to introduce a Bill to repeal certain provisions of the Indian Criminal Law Amendment Act, 1908.

As Honourable Members are aware, the Committee which was appointed in March last to examine and report on certain special enactments recommended the repeal of Part I of the Criminal Law Amendment Act, and this Bill is designed to give effect to that recommendation. The Committee in their Report stated fully their reasons for recommending the repeal of Part I, and, as that Report is familiar to all Members, it is not necessary for me to repeat those reasons.

The motion was adopted.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I introduce the Bill.

SPECIAL LAWS REPEAL BILL.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I beg to move for leave to introduce a Bill to repeal certain special enactments supplementing the ordinary criminal law.

As Honourable Members will remember, the Committee appointed in March last recommended the total repeal of certain special enactments, and this Bill is designed to effect the total repeal of those enactments. The Committee also recommended the amendment of Bengal Regulation III of 1818 and the analogous Regulations in Bombay and Madras. The amendments proposed are of a difficult and complicated character and are at present under consideration in consultation with the Secretary of State. In the meantime, it has been thought desirable to proceed at once with this measure, which is of a simple character, effecting the total repeal of those enactments, the total repeal of which was recommended by the Committee.

The HONOURABLE MR. BHURGRI: May I ask the Honourable Member whether he will be able to introduce a Bill for the amendment of those Regulations in this Session.

The HONOURABLE MR. S. P. O'DONNELL: As I have stated, that matter is under consideration in consultation with the Secretary of State, and I am afraid it is not possible for me at the moment to say when a decision will be arrived at.

The motion was adopted.

[26TH JAN. 1922.]

The HONOURABLE MR. S. P. O'DONNELL: Sir, I introduce the Bill.

The HONOURABLE THE PRESIDENT: We will now take up the Honourable Mr. Sethna's Resolution which was left over from yesterday's Agenda.

RESOLUTION RE INCREASE OF INDIANS IN THE PORT TRUSTS.

The HONOURABLE MR. SETHNA: Sir, I beg to move that—

'This Council recommends to the Governor General in Council that steps be taken to increase the number of Indians in the higher grades in the service of the Port Trusts, and to lay down a definite policy in regard to the same for the future.'

In answer to a question put by me in February of last year, the then Commerce Member, Sir George Barnes, laid a statement on the table which appears on page 531 of Volume I of the Council of State Debates. In accordance with that statement there are in the five principal Port Trusts of India, namely, Calcutta, Bombay, Madras, Rangoon and Karachi, as many as 439 appointments carrying monthly salaries of Rs. 500 and upwards. My question requested Government to give in tabular form, not only the total number of appointments, but also the number of Indians in the service of the five Port Trusts I have named, and in three different groups consisting of men receiving salaries of Rs. 500 to Rs. 1,000, Rs. 1,000 to Rs. 1,500 and Rs. 1,500 and over. Out of this total of 439 the Council will be surprised to learn that there are as few as 27 Indians, or only 6 per cent. of the total number. My inquiry did not include particulars with regard to the two smaller Port Trusts at Aden and Chittagong, and, were their figures included, I would not be surprised if this percentage would perhaps be yet smaller.

But, Sir, the position is really much worse than what it appears to be at first sight, for whilst only 6 per cent. or 27 Indians are in receipt of salaries of Rs. 500 and upwards, it will be a revelation to the Council to know that every one of these 27 Indians is within the group which receives salaries of Rs. 500 to Rs. 1,000, and there is not one single Indian in the other groups carrying monthly salaries of Rs. 1,000 and more; and in those groups the total number of appointments is 168. It will be interesting to know which of these five Port Trusts have favoured even to a limited extent the employment of Indians even in the lowest of the three groups I have named, namely, carrying salaries from Rs. 500 to Rs. 1,000. In this group Calcutta has 147 appointments, of which only 10 are held by Indians. In Bombay 10 are held by Indians out of a total number of 79. There are only two Indians out of 21 in Rangoon; a like number out of 9 in Madras, and not a single Indian in any of the groups in Karachi.

The HONOURABLE SIR ARTHUR FROMM: There are 13 out of 79 in Bombay.

The HONOURABLE MR. SETHNA: Quite right. I beg your pardon. There are 13 out of 79 in Bombay. Well, of the two big Trusts, Calcutta and Bombay, Calcutta is the greater sinner. But the colour bar is most rigidly observed in Karachi where there is not one single Indian in any one of the three groups I have specified. If these figures, therefore, are carefully studied, I am sure Honourable Members will realise that the Port Trusts have greatly neglected the employment of Indians in the higher appointments. The question, therefore, requires to be looked into and remedied.

My Honourable Colleague, Sir Alexander Murray, put a question the other day in this House to inquire if it was the intention of Government to adhere to the policy of retaining a British element in the Indian public services. I for one would certainly not do away with the British element. On the contrary, I firmly believe that the British connection is of great advantage to this country, and I also believe that the British element in the different services—at any rate during the transition period—is absolutely essential. But I also believe and recognise that the gradual Indianisation of the services is now a policy which will have to be adhered to, and that it is not a wise policy that the loaves should be kept for one section of the community and only a few crumbs be thrown at the other, as the Port Trusts are doing as I hope I have proved from the figures I have quoted to the House.

A time was, when there were some Europeans—fortunately only a few—who harboured a strong sentiment against letting Indians share in the scientific command over the forces of nature. A striking example of such dogged illiberality is to be found in the Memoirs of a former Surveyor General who wrote as follows:—

'It is suicidal for Europeans to admit that natives can do anything better than themselves. In my own surveying parties I never permit a native to touch a theodolite or make an original computation on the principle that the triangulation or scientific work was the prerogative of the highly paid European.'

It is fortunate, Sir, that such a feeling was confined to a narrow few and that whatever may have been the case before, a broad-minded policy has now been laid down and is being gradually materialised. In another place, as recently as September last, in answer to a question, a statement was laid on the table to show the percentage of Indians employed in the different Imperial public services in this country at the present day. These percentages are: Indian Educational 38, Engineering 38, Agricultural 26, Customs 28, Forests 14½, Civil Service 13 and Medical 11. These are the present percentages which are to be increased annually until they are raised to 50 per cent or as near thereto as is laid down in each case. I would ask Honourable Members of this Council to compare these percentages with the two statements I have made, namely, not one single Indian in the 168 appointments in the gift of the five major Port Trusts in this country, and the second statement that only 6 per cent. of the total number of 439 appointments carrying salaries of Rs. 500 and upwards are at present taken up by Indians. Even in the Imperial Police service where the percentage to-day is as low as 5, Government are pledged to increase it to 33 generally and a slightly lower percentage in some particular provinces in the country. I ask, Sir, the Members of this Council, official and non-official, if any one of them approves of the attitude of the Port Trusts indefinitely excluding Indians from the higher appointments.

I quite realise that Port Trusts are a provincial subject, but I also realise that it is not a transferred but a reserved subject. I contend therefore that as a reserved subject it comes under the review of both Houses of the Central Government. I also recognise, and I believe, that if the Port Trusts have been assigned to the Provincial Governments, it is more on the score of convenience. The administration of a port affects as much the port itself as the large hinterland behind it for which such a port is an outlet. The administration of the ports of Calcutta, Karachi and Bombay is as much a matter of concern, not only to those ports, but to very large areas behind them as, for example, such a far away place as Delhi, where we are now assembled, for the exports from Delhi and the

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imports to Delhi must be from one or other of these ports. It is, therefore, Sir, I contend that the Port Trusts are assuredly a subject of Imperial interest.

I trust the Government of India will not take shelter under the technical excuse that they can do nothing because it is a provincial subject. But I hope at least that they will take it upon themselves to make a very strong representation to the Provincial Governments to see that the different Provincial Port Trust Acts are so amended that, in the future, a larger representation is given to Indian commercial and other interests, for, as we know at the present moment, Indian interests are almost neglected in the different Port Trusts with the exception perhaps of Bombay, where Indian interests are represented to a small extent. Of the five principal Port Trusts, according to the figures I have given, Bombay perhaps has shown comparatively a little more partiality for the employment of Indians in the lowest of these groups, for there are 18 Indians in 79 posts. The reason, as I just now explained, is partially due to the fact that there are 5 Indians there out of 18 on the Board of the Bombay Port Trust, and I believe that the number of Indians, I mean Indian trustees on the Boards of the other Port Trusts, is even much smaller. In these circumstances, I say that a recommendation from the Government of India for the amendment of the Acts will indeed help matters very considerably.

If it be argued at all that because of the technical nature of the work of the Port Trusts Indians are incompetent to fill the highly paid positions, I will say there are hardly any positions there which Indians cannot fill at the moment, except perhaps Harbour Masters and Pilots, and I am not sure if Pilots are included in the total number of 439 appointments. At any rate the Bengal Pilots could not have been included, because I understand they belong to a separate service, known as the Hooghly Pilot Service. However, my friend the Honourable Mr. Lindsay may be able to throw some light on the question. It may be that at the present moment there cannot be found Indians capable of filling the very topmost positions, but I certainly hold that Indians are available who can fill most of the superior posts, and fill them with as much distinction and efficiency as their European equals. I do not complain so much of the policy of the Port Trusts of depriving Indians of immediately earning larger emoluments as I do complain of their policy of definitely excluding Indians from gaining experience in the working of the administration of the Ports, which by degrees Indians will have to carry on by the gradual process of Europeans diminishing in numbers, and the entire Department being carried on by Indians exclusively as time goes on as is expected to follow in the ordinary course of affairs. Sir, in the last Administration Report of the Bombay Port Trust, after the names of the Trustees there is, as usual, a page giving the names of the different officers in the different Departments. In that long array of names we find 10 in the Engineering Department, 4 in the Port Department, 4 in the Secretary's Office, 4 in the Accountant's Department, 7 in the Docks, 2 in the Land and Bunder Departments, 4, on the Railways, 1 in the Stores, and 2 in the Medical Department, which means a total of 38 excluding the Chairman. In this formidable list we find only one Indian. That name stands at the bottom of the page. He is the junior Medical Officer,—and he is not a European because, I believe, a European cannot be found to take up the position of the Junior Medical Officer on the pay which the present incumbent is getting and which, trusting to memory, I think, is less than Rs. 500.

I hope, Sir, I have made out a case for the Government of India to admit that the question does require to be looked into, and that early steps should be taken for the amendment of the Port Trust Acts in the manner I have indicated, and for the Government of India to point out forcibly to the different Provincial Governments that the Port Trusts, which are quasi-Government bodies, should follow the policy laid down of the gradual Indianisation of their services. Since the Reforms have come into existence a certain section of the Press has often urged that Indian politicians make loose allegations against anything and everything European. This very morning's "Statesman" has a leaderette in which it says:—

'It is time that influential Indian politicians and merchants reflected on the truth of the allegations to which they propose to give publicity. A falsehood once put into currency is difficult to overtake, and common decency demands a sense of responsibility in the making of statements from a public platform.'

I do not deny that this may be the case on occasions, but I hope this Council is satisfied that the facts which I have given can be nothing else but true, because they are based on the statements supplied by Government, and I hope that the same common decency which this paper refers to and which demands a sense of responsibility on the part of honest journalists as well will make them admit that when Indians bring forward grievances such as I have ventured to do and which dare not be denied, the Government of India should strongly support those Indians and try to remedy the grievances as for example those which I have tried to-day to put before the Council in regard to the Port Trust appointments.

The HONOURABLE-MR. ANNAMALAI CHETTIYAR: Sir, the Government of India have expressed more than once their laudable desire to increase the Indian element in all the services, and as a matter of fact this has been given practical effect to in certain of the services, but in the services now under discussion it is most regrettable and highly surprising that out of 439 appointments which carry a salary of Rs. 500 and over only 27 are held by Indians. It is still more regrettable, and here I take the Honourable Mr. Sethna's figures to be correct—and they are obtained from the Government of India—that out of 168 appointments of Rs. 1,000 and over, there is not a single Indian. Is it to be assumed that the Local Governments have not given any attention to this? Or is it to be taken that the disproportion of Indian representation on the Port Trust Boards is responsible for this state of things? It may be said—I do not know what the Honourable Mr. Lindsay will say—that the Government of India have nothing to do with the subject. I admit that the Government of India have no direct control and supervision over the Port Trusts, but I ask, when a state of things such as the Honourable Mr. Sethna mentioned just now is prevailing, whether it is not all the more necessary for the Government of India to intervene and set matters right. When there is a growing desire that all the services should contain a majority of Indians, and when the Government of India, admitting the force in the demand, have conceded and are conceding to the wishes of the people, it is but natural that not only the services under the Port Trusts, but also the Port Trust Boards, should be thrown open largely to Indians.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, there cannot be two Indians who can differ on such a Resolution. But the arguments that I want to put are a little different. Just as they say that the theatre of the war has changed from the West to the East, in the same way in India, the trouble has changed from the Port Trust side and land frontier sides to inside the country. If there was any necessity for keeping certain things secret in the port in the past, I think there is no need now, as

[Colonel Sir Umar Hayat Khan.]

Germany has been crushed and all the other people have agreed about the ships and Navy and have concluded peace in a way. But, Sir, there is another trouble. The fight is going to be between Indians and Indians, and extremists or hooligans are going to fight against the respectable and responsible classes. Therefore, Sir, it is the business of Government to see that all those who are on the side of law and order and are responsible people enter such bodies so as to gradually control not only the ports but also the various other institutions. Then again, it has been wisely said that we are in great need of the English people in India in the Army and Navy and other important departments, because this sham unity may break and the various classes may fight. Then the best people to put an end to the trouble will be the neutrals who will control the country. When I was in Basra, I saw the Basra people were used as pilots and not others. Indians as pilots could do the work just as much as anybody else, knowing the country and the ports. Then again Lascar Indians who were on the ships did their work in a very commendable way in the war, so much so that there was an idea to have a memorial to them. I think, Sir, that if Indians are given chances, they will gradually do well, in the same way as our own colleagues here are doing in the Executive Council and elsewhere. Those who have been given chances have taken them and proved to be the right men in the right places. If Government also help more Indians to be taken into the Port Trusts, I think they will be doing the right thing.

The HONOURABLE LALA RAM SARAN DAS: My friend the Honourable Mr. Sethna has moved his Resolution in so forcible and convincing a manner, that I do not want to speak any further in his support. But I expected from Mr. Sethna, he being a member of the Bombay Port Trust, to let this Council know what practical difficulties he experienced in promoting the junior men to the higher services, because we would then be in a position to know how able Indians are kept back from higher appointments. The time has now come, Sir, when Government ought to fix the percentage of Indians in the different departments, and as far as the Port Trust Services are concerned, Indians should be given their proper and fair share.

The HONOURABLE SIR ARTHUR FROMM: Sir, it is with a certain amount of diffidence that I rise to say a few words in connection with the Honourable Mr. Sethna's Resolution. I am and have been for a number of years a trustee of the Port of Bombay, and were I to support Mr. Sethna's Resolution *in toto*, I feel I should be criticising myself. I would rather leave it to others to do that for me. For another reason, however, I cannot accept Mr. Sethna's Resolution, as it is in effect a suggestion or a recommendation to Government to usurp the duties of the trustees themselves, and I cannot help thinking that Mr. Sethna would recognise that position inasmuch as he is a trustee himself. Mr. Sethna has given us a number of figures. Amongst his figures he quoted the number of trustees on the Board in Bombay, and there he pointed out that there were only 5 Indians. I am afraid, Sir, in discussing this Resolution I must confine myself to the Bombay Port Trust, as I have no intimate knowledge of the working of other Trusts. As has been said already, there are 18 trustees in the Port of Bombay, of which 5 only are Indians. That in itself perhaps sounds rather a small proportion, but I should like to explain the composition of the Board to this House. First of all there is the Chairman. It goes without saying that if the Chairman were an Indian, it

would increase the number of Indians. Then there is the Director of the Royal Indian Marine. If that naval officer were an Indian it would increase the percentage of Indians. Then you have the Collector of Customs. The Collector of Customs in the future will very probably be an Indian. Then you increase the number of Indian representatives. You have the Municipal Commissioner and the same remarks apply to him. Then you have the two Agents of the Railways. You have also the General Officer Commanding, Bombay. Then you have five Indians and five elected Europeans. It only comes to 17. I asked Mr. Sethna as to who the one is and he too is unable to remember it at the moment. But I think I have said enough to show that the sweeping statement that there are only 5 Indians on the Board is somewhat misleading until you come to examine the composition of the Board. As soon as you have an Indian Municipal Commissioner and an Indian Collector of Customs, you will increase the representation of Indians on the Board. The Honourable Mr. Sethna quoted some statistical figures, which are always little dangerous when you apply percentages. I have some figures here, but unfortunately they do not go into the higher grades. They start from the Rs. 250 grade upwards. I got these figures from Bombay. I would rather that they had omitted the Rs. 250 grade. But the figures, I think, will show you the point I wish to make.

Department.	No. of appointments.	Europeans.	Anglo-Indians.	Indians.
Secretary's Department	4	3	1	1
Chief Accountant's Department	18	6	2	10
Chief Engineer's Department	77	41	14	22
Controller of Stores	4	3	1	...
Bandar Department	9	4	1	4
Railway Department	28	20	3	5
Port Department	44	43	...	1
Medical Department	3	1	...	2

Well, of course, the Honourable Mr. Sethna will doubtless take me up on the point that the salary has gone too low and that you would naturally expect more Indians on the lower salaries; but what I want to emphasise is, the fact that in a department like the Port Department, even going to as low salaries as Rs. 250, we have not been able to appoint a number of Indians because they have not come forward with the trained technical knowledge to join it. Therefore, when you go in for percentages of the total number of officers in the Port Trust, you are dealing with rather a dangerous way of looking at this matter. You have to eliminate certain departments, like the Engineer's Department and the Port Department, because we have not a sufficient number of highly trained Indians to take up the posts in those Departments. Well, I am on one of the sub-committees of the Port Trust called the Finance and Establishment Committee. Mr. Sethna is also a member of that Committee, and he knows, as well

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as I do, that in recent years the trustees are all for appointing Indians. It is perhaps, because years ago there was not the same inclination that we have not Indians at the present day in these higher paid posts; they have got to work their way up. Recently, the Port Trust required as probationers three men who had had some training at Home and, in writing Home to the Secretary of the Appointments Board of the three Universities, we laid great stress on the fact that applications should be called for from Indians who had received training at Home in any of the three Universities. No applications were received from any Indians. We also asked our engineer at Home who looks after our boys there if he had had any applications from Indians undergoing University training in England, and he said he did not know and could not say. Well, that did not satisfy the Finance and Establishment Committee, and if Honourable Members will read the advertisements which appeared in the "Pioneer" of yesterday, they will see an advertisement running like this:—

'The Trustees of the Port of Bombay are prepared to receive applications from Indian gentlemen who have had university or technical education in Great Britain for appointment as probationers in the Port Trust service. Applicants should not be above 25 years of age and must be of good physique. The candidate selected will be appointed on a three years' agreement on a salary of Rs. 500—50—600 per mensem and, on the expiry of this agreement, he will be appointed to the Trustees' permanent staff, if considered suitable.'

Now, I contend that that shows that we, the Trustees of the Port of Bombay, are in no way against the appointment of Indians to the posts that the Port Trust can offer; in fact, we are encouraging them as much as we can.

Sir, I cannot accept the Honourable Mr. Sethna's Resolution. For the reasons I have given I do not think that Government should take any steps which would usurp the duties of the Trustees. I am not at all sorry though that he has brought this Resolution forward. It has given rise to an interesting debate, and it has also given me an opportunity of showing this House that the Trustees of the Port of Bombay are doing what they can to encourage Indians to come forward and fill the posts that are offering. We are none of us adverse to the advancement of Indians in such important administrations as those of the big ports of India, but this advancement cannot be effected at the expense of efficiency, and it is up to Indians themselves to qualify for the more senior posts. I, for one, shall always be most happy to support their just claims for advancement.

Sir, as regards the technical posts in the Port Trust, it is very difficult to get Indians to come forward for them. May I break away from the Port Trust for just one minute? I am on the Board of a very big company in Bombay, the Bombay Electric Supply and Tramway Company. The Board has a large majority of Indians on it; I think I and one other are the only Europeans. We wanted a charge engineer at the Kasara power station, and we all resolved to appoint an Indian. We advertised in the English papers in India; we advertised in the vernacular papers in India, and we got not a single application for the post. It is up to Indians to train themselves for technical posts, take off their coats and begin right from the very beginning and work in the shops like all trained British engineers have done. The latter work in the shops from the very beginning and then qualify themselves step by step for the higher posts of engineering. So, in the case of Port Trusts, such as Pilots, Harbour Masters, Berthing Masters and other appointments in connection with the sea.

Sir, I am afraid I cannot support the Honourable Mr. Sethna's Resolution, but, as I have said, I am quite pleased he has brought it forward, as it has given this House an opportunity of discussing this important matter in full.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I am very thankful to the Honourable Sir Arthur Froom for the sympathetic speech that he has just made. I quite realise that he and his Colleagues have now had, what we have heard so much and so often about, namely, a change in the angle of vision. They have now realised that Indians must be given equal opportunities, if not greater opportunities, than Englishmen in filling up these posts. It does pain us, who want to see good relations existing between the two communities—and the Honourable the Mover will, I hope, join with me in saying this—to have these questions of racial discrimination brought forward in this Council or in the Assembly or discussed in public. It is only when we find that we cannot get what we want by negotiations that we are obliged,—call it out of self-interest or out of duty to our countrymen,—to come before this House and bring forward these questions. The less these questions are brought forward, the better it will be for good relations between Indians and Englishmen all over the country. I believe myself that the colour bar about which the Honourable Mr. Sethna spoke has practically disappeared and what the Honourable Sir Arthur Froom said confirms that impression. But even in his mind there is a feeling—it is a mistaken feeling no doubt—but there is a feeling not only in the minds of Englishmen, but in the minds of some of my distinguished countrymen also that technically educated Indians will not take off their coats and set to work from the bottom. Sir, in my various capacities, I have had to come in contact with England-returned young men or young men who have received technical education in India, and I must say that this cry, this almost parrot-like cry, which is being repeated off and on that technically educated young men are not prepared to take off their coats and set to work is not correct now, however correct it may have been years ago. Any young Indian that has been given an opportunity to do the same kind of work that an English lad with the same education is given would, I am quite sure, be very willing to do that work. I know of one case, Sir, of a young man who has returned with a Dublin degree in Electrical Engineering who wanted to be apprenticed to a firm. I took him to the office of the Tata Hydro-Electric Works, of which I am a Director.

The manager asked me:

'Will your young man be prepared to work as an ordinary cooly.'

I asked him. He said he was, and the man is still there for more than six months slaving for 8 hours a day as an ordinary cooly, putting in his apprenticeship as a cooly. He has to put up with a great deal of personal inconvenience but he never grumbles. He is a man with a Dublin University degree as an Electrical and Mechanical Engineer, and, although it was arranged he was not to be given a salary, the foreman forced him to accept some salary, saying—

'If you do not accept a salary, our other labourers would protest.'

He was offered Rs. 25 a month which he accepted. And this man has stuck to it, and is prepared to go through all that drudgery in order to work his way up to the top. That spirit is not only shown in isolated cases. I know of many other instances in which young men have been prepared to

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take off their coats and work. But the real difficulty is this. I am sorry to have to say it, but it has to be said that the young men know by previous experience that there is no chance of their rising to the top in the same way as an English lad. I do not wish to bring up racial questions before the House if I can possibly avoid it, but there is a very strong feeling, not only in the minds of the lads themselves, but also in the minds of other people that these lads will not have the same opportunities as English lads with the same qualifications would have; and there is the rub. That feeling has got to be removed.

My Friend the Honourable Sir Arthur Froom said with regard to technical knowledge and especially engineering qualifications, that we cannot get Indians of the right type. That also is an old old cry, Sir. In the Government of India and in the Local Governments there was a time when no Indian was considered to be fit for a Superintending Engineer's post. I know the case of my friend Dewan Bahadur Godbole, a first-class Engineer, a man who was an M.C.E., of the Bombay University, but who could not rise higher than an Executive Engineer's post, because the other engineers said they would not work under an Indian Superintending Engineer. That time is gone, and now three out of four Superintending Engineers in my Presidency are Indians. There is still one more instance which I must quote though I am to refer to a personal case. When Sir M. Visvesvaraya was to be appointed Joint Secretary to the Government of Bombay in the Public Works Department, other officers in the Department raised a hue and cry, and the appointment could not be made even by a strong Governor like Lord Sydenham who had to give in. That is the spirit which we want to dispel. I have quoted only a few instances, but that is the feeling that is at the back of our minds, that our young men will not be given opportunities. I hope the debate here, and anything from the minds I will not say of men like Sir Arthur Froom, because his speech has been sympathetic, but from the minds of others who think that Indians should not be given opportunities even if they come up to the mark of Englishmen. I do not say that the standard of efficiency should in any way be lowered. I am entirely with the Honourable Sir Arthur Froom when he said we do not want to give preference to an Indian of lower qualifications or one who is not equally efficient as an Englishman. We do not want that. I believe my Honourable Friend the Mover also does not want it. We want efficiency at all cost; but if you can get efficiency at a lower cost, by the employment of Indians, we must give them a chance. My Honourable Friend, Sir Arthur Froom, said that statistics are sometimes misleading. I fear that after saying this he went on to make the same mistake—I do not say consciously, he did it unconsciously—when he tried to convince us by quoting certain figures. The Honourable Mr. Sethna had definitely said that one Indian Medical officer, a junior one, had to be appointed because no Englishman would come on that salary. Practically all men on Rs. 250—500 are Indians, because no Englishman would care now to come on that salary. I know that as a business-man. When I want an ordinary foreman no European will come under Rs. 400 or Rs. 500 with some technical knowledge. No Englishman will look at it, and naturally you cannot get Englishmen under Rs. 500.

One word more, Sir. The Honourable Sir Arthur Froom said that he did not want to pass a vote of censure on himself. We do not want to pass a vote of censure on him, or on the Port Trust; but may I ask the

Honourable Mr. Sethna why, as a Trustee, he has not first worked there and tried to get more Indians employed by the Trustees? He did not in his first speech give us any instances where he had made attempts and failed—failed not because the men were not forthcoming, but failed because he found his European Colleagues were giving preference to European candidates. Can he give us some cases of that kind? If he can, it will strengthen the hands of those who support him, and of the Government on India when they take a decision on the subject. My Honourable Friend Sir Arthur Froom said that the European representation is equal to the Indian.

The HONOURABLE SIR ARTHUR FROM: I did not quite say that.

The HONOURABLE MR. LALUBHAI SAMALDAS: Practically you said that. I am sorry if I have misunderstood you.

The HONOURABLE SIR ARTHUR FROM: I did not say that. I pointed out that by virtue of certain officials being nominated it increased the English representation on the Port Trust, but I pointed out that there was no reason why in years to come such officials, as the Municipal Commissioner and the Collector of Customs, should not be Indians. Then the number of Indians will be increased. There are at present 5 elected Europeans, and 5 elected and nominated Indians.

The HONOURABLE MR. LALUBHAI SAMALDAS: That is so. I think we ought to have at least 5 elected and more nominated, because the Indian trade of Bombay—I cannot speak with the same confidence of the trade of other Provinces but the trade in Bombay—is more in the hands of Indians than in the hands of Europeans. If you go by the percentage of trade passing through the hands of Indians and Europeans, you will find that we require a higher percentage of representation than the European community does.

There is one more question I would like the Honourable Mr. Sethna to clear up. The Honourable Sir Arthur Froom said that he asked for applications for probationers. I would like to know what are the departments for which these probationers were required, and whether they had tried to get the same kind of men in the country. Why was it necessary for them to go to England to advertise if there were suitable men to be had in this country?

With these few remarks, I beg to support the Resolution moved by my Friend the Honourable Mr. Sethna.

The HONOURABLE SIR ARTHUR FROM: I can explain that point if you would like me to do so, Sir.

The HONOURABLE THE PRESIDENT: I think the Council would like to hear you, Sir Arthur.

The HONOURABLE SIR ARTHUR FROM: The three probationers that we are calling for are not to be relegated to any one Department. One of them will go to the docks, one perhaps will go to the Secretary's Office, another to the Accounts Department. In the discussion of this matter in the Establishments Committee the question of salary came up, and somebody said that possibly you would get an Indian on less pay.

The HONOURABLE THE PRESIDENT: Sir Arthur Froom rose in response to my suggestion that the Council wanted the information, but the Honourable Member will recollect that, in giving the information, he must not introduce debateable matter.

The HONOURABLE SIR ARTHUR FROMM: I am not introducing debateable matter. The question of salary arose. The Honourable Mr. Lalubhai asked why we did not get an Indian in this country. The question arises that you cannot get an Indian on less salary. We said "no, we wanted an Indian who had been Home, who had a broader outlook on things, and we were prepared to give him the same salary; he could live with his people in Bombay. We do not want to cut the Indian at the expense of the European."

The HONOURABLE MR. H. A. F. LINDSAY: Sir, there are two sides to every question, and we have heard both sides debated by such protagonists as the Honourable Mr. Sethna and the Honourable Sir Arthur Fromm, both from Bombay, both members of the same Port Trust, and both holding distinctly contrary views. I am sure that the House will wish to take a common sense view of the position, and perhaps to recognize that there is not so much difference between these two views as the protagonists themselves seem to make out. The Honourable Mr. Sethna has based his Resolution on a principle which I am sure will appeal to all. It is a principle which is in harmony with the avowed Government policy of increasing the number of Indians in the public services. The Honourable Sir Arthur Fromm has drawn our attention to the difficulties in giving effect to that policy in respect of the Port Trusts.

Now, Sir, I should like first to go a little further into those difficulties before finally accepting the Resolution on behalf of the Government and showing the practical effect which we propose to give to it. Anyone who reads the Resolution will see straightaway that it is open to serious difficulties and limitations. In the first place, as the expert advice before us has already made it quite clear, many of the appointments require very technical qualifications,—qualifications which at present few Indians possess. I do not wish to labour this point because it is self-evident. It is self-evident, for instance, that engineering experts should at present be recruited from those who have had practical training and practical experience, as engineers at Home, and it is also self-evident that, as that training increases in India, Indians are bound to qualify in greater and greater numbers for these posts. The second point to which I wish to draw attention is this, that the terms on which these appointments are made are laid down in the various Port Trust Acts. The Chairman is selected by the Local Government; the superior appointments are made by the Board of Trustees or Port Commissioners, as the case may be; and subordinate appointments are made by the Chairman. Now I am sure that the last thing which the Honourable Mover would propose, or that this House would wish, is that any of these powers should be in any way altered. The Port Commissioners must be trusted to manage their own affairs and to make their own appointments. But, Sir, the terms of the Resolution are rather inconsistent with those powers. The Governor General in Council is going to be asked to take steps to increase the number of Indians in the higher grades in the service of the Port Trusts and to lay down a definite policy in regard to the same for the future. The Governor General in Council makes no such appointments, and has no such powers.

Now, Sir, I wish to go back to the general policy already stated, namely, that Government is definitely in favour of increasing the Indian element in the public services, and they naturally wish that that policy should be extended also to the Port Trusts. I may say at once that they have already taken steps towards that end. But the adoption of that policy must come

from within the Port Trusts themselves, and the Honourable Mr. Sethna has already put his finger on the solution of the question. The Port Trusts themselves possess constitutions which have been laid down long ago, and in many cases they have not been revised since they were first laid down. Government have already taken up that question. Only last year the Bengal Government were asked to reconsider the whole question of the constitution of the Chittagong Port Trust; and also certain recommendations were made with regard to the Calcutta Port Trust. The Government of India are willing to go further and to consider the other Port Trusts also, with the same object in view, namely, to strengthen the Indian element on the governing bodies themselves. Sir, I think that the Honourable Mover will agree that Government are really taking practical steps in the matter. They accept the terms of his Resolution and, at the same time, have indicated the practical way in which they will be able to give effect to it.

The HONOURABLE MR. SETHNA: Sir, I am thankful to the different Honourable Members who have addressed this Council on my Resolution, and particularly to the Member of Government who has viewed the situation very sympathetically. He has told us that the Governor General in Council does not make the appointments and consequently that we have no right to approach him on the subject, but from what he says it appears that the Government have forestalled me and that they are already in communication with the Bengal Government, and I hope they will soon be in communication with the other Provincial Governments also, to bring about a change,—such a change in their respective Port Trust Acts as will very appreciably increase the Indian element on the Board of the different Port Trusts. If that is done, I am sure a very considerable improvement will necessarily follow in the employment of Indians in the higher grades.

Sir, my Honourable Friend, Sir Arthur Fromm, said that what I was proposing was tantamount to usurping the duties of the trustees, and that the sweeping statement I made giving the number of Indian Trustees was perhaps misleading. My friend the Honourable Mr. Lalubhai Samaldas has dwelt on that point and answered him. Sir Arthur Fromm observed that, although there were only 5 Indians to-day, there will soon be many more because some of the Trustees who are European officials to-day in course of time will be Indians. It will be a very long time, Sir, before the Chairman, the Director of the Royal Indian Marine, the Officer Commanding, the Municipal Commissioner and the two Agents of Railways will be Indians, and consequently an Indian minority will always prevail if the Acts are not altered.

The HONOURABLE MR. LALUBHAI SAMALDAS: The Municipal Commissioner may be an Indian.

The HONOURABLE SIR ARTHUR FROMM: The Collector of Customs will soon be an Indian.

The HONOURABLE MR. SETHNA: It will be some time before the Municipal Commissioner is an Indian. My Honourable Friend, Sir Arthur Fromm, suggests that the Collector of Customs will be an Indian. I hope it will be so. The Honourable Mr. Lindsay will see that, unless the Provincial Governments are very liberal in the changes they make in the Acts, the European majority will prevail, and so long as it prevails, perhaps the result will not be any better than what it is to-day. By that I mean no disrespect to my Honourable Colleagues on the Board, as, for example my friend Sir Arthur Fromm and others equally sympathetic on occasions.

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[Mr. Sethna.]

As has been mentioned during the discussion, both Sir Arthur Froom and myself are on the Board of the Bombay Port Trust, and for the matter of that we are perhaps the two most senior trustees, such seniority being based on the length of our connection with that body. I will admit, Sir, that there are European trustees of the type of Sir Arthur, who will be friend the cause of Indians, but I will at the same time urge that our decisions do not show that this is always the case. But more than that it is not so much the Trustees themselves as the Executive of the Port Trusts who have so much to do in the matter. If they were sympathetic, perhaps the results would have been different from what I have shown, viz., only 6 per cent. of the total higher appointments being given to Indians out of 439.

Sir Arthur Froom in the course of his speech referred to the number of appointments in the Bombay Port Trust with salaries of Rs. 250 and upwards, and he very rightly observed that, so far as he was personally concerned, he would have preferred if the figures he was supplied with had commenced from a much higher figure than 250. It was only two days ago when he was speaking on the Factory Bill that the Honourable Sir Arthur Froom told us that his firm employed at the height of the season about 8,000 or 9,000 men. With his usual modesty he did not tell you that his firm employs some dozens of Europeans. I may be allowed to tell you that his firm employs a large number of Europeans in this country, and I ask him if he searched high and low from John O'Grout to Landsend, whether under existing conditions he would find a single European to come out under less than Rs. 500 to serve his firm, and, similarly, if anyone will come out to serve the Port Trust where perhaps higher and technical qualifications are required which are very important. Therefore, he is perfectly right in contending, and I agree with him, that the figure should have been not from 250 but from 500 and upwards, and that consequently his figures are certainly misleading. The figures from 500 and upwards I have already given in my opening speech.

Now, Sir, to come to a very pointed question from my friends the Honourable Lala Ramsaran Das and the Honourable Mr. Lalubhai Samaldas who inquire what I have been doing as Indian trustee myself. I am only one of five, and I would tell my Honourable Colleagues that 5 out of 18 cannot do very much, even if they do their very best.

THE HONOURABLE MR. LALUBHAI SAMALDAS: Quote a specific instance.

THE HONOURABLE MR. SETHNA: My friend demands a specific instance. I shall quote the very one which was referred to by the Honourable Sir Arthur Froom, who tried to make out that the trustees were so ready and willing to appoint Indian probationers. I am glad he has given me an opportunity of bringing up this history of these probationers in the Council, which I had no intention to bring up on my own. This history will reveal the frame of mind of the Executive. About a year ago the Executive put forward a scheme before the trustees that they might have three probationers, one for the Secretary's Department, another for the Accountant's Department and a third for the Port Department in the docks. In answer to Mr. Lalubhai Samaldas, I may say that I was the trustee who pointed out to my Colleagues that the time had arrived for getting applications from Indians, and further that we should invite applications in India alone. As a compromise, finding I was in a minority, which is always the case, when such questions are under consideration, I agreed that our consulting en-

gineers in England should be asked to invite applications in England from Europeans and Indians. The first batch of applications was received some months ago, and the appointment was made of an English probationer in the Secretary's Department. I did not happen to be in India at the time, or I would have protested, for the reason that the Secretary's Department and the Accountant's Department are perhaps the two departments where Indians in other similar bodies, as for example the Municipality and the Improvement Trust, have done remarkably well and are themselves Secretaries and Accountants. As I was not present on that occasion.

THE HONOURABLE SIR ARTHUR FROM: I rise to make an explanation.

THE HONOURABLE THE PRESIDENT: The discussion, I think, should be on a larger basis than the domestic affairs of the Bombay Port Trust. This discussion is becoming very narrow, and I think we should avoid too much discussion of details in connection with the Bombay Port Trust.

THE HONOURABLE MR. SETHNA: Having explained the case of one probationer, I hope you will allow me, Sir, to state the other two cases.

THE HONOURABLE THE PRESIDENT: Certainly, but I think you will bear in mind what I have said.

THE HONOURABLE MR. SETHNA: I will take care not to exceed my time. The English probationer for the Secretary's Department was appointed. Next came the question, when I was present in regard to the probationer for the Port Department. Then again, another European candidate was recommended. I drew the attention of the Board to the fact that our recommendation was to the effect that we should encourage Indian probationers. It was only as a result of my interference that the question was referred to a committee and in committee they accepted my proposal. But I would like the Council to know in what manner they met me. They met me by agreeing to advertise in the Indian papers and that is the advertisement in the "Pioneer" which Sir Arthur read out. The Executive, however, suddenly discovered at the Committee meeting what they did not at the Board meeting only four or five days previous that the work of the Port had increased so much that instead of one there should be two probationers in the Port Department, and the proposal was that there should be two and that the other should be a European. That again shows you the attitude and the frame of mind of the Executive. My Friend, Mr. Lalubhai Samaldas, who is sitting by my side inquires why I did not ask for both the probationers to be Indians. My answer is that I was in a deplorable minority, and I thought I had gained enough on that occasion to get them to agree to one Indian, and enough is as good as a feast. The probationer for the Accountant's Department is not yet appointed, and I promise Mr. Lalubhai I will put up a fight for his being an Indian. All this difficulty, however, will be greatly obviated if the suggestion thrown out by the Government of India, as my Friend the Honourable Mr. Lindsay has told us, is given effect to by the Provincial Governments.

Sir, I happen to be a Port Trustee, but I also happen to be on the Bombay Municipality and on the Bombay Improvement Trust, and like my friend Sir Arthur Froom, I also am a Director of some of the largest commercial organisations in Western India. I, therefore, speak with first-hand knowledge when I say emphatically that many of the higher appointments in the Port Trusts carry with them advantages in the matter of initial salaries, in the matter of promotions, of house accommodation, etc.,

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which are superior to the other services and which might in cases be envied even by members of the service which is ordinarily recognised to be the best paid in India, viz., the Indian Civil Service. No wonder therefore that the Port Trust officials try and keep it a close preserve and that, Sir, is at the bottom of affairs, and I do hope that as a result of the reply which the Honourable Member for Government has given us to-day that conditions will very greatly improve in the very near future.

Sir, as a result of working in the new Council for the last 12 months, I, for one, am absolutely satisfied that the angle of vision, to which reference is so frequently made in these days and was referred to-day by the Honourable Mr. Lalubhai Samaldas, has definitely turned so far as the Government of India is concerned. (Hear, hear).

I sincerely wish that this feeling filters down to the Provincial Governments, which, in common with my other non-official friends, I must say is not yet the case. I hope it will do so before long and also filter down still further to such semi-Government bodies as the Port Trusts of India.

The HONOURABLE THE PRESIDENT: The question is that the following Resolution be adopted:—

'That this Council recommends to the Governor General in Council that steps be taken to increase the number of Indians in the higher grades in the service of the Port Trusts, and to lay down a definite policy in regard to the same for the future.'

The Resolution was adopted.

OFFICIAL BUSINESS DURING FEBRUARY.

The HONOURABLE THE PRESIDENT: Before I adjourn the Council, I should like to ask the Member representing Government whether he is in a position to make any statement of the Government business to be brought forward in the month of February.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, I am afraid I am not yet in a position to make a further announcement of Government business, as it depends on the progress made in legislation in the other Chamber. I hope to be able to make a further statement at the meeting on the 31st January.

The Council then adjourned till Tuesday, the 31st January, 1922, at Eleven of the Clock.

COUNCIL OF STATE.

Tuesday, the 31st January 1922.

The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

QUESTIONS AND ANSWERS.

MANUFACTURED STORES FOR INDIAN RAILWAYS.

54. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Is it a fact that at present India can supply only a little more than 1/3rd of the manufactured stores required by Indian railways and that the rest is imported from foreign countries?

The HONOURABLE MR. H. A. F. LINDSAY: The reply is in the affirmative.

ORDERS FOR RAILWAY MATERIALS ON FIRMS IN INDIA.

55. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state what difficulties there are in the way of manufacturing all Railway material in India, and what measures are necessary for removing such difficulties? To what extent do Government place orders for Railway materials on firms in India?

The HONOURABLE MR. H. A. F. LINDSAY: It is difficult to answer the first part the Honourable Member's question in a conveniently brief form. But among obvious difficulties may be mentioned firstly, the fact that certain essential materials are not at present manufactured in India and must be imported, and secondly, the lack of specialised workmen and of up-to-date equipment. A beginning has been made by private enterprise, however, to overcome these difficulties, and the Government is endeavouring to encourage such enterprise in various ways. In this connection, the Honourable Member has no doubt seen the two Press Communiqués, dated the 1st March 1918 and the 1st October 1921 dealing with the construction of wagons and locomotives in this country, and I may also mention that the organisation of the Indian Stores Department, which is now in progress, is another effort in the same direction.

Government already place orders with firms in India for railway materials to the extent of approximately 42 per cent. of the requirements of State-worked railways. Such items as bricks, sand, lime, coal, timber and the like, which are invariably purchased in India, have not been included in this calculation.

CAPITAL INVESTED ON CERTAIN SECTIONS OF THE NORTH-WESTERN RAILWAY.

56. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (i) Will the Government kindly state what is the total capital invested up to date on the following sections of the North-Western Railway:—

- (a) Campbellpur to Kundian
- (b) Kundian to Shershah
- (c) Nowshera to Dirgai
- (d) Jand-Khushalgarh to Kohat
- (e) Kohat to Thal

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- (f) Dund Khel to Bannu
- (g) Luki Murwat to Tank and Martaza
- (h) Rule Sibi Quetta to Chaman
- (i) Sibi to Bostan
- (j) Spezand Nushki to Mirjava?

(ii) What is the annual amount of interest paid on this capital?

(iii) Is it a fact that these sections of the line, which are classed military sections, cause a heavy annual loss to the North-Western Railway after meeting the working expenses and interest charges?

(iv) Is it a fact that during the past seven years the loss has never been less than sixty lakhs in any one year, and that sometimes the loss has been quite close to one crore? Will the Government kindly supply the exact figure of the loss on the Military sections of the line during each of the previous ten years?

The HONOURABLE MR. H. A. F. LINDSAY: (i) Information as to the capital invested on the military sections of the North-Western Railway separately for each of the sections referred to by the Honourable Member is not available. The total expenditure on all the Military sections of the North-Western Railway up to the 31st March 1921 was Rs. 23,35,57,000.

(ii) The amount of interest paid on this capital in 1920-21 was Rs. 86,55,357.

(iii) The reply is in the affirmative.

(iv) The reply is in the negative. The loss for the years 1915-16 to 1918-19 was less than 60 lakhs each year, though for the year 1920-21 the loss was over a crore. A statement showing the loss on the Military sections for the ten years 1911 to 1920-21 is placed on the table.

Statement showing the capital outlay, net earnings, interest charges and gain or loss to the State from the Military sections of the North-Western Railway during the last ten years.

Year.	Total Capital outlay to end of the year.	Gross earnings.	Working expenses.	Net earnings.	Interest charges.	Net loss.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1911 (January to December).	18,41,31,000	56,45,000	66,27,000	- 9,82,000	62,18,104	72,00,104
1912 (January to December).	18,44,36,000	58,59,000	68,65,000	- 9,000	62,72,663	62,81,668
1913-14 (April to March)	18,47,72,000	64,02,000	63,57,000	45,000	62,80,075	62,15,075
1914-15 "	18,53,28,000	72,56,000	69,86,000	2,70,000	64,84,627	62,14,627
1915-16 "	18,56,78,000	77,38,000	69,12,000	8,26,000	64,47,068	66,21,068
1916-17 "	18,60,79,000	85,46,000	70,71,000	14,75,000	61,38,008	46,58,008
1917-18 "	18,61,89,000	1,04,24,000	79,73,000	24,51,000	65,35,804	40,84,804
1918-19 "	20,20,84,000	1,25,40,000	1,10,33,000	15,10,000	70,35,464	55,19,464
1919-20 "	20,59,76,000	1,40,10,000	1,58,60,000	- 9,80,000	76,21,277	84,71,277
1920-21 "	23,35,57,000	1,84,80,000	1,84,95,000	- 20,15,000	86,85,357	1,06,70,357

OUTFIT ALLOWANCES IN THE INDIAN TERRITORIAL FORCE, BOMBAY.

57. The HONOURABLE MR. KALE: Will Government be pleased to state if it is a fact that rules regarding outfit allowances, etc., in the case of the University Corps in the Indian Territorial Force in Bombay have not yet been published?

The HONOURABLE MR. S. P. O'DONNELL (on behalf of His Excellency the Commander-in-Chief): Pending the issue of formal Regulations, provisional authorisations to meet the needs of the Indian Territorial Force have been sanctioned by the Government.

INSTRUCTORS IN UNIVERSITY CORPS, BOMBAY.

58. The HONOURABLE MR. KALE: Is Government aware of the feeling which exists that the number of instructors in the University Corps in Bombay is inadequate and the instruction given is insufficient and inefficient?

The HONOURABLE MR. S. P. O'DONNELL: (on behalf of His Excellency the Commander-in-Chief): No representation as to the inadequacy of the Instructional staff of the Bombay Battalion of the University Training Corps has been received. The establishment allowed is equal to that authorised for infantry units of the Auxiliary Force, and the qualifications required of instructors are identical.

PAY AND ALLOWANCES OF OFFICERS AND MEN IN UNIVERSITY CORPS, BOMBAY.

59. The HONOURABLE MR. KALE: Will Government be pleased to state (1) what arrangements exist in Bombay for pay and allowance of officers and men in the Indian Territorial Force University Corps while they are in camp? and (2) if there are any special arrangements for the training of officers and supernumeraries from the teaching staffs of colleges?

The HONOURABLE MR. S. P. O'DONNELL (on behalf of His Excellency the Commander-in-Chief): (1) The expenses of all ranks in camp are met from a lump sum grant, equivalent to the pay and allowances as admissible for the time being to the Indian Army; such lump grant takes the place of personal pay and allowances and is expended at the discretion of the Officer Commanding. It may be mentioned that this arrangement was introduced in accordance with the advice given by local non-official gentlemen who were consulted. This lump sum grant is supplemented by an annual Training Grant and a lump sum allotment for contingent expenditure.

(2) It is desired to obtain officers for this and other units of the University Training Corps from the teaching staffs, to the fullest extent possible. Their training is conducted by the Officer Commanding and the Adjutant in the course of the periodical training of the unit, on the same lines as those adopted in the Auxiliary Force. Provision is being made for the attachment of officers to regular units for short periods of continuous instruction.

BILLS ASSENTED TO BY HIS EXCELLENCY THE VICEROY.

The SECRETARY OF THE COUNCIL: Sir, information has been received that His Excellency has been pleased to grant assent to the following Bills:—

- The Indian Electricity (Amendment) Act, 1922.
- The Indian Factories (Amendment) Act, 1922.

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INDIAN INCOME-TAX BILL.

The SECRETARY OF THE COUNCIL: Sir, in accordance with rule 25 of the Indian Legislative Rules, I lay on the table a Bill to consolidate and amend the law relating to income-tax and super-tax, which was passed by the Legislative Assembly at its meeting of the 28th January, 1922.

OFFICIAL BUSINESS FOR FEBRUARY.

The HONOURABLE THE PRESIDENT: Can any Honourable Member on behalf of Government give the Council any information as to when this Bill is likely to be taken into consideration in this Chamber?

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: May I be permitted to make a full statement as regards the business which is likely to be taken up. The next meeting of this Chamber will, I understand, be on Monday, the 18th February, which will be a day for non-official business. The 22nd and the 27th February have also been allotted by the Governor General as non-official days, while Government business will be taken up on the 23rd and 28th February.

As to the nature of the business—Copies of the Indian Income-tax Bill, as passed in the Legislative Assembly, have been laid on the table to-day, and it is proposed that the Bill should be taken into consideration on the 23rd February, and it is hoped that it may be possible to pass it the same day.

If the other Chamber passes the Indian Emigration Bill and the Police (Incitement to Disaffection) Bill in time to enable those Bills to be laid on the table on the 13th February, it is proposed that they should also be taken into consideration on the 23rd February. And if the Bill to consolidate the law relating to Merchant Shipping which is being prepared by the Statute Law Revision Committee is ready, Government hope to introduce that Bill also on the 23rd February.

The Civil Procedure Code Bill regarding Fraudulent Suits, the Press Law Bill, the Delhi University Bill, the Indian Limitation (Amendment) Bill and a Bill to amend the Indian Lunacy Act, 1912, are all measures now actually before, or shortly to be brought before, the other Chamber. It is expected that most of these Bills will come before this House towards the end of February.

INDIAN CRIMINAL LAW AMENDMENT REPEALING BILL.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I beg to move that the Bill to repeal certain provisions of the Indian Criminal Law Amendment Act, 1908, be taken into consideration. The Objects and Reasons of the Bill are known to Honourable Members, and I think it is unnecessary for me to repeat them.

The motion was adopted.

The HONOURABLE THE PRESIDENT: I propose to put this Bill clause by clause so that, if any Honourable Member wishes to speak on any clause, he can do so.

Clauses 1, 2 and 3 and the Preamble of the Bill were separately put and adopted.

The HONOURABLE MR. S. P. O'DONNELL: I move, Sir, that the Bill be passed.

The motion was adopted.

SPECIAL LAWS REPEAL BILL.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I move that the Bill to repeal certain special enactments supplementing the ordinary criminal law, be taken into consideration.

The motion was adopted.

The HONOURABLE THE PRESIDENT: As before, I shall put this Bill clause by clause.

Clauses 1, 2, 3, the Schedule and the Preamble of the Bill were separately put and adopted.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I move that the Bill be now passed.

The motion was adopted.

RESOLUTION RE SUPPRESSION OF TRAFFIC IN WOMEN AND CHILDREN.

The HONOURABLE MR. S. P. O'DONNELL: I beg to move the following Resolution:—

'This Council recommends to the Governor General in Council that India do sign the International Convention for the Suppression of the Traffic in Women and Children accepted by the Assembly of the League of Nations at its second Session, subject to the reservation that in applying Article 5 of the Convention, India will consider that 'sixteen completed years of age' is substituted for 'twenty-one completed years of age'.'

In order to explain the object of this Resolution, it is necessary for me to refer first to the International Convention of 1904 reproduced in the papers that have been circulated for the suppression of what is known as the White Slave Traffic. As the title indicates that Convention had reference essentially to European conditions. The contracting parties did not undertake to create in their States any new offences, but they did undertake to appoint in each State a co-ordinating authority to carry on correspondence with the other States, and to make arrangements for the maintenance of a watch, especially in railway stations and at ports, of persons in charge of women and girls destined for an immoral life, for the voluntary repatriation of prostitutes and for the supervision of offices and agencies engaged in finding employment for women and girls abroad.

Six years later another and a more far-reaching Convention was entered into by the same Powers, namely, the Convention of 1910. The essential feature of this Convention is that it binds the States concerned to undertake legislation for the punishment of persons who commit the acts

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[Mr. S. P. O'Donnell.]
specified in Articles 1 and 2. As these Articles are important, I will read them to the Council.

Article 1 runs as follows :

'Whoever, in order to gratify the passions of another person, has procured, enticed, or led away, even with her consent, a woman or girl under age, for immoral purposes, shall be punished, notwithstanding that the various acts constituting the offence may have been committed in different countries.'

Article 2 runs as follows :

'Whoever, in order to gratify the passions of another person, has, by fraud, or by means of violence, threats, abuse of authority, or any other method of compulsion, procured, enticed, or led away a woman or girl over age, for immoral purposes, shall also be punished, notwithstanding that the various acts constituting the offence may have been committed in different countries.'

In the final protocol of this Convention, it is explained that the expression 'under age' means 'under the age of 20.' The contracting States also undertook to include these offences in the list of offences for which extradition might be granted. The Government of India considered in 1914 the question whether India should adhere to this Convention. It was decided that, on account of the age-limit proposed, this was not practicable. The Government of India agreed, however, to the adherence of India to the agreement of 1904, because it was thought that, although the evil against which this agreement was directed, it was not prevalent in India, India ought not to refuse such assistance in the matter as she was in a position to offer. Owing to the intervention of the war India's adherence was not actually signified to the other Powers till 1920.

The next stage in this matter was the creation of the League of Nations of which, Honourable Members are aware, India is a member. Article 23 of the Covenant of the League provides that the members of the League shall entrust the League with the general supervision of the execution of agreements with regard to the traffic in women and children. This question was considered at the first meeting of the League in December 1920 at which India was represented by Sir William Meyer, His Highness the Jam Sahib of Nawanagar and Sir Ali Imam. The League decided to invite the countries which were adherents to the Conventions of 1904 and 1910 to an International Conference. The recommendations of the Conference are shown in the papers which have been circulated. The main points to which I would invite attention are, firstly, the recommendation that the Council of the League of Nations should be invited to urge the members of the League, who had not so adhered, to join the Conventions of the League, secondly, that this Convention should be extended so as to cover the traffic in women and children of all races and nationalities. The Conference also recommended that the age-limit should be raised from 20 to 21.

These recommendations were considered by the League in September last year. India was represented on this occasion by Sir William Meyer, His Highness the Maharao of Kutch and Mr. Sastri. Mr. Sastri explained to the Assembly the standpoint of India and pointed out that India could not subscribe to the age-limit proposed. Indian legislation fixed this age at 16, and, having regard to the early maturity in tropical countries, that age could not be immediately exceeded. The League finally embodied its conclusions in a draft Convention. The important points in the Convention are, firstly, the adherence of the contracting parties to the Conventions of

1904 and 1910; secondly, the raising of the age in the protocol of the Convention of 1910 from 20 to 21; and thirdly, the undertaking to punish attempts to commit offences specified in Articles 1 and 2 of the Convention of 1910 and to provide for the extradition of persons accused or convicted of offences specified in those Articles. The Resolution which I now move proposes that India should signify its adherence to this draft Convention subject to one reservation, namely, that in applying Article 5 of the Convention India will consider that 16 completed years of age is to be substituted for 21 years. I have already referred to the reasons for that reservation. The effect of accepting this Resolution will thus be that India will have to pass legislation for the penalization of the offences specified in Articles 1 and 2 of the Convention of 1910. Sections 366, 372 and 373 of the Indian Penal Code already cover the ground to a considerable extent, but not completely, and further legislation will therefore be necessary. It will also be necessary to provide for the extradition of persons who commit such offences. Ofcourse any legislation will have to come before the Legislature in the ordinary course, and the details will then be a matter for consideration. The acceptance of this Resolution simply means that in principle the Council will be giving its approval to legislate on these lines. India can become an original signatory to the Convention if it signifies its adherence before the 1st April 1922. I hope, therefore, that the Council will accept this Resolution.

The HONOURABLE MR. V. G. KALE: Sir, I support the Resolution. It is not necessary for me to say much on this question, because I think the whole House will be agreed on the desirability of India joining in this Convention. Whatever we may say with regard to the other activities of the League of Nations, there is no doubt about the fact that the value of international co-operation to achieve certain objects which cannot be attained without concerted action, has been deeply appreciated by all the countries in the world, and action is being already taken on certain important questions like those relating to the condition of labour, about which, last year, we passed certain Conventions, and some of the features of which have been already embodied in our Factory legislation. The evil which it is intended to combat by means of this Convention and the necessity of laws which will be enacted, wherever required, for attaining that object, is admitted on all sides, and it is but the duty of India to help other nations and to co-operate with them in putting down this serious evil. Mr. O'Donnell has already made reference to the fact that the law in India provides for certain measures which are intended to suppress this kind of evil. But it will be necessary to supplement that law in the near future in order to make its operation still more effective. Sir, in all parts of the country, the evil of prostitution and the class of evil which is sought to be remedied by this Convention, has become very serious. Almost all our cities have to fight that problem. Recently statistics were given with regard to the prevalence of prostitution and brothels in the city of Bombay, and they disclosed a scandalous state of things which it is immediately necessary in an effective way to put an end to. It will be well for the Government of India to take this matter into their very serious consideration. It should not be content with only co-operating with other nations in putting down the evil to which reference has been made in this Resolution, but it should go further and try to do in this country what we are seeking to do with regard to the international aspect of the problem regarding this evil. The House, I feel sure, will be unanimous in supporting this Resolution, and I do not want to let go this opportunity of representing the views which are generally

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[Mr. V. G. Kale.]
held by the public in matters of this character. With these words, Sir,
I strongly support the Resolution.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, I rise just to say a few words. The whole of India ought to be very thankful to be in such an Empire and under such a Government which has befitted India to be a part of those nationalities which met together for such good reasons. Lots of people say that India was very much better off in the time of Asoka, but I do not think that India ever got such a chance of sending her representatives to various countries abroad. With these words, Sir, I support the Resolution.

The HONOURABLE THE PRESIDENT: The question is that the following Resolution be adopted:—

'This Council recommends to the Governor General in Council that India do sign the International Convention for the Suppression of the Traffic in Women and Children accepted by the Assembly of the League of Nations at its second Session, subject to the reservation that in applying Article 5 of the Convention, India will consider that 'sixteen completed years of age' is substituted for 'twenty-one completed years of age'.'

The Resolution was adopted.

The Council then adjourned to Monday, the 13th of February 1922, at Eleven of the Clock.

COUNCIL OF STATE.

Monday, the 13th February, 1922.

The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

DEATH OF MAJOR-GENERAL ROBINSON.

The HONOURABLE THE PRESIDENT: I regret to have to inform Honourable Members that intimation has been received of the death of Major-General Robinson, who was at one time a Member of this Council. Our deceased Colleague died in Calcutta very suddenly at the comparatively early age of 58. I think the news will come to the Council as a shock. It certainly did to me, as I saw him last January in Calcutta on an important public occasion, and he appeared to be in the full possession of his usual health and spirits. Major-General Robinson was a distinguished member of the Indian Medical Service. He spent most of his early years in Burma, and his later service was in the Rajputana States where, I believe, he was very well known. He had considerable war service, in the Burmese war, and several Frontier Campaigns and in the Great War. For his services in the Great War he was awarded the honour of a Companionship of the Bath. I think I shall be giving expression to the wishes of the Council if I cause to be communicated to his widow the sympathy of the Council in the great loss she has sustained.

QUESTIONS AND ANSWERS.

ACETONE FACTORY, NASIK.

60. The HONOURABLE MR. KALE: Will Government be pleased to state what has been the total cost up to date of the Acetone Factory at Nasik?

(a) Is it run as a business concern or is it a pioneering and demonstration enterprise?

(b) What have been the financial results of the undertaking?

(c) If it is a part of essential national military equipment, why is the expenditure connected with it shown under the head of Industries and not under that of the Military Department?

The HONOURABLE MR. H. A. F. LINDSAY: The expenditure incurred on the Government Acetone Factory up to the end of December 1921 has amounted approximately to 50½ lakhs. Of this sum, approximately 41½ lakhs represents the cost of buildings, land, machinery and equipment, and construction, which is chargeable to the capital account of the factory. The balance represents the working charges incurred from the inception of the factory in 1917 up to the 31st of December 1921.

The factory has not been worked either as a business concern or as a pioneer or demonstration enterprise. Its establishment was necessitated by the extremely serious position created during the war in order to cope with the demand for acetone for military purposes.

It is impossible at present to furnish data showing precisely the financial results of the undertaking. The acetone manufactured has been purely for the use of the army, and it has not yet been decided what price, if any, should be charged to the army for the stocks made over. Negotiations for the sale of the butyl alcohol, which is a by-product of the process employed at the factory, are not yet complete, although so far sales amounting to £15,000 for a portion of the stocks of this product have been made in England.

The administration of the factory was originally entrusted to the Indian Munitions Board, which was constituted for the purpose of arranging supplies of munitions. The Indian Munitions Board was subsequently transformed into the Board of Industries and Munitions, and finally merged in the Industries Department. It was considered undesirable to make a change in the administrative control of the factory, and consequently its expenditure was budgetted for in the Civil Estimates.

I should like to add, for the information of my Honourable friend, that the manufacture of acetone has now been discontinued, the staff is being disbanded and negotiations for the sale or lease of the property are now in progress.

INCREASE IN MILITARY EXPENDITURE SINCE 1913-14.

61. The HONOURABLE MR. KALE: (a) Will Government be pleased to supply information as to what increase has taken place, since 1913-14, in military expenditure, owing to the increased cost of British officers and soldiers and Indian officers and soldiers?

(b) What increase is due to the enhanced prices of equipment and materials?

The HONOURABLE MR. S. P. O'DONNELL: I will supply the Honourable Member with a copy of a Memorandum on this subject which was distributed to Members of the Legislative Assembly in March last.

INCREASE IN CIVIL EXPENDITURE SINCE 1913-14.

62. The HONOURABLE MR. KALE: Will Government be pleased to state what increase has taken place, since 1913-14, in civil expenditure in the Central and Provincial Governments owing to increase in salaries and allowances of the Imperial Services?

The HONOURABLE MR. E. M. COOK: According to such information as is available the total increase in civil expenditure in the Central and Provincial Governments combined since 1913-14 owing to the increase in salaries of the Imperial Services is about a crore of rupees a year. No information is available as to the total increase in expenditure on the allowances of these services.

ALTERATION OF RULE 6 OF THE INDIAN LEGISLATIVE RULES.

63. The HONOURABLE MR. BHURGRI: (a) Will Government be pleased to state if there was any correspondence with the Secretary of State regarding the alteration of rule No. 6 of the Indian Legislative Rules? If so, will they be pleased to lay it on the table?

(b) With reference to section 129-A of the Government of India Act, will Government be pleased to state whether the altered rule was approved by a Resolution of the two Houses of Parliament, or whether it was merely laid before the two Houses of Parliament?

The HONOURABLE MR. S. P. O'DONNELL: (a) There has been correspondence with the Secretary of State, but it would be contrary to orders to place it on the table of the House without his permission which has not been received.

(b) The correspondence took place at a time when the Houses of Parliament were not sitting, and the amendment could not have been approved by a resolution of both Houses. That, however, is an exceptional procedure which the Act definitely allows the Secretary of State to follow or not, as he may think fit. Government are supplying the Secretary of State with copies of the correspondence so that they can be laid before both Houses of Parliament in accordance with the normal procedure provided for in section 129-A, sub-section (3) of the Act.

The HONOURABLE SIR ARTHUR FROMM: Is it not a fact that new rule 6, differing in this respect from the scheme of the Act and Rules as originally passed by Parliament confers upon the Governor General in Council for the first time power to restrict the business of this Council, whereas constitutional checks of this nature are by the Act and original Rules invariably conferred on the Governor General?

The HONOURABLE MR. S. P. O'DONNELL: The rule runs:

'The Governor General shall allot so many days and so on.'

Is that what is referred to?

The HONOURABLE THE PRESIDENT: The question, I think, was whether this rule confers powers of restricting the business of this Chamber upon the Governor General in Council, and the suggestion was that such powers were under the Act and original rules invariably conferred on the Governor General.

The HONOURABLE MR. S. P. O'DONNELL: I think the last part of the rule certainly does confer power on the Governor General in Council, that is to say, that part of the rule which runs:

'No Government business shall be transacted except with the consent of the Governor General in Council.'

SECRETARY OF STATE IN COUNCIL'S AUTHORITY TO INITIATE, CONTROL, ETC. ADDITIONAL EXPENDITURE.

64. The HONOURABLE MR. BHURGRI: Will the Government be pleased to state:

(a) whether it is a fact that the Secretary of State in Council enjoys absolute power and unchecked authority to initiate, control or sanction additional expenditure of almost every kind, over and above the budgetted one?

(b) How many times during the last thirty years has this authority been exercised by them without the previous approval of or against the wishes of the Government of India?

The HONOURABLE MR. E. M. COOK: (a) The Honourable Member will find the financial powers of the Secretary of State in Council defined in section 21 of the Government of India Act.

(b) It is not possible to furnish the information desired by the Honourable Member without an elaborate investigation.

FINANCIAL YEAR FROM 1ST OCTOBER INSTEAD OF 1ST APRIL.

65. The HONOURABLE MR. BHURGRI: In view of the uncertain character of the seasons in India, the inconveniences and imperfections of the

present arrangement, have the Government considered the desirability of commencing the financial year from the 1st of October or any other suitable time?

The HONOURABLE MR. E. M. COOK: Yes. The Government have had this matter under their consideration, and all Local Governments and the principal Chambers of Commerce and Associations were addressed on the matter in a letter dated the 3rd December last. Copies of that letter were sent to each Member of the Legislature, and I presume that the Honourable Member's copy went astray in the post. I will have another copy sent to him.

SEDITIONOUS AND NON-SEDITIONOUS MEETINGS IN PROCLAIMED AREA.

66. The HONOURABLE MR. RANGASWAMY AYYANGAR: (a) Is any discrimination made between seditious and non-seditious meetings in a proclaimed area?

(b) If so, has the Government classed Congress Committee meetings under class 'seditious'?

(c) If not, has the Government taken permission in the proclaimed area for the holding of the Legislative Council meetings?

The HONOURABLE MR. S. P. O'DONNELL: (a) The Honourable Member is referred to sections 4 and 5 of Act X of 1911.

(b) and (c) do not arise.

ARREST AND TRIAL OF PICKETEERS.

67. The HONOURABLE MR. RANGASWAMY AYYANGAR: (a) Is it a fact that Members of the Government of India have given statements in the Council that only actual picketeers have been arrested and tried?

(b) If so, would the Government be pleased to state whether Mr. Motilal Nehru, Babu Bagwandas and Mr. C. R. Dass in any way disturbed the peaceful avocations of any class of people?

The HONOURABLE MR. S. P. O'DONNELL: (a) Not so far as I am aware. No such statement appears in the Report of the proceedings of either Chamber of the Legislature. I may add that in December last the Government of India informed Local Governments that it might be necessary to limit the number of prosecutions of volunteers very materially, if the existing jails were not to be filled with a number of foolish individuals who desired to pose as martyrs, and that consequently the power of arrest should, as far as possible, be exercised only in the case of volunteers who were believed to be actively guilty of obstruction, violence and intimidation and those who organised such movements. Subsequently, in reply to a reference from the Government of the United Provinces, the Government of India stated that persons who deliberately organised associations were pledged, to disobey blindly any law, or associations members of which did not appear to be necessary to prosecute those whose joining of or membership of such associations was merely nominal; and that Local Governments should exercise their discretion, the real test in deciding whether or not to prosecute being the necessity or otherwise of such action in order to maintain law and order.

(b) This does not therefore arise. I may, however, refer the Honourable Member to the reports in the press which indicate the charges on which proceedings were taken against the persons referred to.

SEARCHING THE MOSQUE OF TIRURANGADY WITH SHOES ON.

68. The HONOURABLE MR. RANGASWAMY AYYANGAR: Has the Government ascertained whether it was a fact that the District Magistrate of Malabar allowed the military and the police to search the mosque of Tirurangady with shoes on and whether this was the reason cited by the dying declaration of one of the leaders of the rebels as the cause of provocation for the Malabar troubles?

The HONOURABLE MR. S. P. O'DONNELL: There are three Mosques in Tirurangady. One, the Kishakkapalli mosque, was searched for arms on the 20th August. The search was conducted by Moplah Police Officers who respected the sacred character of the place and removed their shoes before entering. Government are not aware of the alleged dying declaration of one of the rebel leaders, but if such a declaration was made, it was without foundation.

EXEMPTION OF MAGISTRATES, ETC., FROM OPERATION OF THE ARMS ACT.

69. The HONOURABLE LALA SUKHBIR SINHA: Is the Honourable the Home Member now in a position to state what has been the ultimate fate of my Resolution for the exemption of Magistrates and members of the Indian Legislature from the operation of the Arms Act, and whether he can mention the date from which effect shall be given to that Resolution?

The HONOURABLE MR. S. P. O'DONNELL: In accordance with the undertaking given by the Honourable Sir William Vincent in the course of the debate on the Resolution, Local Governments have been consulted on the subject. They are practically unanimous in their condemnation of the proposal to extend the list of exemptions in the manner proposed.

I may add, for the Honourable Member's information, that on the 8th February Government accepted a Resolution moved in the Legislative Assembly for the appointment of a Committee to examine and report on the Indian Arms Rules, 1920. The recommendation embodied in the Resolution passed by this Council will be referred to that Committee.

FORT OR MILITARY STATION IN ASSAM.

70. The HONOURABLE MR. BOROOAH: Is it a fact that either a fort or a military station will be made in the North Lakhimpur Sub-division of Assam, or somewhere near the said sub-division?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The answer is in the negative.

DISTRIBUTION FOR ADMINISTRATIVE PURPOSES OF TERRITORIES UNDER THE GOVERNMENT OF ASSAM.

71. The HONOURABLE MR. BOROOAH: Will Government be pleased to state if it is intended to make a further distribution for administrative purposes of the territories now under the Government of Assam?

The HONOURABLE MR. S. P. O'DONNELL: Government have no such proposal under consideration.

RAILWAY LINE FROM SILGHAT TO AMGURI.

72. The HONOURABLE MR. BOROOAH: Was it proposed sometime ago, to make a Railway line from Silghat to Amguri, in the province of Assam? If so, when will the work be taken up?

The HONOURABLE MR. H. A. F. LINDSAY: The reply is in the affirmative. A detailed survey for a railway from Sikani, a station on the Chaparmukh-Silghat Railway, to Amguri, was carried out in 1915-16, but it is not possible to say when the construction will be taken in hand.

POLITICAL SITUATION IN ASSAM.

73. The HONOURABLE MR. BOROOAH: (a) Has the attention of Government been drawn to an editorial article, on the present political situation in Assam, published on page 10 of the "Statesman" of the 24th January 1922, and also to the letters, on the same subject, under the heading "The Situation in Assam," published by the same paper, in its issue of the 28th January 1922?

(b) Have any steps been taken to allay the unrest, complained of in the said article and letters, for protection of the law-abiding population of Assam generally, and the tea industry in particular?

(c) In case the answer to (b) is in the negative, will Government be pleased to state if they do not mean to do anything whatever in the matter?

The HONOURABLE MR. S. P. O'DONNELL: (a) Yes.

(b) and (c) The Local Government are fully alive to their responsibilities and have taken such steps as they considered to be necessary. Amongst these I may mention the augmenting of the strength of the Assam Rifles, in certain areas, arrangements for a route march of the Assam Rifles, the employment of additional police at the cost of the inhabitants of disturbed areas and the application of the Seditious Meetings Act to a number of districts.

CERTAIN POSTS HELD BY EUROPEANS, ANGLO-INDIANS, AND INDIANS ON CERTAIN RAILWAYS.

74. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state what number of the following posts are held by Europeans, Anglo-Indians and Indians, respectively, on each of the North-Western, Oudh and Rohilkhand and Eastern Bengal Railways:—

- (a) Traffic Inspectors (Transportation section),
- (b) Traffic Inspectors (Commercial section),
- (c) Platform Inspectors,
- (d) Yard Inspectors,
- (e) Luggage Inspectors,
- (f) Loco Inspectors,
- (g) Carriage and Wagon Inspectors,
- (h) Train Inspectors,
- (i) Loading and Unloading Inspectors,

- (j) Goods Supervisors,
- (k) Chief Clerks,
- (l) Loco Foremen?

The HONOURABLE MR. H. A. F. LINDSAY: The only information which the Government of India have regarding the incumbents of the posts mentioned by the Honourable Member will be found in the Railway Board's Classified List of Railway Establishment, pages 43 to 74, a copy of which is kept in the Council Library.

CAPITAL INVESTED ON MILITARY OR STRATEGIC RAILWAY LINES.

75. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state—

- (a) what is the total capital invested up to date on the Military or Strategic railway lines in India?
- (b) what amount of interest does the Government of India annually pay on the capital so invested?
- (c) what is the total loss to Government in working such lines during the last ten years after meeting working expenses and interest?

The HONOURABLE MR. H. A. F. LINDSAY: The Honourable Member is referred to the answer* given to him on the 31st January 1922 in reply to his question regarding the military sections of the North-Western Railway. There are no other lines in India which are treated as military or strategic railways.

INCOME-TAX STAFF IN EACH OF THE INDIAN PROVINCES.

76. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (a) Will Government kindly state what percentage the cost of collection is likely to bear to the gross receipts under Income-tax in each of the Indian provinces in the current year?

(b) Will they kindly state why is the collecting agency devised for the Punjab more costly than it is in other provinces?

(c) Do the collecting agencies in different provinces differ from one another? If so, cannot a uniform system of collecting agency be devised for all provinces with a view to bring about economy in expenditure?

(d) Is it not possible to empower High Courts or Chief Judicial authorities in each province to hear appeals against assessments of Income-tax by collecting agencies? Will they kindly point out practical difficulties, administrative or theoretical, which lie in the way of the adoption of this reform?

(e) Is it a fact that the present Income-tax departmental organizations in different provinces do not provide for the separation of collecting from assessing functions? Do not the Government contemplate the desirability of such separation as is already the case in the Land Revenue Department?

The HONOURABLE MR. E. M. COOK: I am afraid the reply to this Question, Sir, is necessarily rather long, and, if no Honourable Member has any objection, I propose to lay it on the table.

* Vide page 716 of Volume II, No. 14, of Council of State Debates.

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The HONOURABLE MR. E. M. COOK: (a) The percentages are, as follows:—

Province.	Percentage of cost of special income-tax staff to gross receipts of income-tax and super-tax.
Madras	2.2
Bombay	3
Bengal	6
United Provinces	4.0
Punjab	5.2
Burma	9
Bihar and Orissa	4.2
Central Provinces	4.2
Assam	6

I must point out that these figures represent the cost of special income-tax staff only, where a special income-tax staff is entertained, and do not include any figures on account of the cost of the work where done through the agency of the revenue authorities.

(b) The cost in the Punjab is higher than in other provinces because a special income-tax staff has been appointed for the whole of that province, and also because the cost of assessment and collection is higher in rural areas, where assesseees are few and scattered and where the average income of the tax-payer is low, as compared with the cost in provinces which contain important commercial centres having many assesseees and companies with high taxable incomes.

(c) The agencies in different provinces differ. A uniform system for all provinces has been devised and is being gradually introduced.

(d) The All-India Income-tax Committee considered that a reference to the High Court should be made only on a question of law and not on a question of fact, and clause 66 of the Income-tax Bill which will, I understand, be considered by this House on the 23rd February, contains a provision giving effect to this recommendation.

(e) Where a special income-tax staff is employed, such staff, as a general rule, both assesses and collects the tax, and it is only where the work is sufficient to justify it, that a separate staff for collection purposes is entertained. It would not be economical to provide a separate collecting agency in all cases. No analogy can be drawn from the system in the Land Revenue Department where assessments are usually made only once in thirty years.

SINKING FUNDS.

77. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Is it a fact that only 150 lacs of rupees per year have been provided as a Sinking Fund for the Rupee Loan and 50 lacs for the Sterling Loan? Will Government kindly state whether it is not desirable to provide for larger Sinking Funds?

The HONOURABLE MR. E. M. COOK: As regards the 50 lakhs referred to in the question, I presume the Honourable Member has in mind the provision of £500,000 made annually towards meeting the outstanding liability in connection with India's War contribution of £100 million. As regards the rupee loans, the Honourable Member is no doubt aware that according to the terms of the 1929-47 and 1945-55 loans, 1½ per cent has to be set aside as a Sinking Fund. This amounts to 74 lakhs; and it was on account of the fact that Government did consider it desirable to provide

more for this purpose, that a further amount of 80 lakhs was provided in the current year's budget. If my Honourable friend will refer to the speech of the Finance Member introducing the budget for the current year, he will find that it was only a consideration of the difficulty of finding additional resources that dissuaded Government from providing more funds for this purpose.

NAMES OF PLACES IN PERSIA AND ARABIA WHERE BRITISH TRADE AGENTS AND CONSULS ARE STATIONED.

78. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (a) Will Government kindly state the names of places in Persia and Arabia where British Trade Agents and Consuls are stationed? (b) In which of these places are Indians employed on these posts? (c) Has Government considered the desirability of appointing in each of these places Indian officers recruited from Indian commercial classes?

The HONOURABLE MR. S. P. O'DONNELL: (a) Consuls or Vice-Consuls are stationed at Teheran, Bushire, Bunder Abbas, Meshed, Sistan, Kerman, Mohammerah, Ahwaz, Dizful, Shiraz, Kermanshah, Ispahan, Birjand, Resht, Tabriz and Qasr-i-Shirin in Persia, and at Jeddah and Muscat in Arabia. There are no British Trade Agents in Persia or Arabia.

(b) Indians are employed in Birjand and Jeddah.

(c) The formation of an Indian Commercial Service is under consideration, but the question where posts are to be established has not yet been finally decided, and the decision will be governed by trade considerations alone.

EMPLOYMENT OF OTHER MEASURES FOR PACIFICATION OF TRIBAL TERRITORIES IN NORTH-WEST FRONTIER PROVINCE.

79. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state whether, besides military occupation, they employ other measures for the pacification of tribal territories in the North-West Frontier Province? If so, will they give a description of the measures so far adopted?

The HONOURABLE SIR JOHN WOOD: Yes. The subject was dealt with at some length in the answer given to Rai Bahadur Jadu Nath Majumdar in the Legislative Assembly on the 15th February 1921, to which I would refer the Honourable Member.

INVESTMENT OF CAPITAL ON RAILWAY SIDINGS, ETC., FROM 1914-15 ONWARDS.

80. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state what has been the amount of capital invested on railway sidings and other railway works constructed exclusively for military cantonments during each of the years up to date from 1914-15 onwards?

The HONOURABLE MR. H. A. F. LINDSAY: The information is not available. The collection of these statistics for the past seven years will involve an expenditure of time and labour incommensurate with the results to be obtained, and Government are not, therefore, prepared to call for them.

It may be noted that expenditure in connection with military sidings is debitable partly to military and partly to railway funds.

[13TH FEB. 1922.]

INDIAN TITLES HELD BY CERTAIN COMMUNITIES.

81. The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Will Government be pleased to state the number of Indian titles held by Muhammadans, Brahmans, Non-Brahmans (Hindus), Christians and other communities, respectively?

The HONOURABLE THE PRESIDENT: I should like to ask the Honourable Mr. O'Donnell whether he has received private notice from the Honourable Member that he will be absent.

The HONOURABLE MR. S. P. O'DONNELL: No.

The HONOURABLE MR. S. P. O'DONNELL: The Government are of opinion that the public interest in such a statement would be insufficient to warrant the labour and expense involved in its compilation.

MOTIONS FOR ADJOURNMENT.

The HONOURABLE THE PRESIDENT: I have received notice of two motions for adjournment of the business of the Council. One stood in the name of the Honourable Mr. Lalubhai Samaldas. That has been withdrawn. The other stands in the name of the Honourable Saiyid Raza Ali. The notice appears to be in order. The definite matter of urgent public importance which the Honourable Member desires to raise is the strike on the East Indian Railway and the threatened strike on other railways. In accordance with the practice in this Council it is here necessary for me to ascertain whether the Honourable Member has the necessary support. Will those Members who are in favour of leave being granted kindly rise in their places.

The Honourable Member has leave.

The notice will be taken at 4 o'clock, or, if the business of the Council is finished earlier, immediately after the business of the Council is disposed of.

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

The SECRETARY OF THE COUNCIL: Sir, a message has been received from the Legislative Assembly through the Secretary of that Chamber.

The HONOURABLE THE PRESIDENT: Let the message be read.

BENARES HINDU UNIVERSITY (AMENDMENT) BILL.

The SECRETARY OF THE COUNCIL: Sir, the message runs as follows:

'I am directed to inform you that the Legislative Assembly have at their meeting of the 6th February agreed, without any amendments, to the Bill to amend the Benares Hindu University Act, 1915, which was passed by the Council of State on the 23rd January 1922.'

ASSENT OF THE GOVERNOR GENERAL TO THE ABOVE.

The SECRETARY OF THE COUNCIL: Sir, information has been received that His Excellency has been pleased to grant his assent to the Benares Hindu University (Amendment) Bill, 1922.

BILLS PASSED BY THE LEGISLATIVE ASSEMBLY.

The SECRETARY OF THE COUNCIL: Sir, in accordance with rule 25 of the Indian Legislative Rules, I lay on the table Bills passed by the

Legislative Assembly at their meetings held on the 6th and 8th February 1922. They are:—

- (1) A Bill to amend the law relating to Emigration;
- (2) A Bill further to amend the Indian Lunacy Act, 1912.

RESOLUTION RE: CARRIAGE OF HUMAN BEINGS IN CATTLE TRUCKS.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I beg to move the following Resolution:—

'This Council recommends to the Governor General in Council that steps be taken immediately to put a stop to the practice of Railways conveying human beings in cattle trucks or goods wagons.'

Sir, I do not think that in this Year of Grace, 1922, there will be any opposition to the principle underlying my Resolution from any side of the House. That the poorest of our countrymen should be treated as human beings, and should not be carried as cattle or chattel is a proposition that has merely to be put before the House to get its approval. That they suffer such indignities most of us must have noticed, and I hope the Honourable Members who have seen it will, when they support this Resolution, give the advantage of their experience to this Honourable Council. This Resolution, Sir, may, for practical purposes, be divided into two portions:—(1) the carrying of passengers in trucks in ordinary trains, on ordinary occasions; and (2) doing so on special goods wagons trains, or trains composed partly of passenger coaches and partly of wagons on pilgrim days, or on what are known as *mela* days. I myself have seen a large wedding party being carried in a goods wagon attached to an ordinary train. That experience is not a solitary one, and it is borne out by the fact that some of the witnesses before the Railway Committee said practically the same thing. Lala Mukhraj Bala says:

'Goods wagons are used for passengers on many branches, quite apart from special conditions of pressure due to pilgrim traffic.'

Sir, this first part of my Resolution will, I am sure, meet with immediate acceptance from all Members of the House. I do hope the Honourable Member for Commerce and Industry, when he gets up to reply to this debate, will have no objection to raise to this part of my proposal and will accept it whole-heartedly.

I now pass on, Sir, to the second part of the Resolution dealing with what is commonly known as 'pilgrim traffic.' The attention of the Government of India has been drawn to the inconveniences experienced by passengers when they are carried in goods wagons as pilgrims. So far back as 1916, the Sanitary Commissioner to the Government of India, in his letter, dated 27th September 1916, forwarding the reports of the four Pilgrim Committees appointed under the orders of the Government of India by the Governments of Madras, Bihar and Orissa, United Provinces and Bombay, said—

'that by far the most important objections and criticisms that the public make regarding railway administration are (1) overcrowding of ordinary trains and pilgrim specials, and (2) the use of goods wagons to carry pilgrims. It may be safely said that, if these objections are removed, the remainder would be so insignificant as to give rise to no serious agitation. The Government of India can hardly be aware—this was said, Sir, in 1916—of the amount of ill-feeling and ill-will towards themselves that these two conditions engender.'

[13TH FEB. 1922.]

[Mr. Lalubhai Samaldas.]

Stress has again been laid on this point by the recent Railway Committee, who say:

'The Government ought to put a stop to this practice.'

Now, Sir, all the Pilgrim Committees have unanimously condemned this practice, but the Committee in the United Provinces and the Committee in Bihar and Orissa have gone into details and have given full particulars of the objections that are raised to this pilgrim traffic in goods wagons. The first objection raised, Sir, is that the use of goods wagons, from a sanitary point of view, is most objectionable as it leads to much more overcrowding than could be possible in ordinary coaching passenger vehicles, and that it increases the danger of infection of such diseases as cholera. The Committee found—

'Not only that the carriages were packed—I am quoting the words of the Committee—but after they were fully and tightly packed, a few more passengers were always squeezed in at the last moment.'

The Honourable Members of this House can realize what it means to have a 'few more passengers squeezed in' after the goods wagons had already been tightly packed with pilgrims. But that is not the worst part of it. The worst part of it is, that when a passenger is suffering from an infectious disease, like cholera—I am sorry to refer to these matters, but the Committee have referred to them—what happens is that the dijecta comes in contact with the clothing of the passengers who happen to be sitting near the patient and they cannot keep themselves or their clothing from contaminating these horrible conditions under which the passengers have to travel, and I am quite sure that they will agree that an immediate stoppage of the practice is necessary. Such conditions are not possible in the case of ordinary third class carriages, because there the passengers can keep themselves away from pollution from the dijecta of the patient.

A second disadvantage in the use of goods wagons for passenger traffic is that they are constructed wholly—I hope I am right—of steel and iron, and are, therefore, liable to become excessively hot during the day in the hot season and excessively cold at nights during the cold season. Consequently, the pilgrims who travel in goods wagons have to suffer extreme heat during the day and extreme cold during the night. This also would not happen if passengers were accommodated only in passenger coaches.

A third difficulty which has been pointed out, is the want of ventilation. Defective ventilation, as we know, led to the terrible tragedy in Malabar. That tragedy would not have occurred if action had been taken by the Government of India on the recommendations of the Sanitary Commissioner in 1916. Possibly the war and scarcity of materials did not allow the Government of India to take any action. But I want to lay stress on the fact that the Sanitary Commissioner was shrewd enough to see far ahead what contingencies were likely to arise if goods wagons with very little ventilation were used for the carriage of passengers. I hope, Sir, that arrangements will be made to remove this defect, so that there may be no repetition of the deplorable accident which, I fear, will remain always a dark spot on the British administration in this country.

The fourth objection is, Sir, the absence of latrine accommodation. That defect is serious in itself, but, in the case of goods wagons, it is

aggravated because pilgrims, owing to the insufficient, insanitary and unwholesome food that they have to take during their journey and owing to chills, are usually affected with such diseases as dysentery and diarrhoea.

After referring to these four main objections, the Committee touch on some minor objections, such as dirtiness, the difficulty of ingress and egress, no lights, jolting, and last—but I believe not the least important—what the Committee call the sentimental objection which they say—I quote the words of the Committee—

'may not sound a very serious complaint, but it is a real sentiment, especially amongst the well-educated classes. There can be no doubt that it is a grievance which grows daily and one that wants sympathetic consideration.'

It has often been said—I hope it will not be repeated from the opposite Benches—that pilgrims prefer to travel in goods wagons. The United Provinces Committee has smashed that argument. They have given instances within their knowledge where pilgrims have rushed into crowded and overcrowded passenger carriages and avoided goods wagons, although these wagons, specially cleaned and lighted, were brought near the places where they were standing on the platform. However, the Committee was not satisfied by this experience. They went further, they made inquiries, not only of the educated classes, or the half-educated classes, not only of townsmen, not only of the middle classes, but of other persons than pilgrims and they say: 'every villager of whatever caste or class was of the same opinion', that is of the opinion that they did not prefer to travel in goods wagons. That once for all sets aside the argument that is sometimes used that pilgrims or ordinary passengers prefer to travel in goods wagons if they can do so. I hope, Sir, I have been able to convince the House of the necessity of doing away with this system which is now in vogue. The next point to consider is, whether it is possible to put a stop to the practice immediately as my Resolution recommends Government to do. Fortunately, the United Provinces Committee have carefully considered the possibility of doing away with goods wagons, and after noticing and acknowledging the force of the objection that the proposal of purchasing extra rolling stock specially for *melas* and pilgrimages and then allowing them to lie idle for a great portion of the year is economically unsound, go on to say:

'but we are not convinced that the difficulties are wholly insurmountable or indeed so great in practice as has been made out.'

In support of this opinion, the Committee quotes the instance of the East Indian Railway, which practically never uses goods wagons. On occasions of great rush of pilgrim traffic, they are able to meet the requirements of the pilgrims by supplying sufficient passenger carriages for their use. The Sanitary Commissioner with the Government of India practically endorses this opinion and quotes instances of two other railways, which are not also using goods wagons, *viz.*, the South Indian Railway, and I am proud to say the Railway in my province, *viz.*, the Bombay, Baroda and Central India Railway; and he goes on to say:

'It seems fair to argue that what these Railway Companies have accomplished others can do',

and he gives specific instances. I am sorry to say that in my own province also the passenger traffic on the Great Indian Peninsula Railway for

[Mr. Lalubhai Samaldas.]

Pandharpur (only 10,000 extra) is conveyed in goods wagons and the Sanitary Commissioner said that he could not understand why a Railway of the size and importance of the Great Indian Peninsula Railway could not put up the additional stock necessary to carry this comparatively small number of passengers to Pandharpur. I may make it quite clear that these remarks of the Sanitary Commissioner are in reference to the ordinary fairs and not to the fairs that come once in twelve years or sometimes six years, the *Kumbha Mela*, the *Magha Mela* and *Sinhasta*. The Sanitary Commissioner has not been bold enough to recommend the immediate stoppage of this practice as regards these large fairs which come at an interval of so many years. The reason probably was that the country was in the midst of a great war and there were financial difficulties, the difficulty of getting financial assistance from the Government of India and the greater difficulty of getting carriages, or materials for carriages either from England or from other countries. Fortunately the war has been won and two years have passed. The prices of materials have practically reached the pre-war level, and I now ask whether the Railways cannot get the financial assistance that they require to put this proposition into immediate execution. The Railway Finance Committee, Sir, have very generously sanctioned 150 crores for five years' programme. Although in their report they do not make any mention specially of goods wagons being used for third class passengers, they lay stress on the difficulties that third class passengers experience, and they say:

'Finally, the need for a radical increase in the provision of facilities of all kinds for third class passengers is so patent and the demand of the public on this point is so insistent, that the matter requires no further emphasis on our part.'

They have examined the quinquennial programme that was set before them. The programme was for 149 crores. They have generously sanctioned one crore more and given 150 crores for five years. I now want the Honourable the Finance Member and the Honourable the Member for Commerce and Industry to reserve that one crore for the special purpose which I have put forward in my Resolution before this Honourable House. There will be no difficulty in earmarking this amount. The question then is as to what system should be followed for meeting the rush of passengers on pilgrim days and *melas*. It was suggested to the United Provinces Committee that the Railway Board should purchase a reserve stock of carriages which should be hired out by the Railway Board to the various Railways at the time of pilgrim traffic. There may be some difficulty in adopting this suggestion, but as a layman, in all humility, I support that proposition. It would not be difficult for the Railway Board to incur this expenditure and then keep carriages or trains constructed specially for pilgrims to be hired out for use of whichever Railway that requires it. I believe the amount that they would receive by way of hire of the carriages will most probably meet the interest on the capital cost. Even if it does not, the Railway Board can represent to both the Houses to agree to this loss being thrown on the general revenue, because it has merely to be recognised that this system of carrying human beings brutalises not only the passengers who are carried, but brutalises and dehumanises railway officers. If that fact is recognised, Sir, I am quite sure the Honourable the Finance Member and the Commerce and Industry Member will not talk of practical difficulties and carry out the proposal that I have laid before this House. Sir, the Railway Committee have told us that it is the man who grumbles most that gets most money from the

Finance Department. They say, referring to the reductions made in the Budgets of various companies by the Railway Board under instructions from the Finance Member:

'We were told by well-informed witnesses that if a community is more than usually clamorous, if a district is easily accessible to Delhi or even if an Agent is more than usually persuasive, that community, district or Agent tends to get an unfair share at the expense of the others.'

The poor third class passengers do not know how to be clamorous, no person who has access to Delhi or who is persuasive has taken up the cause of these passengers, and as a result their wants are not attended to. I am quite sure that, if this matter had been properly represented at the headquarters, we would have seen something better than what we have noticed in the last year's Administration Report of the Railway Board. Referring to this difficulty they merely say that, owing to the unfavourable financial position and material difficulties due to the dislocation of the industries and commerce caused by the war, progress in this direction has not been all that could be desired. Sir, if matters had been really inquired into more sympathetically, we would have had a better and a fuller appreciation of the difficulties of third class passengers than we have got in this small paragraph about the third class passengers in the last Administration Report. I hope that the Railway Board will not await the clamour for reform becoming very strong before they take action, for it is always statesmanlike to see things far ahead and to take action before you are forced to do so. If it however awaits clamour it may perhaps find the words 'too late' written on the improvements when they come, and that is a contingency which I strongly request the Honourable the Commerce Member and the Railway Board to avoid. With these words, I commend my Resolution for acceptance by the Council.

THE HONOURABLE SIR MANECKJI DADABHOY: I fully sympathise with the Resolution which has been moved with reason and moderation by the Honourable Member, but at the outset I must point out, after listening to the interesting speech of the Honourable Member, that he has travelled a little bit beyond the real scope of his Resolution. As I understand, the Resolution is limited to the practice of conveying human beings in cattle trucks or goods wagons, but the speech which the Honourable Member made refers to many defects existing in the present railway system of the Government of India in the matter of defective ventilation, latrine accommodation and other subjects to which my Honourable friend has referred

THE HONOURABLE MR. LALUBHAI SAMALDAS: I was referring to the absence of latrine accommodation, ventilation, etc., only in goods wagons. I was not referring to ordinary third class carriages.

THE HONOURABLE SIR MANECKJI DADABHOY: I am thankful to the Honourable Member for the information given to me at this stage. I hope that this Resolution is one which will meet with the sympathy of the Honourable Members. I fully endorse what the Honourable Member has stated regarding the great inconvenience caused by conveying human beings in cattle trucks or goods wagons. We cannot, at the same time, overlook the Government difficulty in the matter. Passengers are carried in goods wagons on occasions of pilgrimage or when large fairs are held at particular places. In a small space of time, probably a week or a fortnight, large

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[Sir Maneckji Dadabhoy.]

masses of people, sometimes a population of one hundred thousand or even more, are moved to and fro. We cannot reasonably expect Government at brief notice to provide accommodation for removing from one centre to another a large population, nor can we expect the Railway authorities to reserve or earmark wagons exclusively for this purpose, or divert all traffic wagons for the removal of these pilgrims and stop all other traffic in the country. At the same time, I fully recognise the importance of this Resolution, and I think this Resolution should be readily accepted by this Council with the slight modification which I propose to make. We all fully endorse the reasons that the Honourable Member has given in support of his Resolution. I myself have often seen in one wagon 50 or 60 or even 100 people crowded together, men, women and children all packed together as sardines with scarcely breathing room in the wagon. I have seen their trouble and difficulties. I have noticed the personal inconvenience and the great discomfort felt by these poor people. Every possible endeavour should, therefore, be made to relieve, as far as practicable, this grievance, but the difficulty of the Railway Administration at present is enormous. We are all aware that the country is suffering very much owing to the paucity of rolling stock. The entire trade is suffering a great deal and is put to much inconvenience. We cannot obtain wagons for our industrial purposes. We cannot find wagons to remove coal. The railways are fully hampered in this matter. The railway budget does not permit huge expenditure to be incurred for this purpose, and the difficulties of Government, we want to see this Resolution accepted by Government and ask the Railway Department to see that these things are promptly attended to, and I therefore hope that the Honourable Member will see his way to accept the slight modification which I now propose. The House will find it difficult to accept the Resolution as it stands. I move as an amendment that the words 'as far as practicable' be inserted after the word 'immediately'.

The HONOURABLE LALA RAM SARAN DAS: This Resolution does not need any further comment from me. Every one of us realises the plight of the third class passengers who are put to this hardship. My Friend, the Honourable Sir Maneckji Dadabhoy, has referred to the fact that on temporary occasions, such as fairs and festivals, it is rather too much to expect the Railway to provide coaches. I want to inform my Honourable Friend of the conditions that prevail in my own province on the North-Western Railway. On certain branch lines goods wagons have been temporarily converted by putting in a few benches to meet ordinary passenger traffic. I think that condition is unknown to our Honourable Friend. Railways, whenever there is a very heavy traffic in goods, borrow goods vehicles from other Railways, and I would strongly suggest that, whenever there is a necessity, coaching stock also should be got on loan from other Railways. I think the neighbouring Railways will always be able to give a loan of their coaches to meet the temporary increased traffic as fairs generally do not clash with each other. I quite realise that, owing to the paucity of funds, Railways have not been able to keep up the number of coaching vehicles and rolling stock to cope with the increased traffic. But I fully endorse the view which has been put forward by my Honourable Friend, Mr. Lalubhai Samaldas, that a crore of rupees out of the grant of 150 crores which has been recommended by the Railway Finance Committee be utilised for this purpose.

With these few words, Sir, I support the Resolution.

The HONOURABLE LALA SUKHBIR SINHA: Sir, I think the Honourable Mover, Mr. Lalubhai Samaldas, has done a great service to the country by moving this Resolution before this Council. The people in general, and the people of the United Provinces in particular, are very thankful to him, because it is in the United Provinces that many religious fairs are held every year; for instance, at Hardwar, Allahabad, Benares, Ajodhya and many other places. It is in the United Provinces also that third class passengers are carried in these goods wagons and cattle trucks and suffer much. Sir, this complaint is not a new one; it is a very old one, but I am sorry to say that nothing has been done up to this time to remove this complaint. It is the third class passengers who bring most of the money to the Railway Department, but it is the third class passengers who are much more neglected than any other class of passengers,—and this complaint of carrying them in goods wagons is the worst of all. Sir, I know by experience that in the Hardwar fairs where lakhs of people come every year third class passengers are generally carried in goods wagons that have no proper sanitary arrangements, no lights, and no benches, the floors are dirty, full of coal dust and other stuff. If any Honourable Member will go and look at them, I do not think he will not be struck with the fact that no human being can sit in that wagon even for a moment. My Honourable Friend, Sir Maneckji Dadabhoy, has said that these lines cannot provide sufficient third class carriages for want of sufficient notice of fairs. I think he is mistaken. These fairs are generally known years and months before; and if the Railway Department takes a little care to provide wagons for the pilgrims, they can easily do so. They can borrow from other lines where there are no fairs; and they can improve the wagons, if they choose to do so. They charge the same fares from the third class passengers, while they carry them in goods wagons and cattle trucks. Sir, it is always said by the Sanitary Department that Hardwar is the place from which cholera spreads to the whole country, and not to this country alone, but to the whole world. I may be allowed to mention here that one of the chief causes of the spread of cholera from Hardwar is this system of carrying third class passengers to Hardwar and back from Hardwar. I have seen with my own eyes that passengers are packed up in these wagons like sheep and cattle. When they go to Hardwar they are very sickly-looking. When they return from Hardwar after three or four days and are carried in these wagons, they carry with them all the germs, if there are any, at Hardwar, to all those places. First they bring the disease themselves to Hardwar, and when they go back they take it to their places. Hardwar is not the place where germs are bred. The germs are brought there from other places through these third class passengers, packed up in wagons, and when they go back, they carry them with them to other places. Therefore, Sir, I strongly support this Resolution and recommend to the Government and to the Railway Department generally to put a stop to this practice as soon as may be possible, and that third class passengers should be given as much comfort as the passengers of other classes do get. I think this can be easily met either by borrowing third class carriages from other lines or by having additional stock. It may be said that there is no money for having new wagons. But as my friends have pointed out, some money can be set apart for this purpose, and stock should be kept in reserve for utilising at these big fairs and festivals. If there is no money at present, the system of borrowing can be introduced, which I am told can be introduced very easily and without any difficulty to the lines.

[Lala Sukhbir Sinha.]

With these few words, Sir, I strongly support this Resolution for the acceptance of the Council.

The HONOURABLE MR. SETHNA: Sir, I quite understand that the Honourable Mover has been actuated by humanitarian motives in bringing forward this Resolution. I sympathise with him, I sympathise equally, and more so, with these third class passengers, and particularly with the pilgrim passengers who have got to suffer the hardships to which reference has been made by the different speakers. But, as the Honourable Sir Maneckji Dadabhoy pointed out, there is also the other side of the question which requires to be considered, and consequently his amendment ought to meet with the acceptance of this Council. My Honourable Friend claims to be an orthodox Hindu,—I mean the Honourable Mover. I do not think that the orthodox Hindus, who believe in going long distances for pilgrimages, will thank him if the Resolution, as he has moved it, namely, that passengers will be immediately stopped from being carried in goods wagons, be given effect to, because it would deprive hundreds of thousands from going on pilgrimages, as they now do, until such time as carriages are ready for their use.

Sir, I think, it is necessary to know which are the railways most concerned in regard to these pilgrim places; and, as far as I can make out, there are five places of great importance, on the Oudh and Rohilkhand Railway, namely, Hardwar, Benares, Allahabad, Fyzabad, (Ajodhya) and Lucknow. There are six places on the South Indian Railway, namely, Rameswaram, Madura, Srirangam (Trichinopoly), Chidambaram, Conjevaram, and Kumbakonam. There is one important place on the Bengal-Nagpur Railway, namely, Puri, where there is held the Juggernath pilgrimage. There is one on the Great Indian Peninsula Railway, namely, Nasik. The Honourable Mover has said that conditions on the Great Indian Peninsula and Bombay, Baroda and Central India are more favourable than elsewhere.

The HONOURABLE MR. LALUBHAI SAMALDAS: I said Bombay, Baroda and Central India.

The HONOURABLE MR. SETHNA: I stand corrected—on the Bombay, Baroda and Central India, but, Sir, the conditions which should be considered particularly are those which prevail on the Oudh and Rohilkhand and the South Indian Railways. Now the Honourable Mr. Lalubhai has made two concrete proposals to remove the existing state of affairs. The first is, that one crore out of the 150 crores be spent for the purpose of making wagons.

The HONOURABLE MR. LALUBHAI SAMALDAS: Carriages.

The HONOURABLE MR. SETHNA: I mean carriages. My Honourable Friend forgets that this crore of rupees has to be divided into five years, as the 150 crores are to be spent in five years. Consequently, if one crore is divided into five years, it means 20 lakhs a year, and the 20 lakhs a year amongst the different railways, so that this will not amount to very much.

The second point he made out was that the Railway Board should have a very large supply of carriages ready on hand to loan out to the different railways whenever wanted for large pilgrim traffic purposes. Now, Sir, as he himself and other speakers have pointed out, pilgrim traffic is annual at some places, and at other places it does not come on except at intervals of twelve years. How can you expect the Railway Board to keep a large supply of coaching vehicles ready at hand to make

them available at these long intervals of time? Moreover, if inquiry is made, it will be found that most of these *melas*, annual or long distant, festivals are held during January and March, when the railways, as a rule, have very heavy traffic to handle, not only passengers, but goods, and most of them have only a single track. But more than that, the suggestion that the Railway Board should have a large reserve of carriages takes no account of the fact that in India we have different gauges. Suppose there is a very large *mela* in the south of India. The Railway Board, if it had a supply of carriages constructed for the broad gauge, could not use it for carrying the traffic to the south, because the six most important places of pilgrimage are all on the South Indian Railway which is a metre gauge railway. Consequently, what the Honourable Mover proposes cannot afford much relief.

I hold no brief for the railways. Conditions might have been improved and doubtless will be improved as time goes on. I should like to draw the attention of the Government Benches to one incident in particular. I mentioned a little while ago that five of the most important places of pilgrimage in India are on the Oudh and Rohilkhand Railway. The Oudh and Rohilkhand Railway therefore carries a very large pilgrim traffic. The East Indian Railway also, which runs parallel to the Oudh and Rohilkhand Railway takes a portion of the pilgrim traffic to those places. The Government have also allowed the Bengal and North-Western Railway to come in and take away a portion of this pilgrim traffic. I admit that the Bengal and North-Western Railway is a Company-owned and Company-managed railway. But although it is a Company-owned and Company-managed railway, it has received financial assistance from the Government of India. For example, one of its bridges, I believe the bridge near Benares, has cost a crore of rupees. Another bridge at the Allahabad end has cost a crore and a half of rupees. Now, my point is that, if the Government of India, instead of helping the Bengal and North-Western Railway, had doubled the Oudh and Rohilkhand Railway track, it would have done so at a much smaller cost, and would at the same time have considerably helped the pilgrim traffic.

These, Sir, are some of the points which I would like to bring to the attention of the Government of India.

Now, Sir, I know it is a very great hardship to carry people in trucks, but I may remind this House that India is not the first country in which people have been so carried. In the land which gave birth to the steam-engine and the railway, it was the same when the railway was first started. I was reading the other day the diary of a Journalist by Sir Henry Lucy, M. P., and under date April 20th 1899 is the following extract:

'At the inauguration of the Great Central Railway at Marylebone Station to-day I came across John Jollingshead. After a life of varied labour and experience equalled by few, he might pass in a crowd for a man just turned fifty. He recollects quite well how, sixty years ago, he made his first railway journey. He travelled as a third class passenger, and having taken his ticket, was shown the way into an open truck, which, when not in use for passenger traffic, carried coals, cattle, or anything going its way. For the convenience of the passengers one side of the wagon was let down, making a gangway by which they entered the van. When the train was about to start the side was lifted up, more or less securely hooked, and, to the amazement of mankind, the train rumbled off at fully twenty miles an hour, third class passengers jolting on springless wheels.'

I do not use this as an argument that those conditions should continue in India. As I say, matters require improving and will improve, but the real solution of the problem does not lie in a Resolution of this kind, but in

[Mr. Sethna.]

the solution of a more important problem with which the country is faced at the present moment, and that is the question of railway management. That is one of the important problems before India to-day. And if at the proper time when the question comes up, it is the decision of the Legislature that State-owned but Company-managed railways should become—as recommended by the majority report of the Railway Committee—State-owned and State-managed, I am sure that the lot of the third class passengers whether ordinary or pilgrims will very considerably improve and particularly the lot of pilgrims. It has been suggested that the Oudh and Rohilkhand Railway, which is State-owned and State-managed, and the East Indian Railway, which is State-owned and Company-managed, might borrow carriages from one another at times of pressure. Surely, Sir, it is well known that there is much rivalry between neighbouring railways, just as there very often is between neighbours. I believe that attempts have been made to borrow rolling stock, but these attempts have not been very favourably responded to by the East Indian Railway. And this is bound to be the position until the question which is now before the country, in regard to the management of the railways by the State, is decided and given effect to. I think, Sir, the proper time for my friend to press his views will be when that question is considered.

The HONOURABLE MR. E. S. LLOYD: Sir, I happened to be a member of one of the Pilgrim Committees to which the Honourable Mover has referred, and naturally one of the chief points to which our attention was drawn was this of using goods wagons for pilgrim traffic. I do not remember whether we discussed the question of the use of cattle trucks very much, but we did the question of using goods wagons. Our Committee—the Madras Committee—was glad to find that the South Indian Railway, on which pilgrim traffic, as the House may be aware, is peculiarly heavy at certain times of the year, in the hot weather as well as in the cold weather, had entirely abandoned the system of using goods wagons for pilgrim traffic. I think we found—I speak subject to correction—that the Madras and Southern Mahratta Railway still used them occasionally. The members of the Committee, especially the non-official members, were astonished to hear that the practice in the north of India was very different, and that at the time of pilgrimage when *melas* were held these goods wagons were largely used. While it was not our province to criticise the north of India, we did, as far as I remember, make the recommendation that, if it was possible for a small line like the South Indian to give up the practice altogether, it was certainly worthwhile considering whether it could not be a great deal limited, if not entirely abandoned, on the other railways. Of course we were bound to consider whether, if these goods wagons were not used, the ordinary third class carriages might not be even more crowded than they are at present. It is quite true that the South Indian Railway have very great difficulty about their third class accommodation. It is by no means sufficient, and during the war, no doubt, it did not improve and probably to some degree deteriorated. But I do not think that, if it is possible for the South Indian Railway to manage without using goods wagons, it is at any rate possible that the other Railways might study the convenience of the third class passengers more than they do at present at pilgrim traffic times, and give up the practice except of course for short distances and under very special circumstances. No doubt the pilgrims prefer to be carried in anything rather than be left on the platform, which is very often the case: but I do think, in the interests of sanitation and in the interests of public health,

that you ought not to allow this insanitary and improper means of conveyance except in the case of very short trips. Certainly for long journeys, the Committee found, as the Honourable the Mover has pointed out, that there is very great danger of contamination and spread of disease. I think, therefore, the amendment moved by my Honourable Friend, Sir Maneckji Dadabhoy, would probably meet the case, and that we should steadily set our face towards the removal of the existing practice, which, I think we must admit, is a certain amount of blot on the Railway administration.

The HONOURABLE MR. C. A. INNES: Sir, the debate has covered wide ground and has gone into for many ramifications. I do not propose to pursue all those ramifications, but I must just mention one point. The Honourable Mr. Sethna said that the solution of this problem lay in State as opposed to Company management. That is his opinion and I do not propose to discuss that point to-day; but I must point out to the House that he selected a very unfortunate illustration. In the course of his remarks, he referred to the East Indian Railway and Oudh and Rohilkhand Railway. Now, the Oudh and Rohilkhand Railway which is a State Railway has been held up to-day as the Railway in which the practice of using goods wagons for passenger traffic is worst, and the East Indian Railway which is a Company railway has been held up as the Railway in which the practice is least in vogue. There is one other point, Sir. Mr. Sethna suggested that the reason why the Oudh and Rohilkhand Railway could not secure sufficient coaches for pilgrim traffic was that the East Indian Railway would not lend them. That is a wrong view of the case, Sir. Railways, after all, are commercial bodies. If one Railway provides another Railway with wagons, it charges hire for them. It is purely a business transaction.

When I first read this Resolution, Sir, I must confess that I looked at it somewhat askance. As it is worded, it tends to convey the implication that Railways make a habit of conveying human beings in cattle trucks or goods wagons. If that is the implication, Sir, then I join issue at once. It is not a common practice on Railways, and it is not a practice which Railways like any more than the Honourable Mr. Lalubhai Samaldas himself. Mr. Lalubhai has divided his subject into two parts. The first part was the use of Railway wagons and trucks on ordinary occasions. As I have suggested, that practice is not at all common in India. I have here telegrams from every important Railway in India and, with one or two unimportant exceptions due to special causes, I may say that I am in a position to inform the House that on ordinary occasions, passengers are not carried in goods wagons, and I am prepared, in the special cases, where the practice does go on, to issue instructions to the Railways concerned that they should do their best to stop it at once. It is only adopted on exceptional occasions as when large bodies of troops have suddenly to be moved. The House will realise that that kind of exceptional occasion is always likely to arise. But if I may, I will follow Mr. Lalubhai's example and confine myself mainly to the question of great fairs and festivals. I am happy to be able to inform the House that on the principle there is no difference of opinion at all between the Honourable Mover and the Government. I grant at once all the objections that have been raised to this practice. As the Honourable Mr. Lalubhai has told us, they have been pointed out on more than one occasion by Pilgrim Committees, and notably by the Bihar and Orissa Committee of 1913. I do not quarrel with the Honourable Mr. Lalubhai's statement of those objections. There are reasons, connected with sanitation, reasons connected with the

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[Mr. C. A. Innes.]

convenience of passengers why that practice, even on the occasion of the great fairs and festivals is very undesirable. Moreover, there is, what the Honourable Mr. Lalubhai called, the sentimental objection. It may be sentimental, but it has none the less force for that. The fact is that passengers who have paid for a higher class of accommodation resent being conveyed in cattle trucks and rightly resent it. But as I have said once before to-day, the House must remember that Railways are commercial bodies. The Railways themselves do not like this practice still less do they like in any way to quarrel with their best customers. On the other hand, the House must recognise that the occasional use of wagons is, to some extent, unavoidable. As the Honourable Mr. Sethna pointed out, it is a choice of evils. Either the Railway Companies must use goods wagons or they must turn away people who wish to go on pilgrimage, and what is worse they must delay the return journey of people who have been on pilgrimage. Now, if pilgrims were given the choice of travelling in a goods wagon or of not travelling at all, is there any one here who doubts what their answer will be? And once a festival has come to an end, it is a matter of supreme importance that the pilgrims should be returned home with the least possible delay. As has been pointed out by more than one speaker this morning, these great fairs and festivals are the great source in India of cholera, and the longer you keep in the pilgrimage centre, large collections of people, the greater the danger. Consequently, whenever a *mela* comes to an end, the civil authorities always impress upon the Railway administrations the urgent need of clearing pilgrims away with the least possible delay. Now, let me give the House one illustration, taken from fact, of what this means. I have here the report of the Railway arrangements in connection with the *Kumbha Mela* at Hardwar in 1915. At the end of that *mela* there were 195,000 pilgrims waiting to be returned home, and, as usual, the civil authorities were insistent that they must be got away without any avoidable delay. In five days, between the 13th and 17th April 1915, the vast bulk of those pilgrims were got away, and how was that done? Ordinarily, there are four trains running daily in Hardwar, and in those five days the Oudh and Rohilkhand Railway ran not less than 80 additional special trains all in one direction. That is to say, in five days they started from Hardwar one hundred trains or a passenger train at intervals of every 72 minutes. Now I think the House will realise that the Oudh and Rohilkhand Railway could not possibly have run this enormous number of trains without supplementing its coaching stock by the use of goods wagons. At the same time, as I have said, I recognise the objections to the practice and I recognise that our object must be to reduce the practice to the narrowest possible dimensions. I am afraid that in this matter there has been some deterioration in the last five years. The Honourable Mover referred to the fact that the East Indian Railway had been able to dispense with the use of goods wagons, and he asked why other railways could not follow suit.

The HONOURABLE MR. LALUBHAI SAMALDAS: I said the Sanitary Commissioner wrote to that effect.

The HONOURABLE MR. C. A. INNES: The Honourable Mover seems to forget that since that Report to which he refers was written a good deal of water has come down the Jumna and among other things there has been the little matter of the late war. In the last six years, as I said, the position has worsened. It is true that in 1916 the East Indian Railway had reached a point where it was able to dispense with the use of goods

wagons even on the occasion of great fairs and festivals, but I regret that the position is no longer so. I have here information showing that even on the East Indian Railway on these occasions goods wagons have now to be used. The Honourable Mover referred with pardonable pride to the Bombay, Baroda and Central India Railway as another instance of a Railway which has been able to dispense with the use of wagons. It is not so. On the metre gauge even the Bombay, Baroda and Central India Railway has to use these wagons. The explanation is not far to seek. Everybody in this House knows that in the last five years railways in India have deteriorated like the railways of practically every country of the world. Their allotments for capital expenditure were cut down. Their sources of supply were cut off.

The question now is purely one of coaching stock and that means, one of money. The Honourable Mover has in his speech quoted the report of the Railway Finance Committee, and I have not the slightest doubt that he agrees with that Committee that it is up to the Government to devote to the rehabilitation of our railways every pie that we can spare, and I have no doubt also that he agrees with the Railway Finance Committee that in the forefront of our programme we must place the improvement of the conditions of travel of third class passengers. I may say that every railway administration in India has now got this question under examination, and I hope that if we are given the money recommended by the Railway Finance Committee, in five years' time the state of affairs will be very different. I hope that our arrangements for the conveyance of passengers will have been greatly improved. If that is so there will be very much less need for railways to resort, even on the occasion of fairs and festivals, to what we all recognise to be a very objectionable practice. But whether we shall be able to put a stop to the practice altogether in the next five years is a different matter. On some railways we can only obtain this result if we supply them with sufficient funds to enable them to maintain an amount of coaching stock which will suffice not merely for the ordinary requirements of traffic, but will also be sufficient to deal with exceptional rushes, such as occur at times of festivals. That would mean unproductive capital expenditure. In other and richer countries they keep a sufficiently large amount not only of coaching stock, but also wagons to enable them not only to deal with ordinary traffic requirements, but also to deal with rushes of traffic as they occur. But India is a much poorer country. We cannot afford to go in for unproductive capital expenditure, nor could we do so without other undesirable results. It would mean probably very large increase in rates and fares. But I have no doubt that the position will improve, and that as our supplies of coaching stock are increased, the bigger railways will be able to supply coaches more freely to the smaller railways in order to enable them to deal with the rush of traffic in connection with fairs. In this connection there is one point to which I must refer. The Honourable Mr. Lloyd mentioned that on the South Indian Railway they had been able entirely to dispense with the use of wagons even on occasions of great festivals. That is true. But the conditions on the South Indian Railway are to some extent special. It has been said that in the Madras Presidency you can rule a line across the map anywhere you like, and that if you build a railway along that line, that railway will pay on passenger traffic alone. The South Indian Railway is a railway which exists primarily and mainly for passenger traffic. That is why it has a very large supply of coaching stock. Other lines have more goods and less passenger traffic to deal with.

[Mr. C. A. Innes.]

I hope that the Council will accept the amendment to the Resolution which has been proposed by my Honourable Friend, Sir Maneckji Dadabhoy. As the Resolution stands at present, Government would be very reluctant to accept it. My main difficulty is the word 'immediately'. It is well to realise that the remedy in this matter is not merely the buying of so many hundreds or so many thousands of coaching stock. It is no good buying wagons and buying coaching stock if you cannot make the best use of those wagons and coaching stock. If we very largely increase our stock of wagons and of coaches without *pari passu* increasing our general travelling facilities, without remodelling our stations and doubling our lines, the only result would be that we would congest our lines and we should be just as badly off as we are now. The whole of this railway problem has got to be treated as a whole. You cannot take up one part and say: 'We will do this and leave the other parts out of consideration'. This is the main reason why I could not accept the Resolution in its present form. We could not guarantee immediately to put this matter right. What the House has got to do, is to give us time and give us money, and if they can give us time and money, then I hope that in five years' time we shall be able to effect a very great improvement, not only in this matter, but also in all other matters in respect of which the country has got reason to complain at present. I, therefore, support the amendment which has been moved by the Honourable Sir Maneckji Dadabhoy, and I hope that the Council will also accept it.

THE HONOURABLE SIR DINSHAW WACHA: I am sure this House is gratified by the very enlightened, impartial and lucid way in which the Honourable Member for Commerce has replied to the Resolution, which I hope every Member of the House will appreciate. He gave a very impartial survey of the whole situation, both from the point of view of the pilgrim passengers themselves, as well as from the point of view of the Government, and very clearly pointed out what are the difficulties of the Government at the present moment,—difficulties which have arisen from the state of war during the five years ending 1918 leading to congestion of rolling stock among other things. But the Government are alive to all these difficulties and are trying their very best to restore what has been deteriorated and to rehabilitate, as early as practicable, its locomotive service both for passengers and goods. That being so, and having regard to what has fallen from the Honourable Mr. Innes with reference to what the Government themselves are doing, and to the fact that the reorganization of railway transport is being speedily effected, I think, Sir, the House will be gratified that, on the whole, this question, which has, of course, very much agitated a large number of the unenlightened public is being carefully dealt with! I am sure the public will be able to see that the Government are not slow or are not insensible to their own responsibility in the matter. Pilgrim traffic, of course, in India is a very very difficult matter, because this kind of pilgrim traffic is hardly to be seen either in the United States of America, where there are the largest number of railways, or in Great Britain, where we know there are what you call special excursion or emergent coaching traffic. There, no doubt, many people turn out in millions, but that is only for a day or two. But the pilgrim traffic in India is a more difficult matter in a special way, namely, on account of sanitation. Pilgrims as a rule are orthodox. They have no ideas of sanitation. They have no ideas of even elementary cleanliness. It will be a long long time, I fear,

before education can teach the masses to the point how to keep themselves clean, how to live sanitariously as it were, in a way that lengthens their lives. All these are things which only education can give. To my mind the question of cholera and other kindred diseases or insanitation are concomitant with the question of pilgrim traffic and must be seriously considered. My own suggestion is that every railway train, when there is cholera while a large number of pilgrims return from Hardwar and other places, should have one carriage attached which may be considered a kind of travelling dispensary, where patients who may be suffering during travel from cholera or other infectious diseases might be removed immediately, and in which there should be some medical person or apothecary who will attend to the patients. In that way the germs of infection arising from cholera and spreading to the other pilgrims will greatly diminish. I would humbly suggest to the Member of the Government, and particularly to the Railway Administrations, to see whether it is not possible for purposes of sanitation, when there is a crowded pilgrim traffic, to have attached to each train a kind of travelling dispensary, with an apothecary, where, the cholera stricken, if there are such in a train, might be removed, so as to considerably minimise the spreading of infection to other carriages. Were this suggestion adopted I think a great deal of the difficulties and objectionable practices to which my Honourable Friend, Mr. Lalubhai Samaldas, and other Members, have referred will be mitigated and allayed. As the Honourable Mr. Innes informed us, we might look out and expect for a great improvement in this respect in the next five years. I myself am optimistic and hope to see a great improvement taking place in the railway organization, both for passenger and goods traffic and otherwise, whereby all this evil that we have been considering for years together might be entirely removed. At the same time, I consider, at least for my own part, and I think I can speak for other Honourable Members also, that the Honourable Mr. Innes' speech, so impartial and practical, will greatly reassure the public that the Government are doing and will do, everything possible and practical to mitigate these evils.

THE HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Sir, I wish to say one or two words in this connection. I am just coming from a big pilgrimage, a place about four miles beyond Negapatam. We had 50,000 pilgrims there; both Hindus and Muhammadans visited the place. We have not had the slightest complaint of pilgrims being brought in wagons or any such thing. The South Indian Railway Company managed it very successfully; they were able to bring special trains as well, and the pilgrims have gone back to their places satisfied. If the Resolution moved by my Honourable Friend, Mr. Lalubhai Samaldas, is accepted, I am afraid, as the Honourable Mr. Sethna remarked, that the pilgrims themselves will be blaming not only the Mover of the Resolution, but also those responsible for accepting the Resolution. As we all know, it is not possible for any Railway Company to carry third class pilgrims in suitable carriages and, in special cases, they have to use their discretion, with the consent of the pilgrims. On the other hand, the pilgrims are usually so impatient that they are very particular that they should visit a shrine on a particular day. Now, if this restriction is imposed, and no pilgrim is allowed to be carried, I am afraid that would be a hard and fast rule towards the pilgrims and would be standing in the way of their religious interests, and so—I am sorry I was absent when the Honourable Sir Maneckji Dadabhoy moved the amendment, but I heard the Honourable Mr. Lloyd saying that his amendment will do well for the present until such time when all the railway companies find their way and be

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[Khan Bahadur Ahmedthamby Maricair.]

able to make more rolling stock and satisfy the public—in the meantime I support the amendment moved by the Honourable Sir Maneckji Dadabhoy.

The HONOURABLE DIWAN BAHADUR RAMABHADRA NAIDU: Sir, I differ from my Honourable Friend, Mr. Maricair. It is true that South India has got very important pilgrim centres, and every one of us has seen pilgrims, for want of accommodation, being huddled in wagons like cattle,—especially, on the trip to Rameswaram, on the trip to Madura. This is so. Many pilgrims are, without any sense of humanity, huddled together in wagons. If the same evil is not attended to, a tragedy like the Malabar tragedy might take place. The railway authorities are always more or less accustomed to huddling these pilgrims in wagons, but the sooner the Government do away with the practice, the better; and I am glad that the Honourable Government Member, Mr. Innes, assured us that, if sufficient money and sufficient time are given to him, he can rectify the matter. But, I think, in this age of civilization, the sooner we put a stop to this practice of loading pilgrims in wagons, the better. With these words, Sir, I support the Resolution.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I am very grateful to all the Honourable Members who have supported this Resolution, and I am quite sure that the third class passengers who have to visit the pilgrimages will be equally grateful to the Honourable Members generally, and to the Honourable Member for Commerce and Industry who has shown his sympathy with the principle of the Resolution that I have moved. Sir, I find that some Honourable friends, while sympathetic, were more critical of the proposals that I have made than even the Honourable Mr. Innes. My friend, Sir Maneckji Dadabhoy, asked—I quite understand his point of view—how we can make provision for carrying pilgrims when trade suffers from shortage of wagons. I see his point of view. Trade counts with him; money making counts with him; with him human beings do not count. I am sorry he has taken that capitalistic view and not the humanitarian view which my friend, Mr. Sethna, said actuated my Resolution. I do not know whether he accused me of that humanitarian feeling or whether he meant to compliment me on it. If it was an accusation I plead guilty. I want the House to be humanitarian and I am sorry that my friend, Sir Maneckji Dadabhoy, in taking up the position of a capitalist, forgot for the time being his duty towards his human brethren, which I think is greater than his duty towards trade. Sir, that is the feeling which was created in my mind when I read the Report of the Railway Committee. Almost all the witnesses who appeared before the Railway Committee spoke more of the difficulties they experienced in the way of transporting cotton or jute or other products from one place to another. To them, as to Sir Maneckji Dadabhoy, humanity does not count.

The HONOURABLE SIR MANECKJI DADABHOY: Mr. President, may I give a personal explanation?

The HONOURABLE THE PRESIDENT: The Honourable Member is perfectly well aware of the rule regarding personal explanations, which has been laid down on previous occasions. If the Honourable Member who is speaking gives way, then the Honourable Member wishing to make an explanation may intervene. In this present case the Honourable Member in possession of the House did not give way.

The HONOURABLE MR. LALUBHAI SAMALDAS: When I read the conditions under which pilgrims travelled in the summary of the Report of the

Railway Committee in Chapter II, and when I heard Sir Maneckji Dadabhoy, I felt that it would be better for these pilgrims if they were the slaves and property of capitalists like my friend, Sir Maneckji Dadabhoy. He would then care more for them because then their transportation suffering would come within the suffering of trade. . . .

The HONOURABLE SIR MANECKJI DADABHOY: You are absolutely wrong.

The HONOURABLE MR. LALUBHAI SAMALDAS: My Honourable Friend, Mr. Sethna, asked me a direct question. He asked me whether, as an orthodox Hindu, I would prefer the pilgrims to be conveyed in goods wagons or, failing that, to do without going on pilgrimage. I am prepared to give a direct reply, and that reply is, that I am a human being first and an orthodox Hindu afterwards, and as a human being I do not want my brethren to be carried like cattle or chattels. (A voice: What if they do not mind?) This practice, Sir, de-humanizes them. They do not perhaps mind the discomfort, and that is the greatest tragedy arising out of this practice. If this practice had not been begun we would never have seen people sitting contentedly in goods wagons. It may be due to our Hindu Philosophy, to Shankara's Philosophy, which teaches us that we must keep our eyes on the other world and not on this. But if this practice had not been begun my brethren would have felt the indignity to such an extent that my friends, Sir Maneckji Dadabhoy and Mr. Sethna, would never have said anything against this Resolution.

Sir, the Honourable Member for Commerce and Industry has, as my friend, Sir Dinshaw Wacha, said, in his very lucid and balanced speech, put the case before this House. I realize his difficulties. When I used the word 'immediate' I knew that there would be difficulties in the way; but I wanted to press this point on the attention of the House and especially on the attention of the Members for Commerce and for Finance, so as to enable the Finance Member to give the money that is required and so enable the Member for Commerce to use it for the purpose for which we require it. The Honourable Member for Commerce said that if I had studied the Finance Committee's Report I would have seen the provision of the report for coaching traffic. I may say, Sir, that I have seen the Report and I have found that, whereas 48 crores have been provided for the next five years for wagons, only 18 crores have been set aside for the same period for coaching traffic. Therefore, Sir, it is obvious that the members of the Railway Finance Committee look more to the interests of trade and commerce than to the interests of human beings.

My friend Mr. Sethna said that this is not the only country in which passengers are conveyed in trucks, and he gave us a humorous extract from Sir Henry Lucy's diary in which he says that he met a gentleman—who forget his name—who in 1899 had a vivid recollection of having travelled 60 years back in a cattle truck. That takes us back to 1839. If what was considered allowable in England in 1839 is to be the practice in India after nearly a century. . . .

The HONOURABLE MR. SETHNA: I did not say that.

The HONOURABLE MR. LALUBHAI SAMALDAS: And if my Honourable friend is satisfied that it should be so, I am not. In this matter I want India to be what England is in 1922, not what she was in 1839.

[Mr. Lalubhai Samaldas.]

One other question was raised by Mr. Sethna about the difference in gauges. I realize that fact also and the necessity which exists of having extra carriages for different gauges. But the chief difficulty to which both the Honourable Member for Commerce and the Honourable Mr. Sethna drew attention, was that the carriages would lie unused for a number of years. The Honourable Member for Commerce and Industry was good enough to say that this unproductive expenditure would perhaps fall heavily on the general tax-payer or the user of the railways. I quite understand the difficulty, but may I point out that certain railways have constructed special trains and carriages for—I will not use a stronger word—pleasure. There are on my side of India 'Race Specials' to take passengers twice a week for three months in the year to Poona, and the whole Indian Peninsula Railway can afford to do that, surely it can afford to look after the convenience of third class passengers and keep the stock unused when not wanted. I realize the difficulties mentioned by the Member for Commerce and Industry regarding the return journey of pilgrims. He gave us a vivid example and in such a case I realize that it may be proper to use a certain number of wagons in place of regular coaching vehicles for some time; but in that case the wagons must be clean and must be provided with seats in the same way as some recently introduced on the North-Western Railway.

If that is done, there will not be great objection to their temporary use. I would not mind the delay of a few years for carrying out my Resolution in its entirety to enable the completion of the Railway programme within that period. I am prepared, Sir, to accept the amendment moved by my Honourable Friend, Sir Maneckji Dadabhoy, which has been accepted by the Honourable Member for Commerce and Industry, and I hope the House will unanimously pass this amended Resolution.

THE HONOURABLE THE PRESIDENT: The question is that in the Resolution moved by the Honourable Mr. Lalubhai Samaldas, the following amendment moved by the Honourable Sir Maneckji Dadabhoy be made: after the word 'immediately,' the words 'as far as practicable' be inserted.

The Amendment was adopted.

THE HONOURABLE THE PRESIDENT: The question is that the following Resolution be adopted:

'This Council recommends to the Governor General in Council that steps be taken immediately, as far as practicable, to put a stop to the practice of Railways conveying human beings in cattle trucks or goods wagons.'

The Resolution, as amended, was adopted.

DURBAR IN THE FORT.

THE HONOURABLE THE PRESIDENT: Before I adjourn the Council, I would ask Honourable Members to record on the paper, which is laid on the table, whether they do or do not intend to be present at the public arrival of His Royal Highness and at the Durbar in the Fort. This information I have been asked to obtain by those in charge of the arrangement of these functions. By complying with this request, Members

will not only consult their own convenience, but also that of the officers in charge.

I now adjourn the Council till 2-30 P.M.

The Council met after Lunch at 2-30 P.M. with the Honourable the President in the Chair.

MESSAGE FROM LEGISLATIVE ASSEMBLY.

THE SECRETARY OF THE COUNCIL: Sir, a message has been received from the Legislative Assembly through the Secretary of that Chamber.

THE HONOURABLE THE PRESIDENT: Let the message be read.

THE SECRETARY OF THE COUNCIL: Sir, the message runs as follows:

'I am directed to inform you that the Legislative Assembly at their meeting of the 13th February, 1922, agreed to the amendments to the following Bills which were passed by the Council of State on the 31st January, 1922:—

1. A Bill to repeal certain special enactments supplementing the ordinary criminal law.
2. A Bill to repeal certain provisions in the Indian Criminal Law Amendment Act, 1920.'

RESOLUTION RE WORKING OF MILITARY AND STRATEGIC RAILWAY LINES.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, I beg to move the following Resolution that stands against my name:—

'This Council recommends to the Governor General in Council that, in future, a separate revenue and expenditure account should be kept of the working of Military or Strategic Railway Lines; that the losses connected with the working of these Railways should be debited and the profits, if any, credited to the Military Department, and that the capital outlay on new lines or works of this nature should be debited to the Military Accounts.'

I claim that the subject-matter of my Resolution is entirely non-controversial. In this Resolution I do not ask Government to curtail any expenditure or to increase it under any head. My Resolution does not affect the present financial policy of Government in the least. The point that I raise in this Resolution is only a matter of accounts. The public accounts in my opinion should give a faithful picture of the financial results of all State activities. The public is entitled from the State Accounts to know what are the exact receipts from each head of revenue, and what is the real amount spent under each head of expenditure. If the actual receipts do not correspond with the figures of receipts in the public accounts, or if there is a variation between the actual expenditure and the figures of expenditure in the accounts, the Government books fail to exhibit the true picture of the financial affairs of the country. The Government should, therefore, see that the system of accounts adopted by them does not exaggerate or minimise the real amount under each head of revenue or expenditure. In modern times the State performs many

[Rai Bahadur Lala Ram Saran Das.]

functions, protective, social and commercial. The tax-payer is entitled to know the exact cost of different kinds of State activities. For example, the Accounts should show what is real and actual cost of defence in the country. The Accounts should tell us what is the commercial value of each State commercial concern. If the present system of accounts allows Military expenditure to be shown under non-military heads of expenditure, I submit the public accounts fail to inform us as to what is the actual military burden of the country. If, on the other hand, the profits of a commercial department are reduced because in the accounts the department is shown to have incurred an expenditure, which is from a commercial point of view unnecessary, the exact commercial value of the concern is concealed from the public view. Let me, Sir, illustrate my point by giving some examples. In the North-Western Railway, there are certain sections of the line which are known as Military sections. But for military utility these sections of the line would have never been constructed. In the North-Western Railway, the total capital invested on the military sections up to the end of 31st March 1921, was no less than 23 crores and 35 lakhs of rupees. In 1920-21, something like 86 lakhs of rupees was paid in interest on the capital invested on these sections of the line. The figures of the previous ten years that have been supplied to me by the Railway Department show that in four years out of ten the gross earnings of these sections of the line fell considerably short of even the working expenses. In 1911 the working expenses exceeded the gross earnings by Rs. 9,82,000. In 1919-20 the deficit after deducting from the gross earnings, the working expenses was 9½ lakhs of rupees. In 1920-21 the gross earnings fell short of the working expenses by more than 20 lakhs. Out of the remaining six years in the decade 4½ years were occupied by war. During these years there was a considerable amount of military traffic on this section. Had it not been for this traffic I imagine these sections of the Railway would have shown a deficit during these years also. The figures in the accounts therefore show that in ordinary peace times the military sections of the North-Western Railway do not even pay their working expenses. The cost of working and maintaining the sections has to be borne by the commercial sections of the Railway. If to these deficits are added the amount of interest paid every year on the capital invested on these sections of the line, the annual loss becomes enormous. As this entire loss has to be met from the revenues of the commercial sections of the line, it is clear the profits of the commercial sections are unjustifiably reduced. In 1919-20 the percentage of net earnings on the total capital outlay of the commercial sections of the North-Western Railway was 6.38. But after deduction of the loss incurred on the military sections of the line the percentage of net earnings was reduced to 5.00. I have shown that the military sections of the line, though they may be most valuable from the military point of view, are, commercially speaking, absolutely worthless. Had it not been for military necessities, I imagine these sections of the line would have never been constructed. The capital outlay of 23 crores and 35 lakhs on the military sections is really speaking a dead weight on the North-Western Railway. In 1919-20 the net loss on the military sections of the line was Rs. 84,71,000. In 1920-21 the loss was Rs. 1,06,70,000. Before the war the annual loss was never less than Rs. 62 lakhs. In the period of war also the net loss averaged 50 lakhs per annum. I submit, Sir, that a commercial concern like the North-Western Railway is under no obligation to bear a heavy burden of its military section every year. All this expenditure incurred

in the Railway Department is really for the benefit of the Military Department. I venture to urge that it is the Military Department that should, in fairness, be debited with this expenditure. Again, Sir, there is another type of expenditure which is incurred in the Railway Department for the benefit of the military. There are a large number of military cantonments in the country. Extensive sidings are constructed at these stations for the purposes of mobilisation and demobilisation of troops. At important stations a considerable amount of rolling and coaching stock, locomotives, coal and engineering material are kept in reserve for military purposes. Considerable materials for the construction of new and temporary lines for war purposes are also held in readiness at important terminal stations. For the purchase of all this material, and for the construction of Railway works for the benefit of the Military Department, considerable amounts of money are spent by almost every Indian Railway in the country. The annual grant for expenditure on the Indian Railway has very often to be diverted in order to create facilities for the Military Department. In this way not only is the Railway Department compelled to incur heavy expenditure for the benefit of the military, but they are also prevented from improving the commercial utility of the lines and are also prevented from undertaking necessary repairs and renewals due to wear and tear. This is one of the reasons why the efficiency of the different railways in India has run down considerably. In the long run this means lower profits for the Railways. The total amount spent on military sidings, platforms, and other Railway works and other Indian Railways during the past seven years runs to crores of rupees. The interest that is every year paid on the capital invested on the Railway works and Railway material for the benefit of the Military Department, forms a large portion of Railway expenditure. This expenditure returns no commercial profit to the Railway Administration, and from the commercial point of view, I think the railways would have never incurred this expenditure at all. On the other hand under this present system of accounts, the expenditure which is really incurred for military purposes, fails to be shown in the military budget. This system minimises the real expenditure in the Military Department, and thus fails to show to the tax-payers the actual cost of defence of the country. I submit a system which minimises the expenditure on defence and also minimises the actual profits from the commercial department of Railways, cannot be said to exhibit the true accounts of the different Departments of Government. I would, therefore, ask this Council to accept the suggestions made in my Resolution. With these few words, Sir, I commend the Resolution for the favourable consideration of the Council.

The HONOURABLE SIR MANECKJI DADABHOY: Mr. President, before this debate commences, I would like, with your permission, to propose that before the discussion of this Resolution may be taken as a whole, this Resolution may be divided into two parts. The first part should be separately moved, namely 'that this Council recommends to the Governor General in Council.

The HONOURABLE THE PRESIDENT: I will decide the manner in which the Resolution is to be put to the Council when I have heard the debate.

The HONOURABLE SIR MANECKJI DADABHOY: In view of the paucity of time at our disposal this afternoon and the fact that the House is to be adjourned at 4 O'clock, I shall be as brief as possible. So far as the first part of this Resolution is concerned, I appeal to the Government to accept.

[Sir Maneckji Dadabhoy.]

it. There is no doubt that much can be said in support of the first part of the Resolution which asks that a separate Revenue and Expenditure account should be kept of the working of Military or Strategic Railway Lines. This point has not been for the first time urged or debated in this Council. I remember that years and years ago the Honourable Mr. Gokhale was very keen on the Government of India showing separately the revenue and expenditure under these different heads. The propriety of this proposal will be easily seen. The public have a right to know how much of the tax-payer's money is spent on military railways and strategic lines. It is within the common knowledge of many that often under the guise of military expenditure, under the guise of strategic railways, much of the ordinary expenditure to which exception may be taken is included under such categories, and I think this Council as well as the Assembly should have detailed information in respect of these matters. Some times Government are of opinion that certain railways are really strategic. The public entertain a different view. Of course the public cannot be expected, and often they are not in a position, to express an opinion with certainty, whether a particular railway is purely strategic or not. But it is only right and proper that the whole position should be placed before them in order to enable them to understand and, if necessary, to take exception to the construction of railways which cannot be justified essentially on strategic grounds. This Resolution seeks no more than that Government should keep separate accounts, details being furnished and revenue and expenditure being separately shown. I can see no objection to Government accepting this modest request which is contained in the first part of the Resolution, and I, therefore, gladly support the first part of the Resolution.

As regards the second part, I am afraid I do not see my way to supporting it. It is a very difficult and a very complicated question, and without full knowledge of the subject, and without the full facts, figures and reasons being placed before us, I do not think this House will be justified in accepting that part of the Resolution. It is a highly technical subject, and I think it will not be fair by merely passing a Resolution to force Government to accept a proposition of a peculiarly technical kind like the one before us. I would prefer that Government should appoint some sort of a Committee of experts, some reasonable and well-chosen Commission, to deal with the matter. It is certainly a matter of great consequence and importance. It needs closer examination and scrutiny; but the House is not in a position at present, not having the facts and figures before it, to pronounce an opinion. I listened carefully to the speech of my Honourable Friend in the hope that he would be able to throw some light on the second part of his Resolution; but unfortunately I have not been able to gather any clear reasons for accepting this part of his Resolution. I, therefore, think that the first part of the Resolution should be accepted; and as regards the second part the Government should only be requested to appoint a committee of experts to deal with the whole matter, and when the proposals of that committee are placed before the House, it will be time enough to consider what action should be taken. I, therefore, support the first part of the Resolution, and I regret that I cannot see my way to supporting the second part.

The HONOURABLE MAJOR MUHAMMAD AKBAR KHAN: Sir, after the Mutiny the strategic importance of railways was fully realized for the

concentration of troops and transportation of supplies for them. The primary object of railways was strategic, but it was also administrative. Railways are a factor of economic, moral and intellectual progress of humanity. They mitigate famine and equalise its burden. When they serve all the foregoing purposes it is very hard to distinguish the strategic from the other railways. In the name of logic why is not the railway line from Lahore to Peshawar called strategic when used for military purposes, whilst some other lines serving the same object are called strategic, and hence their burden is proposed to be debited to the military accounts? The very presence of the Honourable Members here shows the facilities provided by the so-called strategic and other railways. I fail to understand how it is possible to separate any one part, however small, of the great network of Indian railways whether in India or on its Frontiers, from the rest of it, because the whole system without any objection whatsoever is utilised for military as well as trade purposes. The gates of India are situated on its North-West Frontier, and the extension of railways to it is essential in the interest of better defence. This extension can now be made cheaper than at any time of emergency, when military requirements will not admit of a moment's delay; and may I say, of Honourable Members' permission. These railways, in the absence of a military expedition, are always open to trade and are greatly beneficial for the maintenance of the people of those rugged hills who form the first barrier in the on-rush of the outsider. Few railways have ever been paying concerns from the start, but they have proved to be a source of revenue after the lapse of some time. I, therefore, strongly oppose this Resolution, which seeks to do injustice to my former profession and to my province.

The HONOURABLE MR. E. M. COOK: Mr. President, this is the second time within a few weeks that I have had to ask the indulgence of the Council. On the last occasion it was because the Finance Member was prevented from attending the Council and from speaking on the very important Resolution moved by my Honourable Friend Mr. Kale on retrenchment. Only this morning, however, Sir Malcolm Hailey was congratulating himself that the state of Financial business in another place had permitted him to come up to this House and speak on this important Resolution. Fate has ruled otherwise. The Finance Member has again at the very last moment been summoned away on very urgent public business. The consequence is that I myself—and that is why I am asking the indulgence of the Council—did not come here to-day prepared to speak to this Resolution. Lack of preparation is not a small matter for an official whose previous career did not rest on his ability to improvise arguments; although I admit that, in most cases, that handicap or disability is usually counterbalanced somewhat by the soundness of the case that the official has to defend. At the same time I have of course a rough working knowledge of the *pros* and *cons* of this very ancient question, and for what it is worth I shall be glad, in as few words as I can, to place my ideas on the subject at the disposal of Honourable Members. But I am afraid I must utter one word of warning. I may have to lead Honourable Members into the thorny mazes of a technical discussion on accounts matters, and, if so, I hope the House will render its gratitude, if gratitude it feels, in the right place, I mean to the Honourable Mover of this Resolution. Since however the subject is a very technical one and, I am afraid, offers no opportunity whatever for light discussion, I cannot spare the Council and it must bear with me for a time while I speak of somewhat dull matters. But if what I have to say is dull it will at any rate be impartial.

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If the Honourable Member who is in charge of the Railway Department were here, I am quite sure he would be only too pleased to lend his full support to this Resolution; whereas, if His Excellency the Commander-in-Chief were here, I have no doubt he would take an exactly opposite position, and although, then, the official attitude might be a little less impartial the debate would possibly be somewhat more lively.

Well, Sir, what, briefly, is the history of this case? I think the House already appreciates, from what has been said by the Honourable Mover, that the question almost entirely turns on these Frontier lines connected with and run by the North-Western Railway. Now, excepting the few

3 P.M. Railways in India which have been constructed from famine grants and classed as 'protective', all railways, whether paying or not, have been constructed from our general loan funds and those loan funds are the same, no matter whether they are spent on railways or on any other form of capital expenditure. There were a certain number of purely strategic lines, or what at the time were thought to be strategic lines, constructed from the ordinary State funds up to the year 1886. In 1886 these were amalgamated with the lines formerly owned by the Sind Punjab and Delhi Railway Company, and were worked under the name of the North-Western Railway. In 1888, the Secretary of State, to whom the question had been referred, directed that the accounts of the strategic lines should be kept separately from the productive sections of the North-Western Railway, and this has since been done in our Railway Administration accounts. If Honourable Members will turn to Appendix IV, Volume II, of the Railway Administration Report, they will find that the North-Western Railway military section is shown separately. I do not say that that meets entirely the first part of the Resolution, but at any rate, the House will perceive that we have done something to classify these two kinds of railways under separate heads. Some of these particular railways have been mentioned by previous speakers. The most important of them are the Peshawar-Jamrud, the Nowshera-Dargai, the Pindi-thal, the Lala Musa-Kundian, and the Campbellpur-Multan, (which I think is the same as the Sind-Sagar) and the Ruk-Quetta line. These are mainly the lines which are now in issue. The cost of them has been, standard gauge, 21½ crores, and 2 ft. 6 inches about 70 lakhs; altogether then you have a little over 22 crores. First let me pause for a moment and ask the Council to consider what proportion this is to the total capital at charge on account of railways. The total capital at charge on all the State-owned lines is no less than 503 crores, and incidentally let me say that I do not think there is any other country in the world possessing such a magnificent asset. Out of those 503 crores, there is only 22 crores on account of these 'strategic' lines. I come then to my next point, and it is that the whole of this 22 crores has not been spent on railways which are non-remunerative. For example, take the Kalabagh-Bannu Railway; if you look at the map, that seems a strategic railway; as a matter of fact it was built as a commercial railway. The more you come to look at this question, the more difficulties you find. Take a section like the Nowshera-Dargai; that, I believe, is now fully remunerative. Then again, I think I am correct in saying, that the Lala Musa-Kundian line is very remunerative. Even the Sind-Sagar is now paying. So it is not quite such a large question as perhaps the Council might think from what my Honourable Friend said. The first time that this question came up formally for discussion was, I think, in 1887, when there was some division of opinion within the Government. Those

were in the old spacious days when Members of Government, and even Secretaries to Government, sometimes had leisure to write weighty and interesting Minutes putting their point of view thoroughly and exhaustively. These Minutes were then printed and became important State documents. The Government of India at the time were sharply divided on this very issue. Sir Theodore Hope was the Public Works Member and Sir Auckland Colvin, the Finance Member, and I believe they were supported by the Viceroy, Lord Dufferin. Their minutes enunciated the principle that I think my Honourable Friend wants to see enforced. They took this line:—

'Railways being a Commercial department, the cost of Military lines and other works required for purely military purposes should be charged against the Military grant.'

On the other hand, the majority of their Colleagues, headed by General Chesney, who was the Army Member (not the Commander-in-Chief, who was of course Sir Frederick Roberts, as he was then) laid down a different principle, which is of great importance and runs through the whole of our accounts system. They said that—

'The services rendered to a Department of Government by another Department should be borne by the Department in which the expenditure is incurred.'

That is to say, any railways that are built should be regarded as part of the railway machinery, and charged under the heading 'Railways,' any profit or loss going to the railway account. This issue was referred to the Secretary of State, who decided, not so much on the question of principle as on practical convenience—

'That all works required for military requirements on the frontier lines should be met from railway funds.'

Although he agreed that when work was carried out, such as railway sidings, for purely military purposes on any line outside the North-Western Railway, that should be debited to military funds. I admit that the position then set up seems a little anomalous. But it is the position which has existed ever since then. The actual procedure is that on all other railways, excepting the North-Western, any work of a railway nature actually required by the Military Department has to be paid for from Military funds, although on what are called the Military sections of the North-Western Railway, the works required by the Military Department are charged to Railway funds. That distinction may not seem very logical. The real reason for it was probably that the North-Western Railway, being State-owned, it did not make very much difference, because the money came out of the same pocket, while as regards other lines, when you come to a company line it would be difficult to carry out the same principle there. As I have said, it does seem rather anomalous that we should have this differentiation between Military lines on the frontier and railway works constructed for Military reasons elsewhere. I agree too that the general position is liable to the attack brought against it by my Honourable friend, namely, that we are charging to the Railway capital account certain items which are required for non-commercial purposes. Although, as I have pointed out, many of the so-called strategic lines are really now commercial lines, still I will take one concrete case, namely, the Khyber Railway, which is certainly not a commercial railway. I quite admit as regards a railway like that, the Honourable Mover's contention is justified, so far as it goes. The next point I want to emphasise is this. But once we move away from the present position, are we quite so sure that we can at one jump get to a more suitable and more accurate

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arrangement? It is going to land you in a lot of difficulties, which perhaps my Honourable friend has not thought of. I do not say that you cannot move, but I say it will not be an easy thing. My Honourable friend laid down a rather wide proposition about accounts always showing the true object of expenditure. He would find it extraordinarily difficult to apply that principle right through all the public accounts, and I guarantee that if he started to do so, he would very soon find our accounts in chaos. In our accounts, we divide our departments into what are called Public Service Departments and Commercial Departments. As regards Public Service Departments, these are not allowed to charge other departments for services which fall within the class of duties for which they have been constituted. In other words, you cannot classify expenditure strictly by the object which it is intended to serve. Take, for example, the Police. I think Honourable Members must have seen some uniformed gentlemen outside this Council Chamber, who are there partly, no doubt, for the security but partly also for the dignity of this House; their cost is debited to the Police, it is not debited to the Legislative Department. The scene of their work changes from day to day. To-day there may be a certain Inspector outside this room, but to-morrow he may be running after volunteers. Therefore, if you try to keep your accounts purely with reference to the object of the expenditure, you are going to get into very serious trouble. I admit that in the case of our Commercial Departments you must, so far as you can, keep their accounts on commercial lines, and in the same way as an ordinary firm keeps its books, and that is why we do not apply the same principle all the way through. We stop short at the commercial accounts, and we endeavour to recover all expenditure incurred by railways on behalf of other departments, while the railways have also to pay other departments for expenditure which the latter incur on behalf of railways. For example, if a battalion of troops is moved from one part of the country to another, the Accounts Officer of the railway line concerned raises a debit against the Military Department. My Honourable friend may say:

'This is all very nice. You have given away the case; Why don't you charge the military railways straight off to the military account.'

I quite admit that there is much to be said for this view, but at the same time there are a number of quite substantial reasons which might be urged on the other side. I could hear some people say:

'Is it so very illogical after all, to debit the Khyber Railway to the military account? Is it not the function of the Railway Department to provide railways, where railways are unquestionably needed for the general purposes of the country?'

I can imagine people saying that, and I want Honourable Members of this Council to see that there are two sides to the question. There is moreover no doubt a good deal of value in showing what we spend on railways as a whole under one head, for example, we do not exclude the Assam Bengal Railway, although I am sorry to say it is not a productive railway at present. Further, there will be some very difficult questions which will arise as regards interconnection between the two different classes of railways, especially as regards long distance traffic. Then there is another point which I have already established, namely, that our strategic railways have a habit of becoming productive, and some of them as might appear at first sight. You will anyhow at once raise some awkward questions. Take, for instance, the Moplah rising. That has been

put down mainly by the troops, and they cannot withdraw from that area yet, although military operations, in the proper sense, are over, and the troops are, as a matter of fact, doing ordinary police duties. Are we going to send in a bill to the Madras Government for the cost of the troops down there. Are we going to charge the cost of suppressing the Moplah rebellion to some Civil Estimates? At present all such expenditure is being debited, and will continue to be debited, to the Military Estimates, although I could of course imagine the Army turning round and saying:

'We exist for external aggression. We do not exist primarily for preserving internal security, and if you are going to use us for internal security purposes, and move us from place to place, the departments primarily responsible for law and order ought to pay us, that is, the provinces ought to pay us the cost of keeping up those battalions of the Army which are earmarked for internal security.'

One of two nice questions will arise if you are going to make claims of that sort. The point I am trying to make is that this is not a question to be decided offhand on the floor of this House. I have involved the Council into considerations of both sides of the question, but it was not certainly my intention, when I talked of a maze, to leave the Council in that maze. Government realises perfectly well, as a result of the greater public attention that has been given to railways by the Indian public during the last few years, a very welcome attention I may say, an attention which has been much stimulated by the Report of the Acworth Committee, that there are a number of questions which have been under discussion for years and years and ought now to be faced, and decisions arrived at. Take, for example, one of the most important recommendations of the Acworth Committee, namely, that the Railway Budget should be completely separated from the general Budget. As we know, that question has not been finally decided on its merits. If such a separation ever takes place, then you will obviously have to take away from the Railway budget any purely military expenditure. There is, therefore, I admit, much to be said, especially for the first part of this Resolution and for a redistribution of railway capital expenditure into productive and non-productive. I presume that when and if that is done the non-productive section of the Railway account will be further sub-divided into strategic, military and provincial, and when that is done any person who likes to look at the figures can see at once what we are spending, and what the railway debit to the military ought to be. However, I think I have said enough to show that this question is a difficult and technical one; I should have to speak for another half hour if I were to explain fully all the technicalities of the subject. What Government proposes to do is to have this matter thoroughly threshed out. As I think Honourable Members are aware, we had in Calcutta in December a Railway Finance Committee, which considered certain very important matters connected with the Acworth Report on its financial side. Government now propose to reconstitute that Committee, not perhaps in its original form or for its original purpose, but rather to form what I imagine will be a Central Advisory Committee to advise Government on all large questions of railways. The Committee, I think I am correct in saying, will be mainly non-official, and composed of Members of both Houses of the Legislature. It is proposed to refer this question to that Committee. It will then be able to sit down and calmly examine both sides of this very technical question in all its aspects, and to make such recommendations as seem necessary. The question has been going on for at least the last 30 years, and I think I can appeal to the Honourable Mover to be a little patient for a few more weeks, or perhaps a month or two, until the meeting of this Committee, which I

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understand will very shortly be appointed—if the Honourable the Commerce Member were here, he would have been able to give more information than I can about its actual composition and probable sittings. The Committee will not be convened specially for this particular matter, but will deal also with certain other large questions of principle arising out of the Acworth Committee's Report, but this will be one of the questions which will be referred to it. I hope, now that I have given that undertaking, my Honourable Friend will see fit not to press the Resolution, but if he does press it, then I certainly could not vote for it, especially the second part.

The HONOURABLE MR. V. G. KALE: Sir, I stand to support the Resolution. In my view of the whole matter, the explanation which has been given to us by the Honourable Mr. Cook is neither satisfactory nor convincing. To me, the question is a question of principle. The Honourable Sir Maneckji Dadabhai divided the Resolution into two parts, the first of which he was inclined to accept, and the second of which he would like us to reject. The first relates to the system of keeping accounts; and so far as that system is concerned, we have been told that accounts are already separately maintained, and that we can see from the Railway Administration Report what is the expenditure incurred upon strategic and other railways. But the most important part of the Resolution is the second part. After all, it is comparatively immaterial in what way the accounts are kept; that is a technical matter. What is of the greatest importance is that the public must know how the national money is being spent. What the Honourable Mover of the Resolution wants is that the country should know how much is being really spent upon the Army and how much is being spent upon the Railways. As matters stand, from the statistics that are published, the public is likely to receive an entirely inaccurate impression of the financial position of the railways and the financial position of the Army. It has been already shown, and the fact has been admitted, that there has been a distinct continuous loss on the so-called strategic railways; and whereas the military expenditure should have been shown as having been greater by the amount of that loss, viz., 1 crore, and 60 lakhs or 50 lakhs even before the war,—that loss is merged in the general account of the railways. I repeat that this gives a very false impression of the position of the railways and of the general finances of the country. What we want—and especially in these times when military expenditure is being subjected to a severe criticism—what we do want really to know is what the Army costs the country. It is entirely a different matter whether that expenditure is absolutely essential or not. My Honourable Friend opposite, I am afraid, took quite a wrong view of the whole situation when he said that we were, as it were, going to discourage railway travel or railway construction. We do not want to do anything of the kind. Everyone in this House appreciates the great importance of the railways to the economic progress of the country. What the proposition wants is not to curtail expenditure upon the railways,—what the proposition wants is not that expenditure upon the Army should be curtailed. This proposition has nothing to do with that question at all. We are not discussing at the present moment how much we should spend upon the Army. We may spend more, we may spend less; the question is, we ought to know how much is being really spent upon the Army, and how much upon our railways. The railway accounts are being vitiated by their mixture with the military accounts, and they are not very clearly shown. The impression about the military expenditure and about railway revenue and railway expenditure, the impression that we get from the Budget is, from what we have already seen,

not what it should be. Consequently the railway receipts should have gone up by 50 lakhs to one crore, while the military expenditure would have increased to the same extent if the system now proposed had been adopted. So that is the principle underlying the proposition, and I do not think that there is anything wrong or anything hasty about it, and I have not been able to follow my friend when he appeals to us to wait and to leave the question to a Committee. I do not want to suggest that a Committee cannot go into this question; the Resolution also does not say that a Committee should not be appointed to consider the question. The Resolution simply suggests a certain principle, and as the Honourable Mr. Cook has pointed out, this is a question which has been under the consideration of the Government for more than a generation. He also went to the length of saying that a part of the Government at one time was inclined to accept the principle underlying this Resolution. The principle, therefore, is not a new one. There is nothing in that principle of which we should be afraid. And I think if the Honourable Members of this House are inclined to think that the principle is a sound one, not only from the point of view of mere accounting, but also from the point of view of a clear knowledge, a clear idea of what is the true military expenditure and the other expenditure which is entailed for the good government of the country, the progressive government of the country. There were many observations made by the Honourable Mr. Cook with regard to the difficulties which would be encountered in recasting the accounts, and the complexity of the accounts of the various Departments, and I do not think that he was happy in one or two illustrations that he gave. He gave the illustration of the Moplah rising. He said that the Moplah rising is now being put down by the military, that the primary duty of the police is to maintain peace and order and that it is not the duty of the Army. . . .

The HONOURABLE MR. E. M. COOK: Sir, I never went so far. I did not say that it was not the duty of the military to help the police.

The HONOURABLE MR. V. G. KALE: However, the Honourable Mr. Cook made that distinction. Whether he did not go so far as I am doing in repeating what I think he said, the analogy is there,—that the rising is being put down in Malabar by the military and the question is raised whether the expenditure should be put down to the Police Department or to the Military Department. I do not think, Sir, that this question arises at all, because if disorder in the country has advanced beyond certain limits, it is the military who have to take charge of the whole business. It is for that purpose that the Military Department exists and that the Army exists, and certainly this expenditure has to be put down to the military. Government is quite entitled to say that on account of the disorder which has had to be repressed, military expenditure has gone up, and I am quite sure that when the next year's Budget comes this will be one of the arguments advanced from the Government Bench, in defence of the increased military expenditure. Government will say:

'There is disorder in the country, and there is serious unrest; you put it down, and the military expenditure will go down.'

If this is the argument raised from the Government side, does it not strengthen my case when I say that this is a duty which the military has clearly to perform, and consequently we know exactly how expenditure is distributable between the Police and the Army? Similarly, with regard to the other instance that he gave, namely, the police officers who have to maintain the dignity of this House. Are they to be paid by the Legislative

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Department? Certainly not, because it is one of the duties of the Police Department to maintain the dignity of this House. The police are performing here one of those duties which are assigned to that Department, and consequently the question of the distribution of expenditure does not arise even in that case. Therefore I am inclined to think that the difficulties put forward by the Honourable Sir Maneckji Dadabhoi and others have been—if they will pardon me for saying that—slightly exaggerated. The Mover of the Resolution did not say that there were no difficulties: it was because there were difficulties that he has asked Government to take steps to remove them and to keep separate accounts, so that the public may clearly understand the whole situation with regard to the finances of the railways and of the army. In these circumstances, I think that the Mover of the Resolution has certainly proposed a very important reform, not only in the technical matter of keeping accounts, but also in the way in which the expenditure entailed in the defence of the country and the expenditure incurred on commercial undertakings like railways, ought to be clearly distinguished. There is so much discussion now-a-days about railway finance. We are told that the railways should be carried on as business propositions, that the general budget should be entirely separated from the railway budget, and so forth. If we are so keen that railways should be carried on as successful business concerns, is it not reasonable that they should not be charged with expenditure which really does not belong to them but to the military? I must make it clear once more that the object of the Resolution is not in any way to curtail army expenditure or to increase railway revenues in an unfair or indirect manner. That is not the object at all. The object is to arrive at a clear understanding of the finances of the two Departments and a classification of all the issues which have been raised by the present financial situation of the country. For these reasons I think the Resolution should be accepted by this Council.

The HONOURABLE SIR EDGAR HOLBERTON: Sir, with reference to the remarks that have fallen from the lips of the Honourable Mr. Kale, I feel myself in some considerable doubt as to the principle which he has put forward, and I do not know whether it is possible to get it cleared up. His trouble apparently is that at the moment we know that the strategic railways are working at a yearly loss, which, as far as I remember, he put at something like 50 lakhs of rupees—I am not sure of the figures—and he desires that this should be definitely debited to the military accounts and not to the general railway account. This is rather an attractive proposition in many ways, but I think in considering it we ought to bear in mind that there will be a large credit to come to the military side, because very many of the railways in this country were originally opened for strategic purposes and have turned into exceedingly valuable commercial propositions. Is it the intention of the Honourable Mr. Kale and his supporters that a very careful investigation should be made and all the credits arising out of railways which began their life strategically and finished up as commercial proposition should year by year be put to the credit of the Military Department? If that were so then he might gain my support; but as it is I think his principle is a most dangerous one relying as it does on casual debits which come into account year by year and which may unduly distort the relation between general railway accounts and military accounts without the most careful examination over a very long period of years of the exact outgoings and incomings from all railways which have had a strategic beginning. I consider this an emphatically dangerous proposition.

The HONOURABLE LALA RAM SARAN DAS: Sir, I am glad that Sir Maneckji Dadabhoi has agreed with the principle of my Resolution, which he has divided into two parts; he gives his support to the first part, namely, that in future separate accounts of revenue and expenditure should be kept of the working of military or strategic Railways. The Honourable Khan of Holi happens to live in a frontier part of the country and so he only appreciates the strategic Railways from his own point of convenience. As regards the matter of accounts, he has not said one thing or the other. The Honourable the Finance Secretary has been kind enough to tell this Council that this proposition came up before Government a few decades ago. It is a matter for regret that, although some decades have passed, Government has not been able to solve this difficulty. But, as a matter of fact, questions like this are generally referred to Commissions of Inquiry, and when, in due course, the reports are received, Government generally casts them aside and ignores them. I was myself a member of the Railway Finance Committee and possibly the Honourable the Finance Secretary might ask why I did not raise a discordant note there. My reply is that, at that time, I understood that the accounts of strategic lines of Railways would be kept separately in order that we may see how military accounts really stand. Railways are productive works, and as productive works they are generally carried out by capital raised by loans. I think it is an unwise policy to mix productive and unproductive works together in the Commerce Department. The Honourable the Finance Secretary said that the Peshawar-Jamrud and the Nowshera-Dargai lines are now paying. That does not affect me. I never said that these Railways are not required. On the other hand, I say that they are very essential for the defence of our country and for enabling us to meet successfully an invading army. My Resolution makes it quite clear that, if there is any profit, it should be credited to the Military Department. Sir Edgar Holberton apparently did not see my point. I did not say that the profits should not be credited to the army side but that they should be. After all, this will make no difference in our total income and expenditure. All we want is that the public should have a clear and true accounting of all the grants that are asked for under the various heads. Government ought not to conceal anything from the people. I hope I will be excused for saying that, so far, I think the Government has been concealing this state of accounts, notwithstanding Executive Councillors holding popular views.

Then, Sir, the Honourable the Finance Secretary quoted General Chesney. I beg to put a different interpretation on that quotation to what he does. Then, the Finance Secretary said that all Railways, whether strategic or otherwise, should be treated the same. I hold a different view. All these strategic Railways should be regarded as defence Railways, and like the Public Works Department works, kept quite separate from the military works, which are carried out by the Military Works Services, which is a distinct and separate Department. I suggest to this Honourable Council that these Railways which are now termed 'strategic' should hereafter be termed as 'defence Railways.' The Honourable the Finance Secretary says that, excepting the North-Western Railway, all expenses on such Military works and sidings are debited to the Military Department. I cannot understand this argument, as, in reply to my question, it has already been said that, except on the North-Western Railway, on no Railways are there strategic lines. Now, on the only Railway where there are strategic lines the Military expenditure, we are told, is not debited to the Military Department, so I have not been convinced with the argument put forward by the Finance Secretary. As far as I see, such sidings and

[Lala Ram Saran Das.]

works result in no remunerative traffic. Loi-Shilman Railway cost over a crore of rupees. This line was built on the North-West Frontier as a strategic railway and for certain military reasons it was dismantled soon after completion, and now we see no more of it. The capital, on this construction, I understand, was debited to the ordinary Railway accounts, while it ought to have been debited to the Military Department. Difficulties are always encountered by public men and by Government the most, and Government ought to make a serious effort to solve them. They, in my opinion, have failed during the last few decades to put before the tax-payer the true state of affairs. I quite welcome the Committee which my Friend wants to appoint, and that is his practical support to my Resolution, because it will be a Committee to solve difficulties of the kind referred to by the Honourable the Finance Secretary. Perhaps he is afraid that in case he fully accepts my Resolution, military expenditure, which is already enormously high, will swell up further. I do not say that only debits should be made to the Military Department, but, if there are any credits, they should also be given to that Department. Then he says again, I beg to submit that in case the connecting links are not commercially profitable concerns, they ought to be treated purely as Military lines. My Friend, the Honourable Mr. Kale, has replied to the question of the Moplah rebellion and the debit of the army charges in that connection, to the civil, so I need not dwell any further on this point. I think his answer is quite correct. In a similar way many services are done by the Civil Department for the Military Department, but are not charged for. The military said that in case separate accounts are kept, people will then know the various items, but my question will not be solved as it will not even then exhibit the true state of affairs as far as accounts are concerned. I have not at all been convinced by what the Finance Secretary has stated. As far as I can gather, he has agreed with me in principle; although he finds it difficult to agree to it fully on account of some technical difficulties in account matters, which he will be able to solve if he gives it a serious consideration. I hope the Council will agree to my Resolution.

The HONOURABLE MR. E. M. COOK: I am sorry that my Honourable Friend, Mr. Kale, in his constitutional and continual dislike of committees, should endeavour to, if I may say so, stampede this Council into committing itself on this very difficult question. The Honourable Mover rather implied that this question has been under the consideration of Government for a generation and a half and that it is time the Government made up its mind. That is not the case at all. Government did make up its mind, and its mind hitherto has been against my Honourable Friend's proposal. Government now has a somewhat more open mind on the matter, and it is anxious to go into this question and thresh it out by an expert committee mainly composed of non-officials. The Committee would then consider the exact position in regard to the Military estimates as a whole, and whether the Military estimates should not be given credit, for certain expenditure, such as the construction of certain frontier roads which are debited to the Military works estimates though mostly used by the Civil population, and other similar questions. When they have considered all such points, then they will say whether it is worth while or desirable to separate entirely the finances of these strategic lines from the rest, or whether on the whole it is not better to leave things as they are. . . .

The HONOURABLE LALA RAM SARAN DAS: That action supports my Resolution.

The HONOURABLE MR. E. M. COOK: And that is why I think that on the whole the course which I have suggested is the best course for this Honourable House to take.

The HONOURABLE THE PRESIDENT: The question is that the first part of the Resolution, which is as follows:

'That this Council recommends to the Governor General in Council that in future a separate revenue and expenditure account should be kept of the working of military or strategic railway lines.'

be accepted.

The motion was adopted.

The HONOURABLE THE PRESIDENT: The question is that the second part of the Resolution, which is as follows:

'That this Council recommends to the Governor General in Council that the losses connected with the working of these Railways should be debited and the profits, if any, credited to the Military Department, and that the capital outlay on new lines or works of this nature should be debited to the Military Accounts.'

be accepted.

The Council divided as follows:—

AYES—16.

Acharyya Chaudhuri, Maharaja S. K.
Ayyangar, Mr. K. V. R.
Borooah, Mr. C.
Jaffer, Khan Bahadur E. H.
Kale, Mr. V. G.
Khaparde, Mr. G. S.
Lalubhai Samaldas, Mr.
Maricar, Khan Bahadur A.

Naidu, Diwan Bahadur V. R.
Rampal Singh, Raja Sir.
Ram Saran Das, Rai Bahadur Lala.
Raza Ali, Sayid.
Roy, Raja P. N., of Dighapatia.
Sukhhir Sinha, Lala.
Wacha, Sir Dinshaw.
Zulfiqar Ali Khan, Sir.

NOES—18.

Akbar Khan, Major Mohamed.
Amin ul Islam, Khan Bahadur.
Bahram Khan, Nawab Sir.
Cook, Mr. E. M.
Dadabhai, Sir M. B.
Forrest, Mr. H. S.
Froom, Sir A.
Ganga Nath Jha, Mahamahopadhyaya Dr.
Holberton, Sir E. J.

Lindsay, Mr. H. A. F.
Lloyd, Mr. E. S.
Mayhew, Mr. A. I.
O'Donnell, Mr. S. P.
Rama, Rao Bahadur B. N.
Shafi, Mian Sir M.
Smith, Mr. H. Moncrieff.
Tek Chand, Diwan.
Zahir-ud-din, Khan Bahadur S.

The motion was negatived.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: May I move my Resolution later in view of the adjournment?

The HONOURABLE THE PRESIDENT: The Honourable Member has one minute to speak (Laughter). The time of the House is at his disposal. If he does not want to move his Resolution I shall call upon the next Member.

RESOLUTION RE OPENING OF THE PORT OF MADRAS FOR PILGRIM TRAFFIC.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Sir, the Resolution that stands in my name runs as follows:—

'This Council recommends to the Governor General in Council that early steps be taken to open the port of Madras for pilgrim traffic to Mecca and other holy places.'

[Khan Bahadur Ahmedthamby Maricair.]

In moving this Resolution I beg to make the following observations. This is a very important Resolution that affects the religious interests of my community. I have been receiving numerous appeals from my community to take up this question with the Government of India, and on careful consideration and scrutiny, I have come forward to appeal to the Government to open the Port of Madras for the embarkation of pilgrims to Mecca and other holy places. At present all the pilgrims are embarking at Bombay which gives most inconvenience and hardship especially for those who are going from distant places. My object in bringing this Resolution is not only to give convenience to pilgrims leaving from the Madras Presidency, but also to minimise the inconvenience and hardship the people at Bombay are undergoing in getting all the pilgrims crowded together. . .

The HONOURABLE THE PRESIDENT: The business of the day is now interrupted. We shall proceed with the motion for adjournment that stands in the name of the Honourable Saiyid Raza Ali.

MOTION FOR ADJOURNMENT ON RAILWAY STRIKE.

The HONOURABLE SAIYID RAZA ALI: Sir, I rise to move the adjournment of the House to discuss the grave situation that has arisen on account of the strike on a large section of the East Indian Railway. The trouble which arose on the morning of the 2nd February at Tundla has since spread from Kalka on the one hand to Moghalserai on the other. It has further extended to Jubbulpore towards the south. The Indian staff on all the principal stations on the section which I have named is in many places on complete, and in other places almost complete, strike. So difficult indeed is travelling on this section in these days that one cannot find even coolies in some stations to take one's luggage. In fact I myself had to bring my servants to the railway station to put my things in the train. Now this is the situation with which we are confronted. All the goods trains on this section have had to be stopped. All passenger traffic also has been cancelled except two trains, one the Mail and the other the Express train running between Kalka and Moghalserai. Now, Sir, quite apart from the question of convenience and comfort which are simply non-existent on this section, the East Indian Railway is losing a very large sum of money which, I believe, will come to many lakhs.

The situation at Jamalpur, which is a very important place on the East Indian Railway, is difficult. The reports are that the men have gone on a partial strike. The trouble is also spreading to the Oudh and Rohilkhand Railway. The men on that line also contemplate going on a sympathetic strike in the near future. The condition of the North-Western Railway is far from satisfactory. As is known to those Honourable Members of this Council who come from the Punjab, the men have served their Administration with a notice that, unless their grievances are redressed, they propose to go on strike on the 15th February: So that all this is far from comforting. Now I believe I owe it to the Council to state in a few words as to what is alleged to have taken place at Tundla on the 2nd instant. There are two versions of this story. The first is the version of those, the Indian staff, who have gone on strike, and the second is the version of the Railway, which has accepted the statement of the European employees. It is alleged by the strikers that on the 2nd of this month, early in the morning at about 3 o'clock, one Indian

fireman (the work is known by the name of Jack) was assaulted by two Europeans, one being a shunter and the other a driver. The man and his friends complained to the authorities, but the authorities disregarded their complaint and took no action on that. Since this assault was entirely unprovoked, therefore they went on strike to bring the matter prominently before the authorities concerned. In the meantime news of what had happened at Tundla spread, but in perhaps an exaggerated form, to other stations, with the result that the members of the staff at other important stations started joining in the strike. When the authorities were informed that the matter could not be overlooked or disregarded, they gave to the men the option of an inquiry, and some inquiries were made, with the result which I will state in a minute. Up till now, according to the Indian statement nothing has been done by way of punishing those who are alleged to have assaulted Ram Lal. Now the version put forward by the Railway is that this man, Ram Lal, came and complained that he had been beaten by two European employees; that no complaint was made to the authorities by the strikers before they actually went on strike; that as soon as the authorities discovered that the men had gone out, they gave them the option of the matter being inquired into either by the departmental officers or by the Magistrate; that the strikers accepted the latter alternative, that the Magistrate inquired into the matter, that a medical examination of the injured person was held, and that the Magistrate was informed that no injuries were visible on the person of this man, Ram Lal, and that as the case was not a true one, they dropped the proceedings. This is the other side of the explanation. Now the Council will see that the matter is no longer *sub judice*, unless the Sessions Judge or the High Court set aside the order of discharge, and there is no motion to that effect so far as I know. Now, Sir, the question is whether the Administration of the East Indian Railway has acted in the manner in which it ought to have acted. I invite the attention of the Council to that very important matter. I submit that the Agent of this important Railway, which I believe is the most important in this country, has not left Calcutta for a minute to come to the spot and listen to the grievances of these men, and to find out for himself as to whether their complaint is true or otherwise. A Locomotive Superintendent no doubt was deputed to Tundla, but he contented himself with the Magisterial inquiry and accepted the decision of the Magistrate. Now unfortunately the Railway is one of those Departments where, in the treatment of Indians by Europeans, racial considerations play a much greater and more prominent part than in any other Department under the Government. I am very sorry to invite the attention of the Council to that aspect of the matter, but unfortunately that has been so, and to a large extent that is so even to this day. Of course time was—though fortunately there has been some slight change in the angle of vision, if I may say so—when an Indian belonging to the Indian Civil Service was maltreated by certain military officers in the form of dogs being set upon him

The HONOURABLE THE PRESIDENT: The Honourable Member is getting rather irrelevant.

The HONOURABLE SAIYID RAZA ALI: I take due note of the warning, Sir, though I think that in the matter of general treatment I was not irrelevant. Now I can say that even up to this day the treatment that is meted out is far from satisfactory. This is so as far as the passenger-class of the public is concerned. Much more unsatisfactory is the treatment that is meted out to the Indian subordinates by European officials on

[Saiyid Raza Ali.]

the railways; so that looking at the proposition as a whole, there is nothing inherently absurd in the story of an Indian subordinate being beaten by a European officer. That is the crux of the matter. There is nothing inherently suspicious in that story. Now the Magistrate's report which is with me—in fact I have very many papers but I do not wish to weary the Council with them all—states; I will read a passage to show the Council how far reliance can be placed on this Magisterial inquiry

The HONOURABLE THE PRESIDENT: Order, order. Do I understand from the Honourable Member that a judicial inquiry was held in this matter by a Magistrate?

The HONOURABLE SAIYID RAZA ALI: That is so.

The HONOURABLE THE PRESIDENT: If that is so it is not open to the Honourable Member to traverse that judicial finding in this Council. He may not argue in this Council that a Court of law in the exercise of its judicial functions has acted improperly.

The HONOURABLE SAIYID RAZA ALI: What I proposed to show to this Council, Sir, was that the public is not satisfied with the result of the judicial inquiry.

The HONOURABLE THE PRESIDENT: That it is open to you to do. What it is not open to you to do is to argue the question on the facts.

The HONOURABLE SAIYID RAZA ALI: I just wanted to place a certain passage from that judicial inquiry before this Council and I wanted to say that the public is not satisfied with the result. If I am within my rights I will do so; if you rule, Sir, that I have no right to mention that the public

The HONOURABLE THE PRESIDENT: It is quite open to the Honourable Member to prove that the public is satisfied or dissatisfied with the inquiry. What it is not open to him to do is to traverse the judicial inquiry and reargue the facts before this Council. If he will refer to Standing Order No. 28 he will see that it is not open to him to reflect upon the conduct of any Court of law in the exercise of its judicial functions. That he cannot be permitted to do.

As he has now exceeded his time I must call on another Member.

The HONOURABLE SAIYID RAZA ALI: I have got some more facts to place before the Council. No doubt I have exceeded the time-limit, but in this important matter

The HONOURABLE THE PRESIDENT: Order, order.

I must make it quite clear that the object of a discussion on a motion for the adjournment is to bring to the notice of the House in a very concise form something of urgent public importance. The Honourable Member has got the permission of the House to do that. But a motion for adjournment is not in any sense a substitute for procedure by Resolution. The rules recognize that and allot 15 minutes, and 15 minutes only, to each Member. The total time available for the discussion is two hours; and if individual Members exceed their time it means depriving other Members of their right to speak. I, therefore, propose in discussions on motions for adjournment to adhere very strictly to the rule fixing the time-limit.

The HONOURABLE MR. C. A. INNES: Sir, I do not deny for one moment the gravity of the situation caused by this unfortunate strike. It

is indeed unfortunate that the Honourable Saiyid Raza Ali, when he went to the station, could not find a coolie to put his luggage on the train and had to send his own servants to do that. It is indeed unfortunate that the East Indian Railway is losing lakhs of rupees by this strike. But, Sir, the real gravity of a railway strike of this magnitude does not lie in comparatively minor inconveniences of that kind. The strike is a most serious matter, for it may mean that the sources of supply, not only of the industries of Northern India, but even the food supplies of the towns may be cut off. I am afraid, Sir, I cannot congratulate the Honourable Member on the way in which he has placed his case before this Council. Every assumption that he could make against the East Indian Railway he has made, and I cannot regard the account he has placed before the Council as in any way corresponding to the facts. I have said, Sir, that the strike is a very serious matter; but one thing I can say is that the consciences of the East Indian Railway and of the Railway Board are perfectly clear. I will now give the Council a plain unvarnished account of the strike from the beginning.

In the early morning of the 2nd of February there was an altercation between an Indian fireman named Ram Lal and a European fireman and European shunter. The Indian fireman said that he had been severely assaulted, and at once the local Indian at Tundla stampeded on strike. They made no representation to the Heads of their Departments at Tundla; they made no representation to the Agent of the East Indian Railway; they made no demand for any independent inquiry; they went straight out on strike, and, what is more, the strike spread from station to station like wildfire. Now Sir, Saiyid Raza Ali has said that the East Indian Railway have handled this matter improperly. I received news of the strike myself on the morning of the 3rd of February, and the Railway Board, under my instructions, at once wired down to the Agent and suggested that an independent inquiry should be promised into the case. But the Agent, as might have been expected, did not wait for a wire of that kind. As soon as he heard of the strike, he wired up to his officers at Tundla and authorized them, if they saw reason to suppose that the story of the assault was a true story, to place the Europeans under suspension pending an independent inquiry. He suggested a joint inquiry of the senior officers of the railway. That was put to the men; they refused it. At their request an inquiry was held by the District Superintendent of Police and the men said that they would be bound by that inquiry. The inquiry was held and it showed that the assault was a fabrication; the men thereupon repudiated that inquiry, and again at their request, an open inquiry was held in judicial form by the Joint Magistrate of Agra. That inquiry was held, as I have said, in public. Any one who liked to give evidence could come and do so; and after making an inquiry in this proper judicial form, the Joint Magistrate gave his decision that the story of the assault was a fabrication.

Now, Sir, I think the authorities, both of the Railway and of the Railway Board, have reason to complain of the way in which they have been treated in this matter. As I have said, it is a serious matter for a railway staff to come out on strike, so serious that in some countries a strike of railway servants is a penal offence. We are not so severe in India; we try to treat our men better; and yet they have gone out on strike. They are doing their best to paralyse industries and even the social life of the whole of Northern India. They did that without waiting for the result of an independent inquiry; and when that inquiry has been held, and when

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[Mr. C. A. Innes.]

it has been proved, as far as it can be proved, that the assault was an entire fabrication, they refuse to come back. Surely, Sir, the explanation is perfectly obvious. This is not a genuine economic strike; it is a purely political strike. My information is—I am unable to say whether it is true or not—that for days before this strike, in connection no doubt with His Royal Highness' visit to Agra, certain non-co-operator agitators had been at work among the loco staff at Tundla; and this merely trivial excuse was manufactured. The ground had been carefully prepared and the men were stamped out on strike.

The HONOURABLE SAIYID RAZA ALI: Give the dog a bad name and hang him.

The HONOURABLE MR. C. A. INNES: That is exactly what the Honourable Saiyid Raza Ali has tried to do with the East Indian Railway. We have had a sample of this kind of agitation a short time ago. We all know about the Assam-Bengal Railway strike. We know how political agitators exploited unfortunate ignorant labour; how they kept the men out on strike starving for two or three months; and how after that time had passed many of these unfortunate people discovered that they had been deluded when they found that they were unable to return to their places or the railway. Their places had been filled up. And, Sir, we have all read in the public press the statement made by some of these unfortunate men in which they charged those political agitators with having misled them and having destroyed their source of livelihood; and that is, Sir, Saiyid Raza Ali accused the Agent of the Railway of not having left Calcutta. The strike, Sir, is not merely a strike at Tundla. It is a strike, which, as the Honourable Member told us, extends from Ambala to Moghalserai and has extended also to Jubbulpore. That means that the Agent feels, and feels rightly, that his place is at the head-quarters of his administration, where he can receive reports from every station that is affected. The Honourable Member then accused the Railway Department of being a department full of racial distinctions, and he said that the Indian subordinates in that Railway were badly treated.

The HONOURABLE SAIYID RAZA ALI: I did not say that particular Railway, but I said they were generally badly treated.

The HONOURABLE MR. C. A. INNES: The Honourable Member did not give us one word of proof in support of that statement. It is a pure assumption, and I do say, Sir, that Members of the Legislature should refrain from making statements of this kind which reverberate throughout India and which may do incalculable harm. Surely, Sir, we have enough in this country at this time of this unfortunate racial feeling. Speaking on behalf of people of my colour, it is not of our seeking. We all regret it and if it is allowed to continue, it will do India an immense amount of harm. I think, Sir, that anybody in this Council who speaks about this unfortunate strike should refrain from accentuating that racial feeling. As I have said, Sir, it is purely a political strike. That statement can be proved in other ways. What is the demand that we have had from the strikers? One demand is that we should hand over this European shunter and the European fireman to the Strike Committee for punishment. Is that a reasonable demand? Is that a demand which any Railway administration could agree to, especially when the charge has been proved to be a

fabrication? The Honourable Member referred to a strike in the Oudh and Rohilkhand Railway. I myself have seen the report of that strike; and what is the demand there? It is that the grievances of the strikers should be referred to the local Khilafat Committee. That shows, Sir, the state of things which is now spreading from one Railway on to another in India. It is simply a case of mischievous men trying to exploit labour for their own purposes. The last thing they look at or think of is the interests of the labourers themselves. The whole thing is political and the end which these men have in view is to destroy the British Government in India. (Applause).

The HONOURABLE LALA RAM SARAN DAS: Sir, there is a chance of a strike occurring in the near future even on the North-Western Railway. I happen to be a resident of Lahore, which is the headquarters of that administration and where the biggest Railway shops in India are located. Some time back, there was a general strike in the Loco and Carriage shops and that strike went on for some considerable time. So far, I have not been able to know officially what has been the reason of that strike, but, as far as I have been able to gather, I understand that the strike started on account of the rude treatment of an Indian by a European mechanic in the workshops. That is the rumour. I may be wrong. But nothing political happened and there was no contradiction by the authorities. The Honourable the Commerce Member has said that the cause of the strike on the East Indian Railway is political. As far as the North-Western Railway goes, so far I think the strike there has been purely on economic grounds as it led to a considerable rise in wages. The strike continued in the workshops in the North-Western Railway for a considerable time which resulted in abnormal delay to the repairs to rolling stock and engines and thereby resulted in the accumulation of traffic, dislocation of trade and industry. It also resulted in the loss of about 30 lakhs of rupees in the shape of gratuity to the poor work people who were then misled. To these people, who were misled by sentimental grounds, the loss of that big amount of their gratuity is a great hardship. I would say that Government ought to take a lenient view. From what I gather from the various reports that I hear in Lahore, I think a strike is coming on. I see three reasons mentioned for that. One, they say, is the colour question, because certain Indians are being superseded by Anglo-Indians for the stereotyped reason of unfitness. Of course, I do not blame the Railway authorities if this is the wrong reason of complaint; the second reason is low salaries particularly in the Traffic Department and Loco, running staff; while the third is overwork. I think that inquiries are not made properly. I would mention that all we non-officials are quite happy to co-operate with the Government to bring about the solution of these questions. Railways being a source of great revenue to India, these strikes affect Government earnings considerably. These strikes give another tool to the political agitators to agitate people, who, but for the discontent, cannot be misled. So, in the interests of the Government and the general public, serious efforts should be made to find out the underlying cause of these recurring strikes and thereby to remove the discontent.

The HONOURABLE SIR EDGAR HOLBERTON: Sir, I think the House should be grateful for the opportunity given to it to discuss this question on the suggestion that the House should be adjourned, as it has enabled us to hear the exceedingly lucid, straightforward and honourable explanation given us by the Commerce Member. As we are all aware, there is nothing economic about this strike. It is purely a political move

[Sir Edgar Holberton.]

brought about without the slightest consideration for the feelings and welfare of the poor people who are themselves involved in the strike. It was time, I think, that a responsible Member of the Government came forward and made some sort of statement, such as we have heard from Mr. Innes to-day, and I am perfectly certain that it will ease the general situation and the present state of things. The Honourable Mover has, I am sure, earned the thanks of this House for having made the suggestion.

The HONOURABLE SIR MANECKJI DADABHOY: Sir, as one of the oldest Members of this Council and one who has taken part in many interesting debates in this House, I feel that I would be wanting in my duty if I remained silent on this occasion. I have heard with deep regret the speech and the manner in which this motion for adjournment has been piloted through the Council by my Friend, the Honourable Saiyid Raza Ali. I have noticed with the deepest sorrow that in a discussion of a most important question affecting the industrial work of this country, he should have made some allegations which have been already disproved in a Court of law. It must be borne in mind that when an application for an adjournment of the House is made, and when the ordinary business of the House is sought to be suspended, it is only on important grounds, grounds which would justify the necessity of an immediate debate, that a motion is ordinarily allowed. When I supported the Honourable Member this morning in the matter of his motion I had not the remotest idea that, instead of suggesting the means of alleviating the present critical situation, he would make the position of the Railway administration more difficult by repeating charges, disproved in a Court of law, in the forum of the Council Chamber. Even at the risk of some unpopularity on an occasion like this, I feel that the matter should not be allowed to pass unnoticed. As regards the genesis of this strike we have heard two contrary versions, one from the Honourable Saiyid Raza Ali and one from the Honourable Mr. Innes. I am perfectly satisfied with the explanation given by Mr. Innes that it was not an economic trouble of any kind, and that the strike was due to political agitation. It is a political strike, and in view of this fact it was incumbent upon Saiyid Raza Ali to have at least taken the precaution of directing his discussion in a manner that would not further perpetuate racial animosity and bitterness. To use the forum of this Chamber for perpetuating such racial distinctions is not a wise policy. My friend has made two reprehensible statements, especially after the judicial finding given in the case. It is deplorable that a Barrister of his experience and his knowledge should have attacked the finding of a Court of law and ascribed the strike to racial causes.

The HONOURABLE SAIYID RAZA ALI: I did not give any reasons against the Magistrate's decision. I said that the public was dissatisfied with it.

The HONOURABLE SIR MANECKJI DADABHOY: You said that racial considerations played a prominent part and you added that there is nothing inherently absurd in the story of an Indian subordinate being beaten by a European driver. I deplore this method of debate in this Council. I say both Indians and Europeans should avoid statements causing racial bitterness in this Council. If representations have to be made, they must be made in an open and straightforward manner without imputing

motives. This Council will lose all its dignity, its prestige, not only in the eyes of our own people, not only in the eyes of Government, but in the eyes of the world, if this Council Chamber is used for the ventilation of flimsy and unfounded racial grievances. As such I think the attitude taken up to-day by my Honourable Friend is exceedingly deplorable. However, in view of what was said by my Honourable Friend, Mr. Innes, I hope the Honourable Saiyid Raza Ali will now see his way to ask that no further action should be taken and the Council will forthwith proceed with its ordinary work.

The HONOURABLE SIR ZULFIKAR ALI KHAN: I stand out not to strike a racial note in this debate, because nobody deprecates it more deeply than I do, but the question which has been brought forward before the Council this evening is one of very serious import. As the Honourable Member has explained, the strike on the East Indian Railway has assumed very great proportions, and the Honourable Member from Lahore has said that it may affect the North-Western Railway also. If this happens I am afraid there will be great dislocation, not only of business, but of traffic and general comfort. This is indeed a serious state of affairs. Whatever the facts of this particular case are, one thing is certain and that is the Administration must deal strongly and drastically with those who are the authors of misunderstandings and those who go out of their way to create racial prejudices. I do not know whether in this particular case the Indian or the European is to blame, but I insist, whether he is an Indian or European, that the Administration should deal with him drastically. Sir, most of us here in this Council may have suffered from the treatment of railway authorities. I myself have been a victim to this treatment several times. It is not my intention to give a story of all those grievances, but I may say that sometimes when complaining of this treatment to the officers, the officer in spite of the promise to me on the spot that he will make inquiries and inform me of the result has failed entirely to do so. This time when coming from Lahore to Delhi, I applied for accommodation which was not. . . .

The HONOURABLE THE PRESIDENT: Am I wrong in thinking that this debate relates to a strike of railway workers and not to a strike of railway passengers? (Laughter).

The HONOURABLE SIR ZULFIKAR ALI KHAN: My idea in giving the instance is to point out that even Honourable Members suffer from the treatment given by these people.

The HONOURABLE THE PRESIDENT: So far as I can understand, the discussion is confined to the position created by the strike of the workers.

The HONOURABLE MR. V. G. KALE: In view of the turn the discussion has taken, I find myself in a somewhat difficult position and I am afraid many of my colleagues share that difficulty. There has been a strike the character of which has been described as extremely grave and the seriousness of the situation has not been disputed. It has been alleged on one side that the fault was entirely due to certain European officers of the railway, while it has been contended, on the other, that they were not to blame and that the strike is a got-up affair created for political ends. It is not possible to go into the merits of this case. The situation that we have got to face is that there is this strike on a very large scale. There is also a danger of that strike spreading to different parts of the country. What are we going to do under the circumstances is the question? To my mind it may be right to say—and it has proved correct in certain instances—that

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economic grievances of labour have been exploited for political purposes. That interpretation may be right even in this case, and it may be true there has been this kind of political exploitation; but can the problem be solved only by explaining it away in this fashion? The undoubted fact is there, that there is so much economic discontent in the country. The fact is also there that there is so much political discontent in the country. There is danger of these two combining together, and then of there being an outbreak. Under these circumstances, I think it will be only right and proper on the part of Government to treat labour that goes on strike more leniently than Government would otherwise be inclined to do. Labour in many cases is misguided, and misled, into the commission of certain acts which, under ordinary circumstances, it would not commit. Many of the recent strikes have been strikes of this character. There is, however, some substratum of grievance at the bottom. That little grievance is elaborated and exaggerated, with the result that there is a dangerous strike. It may be mainly of a political character. But admitting that it is of a political character, are we to sit silent, and, because it partakes of a political character, fold our hands and do nothing? I think that that would be a very dangerous thing to do, and I wish that the railway authorities may go further than they have felt inclined to do,—and still further inquire into the real grievances, or fancied grievances, of the workers that have gone on strike, and, if possible, go out of their way to meet them. We cannot allow an economic strike to be mixed up with a political strike. If there is a political strike in the country and also an economic strike, it would be a very dangerous risk to run to allow the economic strike to assume the dimensions and dangerous character of a political strike. The only way to defeat those political agitators who may be trying to exploit the economic grievances of labourers is to face labour,—is to go to labour and try to meet their grievances, though they may be in many cases unreasonable. I think Government and the general public ought to take a generous view of this matter. Strikes of this character can succeed only if there is public sympathy enlisted on their side. Honourable Members of this House are aware that England, a short time ago, was threatened with a general coal strike and eleven lakhs of people were involved. And the coal miners were going to be joined by the labourers in the docks and on the railways and to combine themselves into what was called the Triple Alliance. But Government there faced the strike and succeeded in putting it down and seeing it utterly defeated. Why? Because public sympathy was enlisted. In this matter, Government ought to see to it that the public is furnished with the true facts in each and every case. What happens is this. Rumours, misleading rumours, always go ahead, and the information that the Government supplies lags behind by many days. In the meanwhile the rumours have had their effect, and a mischievous effect: it is here that the public must be placed in possession of facts which the Government knows. It is unfortunate that the Honourable Saiyid Raza Ali was not in a position to explain his own case. He was not able to elaborate his arguments or his facts. The fact is, however, there. If we had had the fuller information that he wanted to place before us, so that we might have been enabled to form a clear judgment about the strike, it would have been much better. We have got the Government account, and we see what the Government has got to say, viz., that the strike is entirely of a political character. I am inclined to accept that view, and therefore I will appeal to the Government to leave aside mere technicalities in this matter—even to be generous and to go out of its way and try to conciliate labour, because

this is a time when we cannot afford to fight about small matters. Under ordinary conditions it might have been feasible and proper to face the strike in the ordinary way, but as the situation has been growing worse, day after day, during the last few weeks, I would appeal to the Government to see that every effort is made to try and conciliate labour in this matter; and if this step is taken by Government, Government will have handled the situation in the best manner possible.

The HONOURABLE MR. BOROOAH: Sir, I am one of those who generally do not sympathise with strikers; for, in my humble opinion, strikes are neither the just nor the constitutional methods of getting redress for our grievances. But I hold at the same time that it is far better to find out means for the removal of the causes that give rise to strikes than to put down strikes drastically. I, therefore, would most respectfully ask the Government to punish adequately those people who, by their conduct, afforded a plea to the strikers to make a strike.

The HONOURABLE THE PRESIDENT: The question is:

That the Council do now adjourn.

I have to explain to those Honourable Members who may not be very familiar with the forms of these motions that the effect of resolving the motion in the affirmative would be that the Council was giving its opinion that it was dissatisfied with the line which Government is taking in regard to this matter. If the motion is negatived, it will be interpreted as an expression that Government have met the case in a satisfactory manner.

The question is:

That the Council now adjourn.

The motion was negatived.

RESOLUTION RE: OPENING OF THE PORT OF MADRAS FOR PILGRIM TRAFFIC.

The HONOURABLE THE PRESIDENT: Will the Honourable Mr. Maricair kindly now proceed with his Resolution?

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: My object in bringing this Resolution is not only to give convenience to pilgrims leaving from the Madras Presidency, but also to minimise the inconvenience and hardship the people at Bombay are undergoing in getting all the pilgrims crowded together in their city and to avoid insanitation of the place. In this connection I received a demi-official from the Government of India, Health and Sanitary Department, dated 7th October, 1921, in which they say that on consultation with the Government of Madras they are not in favour of opening the port for pilgrim traffic on the following grounds:

- (1) A large number of pilgrims from the Madras Presidency come from the District of Malabar where there is a decided preference for the shorter and more economical Bombay route.
- (2) There has been no indication of any spontaneous and pressing demand from the Muslim community of the Presidency for a port of embarkation at Madras and that there is no need to open the port of Madras for pilgrim traffic.

[Khan Bahadur Ahmedthamby Maricair.]

- (3) No provision of *musafir khanas* exists at present in Madras.
- (4) No appreciable number of pilgrims are offering.
- (5) Another possible difficulty in the way of opening the port of Madras is that of the provision of an adequate number of ships for pilgrim traffic from that port and no advantages will be secured by the opening of the port of Madras to pilgrim traffic unless the number of pilgrim ships is adequate.
- (6) Lastly, it would mean heavy and unnecessary expenditure on the part of the Government if the port of Madras is opened.

I am sorry I have to contradict all that the Madras Government said. I may at once say that the Government of Madras have taken no pains whatever in making proper inquiries of the question. As a matter of fact neither myself nor any of the members of their local Legislative Council, nor any other non-official leaders of the Presidency, were consulted. To prove my statement I wish to make a comparison between the figures the Madras Government has given to the Government of India and the figures the Government of Bombay has kindly given me.

According to the figures given by the Government of Bombay, 2,442 pilgrims embarked at Bombay in the year 1911, whereas no figure was given by the Government of Madras for that year. In the year 1912, 1,642 pilgrims embarked at Bombay. In the year 1913, 1,402 pilgrims. I did not get the figures for 1914, 1915, 1916 and 1917 because those are the years in which the great war was in existence.

In the year	1918	...	...	...	...	...	512
"	"	1919	...	...	...	...	1,233
"	"	1920	...	...	...	...	2,947
"	"	1921	...	...	...	...	964

Whereas the figures given by the Madras Government are not worth mentioning here. They say:

1912	...	...	...	...	...	86
1913	...	...	...	...	...	32
1914	...	...	...	...	...	34
1915	...	...	...	...	...	Nil
1916	...	...	...	...	...	1
1917	...	...	...	...	...	Nil
1918	...	...	...	...	...	Nil
1919	...	...	...	...	...	Nil
1920	...	...	...	...	...	38
						371

The figures given by the Bombay Government are the figures obtained from the Protector of Pilgrims, Bombay. From this Government will be able to realise how far the Government of Madras have taken the interest of helping the scheme. One important point I wish to draw the attention of the Government is that out of the figures given by the Government of Bombay a large number of pilgrims come from Malaya who embark at Straits Settlements by the weekly steamers arriving at Madras and enrail to Bombay and catch their steamers there. These pilgrims are obliged to go to Bombay, and the passage from Singapore and Penang is so cheap that they prefer going to Madras. Consequently, if the port of Madras is opened for pilgrims, they will find it very convenient to embark at Madras.

I now give an explanation to the objections raised by the Madras Government.

- (1) The pilgrims from Malabar will surely prefer getting steamers at Madras than going to Bombay by steamers. Further, they will avoid embarking two steamers. Naturally the Indian pilgrims will prefer rail journey to a steamer journey.
- (2) I have already mentioned above that upon the pressing demand made by the Muhammadan community I have come forward to appeal to the Government of India for opening the port of Madras and there is no necessity of appealing to the Madras Government, as this is a matter purely concerning the Government of India.
- (3) There is a *Musafir khana* recently constructed by one Mr. C. Abdul Hakeem Sahib at Madras purely for the use of Muhammadans and will accommodate from 700 to 800 persons. I have consulted several philanthropic Muhammadan gentlemen at Madras who have readily announced their willingness to open as many choultries as are required if the port of Madras is opened for the pilgrim traffic.
- (4) The statement I got from the Government of Bombay will bear testimony that there are appreciable numbers of pilgrims embarking at an average of 1,500 pilgrims per year.
- (5) With reference to the number of pilgrim steamers the Government are well aware that at present numbers of steamers are lying idle for want of traffic and the Honourable Sir Arthur Froom will bear testimony that there will be no difficulty whatever in getting these pilgrims carried through in the weekly homeline steamers of the British India Steam Navigation Company, Limited, leaving Madras. I am in communication with Messrs. MacKinnon MacKenzie & Co., Managing Agents of the British India Steam Navigation Company, on this subject, and I trust that there is every likelihood of the Company arranging this traffic.
- (6) With regard to the remark made by the Government of Madras stating 'that it would mean heavy and unnecessary expenditure,' I may say, from the fact I mentioned before and on the face of the figure given by the Government of Bombay, it is not at all an unnecessary expenditure. On the other hand, the Government of India will be doing a great piece of charity in opening the port of Madras for the pilgrim purpose. It will also be appreciated by my community at large, as it is a matter touching their religious interest.

Under these circumstances, I fully trust the Government will not hesitate in accepting my Resolution and make necessary arrangements to open the port of Madras for pilgrim traffic to Mecca and other holy places at an early date.

With these few remarks I commend my Resolution.

The HONOURABLE MR. E. H. JAFFER: Sir, I rise to support the Resolution of my friend, the Honourable Mr. Maricair, and I do so as much on behalf of the constituency which I represent from Bombay as on my own behalf. The House will see that my Honourable Friend has made out

[Mr. E. H. Jaffer.]

a good case in favour of the proposal and has completely met the objections which have been raised against it. The Muhammadan community in my part of the country will strongly support a proposal which is intended to facilitate and help the pilgrimage to Mecca of their co-religionists in the Madras Presidency.

I do not think that whatever difficulties may be pleaded against the opening of the port of Madras for pilgrim traffic to Mecca, are insuperable. There is no doubt that there is a sore grievance, to which my Honourable Friend, Mr. Maricair, amply testifies. There is clearly a demand for the opening of the port of Madras as proposed, and I think Government should meet the wishes of the Muhammadan community in this matter of the greatest religious importance to that community. I hope the House will realise the urgency of the question and will accept the Resolution. With these few words, I accord my hearty support to the Resolution.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: I strongly support the Resolution.

The HONOURABLE LALA RAM SARAN DAS: I also support the Resolution.

The HONOURABLE MR. SETHNA: Sir, the Honourable Mr. H. Jaffer in his speech said that the Honourable Mover has given ample facts to this Council as to the necessity of opening Madras as a pilgrim port. I, for one, am somewhat surprised at that statement, because in the speech which my friend made, the figures he gave were by no means convincing. As far as I understood him, he said that the Madras Muhammadans who go *via* Bombay average about 1,500 or thereabouts. Assuming, Sir, that is the correct number, 1,500 is a very small fraction of the Muhammadan pilgrims that do embark for their religious places from Bombay. But my point is this. Even if Madras is opened as a pilgrim port, I contend that because of the proximity of Bombay to various parts of the Madras Presidency and because of the greater facilities in Bombay afforded to pilgrims, perhaps half that number will still prefer to go *via* Bombay rather than from Madras. These are points on which I should have thought that my Honourable Friend, Mr. Maricair or Mr. Jaffer, would have thrown some light. Again, they have given us no details in regard to the special expenditure that will be involved in making Madras a port of embarkation. In the absence of these facts, it will be somewhat difficult for the Council to support the Resolution, and I hope, therefore, that in the course of his reply, Mr. Maricair will endeavour to enlighten us on these points to enable us to give our support, if possible.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, the question raised by the Honourable Mr. Maricair in the Resolution brought forward by him is not a new one. It was raised as far back as the year 1902 by the Government of India when they inquired from the Madras Government whether the circumstances of the case justified the opening of Madras as a port for pilgrimage. The Madras Government on that occasion, after making necessary inquiries, reported against the proposal. Subsequently in the year 1912, the Honourable Sir Ibrahim Rahimtullah, when he was a non-connection with the opening of ports for pilgrimage to the Hedjaz. The terms

of the Resolution I need not trouble the Council with. What is important to bear in mind is this. At the end of the debate on that Resolution, the Honourable Sir Ibrahim Rahimtullah accepted a modification of his Resolution to the effect that the Government of Bombay be requested to inquire of the Government of India whether there were any reasons for not throwing open the ports of Calcutta, Chittagong and Madras for the embarkation of pilgrims, and the Resolution thus modified was agreed to by the Council. In accordance with this Resolution the Government of Bombay communicated to the Government of India the proposal that had been adopted in the Bombay Council. The Government of India in due course consulted the Madras Government again with regard to the opening of Madras as a port for pilgrimage, and in the reply received from the Government of Madras occurs one paragraph, to which I wish to invite the attention of this House in particular. In paragraph 2 of their letter, this is what the Government of Madras said:

‘His Excellency the Governor in Council has given the matter his careful consideration and has in particular instituted inquiries to ascertain whether the port of Madras or a port on the West coast of the presidency would prove to be a suitable embarking place for pilgrims. The main difficulty is that neither Madras nor any West coast port is so situated as to attract a preponderance of pilgrims from the Presidency. The latter would only serve the West coast and Madras would serve neither the West coast nor the northern districts of this Presidency. Pilgrims from Malabar and South Canara, who form the bulk of the pilgrim population of this presidency, would, if the port of Madras were thrown open for pilgrim traffic, naturally prefer the cheaper route *via* Bombay, and pilgrims of the northern districts and Hyderabad would find it cheaper to go to Bombay direct instead of to Madras. The number of pilgrims visiting the Hedjaz from the southern districts of the presidency is so small as to be negligible.’

Now, these are very cogent arguments against the opening of Madras as a port for pilgrimage, and I waited in vain to hear from the Honourable Mr. Maricair any sound reason which would demolish the case made out by the Madras Government in the paragraph which I have just read out. My Honourable Friend, Mr. Maricair, referred to certain paragraphs in the letter of the Madras Government sent to the Government of India, of which a copy was furnished to him sometime ago.

Now, let me explain to the Council what occurred last year when the Madras Government sent up that letter. My Honourable Friend gave notice of a question in connection with the proposal which he has now put forward in this House in the form of a Resolution. We wrote to the Madras Government a letter in connection with the question, of which my Honourable Friend had given notice, and the Madras Government in reply furnished us with the information as well as the arguments to which the Honourable Mr. Maricair has invited the attention of the House. He has pointed out that, while the figures given by the Madras Government with regard to the number of pilgrims from Madras are wrong, the figures which he has obtained from the Bombay authorities show that a much larger number of pilgrims go to the Hedjaz from the Madras Presidency. I am afraid if my Honourable Friend had read the letter of the Madras Government with a little care, he would have found that the figures given by the Madras Government are not figures of the pilgrims who have, during the years mentioned therein, proceeded from the Madras Presidency to the Hedjaz. On the contrary, they are figures only of pilgrims who applied for passports in Madras for leaving India. Indeed the charge brought by him against the Madras Government is really entirely unfounded. Now, I do not know where he has got the figures that he gave the House from.

[Mr. E. H. Jaffer.]

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[Mian Sir Muhammad Shafi.]

But the total figures for the very years mentioned by him are as follows:— In 1911 there were altogether 22,856 pilgrims from India, out of whom only 1,248 were from the Madras Presidency. In the year 1912, there were 15,464 pilgrims from India, out of whom only 617 were from the Madras Presidency. Did my Honourable Friend give the figures for the year 1918?

THE HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Yes, 1918.

THE HONOURABLE MIAN SIR MUHAMMAD SHAFI: In the year 1918, the total number of pilgrims from India was 1,361, out of whom only 16 came from the Madras Presidency. In the year 1919 the total number was 9,218, out of whom 238 were Madrasis and in the year 1920, 18,008 visited the Hedjaz from India, out of whom only 1,085 were Madrasis. As has been rightly pointed out by the Madras Government in the reply to which my Honourable Friend alluded, the majority of Muhammadan pilgrims from the Madras Presidency come from the West coast or Malabar and from another district of which the name was mentioned and it is obvious that no man in his senses will choose a longer and more costly route when he has a shorter and a cheaper route open to him to take in order to perform the pilgrimage. The arguments adduced by the Madras Government against the opening of Madras as a port of pilgrimage have been read out by my Honourable Friend himself, and therefore it is unnecessary for me to refer to them. I leave it to the House to judge between the Madras Government and himself. It seems to me that each and every one of the arguments mentioned in the Madras Government letter is strong and cogent and a mere denial of those arguments will not help my Honourable Friend. The Madras Government have pointed out that there is no spontaneous or large demand for the opening of Madras as a port for pilgrimage. My Honourable Friend said 'Oh no, there is considerable demand'. In fact he told the House that a large number of his co-religionists had appealed to him to come forward and advocate their cause in this respect. Unfortunately my friend did not mention to the House the name of a single Muslim Association in Madras who had passed a Resolution authorising him to present that Resolution to this House (A Voice: Mr. Maricair is the spokesman of the Muhammadans of the Madras Presidency). My Honourable Friend is no doubt an elected Member for Madras, but that is not the point. The statement made by my Honourable Friend was that there was a considerable demand amongst the Muhammadans of the Madras Presidency for opening the port of Madras for pilgrimage. That statement has got to be supported by facts and figures, and the mere fact that an Honourable Member may represent a certain constituency is not in itself evidence of the fact that the demand is supported by the members of the community concerned. They know how to express themselves and the Government of India have not received from any Muslim Association or from any Muslim body in Madras a single Resolution or a single representation putting forward the demand which the Honourable Mr. Maricair has done in his Resolution. The Local Government have distinctly stated that there is no spontaneous or large demand for the opening of Madras as a port of pilgrimage for the Muhammadans of Madras. There you have the positive statement of the Local Government and along with that you have the absence of any representation or any Resolution by any Muhammadan body or of any section of the Muhammadan community, and the two things taken together, I submit, are conclusive of the fact that the

position as stated by the Madras Government is really correct. The number of pilgrims from Madras is very small. The Bombay route is the shorter route and the cheaper route. The opening of a new port for pilgrimage is not a matter which involves no expenditure or no trouble and there is no real demand for the request put forward by the Honourable Mr. Maricair. On these grounds I ask this House not to accept the Resolution.

THE HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: I am sadly disappointed at the way in which the Honourable Member in charge of the portfolio has dealt with my Resolution. First and foremost I must bring to the notice of the Council that I am an elected Member of this House representing the Muhammadans of the whole of the Madras Presidency. I have got much more influence than an ordinary Association or Anjuman could hold and as a matter of fact I am the President of several Anjumans and Associations in the Madras Presidency. In the year 1916 when I was in the Straits Settlements and Federated Malay States I was asked by a large number of Malay gentlemen and pilgrims to move the question with the Government and make Madras the port of pilgrimage to Mecca, as they found it most convenient and a cheaper route. I really cannot understand how a Madras man could travel cheaper by going to Bombay and taking steamer there than getting his steamer in Madras itself. An argument like this is not at all satisfactory. Again with regard to the facts and figures I have got a copy of the Madras Government letter before me. I have not forgotten what they said about 'those who obtained passports outside the Madras Presidency.' The mistake which has been committed by the Madras Government and the Honourable Member in charge of the portfolio is that they have omitted the large number of Muhammadan pilgrims that embark in the Straits Settlements and Federated Malay States and arrive at Madras through the weekly steamers, entrained at Madras for Bombay for want of a steamer at Madras. The figures are:

1911	Straits Settlements and Dutch East Indies	891
1912	Ditto	631
1913	Ditto	698

My Honourable Friend stated that in 1918 the number that came from Madras was 16 and he has omitted to show the figure of 495 pilgrims disembarked at Madras who entrained to Bombay to take the steamer there. There is a great deal of demand. The figures for 1918 are 495, 1919, 893 and 1920, 1,781 and in the year 1921, 201. I really cannot understand why the Government of India have not secured these figures. After all, these are the pilgrims who have landed at Madras who went all the way to Bombay for want of steamer; that means these figures include Madras. The remark that has been made that I have not got proper facts and figures which I can place before the Council is not right. I have got the original letter which I got from the Secretary to the Government of Bombay, General Department,—with facts and figures. The statement was signed by the Protector of Pilgrims, Bombay, and I can challenge this figure against the figure given by the Honourable Member in charge of the portfolio; 1,500 pilgrims are sufficient to be carried in a passenger steamer to start from the port. It is most inconvenient and a great hardship and expensive for passengers to go all the way from Madras to Bombay and there to embark in a costly place like Bombay, a crowded place, where they suffer from all sorts of nuisance and inconvenience, and it is in the interest of Bombay, Honourable Members of Bombay should say, 'all right, you go out of Bombay, and

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[Khan Bahadur Ahmedthamby Maricair.]

get your steamer in Madras.' The Honourable Mr. Sethna asked me to give information as to the facts and figures of expenditure. The Government of India should look into that; I can get the facts and figures, if necessary, I can submit the figures later on. I again contradict, Sir, the report sent by the Government of Madras; their report is quite wrong; and they have not at all taken any steps or any trouble to look into the question minutely. As a matter of fact I had the pleasure of meeting one of the high officials of Madras the other day. I said the same thing to him. I wrote to them and told them that they had committed a serious mistake in not looking into the figures carefully and in studying the question and in not inviting the opinion of the Muhammadan public broadcast. As a matter of fact I myself know what happened in Madras. My son-in-law, who is in the Madras Council, represented to me, now that I am in this Council, that no inquiry whatever was made by the Madras Government. There are 13 Muhammadan Members in their Council and none of them said that any inquiry whatever has been made. So I am sorry I have had to say something about the Madras Government, but I am obliged to say that they have not acted on this subject properly. I have got facts and figures in my possession. You must admit that my case is quite strong, and it is a quite serious matter. My community are strongly pressing me that I should take up the question with the Government of India. As the Honourable Member in charge of the portfolio said that hereafter if any question like this comes up I will have to take a written statement. It looks to me, Sir, as if my word is not valuable before the Government,—as if the words of Anjumans and Associations who are adopting mostly Khilafat and non-co-operation tactics, can be accepted, and in this way the Honourable Members of the Government are trying to shirk off this question, by excuses of this nature. I can only tell you, Sir, that this is an important question which concerns the religious interest of my community in Madras and in the whole of the Malaya area, and I have got appeals from my community that I should take up this question with the Government and see that the port of Madras is opened. What more can I do with the Government. The Government must accept my statement and see its way to help the Madras Muhammadan community, more especially now that an Honourable Member of the Executive Council is a Muhammadan (Hear, hear), and I am sure he will reconsider his decision and see his way to accept my Resolution and do something for my community who are really and actually suffering for want of a suitable port of embarkation in Madras. As a matter of fact, Sir, when I was coming to Delhi—this is the second time I passed through Bombay—I myself found great difficulty in stopping in Bombay comfortably. As a matter of fact I had not had even my bath the other day when I came to Bombay because I did not get a suitable place in which I could get a bath. (Laughter). Well, the place is such. The Honourable Mr. Sethna says that every convenient arrangement has been made, and various facilities have been made, in Bombay. . . .

The HONOURABLE MR. SETHNA: We have got a *musafirkhana*.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: I am sure the Government of Madras when writing were not at all aware of the fact that a *musafirkhana* already exists,—it is intended purely for the convenience of Muhammadans, and I think a large number of Muhammadans in Madras would be quite willing to open more *musafirkhanas*.

The HONOURABLE THE PRESIDENT: I would remind the Honourable Member that he is approaching his allotted time-limit, and would ask him to bring his subject to a conclusion as soon as may be.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: We must open some house in addition to the one already in existence.

With regard to the costly route, I think, Sir, as a business-man having an experience in the seaborne trade, I know much better in regard to expenditure on travelling. I mean to say the passage and other things. As I already explained, I am in communication with a great Company, the British India Steamship Company. The Honourable Sir Arthur Froom is also one of the Heads of the Departments. I think I can do my best, with the help of my supporter in the Department, in getting steamers to carry these pilgrims without any difficulty. The only difficulty that we have now to consider is the one of *musafirkhana*. I said, there is already one. Then again with regard to the want of a steamer, I said I am negotiating and trying to get steamers easily. With regard to the demand, I have given you facts and figures. It comes to 1,500 pilgrims. I think it is more than sufficient for us to arrange for a pilgrim ship to carry these pilgrims.

The HONOURABLE THE PRESIDENT: The Honourable Member has exceeded his time.

The question is that the following Resolution be accepted:

'This Council recommends to the Governor General in Council that early steps be taken to open the port of Madras for pilgrim traffic to Mecca and other holy places.'

The HONOURABLE THE PRESIDENT: The House will divide by a show of hands.

AYES—15.

NOES—12.

The Resolution was adopted.

CASKET FOR ROYAL ADDRESS.

The HONOURABLE THE PRESIDENT: Before adjourning the Council I should like to inform Honourable Members that I made a promise on the last occasion that the casket in which the address to His Royal Highness is to be presented would be exhibited on the table at this meeting. Whether owing to the railway strike or to other causes, I am informed by my Colleague in the other House that the casket has not yet arrived. I do not know whether we can ask for any facilities from Government for getting the casket here, but it will be rather unfortunate if on the occasion of the Durbar the casket in which the address is to be presented is not available. In the meantime however the illuminated address which is to be enclosed in the casket is here and is open to the inspection of Members.

The Council adjourned till Wednesday, the 22nd February 1922, at Eleven of the Clock.

COUNCIL OF STATE.

Wednesday, the 22nd February, 1922.

The Council assembled at Metcalfe House at Eleven of the Clock.
The Honourable the President was in the Chair.

QUESTIONS AND ANSWERS.

INDIAN TRADE COMMISSIONER, LONDON.

82. The HONOURABLE MR. KHAPARDE: Will the Government be pleased to lay on the table any report or reports made by Mr. Chadwick, I.C.S., Indian Trade Commissioner, London, since the year 1918?

The HONOURABLE MR. H. A. F. LINDSAY: Mr. Chadwick submitted a report on the working of his office, which covered the period from the 5th April 1918, to the 31st March 1920. This was published in the Supplement to the Gazette of India of the 23rd October 1920.

PROPOSALS IN REGARD TO TRADE OF INDIA.

83. The HONOURABLE MR. KHAPARDE: Will the Government be pleased to indicate any concrete proposals made by the Indian Trade Commissioner, Mr. Chadwick, in regard to the trade of India and the action taken thereon?

The HONOURABLE MR. H. A. F. LINDSAY: The question shows a certain misapprehension of the functions of the Indian Trade Commissioner. Government does not attempt to direct the channels of India's trade officially, and any proposals from the Indian Trade Commissioner to this end would, therefore, be out of place. His duties are to assist Indian and English firms to get into closer touch with each other, and in this he has been increasingly successful. Practical measures to this end are described in the report referred to in my reply to the last question.

RELATIONSHIP BETWEEN MR. CHADWICK AND INDIAN HIGH COMMISSIONER, LONDON.

84. The HONOURABLE MR. KHAPARDE: In what official relation does Mr. Chadwick stand to the Indian High Commissioner in London?

The HONOURABLE MR. H. A. F. LINDSAY: Mr. Chadwick is under the administrative control of the High Commissioner for India.

SUMS PAID TO THE BANK OF ENGLAND.

85. The HONOURABLE MR. KHAPARDE: (a) Have the following sums been paid to the Bank of England for the supply of currency notes to India?

	£
1916-17	95,680
1917-18	91,038
1918-19	265,051
1919-20	135,744
1920-21	464,057

(785)

A

(b) If the reply be in the affirmative what is the total number of currency notes received by India during the years mentioned therein and their face value in rupees?

(c) Had the circulation of this paper money any effect on the prices of commodities as well as silver and gold?

(d) If so, does Government intend to take any steps, if so, what, to stop the said inflation?

The HONOURABLE MR. E. M. COOK: (a) The answer is in the affirmative.

(b) I lay on the table a statement giving the information asked for.

(c) and (d) There is no connection between the figures which I have given in reply to part (b) of this question and the prices of commodities. The Honourable Member's question refers to the purchase of currency note forms. These are purchased for the purpose of stock and merely represent pieces of paper until they are actually put into circulation. Except to the extent to which notes have in the past been issued against securities, under statutory authority, (and there has been no such issue for the past 18 months), a note is not put into circulation unless rupees or gold are tendered in exchange for it, and the net result obviously does not increase the total amount of currency, whether paper or metal, in the hands of the general public. Whether or not the total amount of currency in circulation in India is in excess of the legitimate requirements of trade, and, if so, whether such excess has been one of the causes of the increase in the general level of prices is another matter and in any case is a matter of opinion with which I could not undertake to deal in reply to a question.

Statement showing the total number of currency notes received from England during the years 1916-17 to 1920-21, and their face value in rupees.

	No. of notes.	Face value in Rs.
1916-17	67,225,000	90,81,75,000
1917-18	124,100,000	2,45,80,00,000
1918-19	298,850,000	1,87,41,00,000
1919-20	430,294,000	2,86,14,94,000
1920-21	336,450,000	2,72,68,00,000
	1,251,919,000	10,32,85,69,000

DEFICIT IN THE BUDGET.

86. The HONOURABLE MR. SETHNA: Will Government be pleased to state:

(a) If their attention has been drawn to a statement made by Mr. S. R. Bomanji at the annual meeting of the Indian Merchants' Chamber as reported in the "Bombay Chronicle" of February 6th, as follows:

"They all knew that in the budget of Government of India there was a big deficit and yet not a single pie was taken from the English Banks, English Insurance Companies and English Shipping Companies. They did not contribute a single pie in the shape of income-tax into the coffers of the Government

of India. They were taking away wealth from India to the tune of 400 million sterling every year and yet the Government did not exact a single pie from them in the shape of income-tax. Their plea was that they paid income-tax in England, but that was not the right excuse. If they made profit in India from Indian wealth they should pay income-tax to the Indian Government and not to the Home Government. But the reverse was the case with the foreign banks, insurance companies and shipping companies. They did not enjoy the same privilege as the English companies and the Government were exacting income-tax from them."

(b) Is the statement correct, and if not, will Government be pleased to give what figures or information they can to disprove the statement?

The HONOURABLE MR. E. M. COOK: (a) Yes.

(b) The statement that English Banks, Insurance Companies and Shipping Companies do not contribute a single pie in the shape of income-tax to the Government of India is not true. Under the Income-tax Act of 1886 all non-resident Shipping companies were exempted from income-tax. This exemption was withdrawn with effect from the 1st April 1919, except as regards Shipping companies incorporated or registered in the United Kingdom or in any of His Majesty's Dominions, and the exemption in favour of the latter was also withdrawn on the 22nd April 1921. The reason for the difference of the dates in withdrawing the exemption in favour of these two classes of Shipping companies is that it was decided not to withdraw the exemption in favour of British and Dominion Shipping companies until arrangements had been come to with the Government of the United Kingdom for relief from double income-tax. All Shipping companies have to pay income-tax in the current year. English Banks and English Insurance Companies have always been liable to pay Indian income-tax on their Indian profits.

CODIFICATION OF HINDU LAW.

87. The HONOURABLE DR. GANGANATH JHA: Will the Government be pleased to state what stage has been reached by the inquiry regarding the advisability of codifying Hindu Law?

The HONOURABLE MR. S. P. O'DONNELL: The replies of the Local Governments and other authorities who were consulted on this subject have been received and are under consideration.

REPORT OF JOINT COMMITTEE ON DELHI UNIVERSITY BILL.

The SECRETARY OF THE COUNCIL: Sir, I beg to lay on the table the Report of the Joint Committee on the Bill to establish and incorporate a unitary teaching and residential University at Delhi, which was presented to the Legislative Assembly on the 13th February 1922.

CONGRATULATIONS TO HER ROYAL HIGHNESS PRINCESS MARY.

The HONOURABLE THE PRESIDENT: Before we proceed to the business of the day, I desire to inform the Council that I have received from the

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Honourable Mr. Sethna a request that he be permitted to move a Resolution which does not appear on the paper. It is of a congratulatory character. In fact, it suggests that this Council should convey to Her Royal Highness Princess Mary its congratulations on her marriage. I think that the Council will probably desire that I should grant the permission. I, therefore, do so and would ask the Honourable Mr. Sethna to move his Resolution.

RESOLUTION RE MARRIAGE OF PRINCESS MARY.

The HONOURABLE MR. SETHNA: I beg to move:—

'That this Council do convey to Her Royal Highness Princess Mary the humble expression of its sincere congratulations on the occasion of her marriage and of its heart-felt desire for her future happiness.'

When some months back the news was received in India of the engagement of Her Royal Highness Princess Mary to Viscount Lascelles, it was hailed with delight because of the great esteem and regard in which their Gracious Majesties the King-Emperor and the Queen-Empress are held in this country. However much Indians may differ from Britishers and differ even amongst themselves in the matter of the political advancement of the country, they are all at one in their loyalty to the Throne and to the persons of Their Imperial Majesties, and it is but meet, therefore, that they should rejoice in whatever may contribute to the happiness of their august Sovereign and his illustrious Consort. The approaching wedding of Her Royal Highness Princess Mary on the 28th of this month is one such occasion and this Council would desire to convey their felicitations to the Royal Princess on this auspicious event. The only daughter of Their Majesties, she has endeared herself to the nation and the Empire for she combines in herself the dignity, the intelligence and the graceful display that belongs to her exalted station in life with the sweetness, the pleasantness and the love-ability that belongs to her sex. To praise Princess Mary is by no means to indulge in conventional courtesy towards one in her position, for in all reality she is so good, so kind, so simple and yet so gifted withal! In short, she is the child of her parents and no higher praise could be lavished on her. May the love the new couple bear to each other never be diminished, but go on increasing till it has reached the point when it can be considered the acme of perfect happiness. May their marriage prove so exceptionally happy that the union of thought, heart and action may fulfil the ideal and 'bring duality near to the borders of identity.'

The HONOURABLE RAJA SIR HARNAM SINGH: Sir, I have great pleasure in supporting the motion of my Honourable Friend. We have heard with the greatest interest and joy the public announcement of the approaching wedding of Her Royal Highness the Princess Mary. The people of India share with the English people the pleasure to congratulate Her Royal Highness. Although we, in India, have not had the pleasure of welcoming her here, yet her name is held in high respect in this country, for the reports of her great qualities, and of the charm of her character have reached India and the farthest limits of the Empire. She has endeared herself to even the most distant subjects of her noble father, the King-Emperor.

Sir, I am only voicing the genuine wishes of the entire Indian people when I say that India sends her warmest congratulations. May God pour on her His choicest blessings and grant her a long and glorious life rich in love and happiness!

The HONOURABLE DIWAN BAHADUR V. RAMABHADRA NAIDU: Sir, I heartily support the Resolution so eloquently moved by my Honourable Friend, Mr. Sethna. Any addition to it on my part would only mar the beautiful eloquence with which he has referred to Princess Mary. I heartily support the Resolution.

The HONOURABLE SIR ARTHUR FROMM: Sir, I also heartily support the Resolution before the Council.

The HONOURABLE LALA RAM SARAN DAS: I also heartily support the Resolution.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, I also heartily support the Resolution.

The HONOURABLE RAJA P. N. ROY of DIGHAPATIA: I also support the Resolution.

The HONOURABLE RAJA SIR RAMPAL SINGH: I also support the Resolution.

The Resolution was carried unanimously.

The HONOURABLE the PRESIDENT: We will now resume the adjourned discussion on the Honourable Mr. Sethna's Resolution which he moved on the last occasion we met here.

RESOLUTION RE INCREASE IN NUMBER OF INDIAN JUDGES—Contd.

The HONOURABLE MR. SETHNA: Sir, my Resolution reads as follows:—

'This Council recommends to the Governor General in Council that early steps be taken to increase the number of Indian Judges of the High Courts and Chief Courts and also of Indian Judicial Commissioners to at least fifty per cent. of the total number of such appointments.'

Less than four weeks ago I brought forward a Resolution in this House asking Government to adopt ways and means whereby Indians might be employed in larger numbers in the service of the different Port Trusts in India. That Resolution met with the concurrence of this Council and also of the Government of India, I take it, because of the glaring injustice done to Indians which I was able to point out from the figures I quoted on that occasion. My Resolution to-day deals with the higher appointments in the Indian Judiciary in regard to which I will at once admit that the percentage of Indians is certainly and distinctly larger; and yet if I ask the Council to extend to it the same whole-hearted support as they did to the other Resolution, it is because I feel, and I am sure the Council will feel, that, in regard to these appointments, Indians, it is beyond cavil, have shown a great aptitude and also considerable proficiency. I am aware, Sir, that in the other House some months ago a similar Resolution was moved in which, amongst other appointments, the appointments of Judges of High Courts were also referred to. In that Resolution, however, to judge from the speeches made on the occasion, greater stress was laid on the equalisation of numbers in regard to the appointment of Chief Justices and Governors of different Provinces. My Resolution contemplates that from now onwards Government should take every opportunity, whenever vacancies arise, to fill them up by the appointment of Indians, so that at least 50 per cent. should be Indians to begin with, or rather, as early as possible, among the

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High Court and Chief Court Judges and Judicial Commissioners, and that such percentage should go on increasing gradually.

Let us examine what is the present position in regard to Indians in the service. In the six High Courts in India, namely, Calcutta, Bombay, Madras, Bihar and Orissa, the United Provinces and the Punjab, there are 17 Indian puisne Judges and 34 English Judges on judicial work; and out of the 6 Chief Justices there is one Indian Chief Justice so that the percentage of Indians is 30 per cent. In the Chief Court of Burma although there are 6 Judges there is only one Indian, so that the percentage there is only 16. We have Judicial Commissioners in Sind, Oudh, Central Provinces, North-West Frontier Province and Upper Burma; and of these 16 appointments only 5 are Indians. In Burma all the three Judicial Commissioners are Europeans as is also the solitary Judicial Commissioner in the North-West Frontier Province. Taking together all these officers we have 23 Indians and 55 Europeans, or a percentage of 29, which is certainly unsatisfactory. I say, Sir, it is certainly unsatisfactory because it is an acknowledged fact that Indian Judges have proved as efficient as their English compeers. The judicial service is the one service in which we might reasonably expect the most significant and rapid increases in the number of Indian appointments, because it is the legal profession to which Indians, as we know, during the last 50 years have taken very kindly and in which they have very greatly distinguished themselves. Competent authorities, like the Judicial Committee of the Privy Council, various Lord Chancellors and others, have admitted that Indian Judges have done remarkably well. Many judgments of the Indian Judges are to-day cited in the different High Courts and Chief Courts in this country. I recognise and recognise well enough that we have had some very able and distinguished Englishmen filling the positions of Judges in this country, notably amongst them, men of the type of Sir Barnes Peacock, Sir Richard Couch, Sir Richard Garth, Sir Comer Pethe-ram, Sir Lawrence Jenkins, Sir Charles Sargent, Sir Michael Westropp and others. But, Sir, we can say with equal force that we can put forward an equal galaxy of Indian names who have worthily filled the position of Judges of the different High Courts in this country. I refer to men of the stamp and ability of Sir Bhashyam Iyengar, Sir Muthuswami Iyer, Sir Dwarkanath Mitter, Sir Romesh Chunder Mitter, Dr. Gurudas Bannerjee, Mr. Kashinath Trimbak Telang, Mr. Mahadev Govind Ranade, and Mr. Justice Mahmood and many others. It must not be forgotten, Sir, that Indians have been appointed in these high positions comparatively recently. It must also not be forgotten that the percentages which I quoted a minute back are present-day percentages, and that the percentages of Indian Judges in the years gone by were absolutely negligible, and yet, as I say, we are able to boast of so many very distinguished men. Again, it may not be generally known and it may be a surprise to those who do not know it that every one of the Indian Judges whom I have named has had his education in this country and that not one of them was called to the English bar. . . .

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Except Justice Mahmood.

The HONOURABLE MR. SETHNA: I apologise and accept the correction so far as Justice Mahmood is concerned. To the same ranks, *vis.*, those who have had their legal education in India alone, we have had men of towering ability, like the late Dr. Rash Behari Ghose and others. If we

turn to the Indians who have been called to the English bar, we find amongst them such distinguished men as Mr. Monomohan Ghose, Mr. Womesh Chunder Bonnerjee, Sir Pherozshah Mehta, Mr. Budruddin Tyabji, Lord Sinha and various others, not forgetting our own distinguished colleague, Sir Binode Mitter, every one of whom would have adorned the bench, as indeed did Mr. Justice Budruddin Tyabji, and Mr. Justice Mahmood. This shows what Indians have been able to do in the department of law. In addition to the fact that Indian Judges have done as well as English Judges, they possess some other qualifications which greatly help in the administration of justice. In the first place, they know local conditions very much better; they are able to follow the witnesses in their own language and they can enter into the true spirit of the language of the documents which are put before them. These necessary qualifications the best of English Judges cannot possibly possess, and we cannot blame them for this deficiency. Therefore, if there are more Indian Judges in these appointments, efficiency will by no means be impaired; but rather the efficiency of the different Courts if anything will be greatly enhanced by the fact of such Indian Judges, who are the equals of their English compeers in knowledge of law, being able also to follow the witnesses and parties without the help of interpreters.

I may be told, Sir, that I am ignoring a very important factor, namely, that according to Charter several appointments to High Court Judgeships, etc., have to be made from the Indian Civil Service, and that because it has been now settled that the percentage of Indians in the Indian Civil Service must be gradually increased, consequently the number of Indian Judges will also be increased. To this I reply by saying that the appointment of Indian Civil Service Judges should be done away with, and that as soon as possible. Sir, the two cardinal principles to ensure a satisfactory administration of justice and to give satisfaction as well as to fulfil the aspirations of the people in regard to the appointment of the ablest men are, first, the gradual reduction in the number of Judges appointed from the Indian Civil Service until no more Indian Civil Service Judges are so appointed, and, secondly, a gradual increase in the number of Judges appointed from the legal profession, the same as is done in the United Kingdom, in the Dominions, and in the United States.

The system of Civil Service Judges has had its day; it is certainly considered obsolete now. In the Indian administration in the first stage we naturally had most of the officers as military men, same as perhaps is the case in Mesopotamia to-day. In the second stage came in Civil Service Judges. Now, in the third stage when we have so many specialised services, I say it is an anachronism to have members of the Indian Civil Service put in the most important judicial positions in the highest tribunals in the land. There was a time, Sir, when there were not elaborate Codes and there was no developed legal system, no Universities, hardly an Indian lawyer and a rough and ready system of administering justice. That was the time when Indian Civil Service Judges were wanted. To-day as we know the position is very considerably altered. We have lawyers all over the country, some of them very able men indeed. We have now a comprehensive system of law. Judicial work has become highly specialised and complex, and it is, therefore, imperatively necessary, that Indian Civil Service Judges should be done away with altogether. In this connection I will quote from that well-known Minute of Mr. Justice Abdur Rahim, attached to the Public Services Commission Report, the

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opinion expressed in which is endorsed by all those who are disinterested and have given a close study to the question. This is what Mr. (now Sir) Abdur Rahim says:

'A Civilian Judge, who has never been behind the scenes, never drafted a plaint or a written statement, nor examined or cross-examined a witness in his life, must be at considerable disadvantage in arriving at the true and important facts of a case. He can but dimly realise the value of interlocutory proceedings in bringing issues to a head, and his control over the conduct of a trial in Court must tend to be weak and uncertain. Not the least formidable of his difficulties is the inevitable lack of understanding and sympathy which must ordinarily be between him and the Bar. Supposing he has had the opportunity, which he has not, to bring to the bench a sufficient stock of the knowledge of the law, he will have realised, on the first day of his judicial career, that the really difficult task for which he had no preparation was to apply the right law to the facts before him. There have been Civil Service Judges who surmounted all these difficulties and made the continuance of the system possible for so long. But the system is itself unsound and the authorities should be prepared to discard it.'

It might be argued that, because Mr. (now Sir) Justice Abdur Rahim was himself a Barrister Judge, his opinion might be considered biased. I will, therefore, give the Council the opinion of a body of men which is unexceptionable, for I will quote now from a Despatch from the Government of India, during the Viceroyalty of Lord Minto, addressed to the Secretary of State and signed by Lord Minto, the then Commander-in-Chief, Lord Kitchener, and all the Members of the Executive Council of the day. This is what the Despatch says:

'It would be difficult to exaggerate the political dangers of the present situation or the importance of effecting a material improvement in the capacity, training and status of the Indian Civil Service Judges. It is impossible at any rate in the advanced provinces to justify a system under which a gentleman who has no knowledge of the civil law, and who has never been inside a civil Court in his life, can be and is often at one step promoted to be a Judge of Appeal in civil cases, and to hear appeals from subordinate Judges who are trained lawyers with years of legal experience. If, however, we contrast the circumstances of the present day with those of a generation back, the considerations at once suggest themselves that the law which the modern civilian is called upon to administer is far more complicated, while the legal profession has vastly increased in numbers and has attained a far higher standard of training. At the same time, the knowledge of law possessed by the natives of India generally and their disposition to appeal has gone through a remarkable development. It is most frequently in criminal matters that the native newspapers attack our administration of justice, and that errors and irregularities have been a subject of public criticism. It is in such cases in all countries that mis-carriages of justice attract most attention, but in civil and revenue cases affecting private rights, it can scarcely be doubted that similar errors occur, and the departmental proceedings which come before us frequently disclose surprising ignorance. Incompetent men cannot retain their position in the face of a well-founded criticism which is becoming more and more searching as time goes on. On public grounds it is imperative that drastic steps should be taken to remove the blot on our administration.'

This, Sir, is the considered opinion of the Government of India. Could anything be more emphatic, and is it not high time that the Government of India should take upon itself to ask the Home Government to effect a change in the Charter, whereby Civil Service Judges should no longer be appointed?

The HONOURABLE THE PRESIDENT: I would remind the Honourable Member that the provisions regarding the qualification for High Court Judges are in section 101 of the Government of India Act, and not under the Charter.

The HONOURABLE MR. SETHNA: It is I understand by Charter so far as Bengal and Bombay are concerned. However, I stand corrected. Any

way, Sir, the extract I have quoted will convince the Council of what the opinion of the Government of India was in regard to the question of Civil Service Judges. And I say it is high time that the Government of India should take it upon itself to bring about a change in the Act or Charter, whichever it may be. If the Indian Civil Service is one of the best paid Civil Services in the world, I admit it is also one of the most efficient Services in the world; but, at the same time, I also admit that Indian Civil Servants have not the necessary qualifications and do not possess the necessary training, because they have not been given it, to become High Court or Chief Court Judges or Judicial Commissioners. I, therefore, contend that the appointment of Judges should be restricted exclusively to the legal profession. I may remind the Council that, although we have had Civil Service Judges for years and years, and there have been hundreds of them filling these important positions, there has not been, so far as I know, one single person from the Indian Civil Service who could be bracketted with any of the English Barrister Judges and the Indian Judges I have named. That, Sir, is proof in itself of the statement I have made.

Then, the Indian element amongst the legal profession is now so very strong that, almost all over the country, and in such important centres like Calcutta, Bombay, Madras, Allahabad, Bankipore, Lahore, the pre-eminence of English Barristers is fast disappearing, if it has not already done so, and it is the Indian element in the Bar that is now predominating. There is, therefore, no difficulty in finding suitable Indians from the Bar.

Sir, I make one more quotation in regard to the efficiency of Indian Judges, and that from no less a personage than Lord Selborne, an opinion which he declared publicly in the House of Lords as far back as 1882, and he gave most flattering praise to Indians in such well deserved terms as these:

'The question might be asked, what has been our experience hitherto of Native Judges? My Lords, for some years I practised in Indian cases before the Judicial Committee of the Privy Council and during those years there were few cases of any Imperial importance in which I was not concerned. I had considerable opportunities of observing the manner in which, in civil cases, the Native Judges did their duty, and I have no hesitation in saying, and I know this was also the opinion of the Judges during that time, that the judgment of the Native Judges bore most favourable comparison, as a general rule, with the judgments of the English Judges. I should be sorry to say anything in disparagement of English Judges, who, as a class, are most anxious to carefully discharge their duty; but I repeat that I have no hesitation in saying that in every instance, in respect of integrity, of learning, of knowledge, of the soundness and satisfactory character of the judgments arrived at, the Native judgments were quite as good as those of English Judges.'

This, Sir, was the opinion expressed forty years ago, when, perhaps, only one or two of the eminent Indians, whose names I have mentioned, had reached the height of their fame, is there not much greater reason to-day to admit that the circumstances have so greatly altered that we can now have many more Indians to fill these positions, and to fill them with dignity and ability?

I hope Government in their reply will not take shelter under the plea that the appointment of Judges does not rest with them, but rests with the Secretary of State and the Home Government, because we know so well that the Government at Home always pay heed to the recommendations made from here. I may also be told that at times the Secretary of State does not consult the Government of India, but consults Provincial Governors direct. All I say is that if there is a will there is a way. If the Government at Home and the Government here are sincere in their professions of gradually Indianizing the Services in this country,

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they may well accept the Resolution; but if for technical objections, such as those I have just now referred to or others they are unable to do so, the least the Government can do is to say, in reply, that they accept the principle underlying the Resolution, and the best they can do, under existing conditions, is to forward the Resolution to the Secretary of State with their own strong recommendation, endorsing the proposal made in the Resolution.

The HONOURABLE RAJA SIR HARNAM SINGH: Sir, I am very glad that my friend the Honourable Mr. Sethna has so ably advocated the cause of our Indian Judges. The time has come when there should be a larger proportion of Indian Judges in the benches of the High Courts and Chief Courts; there should also be a greater number of Indian Judicial Commissioners. At present less than one-third of the highest posts in the judicial department are held by Indian lawyers, although the country is now producing a considerable number of eminent lawyers and jurists who would do credit to the legal profession of any country. The Indian Judges also have earned the reputation, not less remarkable, for their integrity, ability and efficiency. It will not be an exaggeration, I think, when I say that, whenever Indian lawyers have been given a chance, they have been no less an ornament to the bench.

I do not see any reason why the claims of eminent Indian members of the legal profession should not be duly recognized. For one thing they know the country and understand the people much better; and they have, as children of the soil, an equal, if not a better, claim to the highest services of their own country for which they are fit. With the spread of education not only the aspirations of the Indian people have risen, but their character and ability, I believe, have proportionately gone forward. They fully deserve a larger share in the administration of their country. And this has been recognized by the new policy of the Government. I want only to see this policy applied more liberally to the Judicial Department.

The HONOURABLE SIR EDGAR HOLBERTON: Sir, this Resolution is the successor of various other ones of a similar trend which have been brought forward in this House and in another place, and I think it has occurred to some of us as rather a pity that the Indian Legislature, at this early stage of its existence, should be in such a hurry to proceed at such a swift pace with the Indianisation of the various services. Government have repeatedly, on the occasion of these Resolutions and on others, asseverated their desire and intention of increasing the Indianisation of the services as swiftly as they consider consistent with safety and advantage to the country. In this particular case you will notice, if you study the wording of the Resolution, that there is an important omission to the extent that nothing is said about efficiency. The Resolution does not say 'if suitable candidates for the appointments can be found'; it simply makes a bald claim that the Indianisation of the service should be extended to at least 50 per cent. However, my Honourable Friend, the proposer of the Resolution has given us very many arguments in his speech to show that there are suitable candidates available in India, and I think that what we all know of the work that has been done by Indian Judges at present on the Bench will bear him out. Therefore, on the score of qualifications, to a certain extent, it is undoubtedly possible and desirable to spread the trend of appointment of Indian Judges to the

Bench; but I do strongly deprecate any exact percentage being put in. I do not see how it is possible to lay down a definite percentage as that which will ensure the greatest protection and assistance to the judiciary of the country. Moreover, there is some little difficulty in my mind with reference to the exact meaning of the word 'Indian'. My Honourable Friend will probably tell me that he means to cover thereby all persons born within the Indian Empire. Well, if that is so, what his Resolution really means is, that he advocates that each High Court and Chief Court in the country should contain at least 50 per cent. of gentlemen born in the country. Now, this, of course, if it were taken to its logical conclusion as a general proposition, would get us into the most terrible trouble. For instance, take the case of my own province. What would Burma say to a Bench of Indian Judges even if you confined yourself to India? Would Bombay care for a Bench of Bengalis? . . .

The HONOURABLE MR. SETHNA: Why not?

The HONOURABLE MR. LALUBHAI SAMALDAS: Certainly, there would be no objection.

The HONOURABLE SIR EDGAR HOLBERTON: They would prefer it. Well, it was not my opinion that most of the provinces of India would prefer an Indian Bench coming from provinces other than their own to a mixed Bench of Europeans and Indians. However, it is on that point that there will be divergence of feeling, but I cannot help thinking that most of the Members of this Council will agree with me that, if the Resolution of the Honourable Member is to help, it would have to carry with it, if not exactly in the wording, at least in the intention, that 50 per cent. of the judicature of each province should come from the local talent of that province. If that is so, it would make it even more restricted and more difficult. . . .

The HONOURABLE MR. SETHNA: It is not so.

The HONOURABLE SIR EDGAR HOLBERTON: Even as it is, I think it is a pity that the administration of the law under which we live should in any way be restricted by any other bar than that of efficiency.

I have been very much impressed by many of the remarks that have fallen from the Honourable the Mover as to the excellence of the Judges which India has produced and, in fact, I have not heard any dissenting view about that, but I do also stoutly maintain that the high standard of law that has been administered by the benches in India has been practically universal; it has not been confined to any one race or nationality or creed. In fact, as far as is known to me, there is really no complaint against the administration of justice by these High Courts. The desire, therefore, to push this Resolution through is due to a national, or what I might call an almost sentimental whim. Now, if we can be perfectly certain that, by agreeing to this we are in no way endangering the judicial administration of this country, he may well find supporters, but if, on the other hand, we admit that the law at present is properly and adequately administered and that the present system has resulted in the necessary safeguarding of the interests of the public, then it seems to me a pity to commit ourselves to any Resolution which may possibly do anything to endanger that standard of excellence.

I, therefore, find it necessary to oppose this Resolution.

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The HONOURABLE MAHARAJA SHOSHI KANTA ACHARYYA CHAUDHURI: Sir, I beg to support the Resolution so ably moved by the Honourable Mr. Sethna. In supporting this Resolution I need not refer to the general claims of Indians to a greater share in all branches of administration. Indians have held judicial offices long before other administrative appointments were thrown open to them by the British Government. Even in the days of the Sudder Dewani Adalat in Bengal, Indian Judges have sat on the bench with the best of English Judges that ever came out to India. It is admitted by all that Indians have a natural aptitude for judicial work especially, and in the roll of Indian Judges of the different High Courts are found the distinguished names of many that will be ever remembered in the history of judicial administration in India. Sir, I do not mean any disrespect to any learned Judge when I say that the Indian Judges of the present day inspire greater confidence in the people than the average English Judges. Instances are not rare in Calcutta when even European suitors and European Solicitors have preferred to have their cases heard by an Indian Judge rather than a European in the Original side of the High Court.

The HONOURABLE SIR ALEXANDER MURRAY: I want to know whether the Honourable Member can mention a case, Sir.

The HONOURABLE THE PRESIDENT: Order, order.

The HONOURABLE MAHARAJA SHOSHI KANTA ACHARYYA CHAUDHURI: There is an impression that the High Court benches in India no longer attract English Barristers of eminence. If that be so the number of Indian Judges should be increased, so that justice, which is the bulwark of British rule in India, may not suffer in quality.

The HONOURABLE MR. S. P. O'DONNELL: Sir, if I have to oppose this Resolution it is not because in any way the Government is out of sympathy with the principle underlying it. That principle is in fact one which the Government itself has adopted and proclaimed. The increasing association of Indians with the administration of the country in all its branches was placed in the forefront of the declaration of August 1917, and since then the Government have given in the various orders passed regarding the Services definite and concrete evidence of their adherence to that principle. And just as the Indian element has increased and will increase in the various Services, so the Indian element in the High Courts and Courts of Judicial Commissioners has increased and will increase. I have here, Sir, certain figures which, I think, will bear out that statement. I find that in 1896 there were altogether 8 Indians holding appointments in the High Courts as against 36 Europeans. At the present moment, according to the Civil List for 1st October 1921 there are 25 Indians holding appointments in the High Courts—18 of them permanent and 7 temporary. The number of Indians, therefore, during that period has increased three-fold and the percentage about two-fold. A similar result is disclosed if the figures for 1910 are taken and compared with the existing figures. There appear to have been in 1910 13 Indians holding such appointments out of a total number of 62 appointments. And, Sir, the proportion will go on increasing.

If I understood him aright, the Honourable Mr. Sethna seemed to think that the provision in the Government of India Act, under which one-third of the appointments is reserved for members of the Indian Civil Service, constitutes in some way an obstacle to the increase of the Indian element. There are two points on which I must join issue with the Honourable Mr. Sethna

as regards the Indian Civil Service; and firstly, as regards his contention that the appointment of Judges of the High Courts from the Civil Service is an obsolete and anachronistic arrangement unknown at present in civilised countries which should be abolished as soon as may be. Now, Sir, it is perfectly true that in England and the United States, and in the British Dominions, I believe, the practice is to appoint Judges from the Bar. But if the Honourable Mr. Sethna had extended his survey to the Continent of Europe, I think he would have found that it is the general practice to appoint Judges of the High Courts from the lower Courts. I do not profess to be an authority on the legal systems of the Continent, but certainly my impression is that in most continental countries that is the practice. And it certainly seems to me to be unreasonable to suggest that Judges who have been engaged in administering justice in the lower Courts for 20 years or more should be debarred from appointment to the higher Courts. Then the Honourable Mr. Sethna referred to a Despatch of the Government of India. He did not, however, I think, correctly appreciate the point of that Despatch. I have not the Despatch here, but judging from the quotations he gave from it, it is clear that what the Government of India had in view was the need for ensuring that Civilians appointed to the post of Sessions Judge should have had an adequate and sufficient preliminary training in Civil Law. It is admitted that in that respect the arrangements then in force were defective, but those defects have been or are in process of being removed, and the general practice now in all the Provinces is that Civilians are appointed first to posts like that of Munsif and given a training in Civil Law. I do not think there is anything in the Despatch which in any way suggests or implies that, in the opinion of the Government of India, Civilians selected for the High Courts have not had a sufficient training in Civil Law. In any case, so far as the Indian Civil Service is concerned, I cannot see that the provision of the Government of India Act in question whether it embodies a sound principle or not, constitutes an insuperable bar to an increase in the Indian element, because the Indian Civil Service is itself in process of being Indianised. A large number of Indians have recently been appointed to the Service and the percentage of such appointments is increasing from year to year.

I do not propose to discuss the merits of individual Civilian Judges, but I have myself known Civilian Judges of the High Court, who, I believe, in the opinion of the legal profession of that Province, fully held their own with the best of the Judges drawn from the Bar.

Then, as regards English Barrister Judges, the Honourable Mr. Sethna referred to a debate which took place last year in the Legislative Assembly. May I also refer to that debate. The Honourable the Law Member, himself an eminent Indian lawyer, said on the question of English Barrister Judges:

'My friend'—he was referring to Dr. Gour—'has contributed a valuable book to legal literature—I refer to his commentaries on the law of the transfer of property—and no one can appreciate better than Dr. Gour that so far as the essential features of our law of property are concerned, they are closely allied to the English system, and an English Barrister who comes out from England does no doubt contribute substantially to the elucidation of those intricate principles with which we have got to deal every day of our lives—and he also brings out with him those high traditions of independence and freedom which we all value and which we all expect from members of the Bench in any part of India. Pray do not understand that there are not men in this country who would rise equally to the standard, but what I do contend is that, at the present stage of our evolution and for some time to come, I do not think that it would be right for us, having regard to the larger interests of justice and law, to entirely dispense with the services of the English Barrister Judge.'

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[Mr. S. P. O'Donnell.]

Sir, I fully endorse everything that the Honourable Mr. Sethna has said as regards the merits of those Indians who have been appointed to the High Courts. But I think the truth is that each of the sources from which Judges of the High Courts are recruited has made its own special contribution to our legal system. The Indian Judges have contributed their share and the English Judges theirs, and the sound principle is that the best men available, whether they are Indians or Europeans, should be appointed. That has been the practice in the past, and ought, it seems to me, to be the principle which should govern selections in the future. I may mention that the Government of India are not primarily concerned with the selections for most of these appointments. I do not lay much stress on that point, though I think it is a point which it is right to mention. As the figures I have given show, however, the authorities concerned are not oblivious of the claims of Indians. These claims have been fully recognised in the past and will continue to receive every consideration. The only objection therefore of the Government to this Resolution is not that it contemplates an increase in the Indian element in the High Courts,—on that point there is no difference—but simply that it would bind the Government to establishing a fixed arithmetical ratio within a particular period and that the acceptance of such an undertaking would be inconsistent with the principle that the best men available from time to time should be selected. That in no way implies that the existing proportion between Indians and Europeans will be maintained. On the contrary, as I have tried to make clear, there is not the least doubt that the Indian element will increase year by year—at any rate, steadily, until the proportion aimed at by the Honourable Mr. Sethna has been attained or exceeded.

At the same time, Sir, while such is the view of the Government as to the principle which should be followed in making appointments, they do not wish to meet this Resolution with a simple *non possumus*. They are quite prepared, if it is so desired, to consult Local Governments and High Courts regarding the whole question. I think it will be agreed that in any case if it is ever decided to make change in the existing procedure, such consultation would be essential. Perhaps that will sufficiently meet the Honourable Mr. Sethna.

THE HONOURABLE MR. G. S. KHAPARDE: Sir, I rise to support this Resolution on a ground which up to this time at any rate has not been put forward; and that ground is that, although in India laws are now codified and they are to a certain extent uniform, there is this difficulty in it, that no law can be so constructed as to leave no discretion to the Judge. This discretion it is the exercise of which is the most important part of judicial work. It happens, as in the case of Hindu law, Muhammadan law and other uncodified laws, that not only are points not codified and difficulties cleared up, but there are very many things left or rather coming up, which did not exist or did not come up when the laws themselves were framed; and those are cases not new in principle, but certainly new in the instances; and when law has to be extended from precedent to precedent, the important question arises as to what is the legal consciousness of the people for whom the laws were framed. In this matter of legal consciousness there is a celebrated judgment of Sir Raymond West in an important adoption case, which, I believe, covers over 100 pages, which tried to bring out what the legal consciousness of the society was. It was a case which was new in the instance and not in the principle, and in

trying to extend that principle he had to argue it out at that great length and he came to a certain conclusion. That is the point which I wish to urge. It sounds a little bad to say that the present system has worked well and yet we desire to improve it; and it also looks as if we were casting a reflection upon it. I do not think the Honourable Mover intended to cast any slur, nor do I intend to cast any slur on the work of the Judges who have hitherto worked in India. But I still submit that there has always been something less than could be desired. When I began the study of law it used to be the practice that in matters of legal customs and in matters of Hindu and Muhammadan law and so on Shastris and Ulemas were consulted. In fact they were officers of the Court, and in deciding cases Judges used to send for them often and put the facts before them and ask their opinion as to what the judgment should be. That practice was discontinued and when I began to study law there was a complaint made that these Shastris and Ulemas ought to have been retained and they always said that they supplied a great part of the most valuable portions of the judgment. Now, that practice was discontinued and there used to be a great deal of complaint in the text-books of those times. I submit that what the Honourable Mover by moving this Resolution means to do is to try and bring back the Courts to the original character which they had, namely, not only men with knowledge of precedents of other countries, but also an element of people who know the legal consciousness of the people to whom the law is to be administered; and however eminent the Judges from England may be it is, I suppose, no disparagement to them to say that they could not correctly conceive the legal consciousness of the Indians here; and it is that element of it which is the most important part of the judgment, and therefore it is that I support this Resolution on this ground which I put forward, namely, that law, however codified, however clearly laid down, still involves discretion, and that discretion involves the legal consciousness of the society in which the law is administered. Therefore, it is necessary that as in the old days there was one Shastri or Ulema attached to one Judge, so also, as the Honourable Mover thinks, and very rightly thinks, half the number of Judges should be Indians who can supply the element of legal consciousness that is necessary, on all the benches. The Honourable Member has put the words 'at least fifty per cent' in his Resolution. One of the Honourable Members here said that it was wrong to put it at any figure like that; perhaps it may be so in many cases; but in this case what is desired, I believe, mostly by the learned Mover is that in every case that is decided there should be at least one representative, one person who understands the legal consciousness of the country; and, therefore, he puts it at at least fifty per cent. I am sure he does not object to its being made sixty per cent.; I suppose he will agree if it was raised to 75 per cent., that is to say, that this codified element is there and that in the discretion which it necessarily involves the element of legal consciousness should be very carefully brought out and looked after by Indians themselves. My Honourable Friend to the right raised an objection to the definition of the word 'Indian' and then tried to make it out that it would involve that each Bench of each High Court should have half its number brought up in that province, and probably it would go on to each district and then to each taluk and to each village, and thereby he wanted to make out that this was an impossible proposal. I humbly submit that it is not so. Legal consciousness is a thing which permeates the whole of society. Generally it is different in different countries. You may remember the historical fact that in England there used to be a complaint made that cases should be decided according to the English law

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and not according to the Roman law. These priest-judges that there used to be and many of them learned lawyers studied and derived their inspiration from the laws of Justinian and Rome; they used to introduce into the English law the principles of Roman jurisprudence; and the complaint then was that the cases should be decided according to the English law. We have got the same complaint on our side. True there are very eminent principles in English law; they are very good indeed in England, but applied to the circumstances of this country those principles of English jurisprudence do not generally fit in; in fact the laws have been bodily brought over from England and made applicable here. Now, I do not complain and it is too late even if I complained, that those principles should not have been brought in here. They have come in and they have to be interpreted so as to fit in and harmonise with the legal consciousness of the people of this country. That is a great argument in favour of increasing the number of Indian Judges; in fact my own idea is that they should be increased to the utmost. It has been said that we are forcing the pace, that we are, in the second year of our existence, trying to Indianise the whole system, and that this judiciary has been working well and why should we then tinker with that system now by trying to introduce more Indian Judges? That the judiciary have done well is from my point of view exactly the reason why we should make it better. It has done very well. Make it better and carry it as near perfection as human wits can carry it. There is a further argument and that further argument arises from this fact that the Indianisation of services is not a new grievance; it has not come into existence within the last few years. So far as I remember, the late father of the Congress, Dadabhoy Naoroji, went to England and carried with him this idea that Indian services required to be Indianised. He fought, as we all know and as his writings will show, that the examination for the selection of Civil Service men should be held in India; and he fought for 45 years in England; and also after returning to India at the Calcutta Congress, at which I was present, he also brought out the same thing. So this is a long-felt grievance. It has found expression before wherever people met; and now that this Legislature has come into existence, it naturally comes out from my friends who are sitting on this side or the other side of the House. So it is not a question of forcing the pace at all. In fact it is an old and long-standing grievance; and now having acquired the means of trying to set it right, we are doing it or rather doing our best to do it as early as possible. I suppose that is what we mean and our idea is to render the present administration more popular and also bring it home to the people that the Legislative Councils really do some amount of good and redress some old grievances at any rate. Anyhow, for these reasons, and mainly for the reason that I wish introduced an element of the legal consciousness of society that I support this motion.

The HONOURABLE MR. LALUBHAI SAMALDAS: I rise to support this motion, but before I speak on the Resolution I would like to reply to a question asked by my Honourable Friend, Sir Edgar Holberton. He inquired whether we in Bombay would care to have Bengali Judges. If we don't object to English Judges, why should we object to Bengali or Madrasi or Punjabi Judges? There is not the least objection on our part. They are less of foreigners than Englishmen, and if we can have Englishmen as good Judges why should we object to Bengalis if they come up to the standard we wish to set? The Honourable Sir Edgar Holberton tried to mix up the question of Burma, and said that the

Burmans would not agree to have Indians as Judges. I cannot speak for Burma, but if the Burmans believe that they belong to the country and that they are Indians, I consider that, so long as you get the right type of men, it is much better to have people from India rather than from elsewhere.

I believe the Honourable Mr. O'Donnell was right when he said that Lord Minto's Despatch referred to Sessions Judges. That was my impression also, because we have often had complaints that Civilian Sessions Judges, who did not know anything about civil law, made a hash of civil cases when they came before them on appeal, and the High Court very often had to reverse their decisions. In the local Council questions were asked to find out what the percentage was of appeals in the High Court against such judgments, and we found that very often High Courts agreed more with the Subordinate Judges than with the Sessions Judges. That was the ground on which the Despatch was written. That defect has been remedied, legal knowledge is being given to Sessions Judges, and I don't think there is any ground for complaint now.

My Honourable Friend, Mr. Sethna, was rather hard on the Civilian Judges. He inquired if one could find any names from the Indian Civil Service that could be bracketted with those of the English Barrister and Indian Judges that he named. I think I can. I could give many names, but there is one at least, which has been accepted on all sides as a name that can very well hold its own with any, I mean Sir Raymond West. His name was a household word in my part, and I am somewhat surprised that the Honourable Mr. Sethna forgot his name. My Honourable Friend, Mr. Sethna, is opposed to having any Civilians as High Court Judges. We know that lawyer Judges have certain advantages, but the Civilian Judges who have had district experience have proved very good criminal appeal Judges. I don't see why my friend has any objections, so long as he gets his point. What we want is at least half the number of Judges being Indians, even gradually appointed, as my Friend, the Honourable Mr. O'Donnell, says. I don't suggest that they should be appointed all at once. We want to be given the assurance that Government accepts the principle and that they will raise the number to 50 per cent. If they give that assurance I think that my Honourable Friend, Mr. Sethna, will agree to modify his Resolution by adding the words 'as soon as practicable.'

The increase in the number of Indian High Court Judges does not appear to me to be quite satisfactory, and I think they will not appear quite satisfactory to the other Members of the House also. The Honourable Mr. O'Donnell said that, while in 1896 there were eight Indian Judges, there were now 25, but he added the remark that out of these 25, eighteen were permanent and seven temporary. If within 25 years the number of High Court Judges had increased from eight to eighteen only, the percentage of Indian Judges to the total number of Judges will not have doubled as the Honourable Mr. O'Donnell said

The HONOURABLE MR. S. P. O'DONNELL: Of the eight appointments referred to in 1896, seven were permanent and one was temporary, and the number of temporary appointments include not merely officiating appointments, but also appointments of additional Judges. In practice there is a strong tendency I believe in the case of the High Courts, for additional appointments to become permanent appointments, therefore it would not

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be reasonable to exclude temporary appointments in estimating the increase in the number of Indian Judges.

The HONOURABLE MR. LALUBHAI SAMALDAS: At that rate when shall we get the 50 per cent? It will take perhaps twenty years more. We do not want to wait twenty years. If we can be given an assurance that, say, within the next five years, the Government will try to have fifty per cent. of the Judges as Indians, I don't think my Honourable Friend, Mr. Sethna, ought to press his Resolution. But that assurance has not been given. What my Honourable Friend, Mr. O'Donnell, has said is that 'We will consult Local Governments'. Of course Local Governments have to be consulted, but why cannot he say that he, on behalf of the Government of India, is prepared to accept the principle, and that, as far as possible, in the near future, Government will do their best to increase the number of Indian Judges up to fifty per cent? If that assurance is given, I, on my part, will be satisfied, and my Honourable Friend, Mr. Sethna, will also be satisfied, I am sure.

We have heard much about the bogey of efficiency. We have as much regard for purity of judicial administration as any Englishman in this House or outside this House. We have great faith all over the country in the justice of the High Courts. We do not want the efficiency of the High Courts to be lessened to the smallest extent, and if the Honourable Sir Edgar Holberton had carefully followed the speech of my Honourable Friend, Mr. Sethna, he would have seen that what Mr. Sethna tried to prove was that we have a sufficient number of efficient Indians who could take the place of Englishmen. I can assure the House that we do not want the efficiency of the High Courts to be lessened to the smallest extent. If that assurance is satisfactory, I think the Home Secretary will give us his assurance that he will raise the number of Indian Judges to fifty per cent., as early as possible.

The HONOURABLE SIR DINSHAW WACHA: Sir, so far as my experience goes, during the last fifty years, I would say that it is a foregone conclusion that the number of Indian Judges in the different High Courts should naturally increase from time to time (Hear, hear). So far as I have seen, there has been no arrest of progress in that direction, whatever may be the reason. My Honourable Friend, Mr. Lalubhai Samaldas, said that in 1896 there were so many Indian Judges, therefore, it will take twenty years before we reach fifty per cent. But twenty years has made all the difference in the world, as far as Indian progress in every department of the Services is concerned. Now my own countrymen have said that India is not the same as it was 20 years ago. It is not even the India in the time of Lord Minto. Exactly, that is so. So far as all the Services are concerned, progress has gone steadily forward, every way better than before; in some cases it has been slow, in some cases fair, and in some cases we are going faster or fast enough. There is not the slightest doubt of that progress. Therefore, I do say that, as far as the increase of Indian Judges in the different High Courts is concerned, it is a foregone conclusion that the increase will keep pace. I have not the slightest fear that, considering the wise principle which the Government has established under the reformed constitution, we shall considerably accelerate the number of Indian Judges in the Indian High Courts. As far as efficiency is concerned, I think my friend, the Honourable Mr. Lalubhai Samaldas, has answered the Honourable Sir Edgar Holberton.

Efficiency, of course, always is what you may call a relative term. We cannot always have ideal efficiency, whether it be ideal efficiency in the Civil Service or in the Military Service, or in other State Services. Efficiency is more or less said to be comparative, and what you want in a large country like India is average efficiency. Average efficiency might of course be improved. You might go from good to better and thence to best, but to go from good to best is a matter of slow progress. In a country like this it must always happen that efficiency will be of the average kind and you must go on progressing, I repeat, from good to better and from better to best in years to come. As we ourselves progress in self-government, I am quite sure that we shall perhaps attain in another fifty years that ideal efficiency which we want.

As far as justice is concerned, we are all lovers of justice, and, if we are all lovers of justice to-day, we owe it entirely to the English, who have taught us what justice is. What was justice in the time of the Moghuls? What was justice in the time of the Mahrattas? I ask my countrymen that question. The fact is that it is the education imparted by the English that has made us learn that there is nothing so valuable as justice; it is education on British principles and British line that has taught us what freedom is, what liberty is, not liberty of the kind which, of course, is licensed liberty which we see rampant now here and there. Therefore, I do say, Sir, that, as far as justice is concerned and other matters are concerned, we owe everything to the English and we are grateful to them for the education they have given us, which has taught us what liberty is and what justice is. And, as far as justice is concerned, we have in India to-day a Viceroy and Governor General, Lord Reading, till late the highest judicial officer in the United Kingdom, namely, Lord Chief Justice of England. He has told us that, if he has come out to India for anything, it is for the supreme purpose of enforcing equality of justice everywhere, justice between man and man and between Europeans and Indians. Therefore, Sir, as far as efficiency and justice are concerned, there is nothing more to be said. But I do say this, that, if Indian Judges are now very capable, they must not forget that they owe it to the English. I ask, who first suggested that the English law should be codified? Was it not Lord Macaulay? In these days of Universities, every school boy knows that it was Lord Macaulay who fought hard not only for English education, but also for the codification of the English law, and it was on the basis of the suggestions made by Lord Macaulay that the Civil Procedure Code and the Criminal Procedure Code were eventually framed and placed on the Statute-book. Of course, codification means allowing time to mature; but still we are proud to-day that we have got an Indian Civil Code and an Indian Criminal Code which are considered to be among the best in the world. To whom do we owe that? To Lord Macaulay, to Sir Barnes Peacock, to Sir James Fitz James Stephen, to Sir Henry Sumner Maine and others. I appeal to my countrymen, never to forget, when we talk of law and justice, that we are indebted to Englishmen for those invaluable boons.

Then, my friend, the Honourable Mr. Sethna, spoke of Civilian Judges. Of course, there has been a complaint that certain Civilian Judges have not been very satisfactory; but it must not be forgotten at the same time that there have been some very distinguished Civilian Judges. So far as the Bombay Presidency is concerned, the Honourable Mr. Lalubhai Samaldas has mentioned the name of Sir Raymond West. Of course, Sir Raymond West's name is a household word. He was a Civilian Judge,

[Sir Dinshaw Wacha.]

but he surpassed some of the most brilliant Barrister Judges ever known. Then, I can go a little further afield and speak of Sir Maxwell Melville, who was a very great civilian and also a very great lawyer, and his is also a household name in Bombay. Before him there was another Civilian Judge Mr. Kinloch Forbes, and that was as far back as 1864. His was a great name also. He was not only a great Judge on the Appellate Side, but was besides a great Oriental scholar whose name is very well known. Kinloch Forbes, Maxwell Melville, Raymond West are some of the names to be remembered and conjured with. There are other names besides of civilian Judges who have done very well, and we of Bombay are certainly proud of them, Bombay remembers them with gratitude. This being the case, Sir, it is not surprising the progress which Indian Judges have made, thanks to the English spirit of law and justice and English judicial models, which they have followed. That progress is of the greatest value and an invaluable future asset. Therefore, I am strongly of opinion that, irrespective of the Honourable Mr. Sethna's Resolution, the evolution of justice is such that we are bound, gradually and stage by stage, to have a larger and larger element of competent Indian Judges on the bench of our High Courts. That being the case, I think my friend, the Honourable Mr. Sethna, will agree with me that, if he only modifies his Resolution in the way suggested by the Honourable Mr. Lalubhai Samaldas, namely, by omitting the words '50 per cent.' and substituting the words 'a considerably larger number,' he would carry the House with him in the Resolution he has moved.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, I have just one thing to put before the House and that is, that we should think very much higher, and I think to differentiate between Indians and Englishmen is not the right thing. I think the Empire should have equal rights in India and we should have equal rights in the Empire.

The HONOURABLE MR. LALUBHAI SAMALDAS: That we have not got, unfortunately.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: It is on this principle that I oppose the Resolution.

The HONOURABLE LALA RAM SARAN DAS: Sir, the object of this Resolution is quite in accordance with the present policy of the Government and the Honourable Mr. O'Donnell has borne testimony to this fact. The Honourable the Mover and his supporters have so exhaustively dealt with the object of the Resolution, that further comment seems unnecessary. The Honourable Sir Edgar Holberton is wrong in holding that each province likes to have its Judges from its own jurisdiction. Burma may be an exception. In the Punjab we had a Bengali gentleman in Sir Protul Chandra Chatterji as a Judge of the then Chief Court, and I can strongly say, Sir, that every Punjabi welcomed and hailed his appointment, and held him in great esteem. I am sure that, if our most distinguished Chief Justice, the Honourable Justice Sir Shadi Lal, were sent to any other province, he would be equally welcomed.

The HONOURABLE MR. LALUBHAI SAMALDAS: Quite.

The HONOURABLE LALA RAM SARAN DAS: Well, the British Parliament has now itself laid down a certain percentage for the Indian Civil

Service and other Imperial Services, and I cannot understand why the Honourable the Home Secretary should object to laying down the percentage in this case. The reason, at least to me, is not clear. I wish to bring to the notice of this House that the English Judges have done extremely well. For instance, in the Punjab, the name of the Honourable Sir Meredith Plowden is so famous and popular, that every Punjabi remembers him with great respect and gratefulness.

With these words, I support the Resolution.

The HONOURABLE MR. SETHNA: Sir, I have listened with great attention to the speeches made by Honourable Members in support of, or against, my Resolution. All the Indian Members, with one exception, have supported my Resolution. The only Indian non-official Member who opposed had no cogent reason for doing so or had reasons which he urged but which I could not follow. The other opposition came from the only European non-official Member who spoke, and the support which I received from the Indian non-official Members is the best answer to the Honourable Sir Edgar Holberton. In the remarks with which he commenced his speech he said that my Resolution is a successor to similar Resolutions based on sentimental or national whim to hurry on the pace in regard to the Indianisation of the Services. I say, Sir, the almost unanimous opinion of the Indian non-official Members who have spoken in favour of the Resolution is the best answer to the Honourable Sir Edgar Holberton—viz., that because the pace was not accelerated by Government in the past, because Indians were not allowed to come into their own and that it is only of late that their claims have been admitted that as a national or sentimental whim, as he chooses to call it, we are now urging an increase in the number of Indians in the different services. And I think that in consequence of this perfectly legitimate feeling in the country my friend, the Honourable Sir Edgar Holberton, will have to put up with similar Resolutions until such time as the promises and professions of Government have been given effect to by them.

In regard to the other objections raised by the Honourable Sir Edgar Holberton, the first point he made was that efficiency must not be sacrificed. I think I took pains in the course of my remarks to show that Indian Judges had proved in the opinion, if not of Sir Edgar Holberton, certainly in the opinion of such a world famed critic as Lord Selborne that they are as efficient as the best English Judges, and my point is that if their knowledge of the law is equal to that of English Judges they have the further advantage because of the reasons I advanced in my opening speech, that they understand the language, the feeling, and the local conditions of the parties appearing before them better than any English Judges can do. I do not say for one moment that efficiency should be sacrificed, but I contend that conditions in this country have so changed in the last 20 or 25 years, that you can find as able and as efficient members in the legal profession in India as you can import from England or draw from the Indian Civil Service to fill the highest judicial positions. Sir, if I may be allowed to refer once again to the Indian Civil Service, I would like to say that I have made no reflection on that Service. I have said, and I repeat that if it is the best paid Civil Service in the world, it is also the most efficient Civil Service in the world. But in the department of law, and for filling the high position of Judges in the highest tribunals in the country, in spite of what may have been done as a result of Lord Minto's famous Despatch, there is still a feeling that for the post either of Sessions Judges or

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High Court Judges, Civil Servants can be better replaced by members of the legal profession itself.

My Honourable Friend, Sir Edgar Holberton, wanted to know what I meant by 'Indians.' Broadly speaking by Indians I mean all those who are not Europeans. I hope this definition will satisfy him. My Honourable Friend then raised the point with regard to Burma that they did not like the presence of Indians there. He has not told us whether the solitary Indian Judge in the Chief Court in Burma is not giving satisfaction.

The HONOURABLE SIR EDGAR HOLBERTON: He is a Burman.

The HONOURABLE MR. SETHNA: I am very pleased to hear that. I hope, Sir, that as the result of my Resolution there will be more Burmans and perhaps Indians too as Judges in the Burma Chief Court. My friend the Honourable Lala Ram Saran Das gave the instance of a Bengali gentleman who was Judge of the Punjab High Court—Sir Protul Chandra Chatterjee. May I also inform my friend the Honourable Sir Edgar Holberton, that Sir Abdur Rahim, who is at present a Member of the Executive Council of the Governor of Bengal, and whose opinion I quoted in my opening speech, was for years a Judge of the High Court of Madras though he is a native of Bengal. I now come to another name in the Bombay Presidency—Mr. Faiz Tyabji who held the appointment of acting Judge in the Madras High Court; then again Mr. Justice Bannerji, who though a Bengali, was a Judge of the Allahabad High Court.

The HONOURABLE MR. E. M. COOK: He is domiciled in the United Provinces.

The HONOURABLE MR. SETHNA: I thank the Honourable Mr. Cook for the information. The Honourable Sir Edgar Holberton's opinion was that because the majority of Bengalis are from Bengal, the United Provinces men would be opposed to his serving as a Judge in the United Provinces High Court. The Honourable Mr. Lalubhai Samaldas has already pointed out that, so far as the Indian Provinces are concerned, I mean after leaving out Burma, we have no objection to any Indian Judges, be they Hindus, Muhammadans, Parsis or Christians, serving in a Province which is not their own domicile. What we want are more Indian Judges. Sir Edgar Holberton laid great stress on the question of efficiency. I can give him instance after instance of Indian Judges who have done remarkably well. Why then should they not be employed in larger numbers?

Great stress was also laid by various speakers on the fact that I have in my Resolution laid down a definite percentage. In doing so, I have only followed what Government themselves have done. In the case of the principal service, the Indian Civil Service, Government have fixed a minimum of 33 per cent. to be increased by $1\frac{1}{2}$ per cent. every year. I am, therefore, only following Government, and if, because in the opinion of those who are able to judge the Indian judiciary has done very well, there is every reason why I should ask for a minimum of 50 per cent as a start. I am not content with 50 per cent. and I want it to go on gradually increasing.

I entirely agree with my friend, the Honourable Sir Dinshaw Wacha, that Indians owe a lasting debt of gratitude to England for the manner in which it has taught us to administer justice in this country and we are equally grateful for other benefits. But, at the same time, our rulers have known all along that English Judges were to be for a time and were by degrees to

be replaced by Indian Judges. This is exactly what my Resolution aims at, namely, that because the Indian judiciary have distinguished themselves far better in this particular line than in any other service or any other service, therefore we should fix the minimum at a higher figure than even in the premier service, the Indian Civil Service. I hope I have answered this point to the satisfaction of those Honourable friends who carped at my figure of 50 per cent. as the minimum.

My Honourable Friend, Mr. O'Donnell, speaking for Government quoted a passage from a speech made by the Honourable Dr. Tej Bahadur Sapru in the other House in regard to English Barrister Judges. I did not for one moment say that English Barristers should not come to this country—that might have been so at the other place—for the reasons which the Honourable Dr. Sapru mentioned at that meeting. The presence of more English Barristers in this country will help my point further. At the present moment, as I pointed out in my opening remarks, the predominance lies with the Indian element at the Bar and not with the English at all the important centres, like Calcutta, Bombay, Madras, Allahabad, Lahore, Bankipore. Government are importing Barrister Judges from England without Indian experience. I contend that if more English Barristers come here, and if Government recognise that hereafter Judges will be selected, whether Indians or Europeans mainly from among those who have practised at the Indian Bar, I say many an English Barrister Judge practising in India will rise to the Bench, and this is my reply to the point raised by my Honourable Friend, Mr. O'Donnell.

Referring again to Indian Civil Service Judges, the Honourable Mr. Lalubhai Samaldas taxed me for not having included Sir Raymond West in the list of illustrious names that I quoted. My Friend the Honourable Sir Dinshaw Wacha also named two English Civilian Judges on the Bombay side—Mr. Kinloch-Forbes and Sir Maxwell Melville. However much I respect both my friends, I certainly would accept the opinion of lawyers on a point of this importance to a greater extent than theirs, and I think my legal friends must admit that if Sir Raymond West's name was a household word in the Bombay Presidency, it was more as that of an educationist, for he was Vice-Chancellor of the Bombay University, where he made his name, more than he did as an exceptionally capable Judge. The same may be said in regard to Mr. Kinloch Forbes to whom Sir Dinshaw Wacha referred, that he excelled more as a scholar than as a Judge. However, Sir, this is beside the point. I do not say that the Indian Civil Service Judges were not or are not capable. I do not say that they have not proved efficient; not for one moment. But I do say that, although there have been hundreds of Civilian Judges in the different Presidencies, we have hardly any to compare with the illustrious worthies, Indian and English, whose names I have placed before this Council.

My friend, Mr. Khaparde, anticipated me when he said that I intended to cast no slur on English Civilian Judges, certainly not. I say they have done their work well; but their day is past; things are changing and we must move with the times, and consequently it is that I desire that 50 per cent. of these appointments should be given to Indians and that percentage should go on gradually increasing.

Now, Sir, to come to the most important point in the Honourable Member's reply on behalf of Government. It gave me great gratification to hear him say that the Government of India are not out of sympathy with my Resolution. That is certainly a great thing. I quite realise their

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difficulties; in fact I referred to them myself, technical objections and others. But if as has been said they are in sympathy, it will be a great help if, when this question is finally decided, that sympathy is given practical effect to. My Honourable Friend, Mr. O'Donnell, has said that he proposes to invite the opinion of the Local Governments. I accept that suggestion; and I hope that, when the Honourable Member gets up to speak on my reply, he will give us an assurance that he will endeavour to do so as quickly as possible and that the Government of India in their turn will, also, after consultation with the Home Government, give effect to the recommendations as soon as possible, so that in this service in which I repeat, and emphatically repeat, Indians have done uncommonly well, there will soon be at least 50 per cent. of Indians to begin with and that percentage will go on increasing. With these observations, I shall accept the suggestion of Mr. O'Donnell in his reply if he is prepared to give the assurance that I have asked for.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I can certainly give the Council and the Honourable Mr. Sethna an assurance that Local Governments and High Courts will be consulted with the least delay practicable. I can also give the assurance that the views of the Local Governments and High Courts will be taken into consideration at the earliest possible moment. I cannot of course say what the conclusions of the Government of India will be when they receive and consider the opinions received. I can only undertake that the consultation will be made as rapidly as possible. Local Governments and High Courts will be addressed and copies of this debate will be sent for their information and consideration; and when their replies are received, they will be taken into consideration at the earliest possible moment. I hope that that will satisfy the Honourable Member.

The HONOURABLE MR. SETHNA: That will quite satisfy me; and on this assurance I beg to withdraw the Resolution.

The HONOURABLE THE PRESIDENT: The Honourable Member cannot withdraw the Resolution himself. It is now my business to inquire if the Council will give him permission to withdraw his Resolution.

The HONOURABLE MR. SETHNA: I stand corrected, Sir. I ask for permission to withdraw the Resolution.

The Resolution was, by leave of the Council, withdrawn.

RESOLUTION RE CUSTOMS DUTY LEVIED ON ROAD METAL.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIK: The Resolution that stands in my name runs as follows:

'This Council recommends to the Governor General in Council that the customs duty levied on road metal imported from Ceylon for the use of roads maintained by local bodies be cancelled *in toto* or reduced to 50 per cent. of the existing rate.'

This is a subject that affects greatly the interests of local bodies. Since the commencement of the war the scarcity of rolling stock has become so great that local bodies, such as District Boards and Municipalities, were finding very great difficulty in obtaining road metal from quarries in Southern India especially those where the roads are at a very great distance from the quarries. This difficulty is felt in a very serious manner in Municipalities and other Local Boards on the seacoast of the Madras Presidency.

There are two French Ports in the Madras Presidency, *viz.*, Pondicherry and Karikal.

(At this stage the Honourable the President left the Chair which was taken by the Honourable Sir Alexander Murray.)

The Local Boards of the French Government first introduced the system of importing road metal from Jaffna, a port in Ceylon, free of duty and utilising that metal to their roads. Owing to the difficulties our local bodies were experiencing in getting road metal consigned by Railways they followed the example of the French Government and began importing metal from Jaffna. But the British Customs authorities, however, levied a duty of 5 per cent. on the value of the metal landed. This was before the War. The duty was raised to 7½ per cent. during the war, and this rate continued till last year when they increased the charge to 11 per cent., with effect from 1st March 1921. Considering the public nature of the interests served by the import of this metal, the duty now charged *viz.*, 11 per cent. is certainly exorbitant. Metal is not goods imported for trade or profiteering. It is only imported for metalling roads for the convenience of the public.

Local bodies in these days are hampered by several difficulties not the least of which is having to work with a deficit balance and on several occasions they are at their wits' end to find ways and means. Extra taxation of this kind will only add to the financial difficulties of the local bodies seriously. These local bodies are only quasi-Government institutions, and the imposition of such an undue tax by one body on another when both alike serve public interests will be inequitable. Moreover, while the French Town which initiated the system gets the metal cheap, the British towns which followed that system get it dear on account of the duty levied.

I, therefore, trust the Government will see its way to help the local bodies by either cancelling the duty *in toto* or, if this is not possible, at least by reducing the tax by 50 per cent. of the existing rate, *viz.*, by 5½ per cent. This would mean a rate of ½ per cent. in excess of what was charged before the war.

As the Honourable Members of this House who are of mature wisdom and experience know the disadvantages of the present practice only too well, I do not propose to make a lengthy speech but leave the matter entirely in the hands of my Honourable Colleagues.

With these few remarks I commend my Resolution for the acceptance of the House.

The HONOURABLE DIWAN BAHADUR V. RAMABHADRA NAIDU: I heartily support the Resolution.

The HONOURABLE LALA RAM SARAN DAS: I also support it.

The HONOURABLE MR. H. A. F. LINDSAY: Sir, I am afraid that I cannot join my two predecessors in supporting this Resolution, and I must ask the House to consider it very seriously before they accept it. I oppose it with much regret, because I am sure that my Honourable Friend has not quite realised all the consequences that might accrue if it was accepted.

It is realised of course that this Resolution raises to a certain extent principles of protection and free-trade into which the House will not require me to enter in detail to-day. If my Honourable Friend, Mr. Kale, had spoken this morning, he would have explained to us the principle on which the Indian tariff is based. It is entirely a revenue and is not a protective tariff. It is a tariff which is based on a general all-round moderate

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rate of 11 per cent., and is to be distinguished entirely from a protective tariff, which, while levying low rates on raw materials, would levy a considerably higher rate on manufactured products. I ask the Honourable Mover to consider it from this point of view. The bodies to which he refers are at present paying 11 per cent. on their road metal; they are paying at the same time considerably lower rates on a hundred-and-one other products which are essential to their existence. I refer to such manufactured articles as girders for their bridges, the street lamps of local municipalities; or, to take the larger Corporations and Municipalities, the steam-rollers; and all the other hundred-and-one articles which are so essential to municipalities and local public life.

Now, Sir, I think that the Honourable Mover will agree that in his Resolution he is asking to have it both ways. If he is speaking sincerely, in the interests of the local bodies, he wants that they should continue to pay a lower rate of duty on the iron and steel goods which they import. But while they pay that lower rate of duty on manufactured goods, it is a little too much to expect them also to pay a still lower rate of duty on raw materials. You cannot have it both ways; it must either be a protective or a revenue tariff, and the principle on which the Indian tariff is based at present is purely a revenue tariff, an all-round moderate tariff on all classes of goods with a few exceptions, such as luxuries and other articles.

There is a further consideration which I press on the notice of the House. If this concession is granted, where are we to stop? It is true that in its present wording it applies only to a comparatively small number of local bodies in Southern India. I should not think that in any other part of the country is road metal imported from Ceylon. I think the Honourable Mover will agree that although the magic word 'Customs' brings this Resolution before the House, it is really of very restricted application. Where, Sir, are we going to stop, if we accept this Resolution? If the South Indian Municipalities and Local Boards are to benefit by it, are the terms to be applied, *mutatis mutandis*, to the requirements of, say, the Calcutta Corporation, Port Trusts, the different local bodies, which are equally in need, no doubt, of financial assistance? I should like, if I could, to show the House even only a few of the hundred-and-one applications which the Commerce Department receive for remission of customs duty on one deserving object or another. These applications are received from local bodies, from charitable and other associations. Perhaps the Honourable Mr. Sethna will remember that only the other day the Bombay Port Trust came up for remission of import duty on a dredger. The Bombay City Improvement Trust also came up for remission of import duty on railway material. Towards all these appeals we must be absolutely consistent. If we are going to give way in one case, we must give way in all, and I should like the House to consider what the effect on our customs revenue would be. This is, Sir, an appeal *ad misericordiam* to the House on behalf of a certain number of the local bodies in South India; but I hope the House will harden their hearts and decide this case purely on the grounds of logic and reason. In conclusion, Sir, I should like to make a suggestion to my Honourable Friend, if he will accept it. It is that he should withdraw this Resolution and, instead, forward the considered opinion of the local bodies he represents to the Fiscal Committee, who have been appointed to examine the whole case of the fiscal policy of India. I should like just to mention in this connection the actual terms on which the Fiscal Committee was appointed and

asked to inquire. It has been appointed on the following terms of reference:

'To examine, with reference to all interests concerned, the tariff policy of the Government of India.'

So that I think that my Honourable Friend can assure himself, in view of the very wide wording of the terms of appointment of the Fiscal Commission, that he will receive due consideration from that body.

The HONOURABLE MR. V. G. KALE: Sir, I think that the point of view which has been placed before the House by our Honourable Friend, with regard to the fiscal aspect of the proposition which we are called upon to consider is an important one. Really what the Honourable Mr. Lindsay has said amounts to the fact that in a matter like this, the conflict lies between the fiscal aspect and the general, social and economic aspect of the proposition. At the present moment, the country is confronted with very serious financial difficulties. The Government of India has to lay hands upon every source of revenue it can. While, on the one hand, we are all of us anxious that the cost of living and the cost of production should be reduced, on the other hand, the fiscal needs of the country must be paramount. Certainly, local and other bodies might claim concessions from the Government in order to facilitate their beneficent activities, and I believe that my Honourable Friend here has brought forward this proposition in the interests of such beneficent activities. Consequently, if it were possible for Government, without serious sacrifice of revenue, to meet the wishes of local bodies, certainly Government ought to do it. The difficulty, however, which has been laid before us by the Honourable Mr. Lindsay, is that it will be a kind of a thin edge of the wedge if this concession is to be made to some local bodies, and that there is the certainty of similar demands being put forward on behalf of other bodies. The question will then arise, what will happen to the revenue tariff of Government and whether it will be necessary for them to revise the whole tariff? It would be invidious in any event, for Government to make concessions to one class of local bodies and refuse similar concessions to other bodies; that seems to me to be a real difficulty in which Government is placed. Consequently, I should like that my Honourable Friend, Mr. Maricair, should accept the suggestion of the Honourable Mr. Lindsay and ask the Government to forward this proposal for the consideration of the Fiscal Commission, because, after all, the Government of India will have to reconsider its whole fiscal policy in the light of the different interests that are involved in the problem, in the light of the interests of industries and, at the same time, in the light of the interests of the national treasury. All these interests will have to be reconciled and without any prejudice to any of these interests, the general fiscal policy of the country will have to be fixed. In these circumstances nothing will be lost if the suggestion goes to the Fiscal Commission so that the Government will be in a position then to consider how such questions should be dealt with in the future.

The HONOURABLE SIR DINSHAW WACHA: Sir, I should also like to request my Honourable Friend, Mr. Maricair, to agree to the suggestion made by the Honourable Mr. Lindsay. The question involves a very big principle and affects many interests as the Honourable Mr. Kale has so lucidly explained. It affects the imports of building materials, cement, etc., and all these people who are importing these materials will ask for concessions in a similar manner. Where is the Government to stop? I

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only hope that the Honourable Mr. Maricair will understand and appreciate the arguments so impartially put forward by the Honourable Mr. Lindsay and will agree to his suggestion.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Sir, as the Honourable Mr. Lindsay has suggested, I have no objection to the withdrawal of my Resolution with the permission of the House, as he has said it is a matter that will go to the Fiscal Commission for consideration. I also heard that some non-official Members are also in favour of it. But, before withdrawing it, I should like to make a few observations. It is all well and good for the Member on behalf of Governments, if this Resolution is accepted. My only case before the House is that it is a very small and trifling matter. It cannot be compared with the manufactured articles of steel materials and other things. It is only road metal that has been imported at a very cheap rate, and practically it is only found in places like the Madras coast ports and not in any other place. A comparison of this nature will not go very far ahead.

(At this stage the Honourable the President resumed the Chair.)

Again, my main object is that there is the French port of Karikal, a few miles from Negapatam, and they are importing this metal free of charge and keeping their roads in good order and condition, while local bodies of the sea-coast towns are really finding it a great difficulty in getting this stuff landed. I am not asking the Government to remit the duty altogether, but I am suggesting that the duty that was levied in pre-war days, that is 5 per cent. and even a half per cent. more, can be levied, as the present duty of 11 per cent. is considered to be very high. I hope that the Honourable Member in charge of the Government portfolio will consider the point I put before him when submitting my proposals to the Fiscal Commission for their consideration.

With these few remarks I withdraw my Resolution with the approval of the Council.

The Resolution was, by leave of the Council, withdrawn.

PRESIDENT'S RULING RE BALLOT FOR RESOLUTIONS BY NOMINATED OFFICIAL MEMBERS.

The HONOURABLE the PRESIDENT: Before I call upon the Honourable Dr. Ganganath Jha to move his Resolution, I must draw attention to a matter that is of some importance. It has apparently escaped attention that the Honourable Dr. Ganganath Jha is an official Member nominated by Government. I understand that on the present occasion and at least on one previous occasion he has taken part in the ballot for Resolutions. Well, that is not strictly in accordance with Standing Order 6. If Honourable Members will refer to that Standing Order they will see that the division of business is business which is Government business and business promoted by non-official Members. I think myself there is probably a defect in the Standing Order. I should like to have been able to rule, but I cannot on the Standing Order as it stands, that business was divided into Government business, that is business promoted by the members of the Government of India, and business promoted by other members. That, however, is not within the Standing Order, and, for future, I shall have to lay down the ruling that, unless and until there is an amendment of the Standing

Order, if an official Member nominated by Government, not being a Member of the Government of India, desires to move a Resolution, he must get time from Government on a Government day and cannot take part in the ballot. I trust that Government will consider any such applications favourably. I think there is undoubtedly some defect in the rule. It can hardly have been intended that Official Provincial Members should not be able to promote any business at all except in Government time. It may have been so intended, but it hardly seems probable, and I hope at any rate that Government will consider that point in any applications they may receive. In the meantime I propose to allow the Honourable Pandit to move his Resolution. I draw attention to the fact that in future, till the Standing Order is changed, he and his fellow Members in the same position will not be able to take part in the ballot.

The HONOURABLE MR. H. MONCRIEFF SMITH: Sir, may I take it that your remark refers only to Resolutions promoted by Official Members who have been nominated by the Governor General, or does it in fact refer to all nominated Members? A non-official Member who is nominated is none the less, I suggest, a non-official.

The HONOURABLE THE PRESIDENT: I hardly understood the Honourable Member's point. There are three classes of members; members who are members of the Government of India, as Members of the Executive Council and Secretaries to the Government of India; they are one class. The other class are elected and nominated Members who are not officials. There is the remaining class of Members who are officials and are nominated by Government, but are not directly subordinate to the Government of India. My remarks refer to the last class.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Do I understand, Sir, that your remarks do not refer to non-officials who have been nominated as Members of this Council?

The HONOURABLE THE PRESIDENT: Obviously not; they are non-officials.

RESOLUTION RE SEARCH FOR MANUSCRIPTS IN BRITISH INDIA.

The HONOURABLE DR. GANGANATH JHA: Before I move this Resolution, I may be allowed to explain, in regard to what has fallen from you, Sir, that, in connection with the first Resolution which I had the honour of moving before this Council last year, I did approach the Member of Government concerned with the request that I might be allowed time on an official day. I did not hear anything in reply, so I thought that I was not perhaps entitled to time on an official day. So the thing has gone on.

I beg to move, Sir, that—

'This Council recommends to the Governor General in Council that steps be taken for carrying on a systematic search for manuscripts in British India, and for the acquisition or transcription of such as may be available for those purposes.'

We know, Sir, that much has been done on these lines by the Government of India ever since the early seventies or perhaps the later sixties. We have, if not quite a hundred volumes, very nearly a hundred volumes, containing notices of Sanskrit manuscripts found by eminent scholars in Bombay and Bengal. Madras has come in only latterly, and it is still going on with its work; but, unfortunately, the work in Bengal and Bombay has practically ceased.

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[Dr. Ganganath Jha.]

In the United Provinces and the Punjab practically nothing has been done. Some slight attempt was made long, long ago, but it did not come to very much, and it was for some reason or other stopped. At the present moment it is only the Madras Presidency that is doing any justice to this kind of work. The volumes that have been published bear testimony to the fact that there is a very large amount of manuscript treasure lying buried in the country. That they are important of course need not be argued. Even when the work was done, Sir, in the various Provinces it was not done on any systematic basis. It was left to the predilections and the prejudices of individual scholars, so that the search was not made actually on scientific lines. That is why I am moving this Council because if the work is systematised by the Central Government in the same manner as it is systematised in regard to the Archaeology Department, the work would be done on less partial lines and the search or the survey would be more complete than it has been in the past. But more important than the actual notice of manuscripts is the work of acquiring these manuscripts and taking steps for their safe custody. Even in my own limited field of study, I have come across several manuscripts that we find mentioned in these volumes as having been found with a certain owner—the full address of the owner is given, every detail is there, but when I have tried to find these manuscripts they could not be found; and the reason is obvious. In this country, Sir, specially in the villages, these manuscripts are subject to various kinds of ravages—water, white ants, and above all, fire. Most of the houses in the villages are thatched houses, and during these months that are coming now, April and May, entire villages are often burnt down and a very large number of manuscripts have been irretrievably lost in this fashion. Of course, Local Governments here and there have made some small provision for the purchase of manuscripts, as they do for the purchase of printed books; but I do not know if any Province makes anything like an adequate provision for this. In my own Province—the United Provinces—we had till lately only a grant of Rs. 500 which did not go very far. The grant has been recently increased, but even with that it will not be at all adequate. The work is very urgent. Every year that passes we lose so many manuscripts which cannot be recovered, so that some steps have to be taken by the Central Government for the preservation of these treasures. When funds will be available it is of course not for a man like me to say; but I hope whenever funds are available this subject will not be forgotten, because there are not many people directly interested; that is why I thought it to be my duty to bring it forward before this Council.

A friend of mine—perhaps in a jocular spirit, but I do not know whether it was altogether in a jocular spirit—proposed that a suggestion might be made to Germany that a portion of the reparations due from that country may be made in the shape of the valuable manuscripts which lie in the royal archives at Berlin. I do not know whether that is a practical suggestion, but if it were we should certainly recover some very valuable treasures.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, it is not necessary for me to assure the House that the Government of India are in entire sympathy with the object which the Honourable Dr. Ganganath Jha has in view. Indeed Honourable Members who are aware of what the Government have done in the past in this direction will readily recognise that the policy advocated by my Honourable friend has already been acted

upon by Government for many a past year. As far back as 1868, the Government of India made a permanent grant of Rs. 24,000 a year for the discovery and preservation of records of ancient Sanskrit literature. This grant was provincialised in the year 1904, and up to this time a sum of Rs. 12,72,000 has been spent towards the object of this grant. Again, a grant of Rs. 5,000 a year was sanctioned for five years in 1904 and has been regularly renewed after that date for the acquisition and cataloguing of Persian and Arabic manuscripts, and up to this time a sum of Rs. 90,000 has been spent in that connection. Again, in the year 1904, a grant of Rs. 2,000 a year for five years was sanctioned for the purchase of Arabic and Persian manuscripts of exceptional value and interest. The House will see that under this head the Government of India, in pursuance of that grant, have spent a sum of Rs. 10,000. Again, a non-recurring grant of Rs. 5,000 was sanctioned in the year 1906 for the purchase of Arabic and Persian manuscripts of exceptional value and interest, and a grant of Rs. 8,000 a year was sanctioned in 1914 for the editing of the *Bardic Chronicles* by Dr. Tassotory and a sum of Rs. 34,500 was spent under that head until the year 1919 when the Doctor died and in consequence of this the work had to be stopped. Honourable Members will thus see that, under the various grants which have already been made by Government, a sum of Rs. 14,11,500 has been spent up to date. I am sure the Honourable Mover will recognise that in the existing financial stringency it is impossible, at any rate for some time to come, for the Government to make any further grants in this direction. The grant at present amounts to Rs. 29,000 a year, and it is impossible for us to do anything more; but he may rest assured that the systematisation of this work which he has in view will be borne in mind, and I trust that with that assurance the House will be satisfied.

The HONOURABLE DIWAN BAHADUR RAMABHADRA NAIDU: Sir, I rise to heartily support this Resolution brought forward by my learned friend, Dr. Ganganath Jha. The subject, since it emanates from such a profound Sanskrit scholar as he is, must necessarily have the careful consideration of us all.

Lord Curzon must be thanked for the preservation of monuments in India. Had it not been for his efforts, many buildings, which have a history of their own, might have been, by this time, destroyed.

Along with the preservation of monuments, manuscripts of antiquity must also be taken care of. It is needless for me to say that many works of rarity and antiquity are left in oblivion in the houses of oriental scholars. Poverty and conservatism are the chief causes why those rare works have not yet seen the light of day. Works have been written on cudjeon leaves. If proper care is not bestowed on them, they are likely, in many cases, to become an easy prey to white ants. Their value would, thus, be lost to the public.

Although there are some societies and libraries which are taking a deep interest in securing those ancient works, yet they are not, owing to the paucity of funds, able to do full justice to the task. For instance, the Tanjore Palace Library contains many valuable works on Art, Literature, Science, Astronomy, Music, etc. I hear that even such a library finds it difficult to meet the cost of securing the services of competent pundits, who can transcribe, from palm leaves into manuscripts, rare and unprinted works found in that library and elsewhere and remunerate their labours. Similar difficulties are felt by the Madura Tamil Sangam and the Madras

[Diwan Bahadur Ramabhadra Naidu.]

Telugu Academy which are trying to bring out, with their limited means, certain rare works.

With a view to secure rare manuscripts which are still unprinted and which are likely to be lost to the public, may I appeal to Government to provide funds for the acquisition, by purchase or transcription, of such manuscripts as may be available for the purpose so that a systematic search may be carried on in British India? The value of such treasures may be well preserved to the oriental scholars and to the reading public. I venture to say that this forms one of the important duties of the State. For instance, many of the Native States, such as Mysore, Baroda, Travancore, have taken the trouble of searching for ancient manuscripts and of making them available to the public by printing them at the cost of their States. I once more say that State aid is necessary and legitimate in this very important matter.

The HONOURABLE DR. GANGANATH JHA: Sir, I have got nothing to say except to thank the Honourable Member for his assurance. I beg to withdraw the Resolution.

The Resolution was, by leave of the Council, withdrawn.

The Council adjourned for Lunch till 2-30 P.M.

The Council re-assembled after Lunch at Two-thirty of the Clock, with the Honourable the President in the Chair.

RESOLUTION RE CONTRACTS OF THE EAST INDIAN AND GREAT INDIAN PENINSULA RAILWAYS.

The HONOURABLE MR. SETHNA: Sir, I beg to move that:

'This Council recommends to the Governor General in Council (a) that notices be given to the East Indian and the Great Indian Peninsula Railway Companies to intimate that on expiry of their present contracts the same will not be renewed, and (b) that arrangements be taken in hand for the management of these Railways directly by the State after expiry of the existing contracts.'

In November 1920 the Secretary of State appointed a Committee to go into the question of Railways generally in this country, their management, their finances, the control of the Railway Board, and other questions germane thereto. This Committee, known as the Acworth Committee, published its report about four months back. It is, as we know, a very valuable document, and if all the recommendations made therein are given effect to, I am sure that the condition of railways in this country will very greatly improve. The Government of India, I am glad to find, has not been slow in the matter. They have already appointed a Committee to consider the recommendations made by the Acworth Committee regard to finding funds for the rehabilitation of the railways. The report of this Committee was published some weeks ago, according to which Government are asked to find 30 crores a year for the next five years, for the purpose of the rehabilitation of the Indian Railways.

At the present moment there are in this country three Railways which are State-owned, as well as State-managed, namely, the North-Western, the Oudh and Rohilkhand, and the Eastern Bengal. Then we have eight

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Railways which are practically State-owned but Company-managed. These are the East Indian, the Great Indian Peninsula, the Bengal Nagpur, the Bombay, Baroda and Central India Railway, the Madras and Southern Mahratta, the South Indian, the Assam Bengal, and the Burma Railway. Of the many references made to the Acworth Committee, the most important reference was in regard to the management of these eight railways; whether they should continue as at present, or whether the management of these railways should be taken over by Government. The great bulk of the Indian public have been clamouring for the management of these railways being transferred to the State. Five members of the Acworth Committee, not one of whom is connected with the management of any of these railways, and the Chairman amongst them, Sir William Acworth, recognised to be one of the greatest experts on railway questions in the world at present, have all favoured the Indian view. The other five, amongst whom a very large number (I believe four) are practically connected in one way or another with company management at the present moment, favour the continuance of company management.

Now, Sir, realising that private enterprises all the world over are always carried on better because of the personal interest the owners have therein, and because they employ their own moneys, than organisations managed by the State, it would strike a person as very strange that Indian public opinion is so much against Company-managed railways; but the reason, however, is evident to those who will give the matter some thought and consideration. Company management of Railways in India is very different from what it is in other countries, because the companies which manage these railways do not manage their own property; they have very little financial stake in them, and consequently it is a misnomer to call them Company-managed Railways and to expect that these concerns should be worked as private enterprises as we understand them. They are purely and simply State Railways, inasmuch as they are owned by them, but they are given to some companies to manage, and these companies, for the reasons I have explained, cannot take the same interest in them as if they were private enterprises in the sense that all the share capital was subscribed by them.

In India, railways at first were guaranteed Company-managed railways. They were in that sense private enterprises. The concessions which they got from Government were, first, in regard to the period for which they could carry on their work, and secondly, Government guaranteed a certain return on the share capital, provided that the income received from the railway earnings did not reach a minimum figure. When the concessions expired, Government acquired these railways or retained ownership, but, instead of working them themselves, they gave them to the same companies or to newly formed companies, who took over the management of these concerns. Therefore the companies now, as compared with the railway companies when first started, are companies which cannot by any means be considered as private enterprises, which the old companies really were. For example, the first contract of the East Indian Railway expired in the year 1879, and this company was bought out for 32½ millions sterling. Payment was not made in hard cash, but, in lieu of these 32½ millions sterling, one and a half millions roughly were given as an annuity from the 1st of January 1880 till the 14th of February 1953. The correct figure is £1,478,500 per annum, but out of this one-fifth was made deferred, and the holders of this portion were given stock to the value of 6½ millions sterling, and they constitute the present East Indian Railway.

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[Mr. Sethna.]

The lock-up of money in these eight State-owned and company-managed railways amounts to 261½ millions sterling, of which only 24½ millions sterling or 9 per cent. is the share capital. The remainder is all loan capital or Government money lent out at fixed rates of interest or on the profit-sharing basis. Now I ask where else in the world will 91 per cent. of the shareholders delegate their rights to only 9 per cent. of the shareholders to carry on the management of these concerns? and this is exactly what the company-managed railways are doing at the present moment in this country. From the explanation I have given the Council will see that shareholders in these railway companies or the company-managed railways are neither shareholders nor private companies in the general and ordinary acceptance of the term. Even debenture holders of these railways are not debenture holders, as we understand the expression, for there are no trustees to look after the interests of the debenture holders with the right to foreclose in case of non-payment of principal or interest. Therefore the property which is entrusted to these companies is purely State property and, because they are practical strangers who are asked to look after these concerns, they have got to ask the consent of Government in every little thing they do, and it would be futile to expect them to carry out their work and their duties as if it were their own property.

The position in India, therefore, amounts to this. We have got to decide whether we are to have all our railways privately owned and managed or State-owned and State-managed. Now, Sir, the first alternative is ruled out of order for the good reason, as I have explained, that these railways are practically almost entirely owned by the State. I know that in other parts of the world it is either one way or the other. For example, in the United Kingdom as well as in the United States of America, all these railway enterprises are private enterprises and are managed by private corporations, of course under Government control. In Japan and Prussia it is otherwise. There, they are all State-owned and State-managed. Each system has its defects and its merits. The question with us, therefore, narrows down to one of management because our railways are practically all State-owned. As I have observed public opinion has been entirely in favour of these companies being taken over by the State on the due dates for management by the State.

The Indian public is definitely of opinion that these company-managed railways have carried on their concerns without much regard to Indian interests. If these company-managed railways are run by the State, then the Legislature, as it is now constituted, will be able to see that none of the injustices which have prevailed in the past will occur in the future. For example, the Acworth Committee Report points out in paragraph 182 that out of 1,749 higher appointments in the railway only 182 are held by Indians. If they are State-managed, the Legislature will see or will arrange that proper training is given to Indians so that by degrees they will qualify to fill not 182 appointments, but practically the bulk of these higher appointments. Another point in support of my contention is that, if they are State-managed, the Legislature will be able to exercise a greater control than it is doing to-day in the matter of railway stores in connection with these railways being purchased in this country, and, consequently, some crores of rupees being saved annually. In addition to this, there are many other advantages which the public could enforce by means of the Legislature if the State had the management of these railways, and I refer, in particular, to more comforts for third class passengers.

Now, Sir, the contracts of these eight railways expire on different dates. The first two expire in 1924 and 1925, respectively, and they are the East Indian and the Great Indian Peninsula Railways. The Council will be interested to know the dates when the contracts of the other railways expire. They are: Burma, 1928; Assam-Bengal, 1931; Madras and Southern Mahratta, 1937; Bombay, Baroda and Central India, 1941; the South Indian in 1945, and the Bengal-Nagpur in 1950. It is fortunate that the two contracts which expire the soonest are those of two very important lines, namely, the Great Indian Peninsula and the East Indian. I say they are important lines because, between them, they have a mileage of 6,000 miles, which is, roughly, one-third of the mileage of these eight companies. Besides, they run through most important parts of the country; they connect the two leading cities, namely, Bombay and Calcutta, and, consequently, the two biggest ports in the country, Calcutta and Bombay. Both these lines also run up to the capital in Delhi. The East Indian is, of course, the most important trunk line. It runs through the fertile Gangetic Valley; it passes through three provinces and serves a population as large as that of the United States. The East Indian has the largest share of the carrying of the coal trade in this country, and there is no reason why the East Indian, which perhaps is the best paying of all these railways, should any longer be worked by a company and not by the State. Its working contract expired on the 31st December 1919, and previous to that public opinion declared itself in favour of the State taking it over; but a five years' extension was given to it, which time expires in 1924, as I have already mentioned. Therefore, the time is now drawing nigh for the Legislature and for the Government to decide whether they are going to exercise their right of taking over the concern and managing it themselves, or allowing it again to be managed by the company. If there were any doubts in the past as to whether company management was superior or inferior to State management, I am sure there are no doubts now after the Report of the Acworth Committee which is so clear on the point. I may be told that the Committee are divided in their opinion almost equally, but I will repeat that we cannot overlook the fact that the opinion of those who favour company management is perhaps biased, for the good reason that four out of the five members are themselves connected with company managements.

Now, Sir, in regard to the East Indian Railway, I will just quote a paragraph from the Acworth Committee's report which will prove interesting to the House. In referring to the East Indian Railway, it says:

'The entity known as the East Indian Railway Company is not, in the ordinary sense of the word, a railway Company at all. Not only does it not own a mile of railway nor a single engine, but it is not joint owner even to an infinitesimal extent of the East Indian Railway undertaking. The East Indian Railway belongs lock, stock and barrel to the Government of India. If, on the termination of the latest contract in 1924, the Secretary of State declines to renew the contract, the Company merely expires. It hardly seems to need to be wound up, for it will possess no assets. The quasi-shareholders, the deferred annuitants will revert to the position of ordinary annuitants. If the Company survives it will only continue to exist as a machine for the distribution to the annuitants of the annual payments due to them.'

Now let us examine the position in regard to the Great Indian Peninsula Railway. The situation in regard to this railway is that it was started in 1850 and had concessions for 50 years expiring in 1900, but with the option to Government of buying it out in 1875. Long before 1875 two Governors General one after the other—Lord Mayo and Lord Lawrence—in a series of Despatches pointed out to the then Secretary of State for India, the

[Mr. Sethna.]

Duke of Argyll, that it was absolutely necessary, as far as India was concerned, that the railway should be State-managed. That view was accepted by the Secretary of State, and yet the same Secretary of State—I mean the Duke of Argyll—without consulting the Government of India, without making any reference to them and in total disregard of the interests of the Indian tax-payer, secretly towards the end of 1869 entered into a fresh contract with the Great Indian Peninsula Railway giving it a fresh lease of life for the next 25 years. At the end of those 25 years—namely, in 1900—Government did not take over the Great Indian Peninsula Railway. Then the price was fixed at 34½ millions sterling which was not to be paid in hard cash but converted into annuities of 1½ millions sterling—the exact figure being £1,268,516, with the proviso that although the contract had been extended to 1950, Government could come in, if they chose, in 1925; and because 1925 is drawing very near, and for the reasons I have explained, I propose that similar notice be given to the Great Indian Peninsula Railway. The Great Indian Peninsula Railway in the year 1900 when the new arrangement was made brought in no new capital, but by the artificial system of capitalising a fraction of the annuity and the creation of capital, stock was issued to the amount of £1½ millions. This £1½ millions is the value of £67,047 which is a portion of the annuity, and although this amount is fixed at £1½ millions strange to say that, for the purposes of dividing surplus profits, the nominal share of the Great Indian Peninsula Railway was to be reckoned, not at £1½ millions, but at £2½ millions. It would be interesting to know how this figure was arrived at. It was not arrived at on the total outlay on the line or the actual value of the road, of which no proper computation was made or particulars given to the public. The old capital was only £20 millions and the Company was for a series of years working at a loss. Yet when the Government gave it a new lease of life, the purchase price was fixed to include a premium of £15 millions on the original value. Surely the Great Indian Peninsula Railway, as I have tried to show the Council, has been unduly favoured and unduly favoured at the expense of the Indian tax-payer.

The least, therefore, to my mind that the Government can do is not only to end the contracts, but to take in hand the question of how they are themselves to manage these railways. If Government, therefore, accept the first part of my Resolution, the second will follow as a natural consequence; and if the Government do so they know well enough they will be respecting Indian public sentiment in this matter.

The HONOURABLE MR. C. A. INNES: Sir, I am intervening at an early stage in this debate because I hope that by doing so I shall be able to save the time of the Council.

The Honourable Mr. Sethna's Resolution falls into two parts. In the first part he recommends that notice be given to the East Indian and Great Indian Peninsula Railway Companies that on the expiry of their present contracts the same will not be renewed. It is quite unnecessary for the Council to make any recommendation to this effect to the Government of India, for I am advised that the present contracts of these two railways terminate automatically at the end of December, 1924, and in January, 1925, respectively. There is no necessity for us to give any notice at all. At the same time, I admit that when these contracts do come to an end some change of management is probably inevitable. I think that everybody in this Council will agree that we must attach very great

importance to the unanimous recommendation of the Acworth Committee that the system at any rate of Home Boards must be discontinued. Presumably, therefore, there must be some change of management, whether that change of management takes the form of State management or management by companies domiciled in India; and if we are to have a change in management, it is obvious that we must make up our minds as quickly as possible, for it will take time, a long time, to work out the arrangements between the Government and the railways. I agree, therefore, with the Honourable Mr. Sethna that we must come to a decision in regard to the future management of these two railways with the least practicable delay. At the same time, I do not advise this Council to be induced by the arguments of the Honourable Mr. Sethna into committing itself hastily either to the system of State management or to management by a company domiciled in India. As the Honourable Mr. Sethna has told us, the Acworth Committee was sharply divided on this very question. Half the members favoured management by the State; half the members advocated some form of company management. But, Sir, it is important for this House to remember that that half of the Committee which recommended management by the State made their recommendation conditional upon the acceptance by the Government of certain other proposals. The proposals I am referring to are—first, that railway finance should be separated from general finance; secondly, that a separate Member of Communications should be appointed, and that the whole of the Railway Board should be reorganised on a much more liberal scale than at present. Now, the

Honourable Mr. Sethna was a Member, a very useful Member, 3 P.M. if I may be permitted to say so, of the Railway Finance Committee; and that Railway Finance Committee has recommended that one of these important proposals made by the Acworth Committee should be postponed for the present, namely, the proposal that railway finance should be separated from the general finance; and as regards the other recommendations the Government of India have not yet been able to come to a decision. We have still to decide whether we are going to have a separate Member for Communications, or whether we are going to reorganise the Railway Board as proposed by the Acworth Committee. Therefore the time is not yet ripe for this Council to accept the recommendation of the Committee that we should commit ourselves to State management. We have to clear the ground by deciding these other preliminary proposals first. That is my first difficulty; and that is a reason why Government are not in a position to-day to commit themselves on the subject of the Honourable Mr. Sethna's Resolution; and that being so, I wish to make what I consider a very fair offer. The question we are discussing to-day is one of the most difficult questions. It has been discussed for years past, and as the Acworth Committee shows it is a question on which there is room for a fair difference of opinion. I am quite sure that there are many Members in this Council to-day who are entirely opposed on principle to State management; I am also sure that there are many Members on this Council who are entirely in favour of State management. Now, I suggest that when we have a difficult question of this kind which raises many intricate and complicated issues, the soundest plan is to discuss those questions, not across the floor of a House like this, but across a committee table. The Acworth Committee, as the Council knows, recommended as one method of bringing the railway administration into touch with public opinion that a system of local Advisory Councils should be established in connection with the different railways in India and that at the apex of the system there should be a Central Advisory Council at the headquarters

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[Mr. C. A. Innes.]

of the Government of India. The Government of India entirely accept that recommendation as regards the Central Advisory Council; they also accept the proposals of the Commission in regard to the interests which should be represented on the Central Advisory Council. The only point on which we differ from the Acworth Committee is how exactly we should constitute the Central Advisory Council. We feel that in the two Houses of the Legislature those interests are sufficiently well represented and that by selection from these two Houses we can get a Central Advisory Council which will be of great value; and, therefore, the Government of India have decided to convert, provided that the members agree, the Railway Finance Committee, which has already submitted, I think, a very useful report, into this Central Advisory Council. My proposal is that, before asking this Council to come to a final decision upon what is a very difficult question, we should be allowed to discuss this question with our Central Advisory Council. When we have done that, then we shall be in a position to formulate our final conclusions; and I am quite prepared to say here and now that before we do definitely come to a decision we are prepared to give the Legislature an opportunity of expressing their opinion. I think the Council will agree with me that this is a fair offer and also that it is a wiser way of dealing with this difficult question than if we set to work now to come to a decision upon it.

The HONOURABLE MR. SETHNA: Sir, I am obliged to the Honourable Mr. Innes for the explanation which he has given in regard to the attitude of Government on the question which I have brought up. I find, and find with satisfaction, that Government are in a very conciliatory frame of mind in regard to this matter and that they are not prepared to commit themselves in favour of any existing vested interests. As they have declared an open mind on the subject, and also because they propose to refer it to a committee the personnel of which I know, I think it will be best for me to accept the suggestion made by the Honourable Member; but I hope that the deliberations of this Committee will start immediately, so that Government will be in a position to know long before the due dates as to what exactly they are going to do and that there is not going to be any loophole left at the last moment to say that, because the committee has not arrived at any practical results, consequently a further extension of the contracts be given to the one company or to the other. With this hope, Sir, I ask the permission of the House to allow me to withdraw the Resolution.

The Resolution was, by leave of the Council, withdrawn.

RESOLUTION RE INCREASE IN NUMBER OF INDIANS IN STATE-MANAGED RAILWAYS.

The HONOURABLE MR. V. G. KALE: The Resolution which I have to move, Sir, is:—

'This Council recommends to the Governor General in Council the necessity of taking early steps to increase the number of Indians in the higher grades of service of the State-managed Railways, and of devising means to secure the adoption of a similar policy by companies managing State Railways.'

Sir, I am afraid I shall be giving my Honourable Friend, Sir Edgar Holberton, a shock by adding to the series of Resolutions which have been

moved in this House and elsewhere in connection with the rapid Indianisation of services in this country. But I cannot help bringing this proposition before this House because I feel that it is entirely in consonance with the policy which has been accepted by Government in principle in other respects. The proposition only asks Government to apply the principle of Indianisation to the case of State railways managed by Government and to devise means of seeing that a similar policy comes to be adopted by State railways managed by companies. In the case of railways, as in the case of the other departments of the administration, the final goal that is to be attained has been admitted, namely, that a very large number of Indians who are capable of discharging their duties efficiently and satisfactorily, must come to be appointed in the course of the next few years, so that without making the administration suffer in efficiency, the aspirations of the Indian public will be entirely satisfied. I think in the case of the railways also there is no difficulty with regard to the acceptance of this general principle; and as a matter of fact, the Government of India itself laid down this principle so long ago as in the years 1878 and 1879. In one of the Resolutions issued by the Government of India in 1878, it was clearly enunciated—

'The Secretary of State has frequently impressed on the Government of India the expediency of employing natives of India in posts of importance to a larger extent than it has hitherto been found practicable to do, and the Government of India has had the subject under serious consideration.'

The next year, namely, in 1879, in one of their Resolutions, the Government of India said:

'It shall be clearly understood that all posts in the Revenue establishments of State Railways are open to Natives of India, and as men in every respect qualified for the superior grades are found, the Government of India will be glad to receive from local Administrations recommendations for their employment in suitable positions.'

Thus, 42 or 43 years ago, the general lines that were to be followed by Government in the matter of the appointment of Indians to the higher grades of service in the Indian Railways, were clearly laid down. But what do we find is the result? We find that the policy was not given effect to, and the attention of the Government has been drawn to that question from time to time. The injustice involved to Indians who do not get adequate opportunities of rising in railway service, has been exposed times out of number, and references to this will be found, for example, in the Report of the Public Services Commission and in the Report of the Industrial Commission. The Public Services Commission report drew attention to the fact that a disproportionately large number of Europeans and Anglo-Indians has come to be employed in the State railways, and that the number of Indians employed in the higher grades was exceedingly small. The Commission, therefore, made a recommendation that the number of those who are appointed or are recruited for in this country should, in the near future, be increased to 50 per cent. That was the recommendation of the Public Services Commission itself. This recommendation was made in the year 1913. Then the same question attracted the notice of the Industrial Commission, which in the course of its inquiries, found that in the Railway workshops and elsewhere the places of Foremen and others were exclusively held by non-Indians: in fact, Indians were nowhere in some of these appointments. It was also recommended by the Industrial Commission that early steps should be taken to facilitate the appointment of Indians in larger numbers to these positions.

I think it is not necessary for me to dwell upon the feeling of injustice which prevails in the public mind in the country over this question. I do

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not wish to refer to any of the strikes which have taken place on the Indian railways, because I am anxious to avoid all reference to such matters as are likely to complicate and intensify our difficulties at the present moment. However, I am bound to say that there is a great deal of dissatisfaction in the minds of Indians employed in the railways, both State and Company-managed, with reference to the treatment that is meted out to them in the matter of appointment, salaries, promotions and so forth.

Now it is absolutely necessary that all ground for dissatisfaction on this score should be removed at the earliest opportunity, and this can be done by Government laying down a policy as to how the number of Indians in the higher grades of the Railway services may be increased. The attention of the country was glaringly drawn to this fact also by the Report of the Acworth Committee. The Committee has published a statement showing how small, how absurdly small, is the number of Indians occupying what are called superior positions in the Railway service. I must frankly admit that in the matter of the appointment of Indians to higher posts, State Railways managed by the State itself, have been more liberal than railways managed by companies: in fact, out of a total number of officers of about 1,750—to be exact 1,745—the percentage of Indians is 10 on all railways, State Railways managed by the State and managed by companies. In the case of railways managed by the State, the percentage of Indians in higher posts is 14·60, so that the position of Indians in State-managed railways is certainly better than their position in Company-managed railways. Some of the companies are also liberal in this respect, but I am very sorry to find that others, like the Great Indian Peninsula Railway, are most niggardly. Taking the Great Indian Peninsula Railway we find that the percentage of Indians in higher posts is only 4·98, and this after we have had railways in the country which have been the property of the State, for over two generations.

Now, it is said that it has not been possible to appoint more Indians to these higher posts, because qualified candidates are not forthcoming. Indian candidates, it is argued, do not possess the necessary fitness that is required for certain positions; and in fact I find from the Classified List of the State Railway Establishments and other returns that some of the Departments of the Railways are absolutely closed to Indians. 'No Indians admitted' seems to be the motto written on the doors of those Departments. The Carriage and Wagon and other departments which are supposed to require technical knowledge, are absolutely closed to Indians; but what can be said with regard to other departments where such training or expert knowledge cannot be urged to be absolutely essential? Are not Indians qualified even for these posts?

It will be interesting to notice that in the case of the Mysore State Railway, out of about 28 superior posts almost 28 or 24 are occupied by Indians. The most responsible positions are occupied by Indians there, and I find that they are doing efficient and satisfactory work. I do not see why, under these circumstances, similar satisfactory work cannot be done by Indians on other railways. The Railway Committee has itself had a good deal to say with regard to this point. It was also struck by the contrast between the appointment of Indians and the appointment of non-Indians, and it has made important recommendations as to what should be done in order to facilitate the admission of more Indians into the railway service.

(At this stage the Honourable Sir Dinshaw Wacha took the Chair.)

I will not read out to you any lengthy extracts from this report, but it will be sufficient if I draw the attention of the Council to one or two paragraphs of the report. The Committee's Report, at one place, says:

'We hold that the appointment of Indians to high administrative posts, and the promotion of specially meritorious Indians from subordinate to higher places will be further secured under the scheme than on State-managed Railways. The proposal will afford the educated Indians the best possible opportunity and facilities for learning the management and control of large commercial and public undertakings, and give them an opportunity of becoming equally competent with trained Europeans in direction and management.'

This extract I have read out to you is from the opinion that has been expressed by some of the members of the Committee, and I am interested to find that those members of the Committee who wished that railways should be managed by companies and not by the State have, as it were, been throwing this bait before the Indian public. They, in effect, say:

'If you leave the management of these railways in our hands, then what we propose to do is to give you, Indians, greater facilities and greater opportunities of training and of rising high in the service in the railways.'

That is an admission which shows that the companies have not done what they should have done, in the past, because they say:

'If you allow us to manage the railways, we are going to do this for you.'

I ask them, 'What prevented you from following the same policy in the past?' That is a pertinent question that has got to be asked, and certainly it may be stated that they have neglected their duty in this behalf. And the majority of the Railway Committee has made a very reasonable and a strong recommendation in this regard. It says:

'That they have not been advanced to higher posts, that even in the subordinate posts of the official staff there are not more of them, has been a standing subject of complaint before us. With so natural a grievance we fully sympathise. And we agree with the Railway Board in desiring that the grounds for it should be as far as possible removed. Still, facts are stubborn things. The appointment of Europeans to the superior posts in the railway service is unavoidable unless and until Indians qualified by training and experience are available to fill them. . . . Until recently, opportunities for the technical training of Indians were lacking. And in the absence of opportunities, naturally few Indians were able to reach the standard required for the superior posts. Certain opportunities are now being provided.'

Lastly, the Committee says:

'We are also of opinion that the system of selection and training of the young men appointed as probationers in the Traffic Department in Indian railways needs reconsideration. The whole subject is one which in our view should be in the special charge of the Railway Commission', and so forth.

Now, I want to inquire from Government as to what they have actually done to give effect to the principle which they have themselves laid down. If you scan the pages of the Classified List of the State Railways establishment, you will turn over page after page, and sometimes you may stumble upon an Indian name. This is the case in many of the departments of the Railways where superior posts are concerned; but, even in the matter of the subordinate posts, the upper subordinates as they are called, the percentage of Indians is not very high. The percentage would work out, say at something like 20, 25 or 30 per cent. in the case of different railways. The position might vary from railway to railway, but I think I am justified in making the statement that, even in the case of upper subordinates, the policy of Government has not been very just to Indians. The request I am making to Government is a very moderate one, namely, that they should

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take early steps to increase the number of Indians in the higher grades of service in the State-managed railways. I am not laying down a time-limit or any percentage—30 per cent., 40 per cent. or 50 per cent. All I want is that immediate steps should be taken to initiate a policy of allowing the admission of more Indians into the higher grades of the services, and it may be necessary for this purpose to provide facilities for training. I am told that such facilities are being provided on certain railways, but, at the same time, I find that those facilities are not as attractive as they should be to the type of Indian who is expected to be attracted to the railway service career.

Then, with regard to the other railways belonging to the State but managed by companies, it may be argued that the Government of India can do nothing, that the companies are their own masters and they alone can decide whom they will employ and whom they will not employ. It may be stated that under the contracts with them, the Government cannot interfere in the internal management of the companies. To a certain extent it may be true, though I am not inclined to accept the proposition as a whole, because I am told that the Government of India does exercise some control in this respect and that the appointments made by these railway companies have got to receive the assent, the confirmation, of the Government of India. That being so, and the Government of India themselves having laid down a policy for their own railways, they can bring pressure to bear upon companies managing their railways to follow the same policy. They can say to the companies:

‘Well, we have laid down this policy for ourselves; we have been pursuing this policy for a very long time and, inasmuch as there is a very general demand and a very reasonable demand in the country, a demand which has been further strengthened recently by the recommendations of the Railway Committee, inasmuch as there is such a demand in the country, we also expect you to follow a just and generous policy with regard to the appointment of Indians to the higher grades, not only to what are called superior posts, but also to what are called the posts of upper subordinates.’

I do not, therefore, feel that it will be difficult for Government to devise means for securing the adoption of a similar policy by companies managing State railways.

I will not take more time, because I believe that the principle I have discussed is a principle which will be found acceptable by Government and, if they really make a serious effort to remove the dissatisfaction which, I believe, legitimately exists, then the policy of the Indianisation of the railway services will be satisfactorily carried out. I recognise that there will be certain posts to which it may not be possible to appoint Indians forthwith and that for certain posts the officers may have to be imported from abroad. I am not claiming that Indians should be appointed forthwith to all these posts, but it is a reasonable proposition to say that, where qualified Indians are to be found, there, such appointments in larger numbers should be made. But there is the danger of our arguing in a vicious circle. The position is this, no appointments are made of Indians to the higher posts, because qualified men are not forthcoming, but qualified men are not forthcoming because Indians do not know whether the appointments will be made. No young man would care to go in for a particular training unless he has the prospect of being appointed to positions for which he may be qualifying. I know from personal experience that that is a difficulty of many young men in this country. They would be prepared to undergo all the trouble and labour that is involved in receiving training in a railway workshop. Educated people will

be willing to go in for all that, provided there is a definite prospect that they will be appointed to higher and responsible posts in the railways; but in the absence of a reasonable certainty of such a prospect of a very great proportion of them being appointed to these posts, naturally there is no encouragement to Indians to go in for the kind of training that is necessary. Therefore, the Government has got to do two things. They have to decide to appoint more Indians and at the same time they have to provide facilities and place prospects before young men in this country which will attract them to the education and training,—workshop training—that will be necessary to qualify them for responsible posts on the railways.

With these words, Sir, I commend this Resolution to the acceptance of the Council.

The HONOURABLE MR. C. A. INNES: Sir, I have not very much to say on the Resolution which has been moved by the Honourable Mr. Kale. I take it that he wishes this Council to recommend to the Government of India to lay down a policy of Indianising the gazetted staffs of the Indian railways. As far as the State Railways are concerned, there is no necessity for the Government of India to lay down any such policy. That is our policy already. We have adopted the policy of gradually Indianising all the public services of India, and that policy will naturally be applied to the railways, wherever possible. The whole question is one of how best to give effect to that policy. We have already made a beginning. I have the figures here. In the Engineering department of State Railways, 20 per cent. of the officers are now Indians; in the superior Traffic Departments 25 per cent., in the superior Stores Department 8 per cent. In the Locomotive and the Carriage and Wagon Departments to which the Honourable Mr. Kale referred as Departments in which no Indian officers had yet been appointed, an Indian Assistant Locomotive Superintendent was appointed in 1919, and another is coming out in April next on the completion of his training. The whole reason why we have no Indians at present in those two Departments is simply the lack of facilities for training Indians in this country. Now the Acworth Committee has drawn very prominent attention to this subject in paragraphs 82, 188 and 184 of its report.

(The Honourable the President here resumed the Chair.)

I am personally entirely at one with the spirit of those recommendations, and I propose, as soon as I have time, to go most carefully into the whole question. I think the position in this matter is perfectly plain. Everybody in this House, I am sure, will agree with me that our first principle in railway management must be this—the railways must be run on strict business lines and in strict accord with business principles. Efficiency must be our paramount consideration. I think that is a self-evident proposition, not only in the interests of commerce and industry, but of the country itself. But subject to that primary consideration I entirely agree that it is up to us to do all we can to qualify Indians for positions in the superior grades of the railways, and that it is up to us to do all we can to get the company-managed railways to follow suit. But I was rather amused when the Honourable Mr. Kale quoted from the Railway Committee's Report on this subject. He read as far as this:—

‘The whole subject is one which in our view should be in special charge of Railway Committees’

The passage runs on:

‘We think substantial grants of money should be made for the purposes of developing such instruction.’

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That is one of our difficulties. There is another difficulty. The Honourable Mr. Kale, I do not think, realises how difficult it is to work out proper schemes of technical instruction for appointments of this kind and to provide the machinery for that instruction. It is not only difficult to work out schemes, but it is a very expensive matter, and all I can say at the present moment is that, subject to what I have said earlier regarding the necessity of making efficiency our paramount consideration in railway matters, I readily accept the spirit in which the Honourable Mr. Kale has brought forward this Resolution, and that I am quite prepared, as soon as I have the time, to see what we have done in this matter and what we can do in it. Also it is a question in which I hope to have the advice of the Central Advisory Council. With these few words I have much pleasure in accepting the Resolution.

The HONOURABLE MR. V. G. KALE: Sir, I am very thankful to the Honourable Mr. Innes for the sympathetic speech he has made and for his acceptance of the Resolution which I have moved. If the Government of India does all that the Honourable Mr. Innes has told us it proposes to do, I think that this Council will have no complaint to make with regard to this important question.

The Resolution was adopted.

RESOLUTION RE 7 PER CENT. STERLING LOAN.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I beg to move the following Resolution:

'This Council recommends to the Governor General in Council that he may be pleased to convey to the Secretary of State for India in Council the following expression of its opinion:—

- (a) that the conversion rights offered with the last 7 per cent. sterling loan were unnecessary, and that they needlessly increase the permanent debt of this country;
- (b) that in all future loan issues the Secretary of State should consult and act up to the advice and recommendations of the Government of India; and
- (c) that all such issues should be simultaneously offered for subscription in this country on the same terms.'

Sir, I feel like flogging a dead horse in moving this Resolution. The horse was half dead some months back and I believe is quite dead by this time. It was half dead when the Resolution was sent in in September last, and I believe the horse is quite dead now. Yet I have to go through with the process as the Resolution is there.

I will give, as shortly as possible, the history of the genesis of my Resolution. When the last 7 per cent. sterling loan was issued in England, we in Bombay felt that the terms were very exorbitant. We thought that 7 per cent. was a very high percentage. We also felt that the conversion terms were quite unnecessary, and we thought that those terms would not have been offered if the Government of India had been consulted. We had no definite information whether the Government of India was consulted by the Secretary of State or not; but the Bombay Chamber of Commerce in one of its reports said that the Government of India were not consulted. They had information in their possession to that

effect. It was after the receipt of that report that I added to my Resolution the clause that:

'in all future loan issues the Secretary of State should consult and act up to the advice and recommendations of the Government of India.'

I daresay the Government have now been consulted because the recent issues have been on quite fair commercial lines. We do not find in them either the conversion rights or the high percentage of interest. So when I said that the horse was half dead I referred to this, that the Government of India is consulted now. However, I should like to have an assurance from the Honourable Mr. Cook that hereafter the Secretary of State and his advisers will not gamble with our money in the way in which they have done in the past.

Sir, the third point I have to make is this, that such issues should be simultaneously offered for issue in this country. That also has now been done. Sir, I need not ask the Honourable Mr. Cook to assure me that it will be done, because it has been done in the last issue and I am quite sure it will be done in future issues. The only question that now remains is, whether the conversion rights offered were unnecessary. Sir, I believe that the 7 per cent. offered was too high, and I have reasons for saying

so. When soon after our Government of India loan was put 4 P.M. in the market in England, various other loans were issued, their terms were much lower than 7 per cent. I will refer to a few only: Australia 6 per cent. was issued at 95 which works out to 6½ per cent.; 6 per cent. Loans by four Corporations were issued at 95; then I come to the Birmingham and Liverpool Loan which cannot be said by any means to have the same credit as the Government of India, and that loan—a 5½ per cent. loan—was issued at 90—it works out to a little more than 6½; the City of Auckland Loan is a 6½ per cent. loan issued at par. It cannot therefore be said that the Secretary of State and his advisers thought that unless they offered 7 per cent. they would not be able to get the money subscribed. As a matter of fact, Sir, it is common knowledge that the loan was oversubscribed, I believe, within an hour or perhaps less the very same day. We received cablegrams from England that the loan was quoted then at a premium. That shows, Sir, that the Secretary of State and his advisers either did not care for the heavy burden they were putting on India or they were not quite in touch with the market. I would not like to put the first supposition as I believe that the Honourable Mr. Montagu would be the last person consciously to offer a higher rate to the English investors; but I believe he was not well advised by his financial advisers, and I believe they did take advantage of his other activities and got him to issue a loan at a very high rate. Even if 7 per cent. was considered necessary, no conversion rights should have been offered. As I have shown just now 7 per cent. itself was too high. That conversion rights means a permanent burden of 6 per cent. on the country is a thing which I do not think my Honourable Friend, Mr. Cook, will deny. It means that the holder of a £100 note of the 7 per cent. sterling loan can within five years convert it into a £200 loan of 3 per cent.; that means practically 6 per cent. for ever. It may be argued—though I hope my Honourable Friend, Mr. Cook, will not use that argument—that instead of 7 per cent. we are reducing the old loans to 6 per cent. I do not think that argument can ever hold water. In the first place, the permanent debt of the country will be increased by giving the investor the option of converting it to double the loan at 3 per cent.; it gives them the option of making 6 per cent. for ever. If the conversion had to be exercised just then, I would not have minded so

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much; but the conversion rights have been given for five years; that means that an investor, when he finds that all other securities are coming down, will have the chance of converting the new 7 per cent. sterling loan. It is giving him the option of making money at the expense of the Government of India, while it does not in any way protect the interests of the Government of India. Therefore, I say that the conversion rights for the 7 per cent. sterling loan were quite unnecessary. When this loan was issued the Indian Merchants' Chamber and Bureau protested against the issue of that loan, and on behalf of the Government of India the Honourable Mr. Cook sent a reply which I can only term diplomatic. He threw all the burden on the non-co-operators and the political agitators. He said that the political agitation had affected the credit of the Government of India in England and that, unless these liberal terms were offered, we could not have our loan subscribed. In reply to that I will only quote a few figures to show that the credit of the Government of India had not gone down. The Indian stock quotation of the 3½ per cent. sterling loan in September 1920 was 52. In April 1921, that is, just about the time when this loan was issued, it was 55½; that shows that the Government of India's securities were going up; they had gone up by 3½. So the argument that the Government of India's credit was going down in England on account of political agitation here cannot now be justified. I may mention that during that period consols had gone up by 2½ points, so that the Government of India's securities had gone up by 1 point more than what the consols had done. If we go a little further and come to 31st May 1921 the Government of India stock went up by 5½ points, while consols had gone up by only 1 point. That will show to the House that the Government of India securities had not gone down in the public estimation. Hence it was quite unnecessary to offer 7 per cent. in the first place. But after offering 7 per cent. and after giving 2 per cent. brokerage *plus* normal contingent expenses—we do not know what that means, it may mean anything and perhaps it was quite unnecessary—but granted that the 7 per cent. interest was necessary and the 2 per cent. under-writing and normal contingent charges were necessary, where was the necessity for giving conversion rights? My Resolution asks the Council to state that they consider that the conversion rights were unnecessary. I am not in my Resolution asking the House to pass any opinion as to the 7 per cent. being very high, though personally I think so and the feeling in my part of the country is that 7 per cent. is very high; but the Resolution does not ask for any expression of opinion on that. What it asks for, is an expression of opinion that the conversion rights were quite unnecessary. I think the Honourable Mr. Cook will acknowledge that the conversion rights were unnecessary and if this opinion, backed up by this Honourable House, goes to the Secretary of State, his advisers will take very great care before issuing loans with any conversion rights or with any high interest. With these words I commend the Resolution to the acceptance of the Council.

The HONOURABLE MR. E. M. COOK: Sir, I appear for the defendant, who, being a considerable distance away, is not being able to defend himself. I think it is usual, Mr. President, when a crime has been committed to endeavour to bring the offender to trial within a measurable period after the commission of the offence. In the present case slightly over ten months have elapsed. . . .

The HONOURABLE MR. LALUBHAI SAMALDAS: The crime is there.

The HONOURABLE MR. E. M. COOK: But there is usually in civilized countries some period within which it is customary to bring the offender to justice. However, I do not grumble at the delay after which my Honourable Friend has brought forward this motion, because I think the events of the last few months have made the Secretary of State's action considerably easier to defend, and have indeed, I submit, taken a great deal of the sting out of the criticism which was so vocal and so articulate last May.

I don't propose to follow my Honourable Friend throughout the figures and details he has given. I will merely assume, for the sake of argument, that much of what my Honourable Friend has said regarding the general character of the terms of this and other contemporary issues is accurate. I said that I appeared for the defendant, but in point of fact I am not in the least conscious of appearing in the rôle of a hired advocate on this occasion, because I certainly can, with a clear conscience, and very sincerely, oppose this Resolution on its merits; and I strongly advise the Council, for reasons which I will give as briefly as I can, not to commit itself to what is, in effect, a vote of censure upon the Secretary of State.

Now what are the facts? Could we have got this money more cheaply? (*A voice: "Yes".*) Of course we could; that is tolerably clear from the fact that the loan at once went to a premium. Every time that one of my Honourable Friend's companies makes a debenture issue, and that debenture issue goes to a premium do his shareholders immediately call an extraordinary meeting and pass a vote of censure upon him? (*A voice: "They do".*) What my Honourable Friend's Resolution really boils down to is that the Secretary of State was not omniscient. I should like to ask the Council to consider what was the position with which the Secretary of State was faced. I think probably most Honourable Members are aware that in 1921 there had been no issue of any Indian sterling loan since 1912, and since that time I need hardly say that monetary and political conditions, both in the United Kingdom and in India, had undergone great and fundamental changes. The London market had been practically closed to the Dominion Governments all through the war; and in the case of India we had not raised a sterling loan since 1912. I wish the Council to think for a moment of the Secretary of State's responsibilities when he made that issue. As I have said, it was the first large issue by any Colonial Government for at least six or seven years—in the case of India itself it was the first issue for nine years. No one could possibly say what view the money market in London was going to take of such an issue. Since then there have been a large number of such issues, and now we know where we are, but I don't think any person in the City of London could then have felt any definite confidence as to the exact terms on which the London money market was going to lend its money to Colonial Governments. Further, a second point that the Secretary of State had to consider was this:—he knew perfectly well that India must for many years be a large borrower in sterling; how large a borrower she will have to be I am not sure; I will only say this, that if anything happens to seriously impair India's credit at Home, any apprehension as regards the maintenance of law and order in this country, or any doubt as to India's financial soundness, then I say that that will be a very serious thing for this country. When I consider the amount of our capital liabilities; when I consider the enormous demands there are on us for new capital expenditure, I don't think it is an exaggeration to say that the commercial and industrial future of this country is in a large measure dependent upon the amount of money that it can raise in London. Now my Honourable

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Friend's contention is that the Secretary of State misjudged the position; that is an easy thing for him to say, especially with this premium staring him in the face. But I ask the Council to consider what would have happened if the Secretary of State had misjudged the position in the other direction. The whole outlook was obscure, no issues had been made for many years; it was only the actual testing of the market which brought out the fact that the London money market is still by far the greatest centre in the world for issues of this sort. I say, what would have happened if that loan had been a frost? I wish to impress upon Honourable Members that it is difficult to overestimate the damage to India's credit that would have occurred if the loan had gone wrong, if the underwriters had been saddled with a large portion of it, or if it had gone to a discount. I think the result would have been worse than the temporary blow that was given to India's credit a fortnight or three weeks ago by reports in the London papers of the activities of the anti-constitutional party here.

Now what has been the result of the Secretary of State's caution? The result has been that, in the first place, an immense enhancement of India's credit has occurred in London. India has been able to go into the market again and buy on cheaper terms. Next week I hope to give the Council some figures indicating what India has to do next year, if she is to keep up her railway capital programme. I go so far as to say that, instead of sending Home this vote of censure, if we look back calmly over the last twelve months and consider the anxious care which the Secretary of State and his advisers on that occasion took to preserve India's credit, then I am not sure that we should not send Home a vote of appreciation. No doubt the money could have been got at a fraction cheaper; every loan which goes at once to a premium shows that you could have got your money slightly cheaper; but I ask the Council whether it was worth at the time incurring the risk of failure.

Finally, I have to repeat that this is a vote of censure. My Honourable Friend endeavoured to dissociate the Secretary of State from his financial advisers, but that is not possible. This is a vote of censure upon the Secretary of State, and strictly speaking it ought to have been moved in the House of Commons. (*A Voice: "They don't suffer: we suffer."*) I suggest to the Council that it ought to pause before it passes it. I must, therefore, oppose the Resolution.

The HONOURABLE MR. SETHNA: My Honourable Friend opposite said that he was speaking for the defendant. He was really speaking for the accused, because in his own language he said 'the crime' was committed ten months back. He takes us to task for not bringing up the matter before. Now my Honourable Friend forgets that there was only the Simla Sessions since the issue of the loan and the Honourable Mr. Lalubhai Samaldas had given notice of this Resolution, but it was not reached. I do not think, Sir, that my Honourable Friend has justified the very high rate that was paid by the Secretary of State. But the main point is that he has not replied to the question put by the Honourable Mr. Lalubhai Samaldas as to whether the Secretary of State issued this loan at this exorbitant rate of interest with or without the consent of the Government of India.

The HONOURABLE MR. E. M. COOK: I did not intend to reply to that.

The HONOURABLE MR. SETHNA: The Honourable Member says he did not intend to reply to that, from which the only inference I can

draw is, that perhaps the Government of India were not consulted. If they were not, then I do not suppose this Council is wrong in passing this Resolution, even if it be considered as a vote of censure.

The Honourable Mr. Lalubhai Samaldas said that we in Bombay thought it was an exorbitant rate. I believe he also said that the Bombay Chamber of Commerce said so. The Honourable Mr. Cook just now observed that no business man in the City—meaning of course London—could have said how this loan would go. May I be permitted to relate a personal incident in this connection. By a singular coincidence I happened to be in London at the time with a retired English merchant at his house when a message came to him on the telephone to say that this loan was to issue, the percentage of underwriting commission being what Mr. Cook has stated, and inquiring if my friend would apply for a portion of it. My friend within my hearing said 'Apply for the whole amount'. The man asked 'Are you serious?'. My friend replied 'I am'. 'Why?' asked the other, to which my friend replied 'for the good reason that this loan in a week must touch 2 or 3 per cent. premium.' I ask my Honourable Friend whether this was the case or not. I am not prepared to disclose the name of this retired English merchant publicly, but, if my Honourable Friend desires to know it, I shall be pleased to do so after the meeting. Therefore, Sir, I say that there were merchants in the City of London as well as retired Anglo-Indian merchants who considered that the Government of India, or certainly the Secretary of State, was making a mistake. Does my Honourable Friend want any further proof that 7 per cent. was an excessive rate?

Another point, Sir. The Honourable Mr. Cook makes out that the position just then was such that we came into the market after five or six years and, consequently, it would have been a mistake to shake the credit of India. My answer to that is, why apply for the whole 7½ millions sterling? As a feeler apply only for one million pounds at 6 or 6½ per cent. If you get it, well and good; if not, offer a half per cent. more. Have we not done so in this country in the past? I am certain the Secretary of State has entirely failed in his duty to India in this particular matter, and I, therefore, think the Council will be very wise in passing this Resolution.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I am very thankful to my Honourable Friend, Mr. Pheroze Sethna, for having replied to one point raised by the Finance Secretary which might have appeared strong to some of the other Members who are not financiers. My Honourable Friend, Mr. Cook said 'supposing the loan had not been floated; if the Secretary of State was found to have erred on the other side, what would have been the result?' My Honourable Friend, Mr. Sethna has given a reply to the effect that the whole amount need not have been floated. A smaller amount might have been floated and then the rate of interest might have been raised if it was absolutely necessary.

The Honourable Mr. Cook said:

'Supposing a company issued debentures and the shareholders found afterwards that the debentures went to a premium. Would they have passed a vote of censure on their directors?'

I would quote to him a specific instance where the debentures were underwritten by a syndicate. They were not debentures, but preference shares underwritten by a syndicate who were only given 4 per cent as underwriting commission. I believe about 56 per cent. of the total issue had to be taken up by the underwriters and yet at the next ordinary general meeting, the shareholders raised such a hue and cry about it that it took us as directors a lot of time to persuade them to withdraw a Resolution which

[Mr. Lalubhai Samaldas.]

was tantamount to a vote of censure. It will interest the Honourable Mr. Cook and other Members of this House to know that shareholders on the Bombay side will not allow anything that has the appearance of not being quite straight being done by their directors. Here we, being in the position of shareholders, must also see that the Secretary of State or his advisers—I am not going to attack the Right Honourable Mr. Montagu personally—do not commit the same mistake again.

My Honourable Friend said that the only charge that can be brought against the Secretary of State or his advisers is that they were not omniscient. That is not the charge. The charge is that they did not make sufficient inquiries and that they did not look into the interests of this country as they ought to have done. It may be that the Right Honourable Mr. Montagu may have other work to do, but his financial advisers ought to have been more careful. We all hope that with the acquisition of Mr. Dalal, an Indian of the Bombay Presidency, in the Secretary of State's Council, whom I might, with your permission, here congratulate on behalf of this Council, we will not see such a mistake repeated.

Even, if it was doubtful whether the loan could be issued to the fullest extent at a lower rate of interest than 7 per cent. and even, if for that purpose it was necessary to offer 7 per cent., the conversion question still remains, and my Honourable Friend, Mr. Cook, has not yet defended the conversion terms, not even in the reply sent to the Indian Merchants Chamber and Bureau, and I take it, therefore, that the silence means that the conversion terms were quite unnecessary.

As regards the Government of India being consulted, my Resolution asks that they should be consulted. The Honourable Mr. Cook said that he did not want to reply to the question whether they were consulted or not. Why then did he not issue a Press Communiqué to say the Bombay Chamber of Commerce was wrong in saying that the Government of India were not consulted? That was a public statement made by the Bombay Chamber of Commerce.

The HONOURABLE MR. E. M. COOK: Was that correct?

The HONOURABLE SIR ARTHUR FROMM: I do not remember the wording of the monthly report.

The HONOURABLE THE PRESIDENT: Questions must be addressed through the Chair.

The HONOURABLE MR. LALUBHAI SAMALDAS: Was it not up to the Finance Department to say plainly that they were consulted. But the very fact that they allowed this statement to go unchallenged up till now shows that they were not consulted. We want to give them more power, because we think that we can influence them. We can in this House, if the Finance Department makes any mistake, easily pass—I hope we will be able to do so—a vote of censure on them, if it were necessary; but, when the Secretary of State manages at the other end, the Finance Department itself is in a rather difficult position. They cannot, as the agents, as Lord Morley once said, of the Secretary of State, repudiate what the Secretary of State has done and, as they cannot do so, they themselves do not know what to do. They cannot defend the Secretary of State; they cannot honestly say he has done the right thing; at the same time they cannot join us in passing a vote of censure on him. We, in this House, even if it is a vote of censure, must express our opinions freely, frankly and honestly.

On the Honourable Sir Arthur Fromm rising to speak, the Honourable the President said:

Does the Honourable Member wish to make a personal statement? There is no opportunity now for a speech; he can only make a personal statement.

The HONOURABLE SIR ARTHUR FROMM: Sir, I wish to make a personal statement as the Bombay Chamber of Commerce has been quoted. I am afraid I cannot remember the wording of the monthly report, but what I think must have appeared was a copy of the correspondence we had with Government. If the Honourable the Finance Secretary has it, he will be able to refresh my memory.

The HONOURABLE MR. E. M. COOK: Sir, when I said, or rather, when I interjected across the House, that I did not intend to reply to my Honourable friend on the point, as to whether the Government of India had or had not been consulted, I did not mean to say that I intended to keep it secret. All I meant was that in my original speech I did deal specifically with that matter as I did not regard it as an important point in issue. Now, however, that my Honourable Friend has raised it, and particularly as the name of a third party—the Bombay Chamber of Commerce has been introduced—I should like to make a few remarks on it.

The Bombay Chamber of Commerce did write to the Government on the subject, inquiring among other matters, whether the Government of India had been consulted. In reply we told them—'The answer to your Committee's question is in the negative'—(and then we referred to a letter which had been sent to the Indian Merchants Chamber and Bureau which has been published.)

We said:—

'Your Committee will obtain from that letter a general idea of the conditions which have existed recently in the London money market. Those conditions did not on this occasion admit of previous consultation with the Government of India, as the precise moment of issue and the final settlement of the terms had to be deferred until the exact moment when conditions appeared to make flotation possible, and it would have been undesirable to let that favourable moment pass by, as might have been the case if the matter had been delayed to refer it to India. It is, however, the intention of the Secretary of State to consult the Government of India, so far as is practicable, before taking any final decision in such matters, but similar obstacles to effective consultation are always liable to occur.'

I had no intention whatever of concealing the position, and I merely read that out because I was directly challenged on the subject.

The only other observation, Sir, I have to make is in reply to what my Honourable Friend, Mr. Sethna, said about the feeling in London. I should be very sorry if the Council were to vote on this Resolution under the impression that the general business public in London had been sniggering at the nice, easy, favourable terms that the jobbers, etc., had got out of India. I should like to read, if I may, a letter received from a gentleman in London in an exceptionally good position for obtaining the general feeling in London about Indian issues. This letter was written a few days after the issue took place:

'Its terms have been criticised as over generous, but from what I can hear in the City, from circles not directly connected with India, it seems fairly certain that its immediate and rapid success has done Indian credit good. The day before its issue, whilst the underwriting was in progress, some of the stock-brokers endeavoured to interest their clients in it. In several cases I have been told that they got the reply that they were not going in for anything Indian, as there seemed to be a feeling of uncertainty about the future of India. But when news came next day that the loan was simply booming, as no issue in recent months has done, many of these people took heart and wanted to get in but were too late. What supports this view is the fact that instead of Indian 3 per cent. stock being depressed by the issue of this loan, it immediately rose, and there is little doubt that the success of this loan attracted attention to other Indian securities, both Government and Railways.'

I claim that the anticipations made in that letter, written within a few days after the issue, has been amply borne out by the events of

(iv) Whether Government are aware that resort to these practices in the case of political prisoners is calculated to humiliate and degrade them and extort expression of loyalty, that there is a strong feeling in the public to that effect, and that it has given rise to strong indignation whenever these have been enforced under penalty?

(v) Whether Government are prepared to consider the desirability of the total abolition of the practices above mentioned in the case of political prisoners?

The HONOURABLE MR. S. P. O'DONNELL: Inquiry has been made from the Bombay Government, and answer will be given in due course when a reply has been received.

DAILY ALLOWANCES FOR MEMBERS PERMANENTLY STATIONED IN DELHI.

90. *The HONOURABLE MR. BHURGRI: Is it a fact that members permanently resident in Delhi are not allowed their daily allowances during the time the meetings of the Legislature are on? If so, will the Government be pleased to quote any rule in their support to that effect?

The HONOURABLE MR. H. MONCRIEFF SMITH: The Honourable Member's attention is invited to the Resolution of the Government of India in the Finance Department No. 2441-E. B., dated 13th December 1920, prescribing the scales of daily and travelling allowances admissible to Members of the Indian Legislature. Under this Resolution daily allowance is admissible only to those Members who are required to leave their official headquarters or usual places of residence to attend meetings of the Legislature.

A Member who is a permanent resident of Delhi would, therefore, not be entitled to the daily allowance when attending meetings in Delhi, but he would be so entitled should he attend a Session in Simla.

THE HONOURABLE MR. BHURGRI'S ABSENCE.

The HONOURABLE THE PRESIDENT: I should like to ask if the Honourable Member received private notice from the Honourable Mr. Bhurgri of his intended absence?

The HONOURABLE MR. S. P. O'DONNELL: Yes, I had information that Mr. Bhurgri was not attending.

PRESIDENT'S RULING IN CONNECTION WITH THE WITHDRAWAL OF RESOLUTIONS.

The HONOURABLE THE PRESIDENT: Before we proceed to the business of the day, there is one matter I should like to mention to the Council. Apparently there was some misconception in connection with the Honourable Dr. Ganganath Jha's Resolution. The Honourable Member informs me that he was under the impression that his Resolution had been accepted, and he desired that the question should be put. I should like to explain to him and to other Members of this Chamber that when I take the pleasure of the House on the question of the withdrawal of a Resolution, any Member who desires that the question should be put has merely to say 'No.'

* The Honourable Mr. Bhurgri was not present.

If he says 'No' I am bound to put the question. Therefore the Honourable Member had his own remedy.

INDIAN LUNACY (AMENDMENT) BILL.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I beg to move that the Bill further to amend the Indian Lunacy Act, 1912, as passed by the Legislative Assembly be taken into consideration. The Bill is of a simple character, and it will not be necessary for me to detain the Council for more than a few minutes. The first object which this Bill seeks to effect, is to emphasise the curative treatment which should be available for the persons detained in these asylums. That, I think, is a provision which will commend itself to all Honourable Members. Most asylums are at present maintained by the Government, and in the case of such asylums it will be for the Local Governments to provide the necessary facilities. The Lunacy Act, however, contains provision also for the licensing of asylums, and in the case of such asylums the Bill provides that in future no licence shall be granted unless adequate facilities are available, also that if a licence has been granted it may be revoked if adequate facilities are not provided. The next provision is consequential on the measure of financial autonomy which has been conferred on Local Governments. Under the Devolution Rules payments made to a Local Government by other Local Governments are allocated to the former Local Government as a source of Provincial revenue. Now obviously if a lunatic belonging to one province is maintained in an asylum of another province, and his maintenance is a charge on Government then a service has been rendered to the former Government. The Bill accordingly proposes that in accordance with the principle recognised by the Prisons Acts in England, the cost of maintenance should be payable by the province in which the lunatic has last resided for five years. That will be the position as regards lunatics domiciled in British India. In the case of lunatics not so domiciled the cost will fall upon the Local Government of the province from which the lunatic was sent to the asylum. The Bill also provides that in such cases the cost of maintenance may include charges on account of the upkeep of the asylum and the capital cost of the establishment of the asylum. It will, I think, be obvious that the charges which have to be met by Local Governments include many items other than the cost of maintenance, clothing, care, etc. Incidentally this provision is likely to facilitate the establishment of large and therefore more economical asylums. The provisions of the Bill, I may add, have met generally with the approval of the Local Governments.

The HONOURABLE THE PRESIDENT: The question is:

'That the Bill further to amend the Indian Lunacy Act, as passed by the Legislative Assembly, be taken into consideration.'

The motion was adopted.

Clauses 1, 2, 3, 4 and 5 and the Preamble were added to the Bill.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I beg to move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

INDIAN INCOME-TAX BILL.

The HONOURABLE MR. E. M. COOK: Sir, I beg to move that the Bill to consolidate and amend the law relating to Income-tax and Super-tax, as passed by the Legislative Assembly, be taken into consideration. It will be within the recollection of Honourable Members that at the September

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[Mr. E. M. Cook.]

Session, when I asked the House to accept a motion to refer the Bill to a Joint Committee, I gave an account of the events which had led up to the introduction of the Bill. I also gave a summary of its general principles and a brief account of the more important changes and improvements that the Bill seeks to make in the existing law. I need not recapitulate what I then said. Since September we have received a large number of opinions from Local Governments, Chambers of Commerce and various other non-official bodies. These opinions were considered extremely carefully by the Joint Committee. I should like to say here, Sir, that one only has to read the Report of that Committee—I can say so without any hesitation because I was not myself a member of it—one only has to read the Report of that Committee to see how extraordinarily thoroughly and carefully they have examined the clauses of the Bill, and how they have throughout sought to hold the balance even between, on the one hand, the National Exchequer and, on the other hand, the tax-payer. On the one hand, I think it is quite clear from their Report that they have endeavoured to see that the Exchequer gets its fair dues, and that opportunities and loopholes for evasion are reduced to a minimum; while, on the other hand, I think it is also clear that they have endeavoured to see that the honest tax-payer is not unduly harassed, and that every possible facility and safeguard is introduced, in order to see that his assessment is made properly and accurately and with the minimum of hardship. I think, Sir, that we can safely say that the work of this Council has been enormously facilitated by the very careful and thorough examination of this Bill which was made by the Joint Committee. When I spoke on the Bill in September I said that I thought that the Council owed a great debt of gratitude to those numerous non-official gentlemen throughout India who had served on the Provincial Committees, and on the All-India Committee, which made the preliminary recommendations, and on which this Bill is the outcome. I now suggest, Sir, that we owe an equal debt of gratitude to those members of the Joint Committee who so ungrudgingly gave so much of their time to make this a good Bill. I beg to move.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I rise to support the second reading of this Bill. Sir, I believe this is the first time when we have had a non-official Chairman of a Joint Committee over a Bill of such an important nature, and I think I am voicing the feelings of all the Members of the Joint Committee when I say that we owe a debt of gratitude to Sir Alexander Murray for the very capable manner in which he carried on the work as Chairman of the Joint Committee. (Cheers). My friend, the Honourable Mr. Cook, said that we, the members of the Committee, had done very good work and had worked hard also. He was not a member of the Joint Committee. Fortunately for him he was not. Had he been there, he would have known how my Honourable friend, Sir Alexander Murray, slaved us for four days. He actually slaved us, Sir, and got all that he wanted. He tried to put the case very fairly as between the general tax-payer and the assessee to income-tax, and he almost always had the support of the majority, if not the whole, of the members of the Joint Committee. We had our differences of opinion, Sir, but it was because—I am speaking for myself and I think others will agree with me—we had for the first time a non-official Chairman that we did not want to have our minutes of dissent. We thought that the first, non-official Chairman should be able to present a unanimous report. With these

remarks, Sir, I merely wish to refer to two or three points. The Honourable the Finance Member, when he introduced the Bill in the other House, said that the chief aim of this Bill was to secure both certainty of assessment and ease of collection. The Bill as it has been amended by the Joint Committee secures both these things much better than the original Bill. Without meaning any disrespect to the legal Pandits of the Government of India we may say that we have been able to amend the Bill in such a way that we have been able to secure certainty of assessment and ease of collection much better by the amendments made by us than under the original Bill. The Bill is a great improvement on the old Act chiefly as regards reference to the High Court. Clause 66 makes it quite clear that the reference to the High Court is not in the discretion of the Income-tax Commissioner, but that it has to be made if any assessee is prepared to put down Rs. 100 and say that he wants it to be referred to the High Court. That is a great improvement. There are many other features of the Bill which perhaps other Honourable Members will refer to. But there is only one to which I will just refer to, and that is about the name given to the chief officer who will be in charge of the Income-tax portfolio, if I may call it so, Sir, on behalf of the Government of India. We had a very lengthy discussion on the subject. We thought that the expression 'Board of Inland Revenue' would mean not one man but two or three men. At present, under the vigilant eye of the Honourable the Finance Member and the Honourable Mr. Cook I do not think there is any possibility of more men being appointed, but the time may come when our finances are in a better position and we may have men who are not so strict as the present officers. I want it to be definitely understood, Sir, that we agreed to the term 'Board of Inland Revenue' on the clear understanding that only one officer will be appointed.

There is only one other remark which I want to make before I sit down. I would like on behalf of the Committee to say—we have put it on record, but I would like to express it here—that we owe also a very great debt of gratitude to Mr. Sim for the able way in which he has helped us all through our proceedings.

The HONOURABLE SIR ARTHUR FROMM: Sir, with reference to the remarks that have fallen from my Honourable friend, Mr. Lalubhai Samaldas, I should like to make a reference to what he said about the creation of this new post of Board of Inland Revenue. We certainly agreed and we were of opinion that in the immediate present there should be only one member, but we had in mind the future when we hope the income-tax revenue will be very much larger than it is at present, and we thought that the Board of Inland Revenue might then easily consist of more than one Member. I concur with what my Honourable friend has said that we did agree in the Committee that at present we were of opinion that there was only room for one member, but we were also looking to the future, and that is why the new post is called 'the Board of Inland Revenue'.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, I welcome this Bill, because this is the first time that agriculturists can congratulate themselves that some others have also been taxed. I will put it to you, Sir, that we have all to bear the burden of India equally. Unfortunately, hitherto, always the agriculturist has borne the brunt of it. If I may be allowed to say, Sir, if we look into history, men from Alexander downwards have come to India with sword and fire, and the men who

[Colonel Sir Umar Hayat Khan.]

had money have buried their money in the ground. So, they could not get at that. But the land could not be buried under the land. So we were taxed. That has been the inheritance, but our present Government is such a civilised Government that it should not inherit what the others have brought to India. All the time it has been thought that the whole land belongs to the State. This idea should at any rate be considered again. We people, Sir, who live in this land and have to die in it, I think, have got some right to claim that the land belongs to us.

The HONOURABLE SIR MALCOLM HAILEY: After the State.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: All I want to put before the House is that the burden should be equalised. For Rs. 2,000 a person has only just to give one anna in the rupee, whereas we have to give something like eight annas. That is not equal. I can give an instance. Take a certain place where there is water and land. The man who possesses the land is properly taxed. That is the whole tax which really ought to be taken by the Government. But the man who gives water is also taxed, and over all that, the man who gets water and gets money is taxed; that is, three times taxed. If Government knew it and knew also that it was working as a hardship, that would be abolished. But that is a thing that has to be put forward by an agriculturist who knows that this is wrong. I think that the principle underlying the equalisation of the burden of taxation is a thing which ought to come and will come naturally because those who are suffering, like the zamindars now—it is their duty to bring it forward, and if it does not come on this occasion it will come later on, and I hope that this question will be considered.

The HONOURABLE SIR DINSHAW WACHA: It is a source of gratification that the Income-tax Act has so far been improved. I will only make one remark, and that is, that the administration of the Act on the executive side may be as good, because it happens very often, at least so far as Bombay is concerned, that the tax-gatherers, from the highest to the lowest, oftener than not look at it in a very different light, that is to say, they interpret the provisions of the Act literally when they ought to do so in their spirit. They are too meticulous: I, therefore, wish to say that the Finance Member will do well to circularise all the administrators of the Act to see that the spirit of the Act is maintained and not the letter of it.

The HONOURABLE THE PRESIDENT: The question is:

'That the Bill to consolidate and amend the law relating to Income-tax and Super-tax, as passed by the Legislative Assembly, be taken into consideration.'

The motion was adopted.

Clause 1 was added to the Bill.

The HONOURABLE MR. H. MONCRIEFF SMITH: Sir, I beg to move:

'That in clause 2 (1) (b) (iii) of the Bill for the words 'when he does not keep a shop or stall for the sale of such produce not being the produce of his land', the following words be substituted, namely:—

'In respect of which no process has been performed other than a process of the nature described in sub-clause (ii).'

Sir, the Council may possibly assume from the fact that I am moving this amendment instead of my Honourable Friend, Mr. Cook, that it is

purely a drafting one. I am afraid I cannot claim that for it, but I can claim that the object of this amendment is to clarify the drafting of the clause as passed by the Legislative Assembly.

When the Bill was introduced this clause did not contain the words which appear at the end of it, 'not being the produce of his land.' Those words were introduced by the Assembly, and since the Bill was passed in this form the draftsmen and the income-tax experts of the Government of India have been trying to ascertain what the clause means as it now is, and Sir, they have failed. We are now trying to give effect to the intention of the Assembly. We have the advantage of knowing what that intention was, and what was the intention of the Honourable Member in that House who moved this amendment. It appears that there was some apprehension there that this portion of the definition of 'agricultural income' was not sufficiently watertight and that agriculturists and land-owners who sold their produce would, in every case almost, be liable to pay income-tax on the profits that they derived from that sale. The words of the clause which caused particular doubt were the words 'shop or stall'. In fact, a definite suggestion was made in the Assembly that those words should be deleted or some attempt should be made to define them, but in the end the Assembly accepted this amendment which added the words 'not being the produce of his land.' The Government propose, therefore, to remove this reference to a shop or stall and to substitute the words which I have read in my motion. The clause as it will be amended now will enable a landholder or a cultivator to sell his produce—the produce of his own land—provided he has not employed in regard to that produce any process other than the process referred to in the preceding sub-clause, that is to say, he will be able to employ a process with regard to it which will enable him to take it to the market for sale, but will not be allowed to perform any further process. Otherwise the income which he derives from the sale will be liable to pay tax under this Bill.

The HONOURABLE MR. V. G. KALE: I support the amendment. As the sub-clause originally stood, any one who could read it, could not fail in thinking that it was clumsily worded. The object of that sub-clause was clearly to distinguish what are purely agricultural operations from those which are purely commercial operations. While the profits on commercial operations would be subjected to income-tax, purely agricultural operations were not intended to be subject to that tax. This was the object which it was sought to bring out in the words of that sub-clause, but as it was worded, it confounded the confusion still further, and the amendment which has now been moved clearly shows what would be agricultural income and what would be agricultural operations. The cultivator, it was feared, would not be allowed to sell his produce without being subjected to the income-tax, but that point has now been placed beyond all doubt. The cultivator can not only produce his crops, but he can sell them, and he can take them to the market without any fear of being called upon to pay income-tax on this operation. This being the object of the amendment, I support it.

The HONOURABLE DIWAN BAHADUR V. RAMABHADRA NAIDU: The amendment as proposed by the Honourable Mr. Moncrieff Smith is welcome to landholders. It places beyond doubt that the landholder can sell his produce. Much doubt was raised the other day by the Members of the Assembly and it was more or less met by the Honourable the Finance Member, and now it is very clear that the amendment

[Diwan Bahadur V. Ramabhadra Naidu.]

now proposed by the Legislative Secretary places the point beyond all doubt.

The HONOURABLE RAJA P. N. ROY OF DIGHPATIA: Sir, may I ask a question? Supposing a man has a sugar cane plantation and uses machines for making sugar, would he come under this Act? Or if a man has a husking machine and sells rice after husking it, would it come under this Act or not? I am merely inquiring.

The HONOURABLE MR. H. MONCRIEFF SMITH: In those circumstances I do not think that the profits derived from the performance of the process referred to would be liable to tax.

The motion was adopted.

Clause 2, as amended, and clause 3 were added to the Bill.

The HONOURABLE MR. H. MONCRIEFF SMITH: Sir, I beg to move: 'That for the *Explanation* to clause 4 (2) of the Bill the following *Explanation* be substituted, namely:—

Explanation:—Profits or gains accruing or arising without British India shall not be deemed to be received or brought into British India within the meaning of this sub-section by reason only of the fact that they are taken into account in the balance sheet prepared in British India.'

This amendment merely redrafts the *Explanation* which was introduced into this clause in the other Chamber. The position of Government towards it is that they consider the *Explanation* is not necessary, but, if the Legislature desires to have it there, it does no harm. I have slightly redrafted it to bring it into conformity with the rest of the Act.

The motion was adopted.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, there has been a misunderstanding in some quarters about the actual meaning of this clause and I want the Finance Department to take note of it, so that the matter may be made clear when issuing instructions. Some Members have told me that they feel that if you invest one lakh out of India and make a profit within 3 years of say 2 lakhs and brought up both the capital and profits, namely, 3 lakhs, income-tax should be charged on 2 lakhs only and not on the capital which was brought back. I believe that is the clear meaning of the clause as it stands, but I would like that to be clearly stated in the instructions sent out by the Department to Income-tax Collectors.

The HONOURABLE MR. E. M. COOK: We will see that that is done. I agree with my Honourable friend.

Clause 4, as amended, and clauses 5, 6, 7 and 8 were added to the Bill.

The HONOURABLE LALA SUKHBIR SINHA: Sir, I beg to move:

'That in clause 9 (2) of the Bill before the word 'sum' where it occurs for the first time the following words be inserted, namely:—

'the actual rental received, or in the absence of any satisfactory evidence.'

The clause, as amended, will run thus:

(2) For the purposes of this section, the expression 'annual value' shall be deemed to mean the actual rental received or in the absence of any satisfactory evidence the sum for which the property might reasonably be expected to let from year to year.'

In clause 9 (1) it is provided that—

the tax shall be payable by an assessee under the head 'Property' in respect of the *bond fide* annual value of property consisting of any buildings or lands appurtenant thereto of which he is the owner';

and in sub-clause (2) it is stated that—

'annual value' shall be deemed to mean the sum for which the property might reasonably be expected to let from year to year.'

The object of my amendment is that in cases where the actual rental received is found to be satisfactory, the assessing officer should and must assess on that actual rental. If he finds that the real rents have been concealed or that the rents received are not satisfactory, then he may use his discretion. In these clauses (1) and (2) the meaning is not clear. It may be said that generally the assessing officer shall take into consideration the actual rent received, but I want it to be provided in the Act that if the actual rents received are satisfactory and reasonable and the assessing officer finds no concealment, then he ought to charge income-tax on the actual rent received and should not use his discretion in those cases, and if he finds that the rents received are not actual or that some concealment has been made, in that case only he should use his discretion. This is the object of my amendment, and I put it forward for the acceptance of this Council.

The HONOURABLE MR. E. M. COOK: There is an air of sweet reasonableness about my Honourable Friend's amendment, but I am afraid this disappears on closer examination. If this amendment is passed, the result would be that any owner of a house who likes to let it to his son or nephew or second cousin, or to anybody of that sort, for Rs. 10 or 15 a year can do so, and he will only have to pay tax on that rental, because, according to my Honourable Friend's amendment, he would be perfectly able to produce 'satisfactory evidence' that the rent received by him was only that amount. He could easily fix up matters with his son, nephew or second cousin. I am afraid if this amendment goes through, human nature being what it is, there will be a quite substantial loss to the public revenues, and therefore I must oppose it. My Honourable Friend also said that the present clause is not clear. I think it is quite clear. It says that the annual value shall be the sum for which the property might reasonably be expected to let from year to year. If the actual rental received, or the actual rental shown in the deed or whatever it is, is not less than the sum for which the property might reasonably be expected to let, then he will be assessed on that amount. I personally cannot see any ambiguity at all in this clause.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, I strongly support this amendment. I know the difficulty myself, because I have got some houses in Simla which are never let out to any one, but it is supposed that they are let out, and I am charged on them. Income means money derived by letting out the houses, but when a house is not let out or rented, it will not be reasonable for Government to charge anything. If I don't get anything it is rather hard that I should be taxed. In the same way, as my Honourable Friend pointed out, if some body else's house is in the occupation of a man who does get any income, it is not right that he should be taxed.

The HONOURABLE SIR ALEXANDER MURRAY: Sir, I beg to support the Honourable Mr. Cook in his reading of the clause and to differ strongly

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from the Honourable Mover of the amendment, and also from my Honourable Friend, Sir Umar Hayat Khan. The latter has told us that he has got in Simla three houses for which he gets no rent. It is most unfair that he should have three rent-free houses there and that I should pay a very expensive rent to live there. If my Honourable Friend has got a house there, and if I am willing to live in it and pay rent, I think he is not entitled to say that he ought not to be taxed in respect of the annual letting value of that house. It ought to be taken into account in calculating the income of the Honourable Sir Umar Hayat Khan. Now, similarly, take my Honourable Friend, Lala Sukhbir Sinha. I do not know whether he owns any house in Calcutta.

The HONOURABLE LALA SUKHBIR SINHA: Yes.

The HONOURABLE SIR ALEXANDER MURRAY: I see he does. He is a good friend of mine. It is quite possible that its annual rental value is at the rate of Rs. 1,000 a month, yet he may let me the house for, say, Rs. 10 a month. Now is it reasonable to suggest that he ought only to be taxed on the Rs. 10 a month for which he will be able to adduce satisfactory evidence that that is all I pay him? I maintain, Sir, that the rent in respect of which he ought to be taxed ought not to be the Rs. 10 that I shall be paying him, but the annual rental value in the ordinary sense of the term, namely, Rs. 1,000 a month which the house is worth. I think all Honourable Members will agree that that is the proper interpretation of the clause. It may be that my Honourable Friend, Lala Sukhbir Sinha, is mixing up the amount stated in the lease and the annual letting value. Let us assume that the annual value of this house in Calcutta is at the rate of Rs. 1,000 a month, that is the annual value to-day. Let us assume that I had taken the lease of the house, say 5 years or 10 years ago, when the *bona fide* annual value was at the rate of Rs. 500. I assume in that case that the Income-tax officer would take Rs. 500 monthly as being the annual value of that house as contained in the *bona fide* lease entered into by me at the time when that was the *bona fide* annual value of the house. This definition of 'annual value' is in accordance with the existing practice. This particular clause is word for word in the existing Act. And I may say this is also pretty much the practice at Home where—I am reading from a text book on taxation at Home,—'the assessment is based on the full rent which the property would command if let on an ordinary yearly tenancy.' Much as I would like to support my Honourable Friend, Lala Sukhbir Sinha, in any attempt of his to let me have his house in Calcutta cheaply, I am afraid in justice to other tax-payers, I cannot support his proposition.

The HONOURABLE THE PRESIDENT: The question is:

'That in clause 9 (2) of the Bill before the word 'sum' where it occurs for the first time the following words be inserted, namely:—

'the actual rental received, or in the absence of any satisfactory evidence.'

The motion was negatived.

Clause 9 was added to the Bill.

The HONOURABLE MR. H. MONCRIEFF SMITH: Sir, I beg to move:

'that in the *Explanation* to sub-clause (iii) of sub-clause (2) of clause 10, for the words 'a Mutual Benefit Society as defined by rules made under this Act', the words 'such Mutual Benefit Societies as may be prescribed' be substituted.'

I did not give the formal two days' notice of this amendment for reasons which I need not enter into now. It is purely a drafting amendment. The *Explanation* was introduced into the Bill in the Legislative Assembly. It ignores the definition of the word 'prescribed' which occurs in sub-clause (10) of clause 2 of the Bill, and my amendment is merely intended to make use of that definition.

The HONOURABLE MR. V. G. KALE: Sir, I have not been able to follow the amendment.

The HONOURABLE THE PRESIDENT: I have read the amendment to the Council.

The HONOURABLE MR. V. G. KALE: I have not been able to follow what has been said by the Honourable Member.

The HONOURABLE MR. H. MONCRIEFF SMITH: May I further explain, Sir? In the *Explanation* in clause 10 (2) (iii) of the Bill occur the words 'a Mutual Benefit Society as defined by rules made under this Act.' Sub-clause (10) of clause 2 of the Bill defines the word 'prescribed'. 'Prescribed' means prescribed by rules made under this Act. Therefore, I am simply substituting the word 'prescribed' for the lengthy phraseology in the *Explanation* as passed by the Legislative Assembly.

The HONOURABLE THE PRESIDENT: If the Honourable Member (addressing the Honourable Mr. Kale) will carry his eyes down to the *Explanation* given at page 7 in the Bill, he will see where this amendment is proposed.

The motion was adopted.

Clause 10, as amended, and clauses 11, 12, 13 and 14 were added to the Bill.

The HONOURABLE SIR ARTHUR FROMM: Sir, I now beg to move the following amendment:

'That in clause 15 sub-section (2) of the Bill, for the words 'any male member', the words 'any adult male member' be substituted.'

I think, Sir, that I should explain at once to the Council that the word 'adult' which I seek to introduce, appeared in clause 15 (2) of this Bill as amended by the Joint Committee which devoted a considerable amount of time and care in the discussion of this Bill, clause by clause. On the Joint Committee there were a large number of distinguished Hindu gentlemen, some of whom are Members of this Council and none of them took exception to the deduction of sums paid to effect the insurance on the life of any male member of a Hindu undivided family, and of the wife of any such member, being confined to the adult male members and their wives.

It appears that during the passage of the Bill in another place the word 'adult' has been dropped out which, as will be at once apparent to the Honourable Members of this House, would have the result of admitting as a deduction the premia paid to effect the insurance on the lives of children.

Now as Honourable Members are aware, a Hindu undivided family is recognised and treated under the Income-tax Act as a unit for Income-tax purposes, much in the same manner as an unregistered firm is dealt with, but with this difference that each individual member is not required to bring into his statement of income derived from other sources the amount

[Sir Arthur Froom.]

he receives from, or his share of, the income of the undivided family. This concession in many cases has an appreciable advantageous effect in determining the scale under which the individual has to pay income-tax or super-tax. I mention this to show that we in Select Committee carefully considered the interests of Hindu undivided families.

There is also the further concession in the Bill, as presented by the Joint Committee, of the insurance premium of each adult member of the undivided family, and of his wife being allowed as a deduction in preparing the statement of the family as a whole. That is, although a Hindu undivided family pays income-tax as a unit, the insurance premium of each member of that undivided family and of his wife is allowed as a deduction. That, I think, Honourable Members will agree, is a further concession. But I do not think, Sir, that it is either reasonable or fair to expect that this deduction should be extended to include the insurance premia on the lives of children. I contend that such a claim is unreasonable, as were it to be admitted, it would at once promote an undesirable tendency to insure on a large scale the lives of children and escape income-tax on the premia paid. I describe such a claim as unfair as no such concession is allowed in connection with the life insurance of the children of any other families than those of a Hindu undivided family. Why should they therefore get this exceptional treatment in respect of children?

I feel sure, Sir, that this Council will recognise the objection there is to the omission of the word 'adult' in clause 15, sub-clause (2) of this Bill, and I have little doubt that Honourable Members will agree with me as to the Joint Committee's decision to insert the word being both wise and just, and that they will readily pass the amendment I have moved.

The HONOURABLE LALA RAM SARAN DASS: Sir, I am sorry I have to oppose the amendment. My Honourable Friend, Sir Arthur Froom, seems to be quite unaware of what a Hindu undivided family is. As soon as a male infant is born in a Hindu undivided family, it becomes a shareholder in that family, and I see no reason why insurance premia paid on individuals or boys should not be deducted from the total income of that family. This matter was thoroughly discussed in the other House and it was adopted. It is quite common, and it is a fact quite well-known, that minor members of Hindu families do work in shops or other trades or professions along with their parents, and it is also known that among Hindus minors are married. In that connection it is essential that their life insurances if not other insurances should be allowed as a deduction from the total income. I will not insist on other insurances being deducted, for instance, education, marriage or other kinds of insurance, but as far as life insurance is concerned, I strongly insist on deduction being made in the case of children. With these words, Sir, I oppose the amendment.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, I am very sorry to oppose the amendment, because it is absolutely against any law. If a boy is born, is he going to be non-existent? There is somebody else there to put his claim forward. If he has got a proper legal man who can put his claim forward, why should it not be considered that he is living? The whole law is that if there is a minor, as long as he is a minor, all the things that he ought to get are given to him by a proper person who is authorised by the Government. In this case, if a boy is

living, why should you consider that he is not living? For this purpose I am against the amendment. He should get his right.

The HONOURABLE LALA SUKHBIR SINHA: Sir, I also rise to oppose the amendment, and I do not see any valid reason why only an adult male member should be exempted and not the others. The system of Hindu joint families among the Hindus is of great value, and no effort should be made to destroy it. I see that those who are not living as a joint Hindu family do not value the system and they do not care about it. They seem to think that individuals and joint families are on the same basis. But, Sir, I strongly bring to the notice of my Honourable Friends that the system of joint Hindu family is a great thing in India especially among the Hindus, and no effort should be made to destroy it. If this amendment is carried, it will mean that the life insurance on only adult male members will be deducted and not on others. It will be very hard on these families and I think all the adult as well as minor members should be given this privilege. Therefore, I strongly oppose this amendment. This question was discussed in the other House also and the word 'adult' was deleted there. In such a case there seems to be no reason why in this House the same question should be raised and we should be asked to undo what the Assembly has done, without any cogent reasons.

The HONOURABLE SIR MALCOLM HAILEY: The remarks of Lala Sukhbir Sinha make it necessary that I should intervene at 12 NOON. once on behalf of the Government in this debate. Surely he cannot think that Government (which as he knows opposed the amendment that was put forward in the Legislative Assembly to remove the word 'adult') wishes to injure the Hindu joint family system; he must realize on the contrary that we have given the most anxious consideration to the protection of the system and the most exceptional privileges to the Hindu joint family in the matter of income-tax. Other people, before they are charged to super-tax are allowed to make a deduction of Rs. 50,000; the Hindu joint family is allowed a deduction of Rs. 75,000. Further, we now propose that in taxing a man's individual income, we should relieve him of taxation on account of any income derived from a Hindu joint family. We have finally in this section put forward yet another concession (and a new concession) in favour of the Hindu joint family, namely, that such families should not be taxed on insurance premia paid on behalf of any of their adult members. Throughout, our purpose has been to recognise the Hindu joint family and protect it from injury; and I must say that after we have been at the pains to secure these concessions to the Hindu joint family, I feel that the insinuation that we are seeking to do harm to that system is entirely unjustifiable. And indeed, how can we in any way injure the Hindu joint family system by refusing to relieve from taxation premia paid on behalf of children? Obviously it would have no detrimental effect at all on the Hindu joint family system as such. Well, Sir, in another place we were obliged to oppose the omission of the word 'adult' from the Bill, and I think that the attitude of the Government in this House must be the same, in other words, that we must support this amendment.

Lala Ram Saran Das has said that the infant member of a Hindu joint family is a full shareholder. That is perfectly true, but before accepting the conclusion which he draws from that fact, I should like to go back to the reason why we relieve from taxation premia paid on

[Sir Malcolm Hailey.]

account of insurance. The reason is simply this, that when the principal member of a family dies, the head and sustainer of the family, then there is a great economic loss to that family; that also to some extent is the case when his wife dies. Since there is a real economic loss, it is to the interest of the State that the life of the principal wage-earner should be insured in order to protect the family from the whole effect of that loss which would otherwise reduce its earning capacity in the future by breaking it up, or by rendering it unable to educate itself to the same level which it had formerly enjoyed. It is, therefore, entirely to the economic interest of the State to encourage the insurance of the life of the head of a family and his wife. I see, however, no reason why we should go further in regard to the members of a Hindu joint family and in their case, and their case alone, encourage the insurance of children. Sir, I do not base my objection on the ground which some people feel (indeed, I think most people feel) that the insurance of infant lives is itself open to considerable objection. I argue merely on economic grounds. When an infant dies there is obviously not the same economic loss to the family as there is when the head of a family dies. Take the case of a Hindu joint family. You insure the life of an infant and that infant dies, the money goes back in full to the family; there has in the meanwhile been no economic loss by the death of an administrative or wage-earning member; indeed, in some instances there might be almost an economic gain. That is why we do not think it justifiable to relieve from income-tax the premia paid on non-adult lives.

The HONOURABLE LALA RAMA SARAN DAS: What about the minor members of a Hindu joint family, who are aged seventeen, and are working in a trading firm?

The HONOURABLE SIR MALCOLM HAILEY: That is very near the adult age. Our law is so framed that it would apply equally to real minors, namely, infants, as well as boys of seventeen. After all, if you insure a boy of seventeen, the disability will apply only for one year and do little harm. My main objection is this that, having done everything we could to protect the Hindu joint family system, having done income-tax legislation, we are not inclined to give to Hindu joint families a concession which we have sound reasons for denying to families of every other description.

The HONOURABLE MR. SETHNA: My friend, Lala Sukhbir Sinha, said that no good reasons were advanced for bringing forward this amendment. The Honourable Sir Malcolm Hailey has answered in full, but the main point is this. In any legislation that is introduced the Government certainly aim at seeing that all communities are equally affected. As the Honourable Sir Malcolm Hailey pointed out, in regard to joint Hindu families, their case has been recognised and they have enjoyed certain advantages so far as the payment of income-tax and super-tax is concerned. In fact, it is a matter of common knowledge that, because Government recognises this system, the Government lose a very considerable amount of income both by way of income-tax and super-tax which they would not do if the joint family system were not recognised. But the main point is this. The Honourable Sir Malcolm Hailey has also introduced a very important point, namely, that the loss of life of a child is not an economic loss. No one understands that better and recognises that

better than our Hindu friends. As one who has something to do with life insurance I may inform my Honourable Friends, if they know it not, that perhaps child insurance in this country does not represent even one per cent. of the total insurance effected on other lives. Therefore, I put to them if it is at all worth their while to argue this point and oppose this motion, which motion only aims at equality. If other than Hindu communities were allowed the right of excluding the premia on children's lives, the Hindus would be perfectly entitled to claim the same concession, but because they are not, I appeal to my Hindu friends to consider the injustice of the amendment which was passed in the lower House and agree to the amendment as moved by my Honourable Friend, Sir Arthur Froom. I am sure that if any other amendment were moved by any other Member to the effect that the same effect be given to other than Hindus, my Honourable Friend, Sir Arthur Froom, would be only too willing to accept that change with the main point that there should be equality in regard to this concession for all communities.

The HONOURABLE SIR ALEXANDER MURRAY: Sir, I rise to support the amendment moved by Sir Arthur Froom. I think he is indeed a bold man to have brought up an amendment of this description dealing as it does with the Hindu joint family system. I may say that I was a member of the Committee that considered this question in Calcutta, and even in Bengal we found very great differences in the reading of what actually a Hindu undivided family was. When we came up to Simla and sat on the question there we found that there were still greater differences of opinion as to what it really was. We have been told here that it includes all the children born, but we were assured as a matter of fact up in Simla that in certain parts of India it even included children unborn. This allowance is something entirely new for the Hindu undivided family and we thought that we were giving a very great concession in agreeing to allow a deduction of this description. First of all, the Committee thought that it would be sufficient if we gave a deduction in respect of the head of the family only and of his wife. Afterwards, thinking it over, we wished to be particularly generous to the Hindu joint family and we decided that not only the head of the family and his wife, but also all his brothers and their wives, all their adult sons and their wives, every one of these, should be entitled to have the premia paid on their lives deducted in arriving at the income-tax assessment of the joint family. In the other House I find that the word 'adult' has been dropped out and the intention there was that every child born may have its life insured and that the premium should be a good deduction for income-tax purposes. I personally feel that this is carrying it too far and that really it is not a reasonable proposition to put up. The Honourable Sir Umar Hayat Khan argues that it is quite a good principle, but probably he does not realise that only he himself and no member of his family will be allowed that deduction. Is the Honourable Member aware of that?

The HONOURABLE MR. LALUBHAI SAMALDAS: That shows his impartiality.

The HONOURABLE SIR ALEXANDER MURRAY: It is the case that only members of Hindu joint families will be entitled to this deduction. I maintain that, having given not only to the head of the family and his wife but also to every adult male member and his wife, the right to have their insurance premia deducted for income-tax purposes, that is as far

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as the Members of this Council should reasonably be expected to make concessions in favour of the Hindu joint family system.

The HONOURABLE MR. V. G. KALE: Sir, I do not want to look at the question raised by the amendment from the point of view of the preservation of the undivided Hindu family. People are not agreed as to the advantages of the joint Hindu family. What I want, however, to consider is, whether the concession which is said to have been given to undivided Hindu families in the Bill, as it stands, creates any injustice to other communities or involves a sacrifice to the public exchequer. My friend, the Honourable Mr. Sethna, has pointed out, so far as I could follow him, that the amount of the insurance of child life does not represent even one per cent. of the total life insurance in this country. If that is so, why should he be afraid? . . .

The HONOURABLE MR. SETHNA: Because other communities are not getting it.

The HONOURABLE MR. V. G. KALE: Then I come to the question of inequality of treatment. So much has been made of the so-called sacrifice made by the public treasury on behalf of the undivided Hindu family. If I understand the question correctly, however, I think it is the undivided Hindu family which is making a sacrifice on behalf of the public treasury. (Laughter). For example, if the members of the undivided Hindu family were to be separately taxed as different units, each one of them may be called upon to pay a certain amount of income-tax but many of them would be exempted from the payment of tax altogether, while others may have to pay at a lower rate. When the income of different members of the family is brought together, the exemption disappears and the family becomes subject to the payment of the income-tax and perhaps income-tax at a higher rate. (A voice: Super-tax also). Is this not a sacrifice made by the joint Hindu family in favour of the public treasury and of the other communities? I think this point has been altogether lost sight of in the discussions which have taken place on this question. Then the undivided Hindu family being what it is, I do not think Government would be making any special concession in favour of the family if all the members of that family were allowed exemption on the amounts paid for life insurance. The undivided Hindu family is a kind of a co-operative society, if not for production, at any rate for consumption, slightly for production but mainly for consumption. That being so, if the family were to be divided and the property were to be partitioned, there will be so many separate, independent families and they may not be brought into the net of the Income-tax at all. Here are so many members living under the same roof, having one joint income out of which to draw their shares according to their needs; and naturally it is but reasonable and fair that the members of the family should be allowed exemption on the ground of life insurance. As the Honourable Mr. Sethna has pointed out, the total amount of the insurance on behalf of the life of children and infants is insignificantly small. I do not, therefore, think that we ought to be frightened into conceding what is called a concession. I do not regard it as a concession and I do not believe that there is any injustice involved to other communities in this matter at all. If the other communities were to live, as some Hindu families live, jointly, certainly I shall be prepared to give them that concession. I myself am not much in favour of the system of the joint Hindu family because it involves some disadvantages. There you have got

the joint Hindu family all the same, and you have to take it as it is, and as I believe that there is no injustice caused and that there is also no inequality arising out of what is regarded as a concession. I oppose the amendment.

The HONOURABLE MR. G. S. KHAPARDE: I want to oppose the amendment on the ground that it does not take account of all the elements of an undivided Hindu family. At present the tendency is to say that there are so many people here and so many people there living together and their income is so much and so on. But there is an outer fringe to an undivided family which up to this time has not been referred to, namely, there are other persons who do not take a direct share and yet are entitled to maintenance. These people also come in. As mentioned by the previous speakers, people that are born and unborn, people that are still in the womb, all have claims and these claims extend from the share of the family to only a claim to maintenance. Now all these liabilities fall on the members of the undivided family. If all the members of the family were separated and their income divided, you will find that they all are entitled to exemption that is given by Government, because the incomes of individuals are so infinitely small. It is only when they are brought together that they come under the operation of the Income-tax Act. So I submit, Sir, that there is no question of any exceptional concession to the joint Hindu family, and in view of the fact that the outer fringe of members is entitled to maintenance and there are other burdens falling on the undivided family, I do not think that the Government has been lenient to them. If anything, it has been stringent. I do not think it necessary to urge all these considerations here on behalf of the undivided Hindu family because they were considered by the Joint Committee and allowed. For these reasons I oppose the amendment that has been proposed.

The HONOURABLE MR. LALUBHAI SAMALDAS: I dissociate myself from my Honourable friend, Lala Sukhbir Sinha, when he said that he thought that Government were going to disturb the Hindu joint family. I agree with what was said by the Honourable the Finance Member, namely, that they had done their best as far as they could to support the Hindu joint family system. Then he went a little further and said that the child was of no economic value either to the family or to the State. I am prepared to join issue with him here. The child, Sir, is after all the citizen of the future. He is of economic value both to the family as well as to the State, and to say that the child is of no value shows a want of humanitarian feeling. . .

The HONOURABLE SIR MALCOLM HAILEY: May I rise to a point of order, Sir? I am very loth to interrupt the Honourable Member. I should be the last person to suggest that a child is of no economic value. But it is an entirely different proposition which I stated, namely, that the death of a child is not the same economic loss as the death of the head of a family.

The HONOURABLE MR. LALUBHAI SAMALDAS: I thank the Honourable the Finance Member for his explanation. I say that during the war we were told very often there should be an increase of population, if not for anything else, at least to increase the economic value as common fodder. Now coming to the main point at issue, as my Honourable Friend, Mr. Kale, said, the loss to the State if this concession is granted, will be very little. As my Honourable Friend, Mr. Sethna, said, the income from insurance is:

[Mr. H. Moncrieff Smith.]

the Joint Committee was given with regard to this point was sound, and that any person from whom income-tax is recovered on behalf of another person, though the Act says that he is personally liable, will have a remedy in the Civil Courts against the person on whose behalf the tax is taken from him. I understand that that is the only point raised by the Honourable Member in his remarks on this clause, and I think that the clause might very well be passed by the Council as it stands.

Clauses 18, 19, 20, 21, 22 and 23 were added to the Bill.

The HONOURABLE MR. H. MONCRIEFF SMITH: Sir, I beg to move:

'That in sub-clause (2) of clause 24:—

(a) after the words 'income, profits or gains' the words 'of the year in which the loss was sustained' be inserted; and

(b) the words 'in the year in which the loss was sustained' be omitted.'

This is also a purely drafting amendment, Sir. The sub-clause, I think, was clear enough in the Bill as introduced. The amendment made in the other Chamber has left some doubt regarding the year in respect of which the set-off which this sub-clause of the Bill allows is to be made. My amendment merely takes certain words from one part of the sub-clause and puts them back to another place so as to make it quite clear that the assessee shall be entitled to have a set-off against any income, profits or gains of the year in which the loss is sustained.

The motion was adopted.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, there is a proviso to clause 24 which lays down that if the assessee is a registered firm and the loss sustained cannot wholly be set-off under sub-section (1), any member of such firm shall be entitled to have set-off against his own personal income. It has happened that a person is a member not only of one registered firm but of two or more registered firms, and I want the Finance Department to take note in issuing instructions to say that if a person is a member of two or more registered firms the same concession will be granted as in sub-clause (2) of clause 24.

The HONOURABLE MR. E. M. COOK: It shall be done.

Clause 24, as amended, and clauses 25, 26, 27, 28, 29 and 30 were added to the Bill.

The HONOURABLE MAHARAJA SHOSHI KANTA ACHARYYA CHAUDHURI: Sir, I beg to move:

'That in sub-clause (3) (a) of clause 31 of the Bill, the word 'enhance' be omitted.'

In moving this amendment I wish to point out that if the power to enhance an assessment be vested in the Assistant Commissioner, it will ultimately act as a bar to appeals; for human nature is such that we naturally support our actions. Now let us take the present case in particular. Suppose the Assistant Commissioner has over-taxed an assessee, and he appeals against the assessment. The very first thing that will predominate in the mind of the Assessor will be that the taxpayer is unduly troubling him with an appeal and to put a stop to such future annoyances, he might enhance the tax as a lesson for others. I do not say that he will, but the probabilities are there. However, if

during the hearing of an appeal it transpires that the assessee has been under-taxed, it is quite open to the Assistant Commissioner to send a report to the Commissioner who has full power to annul the assessment and deal with it afresh. It might be contended that the assessee has also the right of an appeal to the Commissioner against the orders of the Assistant Commissioner, enhancing the assessment. But in this case the assessee will have to refute the two orders of assessment—one original and the other on appeal. On the other hand, if the Assistant Commissioner makes the report to the Commissioner recommending re-assessment, it is he who will have to satisfy the Commissioner as to the merits of the case. This procedure will be a great safeguard against abuse of power and will inspire greater confidence in tax-payers. Under these circumstances I hope that my amendment will commend itself to the House.

The HONOURABLE SIR ALEXANDER MURRAY: I beg to oppose this amendment. This particular phase of section 31 was fully discussed in Committee. Under the existing Act there is the same right of enhancement given on appeal. As a matter of fact, if you go back to the old Act of 1886, you will find that the Collector had the power to pass such orders as he thought fit on any petition that was presented to him. Further, the Commissioner when appealed to similarly was given the right to pass any order that he chose in the way of reduction or enhancement or anything else. When we come to the Act of 1918, we find that details were given, and instead of the general phrase 'to pass such order as he thinks fit', the words used were 'pass such order thereon, whether by way of confirmation, reduction, enhancement or cancellation.' Now, in the existing Bill we have introduced nothing new. We have simply repeated the words of the Act of 1918 and kept in existence the power that has been in force since the income-tax was introduced over thirty years ago. That being so, I do not think that there is any justification for the suggestion made by the Honourable Maharajah that the assessee may not receive fair treatment in a matter of this description. As a matter of fact, we have introduced an additional safeguard in this Bill. You will find in section 32 we are giving the assessee the right to appear and show cause against the enhancement. Formerly he had no such right. If his tax was enhanced he had to take it lying down. Now he has the right to appear and appear against enhancement that he had never before. I maintain, Sir, that the Act is much more liberal towards the income-tax payer now. My Honourable Friend has expressed a fear in case the assessee might be hardly treated under this section. Might I say what the practice is at Home in cases of this description? If the Commissioners who hear the appeal at Home find that enhancement of the tax is necessary, they have the power to treble the tax, not merely to take from him the tax that he ought to pay, but take from him treble the tax. I think the Joint Committee and the drafters of this Bill have been very considerate in simply insisting that all that will be taken from the assessee is the tax that he is legally and justly entitled to pay to the Government.

The HONOURABLE RAJA PROMODA NATH ROY OF DIGHPATIA: The Honourable Sir Alexander Murray has just now said that no appeal lies now from the Collector to the Commissioner. . . .

The HONOURABLE SIR ALEXANDER MURRAY: I never said so. I said under the new Act you will have a right of appeal against any enhancement.

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hardly 1 per cent. I think it might be less, because only in some cases insurance on children is effected to make provision for their education. very few people care to insure their children's lives, on ordinary tables. . . .

The HONOURABLE SIR ARTHUR FROOM: They could be insured.

The HONOURABLE MR. LALUBHAI SAMALDAS: My Honourable Friend, Sir Arthur Froom, says they could be insured, but the parents in this country will not, because the insurance premium will be charged at the same rate as if the proponent was twenty-one. Nobody would like to go on paying this large premium practically for nothing. Except for educational purposes for which special concession rates are given children's lives are not insured. I am prepared to prove what I have said about the rates. I am open to correction by the Honourable Mr. Sethna if that is not so. Very few people go in for children's insurance. I appeal to the Honourable the Finance Member to consider, that as the loss to the income-Hindu friends. Moreover, if the amendment is carried the sentiments of my Finance Member will have to take it to the other House and that means delay and conflict between two Houses. I, therefore, appeal to my Honourable Friend, Sir Arthur Froom, to withdraw his amendment for the grounds I have given.

The HONOURABLE MR. E. M. COOK: Sir, I rise to support this amendment, and I should like, if I may, to bring the Council back to the real point at issue. The Joint Committee in their Report, which both of my Friends, the Honourable Lala Sukhbir Sinha and the Honourable Mr. Khaparde, have signed without Minutes of Dissent, set out to make a concession in favour of Hindu joint families in this respect. They said in

'We have amended this clause for the purpose of securing that in the case of a Hindu undivided family the premia paid for insurance on the life of other members than the head of the family shall be allowed.'

Their intention obviously was to include all the adult male members, which in itself was a concession. Now, judging from some of the heart-rending appeals which we have had on behalf of the Hindu joint family, one really might have thought that the proposal was to undermine the whole Hindu joint family system. This, Sir, is a question of principle. The Joint Committee endeavoured to make a concession by the insertion of this provision in the Bill. The question now before the Council is, whether we should gratuitously go beyond that concession, and give to Hindu joint families something which hitherto it has never been proposed they should have. The Honourable Mr. Kale and various other Members have spoken of the position and responsibilities of the head of a Hindu joint family, and the sundry disabilities under which the members live, namely, the maintenance of a lot of people under one roof. On the other hand, the Honourable Sir Arthur Froom, the Honourable Sir Alexander Murray and the one or two other Honourable Members have specified the very liberal concessions that are already given to Hindu joint families in our Income-tax and Super-tax law. That is not the only concession they get. I think that the position of the Hindu undivided family in the ordinary civil law of the country is rather an enviable one. I do not know if any Honourable Members have tried to collect a debt from a Hindu undivided family. You would find it a most elusive body, it is a 'corporation sole', and I think one has to take the position of the family under Indian law as a whole.

I say that the time must come when you have got to draw a line somewhere. It is quite true that this concession possibly might not involve a very great loss to the Exchequer, but I consider that, as a matter of principle, this Council should not allow this further concession to be inserted. If it appears in the Bill it will be a distinct defect in it as finally passed.

The HONOURABLE THE PRESIDENT: The question is:

'That in clause 15 (2) of the Bill, for the words 'any male member', the words 'any adult male member' be substituted.'

The Council then divided as follows:

AYES—21.

Amin-ul-Islam, Khan Bahadur.
Baker, Mr. C. M.
Barron, Mr. C. A.
Cook, Mr. E. M.
Edwards, Major-General Sir W.
Forrest, Mr. H. S.
Froom, Sir A.
Ganga Nath Jha, Mahamahopadhyaya Dr.
Lindsay, Mr. H. A. F.
Lloyd, Mr. E. S.
Maricair, Khan Bahadur A.

Mayhew, Mr. A. I.
Murray, Sir A. R.
O'Donnell, Mr. S. P.
Sarma, Mr. B. N.
Sethna, Mr. P. C.
Shafi, Mian Sir M.
Smith, Mr. H. Moncrieff.
Tek Chand, Diwan.
Wacha, Sir Dinshaw.
Wood, Sir J. B.

NOES—12.

Acharyya Chaudhuri, Maharaja S. K.
Akbar Khan, Major Mahomed.
Kale, Mr. V. G.
Khaparde, Mr. G. S.
Lalubhai Samaldas, Mr.
Naidu, Diwan Bahadur V. R.

Rampal Singh, Raja Sir.
Ram Saran Das, Rai Bahadur Lala.
Roy, Raja P. N., of Dighapatia.
Sukhbir Sinha, Lala.
Umar Hayat Khan, Colonel Sir.
Zahir-ud-din, Khan Bahadur S.

The motion was adopted.

Clause 15, as amended, and clauses 16 and 17 were added to the Bill.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, sub-clause (7) of clause 18 lays down that any person who does not deduct and pay the income-tax as required by this section is liable as if personally in default in respect of that tax. This expression was debated in the Select Committee and it was suggested that a provision should be added to say that in case the employer had to pay the income-tax on behalf of the employee, he could take action against the employee on account. That question was debated, and the legal officers of Government told us that no such provision was necessary, as every person who pays on account of another has a right of recovery. That is what was said in the Select Committee. What we wanted to lay down was this. If an employee has a deposit in an employer bank or has some amount in the Provident Fund, can the employer deduct of his own accord the amount of income-tax on behalf of the employee without going to the Court? We were given to understand that he had a right of deducting it either from the Provident Fund or from the deposit in the bank as occasion arose. But I want it to be clearly stated here by the legal officers of the Crown that that is the procedure that will be allowed to be followed if an employer had to pay under sub-clause (7) of clause 18 for the employee.

The HONOURABLE MR. H. MONCRIEFF SMITH: Sir, I understand that the Honourable Member does not propose any amendment to the sub-clause as it stands. I think he may rest satisfied that the advice which

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The HONOURABLE RAJA PROMODA NATH ROY OF DIGHAPATIA: It was there all the time . . .

The HONOURABLE THE PRESIDENT: The Honourable Member must not enter into a conversation with another Honourable Member.

The HONOURABLE RAJA PROMODA NATH ROY OF DIGHAPATIA: I beg to support the amendment moved by the Honourable Maharajah. I think that if the power for enhancement lies only with the Commissioner, the object of this section will be fulfilled, and that the lower and lower we go in the matter of appeal the less and less justice will be done. It is the Collectors and Sub-divisional officers who always try to enhance assessments and they being the people who settle the tax payable by the assessee originally if the appeal lies with them again, it would be appealing to the same man against his own decision. I think therefore that if the appeal lies only with the Commissioner it will be far more satisfactory.

The HONOURABLE LALA RAM SARAN DAS: I beg to support the amendment which has been moved by my Honourable Friend. As regards the objection which Sir Alexander Murray puts forward, I think that in case he can simply set aside the assessment and direct the Income-tax Officer to make a fresh assessment after making such further inquiry as he may think fit and so on. So, I think the word 'enhance' in sub-clause (3) (a) does not serve any useful purpose. On the other hand, it simply remains as a source of fear on the part of the appellant who may be appealing to the Assistant Commissioner, and who might always be saying 'my tax will be enhanced.'

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: I shall just give an example. In revenue matters, the Financial Commissioners and Com-missioners say such and such a district should give enhanced revenue, appeal. It is exactly the same thing in this case. If a man says, 'I am right and I assess this much', it is rather difficult for him to again say, 'I am wrong'. He will always support what he has already said and so he cannot be the proper person to reconsider his decision. It is for this purpose that I would suggest that it is not always the Members of Govern-ment who can give a correct decision, but it would be better if now and then, not our non-official Members, but some representatives of the people are allowed to consider such cases. It is for this reason that I support the amendment.

The HONOURABLE SIR MALCOLM HAILEY: Sir, the Honourable Sir Umar Hayat Khan has introduced into the discussion an element that is not, I think, distinctly germane either to the amendment or to the original clause as drafted. Whether or not we should have non-official assessors is not a matter that arises in this particular connection. But, Sir, both he and the Honourable Maharaja who spoke before him seemed, I think, somewhat to confuse the issues by referring to the Assistant Commissioner both as an assessing authority and as the authority who hears the appeal; they suggested that he should not be given the power of enhancement because he had that dual authority. Now, what are the facts? The assessments are to be done by the Collector; and we simply propose that when a man comes up to appeal to the Assistant Commissioner the Assistant Commissioner should go *de novo* into the whole case. Obviously what he is setting out to arrive at and what I think the assessee himself

should welcome is a correct assessment on his income, nothing more and nothing less. It was said by the Honourable Mover that the assessee would go in fear before the appellate authority if he thought that the assessment might be enhanced. In fear of what? In fear of having to pay more than he originally thought? Why, Sir, his duty as assessee is to pay just so much as the law lays down, nothing more and nothing less. If, in the course of the proceedings, it is found that the subordinate authority has not assessed him to the proper amount, why should he live in fear if all that happens in the long run is that the proper assessment is put on him? This is not a criminal proceeding. The whole object of this assessment procedure, a procedure which we are trying day by day to make more expert, is to get a correct assessment according to the law. My own view is that every citizen has a perfect right honestly to avail himself of every provision of the law to get off assessment if he can do so. No one could criticise him or take offence at his utilising the law to the very best for his own advantage, but, Sir, it is equally his duty to welcome any procedure which gives a correct assessment as laid down by the law. We only seek by this procedure to allow the Assistant Commissioner to go into the case absolutely with a fresh mind as appellate authority. If he finds that the assessment is too low, then he should be able to raise it to the amount which the assessee has to pay according to the law. I see no reason for fear, and I deprecate very strongly indeed the suggestion put forward by the Honourable Mover that there is a probability, (those are the words he used) that the Assistant Commissioner will endeavour to teach the assessee a lesson that he should not come before him with an appeal a second time. That is a charge that I am indeed sorry to see brought against our authorities . . .

The HONOURABLE MAHARAJA SHOSHI KANTA ACHARYYA CHAUDHURI: I said he might be vexed and he might sometimes increase the assessment.

The HONOURABLE SIR MALCOLM HAILEY: The Honourable Mover used the word 'probability' and he cannot escape from the implications which arise out of the use of that word. I can only repudiate very strongly that charge against our assessing authorities.

The motion was negatived.

Clauses 31 and 32 were added to the Bill.

The HONOURABLE MR. LALUBHAI SAMALDAS: A few minutes before, my Honourable friend, Sir Umar Hayat Khan, raised the question of non-official Assessors. That question arises here and I take this opportunity of congratulating the Bengal Chamber of Commerce for having taken the lead in suggesting that, whenever the petitioner so desires, his petition shall be heard and disposed of by the Commissioner assisted by two non-official Assessors. This question was discussed in the Select Committee. There is no dissenting minute, and I hope the Honourable Mr. Cook will not take us to task for that, as it is clearly stated that the majority was against the proposal. The minority, of which I was one, was in its favour. The majority, I am sorry to say, was composed of some of my Bombay friends who opposed the suggestion and the amendment was lost. I do hope, Sir, that the Finance Member, will instruct Income-tax Commissioners to have non-official Assessors associated with him, whenever an opportunity occurs, if the assessee so desires.

The HONOURABLE SIR MALCOLM HAILEY: I should have been very much more willing to accede to the desire of the Honourable Member if he himself in his turn had been willing to take the sense of the House on his proposal.

Clauses 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43 and 44 were added to the Bill.

The HONOURABLE LALA SUKHBIR SINHA: Sir, I beg to move:

'That in clause 45 of the Bill for the words 'may in his discretion' the word 'shall' be substituted.'

In this clause it is provided that if an assessee prefers an appeal, the Income-tax officer may in his discretion treat the assessee as not being in default so long as such appeal is undisposed of. The object of my amendment is to provide that the Income-tax officer shall treat the assessee as not being in default and not use his discretion, that is so long as the appeal is not decided, he should not take action against the defaulting assessee and should not treat him as a defaulter. If my amendment is accepted, the result will be that so long as the appeal is not decided the Income-tax officer shall not treat the assessee as a defaulter.

The HONOURABLE SIR ALEXANDER MURRAY: Sir, I rise to oppose this amendment. Here, again, I would point out that no change whatever has been made in the present Bill. As a matter of fact, the words have been retained in their entirety, namely:

'the Income-tax officer may in his discretion treat the assessee as not being in default as long as such appeal is undisposed of.'

We discussed this not only in the Joint Committee, but also when the other income-tax committees were sitting, and we felt that no change ought to be made here. If any change were made, it might result in numberless appeals being lodged simply as an excuse for deferring payment. Income-tax officers in big towns, especially in bad times, might be overwhelmed by appeals; simply because the assessee, having lodged an appeal, could not be called upon to pay until such time as the appeals were disposed of. I think the discretion given to the Income-tax officer to decide when payment may or may not be taken is all that can reasonably be expected by an assessee.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, I am sorry to have to oppose this amendment. It is common knowledge that sometimes when appeals are filed in the High Court, they last a man's life time. In that way a man will go on filing appeal after appeal at various places as far as the law allows him to do so, especially the English law, and it may last his life time. The whole question is if the money could be refunded if he succeeds in the appeal.

The HONOURABLE SIR MALCOLM HAILEY: Sir, I only wish to make it clear to the House the reasons why we have hitherto opposed any amendment of this nature. A man who may be assessed to pay a large sum of income-tax may agree that the assessment as a whole is justifiable, but he may object to some particular item. Now, Sir, in those circumstances, it is reasonable that he should say to the income-tax assessing officer:

'I am willing to pay up practically the whole of this assessment, but will you in your discretion allow the remainder to remain over until I can appeal on the subject?'

Such an application could and no doubt would be accepted under our Bill as framed and this is entirely reasonable. But the case is very different where you have an assessee who, whatever his own views may be as to the justice or injustice of his assessment, desires to put off till the very last moment the payment of his legal dues.

Now in theory we are all good citizens, and we all no doubt welcome in theory the opportunity of contributing to the just demands of the State. But when the time comes to sign the cheque, human nature asserts itself, and there are some people, and I find by experience a great many people, who desire to put off the period of payment for an unconscionable time. An Honourable friend of mine quoted in another place the figures in regard to Madras; there we succeeded in collecting in last year only 76 per cent. of our assessment. I know one town in India, a large town, where to the best of my knowledge there are something between 1½ and 2 crores of arrears still outstanding. Now suppose that money is tight, and an assessee wishes to put off as long as possible the payment of a large sum which may amount to some thousands of rupees. The House will realise that if this amendment is accepted he can, by the simple process of filing an appeal at a cost of 8 annas or a rupee, save the payment of that sum of money for some months, perhaps for nearly a year. Obviously, Sir, we should be placed at a very considerable disadvantage by such a procedure. For while the assessee would be enjoying the use of the money we should be out of the use of it. In the circumstances, I think it is not unreasonable that Government should oppose, and oppose very strongly, any amendment of the nature put forward by the Honourable Mover.

The motion was negatived.

Clauses 45, 46, 47, 48, 49, 50, 51, 52, 53 and 54 were added to the Bill.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I beg to move the following amendment:

'That at the end of clause 55 of the Bill the following words be added, namely:—
'Provided further that where the profits and gains of a company have been assessed to super-tax, exemption shall be made of the amount of super-tax in assessing the super-tax to be paid by another company or individual holding shares in the first company in respect of the amount of dividend received by the holding company or individual.'

I fear, Sir, that this amendment will perhaps appear a little complicated to those who do not know the way in which one company holds shares in other companies. I will try to make the whole question as clear as possible. Without mentioning names I will say there is a big company A. In that company another company, say B, a private limited company, holds shares to the extent of 50 lakhs or a crore. Now the company A when it prepares its balance sheet has to make provision for the payment of income-tax as well as super-tax, at the flat rate of one anna. The dividend from this company goes to the private limited company B. Then when this company makes its own balance sheet it has also to make its own provision for income-tax as well as super-tax at the flat rate of one anna because it receives income from other sources. Then the money is divided between three or four partners, as the case may be, and each one of them who has received an income of more than 2 lakhs 50 thousand will have to pay 4 annas as super-tax over and above what was charged at the head. That is to say, the same individual has to pay on the same

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amount six annas. It has been accepted as a rule, and it is a very sound rule, that if a man pays income-tax at one place he need not pay it again in another in the same year on the same income. I merely want that principle to be extended to super-tax. We represented this matter before the Joint Committee. The Joint Committee, however, thought that as the persons who are likely to be affected are very few and as they are very rich persons, they need not extend the principle of justice and fairness to these rich persons. I say, Sir, that if the poor has a right to justice, the rich has an equal right to justice, and that is why I have come before this House with this amendment. The amendment merely says, if I may put it in ordinary language, that a party who has paid super-tax in one or two private companies should not be asked to pay the same over again. I want that only 4 annas should be charged. He should only get any exemption if he has to pay more than 4 annas to the extent of the super-tax charged on his holding in the company. I think my proposal is a fair one, and I hope the House and the Honourable the Finance Member will accept it.

THE HONOURABLE SIR ALEXANDER MURRAY: Sir, the Honourable Mover of this amendment has stated the position very fairly, but if you can spare me a few minutes, I will state the other point of view as we saw it in the Joint Committee. Under the first Indian Super-tax Act of 1917, super-tax at the sliding scale was imposed on the incomes of companies in excess of Rs. 50,000 excepting amounts paid away in dividends and after deducting an allowance of one-tenth of the income; that is to say, the super-tax in those days on companies was on the undivided profits less 10 per cent. Everybody objected to the incidence of that tax with the result that by the Super-tax Act of 1920, the 1917 Act was repealed, and the taxable income of a company for super-tax was made the same as that for income-tax and a super-tax at a flat rate of one anna in the rupee was levied upon the taxable income of every company excepting the first Rs. 50,000. When that Bill was under discussion the very objections now put forward by the Honourable Mr. Lalubhai Samaldas were put forward then. The Honourable Sir Malcolm Hailey, who was then Finance Member also, in moving that the Bill be referred to a Select Committee, said that the main purport of the Bill was to substitute a super-tax at a flat rate of one anna on the income of companies for the then rate of 1 to 3 annas on their undivided profits. He then referred to the reproach that they were departing from the true principle of super-tax, which is taxation of the individual, but he said that the old tax was admittedly undesirable, and that they were under an obligation to amend it, but could not afford to forego the revenue which companies brought in under the head of super-tax. He further stated that the new form of taxation involved in some cases a payment of both kinds of super-tax, but he could not agree that this would be an undue hardship. Further discussions on the same lines took place when the Bill was being passed into law. I have here sufficient quotations from the speech of the Honourable Member to justify his attitude, but I will not detain the Council at this late hour.

Since the 1920 Bill became law, one or two companies have raised the point that it is unfair to levy super-tax more than once on income derived from companies. The Government of India, however, have not given much encouragement to the suggestion that the basis of assessing companies to super-tax should be changed. Their main objection is that

a limited liability company enjoys certain advantages of corporate capital and defined liability, and it is in respect of these privileges that it is being taxed at this flat rate of one anna in the rupee. Immediately after the Indian Super-tax Bill of 1920 became law, a tax pretty similar, called the Corporation tax, was introduced in the United Kingdom. That tax was the first tax that I know of at Home that went away from the principle of the taxation of the individual and ultimate receiver of the income. In some ways the Corporation tax at Home and the tax on companies in this country are very similar, with this difference however that in England, dividends received from a company that has already paid this Corporation tax of one anna in the rupee are not again liable to that tax in the hands of another company. That is what my Honourable Friend, the Mover of this amendment, has suggested we ought to do in this country; that is, not to tax companies twice in respect of the same income. There is, however, a distinct difference between the practice at Home and the practice here. First of all, the allowance at Home in respect only of the first company that pays the Corporation tax is only £500, but here the allowance for each company that pays the super-tax of one anna is half a lakh of rupees. Further at Home debenture interest is not allowed as a good deduction, and the amount that can be deducted as remuneration to Directors or Managers is also limited. For these amongst other reasons the Government of India have so far refused to alter the basis of taxation on Indian companies.

The question came up for discussion before the All-India Income-tax Committee that sat at Simla last July, but the Committee considered that there should be no alteration, more particularly in view of the loss of income involved. The matter again came up for discussion before the Joint Committee here last month, and the Committee expressed the opinion that the provisions of the Bill and the present Act should be retained, but that, if the rate of this tax is to be enhanced in future, the Government of India should consider whether the whole basis of the method of assessment does not require revision. The Joint Committee felt that so long as the rate on companies did not exceed one anna in the rupee, and so long as the first Rs. 50,000 was allowed as a deduction to every company paying the tax, and so long as debenture interest and full Managers' commissions and Directors' fees were allowed to be deducted, there was no special urgency in revising the method of assessment, and in any event there was no alternative suggestion put before the Committee to recoup the loss of tax that would undoubtedly be incurred by giving the concession that has been asked for by the Honourable the Mover of the amendment. It was for these reasons that the Committee on the whole felt that no change ought to be made now in the existing law. But I would just remind the Honourable Mover of the amendment that the Government of India have recognised that in the event of this company tax being materially increased, it will be necessary to reconsider the whole basis of taxation of companies. In the circumstances, Sir, I beg to oppose the amendment.

THE HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, this amendment has got no sympathy from me, because the income-tax payers have always been treated lightly, and as long as they are not taxed up to agriculturists, I would always ask that they should be taxed in one way or the other. For this reason, I am against the amendment.

THE HONOURABLE SIR MALCOLM HAILEY: Sir, when the Honourable Mr. Lalubhai Samaldas spoke of this Bill as one the primary object of

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which was to attain correct assessment and ease of collection, I did not expect to see him come forward with a proposition which would have a result of going far beyond the original purpose of the Bill, the result, namely, of relieving certain wealthy individuals and certain wealthy companies of part of the taxation they have now to pay. Throughout the Bill we have done nothing in order to benefit ourselves by increasing our revenues, and we very naturally deprecate, that anybody should take the opportunity of our bringing forward a Bill of procedure and assessment, in order to benefit or relieve any class of the community of a substantial part of their present taxation. The Honourable Mover spoke of the unanimity of the Select Committee of which he was a member. He agreed, I understand, then, with this proposition of the Committee:

'We are of opinion that the provisions of the Bill and the present Act should be retained but that if the rate of this tax is to be enhanced in future the Government of India should consider whether the whole basis of the method of assessment does not require revision.'

Since then, apparently, the claims of assesseees to whom I have referred have been too strong with my Friend, and he has decided to introduce this amendment. Finally, he has elsewhere appealed to us not to differ from the other House. But this amendment, not perhaps in an identical form as I shall point out afterwards, but in purport the same, was introduced in the other House and I am justified in saying that it was withdrawn because no one seemed likely to sympathise with it. Sir Alexander Murray has given, if I may say so, with admirable lucidity and precision the reasons for which the Select Committee came to the decision I have read, reasons which are fully accepted by Government. I do not, therefore, wish to go into the history of the case again. Let me merely repeat that this particular form of tax, the flat company tax as it may be called, takes the place of an assessment to a graded super-tax of the undistributed profits of companies. The companies themselves objected to that form of assessment, and it was at their instance that we introduced the flat super-tax. Apparently some companies now repent of their representations to us and desire that we should introduce another variation that will assist the richer holding companies to escape part of the taxation falling on them.

The HONOURABLE MR. LALUBHAI SAMALDAS: Unfair.

The HONOURABLE SIR MALCOLM HAILEY: Is it really unfair? Why is it that we put this tax on companies? Because they enjoy the protection of the law in respect of their limited liability, and they enjoy all the advantages of the market in regard to their corporate capacity for raising money. Each of the companies connected with the holding company enjoys these facilities and are individually rightly taxed in respect of those facilities. It seems to me immaterial where the profits of a company come from; I mean that your company may, if it likes, put its money in any other company, or it may put it in an industrial concern such as a factory. If it puts it into an industrial concern, not a company, then the receipts from that concern, of course, would be charged to income-tax. Why should not receipts from investments in any other company be equally charged with company tax? I take a second point. The Honourable Mover puts forward the proposition that holding companies should be given the full benefit of any tax that has been charged on what I might call a subordinate company. Does he really propose that if we do this we should continue to give those subordinate companies all the advantages which the law at present secures

to them, namely, that they should, first of all, deduct Rs. 50,000, that they should deduct all their fixed charges, mortgages, debentures and the like? If we acceded to his proposition we should have to make a radical alteration of the law in order to protect ourselves from loss. We should have to withdraw entirely, as they have withdrawn in England—(it would be more correct to say that they have never granted in England) those advantages which the companies enjoy under our present law, and the general withdrawal of those concessions would not be of advantage to poorer companies. But let me point out, that he goes much further still. The original proposition that was discussed by the Select Committee referred only to protection of a holding company in respect of taxation that already paid in regard to the profits of what I have called subordinate company. What he now proposes is this, that in assessing super-tax to be paid by an individual, that individual should receive a concession in regard to dividends which have been received from a company or companies charged to our company tax. He does not therefore only propose to exempt the holding company; his charity, or his disregard of the interests of the general taxpayer goes very much further indeed. He proposes to give a concession to the individual holding shares in the holding or 'subordinate' company. We tax an individual as individual to super-tax, and we tax a company as company at a flat rate. So, the individual is apparently to get a concession which he has never had, which we have never hitherto contemplated, which could not have been granted under the original law under which undistributed profits of a company were taxed. Is that a reasonable proposition, Sir? I might almost say that we might, if we accepted this proposal, have to abandon our super-tax on companies altogether; it will hardly be worth keeping. I, on the part of the Government and on behalf of the general taxpayer, am at all events not prepared to agree to so wide a proposition, so detrimental to the general taxpayer. I believe that the company is at present much more favourably situated than were companies under our old law which imposed a graded super-tax on their undistributed profits. I ask the Honourable Member to point out a single company which is proportionately more heavily taxed under this procedure than under the old procedure. Indeed, I might almost go further and challenge him to point out a company which has not profited by our present procedure, as against the old procedure. For these reasons I fully assented to the proposition as it was put forward by the Select Committee. Our taxation on companies is by no means heavy. I quite agree that if the flat rate is at any time increased we might have to reconsider the position, in the light of the fact that the holding companies might have to pay a really heavy tax. But I maintain on behalf of the general taxpayer that there is at present in view of the pitch of the present tax,—there is, in the circumstances as they now stand,—no reason why we should reconsider the position.

The HONOURABLE THE PRESIDENT: The question is:

'That at the end of clause 55 of the Bill, the following words be added, namely:—

'Provided further that where the profits and gains of a company have been assessed to super-tax, exemption shall be made of the amount of super-tax in assessing the super-tax to be paid by another company or individual holding shares in the first company in respect of the amount of dividend received by the holding company or individual.'

The motion was negatived.

Clause 55 was added to the Bill.

The Council then adjourned for Lunch till three of the Clock.

The Council reassembled after Lunch at Three of the Clock. The Honourable the President was in the Chair.

BILLS PASSED BY THE LEGISLATIVE ASSEMBLY.

The SECRETARY OF THE COUNCIL: Sir, in accordance with rule 25 of the Indian Legislative Rules, I lay on the table the Bills which were passed by the Legislative Assembly at its meeting of the 22nd February 1922. They are as follows:

- (1) A Bill further to amend the Indian Limitation Act, 1908.
- (2) A Bill further to amend the Provincial Small Cause Courts Act, 1887, and the Code of Civil Procedure, 1908, in order to provide for the award of costs by way of damages in respect of false or vexatious claims or defences in civil suits or proceedings.
- (3) A Bill to establish and incorporate a unitary teaching and residential University at Delhi.

GOVERNOR GENERAL'S ASSENT TO CERTAIN BILLS.

The SECRETARY OF THE COUNCIL: Sir, information has been received that His Excellency has been pleased to grant assent to the following Bills:

- (1) The Special Laws Repeal Act, 1922.
- (2) The Indian Criminal Law Amendment Repealing Act, 1922.

INDIAN INCOME-TAX BILL—(contd.).

The Bill to consolidate and amend the law relating to Income-tax and Super-tax, as passed by the Legislative Assembly, was then taken up for further consideration.

Clauses 56, 57, 58 and 59 were added to the Bill.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I hope that I shall not rouse the ire of the Honourable the Finance Member as I did on a previous occasion. He waxed eloquent on my bringing up the amendment to oblige friends. He would on the same principle be more correct in saying that I refer to this matter on personal grounds, as I am interested in some feeder railways which are affected by the levy of super-tax. When we speak here on these clauses we do not do so on personal grounds or on grounds of charity or on grounds of unfairness to the general taxpayer. We only want justice and fairness, and I am sorry that the Honourable the Finance Member attributed these motives to me when he said that I was speaking on behalf of a particular party.

Clause 60 was considered by us in the Joint Committee, and it was said that the question of the levy of super-tax on the profits of feeder railway companies could not be taken up by the Committee and that it should be taken up later on by the Department. The feeder railways have not

usually been able to declare big dividends. As a matter of fact, to attract money for the feeder railways, the Government have to give a guarantee. The guarantee that Government give is not now sufficient to attract capital, and I believe there are proposals to the effect that, unless the guaranteed interest is raised to something near what the Government borrows at, it would not be possible to attract money for feeder railways. To levy super-tax merely because of the total amount of the annual income of a feeder railway does no harm to the shareholders of such Railway Companies. The bigger the feeder railway, the greater the harm. I shall give a hypothetical case—suppose a big feeder railway earns 5 per cent. on 50 lakhs. That is, it makes 2 lakhs 50 thousand, and it would be liable to super-tax, although after paying super-tax it shall not be able to declare a dividend of 5 per cent. I want the Finance Minister to consider this question when he takes up the general question of feeder railways and also the question of increasing or decreasing the super-tax.

The HONOURABLE SIR MALCOLM HAILEY: I may say, Sir, that the Honourable Mr. Lalubhai Samaldas knows me too well and if I may say so we are too good friends for him really to take umbrage at any little point I make against him in debate, just as I should never think of taking umbrage at any point that he may make against me.

With regard to this particular point, it will be agreed, I think, that the matter which he has raised really lies outside the Income-tax Bill. It really concerns our relations with the railways which have been constructed on branch line terms. We are considering that as a separate matter, and we shall give the point which he has referred to our very best consideration. Further, I need hardly say that when any question comes up of revising those terms, we shall also take this particular point into consideration.

Clauses 60, 61, 62, 63, 64, 65, 66, 67 and 68, the Schedule, the Preamble and the Title were added to the Bill.

The HONOURABLE MR. E. M. COOK: I beg to move:

'That the Bill, as passed by the Legislative Assembly and amended by the Council of State, be passed.'

The HONOURABLE SIR MALCOLM HAILEY: Before you proceed, Sir, to put this motion to the House, I desire with your permission to address a few brief remarks to the Council in connection with the Bill which has now reached its final stage. It has been welcomed on two different grounds in the Council to-day. It was welcomed by Sir Umar Hayat Khan on the ground that it placed a substantial burden on persons other than agriculturists. We have, however, claimed ourselves that this was not a taxation measure at all, but a measure of procedure and assessment only, and I am afraid I must assure the Honourable Member that, much as he may desire to raise taxation on those who gain their living by commerce and not by agriculture, this Bill does nothing to forward his ambition. I mention the point, Sir, because I think I can convey to him at the same time a little comfort. He said that the main burden of taxation fell on the agriculturists and that the proportion of the general taxation falling on the country paid by other classes is far too small. I am not going to state that the agriculturist does not still pay more than other classes, but the figures are to a certain extent reassuring from his point of view. The amount of money raised in land-revenue throughout India in 1920-21 was 35 crores; the amount raised by income-tax and super-tax was 22 crores; so that I think he will agree with me that other

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classes are also doing something in the interests of the State. But, Sir, the Bill has also been welcomed on other grounds, grounds which are more directly in consonance with the views with which we put it forward. The Honourable Mr. Lalubhai Samaldas and Sir Dinshaw Wacha welcomed it on the ground that it did really tend to greater correctness of assessment and greater ease of collection. That, Sir, is what we set out to obtain. The House knows well the history of this Bill. Some of our Legislative Acts are framed entirely in the Secretariat, and are the product of purely official energy; this is emphatically not one of that class. When we realised that the old Act needed revision, we set to work in a spirit which has I think commended itself to the House. We first of all assembled non-official committees in each of the provinces, and the case was thoroughly discussed with them. They sent up their representatives to a central committee sitting in Simla. The case was discussed by us with that central committee. Then, Sir, when the Bill was framed and introduced, it was discussed in a Joint Committee which had before it the views of all commercial bodies who had in the meanwhile been consulted. The Joint Committee itself was very largely non-official, and it was presided over by a distinguished non-official, an eminent authority in Income-tax law and procedure. That is how we have arrived at this Bill, and I should be only too glad if in practice it achieves the purpose which we set before ourselves, namely, to make the administration of this important part of our taxation easier for the tax-payer, simpler for ourselves, and as a Government measure designed to raise the amount of taxation or to prevent evasions of the law; it has neither been framed nor drafted in that spirit, but it has been forged on the anvil of free debate between Government and those who are most concerned in paying the tax.

The HONOURABLE MR. V. G. KALE: Sir, I support the motion which has been placed before the House. I have great pleasure in doing so because this Bill represents our income-tax machinery in a greatly improved form very different from what it has been in the past. The success of the income-tax machinery represents the progress of the country so far as the economic condition of the people is concerned. My Honourable Friend, Sir Umar Hayat Khan, pointed out that under the Income-tax Act a larger amount of money is being taken now from the non-agricultural classes, and he noted this fact with very great pleasure. But the reason why more money is being taken out of these non-agricultural classes than before lies mainly in the fact that India has been progressing very rapidly in matters of commerce and industries. There was a time when half or one-third of the total revenue of the Government in India came from the land. From the present position of the finances of Governments in India it will be found that land-revenue is only 1.7th of the total revenue of the country taken as a whole. Now, why this difference? The difference is due entirely to the fact that we have now more industries and larger industries, and commerce is carried on on a much larger scale. India is no longer an entirely agricultural country, but it is becoming partly a manufacturing and a commercial country. Certain classes of people are earning huge profits and getting large incomes by foreign and internal commerce and by large-scale industries. It will be realised that while about 2 to 3 lakhs of people pay an amount of 22 crores of rupees by way of income-tax, I may say that about 5 crores of people pay only 35 crores. Taking the agricultural population of the country at, say, 21 crores in British India and taking 5 persons

in a family, I may say that there are five crores of heads of agricultural families, and between them, these five crores of people pay 35 crores of rupees, so that each family pays about Rs. 7. On the other hand, so far as the income-tax is concerned, about 2½ lakhs or 3 lakhs of persons are paying 22 crores of rupees. Now this difference represents, as I have said, the industrial progress that the country is making, and I welcome this Bill because it shows the directions in which we are advancing. The Bill embodies a great improvement upon the old machinery of income-tax, and I hope that in years to come we shall get more and more out of this source of revenue. From the point of view of the general tax-payer, I am not sorry that people of wealth and large incomes,—I hope my friend, Mr. Lalubhai, will pardon me for saying that—have to pay larger amounts, and that we are progressing along lines of Western countries. Our income-tax is a tax of the Western type, particularly of the British type, and we are following the fiscal example of England. And if we pursue the British system, many more improvements will have to be introduced, and I am sure they will come in time. Many reforms like the differentiation of incomes, the distinction between 'earned' and 'unearned' incomes and exemptions of various kinds, are bound to come. However, at the stage which we in this country have reached in our economic development, I very heartily welcome this Bill and I support the motion.

The HONOURABLE MR. H. MONCRIEFF SMITH: Sir, I should like to take this opportunity to correct a mistake into which I inadvertently fell this morning. My Honourable Friend, Raja Promoda Nath Roy, asked a question as to the effect of a portion of the definition of 'agricultural income' which appears in clause 2 of the Bill. Unfortunately, Sir, I only heard a very small part of his question. I understood him to refer to the winnowing of grain by a cultivator before he took his grain to the market, and I told him that, in my opinion, any income derived from the performance of such a process would not be liable to tax. In the interval, however, I have been supplied with a transcript of the Honourable Raja Promoda Nath Roy's remarks, and I should like to remove any misapprehension which may have been caused by what I said. I find that he was referring to the use of machines for turning sugar-cane into sugar and of machines for husking rice and to the sale of rice after it has been husked with the aid of machinery. These are matters for the Income-tax Courts and the income-tax authorities to decide, but if I am asked for an opinion, I should say that these are not processes ordinarily used by a cultivator for the purpose of rendering his produce fit for the market. Under these circumstances, I think profits derived from such processes would be liable to the tax.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, during the debate I had already welcomed the Bill for this purpose; that at any rate, it has made a beginning, and that is very gratifying, because, if it has begun to go in a direction, it can be developed. I hope that in course of years it will be further developed. Again I welcome the Bill, Sir, because it is said that we agriculturists do not pay a sufficient amount. Sir, any man who is born in the country at any rate has his right to eat a sufficient amount so as to live. Supposing a man has got only 10 *bighas* of land. From those 10 *bighas* he cannot possibly.

The HONOURABLE THE PRESIDENT: Order, order. The Honourable Member is again becoming irrelevant. I have given him much latitude in this debate, but he cannot raise such questions here. This is a Bill dealing with income-tax and super-tax.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: I would not say anything more, Sir.

The HONOURABLE THE PRESIDENT: The question is:

'That the Bill to consolidate and amend the law relating to Income-tax and Super-tax, as passed by the Legislative Assembly and amended by the Council of State, be passed.'

The motion was adopted.

RESOLUTION RE RIGHT HONOURABLE WINSTON CHURCHILL'S SPEECH AT THE EAST AFRICAN DINNER ON THE STATUS OF INDIANS IN EAST AFRICA.

The HONOURABLE THE PRESIDENT: With reference to the next business on the paper, viz., the Resolution to be moved by the Honourable Mr. Lalubhai Samaldas:

'That this Council recommends to the Governor General in Council that he should communicate to the Right Honourable the Secretary of State for India the strong feeling of resentment aroused in this Council and in the country generally by the speech of the Right Honourable Winston Churchill delivered at the East African dinner in London, and that in the opinion of this Council any further restriction on Indian immigration into East Africa, or any differentiation against Indians as such with regard either to the ownership of land or the franchise, or any extension of such differential treatment to Indians in the mandated territory of Tanganyika will be inconsistent with the principle underlying the Resolution passed at the last Imperial Conference regarding the status of Indians in the Empire.'

I should like him to explain to me in what manner the last portion of the Resolution differs from the Resolution which was moved and debated at great length in Simla. I see that it was debated on the 22nd of September 1921 and that the debate was finished on the 23rd September, and there were 12 speakers.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, the last portion of my Resolution arises out of the Right Honourable Winston Churchill's speech. I do not want, as far as I possibly can, to go beyond the speech of the Right Honourable Winston Churchill and the points raised therein. I realise that I should not in any way repeat myself or argue the points which I argued in September 1921. I will try my best to confine myself to the Right Honourable Winston Churchill's speech and to some information which I have received thereafter which is new but germane to the point at issue.

The HONOURABLE THE PRESIDENT: In so far as the Honourable Member proposes to re-argue the general case that he argued in September, and in so far as the speech in question raises those points, he cannot be in order. In so far as the matter is new and he is not re-arguing those points which he has argued in September, he is entitled to speak.

The HONOURABLE MR. V. G. KALE: Will it not be permissible, Sir, to make references to the whole situation of Indians in East Africa?

The HONOURABLE THE PRESIDENT: That was argued at great length in September. I think the Honourable Member himself argued it at great length. The standing orders are perfectly clear and strict on the subject. We cannot discuss within one year a Resolution which has already been discussed. I quite admit that it will be difficult to keep Honourable Members to this point, and therefore I trust to them to keep themselves in order. I am sure they will do it.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I beg to move the following Resolution:

'This Council recommends to the Governor General in Council that he should communicate to the Right Honourable the Secretary of State for India the strong feeling of resentment aroused in this Council and in the country generally by the speech of the Right Honourable Winston Churchill delivered at the East African dinner in London, and that in the opinion of this Council any further restriction on Indian immigration into East Africa, or any differentiation against Indians as such with regard either to the ownership of land or the franchise, or any extension of such differential treatment to Indians in the mandated territory of Tanganyika will be inconsistent with the principle underlying the Resolution passed at the last Imperial Conference regarding the status of Indians in the Empire.'

The HONOURABLE THE PRESIDENT: I think I must rule the whole of the latter portion of the Resolution—'and that in the opinion of this Council, etc.' out of order. The Honourable Member can deal with the speech of the Right Honourable Winston Churchill, but I think that all the words from and including 'and that in the opinion of this Council in the Empire' must go out.

The HONOURABLE MR. SETHNA: Sir, in the speech of the Right Honourable Winston Churchill there are points which refer to words in the second part of the Resolution. How can speakers possibly restrict themselves?

The HONOURABLE THE PRESIDENT: I think the Honourable Member has heard my ruling. My ruling is this. Anything arising out of the speech of the Right Honourable Winston Churchill can be referred to. But I will not allow the re-arguing in breach of the Standing Orders of a Resolution which has already been argued at great length in this Council.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I am rather in a difficult position. I will try my best to restrict myself to the points mentioned in the speech of the Right Honourable Winston Churchill, but if at any moment I go a little further, I shall not do so, I can assure you, Sir, in contravention of your ruling, but because it will be difficult even to keep myself entirely within the remarks of the Right Honourable Winston Churchill, without referring to the general question of the East African policy of Government.

The HONOURABLE THE PRESIDENT: I shall not restrict the Honourable Member unduly.

The HONOURABLE MR. LALUBHAI SAMALDAS: Before I refer to the subject-matter of the Resolution, may I ask a direct question of the Honourable Member in charge? A Resolution, as you have observed, Sir, was moved in the Simla Session on the 22nd and 23rd of September. I would like to know what action Government have taken on that Resolution. We have heard rumours and we do not know how far they are justified. So, a definite information on the subject would go to clear any misunderstanding that may have been created.

Coming now to the scope of my Resolution, Sir, I will try not to repeat myself. I have included herein Tanganyika, because the Right Honourable the Secretary of State for the Colonies has said that the question of amalgamation of Kenya with Uganda, Tanganyika and Zanzibar has been delayed solely to bad times rendering it unwise to disturb the existing order. He anticipated in a few years the creation

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of the great East African Federation taking its place in the Empire on equal terms with the great West African Colonies now so prosperous. I have tried to explain why I had included Tanganyika, and the reason why I did not include Uganda and Zanzibar, was that Tanganyika was a mandated territory while Uganda and Zanzibar were not. I will, however, confine myself to what the Right Honourable Winston Churchill said and what followed thereafter. The Right Honourable Winston Churchill said 'East African Federation'. He did not say what sort of Federation. But Lord Delamere who followed him says it very clearly that what the Right Honourable Winston Churchill meant was a 'white colony with the gradual evolution of Self-Government'. His words are these:—

'Lord Delamere representing the European settlers, replying to Mr. Churchill, expressed pleasure at Mr. Churchill's confirmation of the constitution of Kenya as a white colony with the gradual evolution of Self-Government.'

He then went on and said that he hoped that the control of Indian emigration would mean its practical prohibition. That is the reason why, Sir, I had included the question of Indian emigration, because Lord Delamere's care was necessary to see that Western ideals and Government were not swamped by the ideals of another civilisation. Sir, I do not want to use any strong language, but when we are reminded in season and out of season that the ideals of Western civilisation are higher than those of the Eastern civilisation, may I say that a majority of my countrymen believe that the ideals of Western civilisation are material and are not up to the mark as the ideals of Eastern civilisation, that we in the East have been more spiritual and less material than the West, and if anything, we do not like to have the material ideals of Western civilisation but like much better the ideals of Eastern civilisation. Merely to have been told that would not however have mattered much. What causes pain is that it is used as a bar to the entry of the Indians to East Africa. A pure academic discussion does not help us much. Here there are definite proposals made by the Right Honourable Winston Churchill which were sent to me confidentially by the East African Indian Congress,—but they have been now published by Mr. Andrews and so I need not treat them as confidential,—where the question of immigration has been, if I may use the word, camouflaged. Saying that there would be equality for the Indian immigrants and the European immigrants, they are now laying down special restrictions. Till now an Indian immigrant was paying, I speak subject to correction, about Rs. 100 as a deposit before he was allowed to get in. He was not required to have a knowledge of English. The new rules say that the immigration regulations for Indians should be made the same as for Europeans. So far it looks as if we are to be on an equality with the Europeans. But when we go into the details, I hope the Council will see how it affects the immigration of the Indians because the rule lays down in addition to the existing amount of deposit further money deposit of florins 375, which may be increased to 500 florins, an educational test similar to that required for admission to the electoral roll and that there should be provision against fraud. We all agree that we are prepared to have all effective provision against fraud. But when it is said that the educational test shall be the same as that required for the electoral roll I must refer to the electoral roll test. That test is a reasonable knowledge of written and spoken English. I want to put it to

the Council whether they realise the hardship to the Indians who are now in that country. I will take one or two specific cases. It is just possible that the wife of one of the biggest Indians there like Mr. Jeevanji or Mr. Abdul Rasul may not know English. Is she always to be prohibited from entering that country? Is that the test to be laid down? If the test is to be a literacy test it ought to be one in one's own language. If an English settler comes, is he required to know two languages? Why should a man going from this country to that place know not only his own vernacular but also another language, namely, the English language? Therefore while to all appearances it may appear that equality was given, in actual practice it is not equality but it is hardship. Then it may be said, as I have been asked by many of my friends to-day, if a European immigrant pays 500 florins why should not an Indian immigrant pay the same? This sounds at first sight quite plausible. I have been told by a gentleman who had been in East Africa that the deposit money required from either an Indian immigrant or an English immigrant is required to enable the Government to repatriate the man.

An Indian immigrant does not require more than Rs. 100 because he is about one-third nearer to Kenya than the English immigrant would be. I am not quite sure about the figures, but I take it that the distance from Kenya to England will be about three times the distance from that place from India, I am taking Bombay as the centre, for India. Is there any reason, therefore, for laying down this condition under the name of equality of status? The Right Honourable the Secretary of State for the Colonies goes much further than this, and I do not know whether he will now stick to the rules which were given out by Sir Edward Northey under his instructions, as I have been told. The Secretary of State for the Colonies says:

'The interests of British settlers and native population alike require that the future immigration of Indians should be strictly regulated, and the Rhodes principle,

by which is meant I believe equality for all civilised people, and equality for all civilised people means knowledge of English language *plus* 500 florins,

'should rule in respect of the immigration laws as in other laws all of which would be'

and here I should like to draw the attention of the Council to this phrase:

'all of which would be subject to the closest consultation between the official Government and the existing residents.'

Of course, the Right Honourable the Secretary of State for the Colonies has not said what he meant by the existing residents. But reading between the lines it is not very difficult to say that by the existing residents he meant the European settlers only. Are we then to have no voice even in settling these terms and rules for immigrants? Would the Right Honourable gentleman, Mr. Winston Churchill, in spite of this speech of his—I do not wish to use any adjective to characterise it—would he try to be as fair to the Indians as he could possibly be? Is he always to consult the existing residents, that is the European settlers, and get their consent before the final rules are framed? That is a point which I want the Council to very carefully consider and say definitely whether they want that our people in that country should have a voice at the time of settling the rules for immigration. Sir, the Right Honourable Winston Churchill proceeded to emphasise in these words,—these are Reuter's words, and I take it that the telegram correctly represents his views—emphasise the fact that the Highlands of East Africa should be reserved exclusively for the European

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settlers. That has been done and there is absolutely no land, according to my information, which could be given to any one. All the lands are in the hands of the Highlanders, but he goes on to say that the position must be regarded as final. I hope I am speaking for all my countrymen when I say that we do not want it to be considered as final. We will go on fighting and fighting, fighting not in the sense that we will send our army there to fight, but fighting in the Council, putting pressure through the Government of India and the Secretary of State for India, on the Secretary of State for the Colonies and the Cabinet till this wrong has been righted. I shall not go into the history of the Highlands and how they were reserved. It has been said that it was discussed at the last Session and I need not refer to it, but from that debate and those which have followed it, it will appear that the question now is not the grant of the Highlands to the Indians, but only the grant of the right of transfer which we know has been refused. An Englishman who had lands granted to him for Rs. 1,700 was able to sell it to an Indian for Rs. 82,500. Naturally he wanted to make money. Our men are prepared to pay the price and yet the Government there state that this is not an opportune time for considering the question of granting them lands in the Highlands. An area of land suitable for Indian settlement roughly in the area lying between Voi and the Vatta plains has been ordered to be set aside for Indian ownerships with exactly similar restrictions against European ownership. My countrymen there have refused to accept these terms and they do not want to prevent Europeans coming to them. As an instance of what I have said that they do not want to boycott Europeans I shall refer to the opening ceremony of the Khoja Jamatkhana at Nairobi. The Governor was invited. Not only was the Governor invited, but also the European settlers and they were all prepared to meet Indians on equal social terms. If that spirit is continued, and I do not see why it should not, perhaps the whole problem will solve itself. But when Ministers of the Crown make such wild speeches which in one sense give false hopes to the European settlers and at the same time depress the Indian settlers, then the trouble arises. I want, Sir, that the Government of India should represent, as strongly as they possibly can, the matter. With all due apologies to the Honourable Member in charge, I must say that the telegram which was sent after the Resolution in the Assembly was more of an apologetic nature, and it looked as if the Government of India were trying to find some excuse for listening to that debate. That is not at all what I want. I want the Government of India to adopt a tone, not a mandatory tone, of firmness and tell the Secretary of State and through him the Cabinet and the Secretary of State for the Colonies that Indians will not rest satisfied till they get all the rights for which promises have been given. In my Resolution I want the Governor General in Council to communicate to the Right Honourable the Secretary of State the strong feeling of resentment in India. No one who has read any Indian paper or even sober and moderate English papers like the 'Times of India' will fail to realise that there is a strong feeling of resentment in the country. I believe the resentment is not confined to my countrymen. I think it must also be in the minds of many Englishmen who view this question impartially. It appears, moreover, that two important bodies, the Indian Merchants Chamber and Bureau and the Imperial Indian Citizenship Association have sent wires to the Prime Minister and the Secretary of State. They appeared in the Indian papers and I do not want to read them again. That would show the strength and the bitterness of the feeling in the minds of my

countrymen here. As a result of this Mr. Andrews who has been to East Africa, who has seen the country and knows the people, has actually advised the Indians in East Africa to reject the interim proposals. We wired to them some months back that it will be better for them to accept the interim proposals, of course taking it for granted that they do not give up the right of fighting for other rights. They are reasonable men. I want to show to the House how very reasonable they were. Although they had made up their minds not to accept the interim proposals, on the advice of the Government of India and on our advice they accepted these proposals. But after the speech of the Right Honourable Winston Churchill they are not going to accept them. I have received a letter and with your permission I shall read a portion:—

'We have received to-day very much depressing news as regards the Indian policy in Kenya which has been announced by Mr. Churchill at the East African dinner. You must have heard about it also. The position is really critical, nay, dangerous, and we have received information from our delegation in London to the effect that they are trying hard to stop confirmation of this announcement by the Cabinet. We are, however, of the opinion that Mr. Churchill will win the day and Mr. Montagu will be unable to stand or get the majority in his favour in the Cabinet.'

How much they were justified in coming to that decision one cannot say, but this is the information which they have received from their representatives in England. Their representatives have not been idle. Their deputation there has forwarded to Mr. Churchill a strong protest. When I say in my Resolution that there is a strong feeling of resentment in this country and Council, I am merely stating the facts. It may be said that this is not a general resentment in the minds of the people in East Africa and that it is due to political agitation here. I have got here a letter an extract from which I just read to show that this is not due either to the non-co-operation movement or to the political agitation in the country, but that it is due to the genuine feeling in that country. It appears that the Right Honourable Winston Churchill's proposal about the amalgamation of the various divisions of East Africa including the mandatory territories of Tanganyika is likely to fructify soon, because Europeans there have asked for reservation of certain lands and my countrymen there have sent a telegram to the Governor of Tanganyika objecting to any reservation. This is the telegram sent by the General Secretary to the Congress to Sir E. H. Byatt, Governor of Tanganyika:

'Strongly protest against settlers petition reservation of Arusha Highlands for Europeans. Trust your Excellency would not listen.'

The remarks about amalgamation of all parts of East Africa were perhaps made by the Secretary of State for the Colonies to find out how far he could go in this matter. He said in his second speech that he had not consulted the Cabinet and the Right Honourable the Secretary of State for India said the same thing. To tell the truth, I myself was not satisfied with what the Secretary of State for India said. We expected him to stand out for the rights of the Indians. What does he say? He says that he is hopeful to see that the proposals will be modified. Can he not go a step further and say that India will stand by her rights? He merely said that he devoutly hoped that some way would be found of accommodating the views of Mr. Winston Churchill to the policy announced by the Government. That means a compromise, but we do not want a compromise, Sir. We want to stand by our rights; we want to assist our brethren who have gone there as much as we possibly can. It is a debt that we owe to the people who have gone there and who are now suffering innumerable difficulties. Some of us probably do not realise the trouble that they are put to.

[Mr. Lalubhai Samaldas.]

I now come to Mr. Churchill's second speech. Were it not for the unreasoning attitude he has adopted throughout in this matter, I would not have referred to his second speech which one Indian paper calls as 'unrepentant'. He is not still seeing that he has made a mistake. He still thinks that he will be able to bring round the Secretary of State for India to his point of view. It is rather strange, Sir, that these views should come from a Minister who, when he went to East Africa in 1907, recognised the good work that the Indians had done there. In his second speech, Sir, another addition has been made by Earl of Winterton about the third party to the contract meaning thereby the Natives. I ask, Sir, whether Lord Elgin, Lord Milner or the Right Honourable Winston Churchill had been at all careful regarding the interests of the Natives of that place in giving away the lands on the Highland to European settlers, at a low price and now to talk of the Indians coming there and taking precedence over the Englishmen or the Natives is, I think, the worst possible thing that a Minister of his position can do.

Sir, I shall now refer only to two small extracts. In 1918 at the Imperial War Conference, Sir S. P. (now the Right Honourable Lord) Sinha quoted from my late lamented friend, Mr. Gokhale.

The late Mr. Gokhale was speaking to the European community in Pretoria, and I now make the same appeal to the British Cabinet in England.

Mr. Gokhale said:

'You have all the power, and yours, therefore, is the responsibility for the manner in which the affairs of this land are administered. You owe it to your good name, you owe it to your civilization, you owe it to the Empire of which you are a part and whose flag stands for opportunities, for progress for all who live under its protection, that your administration should be such that you can justify it in the eyes of the civilized world.'

That is a speech which I would commend to the Right Honourable Winston Churchill and to the British Cabinet.

I have only one word more, Sir, and I have done. It is not only we who desire that there should be unity, and it is not only the Dominions that desire for unity. I want to make it quite clear here that, whatever arrangements we have made or we may have to make with the Dominions, we have nothing to do with the Crown Colonies. They stand apart by themselves, and we have every right to expect the British Cabinet and the Secretary of State for the Colonies not to allow the Crown Colonies to be created into a Dominion.

Sir, in 1907, in reply to the address given to His Majesty the King-Emperor by the War Conference, His Majesty said:

'It is fitting also that I should here specially refer to the munificent gifts of money made towards the expenses of the War by the Government, Princes and Peoples of India. May this comradeship in the field, this community of suffering and sacrifice, draw together still closer than ever all parts of my Possessions establishing fresh bonds of union that will endure to our mutual advantage long after the War and its horrors have passed away.'

His Majesty does not of course exclude India. He could not have wished it. But now that the War has been won, are we to be treated once more as serfs and not as equals? I appeal to the Secretary of State through this Chamber, and through the Secretary of State, to the British Cabinet to see that the appeal made and the hope expressed by His Majesty the King-Emperor is justified and nothing is done to go against the wishes expressed

by His Majesty. With these words, Sir, I commend this Resolution to the Council.

The HONOURABLE MR. SETHNA: Sir, may I now be permitted to move the amendment of which I gave notice this morning?

The HONOURABLE THE PRESIDENT: No.

The HONOURABLE MR. SETHNA: If it is your ruling that we should not cover the same ground as was covered in the Simla debate, I shall try to adhere to it as closely as possible, though I understand it will be very difficult to lay down a correct line of demarcation. The Honourable Mover observed that very considerable resentment has been caused in this country by the very ill-advised speech of the Right Honourable Winston Churchill. Mr. Churchill has urged that the points he made out at that banquet must be considered as final. If they are to be treated as final, it means that Great Britain will have to go back on its pledged word. Great Britain, in accordance with the Resolution passed at the last Imperial Conference, has solemnly pledged herself to recognise the principle of equality for Indians. If, therefore, she now falters from that decision, it will be tantamount to an act of betrayal. We very often hear the talk of raising the Indian to equal partnership in the Empire, but when it comes to practising what is preached, we find that the reactionaries of the type of the Right Honourable Winston Churchill are prepared to lay down principles for the rigid exclusion and the cruel oppression of all Indians lawfully residing in a Colony where they had settled long before any British settler had proceeded there. Sir, Kenya is not a South African Dominion. Kenya is a Protectorate, and therefore if the British Government fails to enforce its pledged word in regard to a country which it governs, I am certain all right-thinking Englishmen will deplore the consequence thereof in a country like India, firstly, because British prestige will very considerably suffer, and secondly, because it will tend to aggravate, and aggravate greatly, the present discontent and disaffection that prevails in the land. In regard to this matter, we are indeed very grateful, nay more than grateful, to the Government of India as well as to the Secretary of State for the very bold and vigorous stand they have taken up, and I am sure the hands of Government here and at Home will be very greatly strengthened if my English non-official friends, none of whom I am sorry to find are present at this very moment, but I hope they will turn up, will not only support this Resolution by their votes, but also by their speeches, because if they do so they will go a long way to convince British statesmen at Home that Englishmen out here, because of their first-hand knowledge of the conditions in this country, do not approve of what has been said by Mr. Churchill and to admit the justice of our claims and recognise the intensity of the discontent which this has brought about. I understand, Sir, that much of the existing conditions in the Colonies prevail because of the majority of Indians who proceed there being what are called coolies. Perhaps conditions may alter as time goes on. But incidentally I would appeal to the Government of India to bring about a change in the direction themselves. I am tempted to quote from paragraph 89 of Lord Esher's report in which the recommendation is made as follows. This is in regard to the granting of land to soldiers who have come back from the war zone:

'We also recommend that the matter of grants of land abroad to deserving Indian officers and soldiers should be kept in view by the Government of India and that if, as seems possible, grants of land in British Guiana or East Africa are to be made to Indian settlers, any deputation sent to these, or other, countries to make inquiries should be accompanied by one or two selected Indian officers.'

[Mr. Sethna.]

I am aware Sir, that one such deputation has gone to Fiji and it is accompanied by an Indian officer, Lieutenant Hissam-ud-Din. I hope the result of his inquiries will enable the Government of India to send out a colony of desirable soldiers to Fiji and particularly to the places where there is so much trouble extended to Indians colonising. Any proposal, Sir, to colonisation as opposed to mere importation of labour will be adaptable in principle to any other colony as in Fiji, and I believe, Sir, that there is no better type of colonists for a tropical country than the Indian officer and soldier who is an agriculturist, and quite different from the coolie and petty trader who are the only types one has hitherto seen in these colonies. Therefore, Sir, if the Government of India itself takes a hand in the matter and sees that a better class of Indians do go, perhaps the solution of the difficulty will be much nearer than is the case at the present moment.

In conclusion, Sir, I would only like to say that what is puzzling us and what we cannot possibly understand, is the attitude of the Right Honourable Winston Churchill, to judge from the speech referred to by the Honourable Mover and to compare it with his own pronouncements, with his own writings, to which reference has been made on previous occasions, and in which he condemns, and condemns in the strongest language possible, the deliberate squeezing out of the native of India from the region in which he has established himself under every security of good faith. And he adds:

'Most of all, we ask, is such a policy possible to the Government which bears sway over 300 millions of our Indian Empire?'

This self-same Mr. Churchill to-day is a member of this self-same Government, and we appeal to him to recall what he said in the past and to adopt an attitude which will bring about a very happy solution of the existing difficulty and remove the contention that exists in connection with this question between India and the Empire.

The HONOURABLE RAJA SIR RAMPAL SINGH: Sir, I rise to associate myself with the Mover of the Resolution. How sad it is that under the dictates of the present day politics, pledges and promises are given only to be cast asunder when the time may suit and justice—pure and simple justice—is denied between man and man on racial grounds. Well, has the renowned Hindi poet Tulashi Das said '*Yadyapi jag darun dukh nana; sabse kathin jati apmana.*' The purport of this couplet is that although there are great many sufferings in the world, the humiliation or the contemptuous treatment of one's race or nation is the worst of all. Sir, it is the duty of this House to declare in unequivocal and emphatic terms that India shall not brook any differential treatment or inequality of status between Indians and Europeans either in India or abroad. I wonder how the Honourable Mr. Winston Churchill, a responsible minister of the Crown, thought it prudent and justifiable to say that the Highlands of Kenya shall remain reserved for the European settlers and the lowlands for the Indians. It was an after dinner speech and perhaps the Right Honourable Minister, in absent-mindedness, wanted to tickle the vanity of the whites in the colony without realising the seriousness of what he was uttering. It was Mr. Churchill himself who in his book '*My African Journey*' has proved beyond a shadow of doubt that the Indians' claim for equality of treatment is based on solid grounds and cannot in any manner be brushed aside by sophistry or agitation. We cannot be too grateful

to Lord Hardinge for the courage and earnestness with which he espoused the cause of the Indians in the colonies and it is gratifying that the Government of Lord Reading is dealing with the question with no less sympathy. The Right Honourable Secretary of State for India has given us assurance by his speech delivered a few days ago that the pronouncement made by the Colonial Secretary was not the decision of the British Cabinet but his own personal view, and that the solution of the question will not be arrived at without the full considerations of the claims of India. That will surely give solace and ease the agitated mind of India, but it should be impressed on the British Cabinet and the Parliament with all the emphasis that this House may command that the maintenance or the forging of racial bars will produce great resentment and indignation in this country and make it a still more congenial soil for the revolutionary ideas, that are being propagated to germinate and bear fruit, poisonous and disastrous to its best interest.

With these words, Sir, I support the Resolution.

The HONOURABLE DIWAN BAHADUR RAMABHADRA NAIDU: Sir, in according my hearty support to the Honourable Mr. Lalubhai Samaldas' Resolution, I shall confine myself to an observation or two. One would have expected that with the famous despatch of His Excellency Lord Hardinge, the Indian question in Africa, East or West, was on a fair way to solution. And with the conclusion of the Great War for the success of which India did her bit, the inequalities of treatment meted out to Indians in the colonies, should have naturally disappeared. On the other hand, persistent attempts are now being made to perpetuate those inequalities and the Imperial Government look on the antics of the Colonials with tolerance, if not with unconcern, on the extremely unconvincing plea that the self-governing dominions and the colonies must be allowed a fair latitude in making their own laws and regulations. We, Indians, can have no objection to a fair latitude being allowed.

Our objection is that the latitude allowed is altogether unfair. No colony or Dominion which owes allegiance to the British flag can be allowed to flout the elementary rights of British citizens to any class of His Majesty's subjects. It is this principle that must be insisted upon by the Imperial Government, but I fear Mr. Winston Churchill is quite oblivious of it and he would still segregate Indians from the white settlers, as if their neighbourhood would detract from the standard of civilization of the latter. Especially in East Africa such a differentiation of treatment can only be characterised as a glaring breach of promise. When our soldiers were fighting the Germans in East Africa and wresting it from them, repeated promises were held out that East Africa would be marked out for an Indian colony, and it was even whispered that it was going to be entrusted to an Indian High Commissioner and all the high officers under him would be Indians.

The HONOURABLE THE PRESIDENT: I do not wish to interrupt the Honourable Member; he is shying from my ruling, though from the manner in which he is delivering his speech, I recognise that he is in a difficult position.

The HONOURABLE DIWAN BAHADUR RAMABHADRA NAIDU: But the performances of the Colonials and of responsible British statesmen since the conclusion of the war have been in a totally different view and the climax was reached by Mr. Churchill's speech at the East African dinner. It is true that Mr. Montagu attempted a refutation of the sentiments of

[Diwan Bahadur Ramabhadra Naidu.]

the Colonial Secretary. But I fear that the Secretary of State for India will not be able to counteract this new move by Mr. Churchill, unless the Imperial Government as a body put their foot down on the attempt. I am ready to acknowledge gratefully the efforts of the Government of India and the Secretary of State to have bare justice done to the claims of Indians as British citizens. But even their united efforts will not avail much against the dead-set made by the Colonials to deprive Indians of what is only their due, unless the British Cabinet join hands with them and teach the colonials a sharp lesson. Resolutions in this Council and professions of good-will to Indians by British politicians are not going to help in the solution of what is called the Indian problem, unless the Imperial Government is made aware of the depth of resentment felt in India at the shabby treatment to which Indians are subjected in the colonies.

The HONOURABLE SIR DINSHAW WACHA: Sir, I am not going to travel over the same grounds which the other speakers have taken, but I generally agree with all that has fallen from my Honourable Friend, Mr. Lallubhai, and with what has been effectively said by Mr. Sethna. I wish, however, that this House will primarily bear in mind that a post-prandial speech by any Minister is not to be taken very seriously, and least of all, by a Minister of the erratic calibre of Mr. Winston Churchill. In fact, I have not taken this speech of his, this post-prandial speech of his, very seriously. I think it was Disraeli who once said (1880) of Lord Hartington that he was a man of 'sound sense', but there were other people in his time who talked nothing but 'earnest nonsense,' and I believe that Mr. Winston Churchill belongs to the latter species. When he was making that speech he was doing nothing more than uttering what Disraeli called 'earnest nonsense' as a Minister. The fact is this that he revels to be in limelight. Political opinions may differ as Lord Morley has observed. They are susceptible of adjustment, not so political temperament which is fundamental. It is fundamental and in the case of the South African trouble, particularly the Kenya trouble, it is a fact that they have been much more a question of political *temperament* than political opinion.—Political temperament in this way, that the White colonists, more or less, are like the Bengal and Bihar planters of the time of the Ilbert Bill, who always boasted that they were superior creatures, made of porcelain clay, whereas they were nothing of the kind. They were all made of the common clay of humanity and there is hardly any difference between the colonies and the Indians in Kenya. I consider, therefore, that Indians anywhere have to stand firm on the common ground of being all common clay and have to show their teeth in order to prove to these boastful white colonists that they are no better. When Indians thus conduct themselves they will bow and kiss them. That would be happening very soon in the case of our countrymen in Kenya. But having said so much I do say that I will not take Mr. Churchill too seriously. Whatever the facts may be, here is the Government of India who have time out of number determinedly taken up the cause of Indians in South Africa. They have formulated, and defined what status the Indians should have, namely, equality of status and other kindred privileges. I, therefore, strongly appeal to my Honourable Friends here to depend more upon the persistent representations of the Government of India than on the limelight harangue of Mr. Churchill. I do not believe that the Cabinet has still and finally decided the question, and I am very sceptic about the ultimatum Mr. Winston Churchill is reported to have announced in that speech to earn some ephemeral kudos from his dinner audience. Again, taking

into consideration that Lord Reading is our Viceroy who has over and over again said that he has come here to see stern justice done between man and man, between European and Indian, I consider that we can take his word as gospel and be fully confident that he will never allow this opportunity to pass but will do all in his power to see justice done to Indians in Kenya and fight out the cause with the Secretary of State in the manner that every Indian unit desires. Let us wish him success and hope that the Government of India will be successful and that we shall have cause to congratulate them. With these words I support the Resolution.

The HONOURABLE RAJA SIR HARNAM SINGH: Sir, the question of India's relation with other parts of the Empire has evoked a good deal of interest in recent years. The subject has produced an amount of bitterness which it is not happy to remember. The treatment meted out to the Indians in British Colonies is contrary to the principles of justice and fairplay which are characteristics of British politics. Serious complaints have been made from time to time of the indignities and oppressions to which the Indians have been subjected in the Colonies.

The recent observations of Mr. Churchill are extremely unfair to the Indians in Kenya, although it is they who have toiled for generations to develop the country. They express a sentiment which is certainly inconsistent with racial equality within the Empire. They violate the Imperial Conference Resolution according to which Indians are supposed to have an equal status with other subjects of the Empire.

It is only natural, therefore, that we take exception to the views expressed by Mr. Churchill, and I take this opportunity to express the strong indignation that I with my fellow Indians feel.

With these few words I support the Resolution.

The HONOURABLE MR. V. G. KALE: I wish I could share the optimism of my revered leader, Sir Dinshaw Wacha, in the matter of this East African question. He has told us that we ought not to take Mr. Churchill very seriously. I know it has been said about Mr. Churchill that he is the spoilt child of the household of the British Cabinet, and therefore his antics and freaks must not be seriously considered. However, I think in this question there is much more than what we see in the words used by Mr. Churchill. We know what is the agitation that is being carried on against Indians in East Africa, and consequently the words of Mr. Churchill convey to us what is likely to happen if we do not stand by our rights and refuse any compromise that will be opposed to our self-respect and our natural rights. The Government of India, we are all aware, is constitutionally subordinate to the British Cabinet and Parliament. Unless the Government of India, therefore, makes it clear to the British Cabinet that it will be impossible in any way to reconcile public opinion in this country to the formula of a compromise and unless they say that it will be impossible for them to carry on in this country, unless and until the legitimate claims of Indians are satisfied, I do not think that a strong impression will be created upon the Cabinet and generally upon the British public. What the British Parliament and the British public are told by the white settlers in East Africa is that the word of the British Cabinet is pledged, pledged in favour of Europeans and against Indians. Supposing for a moment that there is such a pledge, which I dispute, the British public has to decide whether they will keep

[Mr. V. G. Kale.]

their pledge given to Indians or will sacrifice it in favour of the European settlers in East Africa. The Right Honourable Mr. Sastri said, the other day, that it is a question of a test. It is, Sir, a question of a test for Indians as well as for the British Cabinet. We have been told that Indians have been placed upon a footing of equality in the Empire. Now the time has come to test the sincerity of that declaration, and if the British Cabinet is not resolute enough to stand against the demand that has been made by Europeans in East Africa, then it will be very difficult for the Government and for those who are co-operating with them to allay public feeling in this country. It may be that the British Parliament and the British Cabinet do not realise the depth and the strength of the feeling that exists in this country on this question. In fact, the very civilisation and the rights of citizenship of the Indians in the British Empire are called in question. It is said that if Indians are allowed to live in East Africa in large numbers and in the enjoyment of civil and political rights, Western civilisation would be swamped. India cannot allow this line of argument to be taken up against its own civilisation and legitimate rights, and consequently the Government of India should make a very strong representation, that is the only thing they can do, to the British Cabinet and point out how deeply wounded Indian feeling has been by the speech of Mr. Winston Churchill. They should stand to the last by the Indian public and then and then only will a strong impression be created upon the mind of the British Parliament. With these words, I support the Resolution.

The HONOURABLE RAJA PROMADA NATH ROY OF DIGHPATIA: Sir, I beg to associate myself with the remarks made by the Honourable Mover of this Resolution. I cannot too strongly condemn the speech of the Right Honourable the Secretary of State for the Colonies, even though it was a post-prandial speech. To say the least it is very unfortunate that a responsible Minister of the Crown like him should have said things even in a post-prandial speech, calculated to wound the feelings of Indians, especially at a time like this. It only showed that he went back on his own words and had little respect for the Resolution that was passed at the last Imperial Conference regarding the status of Indians. With these words, I support the Resolution.

The HONOURABLE MR. G. S. KHAPARDE: It appears to me that this is largely a question of interpretation. We have got a proverb, and I suppose it is an English proverb too,—‘all is fair in love and war.’ That is one rule of interpretation. A man under certain circumstances may say anything, but you should not take him at his word strictly. Then there is another rule of interpretation and that is, that the promises of politicians have to be taken with a grain of salt. Then there is a third rule also which says that pledges partake of the nature of contract and that pledges are things which can never be violated and so on. When this matter came up in September last, I endeavoured to point out that we are what I then called members of a joint Hindu family. Since then I thought over the matter, and I think we are members not of a joint family, but of a reoparcenary but we are tenants in common of the whole British Empire. We are like tenants in common living in one place and have therefore certain amenities and certain things to be done to make it possible for everybody to live peacefully. My friends who depend upon the words and pledges and introduce into the matter the law of contract and who talk

of peace and war introduce a common element of humanity. A man when fighting and loving may say a number of things and you should not hold him to it strictly. Then comes the word of the politician. I am sorry it is late in the evening and there is no time to develop it any further, but on this occasion I can develop it to this extent—that we must take so many things into consideration, that we are tenants in common, that we are brethren rather than brothers, and also that these pledges were given under certain circumstances. That leads me to the consideration that the Right Honourable Winston Churchill made a speech on a particular occasion and that occasion was after dinner and people after dinner generally say things which I suppose they do not mean to be taken seriously. Taking everything together the Government of India have taken the only step that was possible to take, namely, that they have been fighting from the days of Lord Hardinge to the present day tooth and nail and as strongly as they can to represent our point of view. This matter was also discussed at another place, and since then the Government of India have telegraphed the whole of the Resolution which was passed on that occasion, and I have no doubt that in the covering letter they have made their recommendations in much stronger language, because they command higher position. Taking everything together, the question is what rule of interpretation are we to adopt? I personally belong to an older generation and I have some superstition and that superstition is this—that when you are in great doubt about anything and you are deeply considering what is going to happen and what is not going to happen, sometimes even a stray word spoken by a third person with reference to a different subject serves as an omen. The site of Rome was selected in this way by the flight of Vultures. Then again some people were going out discussing where the palladium could be built. They did not know what to do, and they were considering various sites just as we were considering the sites at Delhi some time ago. Some people were passing by and one of them said, ‘look here, this is the best site.’ They were only people who were passing by and who had nothing to do with the palladium to be built, but the people who were discussing where the palladium could be built took it as a good omen, and built the big temple on that spot. May not something of that sort happen now? We are now considering seriously not only our own rights, but the rights of people residing in other Colonies also about which I have a Resolution which will come later on. But in the meantime there is the speech made by the Right Honourable Winston Churchill. I quite admit that it was made in the genial atmosphere of a Banquet Hall. We do not want to take it as an omen. We have been of course assured by the Secretary of State, as is usually done on occasions of that kind, not by direct negation but by insinuation, that it is not the decision of the Cabinet, but it is the view of a particular person, and ultimately it has come back to the solution that it will be reconciled with all the aspirations of the Indians. It is with this last portion that I wish to associate myself. I hope the solution will be consistent with our aspirations, but if it does not turn out like that, then we shall have to choose from one of the various sources which I have quoted, namely, whether it was a compromise made in love or in war or was it a stray word merely uttered and it has been taken up by the Empire. That will be the test, the crucial test, the acid test. I do not like to call it an acid test, because there is acidity in it. I like to believe that all those things that were said by the Secretary of State are true, that we are brothers, we belong to the same stock though we live differently. We are brought together by Providence, and I hope Providence will so incline

[Mr. G. S. Khaparde.]

persons who have a voice in this matter and whose voice carries weight, to decide this matter entirely in consonance with our aspirations. With these words, Sir, I heartily support the Resolution brought forward by my Honourable Friend Mr. Lalubhai Samaldas.

The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, the recent speech of the Right Honourable Winston Churchill has added insult to injury to Indians and comes as a death-blow to their aspirations in the Colonies. Sir, Indians in India and the Colonies feel extremely offended. In Article 14 of the London Convention of 1884 full rights of citizenship were given to Indians. They were being equitably treated, and their rights were equal to the rights of other foreigners. In 1885 Republicans wanted to take away these rights

The HONOURABLE THE PRESIDENT: I may point out to the Honourable Member that we are not here to re-argue the Resolution which we discussed in September. Therefore he must not give a history of the previous events in the Kenya Colony.

The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: As I have been ruled out by the Chair from stating the arguments which have produced so much discontent among Indians, I shall not state them. But I cannot refrain from expressing our deep gratitude to the Government of India for their strong and persistent support in this matter. They have been fighting our cause for years now, and even if they now fail, notwithstanding their strong advocacy in the right cause, the people of India expect that they ought to resign in a body as a constitutional protest. The British Government has established by winning the great War that Right is Might and not that Might is Right.

The HONOURABLE MR. B. N. SARMA: Sir, if I did not rise to answer the Resolution earlier, it was to enable the Members to express freely their opinions on a subject on which there seems to be such strong feeling in the Council and outside it in the country. There is so very little of difference between the Government of India and the attitude taken up by the Members here, that I shall not be justified in detaining the Council for more than a few minutes. If I trespass upon your patience for a little while longer, it is because there are one or two issues which have been introduced into the question by Mr. Churchill or by the Colonial Office which require an explanation of the position of the Government of India. I am glad, and I am thankful to the Members of this Council that they appreciate what is being done by the Government of India. I have no hesitation in saying on behalf of the Government that the attitude which has been taken up by Lord Hardinge, Lord Chelmsford, Lord Reading and by the Government of India in their Despatch published last year and in their Resolution published on the 5th October last and which has been appreciated by every one in this country, is the correct attitude and they stand by every one of the principles enunciated therein as regards the position of the Government of India with regard to the Kenya question. They do not wish that there should be any departure either in spirit or in word from the main conclusions formulated in those documents. A question has been put to me by the Honourable Mr. Lalubhai Samaldas as to what has been done with reference to the Resolution passed by the Council of State last September. I may inform him that we communicated our views to the Secretary of State as regards

that Resolution, and we intimated to him clearly that any departure from the principles advocated by the Government of India and on which insistence was laid by the Members of the Council of State would be looked upon by the country as a grave departure from the principles for which the British Government has been fighting hitherto. That ought to satisfy, I think, Honourable Members that the Government has acted duly and promptly in representing the unanimous voice of this Council to the proper authorities for action being taken thereon. Nor have we been idle on this subject after Reuter cabled to us the substance of Mr. Churchill's speech which appears in a clearer form in the 'Times' which was received here a few days ago. We cabled to the Secretary of State that we were disagreeably surprised, pained and disappointed that such an attitude should have been taken up by Mr. Winston Churchill, and Mr. Montagu has informed the general public already that the views that were expressed by Mr. Churchill may be the views of the Colonial Office, but did not express the decisions of the Cabinet. We have no reason, therefore, to despair or to abandon hope that the views which have been formulated by the Government of India would not ultimately be accepted by the British Cabinet and the British Parliament. Since the date of the Council's September Resolution, the Colonial Office's attitude has brought into prominence only two points to which I shall refer. Those are the questions as to the future immigration policy of Kenya and as to the reservation of the Highlands for the Europeans. It is rather difficult to read a clear meaning into the statement of policy which has been made, but there is no doubt that the Colonial Office desire to impose some restrictions upon the free migration of Indians into Kenya. It is upon the following passage that reliance may be made in favour of that interpretation:

'We consider that the interests of British settlers and the native population alike require that all future immigration of Indians shall be strictly regulated and that the same principle of equal rights and conditions for all civilised men shall rule in respect of the immigration laws as in all others. We recognise that the laws relating to immigration and the administration of those laws more than almost any other matter must be a subject of the closest consultation between the official Government and the existing residents in the country.'

And then lower down, there are some other remarks which seem to throw some doubt as to the policy which the Colonial Office means to adopt on this question. The attitude of the Government of India may be described to be one of substantial agreement with what the Honourable Mr. Lalubhai Samaldas has asked that it should be on this subject. They feel that there is no necessity under existing circumstances for imposing any further restrictions upon the free emigration of Indians to East Africa. The existing restrictions are embodied in Ordinance No. 17 of 1906, and they are of a general character. The prohibited immigrant is a person without visible means of support or any person who is likely to become a pauper or a public charge or an undesirable person as described therein. Clause 11 gives an explanation as to why a deposit is required:

'Any person appearing to be a prohibited immigrant within the meaning of section 5 of this Ordinance, and not coming within the meaning of any other sub-section (that is, dealing with undesirable emigrants, sub-sections (b), (c), (d), (e), and (f)) may be allowed to enter the Protectorate upon the following conditions:

'He shall, before landing, deposit with the Immigration Officer, if a native of Asia or Africa, the sum of Rs. 50; any other person a sum of Rs. 375.'

Originally, it was intended that the sum should be Rs. 750. We take it that the object of the deposit is to repatriate any person who has no means

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of support and who may become a public charge, and inasmuch as the cost of repatriation in the case of an Asiatic-Indian is included in the term Asiatic—may not have exceeded Rs. 50 at that time, the amount was fixed at Rs. 50. The Government of India until recently fought for the right of free emigration of Indians, and their settlement in other parts of the British Empire. They stuck to that position notwithstanding the grave inconveniences which were being caused by the adoption of that policy and made a departure therefrom in deference to the wishes of the Self-Governing Dominions for the sake of harmony, for the sake of promoting the solidarity of the Empire, and of securing the equality of status and free citizenship of Indians lawfully residing in the Self-Governing Dominions when once the fear that those Colonies may be swamped by the entry of numerous immigrants from India was removed. The Government of India has agreed to that, and the Resolutions of the Imperial Cabinet and Conferences have given effect to that departure of policy on the part of the Government of India. The Government of India do not mean to go back upon that policy, but may justifiably look to the fulfilment on the part of what I may put it as the other contracting party to fulfil the promises—I need not say promises, the hopes and expectations that were aroused then. But with regard to the Crown Colonies and Protectorates and British Possessions, the old policy under which the Indians could migrate and freely settle down in any part of His Majesty's Dominions still remains unaffected, and Lord Chelmsford has therefore taken a firm stand in declining to be a party to the rights of Indians being frittered away for any reason whatsoever, and has insisted upon equal rights for all His Majesty's Indian subjects along with the rest of the subjects of the British Empire, and Lord Reading has adhered to the same view. Now, the question arises as to why this question of restriction should come up now. Fears have been expressed in India that the object of these restrictions is to prevent Indians from migrating freely into East Africa. I do not think it would be justifiable to read such an uncharitable meaning into Mr. Churchill's pronouncement. His view seems to be that inasmuch as it is desirable in the interests of the present settlers including Indians, natives of Africa and Europeans, that the future migration should consist only of persons cultured, civilised and well-to-do, it is desirable that there should be some limitations prescribed therefor. *Prima facie*, it looks as if no one can quarrel with a proposition of that kind. But I would suggest that there is no reason whatsoever to depart from the existing policy under which there is a right to free movement throughout the Empire barring self-governing Dominions of all classes of His Majesty's subjects. That would be misinterpreted and as Mr. Lalubhai Samaldas has put it, the imposition of a knowledge of English or other European language would effectually debar the entry of merchants, artisans and other persons who may wish to migrate or may be needed for the development of Africa, or *bona fide* agriculturists who may be required for the improvement of East Africa in the interests of Africa herself, and consequently care would have to be taken in formulating an immigration policy. I shall just quote one sentence from Lord Milner's Despatch to show that Mr. Churchill could not have had in his mind any wide departure from the policy recently formulated by Lord Milner on this subject.

'As regards Indian immigration into East Africa I cannot countenance any restrictions which would place the natives of India at a disadvantage as compared with other immigrants, and subject to the Protection Immigration Ordinances which are of a general application there must be no bar to the immigration of Indians.'

That has been the policy of His Majesty's Government, and I am quite confident that, when the inconvenience and the grave injustice that will be caused to Indians if there should be a departure in policy are pointed out to Mr. Churchill and to the British Cabinet, none would be permitted.

The only other subject, and that I may dispose of in a few words, is with reference to the Highlands. Mr. Churchill's pronouncement with regard to the Highlands is of a very general character. The Colonial Office seems to have come to a decision that the Highlands should be reserved for the Europeans. The Government of India has already pointed out that a reservation in practice does already obtain and has obtained for some time past, and consequently the question does not arise for a solution in that form. Therefore, attention has been concentrated upon the question of transfer, and here again it is difficult to believe that the previous policy of His Majesty's Government can be construed as having given any pledge to anybody that there would be a disallowance of transfer to Indians. In a Despatch which was published in 1908 by the British Government it is stated:

'It is not in consonance with the view of His Majesty's Government to impose legal restrictions upon any particular section of the community.'

As a matter of administrative convenience it was decided that the Highlands should be reserved only for the Britishers and we need not now go into that question. But I think I can define the position of the Government of India and of the Indian public alike to be that the Indians are not asking for too much if they ask for freedom of contract, and I am not quite sure as to whether the British settlers like some of the ancient Hindus are not doing something gravely imperilling their own future in asking for protection of this type.

The Government of India has been found fault with by Mr. Samaldas for being apologetic in their tone in communicating the Assembly's Resolution to the Secretary of State. I must take exception to that remark. I know that in certain quarters nothing that the Government of India may do or has done can be rightly construed. . . .

The HONOURABLE MR. LALUBHAI SAMALDAS: I do not belong to that school.

The HONOURABLE MR. B. N. SARMA: I am glad to hear that. When I asked the Assembly to be a little patient and that they should not look upon the solution of one item of a problem, however important in itself it may be,—against the Indians as a test of sincerity—I was found fault with as giving the case of the Indians away. Words have been attributed to me which I have never uttered, and I repudiate on behalf of the Government any charge that they have ever weakened in their advocacy of the Indian people's rights in this struggle, if struggle it may be called, of the two views, the view which at present seems to be favoured by the Colonial Office and the view for which the Government of India and Mr. Montagu are fighting. I think my Honourable Friend has alluded, just as was done in the Assembly, to the fact that the Indian community has done a great deal and deserved better. I deprecated on the last occasion any reference to comparisons as to what the British and the Indian public have done for the benefit of East Africa, and I still adhere to my recommendation that there should be no question of twitting the British that the Indians have done more and therefore deserved better treatment at the hands of the Parliament or the British public. That is an attitude which I firmly deprecate, but in

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deprecating that attitude I am not abandoning the case of the Indians, nor has the Colonial Office at any rate at one time abandoned it. In a letter (published) to the Governor of East Africa Colonel Montgomery pleads the case of the Indians much more strongly than any of us could have done. He puts it thus:

'Indians have been in this country notably in the (Sultan's Dominions) for many generations and came long before the Europeans came. The really greatest factor in the development of the country was the Indian labour. But for such labour it would never have been constructed at all. The main trade and wealth of the country is in the hands of Indians. Finally, Indians are British subjects.'

I am sure, therefore, that the traditions of the Colonial Officers and of the Colonial Office would rise to the occasion and would do justice to Indians. I would, therefore, request this Council just as I have requested the Members of the Assembly to be patient, not to lose courage and hope and not to be easily discomfited. It may be that the Government of India or the India Office would have to give in on one or two points, not of substance or principle, but on questions on which having regard to the strong prejudices and passions on both sides and the expectations which a long course of conduct has raised in the minds of the European settlers, a compromise may have to be effected. An Empire consisting of numerous divisions, of such vast dimensions and with a variety of peoples must enter into a compromise

The HONOURABLE MR. LALUBHAI SAMALDAS: Not on principles.

The HONOURABLE MR. B. N. SARMA: Not on essential principles, that would be immoral and suicidal. But some adjustments would have to be made in order that the solidarity of the Empire may not be imperilled, that all views may be reconciled and that there may be harmony and peace. I, therefore, hope that this Council will recommend to the people whom they so well represent not to lose courage, not to be disheartened, but to rest content in the firm conviction that Great Britain never can or will do consciously any injustice.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Nobody could have done better than my friend, the Honourable Mr. Samaldas, to bring this Resolution before the Council. I think it would have been even better if the House had adjourned that day because that would have shown how Indians felt on this question. We are all brothers, but it looks to me that the rule of primogeniture is being followed. But, Sir, the Government of India has done all that it could, and I think that is all that they can do. But the difficulty is that people say that the Right Honourable Winston Churchill said things after dinner. I think sometimes after dinner one says what one has got in his mind. Seeing a settler in Kenya, I was told that people in Kenya were very much against Indians, and I think that, unless a real big struggle is made by the Government of India, I do not think we will gain much by simple representation. . . .

The HONOURABLE MR. B. N. SARMA: You may adopt a policy of non-co-operation.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Not non-co-operation but strong co-operation. I hope that the Government will put these things more strongly than has been done.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I shall not take more than two or three minutes as it is getting late. I have got 5 P.M. to make a personal explanation in regard to what was said by the Honourable Mr. Sarma about the phrase 'apologetic.' When I read the telegram sent to the Secretary of State it looked to me as if it was an apology, saying that the Government of India was doing all it can to put the difficulties in the way of the Imperial Government, before the Assembly. The words used are these:

'The Resolution as moved was couched in stronger terms but was modified at the suggestion of the Government of India who did not fail to emphasise the difficulties confronting the Imperial Government.'

I do not think it was absolutely necessary to put this before the Secretary of State. It shows as if the Government wanted to defend the action of the Right Honourable Winston Churchill and not to condemn it as we want it to be condemned.

The HONOURABLE MR. B. N. SARMA: It says that notwithstanding all that the Government had to agree to the people's wishes and adopted their Resolution.

The HONOURABLE MR. LALUBHAI SAMALDAS: I think there has been another misunderstanding on the part of the Honourable Mr. Sarma. I never referred to the work done by the Indians. I could not do it because the Honourable the President had ruled that I should not refer to what had happened in the last Session. I am sorry that Sir Dinshaw Wacha is not here, but my friend, Mr. Khaparde, said the same thing, namely, that we need not attach much importance to a post-prandial speech. It was not a post-prandial speech in the sense that it was a speech delivered after dinner. It was a speech specially got up by the East African delegates, and I do not think it was a speech that was delivered when the Right Honourable the Colonial Secretary was under the effects of a stimulant. His speech shows that he was in a mood of anger at Asiatics asking for self-determination. He says:

'The discontented elements in African and Asiatic countries seemed to think that they had only to express a wish that Great Britain should lay down the government and Great Britain would comply.'

Nobody has asked Great Britain to lay down the government. Nobody in this Chamber or in the other Chamber or in the moderate section of the country has ever asked Great Britain to lay down the government either in India or in East Africa. The whole speech is as the 'Times of India' pointed out in a Ercles' vein. If the second speech had been more conciliatory, we might perhaps have thought that the first speech was a post-prandial speech. The second speech is equally bad, and that is why I had to lay so much stress on it. The Honourable Mr. Sarma said that they had cabled to England after the September Resolution was carried. If Government was really fighting for us, why should they hide their light under their bushel? They have a Publicity Bureau. Why don't they use it and publish the facts, so that they may stand well with the thinking part of the Indian population? The Honourable Mr. Sarma said that the question of transfer of lands on the Highland would be very carefully considered. In that connection I would like to state one fact. I was told by a gentleman who is an authority in East Africa, that some Europeans there said that if a referendum of European settlers were taken by ballot, the majority will vote for free transfer because they can get more money from Indian traders and merchants.

[Mr. Lalubhai Samaldas.]

I am very thankful to all the Members who have supported me and to Government also for having given me a special day for this Resolution. One word more. The suggestion was made by the Honourable Lala Ram Saran Das that Government should resign. This suggestion has been made by Mr. Andrews also. I do not know whether Members have seen it. It has been said that the Viceroy and the Secretary of State and the three Indian Members of the Executive Council should resign if their recommendations are not accepted. I do not want the Government of India to resign now. I have faith in the strength of my conviction, I have faith in the strength of my countrymen. The Government of India are with us, and I am prepared to say that there is still in me faith in British justice. Therefore, I want this Resolution to be accepted unanimously by the Council and that it should be strongly supported by the Government of India, and if I may quote a precedent, as boldly as Lord Hardinge did in his Madras speech.

The HONOURABLE THE PRESIDENT: The question is that the first part of the following Resolution be accepted.

'This Council recommends to the Governor General in Council that he should communicate to the Right Honourable the Secretary of State for India the strong feeling of resentment aroused in this Council and in the country generally by the speech of the Right Honourable Winston Churchill delivered at the East African dinner in London.'

The motion was adopted.

THE INDIAN EMIGRATION BILL.

The HONOURABLE MR. B. N. SARMA: Sir, I beg to move:

'That the Bill to amend the law relating to emigration, as passed by the Legislative Assembly, be taken into consideration.'

At this late hour I shall not take up the time of the Council with any long preface. The Bill has been circulated to Honourable Members. It was introduced last year into the Legislative Assembly, was referred to a Select Committee and it was passed by the Legislative Assembly, practically without any amendment whatsoever. The Bill has been before the public for over a year and seems to have been received with satisfaction. The Government of India decided many years ago that they would be no parties whatsoever to the continuance of indentured emigration as it obtained for many years past. During the War the Defence of India Act and the Rules framed thereunder were utilised for the purpose of prohibiting the indentured emigration of Indians into the remaining countries of the world. Those rules will soon cease to be operative, and the Government of India felt that the time had come when a revision of the Act of 1908 would have to be taken up and a departure might be made in essential particulars especially in the direction of associating the Members of the Legislative Assembly and the Council of State in formulating the emigration policy of the Government in the future. The Government have been acting upon the principle that ordinarily no emigration shall be permitted to countries where the Indian community is not given the same rights and privileges and status as His Majesty's British subjects. It was on the condition that no such differentiation would be made that two deputations were allowed to go to British Guiana and Fiji to investigate as to whether those British possessions were suitable for Indian

settlement. I may state that the policy which the Government has adopted has had very beneficial results inasmuch as the penal provisions hitherto obtaining in the Statutes, Laws and Regulations in the various Colonies have been or are being repealed. But an Emigration Law is still necessary. An Emigration Law has been on the Statute-book for nearly a century, and it is absolutely necessary in the interests of ignorant workmen, and of ignorant rustics, to provide safeguards for their benefit, and hence the need of an emigration law especially in a country like India. I need not dilate upon the necessity for an Emigration Law further. I shall only allude to three or more prominent features of this piece of legislation. I have alluded to the fact that the Government have resolved upon taking the Legislative Councils into their complete confidence in regulating their future emigration policy. Therefore, clause 10 has been introduced into the Bill under which no emigration would be possible to any country in the case of unskilled workmen except on a Resolution passed by the two Houses. I need hardly say that it is a very wide departure from the existing practice, and that is a departure which has been taken, because the Government have nothing to conceal, there is no reason as to why their policy should depart in any respect whatsoever from what may be dictated by the will of the people as expressed in these two Legislative bodies, especially in the case of unskilled workmen with regard to whom alone protection is really necessary. I may also inform Honourable Members that the Government propose to appoint an Advisory Board from amongst the members of both the Houses, subject to such rules as may be framed from time to time to help the Government in formulating a policy and possibly to furnish assistance by way of advice in the administration of such matters as may be referred to them. This Bill does not deal with free emigration. It does not impose any restriction whatsoever upon a free emigrant. Any person is free to migrate to any country he pleases, so long as he does so without entering into any contract to labour for hire in the manner referred to in detail in the various provisions of the Bill or unassisted as defined therein. The Bill provides safeguards for the treatment of unskilled workmen and skilled workmen also who may enter into engagements to work for hire, and the restrictions have to be a little more rigorous in the case of unskilled workmen than in the case of skilled workmen. So separate provisions have been made in dealing with these two classes. The Government propose to take power for the appointment of advisory bodies in the various provinces to help the Protectors of Emigrants in the practical administration of the emigration policy of the Government. I think Honourable Members will welcome this provision. They wish also, with the consent of the States to which emigration is permitted, to appoint agents to protect the interests of emigrants, to interpret their wishes to the Governments concerned, and to be a first-hand source of information to the Government of India on the subject. That is the reason why power has been taken to appoint agents. Power has been taken to frame rules which may have to be modified from time to time for the purpose of carrying out the provisions of the Act. I do not think that at this stage I need take up the time of the Council further beyond expressing the hope that this piece of legislation will be highly beneficial, would remove any grievance that may hitherto have been felt that the Government has not taken the people into their confidence on this vital and important subject, and would bring about harmony between the people and the Government, while promoting at the same time the safety,

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comfort and well-being of the poor ignorant population who may have to go abroad in search of a livelihood.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Sir, I welcome this Bill. Emigration from India is absolutely necessary. India has got such an overwhelming number of labourers that there is not sufficient work for all the labourers. Unless emigration is allowed, the labouring class will find great difficulty in maintaining themselves. Any restriction imposed upon emigration will no doubt bring a hardship on these coolies, as India cannot afford to feed them.

(At this stage the Honourable Sir Alexander Murray took the Chair).

Of course emigration to places where Indians are not well treated no doubt should be prohibited. On looking into this Bill I find that every protection and safeguard has been provided to Indians going from here and working on the other side. From what I heard from the Honourable Member in charge of the Bill, I understood that this Bill does not apply to the free emigrants that are going freely to some countries. May I know, Sir, whether it is not intended to apply to Ceylon and the Straits Settlements and the Federated Malay States? I see that section 82 says:

'Notwithstanding anything contained in this Act, the provisions of this Act shall not apply for a period of 12 months from the date of the commencement of this Act to persons emigrating to Ceylon, the Straits Settlements, or any protected Native State adjoining the Straits Settlements.'

That means, Sir, that after 12 months this Act will apply. . . .

The HONOURABLE MR. B. N. SARMA: This Act will not affect free emigration. It will come into force only in respect of aided emigration.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: The Straits Settlements, Ceylon, and other places are absolutely free. As it stands at present, emigration to these Colonies is not on the indentured system. They are going on the free system. So it won't affect them

The HONOURABLE MR. B. N. SARMA: I am not quite so sure whether the present system does not come within the purview of this Act. If people are being assisted to go from India to the Straits Settlements and Ceylon, or if they enter into engagements to work there for hire and bring themselves within the provisions of this Act, then the Act would apply. But if they freely emigrate of their own will and with their own means, without entering into contracts to labour for hire, then the Act does not affect them.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: The present system with regard to these two places, namely, Ceylon and the Straits Settlements, is that they go freely. No contract or agreement is taken in India as to their working there. They are free from debts. They are allowed to go free. As long as the Honourable Member says that the Bill is not intended to apply to these two Colonies. . . .

The HONOURABLE MR. B. N. SARMA: I do not say that.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Provided they are shipped under the indenture system.

The HONOURABLE MR. B. N. SARMA: Yes.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: I welcome this Bill, Sir.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I rise to welcome this Bill, because it is laying in the grave the dead indentured emigration system. That is the chief reason why I welcome this Bill. The second reason is, that the Government of India have perhaps for the first time decided to take both the Houses of Legislature into their confidence at the time of preparing the rules for deciding to which countries emigration will be allowed. It may be that the procedure may be complicated, but it shows the *bona fides* of the Government in the matter. It has been suggested, Sir, that both the Houses, and especially this House, composed as it is more of the representatives of the Zamindar and capitalist type, may use their power to restrict emigration so that labour may be cheap in this country. I rise here to repudiate such a statement. We owe a duty to our countrymen and should never do anything that will in any way restrict the right of free labour to go to any country under due protection to earn better wages. With these words I welcome the Bill.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: I am absolutely in favour of this law that emigration should be restricted because if the only result of their going out is that the Indians are considered as merely coolies, their emigration should be stopped. If their honour and the country's honour is at stake, it is much better to die of hunger in the country than go out. There are many projects coming. For instance, there are the big canal systems in Bahawalpur, in Bikanir and Sind, etc., and if Government were to ask Local Governments to see the surplus men who desire to go out provided for, I think we have got quite sufficient labour and quite sufficient lands to give to these people, instead of sending them out and getting into trouble such as that we have been dealing with to-day, and putting also the two Houses to a lot of trouble for their sake. I therefore welcome this Bill which will give the Government power to settle whether the labour can go out or not, and I hope that if occasion arises they will rather restrict their emigration than let them loose into the open and be dishonoured.

The HONOURABLE THE PRESIDENT: The question is:

'That the Bill to amend the law relating to emigration, as passed by the Legislative Assembly, be taken into consideration.'

The motion was adopted.

Clauses 1, 2, 3, 4 and 5 were added to the Bill.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: The amendment I beg to move is that clause 6 of the Bill be deleted. Clause 6 reads as follows:

'The Local Government may appoint one or more Medical Inspectors of Emigrants at any port from which emigration is lawful or at any other place, and where more than one are appointed, may apportion their respective duties.'

These are not necessary because there are already in all the ports where passengers and emigrants are shipped the local Civil Surgeons who are appointed as Port Health Officers with a small allowance. They are also given a sub-assistant surgeon to assist them as assistant Port Health Officer. They go on board the steamer and examine each and every passenger medically and grant a bill of health, only upon which the vessel is allowed to proceed. There is no restriction as to the number of passengers. If the passenger traffic is allowed which has not Port Health Officers. So, if the

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appointments under this section are also created there will be a waste of money and unnecessary expenditure to the Government. The present system is working satisfactorily where passenger shipment and also emigration shipment is going on all right.

With these remarks I recommend that clause 6 may be deleted.

(At this stage the President resumed his seat.)

The HONOURABLE MR. B. N. SARMA: It is clear that the Honourable Member has given notice of this amendment and moved it under a misapprehension. The statements that are made by him go to confirm the necessity for the retention of clause 6. Of course, it will be the civil surgeon or the officer doing duty in the locality that will be employed by the Government ordinarily for the purpose of inspecting passengers on ships. No departure from existing practice is likely. All that the Honourable Member means is that the civil surgeon should be employed hereafter for the purpose of inspecting passengers just as they have been employed hitherto.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIRE: They are already employed.

The HONOURABLE MR. B. N. SARMA: Yes. It is clear that somebody has to be appointed and power has to be taken under Statute to appoint them, and this clause gives Government power to appoint a medical inspector. Otherwise the civil surgeon would be *functus officio* and he would have no jurisdiction to discharge his duties. I, therefore, hope that the Honourable Member has understood the meaning of this clause.

The HONOURABLE THE PRESIDENT: I understand that the Honourable Member (Mr. Maricaire) has been opposing this clause and wants it to be deleted. If so, all he has to do is to vote against the question I am now putting. The question is that clause 6 do stand part of the Bill.

The motion was adopted.

Clause 6 was added to the Bill.

ADJOURNMENT OF COUNCIL.

The HONOURABLE THE PRESIDENT: The hour is late, the attendance is very thin. As there is barely a quorum, I adjourn the Council till Monday, the 27th February, 1922, at Eleven of the Clock.

COUNCIL OF STATE.

Monday, the 27th February, 1922.

The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

QUESTIONS AND ANSWERS.

RECRUITMENT OF INDIANS IN SUPERIOR SERVICES OF DIFFERENT RAILWAYS.

*91. The HONOURABLE MR. SETHNA: Will Government be pleased to state how many Indians have been directly recruited in the superior services of the different Railways in different departments within the last five years and how many of them have continued in their employment?

The HONOURABLE MR. H. A. F. LINDSAY: A statement giving the information is laid on the table.

Number of Indians directly-recruited in the Superior Railway Services within last five years.

Departments.	STATE RYS.		M. & S. M. Ry.		B. B. & C. I. Ry.		S. I. Ry.		E. I. Ry.		B. N. Ry.		G. I. P. Ry.		TOTAL.	
	No. recruited.	No. in service.	No. recruited.	No. in service.	No. recruited.	No. in service.	No. recruited.	No. in service.	No. recruited.	No. in service.	No. recruited.	No. in service.	No. recruited.	No. in service.	No. recruited.	No. in service.
Engineering	11	11	2	2	...	...	2	2	2	2	8	8	...	...	25	25
Locomotive and Carriage and Wagons.	1	1	...	...	...	...	...	...	1	1	...	...	...	...	2	2
Traffic	16	16	8	3	Details	...	1	1	6	6	8	7	Details	...	34	33
Stores	3	2	...	...	not	...	...	...	...	...	1	1	not	...	4	3
Electrical	1	...	...	...	supplied	...	...	...	...	...	...	...	supplied	...	1	...
Audit	*	*	1	1	...	...	1	1	1	1	...	...	...	...	3	3
Total	32	30	6	6	8	6	4	4	10	10	17	16	9	8	69	66
															+17	+15
															86	81

* State Railway Audit Officers are not railway staff and are borne on the cadre of the Finance Department.

GRADES A AND B IN SUBORDINATE SERVICE OF GREAT INDIAN PENINSULA RAILWAY.

*92. The HONOURABLE MR. SETHNA: Will Government be pleased to state: (a) if in the subordinate service of the Great Indian Peninsula Railway there are grades A and B with different scales of salary for work very similar in either grade?

*The Honourable Member was not present.

(b) That although the nomenclature does not suggest difference of nationality, yet the official interpretation by the Railway and executive instructions have made grade A synonymous with Europeans and Anglo-Indians and grade B with Indians?

(c) What is the number of Europeans, Anglo-Indians and Indians respectively in grade A?

(d) What is the number of Europeans, Anglo-Indians and Indians respectively in grade B?

(e) If it is a fact that certain ticket-collectors and guards appointed at first in the B grade have subsequently been transferred to grade A on their proving that they are partially of European descent?

The HONOURABLE MR. H. A. F. LINDSAY: The Agent, Great Indian Peninsula Railway, has been addressed on the subject and the information asked for by the Honourable Member will be furnished to him on receipt.

ADDITIONAL ALLOWANCES TO ALL INDIA-RECRUITED TRAFFIC OFFICERS ON GREAT INDIAN PENINSULA RAILWAY.

*93. The HONOURABLE MR. SETHNA: Will Government be pleased to state: (a) If in accordance with their Resolution No. 1506-E.—10, dated Delhi, 3rd February, 1921, all India-recruited traffic officers on the Great Indian Peninsula and the Bombay, Baroda and Central India Railways have been given a special additional allowance counting as pay for all purposes and corresponding in amount to the Overseas pay sanctioned for Europe-recruited officers?

(b) If any such officers have not been given this allowance the names of such officers and the reasons for not giving them the same?

(c) If such allowance is given at a later date to officers referred to in (b) will retrospective effect be given to such allowance and from when?

The HONOURABLE MR. H. A. F. LINDSAY: The orders in question are not necessarily applicable to officers in the employ of Railway Companies. It is entirely optional with companies whether they adopt the rules in part or in full or not at all.

The Agent, Great Indian Peninsula Railway, reports that the proposals in connection with individual officers' salaries have not yet been settled, but that the present intention is to follow the East Indian Railway procedure and to treat all officers who were in service on the 1st April 1921 alike.

On the Bombay, Baroda and Central India Railway, it is understood that certain Anglo-Indian officers already in the service were admitted to Overseas Allowance. This concession has not been extended to Indian Officers, the reason being that it had not previously been the practice to differentiate between Anglo-Indian and European officers in the matter of pay. It is believed that, with effect from the 1st October 1920, Overseas Allowance has been confined for all future entrants to officers of overseas domicile.

LIST OF MALIKANA HOLDERS.

*94. The HONOURABLE DIWAN BAHADUR NAIDU: (a) Will the Government be pleased to lay on the table a list of Malikana holders for all the provinces?

(b) How many Malikana holders are there in Malabar District? How many are there in other districts of the Presidency?

*The Honourable Members were not present.

(c) When was the exemption granted to the Malikana holders of Malabar from the operations of the Arms Act?

(d) After the new Arms Act rules were framed in 1920, do Malikana holders who are ancient Zamindars and who were enjoying the privilege of exemption prior to the granting of the exemption to the Malikana holders of Malabar, enjoy the same privilege?

The HONOURABLE MR. S. P. O'DONNELL: (a) and (b) The Government of India are not in possession of the information asked for.

(c) January 1886.

(d) Under the Arms Rules of 1920 the ancient Zamindars and Poligars of the Madras Presidency and every Malikana holder in the Malabar district are exempt, but this exemption is subject to the orders of the Local Government regarding the persons to be included in this category.

MEMORIAL OF DEPUTY EXAMINERS IN THE F. C. M. A.'s OFFICES, POONA AND LAHORE.

*95. The HONOURABLE DIWAN BAHADUR NAIDU: (a) Will the Government of India be pleased to state whether the Deputy Examiners serving in the F. C. M. A.'s Offices, Poona and Lahore, have memorialised the Viceroy for (1) the refund of deputation allowance drawn by them between April and December 1920 under the orders then in force but recovered from them on the introduction of time scale of pay, the recovery being thus effected retrospectively and (2) for the continuance of the deputation allowance up to 31st March 1921, and if so, what action has been taken thereon?

(b) Is it a fact that the cases of superior civil officers of the Department and of the establishment have been treated differently, the former having been allowed to retain the allowance till 31st March 1921, with the increased emoluments given to them under the time scale and the latter are still in the enjoyment of it as personal allowance?

The HONOURABLE MR. E. M. COOK: (a) Memorials for the grant of the concessions referred to in the question have been received by Government from the Deputy Examiners serving in the office of the Field Controller, Military Accounts, Poona, but not from those serving in the office of the Controller, Military Accounts, Waziristan Force, Lahore. The memorials from Poona are under consideration.

(b) The answer to the first part of the question is in the affirmative. The matter will be carefully reviewed before the memorials referred to in part (a) of the question are finally disposed of.

RESOLUTION RE REDUCTION OF THE UNITED PROVINCES GOVERNMENT CONTRIBUTION.

The HONOURABLE LALA SUKHBIR SINHA: Sir, I beg leave to move:

'That this Council recommends to the Governor General in Council to reduce substantially the contribution payable by the United Provinces Government to the Central Government under Devolution Rule 17 in the year 1922-23, and to extinguish it as soon as possible within three years.'

Sir, I dare say that the Honourable Members are aware that until recently the Government of India used to get estimates from all the Provinces of their revenue and expenditure, and after considering the needs

*The Honourable Member was not present.

[Lala Sukhbir Sinha.]

of every Province they used to give as much to every Province as they thought to be necessary. This arrangement was found unsatisfactory. Then a quinquennial settlement was introduced. This also was found to be unsatisfactory. Then in 1910 a *quasi*-permanent settlement was introduced. But when the Reforms Scheme came into force, this system also was abandoned. At that time, when the Reforms Scheme came into operation, it was found that the Central Government was going to have a deficit of over Rs. 10 crores, which it was proposed to be met by all the Provincial Governments. To settle this question a Committee, called the Meston Committee, was appointed. They went round to all the Provinces and made inquiries. To make up this ten crores of rupees, this Committee based their calculations on the total income and expenditure of every Province without having any regard to the prospective rise of expenditure of every Province that was due to the Reforms Scheme. In their recommendations they said that the United Provinces Government would have to pay about 240 lakhs of rupees every year out of their total income of about 18½ crores; that is, about one-fifth of their total income. In the same way they recommended a very high percentage from Madras. They expressed their willingness to take much less from Burma and Bengal. From Burma they recommended to take less, on the ground that Burma was not so much developed as the other Provinces were, and Burma wanted more money for the development of resources like forests and mines, and so forth. Bengal did not get enough from land-revenue on account of the permanent settlement, and so they recommended that Bengal should also pay at a less percentage. On the whole Madras and the United Provinces were taxed as heavily as they could be. Honourable Members will find that the percentage of expenditure per head at that time in every Province was as follows.

Bengal used to spend Rs. 5·3 per head; Bombay 4·7; the Central Provinces 2·3; Assam 2·2; Madras 2·2; Burma 1·6; and the United Provinces only 1·5. From this it will appear that the United Provinces Government used to spend as little as possible for the advancement of the Province. The Meston Committee did not take into consideration the prospective rise of expenditure as regards salary and other things. This question was raised in the United Provinces Council in December last by my friend, Pandit Hirday Nath Kunzru. During that discussion almost all the Members, officials and non-officials, supported the Resolution. The Honourable Mr. Blunt, Financial Secretary, gave it a very strong support, and he said:

'I must warn the Council that we are now rapidly approaching a time when we shall have to face one of the two alternatives mentioned by the Honourable Member. We shall either have to reduce expenditure or we shall have to increase the taxation unless we get back a part of the contribution.'

He expressed his willingness to approach the Government of India again on the subject; although he said that it was not probable that the Government of India would listen to the request of the United Provinces Government, because it had been made before several times. But he said that he would again try to lay the whole case before the Government of India in the hope that something would be done. The Honourable Mr. Chintamani also supported this Resolution as a Minister and said that as they were in charge of the spending Departments they stood more in need of money in order to justify their existence to the people. Unless and until the Ministers get enough money for the spending Departments, I am afraid they will not be

able to make any appreciable progress in those Departments. The Honourable Sir Ludovic Porter, Finance Member, also gave his full support to this Resolution. He said:

'This Province stands last of all as regards expenditure per head, and when you go into details the results are even more striking. The Province stood last in Education; the position was the same with regard to the cost of law and justice, medical, sanitation and agriculture. In Civil Works our position was also of startling inferiority. Then, the Province which has to pay one-fifth of its gross revenues as contribution and which is meeting one-fourth of the Imperial deficit is the one Province which in previous settlements has been unable to attain the standard expenditure which has been found absolutely essential elsewhere in every Department of its activities.'

Then, Sir, he said lastly:

'I would like to emphasise what this Government has already said to the Government of India, namely, that we are convinced that public opinion in this Province under the new regime will not accept a position by which a gross provincial revenue of 13½ crores is to be annually mulcted to the extent of 2½ crores in the form of contribution; nor will it agree indefinitely to contribute one-fourth of the Imperial deficit of 10 crores, while two important Provinces contribute nothing whatever and others make only a negligible contribution.'

Sir, in the Assembly at Simla in September last the Honourable the Finance Member raised a question in regard to Bengal. Sir Malcolm Hailey recommended the Governor General in Council to remit Bengal's contribution of 63 lakhs of rupees for three years. During that discussion he put forward the case of Bengal alone, but he said that similar requests would come from other Provinces also in the course of time as was pointed out about United Provinces by my friend, Lala Girdharilal. That being so, he was in favour of considering the demands from other Provinces for the reduction or remission of their contributions. In the United Provinces there is a great field for development in agriculture and industries, but for want of money very little has been done. When proposals are made to the Executive Departments they say that they have no money. There are many agricultural and engineering schemes waiting to be taken in hand, and the United Provinces Government had, therefore, to raise a loan of four crores of rupees, out of which, so far as I know, they intend to spend about 75 per cent. on productive works and the remainder on unproductive works. When, however, we are getting sufficient revenues from our own resources to meet the cost of our development schemes, I see no reason why so much as 240 lakhs of rupees a year should be contributed to the Central Government. If all their revenues were left to the United Provinces I think all these schemes, so useful for the people, can be taken in hand without raising loans to meet their cost. Otherwise for want of money very little can be done. It may be said that the Central Government also has to meet a great deficit and that this is not the proper time for Local Governments to ask for a reduction in or the remission of their contributions. But, Sir, it is a question of principle. When the Central Government has reserved certain heads of income in their own hands, it is for them to make themselves self-supporting. They can get all they need from those reserved heads of income, which are very big indeed; for instance, customs duties, income-tax, railways, post-offices, telegraphs, salt, opium and so on. If the Government of India cannot make itself self-supporting, I do not understand how the Provincial Governments will be able to make themselves self-supporting. The example should be set by the Government of India. If they do not, then, how can the Provinces be expected to make themselves self-supporting and self-contained? I repeat that the example should be set by the highest authority, and that is the Government of India. The United Provinces have the

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largest population in India, but at the same time they spend less per head than other Provinces. The Meston Committee recommended that when the time came for a remission or reduction in the Provincial contributions, the United Provinces and Madras should be first considered. I appeal to the Financial Secretary to see to it that, as soon as it may be possible, the United Provinces may be relieved of this contribution absolutely or at least that a substantial reduction be made in it.

I think this is a matter which requires little discussion. It is only a question of principle and a question of necessity. The United Provinces want more money as a matter of necessity in order to meet their rising expenditure on salaries and for their building schemes. Building materials have gone up 400 per cent. They have no money with which to carry on their building programme, a programme of most urgent necessity. The position in every Department is the same, medical, sanitation, etc. We require more money for agriculture, but the Government has no money. The United Provinces should, therefore, be relieved as soon as possible and then Madras and the other Provinces. I do not say that the other Provinces should be overlooked. I have every sympathy with them, but I feel that the United Provinces stand more in need of money than any other, and I have, therefore, brought its case before the House. If this Resolution is accepted, I think the Honourable the Finance Secretary will be able to do something for the United Provinces.

With these few words I commend this Resolution to the acceptance of the Council.

THE HONOURABLE MR. E. M. COOK: Sir, I am rising early in this debate because I feel it is just possible that what I say may simplify the discussion for subsequent speakers. There are several reasons why I do not think it necessary for me to follow my Honourable friend through every part of the description he has given of the financial difficulties of our province. In the first place, if I understand his case correctly, he does not base his claim solely, or indeed mainly, upon the fact that the United Provinces, like all other provinces, are in financial difficulties. I take it that he does not come before this Council merely with a plea *ad misericordiam*. I rather understood that he entered his claim as a matter of right and justice, and because in his opinion the United Provinces are paying more than a fair proportionate share of the total contributions which are at present payable from the provinces to the Central Government. Secondly, Sir, even if I wished to traverse the facts which my Honourable friend has given, I am not at all sure that I should be in a very good position to do so. The fact is that in the Central Government we no longer, as was the case in pre-reform days, exercise any sort of check over the Provincial budgets, and it follows that these budgets do not have to come to us for scrutiny or approval beforehand; in consequence, we have not any very detailed or up-to-date information regarding the state of the Provincial finances, not very much more indeed than any ordinary member of the public has, who reads in the newspapers the accounts given by the various Finance Members of the state of the Provincial finances. And, in the third place, it would be useless, I think, for me to enter into any detailed discussion of the state of the United Provinces finances, or indeed of that of any other province, unless at the same time I could give the House a picture of the present financial position of the Central Government. If my Honourable friend had not been so fortunate in the ballot,

and if this Resolution came on a week, or even two or three days, later, I should probably be able to speak with more freedom, and certainly with a good deal more precision. Nevertheless, Sir, I think there is a sufficiency of material, already before the public, to enable me to deal with the general principles underlying my Honourable friend's motion. I may say at once that, so far as those principles are concerned, there is practically no difference between my Honourable friend and myself. What little difference there is—and I am not sure that even that will not disappear this morning—is rather as regards the immediate application of those principles.

But before I get on to the particular case of the United Provinces, I think it is very important in a matter of this sort to get our ideas quite clear as to the constitutional and legal position, and I make no excuse therefore for taking the Council back to that essential and vital ingredient of the Reform Scheme, *viz.*, the establishment of Provincial autonomy. It is not my intention, Sir, to trespass on ground which is beyond the scope of this motion, but there has been in recent months such an amount of loose talk going about India, which neglects or seeks to obscure the real position that I think it is necessary, and of cardinal importance, that I should say a few words as to what is the actual position as it stands.

Now, Sir, as I think most Honourable Members know, the framers of the reforms saw clearly—and indeed, whatever controversies there have been subsequently, I have never heard this challenged—that if you were to have Provincial autonomy, which in itself is a necessary preliminary if you are going to make a beginning with responsible government in the provinces, it was absolutely essential that there should be a clean cut between the activities of the Central Government on the one hand and those of the Provincial Governments on the other; unless that clean cut were made there must inevitably be overlapping, and if you have overlapping then inevitably there must be interference and no proper autonomy. That, Sir, is the fundamental reason why certain subjects were defined as being solely the concern of the Provincial Governments, while certain other branches of administrative activity were defined as being solely the concern of the Central Government. Now, it follows from that—and I submit equally without question—that if you are going to have this essential administrative division of functions, this clean cut, you must also have corresponding financial division. I think that is obvious, because if a Provincial Government administers a certain subject, such as land-revenue, education, or police, then it is absolutely essential that they must both have the receipts and bear the expenditure relating thereto. Take, for example, the case of land-revenue. If you had continued the old system of divided heads, under which the Central Government got half or $\frac{2}{3}$ ths, and the provinces got half or $\frac{1}{3}$ ths, and if the Central Government had a financial stake in the land-revenue, then, if only in the interests of its own finances, the Central Government would be certain, little by little, to endeavour to interfere with or influence the land-revenue policy. I take that, Sir, as an axiom.

Now, the principle of this clean cut having been established, the next step was to ascertain how this was going to affect the finances of the Central Government on the one side and the Provincial Governments on the other. It was quite obvious to everyone that this clean cut was going to involve a very substantial transfer of revenues from the Central Government to the Provinces. Taking the figures as they stood three years ago,

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upon which the framers of the Reforms worked—and I do not think that the mutual relation of the figures has altered very much since then,—the operation of this clean cut was to transfer to the provinces additional resources of not less than 18½ crores, that is to say, there was 18½ crores less for the Central Government. I may add that similar figures were worked out last year, for 1920-21 and were quoted by the Finance Member in his last Budget speech, the actual transfer of revenues on the figures of 1920-21 was just over 20 crores, excluding the contributions. The framers of the settlement, after making every allowance for possible increase of revenues, and after taking what I am afraid is now seen to be a very optimistic view of the Central Government's scale of expenditure, said that the irreducible minimum of the contributions from the provinces was 983 lakhs. To sum up, the decision involved a transfer of revenues of 18½ crores from the Central Government to the Provinces, of which the Central Government took back only about 9½ crores.

I am not seeking to imply, Sir, that, as the result of this transfer, the provinces have been wallowing in newly-found riches, and have had too much money to spend. Everyone knows perfectly well that quite the reverse is the case, and I need not go into details. The whole fact of the matter is that, when the settlement was framed, no one foresaw the immense effect that the rise in prices was bound to have on the pay of all our establishments, and the extra expenditure that has been found necessary, not only in Provincial Governments but everywhere, has been something like eleven or twelve crores, so that the all-India position, Central and Provincial combined, is fundamentally worse since then. I said just now that we did not have very many details of the position of the provinces, but I can say this much that I know there is no single Province which will not be forced next year to budget for a deficit. In the case of one important province, it will indeed only be able to carry on with a large advance from the Government of India. The total amount next year, so far as our information goes, by which Provincial Governments' expenditure will exceed their revenues is 8 crores. So the position, I fully admit, is a serious one. I cannot yet give the other side of the picture. I merely mention these facts about the provinces in order to show that, when I spoke of this transfer of revenues and increased spending power that the provinces then obtained, I did not mean to imply that they should be thankful for what they have got.

Now, Sir, Honourable Members may ask, why did the Joint Parliamentary Committee and the framers of the Reforms, leave nearly 9 crores of the Central Government's deficit uncovered, that is to say, 18½ crores which the Central Government lost, while they only took back temporarily 9½ crores? I think there can be very little doubt that the authorities at that time were influenced by the thought that the heads of revenues allotted to the Central Government were capable of considerable expansion, not only natural expansion, natural growth from year to year, but also by increased taxation. I am quite sure however that they little thought that in the first year of the reforms, in March 1921, it would be necessary for the Central Legislature to impose extra taxation of nearly 18 crores, as was the case a year ago. At the same time, although the provinces did get this increased spending power of nearly 9 crores, the framers of the Reforms looked ahead. They realized that, with the establishment of greater popular control in the Provincial Governments, there would inevitably come a popular demand for increased

expenditure on what a very distinguished Indian Minister described as the 'nation-building' departments, viz: Education, Sanitation, Agriculture, etc. It was for that reason, that the Joint Parliamentary Committee laid down, and the Secretary of State and the Government of India accepted, the view that these provincial contributions should be gradually reduced and finally extinguished with as little delay as possible. I would like to read what the Joint Parliamentary Committee said, because that really binds Government, but I am afraid I have mislaid their report—in any case what they said is probably within the recollection of Honourable Members. They laid down as a matter of great importance that these provincial contributions should be regarded as purely temporary, and that the Central Government's financial administration should be so conducted as to enable the contributions to be gradually reduced and finally extinguished in the shortest possible space of time. That is the actual position. And, so far, there is, I think, absolutely no difference between my Honourable friend and myself. I fear these preliminary remarks have been rather lengthy, but without them I could not get on at once to the particular case of the United Provinces, which is also the case of one or two other Provinces.

I have now to deal with the way in which the Joint Parliamentary Committee distributed these contributions of 983 lakhs. This distribution was based on what Lord Meston's Committee and the Joint Parliamentary Committee considered that each individual province could pay at the outset. They recognised, however, that these initial contributions did, in some measure, stereotype the inequalities, as between provinces, which had existed for very many years, and the full extent of which has always been obscured by the previous system of divided heads. I would like to read what the Meston Committee said on this point, because it is a matter of some importance, so far as the United Provinces are concerned:—

'The individual ratio which we have proposed is a practical necessity, but the provinces which will be called upon to pay thereunder more than they should pay in equity ought not to be required to bear that burden for a longer period, or to a greater extent than is required to prevent dislocation of the provincial budgets.'

By 'provincial budgets' they meant of course the budgets of the other provinces. The Meston Committee provided that, after a few years, these contributions should be re-arranged and the contributions of the other provinces should be increased. I think the Council may remember that that recommendation was not accepted by Parliament. Parliament laid down that in no event must the contribution of any individual Province be increased, but that, as the total was decreased, and as the Central Government found it possible to dispense with more and more of the contributions, certain provinces, who started by paying more than their full share, should get the first benefit. That decision is embodied in Devolution Rule No. 18. It is rather a complicated rule, but I should like to give the Council, if I may, an illustration of how it works out. Let us suppose, for example, that it were possible next year to reduce the total provincial contributions by an amount of 183 lakhs—I give that particular figure because the rule is a very complicated one,—and this figure works out rather easily arithmetically. The result would be, if the total contribution were reduced by 183 lakhs, that Madras would get relief at once of 98 lakhs, the Punjab would get a relief of 47 lakhs, and the United Provinces would get a relief of 38 lakhs. No other province would get any relief for the time being. For example, take Bombay. Bombay only started by paying 56

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lakhs, and would get no relief at all until the total contributions had fallen below four crores. That is the effect of Devolution Rule 18. My Honourable friend will see that, as soon as any reduction is made, his province will at once receive a larger proportion of benefit than any other province, except Madras and the Punjab. That is how the position stands. Personally I think that is only right, and that anyhow that is how the position stands. What my Honourable friend's Resolution really comes down to is, that he is dissatisfied, I take it, because so far, no reduction in the total contribution has been effected.

THE HONOURABLE LALA SUKHBIR SINHA: May I ask the Honourable Member to state whether any reduction of the United Provinces contribution was made when 63 lakhs were remitted for Bengal?

THE HONOURABLE MR. E. M. COOK: That, Sir, is an argument, and not a request for information; the Honourable Member knows the answer to his question perfectly well. I was going on to say that there has not been very much time for a reduction of the total, seeing that the new financial arrangements were only started on April 1st last. However, I presume, as my Honourable friend has moved his Resolution, that he is definitely of opinion that the Central Government are in a position, or could put themselves in a position—the terms of his Resolution are a little bit peremptory to make this reduction at once. Well, as to that, Sir, there is room for much difference of opinion, not only as between my Honourable friend and myself, but also between my Honourable friend and the other Chamber of the Legislature, which, after all, would have to find the money. I think the Council will see that my Honourable friend seeks to commit, not only this Council but also the Legislature as a whole, to putting the Central Government in funds to the extent necessary to meet his wishes. I must say that I think the Honourable Member is a little courageous in endeavouring to commit the Legislature in this way, before it knows what the present position of the Central Government is. If I had some magical way of projecting myself into time to the extent of 48 hours, I should be in a position to deal rather more effectively with this question, but I will only say just one word: and this is a point, I think, of very great importance to all Honourable Members,—no matter what the claims of their particular province may be,—and which they should bear in mind. These contributions, as I think I have already shown, do not even pretend to make up to the Central Government more than a half of the revenues which they lost. But, over and above that, even this contribution of 983 lakhs was based on two very important assumptions. One of these was the stabilisation of the rupee at 2 shillings, and the other was a military budget of 48 crores. Now the non-realization of a 2-shilling rupee makes a difference to the Central Government of some 16 crores a year. As for the military budget, the Council knows what the current year's budget is; it has been in excess by about 20 crores. By 36 crores therefore the Central Government are worse off: I think that fact speaks for itself, as to the possibility or the practicability of our being able to accept my Honourable friend's rather mandatory Resolution. However, Sir, it is very far from my wish to bang the door upon what the Government of India admit is by no means an unreasonable claim, for this is a claim which arises directly out of the reforms arrangements and out of the commitments entered into when the reforms were inaugurated. But, as my Honourable friend has referred to the case of Bengal, let me first say a few words about that case. I should not be in order if I were to dish up the whole of the arguments which were

put forward in another place last September, but I must remind my Honourable friend of one thing, and that is, that this was gone into very carefully and very fully in another place,—and that the other Chamber, after hearing the arguments, decided to commit itself to treating the case of Bengal specially, no matter how illogical it may have seemed, and no matter how much it may have seemed to prejudice the claims, the rights and vested interests of other provinces. Now I would just remind Honourable Members that the case for the special treatment of Bengal arose directly from the recommendation of the Joint Parliamentary Committee itself. That Committee said that they were much impressed with the special difficulties of Bengal. They said:

'The Committee desire to add their recognition of the peculiar financial difficulties of the Presidency of Bengal, which they accordingly commend to the special consideration of the Government of India.'

Well, the Government of India have always realized that the other provinces have to meet with difficulties, due to the growth of their expenditure, just as much as Bengal has, but their embarrassments differ considerably in degree from those of Bengal, and the Government of India felt that the recommendation of the Joint Parliamentary Committee created a wholly exceptional position. Their task in dealing with it would have been very much easier if the Joint Committee had made their recommendation in more specific terms. It proved impossible for the Government of India to obtain—although they tried to obtain—a more precise indication of what special treatment the Parliamentary Committee intended should be given to Bengal. So, after much consideration, it was decided to suggest to the other House that this recommendation of the Joint Committee should be met, to some extent, by temporarily waiving Bengal's contribution. I am afraid this is rather a digression, but I think I ought to bring back to Honourable Members' recollection the actual facts of the case.

As regards this particular Resolution, Sir, I think I have shown my Honourable friend that, so far as the principle is concerned, there is practically no difference between us, but, having regard to what I have said about the all-India position generally, I am afraid the utmost extent to which it is possible to go to meet him is to say that the Government of India recognize that the reduction of these contributions is, and must be, a first charge upon any betterment that may accrue in the Central Government's own position; that is to say, that any such betterment must go in relief of the provinces before it is devoted to anything else. I am afraid I could not accept the Resolution in the actual terms in which it is worded. If my Honourable friend had merely made a recommendation that the Provincial contributions, as fixed by the Devolution Rules, should be reduced in the manner specified in Rule 18, and finally extinguished at as early a date as possible, then in that case I should have had no hesitation in accepting it.

THE HONOURABLE THE PRESIDENT: The Honourable Mr. Kale.

THE HONOURABLE MR. E. M. COOK: If my Honourable friend is going to move his amendment, I should be much obliged if I might raise a point of order. I should like to invite your attention to Standing Order 32, clause (1):

'An amendment must be relevant to, and within the scope of, the motion to which it is proposed.'

I submit, Sir, that this amendment is not only not within the scope of this Resolution, but goes an enormous way beyond the scope of the Resolution,

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and that it is quite impossible to debate the two things in the same discussion. If you wish, Sir, I will give my reasons.

The HONOURABLE THE PRESIDENT: I think the Honourable Mr. Cook has explained his point of order sufficiently. When this amendment was put on the paper, it seemed to me also to be somewhat wide and to go beyond the actual motion. I allowed it, however, to stand because I thought the Government might desire to have a general discussion of the question of provincial contributions. Apparently that is not the wish of Government. I must admit also that the amendment goes somewhat further than that. But I have listened to the Honourable Mr. Cook's speech and I think he has himself clearly entered upon the discussion of other provincial contributions. That is dealt with in the first part of the amendment. I have no hesitation in admitting that part down to the word 'practicable'. The second part of the amendment in my judgment is certainly not only beyond the scope of the actual motion on the paper, but also beyond the discussion which has transpired. It will be open to Mr. Kale, if he so desires, to move his amendment down as far as the word 'practicable'.

The HONOURABLE MR. V. G. KALE: Sir, the amendment which I have to move is this:

'Omit all the words after the words 'Devolution rule 17,' and substitute the following:

'as well as the contributions of other Provincial Governments who have suffered by the scheme of financial redistribution carried out under the Government of India Act, 1919, at as early a date as practicable'.

I do not move this amendment in any spirit of hostility to the request which has been made in the original proposition. I am entirely in sympathy with the claim which has been put forward on behalf of the United Provinces. The object of my amendment is to emphasise the fact that it will not be possible for the Central Government to reduce or to extinguish the contribution of a single Province without considering the claims of other Provinces also. As my friend, the Honourable Mr. Cook, has already pointed out, the financial position of the different Provinces is entirely unsatisfactory at the present moment. But an impression seems to have got about that any Province which can clamour the loudest has a good chance of getting something by way of remission of its contribution or other relief from the Government of India. It is unfortunate that after the financial re-distribution effected under the Government of India Act, 1919, there should be a repetition of the scramble that one witnessed in the past between the different Provinces in connection with the grants which they received and wanted from the Central Government. Under the old financial system of what were called 'quinquennial settlements', each Province tried to get as much as it could out of the Central Government; and when the period of the quinquennial settlements came to a close, there was a regular fight for better treatment at the hands of the Central Government on the part of the Provinces, and the present position is very much similar to what the financial position was in the past. Many provinces have come to think that the treatment meted out to them is worse than that which has been accorded to certain others. Bengal thinks that it must be treated as a special case; Madras thinks that it has been hit the hardest; the United Provinces share the feeling of Madras; while many provinces hold the view that Bombay, though it is a wealthy province, has been treated altogether with too much favour and leniency. But what are the facts

We see from the newspapers that the Government of Bombay is faced with a deficit—a deficit for the current year and a deficit for the coming year. All the resources of the Government of Bombay have been exhausted; balances to the extent of 3½ crores have been exhausted in the course of two years, and it will be seen from the budget for the next year that there will be a minus balance of about 30 lakhs of rupees. Each of the Provincial Governments is trying to meet the financial situation in the best manner possible; and the test of their sincerity is to be found in their desire, not only to retrench and economise, but also to impose additional taxation. Under the new scheme of financial re-distribution the provinces have been endowed with the privilege of imposing provincial taxation; and that privilege—very inconvenient as it has been found to be—is being exercised in the very first year of the constitutional Reforms, and in almost all provinces new taxes have been imposed. Without new taxation it has been found absolutely impossible to make the two ends meet. Even with new taxation, they find that their balances are being exhausted and that they are left with *minus* balances. The point I wish to impress upon the Council is this. You cannot deal with this question in a piecemeal fashion. You cannot deal with the problem independently in regard to the position of one particular province. The Honourable Mr. Cook has pointed out that there has been a clean cut made between the finances of the Central Government and those of the Provinces. Certainly, provincial autonomy required this clean cut; but at the same time there is a world of difference between the position of the provinces and that of the Central Government. The resources of the Central Government are vast and very much larger than the resources of the Provincial Governments. The mere fact that the Central Government could impose additional taxation to the tune of 18 crores in a single year, goes to show what resources of financial power are possessed by the Government of India. I recognize that their financial responsibilities are also very great. In the matter of defence in particular, the responsibilities are great. But the taxable resources of the provinces are not elastic as they are sometimes believed to be. You can perhaps add to the duties on stamps; you can make something perhaps from an amuseement tax. Beyond that, it is not possible for them to go. It is, therefore, necessary to emphasise that there is a limit beyond which such a clean cut and financial separation cannot be carried. As I said in my speech on the Retrenchment Resolution, whoever the taxing authority may be—the Central Government, a Provincial Government or a local authority—it is ultimately the citizen who has to bear the burden. When the Government of India increases its taxes or levies new taxes, a smaller amount of financial power is left to the citizen to meet further additional taxation in the provinces. The limits of provincial taxation are, therefore, very narrow indeed, and consequently it is desirable that the Government of India should treat the provinces with as much liberality as possible, in spite of the fact that provincial autonomy requires that there should also be financial autonomy. There is an intimate relation between Central and Provincial finances, and it is impossible to make an absolutely clean cut division between the two. Under these circumstances, it is, to my mind, necessary to review the whole position; and if I understood my friend, the Honourable Mr. Cook, correctly, all his arguments went to show that anticipations have not been fulfilled in regard to the award made by the Meston Committee as between the Government of India and the Provinces. The anticipations have not been fulfilled. Consequently a reconsideration of the matter has become necessary. There are certain factors which have entirely changed the position. No doubt, the Government of India, I am glad to say, is

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willing to reduce the provincial contributions as early as possible. But as I have been saying, the whole thing turns upon one or two important factors. For example, there is the question of exchange. The relief which it was expected the Government of India should receive on account of the rupee being fixed at 24d. has not been secured. That relief may be obtained or may not be obtained. That will depend upon what will be the exchange policy of the Government. Then, secondly, much will depend also upon the financial policy of the Government of India in connection with Railways. I am one of those who think that the Railway revenues of the Government of India should not be sacrificed in any scheme of separation of the general Budget of the Government and the Railway Budget. That question has, however, yet to be decided. There are thus many questions which have yet to be decided, the exchange question, the Railway finance question and the question of the resources that are available and the expenditure that is obligatory on us. Therefore, I think, it is essential, in the immediate future, to review and reconsider the whole position. It may not be possible to reconsider the particular ratios in which contributions are to be made, because the object even of the Meston Committee was not to redress the inequalities as between one province and another, but it should certainly be possible for the Government of India to say whether it can forego any particular amounts of contribution to be received from the Provinces. I think, therefore, that the question ought to be reconsidered in the light of the experience that we have gained during the last twelve months, in view of the complaints that we have heard from all sides, and in view of the hopes raised at one time in the minds of the provinces. In view of all these facts, I think the whole question should be reviewed and reconsidered. With these few words and for these reasons, I hope that my amendment will be accepted.

The HONOURABLE THE PRESIDENT: Resolution under consideration. Amendment moved:—

'Drop all the words after the words 'Devolution rule 17' and substitute the following: 'as well as the contributions of other Provincial Governments who have suffered by the scheme of financial redistribution carried out under the Government of India Act, 1919, at as early a date as practicable.'

The Resolution will therefore read as follows if amended:—

'This Council recommends to the Governor General in Council to reduce substantially the contribution payable by the United Provinces Government to the Central Government under Devolution Rule 17 as well as the contributions of other Provincial Governments who have suffered by the scheme of financial redistribution carried out under the Government of India Act, 1919, at as early a date as practicable.'

The HONOURABLE LALA SUKHBIR SINHA: I want to move an amendment to this amendment of the Honourable Mr. Kale.

The HONOURABLE MR. E. S. LLOYD: I support the amendment moved by the Honourable Mr. Kale. I shall endeavour to be as brief as possible, though much might be said on such a very big subject. I shall also endeavour to be as calm as possible, because this is a subject which has created some very strong feeling in the past and upon which some rather heated discussions have taken place. I am aware that circumstances have rather altered the situation, and that at the present moment we have got to discuss the present and not the past. The Honourable the Finance Secretary, if I may say so, 'hath a stern look but a gentle heart.' I am quite sure he is prepared to meet the provinces as far as possible. His

position of course is that the Government of India are themselves in difficulties. I am quite aware that to a certain extent the provinces are beggars begging of beggars. It is, no doubt, somewhat unfortunate that this Resolution has come up at a moment when we do not exactly know what the financial position for next year is, and when we cannot perhaps expect a more definite answer from the Government of India. I do not think that this Resolution will carry us very far, but it may be of some assistance to the country at large and to the provinces if we pass it as amended, because, Sir, the position has undoubtedly altered. The Honourable the Finance Secretary has stated that the Government of India's position is worse. What about the position in the provinces? At the time when what Madras considered an exorbitant contribution, at any rate an extraordinarily heavy contribution, was levied on it, the position of the province was that they expected at any rate a certain amount of surplus and they thought that they would be able to carry on. That is not the case now. The position in the United Provinces is possibly not so bad as in Madras. The Honourable Mover of the Resolution has told us that he wants money for development, he wants money for improvements, and therefore he thinks that it would be right that the contribution should be lessened in his case. But the position in Madras is far worse than that. We no longer want money only for development, that is to say, we do want it very badly indeed, for development, but we also want it at the present moment for actual necessities. Our position is this that, owing to the non-co-operation movement, our excise revenue, as the House is aware, has fallen in the present year by something like a crore of rupees, and the position, therefore, is that not only are we faced with a deficit of Rs. 66 lakhs in the present year, but our anticipated deficit for the next year is something like 1½ crores. Well, it can hardly be wondered that the Madras people when they see that they have to pay to the Government of India the enormous sum of 3½ crores which is much more than any other province has to pay, they naturally feel that the Government of India should now come to their assistance even if at the time the contribution was levied it was thought to be fair. It has never been thought to be fair in Madras. Still, as I said, I shall not go into that part of the question. What they do say now is, that the time has come when something should be done and what they do feel more than anything else is that if the finances of the Government of India are bad, theirs are worse and that the Government of India, as the Honourable Mr. Kale said, has better facilities of imposing taxation than the provinces have, and that we ought somehow to get the clean cut to which the Finance Secretary has referred. That is what all the provinces really want. The Government of India no doubt want it also. When the provinces are left entirely alone, they can probably manage themselves. At any rate at that time it would be for them to impose their own taxation and to cut their coat according to their cloth. If the provinces had their own money, they could carry on. Until they do so, I will not say they ought not to raise taxation, but the difficulty is that you cannot persuade the people to impose necessary taxation until this heavy contribution is removed, or at any rate reduced.

I think that all there is in the Resolution which we are asked to consider this morning is, that the contributions should be reduced substantially from next year and extinguished as soon as possible. I will not say that we

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I do not say that they would be satisfied, but at any rate they would get something. All we ask for is something in the next year, with the hope of getting more hereafter.

The HONOURABLE MR. E. M. COOK: I am just a little bit mystified in regard to the position, as I am not quite sure what my Honourable friend, Mr. Kale, wishes. I am not quite sure whether he merely wants the Government of India to agree to reduce the provincial contributions in the manner specified in Devolution Rule 18: or whether he wants to extend the reduction to cover the case of the other Provinces.

The HONOURABLE THE PRESIDENT: Those are the terms of the Honourable Member's amendment.

The HONOURABLE MR. E. M. COOK: If that is so, I am willing to accept that particular portion of it, but I have considerable difficulty, Sir, in accepting an amendment which goes on to make the pious expression of opinion 'who have suffered by the scheme of financial re-distribution carried out under the Government of India Act, 1919.' That begs the whole question. Some provinces say they do suffer by that re-classification, other Provinces say they do not. Once one introduces that sort of thing into an amendment it alters the whole position. I am afraid Government could not commit themselves to a statement which would not even go into the preamble of a Bill. If an amendment of this sort would meet the Honourable Mr. Kale's, and also the Honourable Mr. Sukhbir Sinha's wishes, I shall be pleased. I would like, Sir, if you will give me permission, to move an amendment that.

The HONOURABLE THE PRESIDENT: Has the Honourable Member got a copy of his amendment?

The HONOURABLE MR. E. M. COOK: I will read it out and give you a copy. My amendment is:

'That after the words 'Governor General in Council' the Resolution should read: 'that the Provincial contributions, as fixed by the Devolution Rules, should be reduced in the manner specified in those Rules, and finally extinguished at as early a date as possible.'

That will commit the Government so to order the administration of the Central Government's finances that it will put the reduction of these provincial contributions in the very forefront of its liabilities. That, I think, sums up the feeling of most of the Members here and will not excite feelings which would set one province against another.

The HONOURABLE THE PRESIDENT: The debate is still open to Honourable Members.

The HONOURABLE MR. LALUBHAI SAMALDAS: We are awaiting the amendment before speaking.

The HONOURABLE THE PRESIDENT: The amendment moved by the Honourable Mr. Cook runs as follows. I will read the amendment and the Resolution as amended:—

'This Council recommends to the Governor General in Council that the Provincial contributions as fixed by the Devolution Rules should be reduced in the manner specified in those Rules, and finally extinguished at as early a date as possible.'

I will allow that amendment to be put to the Council, although it is only a more precise expression of that of the Honourable Mr. Kale's which it supersedes.

REDUCTION OF THE UNITED PROVINCES GOVERNMENT CONTRIBUTION. 911

The HONOURABLE MR. E. M. COOK: Yes, that was my intention.

The HONOURABLE THE PRESIDENT: The amendment is now open to debate.

The HONOURABLE LALA SUKHBIR SINHA: The amendment moved by the Honourable Mr. Cook does not contain any special reference to the United Provinces. The amendment moved by the Honourable Mr. Kale is more acceptable to me, and I was going to accept it with the addition of two words.

The HONOURABLE THE PRESIDENT: If the Honourable Member desires to make an amendment, he must hand it in.

The HONOURABLE MR. E. M. COOK: I think I can remove my friend's doubts. I specially put in the words 'in the manner specified in those Rules', because the effect of that is to bring relief to the United Provinces in the way provided for in those Rules. Under Devolution Rule 18, as I explained, Madras, the United Provinces and the Punjab get the first benefit of any such reduction. That is why I put in the words 'in the manner specified in those Rules'.

The HONOURABLE LALA SUKHBIR SINHA: I want to say that if the Honourable Mr. Cook will add his words 'after Devolution Rule 17' I will accept his amendment.

The HONOURABLE MR. E. M. COOK: Devolution Rule 17 is not the operative one; Devolution Rule 18 is. That is the one I was referring to in my speech.

The HONOURABLE THE PRESIDENT: Does the Honourable Member desire to move his amendment or not?

The HONOURABLE LALA SUKHBIR SINHA: Yes, Sir.

The HONOURABLE THE PRESIDENT: Then let him hand it in at the table. In the meantime I put the Honourable Mr. Cook's amendment before the House.

The question is:

'That, in the Resolution moved by the Honourable Lala Sukhbir Sinha, the following amendment should be made, namely, that the words 'to reduce substantially' down to 'three years' be omitted and the following be substituted: 'that the Provincial contributions as fixed by the Devolution Rules should be reduced in the manner specified in those Rules, and finally extinguished at as early a date as possible.'

The motion was adopted.

The Resolution now runs as follows:—

'This Council recommends to the Governor General in Council that the Provincial contributions as fixed by the Devolution Rules should be reduced in the manner specified in those Rules, and finally extinguished at as early a date as possible.'

The motion was adopted.

The HONOURABLE THE PRESIDENT: The question is:

'That the Resolution as now amended and which runs as follows:

'This Council recommends to the Governor General in Council that the Provincial contributions as fixed by the Devolution Rules should be reduced, in the manner specified in those Rules, and finally extinguished at as early a date as possible.'

be accepted.

The motion was adopted.

The HONOURABLE THE PRESIDENT: The Honourable Mr. Khaparde.

The HONOURABLE LALA SUKHBIR SINHA: What about my amendment?

The HONOURABLE THE PRESIDENT: The Honourable gentleman is too late. He unfortunately did not hand in his amendment before I put the Question.

RESOLUTION RE CONSTITUTIONAL PRACTICE OF VOTING AN ADDRESS AFTER SPEECH FROM THRONE.

The HONOURABLE MR. G. S. KHAPARDE: Sir, the Resolution which I wish to move reads as follows:—

'This Council recommends to the Governor General in Council the desirability of introducing the constitutional practice of voting an address, after the speech from the Throne, which in India would be the speech of His Excellency the Viceroy, opening a Session of this Council and the Indian Legislative Assembly.'

In this Resolution, the words which I have used—'constitutional practice'—are of great importance. The Constitution, as I take to mean, forms an organic part of the original, which has ultimately developed into the present practice. 'It is constitutionally so,' meaning it has been there from its very inception. We know that the institution of 'Parliament' is a very old one, and so was its predecessor; the Anglo-Saxons brought it to England with them and then it gradually developed into the Parliament that we speak of now. The principal part of it is that the King calls the subjects together, or, as is the technical term, all the estates of the realm are called, and the King has a speech with them, and they have a speech with the King. The word 'Parliament' itself means 'conversation' 'colloquy,'—and, as that has been interpreted later on in the 12th and 18th centuries, it means 'debate,' 'talk' on high matters of State,—a 'deep speech on high matters of State' as it has been ultimately interpreted. Originally, then, the King used to send for the estates of the realm to an assembly, and have a speech with them,—and I suppose they, in their turn, had a speech with the King, and that is the meaning of the word 'Parliament.' Mr. Freeman says that it was a conversation or talk, as it is called, a deep speech on high matters of State. Now it is a very very ancient institution not only in England; we find it going back to the time of the Anglo-Saxons when they came over to England. In our own history here in India, you find the same thing. There was a time when the King used to send for all the estates of the realm, as he used to call them. The earliest that we know of is in the Ramayana, when king Dasaratha wished to abdicate in favour of his son Rama, the national hero, or, rather, to admit Rama to be the Yuva-raj, or the young kingship, meaning something like viceregentship; he wanted to make his son the Yuva-raj, and he convoked a sort of parliament. It was not called 'parliament' in those days, but all the estates of the realm,—that is, Brahmins were called, the merchants were called, and the Khatriyas were called,—the several professions that then existed. A second instance of this is to be found in the Mahabharata where Yudhisthira wished to celebrate the sacrifice called the Rajasuya sacrifice, and then had an assembly of all the estates of the realm, much in the same way as Dasaratha did; and these people were called, and they were consulted, and they were asked. Then he convoked a Privy Council, and then, ultimately, not being satisfied, he called his allies, and his allies were called, and they were asked, and the allies were consulted, and then he

performed that sacrifice. A third instance of that we have got in our books; it is that of Dhritarastra. When he became very old and got tired of this world and wanted to retire into the forest, he convoked again a great assembly, and he told them that he was very old now, he could not manage to perform his duties, and wished to retire; and he also admitted the faults he had committed and so forth, and ultimately he recommended to the people that they should accept Yudhisthira as their king, and then he retired. So you see it appears from the instances I gave that this was an institution which existed before the Aryans divided. It appears to have been brought by them, I do not know exactly from where; Mr. Tilak would think they brought it from the Arctic regions; anyhow this appears to be an institution that is quite as old as any. This is, of course, so far as the Hindus are concerned. The Muhammadans also are an extremely democratic race,—republican I might say; to this day you see they have in the villages what are called 'jirgas'; every male member across the border goes there and says what he has to say. I suppose the Parsis also had a similar institution, though I am not able to quote it. It is thus a very very old institution, which has got its roots down to pre-historic times. With-in historic times we can look up as many text-books as can be found in the libraries and not one of them discusses it,—because it is something which exists from time immemorial, it is a practice, it is a thing to be found in the whole history of England; you do not find an instance where anybody tried to inquire why this practice is of the King speaking first, and the assemblies then voting the address. This appears to have been disputed nowhere,—no precedents are to be found of any discussion. So, looking to all those instances and seeing these things, I come to the conclusion that as the word 'parliament' originally meant, it only meant 'conversation'; the King, when necessary, used to send for his subjects and have a conversation with them. Originally, it is difficult, very difficult to say when, but during the time of the Plantagenets, originally the idea was that the King, like everybody else, had his own separate estate, and he was supposed to exist and maintain himself by the estate or Crown lands. Gradually the royal expenses increased, and the King could not live within his means, and more especially when there were wars and other things had to be undertaken, then he used to send for his Lords, the Barons and the commonalty, and then he asked for money from them and said 'I have got a war on hand; my son is to be knighted; my eldest daughter is to be married; and I want so much more money,' and so on. In those days the Barons were consulted separately, the Londoners were consulted separately, and the merchants were consulted separately,—and the merchants also appeared to have been very important and they were also consulted separately,—and also the clergy—and all were laid under contribution. Sometime later the clergy retired; they would have nothing to do with this taxation business. Eventually the clergy got dropped out altogether, and then there came the coalition between the Knights and the commonalty which formed the House of Commons, the Barons becoming the House of Lords, and this is how the three estates got established. I mention all this to show that the original purpose was to get these people together and ask them to contribute money and that was called 'causes for summons.' The King issued the summons to each person of the commonalty through the Sheriff and then the causes of the summonses were disclosed at the opening of the Parliament. It was a very picturesque ceremony. As I read of it in books it brought back to me the scenes which we have witnessed here at the time that His Royal Highness the Duke of Connaught opened our Legislatures, and also when His Excellency the Viceroy came to the Council at Simla and made a speech. That was a very picturesque ceremony, and though in these modern days

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there are many people who do not attach much importance to ceremony, I, being of an older generation, am fond of ceremony. I think the ceremony that I suggest will lend solemnity to our proceedings and will impress upon the people round about what is going on, and it will do a great deal of good. This ceremony of the opening of Parliament in England is very important. It has been described with great minuteness of detail and it is very difficult to resist the temptation of mentioning something about it here. Writs are issued to the Sheriffs of Shires, to the House of Lords. . . .

The HONOURABLE THE PRESIDENT: I would remind the Honourable Member that his time is somewhat limited.

The HONOURABLE MR. G. S. KHAPARDE: I won't go into minute details of it, Sir, but for the purposes of my speech I will mention a few things. Then the Commons assemble in their own House and the Lords assemble in their House. And then the Lord Commissioners come and summon the Commons to the bar of the House of Lords. The Commons go there and they are told 'gentlemen you had better go and elect your speaker.' Then the Commons come back and elect their speaker and next day they again appear. Then the King comes in state to open the Parliament and delivers a speech. After that the Commons return to their own House and they vote what is called an 'Address' in reply to the speech from the Throne. The Lords also either the same day or the next day vote an address in reply to the speech from the Throne. Then two persons are appointed in the House of Lords and two in the House of Commons who propose and second the Address. The discussion then takes place and when the Address is eventually passed, it is made over to certain appointed persons in both Houses for delivery to His Majesty. In this matter of the opening of Parliament a difficulty arose in 1688. The Ministry resigned during the vacation and no new Ministry had taken office. Sir Erskine May devotes a whole page to describing how the difficulty was got over, because until the proper ceremony had been gone through no one would believe that Parliament had been opened, that is to say, until the speech from the Throne had been made and an address voted from both Houses. It is a custom, a practice. It is not a right or a privilege. Nobody claims it as a right; nobody says it is a privilege. It is something that has grown up with the Parliament. The King in sending for his Parliament delivers a speech, and that speech necessitated a reply from the people. That reply is called the address in reply to the speech from the Throne. I have endeavoured to show that it is a very ancient custom; it has gone on uninterruptedly to the present day and serves a very great and useful purpose. The useful purpose that it serves is, that it enables the Government to give a general review of its administration and to set forth the legislation that they have in mind with the general policy that they mean to pursue. The reply from both Houses indicates their side of the case. They generally begin by thanking His Majesty for his gracious speech, and then they either approve the policy which has been outlined in the speech or they express dissent or propose amendments. In this way this ceremony forms a link of understanding between the Government and the people. There is an old maxim in England—a very old maxim—namely, 'What affects all must be approved of by all.' This is supposed to be a maxim coming down from Saxon times. As taxes affect everybody, therefore taxes must be approved of by all. As the policy of the Government affects everybody in the Realm, therefore it must be approved of by all. The speech

from the Throne, therefore, and the address voted in reply serve a most useful purpose. It not only enables the Government to explain their policy and helps the people to understand exactly what their position is, but it gives a tone to the whole of the Session that follows. That is an important matter.

Another thing is that the British Dominions all have more or less the same constitution as that in the Home country. In a book written by Professor Dodds it is made clear how Parliamentary Government is carried on in the different Colonies. The same principle is maintained under different forms. The King is represented by the Governor or the Viceroy; the House of Lords or aristocracy is represented by a Second Chamber; and the commonalty or the House of Commons is represented by a House of Representatives or whatever the local designation may be. This form of government is reproduced everywhere. Here in India we have the Viceroy, who represents the King, the Council of State and the Legislative Assembly. In the matter of the opening of the Legislature also the same practice has been introduced in the Colonies. The Governor or the Viceroy opens the local Parliament in state and delivers a speech. The Houses after listening to the speech vote, each separately, an address in reply to the speech. So that, what I am asking for is nothing more nor less than what is already the practice in the Dominions. We have much the same kind of constitution as they. Some of them may be a little in advance of us, as, for instance, Canada; but there are other Colonies which have a constitution somewhat inferior to ours. But apart from that, this is a custom which does a great deal of good and I have, therefore, proposed in my Resolution that the practice may be introduced here also. It simply means that the Viceroy will open a Session of the Legislature with a speech in which legislation proposed to be taken in hand is foreshadowed and the general policy of Government defined. Then that will be followed by each House sitting separately and voting an address in reply, thanking His Excellency and pointing out any differences that may exist between the policy of Government and the wishes of the people.

Would I be in order, Sir, if I made a few remarks about the amendment to my Resolution?

The HONOURABLE THE PRESIDENT: I think the Honourable Member can reserve his remarks until the amendment is moved. Any speech on the amendment must be made after the amendment has been moved.

The HONOURABLE MR. G. S. KHAPARDE: Then, Sir, I will not prolong my speech on my motion. I submit that the practice which I desire to introduce is one which has come down in England from time immemorial and which has done a great deal of good. With these words I trust that my Resolution will be accepted by this Honourable Council.

The HONOURABLE SIR ARTHUR FROMM: Sir, I beg to move the following amendment to the Honourable Mr. Khaparde's Resolution:

'That after the words 'constitutional practice' the following be substituted for the remainder of the Resolution:

'of a general discussion on the topics raised by the Governor General's speech at the opening of each Session of the Legislature in so far as those topics are open to discussion by the Council.'

Sir, I think it will be obvious to all the Members of this Council from the very picturesque history which the Honourable Mr. Khaparde has given

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us of the House of Lords and the House of Commons at Home, that the Resolution to which I am moving this amendment is based on the procedure in England where the conditions of the constituted Government are considerably different from those obtaining in this country at the present time. The speech of His Majesty the King at the opening of Parliament is in effect a declaration by the Prime Minister of the policy of the Government in power for the time being. If the motion to move an address is negatived or substantially amended, it usually amounts to a Resolution of want of confidence in the Government which accordingly resigns. Now, at the present stage of the Legislature in India, I cannot see the usefulness of a Resolution to vote an address in reply to the Governor General's speech. Suppose the Resolution is not adopted or is substantially amended, what result has been obtained? There is no particular Government party to resign and you can hardly expect the Viceroy in office at the time to do so. On these lines we might have a new Viceroy once a year. Nor can you expect the Executive Members of the Viceroy's Council to resign; they are not comparable with the Members of the Cabinet in England, but correspond more closely with the permanent staff and are in effect an irremovable Executive who do not hold office at the pleasure of the Legislature. Fancy the possible calamity of say a new Home Member or new Finance Member every year. (A voice: Thrice).

Sir, I think I have said enough to show what little, if any, advantage would be gained from this Council having an opportunity of voting an address on the Governor General's speech, but I am in sympathy with the motives underlying the Resolution, and for this reason have brought forward my amendment that this Council should be given an opportunity of a general discussion on the Governor General's speech, subject always to the reservation that nothing arising thereon can be discussed which is not open to discussion in this Council under the rules. The speech doubtless will always embrace topics of particular interest and give voice to some declaration of Government's policy, and a discussion in this Council on such topics and such declarations of policy would, I think, be all to the good. Misunderstandings could be smoothed away, explanations would be forthcoming. The moving in Council of ineffective and unprofitable Resolutions would be avoided, while the way would be prepared for other Resolutions which would be of assistance in the fit and proper conduct of the administration of this great country.

Sir, I hope that my amendment will be acceptable to the Honourable Mover of the Resolution and also acceptable to Government.

I would add one point more. I consider that a calm and carefully studied discussion on the Governor General's opening speech, reported as it would be in the Press both European and Vernacular throughout India, could not fail to be but beneficial and educative to the masses generally. With these few remarks, Sir, I move my amendment.

THE HONOURABLE THE PRESIDENT: Resolution under discussion. Amendment moved:

'That after the words 'constitutional practice' the following be substituted for the remainder of the Resolution:

'of a general discussion on the topics raised by the Governor General's speech at the opening of each Session of the Legislature, in so far as those topics are open to discussion by the Council.'

The Resolution would read as follows if amended:

'This Council recommends to the Governor General in Council the desirability of introducing the constitutional practice of a general discussion on the topics raised by the Governor General's speech at the opening of each Session of the Legislature, in so far as those topics are open to discussion by the Council.'

The Amendment and the Resolution are alternative propositions and open to debate in the Council.

THE HONOURABLE SIR WILLIAM VINCENT: Sir, I do not propose to follow the Honourable Mover in his dissertations on the Parliaments of the ancient Hindu Kings or of those of the Muhammadan Democracy, which, he says, are in force over the frontier. From what I have sometimes heard I should think every member of Parliament there must bring a rifle with him, and I hope we shall not imitate that practice here.

In his Resolution before the Chamber, however, the Mover really wants to follow English constitutional practice and it is on that basis that I prefer to deal with the question. Now, there are two aspects from which the constitutional position can be examined. First of all let me examine the position of the two Chambers of the Indian Legislature and compare it with that of Parliament. Here there are two Chambers, the Legislative Assembly and the Council of State which have certain powers of legislation, certain financial powers, and certain powers of discussing Resolutions. But on all these matters restrictions have been imposed upon the authority of the Assembly and this Council by Parliament. Certain legislation cannot be enacted by the Legislature; certain legislation can only be passed with the sanction of the Secretary of State; certain Acts can only be considered with the previous approval or sanction of the Governor General; and in certain circumstances legislation can under the Statute be effected, without the consent of a majority of Members. Similarly, the financial powers of the Legislative Assembly are subject to material restrictions. Certain demands are not voted, and in other cases there is the power of restoration in particular conditions. If you take discussions of Resolution on matters of public interest, there again the powers of the Legislature are equally limited by the rules under the Statute. In all these respects the position of the Legislature differs entirely from that of Parliament which has unfettered powers. Now, let me turn to the position of His Excellency particularly in relation to his power of addressing the two Chambers. It has been argued that in this respect the Viceroy occupies the position of the representative of His Majesty. I venture to submit that this is a false analogy. For the purposes of the King's speech, His Majesty is really only a figure-head representing His Majesty's Government. The King was originally the authority that actually wielded all power. Gradually, by degrees, his powers have been curtailed and absorbed by Parliament. The position out in India is entirely different. The chief controlling authority is not, and has never been, the Governor General. The Government is vested in the Governor General in Council. It is the Governor General in Council who is the Government in this country and not the Governor General. When it comes to a speech from the Throne, the difference between the practice at Home and that out here is abundantly demonstrated. The speech from the Throne, as correctly stated by Sir Arthur Froom, is in effect a declaration by the Cabinet of the policy of His Majesty's Government. It is framed by the Cabinet, who are responsible for it. They can defend it—they have to defend it—on the floor of the House. If they failed to defend it, they are liable to be removed. If the motion to move a reply to the address is amended, the amendment may imply a censure upon the Government and mean the resignation of the Government. We saw this but a few days ago when

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there was a motion of an amendment on the reply to the King's speech affecting the Secretary of State for India. That was intended, as everyone thought, as a vote of censure on the Government. The Government took it in that sense and opposed the proposed amendment winning by a large majority. The King's speech is not written by the King. The King is not responsible for it, and any reply voted does not affect His Majesty, but affects His Majesty's Government.

Now let me contrast the position out here. The Governor General here has two separate sets of functions. One arising out of his position as the head of that body called the Governor General in Council, which is the Government of India. The second is a separate set of functions altogether, which he is called on to perform as a representative of His Majesty the King, by virtue of which position he exercises certain statutory and non-statutory powers. For the exercise of these latter functions the Government of India is in no sense responsible. We have no part or parcel in those duties, and of them one is the right to address the Chambers of the Legislature vested in His Excellency the Governor General, by virtue of the Government of India Act. That power is exercised by him without any control from his Council or from anyone else. Nor is this true only in theory. I can assure this Council that in practice the Viceroy's speech is not submitted to His Council for examination; and he says exactly what he likes and what suits him. He does not speak or profess to speak on behalf of the Government of India. He expresses his personal views often on subjects which are entirely outside of the cognizance of the Assembly or this Council, but which are of the very greatest interest to the public. By reason of his high position and his personal touch with His Majesty's Government, he is indeed often able to afford information of a very valuable character to the Legislature, but that is not done by the authority or with the cognizance or under the control of the Government of India. The occasion is one on which His Excellency is pleased to place his personal views before you and in doing so he is performing a duty, the responsibility for which he cannot share with his Executive Government or with anyone else.

That leads me to another point. In these circumstances it is clearly not fair or proper that the Members of the Government should be called upon to defend the Viceroy's speech on the floor of the House. (Hear, hear.) It is his speech, it is a speech of the King's representative. It is delivered on his individual responsibility and it is not a speech of the Government. It would be improper for us to criticize it; it would be unfair to ask us to defend it, if indeed that also would not savour of impropriety. What then would be the position? Honourable Members might attack the Viceroy's speech; no Member of Government would be in a position to defend it. The Viceroy himself cannot come down to the Council to place his views before the Assembly. Is it right? Is it fair then that the Viceroy should be criticised, in his absence, in an arena into which he cannot come, on the exercise of a power which is vested in him by Act of Parliament, for performing a duty which he ought, under that Statute, to perform? I maintain if the Statute is examined, if the Rules are examined, it will be quite clear that it was never the intention of the Statute at all that the Viceroy's speech should be debated in this Council or in the Legislative Assembly. (Hear, hear.) I maintain that the responsibility for the statements made in that speech is the individual responsibility of the Viceroy, and that it is unreasonable that his observations should be criticised in his absence when no one is there who can legitimately defend him.

Now, what would be the effect of the Honourable Mover's Resolution? Would it not, in fact, render His Majesty's representative open to censure here? Was that the intention of the Statute of Parliament? Can it have been the intention that His Excellency should be attacked, criticised in a forum where he cannot defend himself. That indeed would not be consistent with his position as His Majesty's representative. Of course, it may be said that this reply would be merely a method of conveying a gracious message to the Viceroy, and that that has been our experience in the past in regard to messages of welcome to His Excellency—I think one was passed by the Council of State—or in regard to the message of welcome to His Royal Highness the Duke of Connaught; but those addresses were of an entirely different character. On occasions of that kind controversial subjects are naturally avoided. The position in regard to His Excellency's speech is entirely different. If the Viceroy is to make an interesting live speech, he must touch on controversial topics, and it would be most undesirable that in exercising this privilege of addressing the Legislature he should be open to censure and thereby possibly prevented from delivering any address in future to the Legislature at all. This is a consideration which must occur to everyone, and if he were prevented from exercising a personal duty imposed on him by law it would indeed be most unfortunate. Would that, in effect, not be really nullifying what the Statute requires? Of course if it could be assumed that the discussion on the reply would never be hostile, there would not be the same objection to the proposal; but there would be this equally grave objection that if the discussion was not frank and free, it would be lamentably dull and useless.

I said just now that I believe that such a reply to the address is not contemplated by the Statute or the Rules. I should like here to invite attention to Standing Order No. 65. I am not sure if I am citing the number correctly as I am speaking from memory, but the Order prohibits any personal reflection on the Viceroy. Now, how would it be possible to criticize his speech unless some reflection upon his conduct were made? Would it not be necessary to reflect on his language, on his policy, on his attitude and, on his conduct, if the debate was to be of any real use to the public or to the Members of the Council?

I have dealt with this question only in so far as it touches a reply to His Excellency's address. But this is only one of many statutory functions which the Viceroy exercises. Honourable Members who are familiar with the Act know that there are numerous sections which confer on him specific authority in regard to particular matters. If you once begin to seek to influence the Viceroy in the exercise of one statutory power, it is a very short step before you seek to fetter his discretion and influence him in all directions in regard to matters which have been placed not under the authority of the Government of India, but under his sole control. Those

who propose this are indeed seeking to arrogate to this Council and to the Legislature a power which is not vested in the Executive Council of the Government. It is quite certain that the Executive Council has no right to advise the Viceroy at all on such matters unless he asks their help. It is true that this motion proposes to arrogate to this Council a right to criticise the Viceroy in the exercise of one of those Statutory functions only. But I say that if you once begin in this way, it will very shortly be argued that other Statutory functions are equally open to criticism. It seems to me very doubtful if anyone has the power to control the authority of the Viceroy exercised under this Act. It is certainly not a power within the authority of the Government of India. I

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have no doubt myself that it is not within the power of the Legislature, which is just as much a part of the Government of India as the Executive Council. I doubt even if it is within the power of the Secretary of State. If you read section 33 of the Government of India Act, it says that 'the Governor General in Council is to render due obedience to the Secretary of State'; but I am not at all sure that that extends to the personal powers of the Governor General. Nor is any interference with the Statutory powers of a Governor allowed in, if I may say so, more powerful Assemblies than this. I think I can remember a case in which the Governor of the Punjab had appointed a Minister, and when it was sought to criticise that appointment in the House of Commons, my recollection is that the criticism was ruled out of order and no discussion of the point was allowed. Why? Because the Governor was exercising a statutory power. It is no use arguing on the analogy of the King's speech, because there is no analogy at all between the King's speech and that of His Excellency. Here you are dealing with the exercise by His Excellency personally of a Statutory power, with which I submit neither this Council nor the Legislative Assembly nor the Executive Council, nor even Parliament, can interfere, save by exercising a right which is always vested in His Majesty's Government. I think I have now said very nearly all that has to be said on this question, the general question. But I want the Council to remember that what they say here applies equally to the provinces; such a discussion would be of very great importance. I am told that in some provinces this question has been raised and has been ruled out of order. I am not, however, prepared to make a definite statement on that point.

And now I want to turn to Sir Arthur Froom's amendment. It is quite obvious that Sir Arthur Froom has made some study of the subject, which has enabled him to express himself in detail regarding it and he saw at once what the weakness of the original proposal was. It was for that reason that he put up an amendment, proposing a 'general discussion.' Again I say, on a reference to the Statute, section 63, or to the rules,—that if it had been the intention that there should be a general discussion on the Viceroy's speech,—we should have had either in the Statute or in the rules some reference to this. There is none. We know a general debate is allowed on the Budget; and full provision is made in the rules for that. My objection, Sir, to the 'discussion' which the Honourable Sir Arthur Froom proposes are two-fold. In the first place, it is open to the same objection that I raised just now; it involves a criticism of the Viceroy's conduct here, where he cannot defend himself, on a speech for which the Government of India are not responsible, which the Government of India do not control, or the contents of which they have nothing to do with. We should not be in a position to defend such a speech, and it is unfair that the Viceroy should be criticised in his absence. Again, let us look at the safeguards there are in the rules for the discussion of matters of public importance. In the first place 'Notice': Again certain Resolutions can be disallowed if the Viceroy thinks that the discussion is undesirable. The rules also provide that a Member cannot forestall a discussion, notice of a Resolution on which has already been given. Now how are those safeguards to be preserved in a discussion such as is proposed by the Honourable Sir Arthur Froom? They all vanish. Then again what policy are Government to defend? Not their own, but the views of the Governor General. How are they to deal with a discussion which anticipates a Resolution on which a particular matter would be discussed

later? Further, what has been our experience of these discursive discussions? I remember the old Budget debates in the old Legislative Council when I had the honour of being the Secretary in the Legislative Department. They really were, if I may say so, about the most futile discussions that anybody heard; there was no subject that was not casually discussed, debated; there was no voting, and no decision or even careful examination of any of the questions. Sir, in the circumstances I must also oppose this amendment, though I quite admit that it is not open to all the objections as the original motion both on constitutional and practical grounds. I say that a general discussion would be productive of no useful moment. I say that it would be unfair to the Viceroy to attack his speech and his conduct in an arena where he cannot defend himself, and where it would be unfair to Members of Government to undertake that task. All these objections apply equally whether you have a vote or not. Indeed if a reply were voted, it would make very little difference; the Legislature could not remove the Viceroy, although by a vote of course the House of Commons could prejudice the position of His Majesty's Ministers very materially. Sir, though I oppose this motion I do not want anyone to think for one moment that the Government seeks to impair the right of this Council or of the Legislative Assembly to discuss any matter that is open to discussion. What I submit is that proper provision is already made for such discussion. Where any subject is open to discussion, it can be debated on a Resolution—I am not talking of legislative or financial discussion,—or a Member can put up in certain cases a motion for adjournment of the House. Those are the two proper ways of forcing a discussion on any question,—and it is certainly undesirable in my opinion that the discussion of any speeches made by His Excellency should be allowed to forestall debates which are prescribed by the rules. I believe, indeed, that what the Honourable Sir Arthur Froom desires can be secured, without the objections which I have mentioned, by a debate on Resolutions properly framed on all subjects mentioned in his speech which are open to discussion, and this last is one of the conditions he makes . . .

The HONOURABLE SIR ARTHUR FROMM: I am trying to remove objectionable Resolutions by a general discussion.

The HONOURABLE SIR WILLIAM VINCENT: I think that the Honourable Member is a little optimistic if he thinks that the proposal will get rid of objectionable Resolutions. The man who wishes to bring an objectionable Resolution will not be deterred from doing so in the least. Members would merely have a double discussion of the same facts, one of the discussions being singularly infructuous.

Sir, I have given my reasons for believing that such a procedure as is proposed by the Honourable Mover or that contained in the amendment of Sir Arthur Froom would be contrary to the spirit of the law. I believe that both would be dangerous to the maintenance by His Excellency of the authority which is vested in him: and I believe it would afford a peculiarly unsatisfactory method of debating the questions referred to in the speech which are open to discussion. I hope that this Council will reject both the motion and the amendment.

The HONOURABLE SIR ARTHUR FROMM: May I rise to a point of explanation, Sir? I wish to state that in moving my amendment I did not propose that there should be any opportunity given of an unfair attack on His Excellency the Viceroy in this Council. What I had in mind is—and this is my point of explanation—that the speech will be criticised as it always is criticised throughout India in the Vernacular press; and if we had

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a good discussion in this Council, we might keep the Vernacular and European press straight. I did not have any idea of an unfair attack on His Excellency the Viceroy, as it were, behind his back.

The HONOURABLE SIR WILLIAM VINCENT: I did not mean to suggest that that was the Honourable Member's intention; but I suggested that it might be the result.

The HONOURABLE THE PRESIDENT: The Honourable Sir William Vincent referred in his speech to a Standing Order, I think to the wrong one. Will he kindly let me know if the Standing Order in question is Standing Order 28?

The HONOURABLE SIR WILLIAM VINCENT: I am afraid I was quoting from the Standing Orders of another Chamber.

The HONOURABLE MR. V. G. KALE: Sir, I accept the purely constitutional position and the position with regard to practice as it has been pointed out by the Honourable Sir William Vincent. I admit that there is no analogy between the constitutional practice in England and the practice which the Mover of the Resolution has proposed; but I do not agree with him when he seeks to show that the practice proposed cannot be instituted in this country for very serious reasons. He has piled difficulty upon difficulty—and most of them constitutional difficulties. However, I do not think that even the author of the Resolution intended in any way to violate or alter any Statutes or rules already existing. It was his intention, I believe, that the Government of India should start a constitutional practice which, without in any way going against the Statutes, should be conducive to a discussion of Government policies in this House. I will refer only to a few difficulties which have been pointed out by the Honourable Sir William Vincent. He says that a personal attack upon His Excellency the Viceroy is likely to be made. I do not think that such an attack on the Viceroy or, for the matter of that, on any Member of the Government, can be allowed under the rules. Why, therefore, should this special difficulty be placed before us? It is a common rule that no personal attack shall ever be made upon His Excellency the Viceroy or any Member of the Government. Therefore, I am not frightened by that difficulty.

Then, with regard to the second constitutional difficulty, namely, that His Excellency the Viceroy and his Executive Council are not equally responsible for certain statements which are made in His Excellency's speech, I am aware that the position of His Excellency the Viceroy is quite unique in this respect, and that his Executive Council does not take part in the discussion of, and the decisions arrived at on, certain questions. But is it intended to be conveyed to this House that when His Excellency the Viceroy makes certain statements he does not wish to carry his Executive Council with him? Does not his Executive Council share the views of the Viceroy? Constitutionally speaking, what Sir William Vincent says may be right. But, as a matter of practice, I think that His Excellency the Viceroy and his Executive Council do agree on most of the important questions that will be normally dealt with in the Viceroy's speech.

The HONOURABLE SIR WILLIAM VINCENT: May I explain, Sir, that we often do not know what His Excellency is going to say. It is a little difficult to expect Members of Council necessarily to agree with what they have not even seen.

The HONOURABLE MR. V. G. KALE: In the amendment moved by Sir Arthur Froom certain questions which are not open to discussion in this Council are excluded, and I support that amendment. If the Council accepts that amendment then the objection raised by Sir William Vincent will vanish, and questions like those of foreign policy, for instance, matters which may lie out of the purview of the Executive Council and are dealt with entirely by the Viceroy, will be excluded from the discussion in this Council. So, that difficulty will disappear.

It is also said that the discussion in this Council will be futile. I agree with Sir Arthur Froom, however, that inasmuch as in the Viceroy's speech, a general statement about the policy of the Government will be made, as it has been made in the past, that will be a proper opportunity for the Council to express its own views. No doubt, it is open to the Members of this Council to move Resolutions and declare its views with regard to the details of the policy of the Government. A statement made by the Viceroy, however, will present the policy of the Government in a condensed and crystallised form, and I think that it will afford the proper opportunity for this Council for discussing its views and expressing its own opinions with regard to that policy.

Then, another objection that has been taken is that some Members might forestall the discussion that is expected to take place later on in the Council. I think this objection is more imaginary than real, and I do not think much need be said about it. I do not, again, believe that the discussion which is proposed, will in any way fetter the discretion of the Viceroy. What we want is that a convention, a new constitutional practice, should be established. Theory and practice, even in England, do not agree, as we see in the case of the King's speech. As we have already been told the King's speech is not a speech framed by His Majesty, but it is prepared by his constitutional advisers, his Ministers. In this way, there will be no danger of the statutory powers of the Viceroy being fettered if the discussion is allowed. We want to create a convention and by means of that convention we want, in one way or another, to make an advance in the path of constitutional development. I am aware that the difficulty of Government here is that ours is not a popular or responsible Government, and therefore that the analogy, as pointed out by Sir William Vincent, cannot be carried to the extent of the Government of India resigning on an adverse vote. It is because there is no analogy of this kind that I want such a convention, which, if instituted, will be very useful and which should, therefore, be allowed. For these reasons, Sir, I support the amendment moved by Sir Arthur Froom.

The HONOURABLE SIR DINSHAW WACHA: Sir, from the very beginning I thought that the motion of Mr. Khaparde was out of the question. In fact some of the objections which the Honourable Sir William Vincent just brought forward were in my mind when I first read the Resolution. I do not think that Mr. Kale has been able to meet successfully or convincingly the very strong objections, constitutional and otherwise, which the Honourable Sir William Vincent has brought forward so effectively. I am emphatically of opinion that the Resolution, if adopted, would put the Viceroy in a very difficult position as much as the Government of India, so, too the amendment of Sir Arthur Froom. And I do earnestly appeal to the House especially my non-official colleagues, that they should not at this stage of the infancy of our Legislature, adopt a Resolution of this character which may land us into bitter controversies and perhaps to more catastrophic contingencies in the future. I consider it almost a

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dangerous Resolution so innocent looking, to bring forward at this moment, and I do sincerely hope that no Honourable Member of this House will agree to either the amendment of the Honourable Sir Arthur Froom or the original Resolution of the Honourable Mr. Khaparde. I firmly believe, Sir, that the practice that is going on for some years past is the best, that is to say, of the Viceroy whenever he thinks he ought to come before the Assembly, either this Assembly or the other, and give out his own views on particular subjects or a particular policy, about which there may be difference of opinion in the public or misapprehension. That sound practice is, I think, the best. I think the Viceroy should be left alone, in his own splendour and in his own lonely dignity and isolation to remain aloof from all political controversies. He might come forward only when he himself voluntarily desires it essential to make a declaration of policy or explain certain matters which require elucidation. (Hear, hear.) I think that is a wise policy to follow in practice for some years to come before the Legislature at any rate till it has reached a mature age. I repeat most emphatically, therefore, my opinion that neither the amendment of Sir Arthur Froom nor the Resolution of Mr. Khaparde should be passed. More, I entirely agree with every word of what the Honourable Sir William Vincent has said in regard to this matter.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: I move that the question be now put.

The HONOURABLE MR. G. S. KHAPARDE: First, Sir, with your permission I wish to speak about the amendment and I regard it as a friendly amendment intended to carry out my real intention. Of course, my friend, the Honourable Sir Arthur Froom, agrees with me in principle, but he does not agree over the ceremonies. For the 'address' he substitutes 'a general discussion,' which carries out the gist of my intention minus the ceremonial I had in view. And considering that we are living in this present century when ceremonials are not held, in respect I suppose I had better not value that. So I am disposed to accept the amendment as put forward by Sir Arthur Froom. Now, as to the objections that have been taken both to the main proposition as well as to the amendment, I wish to make a few submissions. One of these submissions is that the Honourable the Home Member thinks that there is no analogy between the circumstances as now obtaining in India and the circumstances as obtaining in England. I humbly beg to differ. I say this practice existed in the days when irremovable Executive did hold office in England also. During the days of the Plantagenets, the Tudors and even the Stuarts, the Executive were not removable on the vote either of the House of Commons or the House of Lords. It was the later development that has come into it. But this practice existed long before even the Plantagenets came to the throne. So, so far as one sees, this practice pre-existed the removability of the Executive, and I believe it will last for all time, because Parliament will always be intimately connected with the administration by the three estates of the realm. The next objection that has been taken is also rather difficult. My friend, the Honourable Mr. Kale, has explained that the constitutional position is right. When the Honourable the Home Member and a distinguished friend of mine agree, I suppose it is rather bold to disagree with them, but I shall venture to do so, and I submit that my position is correct and the other position put forward in opposition is not correct; and, why is that so? How do I make bold to make this assertion? It is this that the principle of ministerial responsibility holds good not only in

England, in the British Isles and all over the British Dominions, but in the Colonies as well as in India. His Excellency the Viceroy represents the King. The Governor General is the President of the Ministry. So the Governor General and the Ministry between them carry on the administration. His Excellency the Viceroy represents the King and the King is above politics. So is the Viceroy above politics. Therefore, the position of the Viceroy as it is called in constitutional books is the representative of His Majesty the King. His position is exactly the same as that of the King himself. It is not merely what I evolve out of my inner consciousness. I have not brought the book with me, but if it is necessary, I could produce the book, which lays down these doctrines and they have been accepted in correspondence between the colonies and the Colonial Government or the Colonial Secretary of England. There are Governors and Governors. There are some Governors with no power or fraction of royal prerogative given to them; some people like Commissioners have no prerogative, no fraction of the prerogative of the Crown. Governors have got a fraction of the prerogative given to them. It is only the Viceroy alone to whom all the prerogatives of the Crown have been assigned, viz., the prerogative of mercy, and various other prerogatives and dissolution. The Governors in India have acquired a fraction of the prerogative of dissolution. But all the other prerogatives still remain vested in His Excellency the Viceroy. I, therefore, humbly submit that our position is very much the same as that—I will not say of Canada, because Canada stands a little higher—of all the rest of the British Colonies and above the Crown Colonies and similar Colonies that exist elsewhere. Some Colonies also have what we call irremovable Executive and yet this practice of speech or having an address in reply to a speech from the Throne obtains and is continued to this day. Instances of these are given by Dodd in his book 'Parliamentary Government in British Colonies.' This distinction also which I spoke about and the position of the Viceroy and Governor is also made out in two long chapters in the same book. In another book, I think written by a German, the same thing is brought out. Apart from that objection, the Honourable the Home Member when he spoke of section 65, I believe, was referring to section 50, and not section 65. That does not appear to deal with the matter. It is dealt with in section 50. (At this stage the Honourable Sir William Vincent showed the rule to the Honourable Mr. Khaparde). The wording is the same. We are agreed that it is the aim. What is this clause? It says:

'The matter of every speech shall be strictly relevant to the matter before the Council.' (Hear, hear).

What is the difficulty? I am only reading the first part of the clause. Why is it difficult for you? It says:

'(1) The matter of every speech shall be strictly relevant to the matter before the Council.'

(2) A Member, while speaking, shall not—

I shall omit the other things.

'reflect upon the conduct of His Majesty the King or the Governor General or any Governor (as distinct from the Governments of which they are respectively the heads).

This comes in parenthesis. Now, what does this parenthesis indicate? So far as my poor intelligence goes, nobody is to speak against His Majesty the King or the Governor General or any Governor certainly; but when

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you are talking of the Head of the administration you may find fault with some part of his administration. You may criticise that administration or you may make what remarks you please; otherwise this parenthesis would be meaningless. 'A member while speaking shall not reflect upon the conduct of His Majesty the King or the Governor General or any Governor (as distinct from the Governments of which they are respectively the heads).' Why is this parenthesis introduced? A Member shall not reflect upon the conduct of His Majesty the King or the Governor General or any Governor, and then in parenthesis it is said (as distinct from the Governments of which they are respectively the heads). That means that I may not make any remarks on the Governor General or Governor. I have got strictly to keep in view, while making my remarks, the administration and its head, and nothing else; not to make any personal remarks. So that the rule quoted by the Honourable the Home Member supports me, and that argument of his does not hold at all. I have already said that there is no difference in the position in this respect or in any other respect. I shall now proceed to develop further the second part of the objection. In theory even to this day His Majesty the King rules supreme, and he has got all the powers and everything else, but he cannot exercise those powers except through His Ministers, and the Ministers have either got to take the responsibility or resign. If the Minister is to be found, who is willing to take the responsibility and face Parliament by exercising that prerogative, well and good. If there is no Minister to be found, then His Majesty cannot carry the proposal. The position is similar here in India. Here it is this come through the Executive Government, that is to say, through one of the Ministers of His Excellency the Viceroy. The Viceroy does not come here to initiate a proposal, just as His Majesty could not go to the House of Commons or the House of Lords to initiate a proposal. The position is exactly the same. It is a constitutional function and that means that the King can do no wrong; so the Viceroy can do no wrong. Any wrong done must be by his Ministers, and the Ministers are the Home Member for one. We stand in the position of the House of Lords, and I see nothing anomalous in the position. No vote of this House will turn out a Minister. It may be that if this matter had been argued in the other House some distinction might be drawn and some difficulty might be felt; but so far as this Council stands, however humble it may be in comparison with the House of Lords, it is something like the House of Lords, and a vote of the House of Lords does not turn out a Minister; therefore an adverse vote here will not have the slightest effect.

Further, the Honourable Home Member has told us that it was not the intention of the Legislature, meaning Parliament, that we should be in a position to present an address in reply to the speech from the Throne. I have not come across any authority for that proposition. I was present during a discussion which took place when this Government of India Act was passed, and I don't think this question ever arose. I then consoled myself that it was merely a matter of practice and not a matter of Statute. I call it a practice, it is a practice, and practice always supplements the Statute law and does not go against the Statute law. There is no prohibition anywhere laid down; therefore I submit what is not prohibited may be initiated by practice, otherwise all customs and all practices in this world will have to go out. Unless I am told that there is a section and that this section prohibits this address through both Houses, I submit that the objection does not hold.

Further, it was pointed out that the inconvenience will be very great, and my Honourable Friend, Sir Dinshaw Wacha, thought that I was treading on very dangerous ground, and that no one with common sense would vote for me. I would like to know where the danger comes in. . . .

The HONOURABLE THE PRESIDENT: I must remind the Honourable Member that he is approaching his time-limit, and that he should bring his speech to a close as soon as he possibly can.

The HONOURABLE MR. G. S. KHAPARDE: The first point I have endeavoured to meet. There is no constitutional difficulty in the matter. The second is that there is no statutory prohibition of this practice. The third is that this practice is so ancient that it existed before the removable ministry stage and will endure to the end of time. Lastly, no inconvenience is caused by it. The last argument is that there cannot be any talk by one person with himself. His Majesty the King or His Excellency the Viceroy calls us here to deliver a particular message or a particular idea. I suppose it is natural that we should be able to say something about it. I never intended to transgress any rule of the Act. I know exactly what the limitations that exist are, and I have not the slightest idea of going beyond them. Therefore, so far as I am concerned, I very gladly accept the friendly amendment moved by Sir Arthur Froom, and I strongly oppose the reasons which have been given for rejecting both the Resolution and the amendment.

The HONOURABLE SIR WILLIAM VINCENT: There are just one or two points with which I should like to deal in reply. They are, however, so easily refuted that I shall not waste the time of the Council; and I shall deal with them very shortly.

The Honourable Mover assails my argument relating to the difference between the constitutional position here and in England, and says it does not affect the case, because this practice of voting an address to the King obtained long ago when the King was the sole authority, when there was no question of an attempt to remove the Ministers from office. The point is however that the speech is made in England and has always been made by an authority which was constitutionally supreme. So long as the King held the real power he made the speech, and the reply was made to him. He was the Government, now actually the real authority is vested in His Majesty's Ministers. The speech is drafted by them and the reply affects them, in either case, that is, the reply is really addressed to an authority which is constitutionally supreme. Here constitutionally the Government of India is not vested in the Viceroy, but in the Governor General in Council. The speech is not prepared by the Government, and consequently the reply would not be addressed to them either, and the constitutional position differs entirely from that which obtains in England. Further, it is well known that His Majesty does not personally perform many of the functions which are supposed to be exercised by him. We know that when a post has to be filled by His Majesty, it is filled by His Majesty's Government or by His Majesty acting on the advice of his Government. The position here is entirely different. The Viceroy has got certain powers including power of appointment, power of pardon and so on. Does the King ever see cases of applications for pardon? Very seldom I should say. The Viceroy sees a great many. And similarly the other Statutory powers vested in the Viceroy are powers really exercised by him; he necessarily takes an active part in the Government. Everybody knows, for instance, that he takes an active part in the proceedings of the Executive Council, a

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part which the King does not take in the Cabinet. It is useless, in present circumstances, therefore, to say that there is any analogy between the position of the King and the position of the Viceroy in India in many respects.

Then the Honourable the Mover said: 'As in any case this Chamber could never remove a Minister, why not give it the harmless right to vote the reply.' Is that a practical proposition? Do you think, does any Member of this Council think, that the Legislative Assembly would consent to the Council voting the reply to the Viceroy's speech if the Legislative Assembly did not do it? Is that seriously proposed? Finally, may I ask what the real effect of this Resolution which I am glad to see has not obtained much favour would be? It would be either to deprive the Governor General of a Statutory power, a very valuable power that is vested in him, or to transfer indirectly to the Governor General in Council a power now vested in the Governor General. If a reply is to be voted the speech would have to be a speech on behalf of the Government and not the speech of the Governor General; and that is not what the Government of India Act contemplates.

The HONOURABLE THE PRESIDENT: The question is—

'That in the Resolution moved by the Honourable Mr. Khaparde the following amendment be made:

That after the words 'constitutional practice' the following be substituted:

'of a general discussion on the topics raised by the Governor General's speech at the opening of each Session of the Legislature, in so far as those topics are open to discussion by the Council.'

The Amendment was rejected.

The HONOURABLE THE PRESIDENT: The question is:

'That the original Resolution which runs as follows, namely:

'This Council recommends to the Governor General in Council the desirability of introducing the constitutional practice of voting an address, after the speech from the Throne, which in India would be the speech of His Excellency the Viceroy, opening a Session of this Council and the Indian Legislative Assembly',

be accepted.

The Council will now divide by a show of hands. Those in favour of the adoption of this Resolution will hold up their hands—

Ayes—7

Noes—23.

The Resolution was therefore rejected.

The Council adjourned for Lunch till a quarter to Three of the Clock.

ADJOURNMENT OF COUNCIL.

The Council re-assembled after Lunch with the Honourable the President in the Chair. As there was no quorum the Council was adjourned till Tuesday, the 28th February, 1922, at Eleven of the Clock.

COUNCIL OF STATE

Tuesday, the 28th February 1922.



The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

QUESTIONS AND ANSWERS.

REMOVAL OF RESTRICTION ON EXPORT OF FOOD-GRAINS.

96. The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: With reference to the Resolution moved by the Honourable Sardar Jogendra Singh and adopted by the Council, regarding the removal of restriction on export of food-grains at a meeting held on the 9th March, 1921, will Government be pleased to state whether any action has as yet been taken thereon to remove the restriction: If not, why not?

The HONOURABLE MR. B. N. SARMA: Partial effect has been given to the Resolution by removing all restrictions on the export of rice from Burma, with effect from the 13th December, 1921. Shortly after the Resolution was passed the serious failure of the wheat and other spring crops became apparent and the Government of India decided to wait until the ultimate character of the next monsoon was known. Notwithstanding a satisfactory monsoon, however, a very serious and rapid rise took place in the prices of food-grains everywhere in August last, especially of wheat as a result of which it was decided to continue the embargo on exports, and it was announced on the 2nd September 1921 that the Government of India would maintain the embargo on the export of wheat, *atta* and flour in full force until at least the end of March 1922. This decision was confirmed by the Resolution which was passed in the Council of State on the 17th September 1921.

QUANTITY OF PETROL EXPORTED FROM BURMA.

97. The HONOURABLE MR. SETHNA: Will Government be pleased to give in tabular form a statement showing what quantity of petrol has been exported during the last five years from Burma:

- (a) to the rest of India,
- (b) to Europe, and
- (c) to any other part of the world?

The HONOURABLE MR. H. A. F. LINDSAY: The figures are being obtained and will be communicated to the Honourable Member on receipt.

DIFFERENCE IN PRICES OF NO. 2 PETROL IN ENGLAND AND CALCUTTA.

98. The HONOURABLE MR. SETHNA: Will Government be pleased to state—

- (1) if they are aware that the present price of No. 2 petrol exported from Burma is 2s. 3½d. in England and that the same quality petrol is sold in Calcutta at Rs. 1-14-0 per gallon, which is

more than 2 annas per gallon dearer than in England, in spite of—

- (a) the freight to England being higher, and
 - (b) the rate of duty or tax in England being the same or more than in India?
- (2) If Government are not aware will they be pleased to make the necessary inquiries and give present comparative prices of the same quality of Burma petrol in India and England after allowing for duty or tax in either country?

The HONOURABLE MR. H. A. F. LINDSAY: The Government of India are not aware that any duty or tax is now collected in England on imports of motor spirit. If, at present rates of exchange, the difference in the prices per gallon of No. 2 petrol in England and in Calcutta is only 2 annas as stated, this difference is more than accounted for by the excise duty of 6 annas per gallon levied on motor spirit in India. In the circumstances they do not consider that any special inquiry is called for.

LICENCES AND MINING LEASES TO OIL COMPANIES IN BURMA.

99. The HONOURABLE MR. SETHNA: Will Government be pleased to state—

- (i) if in the licenses given to the different oil companies in Burma there is any provision made to the effect—
 - (a) that there should not be any profiteering in regard to exports to the rest of India, and
 - (b) that preferential treatment be given to India, or
 - (c) any other provision to safeguard the interests of consumers in India?
- (ii) If so, will Government be pleased to place on the table copies of such licenses or extracts therefrom having reference to (i) (a), (b) and (c) above?

100. The HONOURABLE MR. SETHNA: Will Government be pleased to state—

- (i) if in the terms of the licenses granted to the different oil companies in Burma they have provided that such companies should export petrol to India of only a certain quality or qualities, and
- (ii) if they have inquired whether the quality of petrol now arriving from Burma is according to such quality or qualities or that it is inferior to the quality of petrol that used to come here from Burma before the war and if such inquiry has not been made is Government prepared to make it?

The HONOURABLE MR. H. A. F. LINDSAY: Prospecting licenses and mining leases are granted by Local Governments. A reference has, therefore, been made to the Government of Burma, and the information required by the Honourable Member will be supplied to him in due course.

REVISION OF LAND-REVENUE ASSESSMENT.

101. The HONOURABLE LALA SUKHBIR SINHA: With reference to * part (c) of my question asked in this Council on the 21st March 1921, will

*Vide page 518 of Vol. I of Council of State Debates.

the Honourable Revenue Member be pleased to state what action Provincial Governments have taken to have Legislation on the lines recommended by the Joint Parliamentary Committee on the revision of Land Revenue assessment?

The HONOURABLE MR. B. N. SARMA: The Punjab Government has decided to appoint a Committee to examine the present land-revenue assessment policy in the Punjab and to report what changes should be made. In the Madras Presidency a draft Bill regulating the assessment and revision of assessment of land-revenue has been drawn up by the Board of Revenue and submitted to a large and representative Committee consisting of both officers experienced in settlement matters and non-official members of the Legislative Council. Their Report has been received and is under consideration. The action taken in other Provinces has not yet been reported to the Government of India.

The HONOURABLE LALA SUKHBIR SINHA: Will the Government of India remind other Governments which have not taken action as yet to do so as soon as possible?

The HONOURABLE MR. B. N. SARMA: The Government does not think that any such action is needed.

DEFECTS AT THE HARDWAR RAILWAY STATION.

102. The HONOURABLE LALA SUKHBIR SINHA: Is the Government aware of the hardship caused by the following defects, at the Hardwar Railway Station:

- (i) That there is no booking-office in the town, on account of which pilgrims have to go to the railway station for hours before the departure of trains and find it very inconvenient to purchase tickets there?
- (ii) That the gradient on to the platform for 3rd class passengers is too steep and very inconvenient and sometimes dangerous for women and children?
- (iii) That there is no shade on the island platform and it is urgently required?
- (iv) That the entrance to the Railway platform is not kept opened and is locked up for first, second and intermediate class passengers?
- (v) That the carriages, motors and tongas are not admitted inside the gate and it is very inconvenient to get down at a distance from the Railway station, especially in the rains?
- (vi) That there is only one 1st and 2nd Class waiting room for Indians and none for Indian ladies?

The HONOURABLE MR. H. A. F. LINDSAY: The necessary inquiries are being made, and the result will be communicated to the Honourable Member.

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

The SECRETARY OF THE COUNCIL: Sir, a message has been received from the Legislative Assembly through the Secretary of that Chamber.

The HONOURABLE THE PRESIDENT: Let it be read.

The SECRETARY OF THE COUNCIL: Sir, the message runs as follows:—

*'Sir, in accordance with rule 36 (2) of the Indian Legislative Rules, I am directed to inform you that the amendments made by the Council of State in the Bill to consolidate and amend the law relating to income-tax and super-tax, as indicated in the attached statement, * were taken into consideration by the Legislative Assembly, at their meeting to-day, the 27th February, 1922, and that the Assembly have agreed to these amendments, with the exception of the amendment to clause 15 (2) of the Bill substituting the words 'any adult male member' for the words 'any male member.'*

DESIRABILITY OF QUORUM AT COUNCIL MEETINGS.

The HONOURABLE THE PRESIDENT: Before we proceed to the business of the day, I should like to invite the attention of the Honourable the Leader of the House, whom I am pleased to see in his place to-day, to the fact that, when the House re-assembled after the luncheon interval, yesterday, I was forced to count it out as no quorum was present. I draw his attention to this fact for the reason that I saw that the Honourable Member of the Government in charge of the Bill on the paper was in his place and a very considerable number of non-official members were in their places; but the supporters of the Honourable gentleman were conspicuous by their absence. I think it is eminently desirable that, at any rate the commencement of a meeting, arrangements should be made to enable the House to be formed in so far as that lies within the power of the Government.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, I am sure it is hardly necessary for me to assure you and the House that no one regrets the unfortunate occurrence of yesterday more than I do. Owing to work elsewhere, I was absent from the House in the afternoon, and I was surprised, on coming to the House this morning, to learn of what had taken place yesterday. You, Sir, and the House may rest assured that steps will be taken to avoid such an unfortunate contingency in the future.

The HONOURABLE THE PRESIDENT: I am much obliged to the Honourable the Leader of the House for his assurance.

We will now resume the interrupted debate on the Bill to amend the law relating to emigration.

INDIAN EMIGRATION BILL—(contd.)

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Sir, I beg to move an amendment that in clause 7 of the Bill after the words 'in any place' the words 'except the Straits Settlements and the Federated Malay States' be added.

Sir, my reason for moving this amendment is that in the latter part of the year 1916, I was appointed by the Government of India as one of the Special Officers to inquire into the methods of recruiting and conditions of Indian labour on the estates of Ceylon and Malay States along with Mr. N. E. Marjoribanks, I.C.S., and have submitted our report to

*Not printed.

the Government of Madras after careful investigation on 18th February 1917.

On pages 28 and 29, paragraphs 14 and 15 of the report we have stated as follows:

'14. In the interests of the development of the country, the Straits Government took up the question of the labour supply. The control and supervision of immigration was in 1907 vested in an Immigration Committee consisting of the Superintendent of Immigrants (now Controller of Labour) as Chairman, the Principal Medical Officer of the Federated Malay States, the Director of Public Works of the Federated Malay States and four or five non-official gentlemen, members of firms of estate agents or managers of estates. This committee after consulting the Planters Association of Malaya recommended that the cost of importation of Tamil labourers should be distributed amongst all those who employed them, and the Indian Immigration Fund Enactment (incorporated in the Federated Malay States Labour Code of 1912) was subsequently passed. Similar enactments or rules passed by the States concerned are in force in the non-federated Malay States. In the Colony, the law relating to Indian labourers has not yet been codified, but for practical purposes it may be taken to be identical with the provisions of the Federated Malay States Labour Code, 1912).

'15. Under these laws, an assessment on the amount of work done by their labourers is levied upon all employers of labourers native to the Madras Presidency (described as 'Indian labour') and the proceeds are paid into a fund styled the Immigration Fund. Employers are required to send in to the Labour office, Penang, on printed forms which may be obtained free, certified returns of their Indian labour for every quarter. The returns must be sent within a month of the expiration of each quarter, i.e., in April, July, October and January and should be addressed to the Deputy Controller of Labour, Penang. These returns are assessed according to the rates published for each quarter in the Government gazette and each employer is duly sent a notice informing him of the amount of assessment he is required to pay. The amount each employer is assessed at should be forwarded to the Deputy Controller of Labour, Penang, within 21 days of the posting of the notice and for payments made after such period, the employer is charged interest at the rate of 8 per cent. per annum on the amount assessed.

All such payments are credited to the Immigration Fund, which forms no part of the general revenue of the Government, but is administered by the Controller of Labour under the authority of the Immigration Committee solely in the interests of importers of Indian labour. The Government is in fact the largest single contributor to the Fund through the assessments which it pays on all Indian labour employed in the Railways, Public Works Departments, Municipalities, Sanitary Boards and other departments.'

Again, in our confidential report dated the 21st February 1917 the concluding portion of paragraph 21 reads

The HONOURABLE MR. B. N. SARMA: I rise to a point of order. Has the Honourable Member obtained permission to quote from his confidential report? If it was a confidential report submitted to Government, has the Honourable Member obtained the permission of Government to read from it?

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: As we are now dealing with the question

The HONOURABLE THE PRESIDENT: If the report was confidential, the Honourable Member ought only to disclose its contents with the permission of the persons to whom it was addressed. I am not aware whether the report he is quoting from is confidential or not. If it is a confidential report, it is confidential and should be treated as such.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Very well, Sir. There was no special restriction to that effect.

As a matter of fact, the Government of Madras in their letter No. 1233, dated 25th April 1921, asked me to give my opinion on the provisions of the

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Bill in question, and in my reply I invited their attention to the observations made by Mr. Marjoribanks and myself in the report sent by us. Under these circumstances, I consider the appointment of agents in the Straits Settlements and the Federated Malay States is unnecessary, inasmuch as the Government of the Straits Settlements have taken precautionary measures to protect the Indian emigrants. If necessary, the Government of India could depute occasionally a non-official from India to go to Malaya to examine and report the condition of Indian immigrants employed in that colony about which a reference has been made in paragraph 27 of our report. There should be reserved to the Government of India power to depute any person it may select, whether official or non-official, from India to examine and report on the condition of Indian immigrant labour employed in the colony and to which emigration is lawful. Such power is now given in the case of Malaya only under section 86 of the Labour Code. Under these circumstances, I consider the appointment of an agent in this colony as unnecessary and waste of money. With these few remarks I commend my amendment to the House.

The HONOURABLE MR. B. N. SARMA: I think here again the Honourable Member has misconceived the scope of this clause. This clause gives power to the Governor General in Council to appoint agents in the various countries in which Indians are generally settled as labourers. It does not compel the Government to appoint an agent. The Government give no pledge that they will appoint an agent; they are not under an obligation to appoint an agent. It only enables them to do so if they think such a course is desirable. I may also inform the Honourable Member that we cannot appoint an agent in a State or Possession the Government of which objects to it; and consequently an agent can be employed only with the consent of the Straits Settlements in the particular case the Honourable Member has in his mind, the Government of India aided by the Legislature always having it in their power to enforce their views by such means as may be at their disposal.

Now, with regard to the Straits Settlements the point of the Honourable Member is that due precautions are being taken in the Straits Settlements for protecting Indian labour and consequently, there is no necessity for the appointment of an agent there. Well, if the Government of India should consider that such an agent is unnecessary they will not appoint one. But power must be taken for the purpose, because there is very large emigration to these Straits Settlements in particular, and because we have got about 3,00,000 Indians in the Straits Settlements and Federated Malay States, and most of the persons who emigrate are unintelligent, ignorant persons belonging to the depressed classes mainly. Under clause 10 this House as well as the Legislative Assembly may, after consideration of the whole question, deem it necessary to impose a condition, namely, the appointment of an agent, in order to safeguard the interests of the Indians that are settled there. The object of the appointment of the agent is, in the words of Sir George Barnes, for the purpose of keeping the Government of India informed of all matters which affect the welfare or status of Indians under the Government to which he is accredited. The agent would further of course be at the service of any particular Indian who might wish to seek his advice. He is a *liaison* officer between the Government of India and the Government of the country in which he is serving. I do not see any objection that can be taken to the appointment of a person to help the Indians who are resident there, to interpret their wishes to the Government

and to be a first-hand source of information to the Government of India as to what is going on there. A good deal of agitation is due to the fact that there is a misconception as to what is going on in these various possessions, and the Government of India would be able to deal with such agitation in the very early stages if they only know what is the truth; and consequently it might be absolutely necessary even in the Straits Settlements, notwithstanding the fact that, as the Honourable Member points out, the conditions there are satisfactory, to appoint an agent. I, therefore, hope that after this explanation the Honourable Member will not press his amendment. This is after all a power taken by the Government for the purpose of appointing an agent. If the Government think it is a waste of money and that the conditions are so very good in the Straits Settlements as to render it unnecessary to appoint an agent there, they will not do so; but I think we must have the power to do it.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: In view of the explanation I beg permission to withdraw my amendment.

The Amendment was, by leave of the Council, withdrawn.

Clauses 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 and 23 were added to the Bill.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Sir, the next amendment I beg to move is that in clause 24 (2) (b) the word 'licensing' be deleted. This question should be left entirely in the hands of the employers. They will select their own reliable men to recruit coolies for them. The system now prevailing in Malaya is the same. In this connection I beg to refer to paragraphs 18 and 19 of the Report:

'When an estate manager or other employer wishes to recruit Indian labour, he selects his own recruiters from amongst his labour force and applies to the Indian Immigration Committee at Penang for a licence. Licence forms to recruit labourers in the Madras Presidency are then issued to these persons (kanganies so-called) on the authority of the Chairman of the Immigration Committee and are granted free of charge. Blank licence forms are sent to any employer on application to any of the Labour offices, and when the required details have been filled in, the licences should be sent to the Deputy Controller of Labour, Penang, for registration and signature. Such licences are not issued to persons under the age of 21 years. The Controller and Deputy Controller of Labour have full powers to refuse licences or to cancel licences.'

At Madras and at Negapatam emigration offices have been established by the Colonial Government under the charge of their officers. The agent at Madras is an officer of the Colonial Civil Service, and the agent at Negapatam is an officer of the Straits Medical Service. There are also fourteen recruiting inspectors stationed at various places in the Madras Presidency, whose duty it is to assist kanganies, help in forwarding their recruits and to pay their train fares. The kangany on receipt of his licence proceeds to Madras or Negapatam and has his licence registered in the office of the emigration agent.

The licence is valid for six months only, but the emigration agent may renew it for further periods of three months at a time if he is satisfied that the kangany is likely to recruit the number specified in his licence if given more time. The number of recruits is limited in any licence to 50. After his licence has been registered, the kangany has to go to either Messrs. Binny and Company, Madras, or Messrs. the Madura Company, Negapatam. These firms are the British India Steam Navigation Company's agents, and generally act as financial agents in India for employers in the Straits. In addition there is the Malay Peninsula Agricultural Association Agency in Madras and Negapatam who also act as financial agents for certain estates in the Straits. The employer when sending his kangany to recruit therefore makes arrangements with such agents to finance the kangany, and according to the instructions received these agents make advances to the kanganies and pay commission for each labourer actually produced by the kanganies and shipped.'

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So, Sir, I say the question of issuing licences if kept in the hands of the Government will give an opportunity to professional recruiters to get licences, people in whom the employers will have no confidence whatever; the result will be that recruitment will not be successful; and so, I say this custom should be left entirely in the hands of the employers who have got confidence in their own kanganies who will behave properly in not recruiting against the conditions laid down in the Act. Therefore, I recommend that the question of issuing licences should be deleted from this Bill.

The HONOURABLE MR. B. N. SARMA: I suggest to the Honourable Member that the reasoning he has given goes to show that the clause should remain as it stands. He does not object to any power being vested in any person whatsoever for licencing. All that he contends for is, that the licensing authority should be the agent of the country to which the emigrants go, and in the particular case he has cited the Colonial Office or the Straits Settlement Officer, who is the Agent here, who should have the power of licensing the persons to be recruited, and his fear is that recruitment may suffer if the power were entrusted to an officer of the British Indian Government. On this point, I may give him this assurance, that the Standing Committee which is to be appointed to assist the Government in framing rules under this clause can have and will have this matter placed before them as to who should have the authority to give licences, as to whether it should be the employer's agent or an officer of the Government of India. If after taking the Committee's advice the Government are to be of opinion that in any particular case and in the case of any particular possession the power might well be vested, having regard to the conditions of that possession, in the employer, it will be given to the employer, otherwise power will be given to the Government officers. So this is one of the questions on which the Government have a perfectly open mind, as to who should be the licensing authority, and the Honourable Mr. Maricair may place his views before the Standing Committee and press for them. The clause as it stands is perfectly correct. Each case depends upon its own merits, and the question can be threshed out in the Standing Committee, and the Government are willing to show every regard to the views of the Standing Committee. I, therefore, think that the Honourable Member would do well to drop this amendment also because it is absolutely unnecessary according to his own reasoning.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: I do not press the amendment, Sir.

The HONOURABLE THE PRESIDENT: Is it the pleasure of this House that leave be given to the Honourable Mr. Maricair to withdraw his amendment?

The Amendment was, by leave of the Council, withdrawn.

Clauses 24, 25, 26, 27 and 28 were added to the Bill.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Sir, the last amendment of which I have given notice reads thus:—

That the following clause be substituted for clause 29 of the Bill, namely:

29. All the powers for the time being conferred by law on Port Officers for granting of certificates for carrying passengers by a steamer and the detention of vessels or otherwise be exercised by those officers for the prevention of offences against this Act.

The Bill provides that power be given to the officers of the Sea Customs to deal with offences against this Act. I consider this will not be necessary. Such powers should not be exercised by such petty officers visiting steamers to search the smuggling of opium and other dutiable goods. In all the ports of passenger traffic, responsible and reliable European officers are appointed as Port Officers who have the right of inspecting the vessels prior to the shipment of passengers as to the suitability or otherwise of the vessel being fit to carry the passengers and various points such as airing space, accommodation, sanitary arrangements, etc. This officer also visits the steamer even after the embarking of passengers and emigrants and grants certificates. Therefore any power under this Act should only be exercised by that responsible officer and not by the Customs Officer whose duty is quite different from that of the Port Officer. With these remarks, Sir, I wish to place my amendment before this House.

The HONOURABLE MR. B. N. SARMA: Sir, the Government must oppose this amendment. The Honourable Member has not clearly grasped the scope of this clause as it is enacted. He has drawn a distinction between the functions of the Port Officers and those of the Sea Customs Officers. It is not the object of the Native Passenger Ships Act or of the Indian Ports Act to empower officers to detain a vessel except under particular conditions, and for particular objects, specified therein, the scope being entirely different. As whether a vessel is seaworthy, as to whether ample accommodation has been made for passengers, and as to whether the regulations in respect of long and short voyages are complied with, are the kind of matters that are referred to in those Acts, and it is the duty of the officers to see that those duties are properly discharged and those safeguards are properly observed. The Sea Customs Act enables an officer to inspect ships for preventing smuggling, empowers him to search in order to prevent smuggling of goods and so on, and the clause under consideration enacts that all the powers for the time being conferred by law on officers of Sea Customs with regard to the searching and detention of vessels or otherwise for the prevention of smuggling on board thereof, may be exercised by those officers for the prevention of offences against this Act. The object is to prevent persons who ought not to migrate except in accordance with the provisions of this Act, defeating the objects thereof. But inasmuch as human beings cannot be considered to be goods within the meaning of the Sea Customs Act, special provision has been made here to empower customs officers to search ships for the purpose of discovering as to whether any offence of the kind described here has been committed, as to whether any person has been smuggled on board the steamer, whether emigrants who ought not to go are there, and to see that the provisions of this Act are enforced. Therefore, I think that only the powers conferred by the Sea Customs Act ought to be utilised for the purpose of preventing unlawful emigration from this country.

I do take strong exception to the suggestion implied in the Honourable Member's remarks that our Sea Customs officers are underpaid or low paid or are not discharging their functions properly. I do not think there is any reason for a charge of that description being levelled against our functionaries carrying on so very efficiently and properly the duties which have been entrusted to them, and I think that officers who have been so efficiently discharging their functions would be, under the Sea Customs Act, the proper kind of officers to be entrusted with the functions specified in section 29 of this Act.

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The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: I press the amendment, Sir.

The Amendment was rejected.

Clauses 29, 30, 31, 32, 33 and the Preamble were added to the Bill.

The HONOURABLE MR. B. N. SARMA: Sir, I beg to move that the Bill, as passed by the Legislative Assembly, be passed.

The HONOURABLE MR. LALUBHAI SAMALDAS: While congratulating the Honourable Member for carrying this very important Bill through the Council, may I take the opportunity of congratulating the former Member of the Commerce and Industry Department, Sir George Barnes, who introduced this Bill into the Legislative Assembly last year. It was he, Sir, who took all the trouble from the very beginning, and I believe my Honourable Friend will agree with me in saying that the greater portion of the credit is due to him for having brought this Bill before the Council.

With these words, I support the motion.

The motion was adopted.

INDIAN MERCHANT SHIPPING BILL.

The HONOURABLE SIR ALEXANDER MUDDIMAN: The next motion on the paper stands in my name. I beg to move for leave to introduce a Bill to consolidate certain enactments relating to Merchant Shipping.

Honourable Members may perhaps feel some surprise that a substantive motion stands in my name on the paper for to-day. I can assure them, however, that it does not mean that I have any intention of embarking on a discussion of the attractive if controversial subjects which are so often and so ably discussed by other Members. Fortunately or unfortunately, for me, that is prohibited. The Bill I ask for leave to introduce deals with form and not with substance. Indeed, if that were not the case, I could not be making the motion I have now made. The Bill is a modest attempt to provide the groundwork for what I venture to think is a legal reform of some importance. The Chamber may perhaps be aware that the Government of India at the commencement of last autumn appointed a Statute Law Revision Committee of which I am the Chairman. The functions of that Committee are not to alter the law, not to bring forward any substantive amendments, but, as far as may be, to improve its form. Our aim is to remove dead matter from the Statute-book, to bring together in the form of a connected enactment provisions of the law which are scattered over the Statute-book, and generally to clarify and make more accessible the provisions of our Acts. This work may seem a humble, and it certainly is a tedious, task, but I venture to submit that it is one of some importance. All those who have any experience of drafting work times and drawn by different hands and to harmonize them into a connected whole is a work of some nicety and delicacy. In a House composed as this Chamber is, I need hardly explain that consolidation is not a work of paste and scissors, as those who have never tried to do it sometimes imagine. Some people seem to think that if you have got three Acts to consolidate, you can cut them up and paste them together, and that by

this process you have got the work of consolidation done. That is not so. Consolidation properly carried out is also, I would suggest to the Council, a work of real utility both for those who have to administer and for those who have to obey the law. When the Committee to which I have referred was appointed, the Governor General in Council directed our attention to the importance of an early examination of the law relating to Merchant Shipping. We have made that examination, and the conclusion we have arrived at is that some measure of consolidation is a condition precedent to the revision of the law. The Bill which is in the hands of Members is an attempt to give effect to that conclusion. I hope to be able to show to the Council that the case for consolidation as regards this branch of the law is very clearly established. Our Indian Statute-book, in so far as it deals with merchant shipping, is, and must continue to be, contained in two classes of enactments, (1) the Acts of the British Parliament, and (2) those of our own Legislature. This consolidation will not avoid the fact that the law must be contained in enactments of two Legislatures, but I hope it will to some extent diminish the inconvenience. I fear I must detain the Council for a few minutes while I refer very briefly and very generally to the Statutes of the English Parliament and the Indian Acts which deal with this subject. The earliest Act of Parliament, one not of very much importance at the present day, but a portion of which is still on the Statute-book, is the Lascars Act of 1823. Thus Honourable Members will see that we have to go back nearly a hundred years to find the earliest Statute law on the subject. Between the year 1823 and the year 1894 many Acts of Parliament were passed which dealt with the Merchant Shipping law. Nearly all of these have been repealed by the important Merchant Shipping Act of 1894, which I shall deal with later on. One, however, though repealed, is still important. I refer to the Statute 3 & 4 Vict. cap. 56. It was under this Statute that the Indian Registration of Ships Act, 1841, and its amending Acts were passed, and, when I come to deal with the question of registration, I shall have to draw the attention of the Council to the provisions of that Act a little more closely. It will be sufficient for me now to point out that, although this Statute itself is repealed by the Statute Law Revision Act, No. II of 1874, the Indian Act which was passed under its provisions is saved by the repeal. The Act of Parliament itself having gone however, we have now no power to re-enact the provisions of our Indian Act. As I said, in 1894 the important Act which consolidated the English Statute law, and which is known as the Merchant Shipping Act, 1894, was passed. It has been said that the main object of Parliament was 'the establishment of a system of national identification of shipping', and I think Honourable Members will grasp the fact that this lies at the root of all Merchant Shipping law, as the identity of the ship is of essential importance. Unless you can identify your ship all the rest of your labour is in vain. Portions of the Act of 1894 extend throughout the Dominions of the Crown and provide a law of universal application therein. The Act, however, conceded to the Legislature of British possessions definite and specified powers to deal with certain branches of the shipping law, and further provided that, subject to the conditions specified in the Act, the enactments of such British possessions should in certain cases have operation, not only in the British possessions in which they were enacted, but also throughout the whole of the Dominions of the Crown. The Act of 1894, therefore, at the same time limits and extends the sphere of the Indian Legislature in regard to merchant shipping. It limits it because of section 65 (2) of the Government of India Act, the relevant part of which I will

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read to the Council. I may explain that section 65 of the Government of India Act is the section which confers our powers of legislation on us, and one of the provisos to that section runs as follows:—

‘Provided that the Indian Legislature has not, unless expressly so authorised by Act of Parliament, power to make any law repealing or affecting:—
(i) any Act of Parliament passed after the year one thousand eight hundred and sixty and extending to British India.....’

The Act of 1894 is an Act so passed and, in so far as it applies to British India, we cannot modify it unless there is express Parliamentary provision to do so. The Act extends the sphere of our legislative powers, because, speaking generally, as all the lawyers in this Council will appreciate, an Act of the Indian Legislature cannot operate *in rem* outside British India and the territorial waters of that country. In certain cases provided for in the Act of 1894, however, the Indian Legislature can enact provisions which have operation throughout the Empire, and that is why I say that that Act extends our powers. Since the great Act of 1894 there have been very many Acts dealing with merchant shipping, but they all fit into the general scheme of codification effected in 1894, and I need not at this stage detain the Council by mentioning them specifically.

I must explain to the Council that a part, indeed the greater part, of our existing shipping law was enacted before the Act of 1894. The importance therefore of a careful examination of our law with reference to the provisions of that Act will be obvious to Honourable Members.

I now turn to the consideration of Indian law. The Indian Statute-book has large number of Acts which deal with the subject of merchant shipping. I think Bombay Members will be interested to know that the first Act which is still on the Statute-book is the Bombay Act of 1838—the Bombay Coasting Ships Act, XIX of 1838. The last Act to appear on the Statute-book is the recently enacted Indian Wireless Telegraphy Shipping Act (XLI of 1920). There are in all some 21 Acts dealing with this subject specifically, and they have been enacted at different times spreading over nearly three-quarters of a century. If this fact stood alone I think I should have no difficulty in convincing you that a *prima facie* case for consolidation is at once made out. I will not harrow your feelings by drawing a picture of the master of a vessel trying to find out what his rights and duties are and feverishly calling on his chief officer, saying:

‘Bring me the 21 Acts and we will go through them to see what we have to do in this particular case.’

He would indeed be a very well qualified sea lawyer if he were able to find out what the law was—at any rate, without considerable reflection and delay. Apart from that, however, the great Act of 1894 has to be assimilated with our Indian law, and we have to bring our law on the subject within the scope of that Act. As the matter stands at present, the extent to which the Indian law applies can only be determined after a careful consideration of the English law. At one unfortunate period of my life it was my duty to apply my mind to that task, and those who now fill the office I then held will agree with me when I say that it was by no means an easy task.

There are one or two points, however, which I must deal with. If an Honourable Member has read the Statement of Objects and Reasons which accompanies the Bill, he will have seen that the present consolidation is

imperfect one, in that it leaves the existing Indian law regarding the registration of ships untouched. Those of you who are familiar with shipping law know that there is no more important question than the question of registration. To leave it out is rather like presenting ‘Hamlet’ without the Prince of Denmark! Therefore, I feel I must give you some reasons why my Committee considered it would not be possible to deal with registration under the present Act. The law in British India regarding the registration of ships is contained in three places—in Part I of the Merchant Shipping Act, 1894; in the Indian Registration of Ships Act, X of 1841, and its amending Acts; and lastly, we have the Bombay Act, XIX of 1838.

As regards Part I of the Act of 1894, I must ask the Council to bear with me for a minute or two while I read one or two of its more important provisions. Section 2 of that Act lays down that:

‘Every British ship shall, unless exempted from registration, be registered under this Act.’

Section 3 contains the exemptions, the only one of which applicable to us in India is as follows:

‘Ships not exceeding 15 tons burden employed solely in navigation on the rivers or coasts of the United Kingdom or on the rivers or coasts of some British possession within which the managing owners of the ships are resident.’

And, finally, there is an exceedingly important section which declares the application of Act IV. It is section 21 and runs as follows:

‘This part of this Act shall apply to the whole of Her Majesty’s Dominions and to all places where Her Majesty has jurisdiction.’

I think it is at once clear from a consideration of these three provisions which I have read to the Council that the only means of obtaining registration as a British ship which will be recognised throughout the Dominions of the Crown is by registration under Part I of this Act.

Act X of 1841 and its amending Acts deal with the case of ships built within the limits of the Charter of the East India Company and of ships belonging to Native Princes or States in subordinate alliance with the East India Company and with ships owned by subjects of such Princes or States. Registration under these Acts is optional and confers the privileges of a British ship only within the limits of the East India Company’s charter,—that is, roughly the sea between India and the Cape of Good Hope. As I have said, the Act of Parliament in virtue of which these Acts were passed has been repealed, and though the Acts themselves are saved by the Repealing Act there is now no power to re-enact them. We were therefore confronted with the position that if in our Bill we repealed these Acts we should be changing the law in a manner quite beyond the scope of a consolidating Act. On the other hand, if we did not do so we should be left with an imperfect consolidation. We preferred to adopt the latter course, and I trust the Council will consider what I have said a sufficient justification.

Act XIX of 1838 which is a local Act makes compulsory the registration of—

‘vessels belonging to any of Her Majesty’s subjects residing within the Presidency of Bombay and employed on the coasts of the territories subject to the Government of Bombay or in trading coastwise’ and ‘fishing vessels and harbour craft belonging to any of Her Majesty’s subjects.’

As regards this Act, it merely requires registration as a matter of municipal law. In any event when the question of merchant shipping law was previously under consideration, there were administrative objections to its repeal, and its repeal or embodiment in our Bill was in our

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judgment beyond the scope of a consolidating Bill. I may add that it will be a problem, possibly of some interest, for the Government of India to know how to deal with this Act. There are—
12 noon. I will not inflict them on the Council—some legal difficulties in re-enacting it in the form in which it now appears on the Statute-book.

There is one further point. I think the Council might reasonably ask me why, since you have admitted it that amendment is necessary, you neglected the generally sound rule, which all draftsmen know, that amendment should precede consolidation? That is a general rule; but like all general rules has some exceptions; and I hope to show to the Council that this is a case where an exception should be made. You will see not only from what I have said on the subject of registration, but also from the Notes on Clauses to the Bill—which I am glad to learn Honourable Members have read—that we have drawn attention to amendments which we did not think ought to be made in a consolidation Bill, but which we considered it to be probably desirable from considerations of symmetry and in order to harmonise our law with the English law. Those considerations, I venture to suggest, are really of great importance when you deal with a subject like merchant shipping law for British ships, wherever registered and to whatever possession they belong, may and often do go over the whole world. Apart from these considerations I am aware that Government on administrative grounds have also amendments which they consider necessary. I have made out a strong case, therefore, for a large number of amendments and yet I have first proposed consolidation. You may say:

'Why don't you defer consolidation till the amending Bill has passed the Legislature?' Well, gentlemen, I think that would be an excellent criticism but for two factors; the first is, that the preparation of an amending Bill dealing with the various Acts scattered over our Statute-book would be a work of very great labour and would very largely be labour thrown away. Drafting is a trade just as much as shoe-making; and just as the cobbler who has got an old boot to patch has to find a piece of leather which in texture and colour resembles as closely as possible the boot he is going to patch and when he sews it on as far as possible to assimilate his method of stitching to that employed by the original maker of the boot, so the draftsman when he comes to an amendment of an Act has to proceed very much in the same way. That is to say, he must try and pick up the general style and drafting of the Act which he is amending. If you had to do that with some twenty or so old Acts, it would involve a good deal of labour, and when you have done it you will not have facilitated consolidation. In fact you will have made it rather more difficult because you will have to alter the whole language so carefully assimilated to the old Acts.

The second point is this, that we are dealing with a very large number of Acts which interlock and refer to one another. If Honourable Members will turn to the Schedule at the end of the Bill at page 98 they will see a very long list of enactments which are set down to be repealed. If Government brought in a Bill or anybody brought in a Bill amending those Acts individually, it would not only be a difficult Bill to prepare, but I submit also that it would be an exceedingly difficult Bill for this Council or any Assembly to understand. You will have to have in your hands—if you can hold them—every one of the Acts repealed, and I think you will find it very difficult to follow. These are the reasons, therefore, which induced us to recommend a preliminary consolidation. Honourable Members will

have seen that we do not contemplate that the Bill should come into law in its present form. We regard this Bill as a basis for amending legislation. What the exact procedure is to be is obviously a matter for Government to consider; and it is possible that the Honourable Member in charge of the Department concerned may tell the House what he does propose to-day. However, I may be excused for making one suggestion. One method has occurred to me. I see that since the Bill left my hands a clause has been inserted in it suspending its operation till it is brought into force by the Governor General. That being so, it might be possible to provide that this Bill should be dealt with as a pure consolidation Bill and passed into law, at the same time not bringing it into operation till amendment has been made. That is, that the Bill would be an Act; it would be law, but it would not be in force. That is one way of doing it. I have no doubt that Honourable Members will see that there are other ways of doing it. The important thing I wish now to insist upon is not the particular course to be adopted. Whatever that course may be, I do sincerely hope that amendment and consolidation will be kept separate till all controversial matters have been disposed of. It is common knowledge that many useful and harmless measures of consolidation have been wrecked by attempts to combine the processes of amendment and consolidation. That is a rule which has few exceptions, and certainly when we have to deal with a large mass of law such as this Bill contains, I do not think this is a case where the risk should be run. Honourable Members are probably aware that in the early days of consolidation in the Houses of Parliament at Home it was extremely difficult to prevent Members from mixing up amendment with consolidation. Many Members of Parliament thought that if you brought in a Bill for consolidation, that was a chance for them to move amendments giving effect to reforms which they were anxious to bring about. While they did not bring about any such reforms—that was never the result—the result was that they wrecked the Bill. Moreover the history of the branch of the law we are now considering is itself an object lesson. In the Statement of Objects and Reasons we have pointed out that in the past there have been many attempts to deal with the 'ungodly jumble' into which our Statute-book has fallen in so far as it deals with merchant shipping. These attempts have always failed, and I believe that they failed mainly because they endeavoured to combine consolidation and amendment at too early a stage. I had occasion to read in connection with this Bill many papers relating to the attempt to put things straight, notably in the years 1893 to 1896. A most gallant attempt was made in those years and it failed largely because I believe too much was attempted, and I trust on the present occasion that mistake may be avoided. In connection with my perusal of those papers I think I ought to tell the Council that I was struck by the painstaking industry which was shown by two officers of Government whose names are probably not very familiar to us to-day. I knew one of them well; they were both officers, I believe, who rose from the ranks; but they must have been men of great merit indeed; one was Mr. Wigley of the Legislative Department and the other was Mr. O'Connor, who was then Assistant Secretary in the Department of Finance and Commerce. The work they did was of the greatest possible value and has greatly facilitated the preparation of the present Bill; and I should be extremely ungrateful if I did not mention their names and take this opportunity of bearing testimony to their work.

Well, gentlemen, I have detained you long enough over what many might consider a very dry subject. To me it is a matter of considerable interest.

[Sir Alexander Muddiman.]

During the years I was in the Legislative Department, the amendment of the Merchant Shipping Act was a task we all knew to be necessary. It stood on our register when I came in, and it stood on our register when I left the Department some 12 years later. If the labours of the Committee over which I have the honour to preside result in some slight improvement in the law on this subject, it will be a great satisfaction to me personally; for I believe that the present state of the law is in marked contrast with the generally good condition of our Statute-book. Speaking generally our Statute-book is in excellent condition; but in this particular branch of the law I think no one will contend that improvement is not only possible but desirable. I could have wished that some other Member of this Chamber who was also a Member of the Statute Law Revision Committee had taken upon himself the task of introducing this Bill. Unfortunately, the only other Member here (with the exception of that distinguished pluralist, the Honourable Mr. Moncrieff Smith), the Honourable Mr. Khaparde was not a Member of the Committee when we dealt with the Merchant Shipping Law, and the other two Members have not attended during the present Session. I should like to say that the Committee do not commend this Bill to this Council as a final product, as a perfect piece of consolidation, but they commend it as a useful and a necessary piece of spade work which may help those whose duty it is to deal with the substance of the law. The Bill, in my judgment, makes no intentional alteration in the substance of the law save in the very minor respects which are specified in the Notes on Clauses and which are an almost necessary result of a consolidation. Before I conclude, I must thank the officers of the Legislative Department who helped us in getting the Bill into final shape, and more particularly Mr. Wright, who was of the greatest assistance to us. I now leave the fate of the motion which stands in my name to the decision of the Council.

The HONOURABLE MR. C. A. INNES: Sir, I see a certain reluctance on the part of the Members of the Council of State to embark upon this extremely difficult subject, and that indicates to me, Sir, that I too must walk very warily. In fact, I have risen to speak merely for two reasons. You, Sir, have stated in your speech that I may perhaps be able to indicate to the Council what procedure the Government of India propose to adopt in regard to this measure. I am unable at this stage finally to commit the Government of India. The question will have to be discussed and decided in consultation with the Legislative Department. But I may say that our provisional ideas are as follows. We propose either that this Bill, which, as you have explained, Sir, is purely a consolidation measure, should be passed through the Indian Legislature, but not actually put into operation, or that it should be pushed through to its final stage, but not actually passed. Then, Sir, we propose to place before the Legislature, as soon as possible, an amending Bill. We propose to take that Bill through to its final stage without actually passing it into law, and finally, Sir, our idea is that we should refer both the Consolidation Bill or Act, as the case may be, and the Amending Bill to a further Committee in order that a final Consolidation and Amending Bill may be placed before the Legislature. As I have said, the House will understand that these ideas at present are purely provisional.

Now, Sir, I do not propose in any way to comment at this stage upon the merits of this Bill. In fact, I do not feel competent to do so. But, before I sit down, I should like, on behalf of the Government of India in

general and of the Commerce Department in particular, to express our very great obligations to you, Sir, and to the Statute Law Revision Committee for the work of which we see the fruition to-day in this Consolidation Bill. As Member of the Commerce Department, I can speak feelingly on this subject. You have drawn, Sir, a very harrowing picture of the mercantile sea captain trying to ascertain his rights and duties and obligations under our Merchant Shipping law. You have drawn a picture of him calling for our 21 Acts, and searching feverishly through them for the particular provisions which bear upon his particular problem. I can claim the sympathy of the Council for the Commerce Department and for the Maritime Local Governments. All questions connected with Merchant shipping and with Navigation are in my experience extremely difficult and extremely complicated, and their difficulties and complications are doubled and trebled when, in order to find the relevant law, one has to search through 21 different Acts. Some of these Acts are almost obsolete, most of them overlapping one another. This Consolidation Bill gives us a clear picture of our law as it stands at present. The various provisions are arranged in an orderly and connected manner, and now we know where we are in regard to our law. In the Commerce Department we have long recognised that our Merchant Shipping law is in great need of revision. We have an Amendment Register in which numerous amendments have already been noted for consideration, and I think this Consolidation Bill will be of very great service to us because it simplifies and makes easier the very difficult task which lies before us of amending the law. We propose, as soon as possible, to take up this question. In the meantime, Sir, I must again thank you and your committee for giving us a basis upon which to work. I am quite sure that the Council will agree with me that your Committee have laid not only the Government of India but also the Maritime Local Governments and all those connected with shipping in India under a great obligation in having prepared this Consolidation Bill. (Hear, hear).

The HONOURABLE SIR ARTHUR FROMM: Sir, in a few words I should like to congratulate you on the introduction of this Bill which seeks to consolidate the several enactments relating to Merchant Shipping. I do not profess to be a special authority on the Merchant Shipping Acts, but at times I have had to dive into them, and as the Honourable Member for Commerce has pointed out, that diving has frequently led to very unsatisfactory results; sometimes I have been unable to find what I want, at others I have found conflicting instructions.

It must be obvious to the Members of this Council, from what I might describe as the fatness of this Bill, that your work, Sir, and the work of your Committee must have been one of considerable labour, and from my slight knowledge of the various Merchant Shipping Acts and their intricacies, with the inconsistencies of some of the various sections, I cannot think that that labour was altogether one of love. Well, Sir, it must have been very hard work. I congratulate you on introducing this important measure.

The motion was adopted.

The HONOURABLE SIR ALEXANDER MUDDIMAN: I beg to introduce the Bill.

DELHI UNIVERSITY BILL.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, I have the honour to move that the Bill to establish and incorporate a unitary teaching and

[Mian Sir Muhammad Shafi.]

residential University at Delhi, as passed by the Legislative Assembly, be taken into consideration. Sir, on the motion for reference of this Bill to a Joint Committee of the two Houses, I gave this House a brief account of the genesis of the scheme for the foundation of a unitary and residential teaching University at Delhi. Even a casual glance at the Bill as originally introduced must have made it clear to Honourable Members that, while the framework of the new University was modelled upon the Dacca Act, certain modifications, necessitated by local conditions, had been introduced in the original Bill and at the same time certain other modifications were also introduced in order to make the proposed University more autonomous and its governing bodies, namely, the Court, the Executive Council and the Academic Council, more popularly constituted. The various provisions of the Bill have been very carefully and indeed exhaustively examined in the Joint Committee, and have subsequently been carefully considered by the other House. It is obviously out of place for me to sing the praises of this legislation. Nevertheless, from the fact that local opinion, particularly in the quarters which will be directly interested in the working of this University, is thoroughly satisfied with the Bill as it is now before the Council, and from the fact that the Bill has been very favourably received by the Indian Press in general, it is self-evident that the measure, as it has emerged from the crucibles of the Joint Committee of the two Houses and of the Legislative Assembly, satisfies public opinion.

I therefore have much pleasure in commending it to the favourable consideration of the House.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I welcome this Bill, because the Imperial City of Delhi wants a University and Government are prepared to give a University to this city. So far, there is no difference of opinion, but, when we come to the detailed provisions in the Bill, there are some differences of opinion, some of which I have stated in my Minute of Dissent, and which I will not repeat now.

The Honourable the Member for Education said that local opinion was thoroughly satisfied. It may be argued, if local opinion is satisfied, what right have you people coming from distant Bombay or perhaps from distant United Provinces to criticise an action which meets with the approval of the local people? What I would say in reply is this. This Bill is not the only one of its kind which has been introduced to establish teaching, residential and unitary Universities in this country. The Council will bear with me if I go a few years back, when the first University Acts were passed for establishing Universities in this country. At that time the precedent adopted in the case of my University was that of the London University. The University was to be both an affiliating and examining body; it was neither a residential nor a teaching University. Later on, especially in Bengal—I am sorry there is no representative of Bengal here, excepting the Maharaja Sahib—it was found that a large number of secondary Colleges as well as full Colleges were established in the mofussil which did not come up to the standard of University requirements. As a result, the University Commission was appointed, and Lord Curzon's University Act was passed which was opposed in this Council very ably by my late lamented friend, Gopal Krishna Gokhale, who said that it was officialising the Universities. However, that measure was passed and is now the basis on which the older Universities have been working. Later on, a demand was made for residential and teaching Universities, and in Calcutta we had a Commission

appointed under one of the ablest educationists England has produced, namely, Sir Michael Sadler, to consider the whole question; and the new Universities that are now being started are based mainly on the recommendations of the Sadler Commission. Sir, as I have said, there is no doubt that on that Commission we had, not only Sir Michael Sadler, but we had the eminent Vice-Chancellor of the Calcutta University as a Member, and any report emanating from a Commission which had as President, Sir Michael Sadler, and as a Member, Sir Ashutosh Mookerjee, must be received with respect by all who take an interest in the educational activities of this country. Well, Sir, this Commission had no opportunities of studying the difficulties or the problems in various parts of the country. They naturally based their recommendations on the requirements of the Bengal Presidency, and I do not think that those recommendations, unless they are tested by the local people and are found to be suitable, should be adopted in other Presidencies. Sir, a few months back one of the Members of that Commission, Sir Ashutosh Mookerjee, was asked by the Punjab University to deliver an address at the Convocation of that University. In the course of that address he said:

'The University should be in a position to satisfy the requirements of all students who would eagerly flock to her gates actuated by various kinds of needs and desires.'

That is the principle that he lays down. Writing on that principle, the Editor of the *Times of India*, who has been a Fellow of the Senate of my University for a number of years, goes on to say:

'Here then is a warning to those who think too lightly of the difficult task of creating a new University and seem to urge the wholesale multiplication of new Universities. A University which teaches only a few subjects, and those only indifferently, is not worthy of the name of a University.'

Sir, we were told that the Central Government's finances were not in a very good condition and that it is possible that all the money that will be required for the new University may not be found for some years to come. In that case this University will not be a real University, but will be a conglomeration of the various existing Colleges under the exaggerated name of a University.

If the Honourable the Education Member can assure us that this unitary teaching and residential University will provide all educational needs and will meet the requirements of all the students in Delhi and within the area of 10 miles which is the limit of that University, we will not have much to object to, though I fear that it will not be for years to come, as I do not think Government will be able to find the funds. That is one assurance I require from the Honourable the Education Member.

Then, Sir, the other point is about the University being unitary. Let this University be unitary by all means, because the Province of Delhi is a small one, and we have no objection to having this University as unitary; but I ask the Honourable Member in charge of Education kindly to bear this in mind, that no new Universities should be started unless you have a sufficient number of men to be members of the Court, a sufficient number of men to be members of the Executive Council and there is a real public demand for a University. Sir, in one of the Provinces there will be, if I mistake not, in a year or so five Universities. I need not name the Province. I think everybody has understood me. Now in that Province is it possible that in each University you will have the right type of men either as members of the Court or to use the old phraseology as Fellows of the Senate, or as members of the Executive Council—or to use the old

[Mr. Lalubhai Samaldas.]

phraseology, as members of the Syndicate? If you have not the right type of men as teachers or members of the Executive Council, is it wise to go on starting any number of Universities merely because a few Colleges want to combine and say 'we want to style ourselves a University'? Therefore I wanted the word 'unitary' dropped, but it was no use sending any amendments as I fear it would not be possible to carry any amendments in this Council, when in the Legislative Assembly, with the Democratic Party there, the Honourable Member for Education and his Secretary were not only able to carry this Bill through but able to introduce an amendment which in another form the Select Committee had dropped,—namely, the appointment of a Rector. The Select Committee had discussed the question at the suggestion of my friend the Honourable Raja Sir Harnam Singh, that a pro-Vice-Chancellor should be appointed. That was discussed and found to be impracticable, hence the idea was dropped, and now under another name a similar idea is introduced in the Assembly and carried. If my Honourable friend the Education Minister could carry that proposal there, we have no chance of carrying anything in this Council, and therefore I have not sent in any amendments; but I thought it right to place on record our strong opinion on this subject.

One more point of a general nature. In the older Universities the Syndicates are merely the managing committees of the Senate and are subordinate to the Senate. An attempt is now being made to transfer some part of the Court's work—the old Senate's work to the new Executive Council, and transferring another part to the Governor General in Council. That takes away the autonomy—as my Honourable friend called it—of the University. It takes away the independence of the University. I refer again, Sir, to Sir Ashutosh Mukherji's words. Sir Ashutosh said at the Punjab University:

'The University must have the fullest independence and the amplest powers in working out its intellectual salvation.'

Sir Stanley Reed again writing on the same subject says:

'Here is a warning to those who think that a University should be under the control of Government in the various details of its administration.'

And yet what does this new Bill do? The new Bill provides that when the Executive Council and the Court do not agree, or when the Court turns down the recommendations of the Executive Council, the Executive Council has the power to go direct to the Governor General in Council. That takes away the power of the Senate altogether. But there is another objection. His Excellency the Viceroy is to be Chancellor of this University. Any appeal from the rulings and orders of the Court of which His Excellency is the President is to go to the Governor General in Council—practically himself and his Executive Council. Is it dignified, is it right, or is it not against the dignity of His Excellency the Viceroy that such an appeal should lie from a body of which he is the President to himself and the Members of his Executive Council?

These are the two main objections to the Bill. Barring these and excepting a few details on which I will speak when we consider the Bill clause by clause, there is nothing more to be said about the Bill, and I welcome the Bill, because the local people wanted it and are in favour of it. What I want is only an assurance that this fashion of officialising Universities is not going to extend either to the older Universities or to any new Universities hereafter.

The HONOURABLE DR. GANGANATH JHA: Sir, I rise to welcome the Bill and also to allay the apprehensions of my Honourable Friend, Mr. Lalubhai Samaldas. I have the misfortune of coming from a Province which has with commendable zeal thrown itself into the work of carrying out the recommendations of the Sadler Commission. I may assure my friend that we are not—either in the United Provinces or, I am glad to say, here in the Delhi University Bill,—blindly following the recommendations of that Commission. We take every care to consider how far those recommendations are adaptable to our Province. As regards the criterion that has been set up by the previous speaker, that the University should be able to satisfy all the needs of all the students flocking to its portals, I think if this criterion were insisted upon, there would not be a single University in the land. There is no University—to say nothing of India—even in go-ahead countries like England and America,—there is not a single University I presume that can satisfy all the needs of all the students.

As far as the introduction of the office of the Rector is concerned, all that I have to say is, that not only is that the recommendation of the Sadler Commission, but the opinion of many people now is that in a University—especially in a residential and teaching University—the executive head should be a man who would be expected to be at the University all the time—that is to say, the executive head should be a whole-time officer of the University. The natural corollary to this was that the executive head should be the Vice-Chancellor and the Vice-Chancellor should be the executive head, and that the executive head should be a whole-time officer. This would certainly have been the best arrangement. But there is a feeling abroad, Sir, that the Vice-Chancellor's post is too dignified to be associated with payment and that that dignitary must remain an honorary officer. It is, I believe, in deference to that general feeling that this makeshift of a Rector has been introduced. I believe, indeed I hope, that this officer who is now called Rector will be a whole-time officer of the University. I am glad to have the assurance. I think, therefore, Sir, that the introduction of the office of Rector is a very wholesome departure. We shall have him to all intents and purposes as the executive head, because under the old system the Vice-Chancellor will remain more or less the ornamental head only. I think the work of the University will go on in a much better way. There is no doubt that, if the Vice-Chancellor could be a whole-time officer, that would be the best arrangement; but as for certain reasons that best arrangement is not possible or available, we must be satisfied with the second best arrangement. As for Government control, I can fully understand the feelings of my Honourable friend from Bombay. In an advanced province like Bombay or Calcutta, it is possible to relax Government control to a very great extent; but even my friends from Bombay will admit that the condition of things in the province of Delhi is very far behind that obtaining in their more fortunate provinces; so that I do not think the Government control provided for in this Bill is more than what is necessary under the circumstances; in fact it is less than what it is in every other new University that has been brought into existence. But even if it were more, there would be justification for it. Then the Honourable Mr. Lalubhai Samaldas' objection was with regard to finance. There are so many demands cropping up on the funds of the Government of India and the proportion and nature of those demands will go on increasing, that if we had waited for better financial conditions we would have waited till doomsday; so that the need of this province and the need of this capital city of the Empire would have had to be postponed for a very long time; I think it is with commendable courage that this step has now been taken. Even if only

[Dr. Ganganath Jha.]

a small beginning has been made it is a step in the right direction. With these words I support the Bill.

The HONOURABLE MR. V. G. KALE: Sir, after the exhaustive remarks which have been made by the Honourable Mr. Lalubhai Samaldas, I do not think it necessary to detain the Council for any length of time with my own observations. So far as I am concerned, I felt it my duty when the Bill came for the first time before this Council, to pass certain remarks upon the general principles and the broad aspects of the scheme of the Delhi University Bill; but I must admit that, in the course of the discussions which have taken place in the Joint Committee and of the discussions in the other House, some of the features of the Bill to which I thought it necessary to take objection, have been removed. The Honourable Mr. Lalubhai Samaldas referred to the opinion of the local people in Delhi and the satisfaction which this Bill is calculated to give to those people. I think the opinion of the local people is of some value with regard to the Delhi University Bill; because in Delhi there are a number of Colleges which will become the nucleus of the new University, and consequently if those institutions had not been satisfied, it would have been impossible for the Legislature to undertake any enactment in connection with this University. No doubt, as it will be a University in the Imperial Capital, the people of the different provinces will have naturally their say in the formulation of the whole scheme; but the consent and satisfaction of the local people were matters of some importance.

In the Bill as it now stands before us, there are certain things to which certainly I object. I will not go into the question of the appointment of the Rector which has just now been discussed, because when we come to that clause the question will be considered more fully. I must further state that any one going through the clauses of the Bill will assuredly feel that more power and control than were necessary have been conceded to the Governor General in Council. Constant references to the Governor General in Council will be found from clause to clause, and one may be pardoned if one thought that the University was, as it were, going to be a Department of the Government of India. The Delhi University, I contend, must be an independent entity. The Chancellor may reserve to himself the power of vetoing certain proposals made and resolutions passed by the Court. The power of veto may be necessary and may be provided for in the Bill. But I see no reason why the Governor General in Council should be so often imported into the University Bill, and when we come to consider the clauses I shall have something to say about this. At the present moment I must content myself with the general observation that I do not feel it necessary that these references to the Governor General in Council and his power of control should have been inserted. With these remarks, Sir, I welcome the improvements which have been made in the Bill as it has emerged from the Joint Committee and the other House.

The HONOURABLE SIR DINSHAW WACHA: The University in India is after all an imported plant. The first Universities were established in 1857. India was at that time steeped in darkness and ignorance. From 1857 to now we have made exceedingly good progress; but after all India is a very big Continent and the torch of education is not all that could be wished for. In some places, of course, the torch of knowledge has gone forth illuminating the whole horizon; in other places it still burns dimly shedding little light. I consider, Sir, that the Delhi province and the

surrounding provinces are very backward. In fact they have been backward in politics and economics and backward in education. It is only within the last few years that they have attempted to come into line with the others; and even thus they are not in the same front line as Bombay, Madras and Bengal are. Therefore, taking into consideration all these facts and all these drawbacks which, of course, are manifest in the upper provinces, I am of opinion that any number of Universities from the Punjab to Delhi or even further eastward are necessary. That being so, I think that the Government are right and the people are right in going into University education cautiously. It is not the case as in Bombay or Calcutta or Madras that there are so many educated men who can become teachers in Universities to be able to make a rapid progress. Therefore, in the beginning, I do think that outside assistance by way of qualified teachers or professors will be necessary. It is also necessary that during the initial or threshold stage the Government should have some control and power over the University itself. I dare say, my Honourable Friend, Professor Kale, and my Honourable Friend, Mr. Lalubhai Samaldas, know that in Germany and on the Continent almost all the Universities even to-day are officialised Universities, there are certain conditions under which they work and the Governments there consider that control on University education is necessary. How far it is necessary in Delhi I cannot say. Considering the disturbed condition of politics and many other things, I believe it is wise on the part of the Government to hold some reasonable sort of control over this new University. That is my belief. Of course, I remember very well that some years ago Professor Max Muller said that a University should be a free and unfettered University. The late Mr. Gladstone also said that a University should have ample freedom; and I do recognise that broad principle. But I should say that, taking local conditions into consideration, it is necessary that that full freedom of the Universities which we all recognise should be granted needs to be withheld at the very outset as far as the Delhi Province is concerned. In any case I cordially welcome the establishment of the Delhi University, and I have no doubt that all the little limitations and control regarding power, finances and other affairs which are objected to by a few here will, as time goes on and as experience is gained, be removed, and I believe that, in future, if the professors and teachers are of the right character, they will give such a tone and temper to the University as will enable them to bring this University into line with the older Universities which have and enjoy so much freedom.

As for finances, I should say this, that even to-day in London, in Oxford, and in Cambridge better finances for the Universities are really one of those cries going on every day. The London and other Universities are constantly appealing for more donations. The older Universities in England have been almost all founded and endowed by private enterprise. There have been rich foundations, and in spite of those many rich foundations and many extensions of those Universities, there, too, finances have been at the bottom of a great deal of drawbacks, specially in the case of Birmingham, Leeds, Manchester and other younger Universities. Those Universities are not able to make that progress which they ought to do for want of the eternal pence. Lord Curzon the other day, as Chancellor of the Oxford University, appealed to the public for large subscriptions of something like a million sterling. That being the case, even in England, where there are old Universities with such rich foundations, they are crying out for more funds. What funds then may one expect at this very threshold

[Sir Dinshaw Wacha.]

from this tiny little University in Delhi which requires financial aid from Government and without which it cannot go on? In a province which is so backward in the matter of education, I think it is absolutely necessary that Government should help it as much as possible. For this purpose finances are a first necessity, and Government should willingly supply them. Where are the people in Delhi who will endow rich foundations as there are in Bombay and other places? But it will be a question of time. For, I do not think there are any, who would offer substantial foundations till University education makes satisfactory progress during the next 20 or 25 years. I do not think many people, even the richer people in Delhi, will come forward to appreciate University education and offer new foundations till the University is tried and tested. Therefore, I think, Sir, that in the beginning when the University is taking its first step, finances, of course, are necessary, and Government should provide them. I take it as the first duty of the Government to find the necessary funds. If Delhi is to go forward and become a really strong educational centre and temple of higher learning just like Bombay or Calcutta or Madras, I think Government will be doing the wisest thing in helping this University in the matter of its finances. Taking a broad vision of the future Universities in India—there will have to be founded many Universities in different provinces as years roll on, but we must for the present rest content with such as can be established with the kind of provisions which are made for this Delhi University. As I said, as we gain experience and as people take more and more interest in the University, and as it grows in freedom like Oxford or Cambridge, Bombay or Calcutta or Madras, all drawbacks will be removed. Meanwhile, we should be quite content to see that the step we are taking to-day is a right, proper and wise step, and I for one heartily congratulate those who have brought about this Bill.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, from the fact that my Honourable Friend, Mr. Lalubhai Samaldas, did not follow up his Minute of Dissent by sending in amendments calculated to bring about the changes which he advocates, it seems to me to be clear that in his heart of hearts he really was not very sure of his own ground, and that the criticism which he expressed in his Minute of Dissent was more in the nature of pious wishes than of serious mistakes in the Bill which necessitated any amendment. My Honourable friend spoke of wholesale multiplication of Universities, basing that observation upon what has been stated in a certain article in the 'Times of India.' I may remind him of what I said when I placed before this House the motion for reference of this Bill to a Joint Committee of the two Houses. In the existing conditions there is but one University at Lahore catering for the educational needs of the provinces of Delhi, the Punjab, the North-West Frontier Province, and I believe also of Baluchistan. In other words, there is, at present, only one University in existence in the North-Western part of India catering for the needs of over 40 millions of our Indian population. Can it be said that by establishing a University at Delhi, the Government is guilty of what is characterised as wholesale multiplication of Universities? Indeed, I am surprised that a remark of that kind should have fallen from the lips of my Honourable Friend, Mr. Lalubhai Samaldas, who is in other respects such a sincere well-wisher of progress in this country.

The next observation made by my Honourable Friend, of which it is necessary for me to take notice, is that, as a matter of fact, according to

him this University is not as autonomous as I have claimed it to be. In fact, he says that the Governor General in Council has been given in the various provisions embodied in this Bill far more power than is justified by the circumstances of the case, and in support of that observation he cited the authority of the Honourable Sir Ashutosh Mukerjee. Now, Sir may I be permitted to point out that the provisions embodied in this Bill do not go an inch further than the recommendations of the Sadler Commission, of which Sir Ashutosh was himself a Member and a signatory to the Report with which we are all familiar? On the contrary, if my Honourable friend will compare the provisions of this Bill with the provisions contained in the Dacca, Lucknow and Aligarh Acts, he will find that the control which this Bill seeks to vest in the Governor General in Council is not nearly so great as the control which is vested in the Chancellor, meaning the heads of the Local Governments in those provinces, under those Acts. Of course, it was essential in the case of the Delhi University to substitute the Governor General in Council in the place of the Chancellor in those Acts, because of the position which the Governor General in Council will occupy *qua* this University in the Imperial Capital of India as compared with the position which the Governors of the provinces in which those Universities are situate occupy *qua* those Universities. This criticism put forward by my Honourable friend, it seems to me, has really no basis whatever and is entirely, if I may venture to say so with all respect to him, misconceived.

Then my Honourable friend wanted an assurance from me that this University will satisfy all the needs not only of the Delhi town, but also of the area surrounding Delhi within which the jurisdiction of this University will extend. Well, I fancy it is rather difficult for any human being or for any Government to give such an assurance as that. We hope, I P.M. that this University will satisfy, if not all, most of the educational needs of the people of this province. Beyond that, I am sure this House will recognise it is extremely difficult, if not impossible, for me to go.

Then, my Honourable friend wanted me to remember that no University should be started until you have a sufficient number of the right type of men for membership of the Court, the Executive Council and the Academic Council of the University. That is a proposition, the soundness of which, I believe, everyone will recognise. So far as our knowledge goes, we believe, and we have good reasons for that belief, that here, in Delhi, a sufficient number of well qualified educationists and others does exist to enable us to constitute the Court, the Executive Council and the Academic Council of this University on the right lines. As was pointed out by the Honourable Dr. Ganganath Jha, there are in the Imperial city of Delhi already three Arts Colleges and one Medical College. You have the professorial staffs of these Colleges and you have also the educational authorities of the province. You have further public-spirited citizens of Delhi, some of whom have received education in Europe and others who have received education up to the highest standards in our local Universities. So that we have ample material in the Imperial city of Delhi from which to constitute the various governing bodies of the proposed University.

My Honourable friend further criticised the amendment which has been introduced in the other House providing for a Rector as one of the officers of the University. As was mentioned by the Honourable Dr. Ganganath Jha, the main idea underlying that provision is this. There is a consensus of opinion not only in Delhi, but also in the other House that, if possible,

[Mian Sir Muhammad Shafi.]

the Vice-Chancellor of this University should be an honorary office-bearer and that he need not necessarily be a permanent resident of Delhi. That being so, it is obvious that there should be an officer here on the spot, in Delhi, who will be able, whenever the Vice-Chancellor of the University is not on the spot, to look after the working of the University, and, in consequence, satisfy the aims and objects which we have in view. It is because of that demand, because of that feeling, which we found was general, that this provision was introduced. And I respectfully submit to this House that the provision is an entirely sound one.

I am grateful to my friend, the Honourable Mr. Kale, for the recognition which he has given to the Bill as it has now been placed before this Council, in that he acknowledged that the Bill in its present form is vastly improved and that the deliberations of the Joint Committee of the two Houses have resulted in the removal of all the defects which he had in his mind, with the single exception of powers vested in the Governor General in Council with which I have already dealt in connection with the observations made by my Honourable Friend, Mr. Lalubhai Samaldas. The Bill, as it has emerged from the deliberations of the Joint Committee and of the Legislative Assembly, has his obvious approval, and I trust that it will have the approval of this House as well.

The HONOURABLE THE PRESIDENT: The question is:

'That the Bill to establish and incorporate a unitary teaching and residential University at Delhi, as passed by the Legislative Assembly, be taken into consideration.'

The motion was adopted.

Clauses 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 were added to the Bill.

The HONOURABLE MR. V. G. KALE: In connection with clause 12 I want to make a few remarks.

I recognise that, in cases of emergency, the Vice-Chancellor must be clothed with certain powers to take necessary action. The action that the Vice-Chancellor may take will have reference either to certain persons connected with the University or to certain bodies. So far as persons who may feel aggrieved by the action of the Vice-Chancellor are concerned, they are being given the right of appeal, but, so far as the action of the Vice-Chancellor in other matters is concerned, there is no provision made. Is his action to be quietly submitted to and can it not be revised? I think, Sir, if such action has been taken by the Vice-Chancellor in a case of emergency, it should be subject to the confirmation of some higher authority. In the case of an individual who feels aggrieved there is an opportunity for appeal; in the case of bodies within the University, there is no such opportunity given, and the action of the Vice-Chancellor is not subject to confirmation. I feel that some reference to confirmation of the action of the Vice-Chancellor was necessary. I should like to know whether this point has been thought of.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, a glance at the wording of clause 4 (a) will make it clear to my Honourable friend that the fears which he has expressed are really not well founded. This is how clause 4 (a) runs:

'In any emergency which in the opinion of the Vice-Chancellor requires that immediate action should be taken, the Vice-Chancellor shall take such action as he deems necessary and shall have the earliest opportunity hereafter to report his action to the officer, authority or other body who or which in the ordinary course would have dealt with the matter.'

It is obvious that the action taken by an officer in cases of emergency is required to be reported to the authority which would, in the absence of such emergency, have taken action and is subject *ipso facto*, without any express provision, to confirmation by that authority. If the authority considers that the action ought not to have been taken, or ought to have been taken in a different form, or approves of that action, it can, on receipt of the report, express its views accordingly.

The HONOURABLE THE PRESIDENT: The question is:

'That clause 12 stand part of the Bill.'

The motion was adopted.

Clause 12 was added to the Bill.

The HONOURABLE MR. V. G. KALE: A good deal of discussion has already taken place on the introduction of clause 13 relating to the Rector. The position, so far as I understand it, is this. In the Bill as it originally stood, the Vice-Chancellor was expected to be, as he has been made in clause 12 to be, an executive officer of the University; and inasmuch as he must be the chief executive and academic authority, naturally certain powers were vested in him. It has just now been explained that it may be that a person might be appointed as Vice-Chancellor who would not be able to discharge the functions which are attached to the position of Vice-Chancellor in clause 12. It will, therefore, be necessary to appoint some other officer who would perform the duties which would ordinarily be performed by the Vice-Chancellor, and therefore the introduction of the officer called the Rector. What I think in this matter is that we are confusing two things. If in the case of a University like the Delhi University, it is found necessary to vest in the Vice-Chancellor large powers—disciplinary and executive—by all means do so; but what has happened now is this—that there will be a Vice-Chancellor who will be more or less ornamental and most of his important functions will be transferred to the Rector. Consequently there will be a division of authority and executive functions. The performance of his duties by the Vice-Chancellor is likely on this account to suffer. I do not want duties and responsibilities to be divided in this manner. It would be like the Consuls of the ancient Roman Republic. I do not want functions to be divided. If you want to have an executive authority, you can have it in the Vice-Chancellor; but it is very difficult to see how the duties can be divided. Some of the functions of the Vice-Chancellor will fall upon the Rector, because in clause 13 we are told that the Chancellor may appoint a Rector who shall hold office for such term and subject to such conditions and perform such duties of the Vice-Chancellor as the Chancellor after consultation with the Vice-Chancellor may direct. It is all very vague and indefinite, and we shall have two persons intended to perform, as it were, the same functions, but one will be ornamental, while the duties and responsibilities will fall on the shoulders of the other. I consequently do not want that a Rector should be appointed. I object to the whole of clause 13. I wish the arrangement as originally proposed should stand, and certainly it will be open to the Chancellor to appoint as Vice-Chancellor a person who is thoroughly qualified for performing the duties of Vice-Chancellor. Certainly a non-official possessing these qualifications can be found. If this clause has been inserted for facilitating the appointment of a non-official, certainly such a non-official can be found. The primary object is that if such an executive authority as the Vice-Chancellor has got to be created and endowed with powers, then the person must be thoroughly competent to perform those duties. So I object

[Mr. V. G. Kale.]

to any ornamental Vice-Chancellor being placed side by side with a real Vice-Chancellor performing the duties of the first Vice-Chancellor. This sort of combination appears to me to be rather unnecessarily confusing and inefficient. For these reasons I oppose clause 13.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, I am afraid that here again the fears entertained by my Honourable friend are not well founded. The circumstances which have necessitated the introduction of this provision in the Bill have already been fully explained by me. The case is not, strictly speaking, one of division of authority, as my Honourable friend understands it, but one of delegation of powers and authority, and there can be no concurrent exercise of the same authority by two persons at the same time, as my Honourable friend fears, for the simple reason that the Rector will exercise such powers of the Vice-Chancellor as the Chancellor may, after consultation with the Vice-Chancellor, delegate to him while the Vice-Chancellor is away from Delhi. It is necessary that during the absence of the Vice-Chancellor, there should be some one on the spot capable of exercising and of having authority to exercise such powers, the exercise of which is essential for carrying on the work. When the Vice-Chancellor is himself on the spot, he will of course exercise his authority in full. The arrangement is such as exists in some offices where there is an additional Secretary or a Joint Secretary who divide the work among themselves. There will be no confusion in the sense in which my Honourable friend fears that there will be confusion under this section. The House need have no misgivings about it, and I trust that the clause, which has met with the approval of the other House and also satisfies the wishes of the local people, will be allowed to stand as it is.

The HONOURABLE THE PRESIDENT: The question is:

'That clause 13 stand part of the Bill.'

The motion was adopted.

Clause 13 was added to the Bill.

The HONOURABLE THE PRESIDENT: The question is:

'That clauses 14 to 17 stand part of the Bill.'

The motion was adopted.

Clauses 14, 15, 16 and 17 were added to the Bill.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Sir, my amendment to this Bill runs as follows:

'That after clause 18 (2) the following be added:

'due regard being had to Muhammadan representation in the electing and appointment of members in all the governing bodies of the University in proportion to the population.'

This is a question, Sir, which affects the interests of the Muhammadan community in particular. I understand that the Bill, before it was introduced in the Legislative Assembly, contained a provision to that effect, but unfortunately that clause was removed when submitting the Bill to the Assembly. I also understand that a notice of amendment on the same point signed by several Muhammadan members was disallowed by the President of the Assembly owing to the fact that notice was not given within the prescribed time. On going through the committee appointed

I find only one Muhammadan Member was appointed, who, I understand, has noted a Minute of Dissent on the same subject, stating—

'that the Muslim community and the public interested should have a voice in the selection of the Mussalman members of the Court; and I, therefore, suggest that provision should be made in these Statutes to the effect that one-third of the members elected by the different electorates should be Mussalmans.'

While the question of communal representation has been respected since the introduction of the Morley-Minto reforms in all Provincial Councils and in both Chambers of the Indian Legislature in all Bills introduced under the Reforms, it is a great pity that the Government of India could not see their way to give due regard to Muhammadan representation in this Bill. As a matter of fact I have had the honour of serving in various committees to amend several Bills passed by the Government of Madras, such as the District Municipalities Bill, the Local Boards Bill, the Elementary Education Bill, etc., and I was able to persuade the committee to insert a special clause in all those Bills for safeguarding the Muhammadan interests. I beg to appeal to the Honourable Members of this House that they should give due regard and due consideration to this admitted fact, namely, that Delhi had always been the old capital of Muhammadan Empires. That being the case, if Muhammadan communal rights are not respected, it will give an impression that Honourable Members have been prejudiced against the Muhammadans in promoting their educational interests. With these words I beg to move the amendment.

The HONOURABLE CHAUDHURI MUHAMMAD ISMAIL KHAN: Sir, I would support the amendment of my Honourable Friend, Mr. Maricair. I quite realise the fact that conditions at Dacca and Delhi are not the same, and that arguments brought forward for Muhammadan representation in Dacca University will not hold good for Delhi; but considering the importance of the community I would support the amendment.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, although the amendment put forward by my Honourable Friend, Mr. Maricair, does not satisfy the requirements of Standing Order 45, inasmuch as three days' notice of the amendment has not been given, nevertheless I have no desire to choke off the amendment on that ground. Honourable Members will have noticed that in the amendment my Honourable friend seeks to provide for proportional representation of Muhammadans both in the matter of nomination and of selection; and it is not only with regard to the constitution of the Court—which is provided for by clause 18 (2)—that he wishes to provide for this representation, but with reference to all the governing bodies of the University. How then this amendment is an amendment to clause 18 (2) I for one am unable to understand? Of course if my Honourable friend had proposed the introduction of a new provision in this Bill at the end of the clauses dealing with the constitution of the various bodies, the Court, the Executive Council and the Academic Council, that would have been an entirely different matter. But he proposes with reference to clause 18 (2) an amendment dealing with the constitution of all the governing bodies, which is obviously open to objection. In so far as the merits of this amendment are concerned the Government of India leave the decision entirely in the hands of the Council. Official Members will have full liberty to vote as they like, and the Members of the Executive Council will not vote one way or the other.

The HONOURABLE LALA SUKHBIR SINHA: I rise, Sir, to oppose this amendment as a matter of principle. This question has been a very

[Lala Sukhbir Sinha.]

controversial one for a very long time; and so far as I can remember, this communal representation was first of all decided by the Congress at Lucknow. At that time the question was only to be taken into consideration as regards elections to the Legislative Councils; and the Congress decided to fix some percentage for Muhammadans in those elections with the consent of other communities present. At that time also there were some murmurings outside the Congress from others about this percentage; but anyhow they agreed upon it. Then, Sir, an attempt was made to have this principle adopted in municipal elections also, and so far as I remember this was adopted in some Municipal Acts in the United Provinces and in the Punjab. But now an attempt is made to introduce this principle in educational institutions also. Sir, as a matter of principle I demur very strongly to this amendment. The Honourable the Secretary of State, Mr. Montagu, expressed in the Montagu-Chelmsford Report that he was not in favour of this principle of communal representation to be given to any community in India when the good of the country was taken into consideration, and many people agreed with him; but he left it to the Hindu and Mussalman gentlemen to decide this question among themselves. He did not say that anything should be done against their wishes, but he was strongly of opinion that Mussalman Members should not press this question any longer or any further. Sir, so far as good administration is concerned, I think this communal representation either to Muhammadans or Sikhs or to Parsis will be very dangerous; and I appeal to my Muhammadan friends here, as well as outside, not to press this question any more. The appointment should rest on merit and qualification of the persons to be appointed; and no communal representation should be allowed anywhere. Therefore, I strongly oppose this amendment and I appeal to my Honourable friend not to press it.

The HONOURABLE MR. V. G. KALE: Sir, the wording of this amendment has puzzled me a great deal. In the first place, this amendment, as has already been pointed out, cannot be an amendment to clause 18 (2); but leaving aside that question, the amendment says that due regard be given to Muhammadan representation in electing and appointing members in all the governing bodies of the University. Now, so far as the Court is concerned, for example, there are graduates of the University elected by the registered graduates from among their own body. Is the proposed proportion between Hindus and Muhammadans to apply even to the election of graduates? Similarly, with regard to persons elected from their own body by teachers and persons, elected by associations and other bodies; so that if this amendment is to apply to the whole clause I do not see how it can be worked. Then again, with reference to the words 'in electing and appointing Members in all the governing bodies of the University in proportion to their population,' I do not understand to what 'their' relates. Does it relate to governing bodies or does it relate to Members? If 'their' relates to members, then certainly Hindus, Muhammadans, Christians, Parsis, all will have to be considered and they will have to be elected according to their proportion in the population. This is one difficulty. If the word applies to bodies, then 'in proportion to their population' has no meaning. Sir, looked at from any point of view, I find that this amendment is very puzzling; and so far as the principles which have been referred to by my Honourable Friend, Lala Sukhbir Sinha, are concerned, I do not think that in a body like the University the question of representing a particular community in a particular ratio should be introduced at all. If the question of Muhammadan

representation is to be introduced, I ask why should not the question of the representation of Hindus be also introduced? What guarantee is there that the Hindus and other communities will have their proper proportion? In the case of the Delhi University, the population of Delhi being composed very largely of Muhammadans, it may happen that the Hindus may be in a minority. Let there be a provision introduced into this Bill that both Hindus and Muhammadans will have representation in a particular ratio. It is just likely that Muhammadans will be in larger numbers in this University than Hindus. Why not include them in the provision, so that the interests of Hindus also may be safeguarded? Then what about the other communities, Christians and Sikhs? Are not those poor communities to come in for anything at all? No reference has been made to them. Now, my Honourable friend will see how many difficulties creep in as soon as we introduce this question of communal representation. I would, therefore, advise him not to press his amendment.

The HONOURABLE DR. GANGANATH JHA: Sir, if there is any institution where these petty considerations of communal representation should not come in, it is the University. Whatever justification in the shape of diverse interests there may be in regard to representation in other bodies, I do not think in the matter of University education there is any diversity of interests at all. The interests of all communities in the land are precisely identical. I say, therefore, that in the matter of University education, there is absolutely no need for the safeguarding of the interests of any particular community; the interests being identical they will be safeguarded by the members, whoever they may be. The Mover has made a point of Delhi being the seat of the Muhammadan Empire. We all know that Delhi has been the seat of so many Empires that that argument has no force at all.

The HONOURABLE MR. G. S. KHAPARDE: Sir, when the Dacca University Bill was being considered in the old Council, I expressed very nearly what my Honourable Friend, Dr. Ganga Nath Jha said, that in educational matters we should not talk of communal interests. But there is a little humour about this matter. Everybody wants representation. One party wants representation because it is in a minority; another party says they are in a majority and therefore they should have adequate representation, while the third party says: 'we are neither in the majority nor in the minority; we are non-existent, and so we want representation.' How is this to be settled and where is it going to end? This is rather peculiar, I think, and I do not quite understand this.

Then it was suggested that elections should be in proportion to the population. There will be a census of Muhammadan population, I suppose; but what is the criterion as to what the elector should be? Nobody quite knows what it should be, whether he should be a Muhammadan, or he should be a person with some education or with some property or with some status or with nothing at all. Is anybody who chooses to call himself a Muhammadan to be elected? This is an impossible proposition. So for both these reasons, I strongly oppose the amendment which has been put forward.

The HONOURABLE THE PRESIDENT: The question is:

'That after clause 18 (2), the following be added:

'due regard being had to Muhammadan representation in the electing and appointment of members in all the governing bodies of the University in proportion to the population.'

The Amendment was rejected.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: I want a Division, Sir, to see the Hindu Muhammadan unity.

The HONOURABLE THE PRESIDENT: The motion was again put and the Council divided as follows:—

AYES—5.

Amin ul-Islam, Khan Bahadur.
Jaffer, Khan Bahadur E. H.
Maricair, Khan Bahadur A.

Mohammad Ismail Khan, Haji Chowdhuri.
Zahur-ud-din, Khan Bahadur S.

NOES—16.

Acharyya Chaudhuri, Maharaja S. K.
Barron, Mr. C. A.
Edwards, Sir William.
Ganga Nath Jha, Mahamahopadhyaya Dr.
Harnam Singh, Raja Sir.
Kale, Mr. V. G.
Keshava Prasad Singh, Maharaja Bahadur.
Khaparde, Mr. G. S.

Lalubhai Samaldas, Mr.
Lloyd, Mr. E. S.
Mayhew, Mr. A. I.
Naidu, Diwan Bahadur V. R.
Rampal Singh, Raja Sir.
Smith, Mr. H. Moncrieff.
Sukhbir Sinha, Lala.
Wacha, Sir Dinshaw.

The motion was negatived.

Clause 18 was added to the Bill.

The HONOURABLE THE PRESIDENT: The question is:

'That clauses 19 to 28 do stand part of the Bill.'

The motion was adopted.

Clauses 19, 20, 21, 22, 23, 24, 25, 26, 27 and 28 were added to the Bill.

The HONOURABLE MR. V. G. KALE: In clause 29 (4), you have the question of a disagreement between the Executive Council and the Court, and, when there is such a disagreement, the Governor General in Council is interposed as a Court of arbitration and the decision of the Governor General in Council shall be final. Now, in a matter like this, when there is a disagreement between the Executive Council and the Court, I think that the Court ought to be the final deciding authority, and there is absolutely no reason why the authority of the Governor General in Council should be introduced into this matter at all. In the University these are the two governing bodies. The Court is a higher authority than the Executive Council, and, consequently, if there is a disagreement, the Court should be the final authority. I, therefore, object to this sub-clause (4), and I oppose it.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, in the preliminary discussion I have already explained the reason why the Governor General in Council has been vested with certain powers. In this case it must be obvious to all Honourable Members that, when there is a difference of opinion between the Executive Council, which will be, comparatively speaking, an expert body, and the Court, which will be a heterogeneous body consisting of all classes and types of persons, there must be a provision making an outside authority the final arbitrator between these two bodies; and, in the case of Delhi, as I have already pointed out, the Governor General in Council is the best outside authority.

I hope, therefore, that the Council will accept the clause as it stands.

The HONOURABLE THE PRESIDENT: The question is:

'That clause 29 stand part of the Bill.'

The motion was adopted.

Clauses 29, 30, 31, 32, 33, 34, 35, 36, 37 and 38 were added to the Bill.

The HONOURABLE MR. V. G. KALE: In clause 39 also there is a provision which is subject to the same objection as I raised in the case of previous clauses. The clause says:

'The annual accounts and balance-sheet of the University shall be prepared under the direction of the Executive Council, and shall be submitted to the Governor General in Council for the purposes of audit.'

I do not know whence the Governor General in Council has become an expert body of auditors. I do not see the object of this clause. The accounts and the balance-sheet may be referred to an expert body. I could understand chartered accountants and auditors being expected to audit the accounts of the University. It will be necessary that the accounts of a body like the University should be gone into very carefully, scrutinised and certified to. Here I see the Governor General in Council has acquired a new qualification, namely, that of chartered accountants and auditors, and the accounts and balance-sheet of the University are to be placed for purposes of audit before the Governor General in Council. I cannot imagine what justification there can be for this sub-clause, and I very strongly oppose it.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, it is obvious that the funds for the maintenance of this University will, in the main, be provided by the Government of India, and it is clear, therefore, that accounts must be submitted to the Governor General in Council, both for purposes of information and audit. My Honourable friend does not appear to know how the Governor General in Council will get these accounts audited. He ought to be aware that there is some such officer in the Government of India as the Comptroller and Auditor General, who audits all the accounts of the Government of India itself. Surely it would be quite easy for the Government of India to satisfy itself of the correctness of the accounts of the University by having them audited in the proper Department.

The HONOURABLE THE PRESIDENT: The question is:

'That clause 29 stand part of the Bill.'

The motion was adopted.

Clauses 39, 40, 41, 42, 43, 44, 45, 46, 47 and 48 were added to the Bill.

The HONOURABLE MR. V. G. KALE: Sir, I have certain remarks to make with regard to the Schedule. In clause 5 of the Schedule (page 19) 'Class II—Other Members' sub-clause (v) is worded like this:

'Persons, if any, not exceeding three in number and not being teachers, appointed by the Chancellor on account of their possessing expert knowledge in such subjects of study as may be selected by the *ex-officio* members of the Academic Council.'

Now the clause, as it stands, is to me, at any rate, rather confusing. 'Persons, if any, not exceeding three in number and not being teachers, appointed by the Chancellor.' So far it is clear. It goes on:

'on account of their possessing expert knowledge in such subjects of study as may be selected by the *ex-officio* members of the Academic Council.'

Are the persons or the subjects to be selected by the *ex-officio* members of the Academic Council?

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: The subjects of study, it is quite obvious.

The HONOURABLE THE PRESIDENT: Is the Honourable Member satisfied?

The HONOURABLE MR. V. G. KALE: Then I come to clause 17 of the Schedule. There, provision is made for the appointment of a committee of selection of teachers in the University. The constitution of the committee is satisfactory. But in sub-clause (2) of clause 17 it is provided that committees of selection appointed under sub-clause (1) shall report to the Executive Council which shall, if it accepts the nomination of the committee, make the appointment or confer the recognition as the case may be. So far so good; but if the Executive Council does not accept the nomination of the committee, it shall refer the case to the Chancellor who shall appoint or recognise such person as he thinks fit. Once again we have the interference of the Chancellor in such a small matter as this. The committee is a very strong committee and certainly is a body which ought to be relied upon. The Executive Council and the committee of selection are to be expected to manage these matters efficiently, and I do not see, so far as I am concerned, any necessity for endowing the Chancellor with this authority of making nominations himself.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, the Chancellor is the head of the University. I thought the objection was that an outside authority like the Governor General in Council should not be brought in. Surely in the case of a difference between two such bodies as these the Chancellor is the best person to intervene?

The HONOURABLE THE PRESIDENT: The question is:

'That the Schedule stand part of the Bill.'

The motion was adopted.

The Schedule was added to the Bill.

The HONOURABLE THE PRESIDENT: The question is:

'That the Preamble stand part of the Bill.'

The motion was adopted.

The Preamble was added to the Bill.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, I beg to move that the Bill, as passed by the Legislative Assembly, be passed.

The HONOURABLE MR. G. S. KHAPARDE: Sir, I submit a few observations at this stage of the Bill. The educational activities of the Government of India up to this time may be divided into four periods, roughly speaking. The first period ended in 1910 at the end of which you find that in India there were only five Universities. Then the next period begins with 1911 and ends with 1916, when Sir Harcourt Butler took charge of education, and during that period there was one University added. Then the next period begins in 1916 and ends with 1919, when Sir Sankaran Nair retired from the position of Education Member, and he added one University—that is, the Patna University. Then begins the period from 1919 when our present Education Member took charge of the portfolio up to the present, and in that time five Universities—Dacca, Lucknow, Rangoon, Aligarh and last of all Delhi—came into existence. The first period may be regarded as a sort of preliminary period. The next period is one of vacillation when things mostly remained as they were; and then we enter upon the third period when within three years you get one University added; and the present period which may be called a period of full activity during which within two years five Universities have been given to the Empire. Now I

think the more Universities we can have the better. I should like to see Universities multiply; and they ought also to specialise. One University should teach some one thing for which the whole of India would go there, and another University should teach another thing for which the rest of India would go to it. A student would thus have a number of Universities to choose from. Whatever the subject he wished to be proficient in he could go to that particular University and be recognised all over India—and I dare say all over the world—as having a unique reputation for that subject.

I congratulate the Government of India on this increased activity within the last two years. I congratulate the Government of India generally, and in particular the Honourable the Education Member who since he took charge has been able to launch five new Universities. I congratulate him on this greatly increased educational activity, and I hope it will be carried into the sphere not only of higher education, but also of secondary education and most certainly in the direction of primary education.

The HONOURABLE LALA SUKHBIR SINHA: Sir, I rise to give my full support to this Bill and to welcome it as a very useful measure, not only for the people of the Delhi Province, but for other districts adjacent to Delhi. I am not a resident of Delhi myself as yet, but I have a number of friends here who welcome this measure whole-heartedly, and so far as I know there are three Colleges here all the professors and principals of which have welcomed this Bill. In my division of the United Provinces—the Meerut Division—there is no University, and I think the Delhi University will be the nearest to them. Aligarh and Agra are too far away, and as Delhi University will be an Imperial University most of us would like to be attached to it. There will be no lack of persons to work for it in different forms—such as Courts, Executive Councils, Boards, Syndicate and so on. People from all provinces will come up to work for and help the institution and there will be no lack of students. I congratulate the Honourable Member for Education on having this measure passed by both Houses, and I hope he will be able to make the University a fit institution for the Imperial town of Delhi.

The HONOURABLE THE PRESIDENT: The question is:

'That the Bill to establish and incorporate a unitary teaching and residential University at Delhi, as passed by the Legislative Assembly, be passed.'

The motion was adopted.

ADJOURNMENT OF COUNCIL.

The Council then adjourned till Wednesday, the 1st March, 1922, at Eleven of the Clock.

COUNCIL OF STATE.

Wednesday, the 1st March, 1922.

The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

CIVIL PROCEDURE (AMENDMENT) BILL.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I beg to move:

'That the Bill further to amend the Provincial Small Cause Courts Act, 1887, and the Code of Civil Procedure, 1908, in order to provide for the award of costs by way of compensation in respect of false or vexatious claims or defences in civil suits or proceedings, as passed by the Legislative Assembly, be taken into consideration.'

This Bill is intended to deal with an evil which, as Honourable Members are doubtless aware, has unfortunately been prevalent for a long time. There are a number of persons who make a practice of filing fraudulent suits. The *modus operandi* of these persons is very simple. A suit is filed in Calcutta or Bombay against a man who resides, say in Lahore or Allahabad. Very often the plaintiff secures a fraudulent return of service and the first time the defendant hears of this suit is when execution is taken out on the decree. Of course, it is perfectly open to the defendant to have the decree set aside, but if he decides to adopt that course, he is likely to find himself involved in considerable trouble and expense which will probably not be covered by the costs awarded. Therefore, the defendant very often decides to cut his loss and to pay up. In fact, the people who bring these suits generally fix their claims at a sum which they think the defendant is likely to pay rather than go to law. Various efforts have been made in the past to deal with this evil. Whenever a case of this kind is reported to the Collector, he makes an exhaustive investigation and every possible step is taken to ensure that justice is done. Nevertheless, all these efforts have only been partially successful, and in order that the evil may be reduced or mitigated still further, it is essential that there should be legislation. The exact form which such legislation should take has been the subject of prolonged discussion and examination. I need not enter into details. They are set out in the proceedings of the other Chamber. It is sufficient to mention that this Bill is substantially on the lines recommended by a special committee containing a number of eminent lawyers of this Council and of the Assembly, which was appointed to consider the principles of the legislation required last year. The main provisions of the Bill are, firstly, that the application of the Act is permissive, that is to say, it will rest with the Local Government to apply the Act with the consent of the Governor General in Council to any area. Secondly, the provisions of the Act apply, not only to false claims, but also to false defences. The original idea was to deal with false claims, but in the course of the discussions it was pointed out that a large number of false defences also were set up. Thirdly, the amount of compensation that may be awarded is limited to a sum of Rs. 1,000 or the limits of the pecuniary jurisdiction of the Court, and the High Court is given certain powers as regards the fixing of the amount of compensation that may be awarded by certain subordinate Courts. Fourthly, the amounts so awarded will be taken into account in any subsequent suit that may be brought for compensation and damages. It is true

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that such a suit will only lie in rare cases, but if a suit does lie and is brought, the amount already awarded will be taken into consideration in that suit. And fifthly, an appeal will lie against any order awarding compensation, but not against a decree on the ground that that decree omits to award any compensation or awards an insufficient amount. These are the main provisions of the Bill. As I said, the Bill is the outcome of prolonged discussion and examination and is probably the most satisfactory measure that could be devised to combat the evil in question.

The HONOURABLE LALA SUKHBIR SINHA: I beg to support the motion. It will stop the evil of litigation to a great extent. The evil of litigation is increasing day by day, and steps should be taken to put an end to it.

The HONOURABLE THE PRESIDENT: The question is:

'That the Bill further to amend the Provincial Small Cause Courts Act, 1887, and the Code of Civil Procedure, 1908, in order to provide for the award of costs by way of compensation in respect of false or vexatious claims or defences in civil suits or proceedings, as passed by the Legislative Assembly, be taken into consideration.'

The motion was adopted.

Clauses 1, 2, 3, 4, 5 and the Preamble were added to the Bill.

The HONOURABLE MR. S. P. O'DONNELL: I beg to move that the Bill, as passed by the Legislative Assembly, be passed.

The HONOURABLE THE PRESIDENT: The question is:

'That the Bill further to amend the Provincial Small Cause Courts Act, 1887, and the Code of Civil Procedure, 1908, in order to provide for the award of costs by way of compensation in respect of false or vexatious claims or defences in civil suits or proceedings, as passed by the Legislative Assembly, be passed.'

The motion was adopted.

INDIAN LIMITATION (AMENDMENT) BILL.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I beg to move:

'That the Bill further to amend the Indian Limitation Act, 1908, as passed by the Legislative Assembly be taken into consideration.'

The object of this Bill is to avoid the difficulties which have arisen out of the conflicting decisions of certain High Courts. The Calcutta and the Madras High Courts have held in effect that the general provisions of the Limitation Act cannot be applied in computing the period of limitation prescribed by any special or local law. That view is based on their interpretation of section 29 (1) (b) of the Limitation Act which lays down that nothing in the Act shall affect or alter any period of limitation specially prescribed for any suit, appeal or application by any special or local law. On the other hand, a different view has been taken by the Allahabad High Court on the ground that a special or local law is not in itself a complete law of limitation. It is obviously desirable that these conflicting decisions should be set at rest and the law placed on an unequivocal footing. It might seem a very simple matter to do that, but in fact this Bill is the result of a very prolonged process of examination and scrutiny, and I think that in the form in which it has finally emerged, it is probably as satisfactory a solution as could be devised. What the Bill does is to lay

down that, in computing the period of limitation for the purpose of determining the period of limitation prescribed for any suit, appeal, or application by any special or local law, the provisions of sections 4, 9 to 18 and 22 of the Limitation Act shall apply only in so far as, and to the extent to which, they are not expressly excluded by such special or local law, and that the remaining provisions of the Limitation Act shall not apply. That, I think, removes the ambiguity which existed previously. The Bill also makes a slight and purely formal amendment in section 5 of the Limitation Act.

The HONOURABLE THE PRESIDENT: The question is:

'That the Bill further to amend the Indian Limitation Act, 1908, as passed by the Legislative Assembly, be taken into consideration.'

The motion was adopted.

Clauses 1, 2, 3 and the Preamble were added to the Bill.

The HONOURABLE MR. S. P. O'DONNELL: I beg to move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

MESSAGE FROM LEGISLATIVE ASSEMBLY REGARDING INCOME-TAX BILL.

The HONOURABLE THE PRESIDENT: The next motion on the Agenda stands in the name of the Honourable Mr. Cook. It relates to a message received from the Legislative Assembly. The motion as it appears on the paper is misconceived and should be put in this form. There should be a motion, in the first place, that the message be taken into consideration, and when the Council agrees to that motion, then the Honourable Member will be in order in making any motion which he is entitled to.

The HONOURABLE MR. E. M. COOK: I am very grateful to you for having indicated the correct procedure in this case, and I beg to move that the message of the Legislative Assembly, disagreeing with the amendment made by this Council in clause 15 (2) of the Bill to consolidate and amend the law relating to income-tax and super-tax, be taken into consideration. I take it that this is a preliminary motion and I propose to reserve my remarks on the merits of this question until a subsequent motion.

The HONOURABLE SIR ARTHUR FROMM: I submit that sufficient notice has not been given to the Honourable Members of this Council with regard to this motion. I received some few days ago a list of business for the 1st March, and this motion now brought forward by Mr. Cook was not on that list. The first intimation I had of it was in this envelope which I found in my place when I came to Council to-day. I submit that this question relating to clause 15 (2) of the Indian Income-tax Bill is one of considerable importance. The amendment passed in this Council has been reversed in another place, and I should like to have some further time to discuss our position with my fellow Councillors.

The HONOURABLE MR. K. V. RANGASWAMI AYYANGAR: I agree with what the Honourable Sir Arthur Fromm has said now. I receive the agenda paper just now and we would like to have some time for the further consideration of the question and the principles involved therein.

The HONOURABLE MR. V. G. KALE: I do not see the necessity for any postponement of the consideration of this question. It has been discussed threadbare. All the details, the implications and the effects of the amendment are well known to us, and I do not see that any useful purpose is likely to be served by postponing consideration, and, in view of the fact that it is necessary that this measure should be passed into law as early as possible, I wish that this House will not stand out for a technical right of requiring more time for consideration, and I support the motion which has been placed before the House.

The HONOURABLE LALA SUKHBIR SINHA: I do not think it is necessary to have the discussion postponed, because the matter has been discussed here as well as in the Assembly fully, and there is no advantage to be gained by having it postponed.

The HONOURABLE MR. G. S. KHAPARDE: I wish to add only one word to this discussion. When the amendment which was made was proposed, it was said that the matter was one of very small consequence, almost negligible. So there is no need to postpone the consideration of this negligible matter when we have to consider the Financial Statement and other matters. It does not appear desirable that we should adjourn this motion. So we had better take it on to-day and finish it.

The HONOURABLE THE PRESIDENT: I should like to point out that very short notice of this motion has been given to the Council. I was well aware of the motion standing in the name of the Honourable Lala Sukhbir Sinha, which appears in the additional List of Business, but I was not aware until late last evening that this motion was coming on to-day.

The HONOURABLE MR. E. M. COOK: I am not aware, Sir, whether your orders were taken to include this item in the List of Business for to-day, nor do I know whose function it is to take your orders on the matter. I received notice yesterday afternoon that this was coming on to-day.

The HONOURABLE THE PRESIDENT: Did the Honourable Member give notice of the date on which he was going to move this motion?

The HONOURABLE MR. E. M. COOK: I am not quite sure whether I specified the date.

The HONOURABLE THE PRESIDENT: It is for the Honourable Member to specify the date. If he does not do so, who will do it?

The HONOURABLE MR. E. M. COOK: The explanation probably is that the matter was discussed verbally, and that I said that I had no objection to this motion coming on to-day. I do not think it matters very much, because I take it that it rests in your discretion whether to allow this business to proceed to-day or not.

The HONOURABLE THE PRESIDENT: I am perfectly willing to be guided by the wishes of the Council in this matter, but I must point out that this appears to me to be a matter of some importance, and it did not appear in the original List of Business. A private Bill has also been put down for to-day, of which very short notice has been given, but my consent was previously obtained, and the Bill had already been on the paper on

several occasions. As I said I was unaware that these supplementary motions have been put down for to-day and these are required to be made by my consent. I am not prepared to withhold my consent in this case, but I must explain that the notice given is short and that objection has been taken.

The HONOURABLE MR. E. M. COOK: In that case, Sir, I wish to make it perfectly clear that we do not want to force this discussion on the Council to-day. From the point of view of Government, the matter is entirely in the hands of the Council. Government is quite ready to proceed with the discussion, if the Council so decides. If, however, the Council decides to postpone it till the next official day, which is, I think, the 8th March, it will not mean any great delay. I would, therefore, suggest that you take the sense of the House on the matter.

The HONOURABLE DIWAN BAHADUR V. RAMABHADRA NAIDU: I do not think that anything will be gained by postponing the consideration of this amendment, and it is better that we should consider this motion at once. Otherwise it will look as if this Council is at variance with the other Chamber. I do not think it is worth our while to waste our time and energy on this. It will be safer to consider the motion now.

The HONOURABLE THE PRESIDENT: The question is:

'That the message received from the Legislative Assembly stating that the Assembly has not agreed to the amendment of clause 15 (2) of the Indian Income-tax Bill substituting the words 'any adult male member' for the words 'any male member' be taken into consideration.'

The motion was adopted.

The HONOURABLE MR. E. M. COOK: I think the correct form of my next motion is for me to move that this Council do agree to the Bill to consolidate and amend the law relating to Income-tax and Super-tax, as further amended by the Legislative Assembly. I propose to say a very few words on this matter, which is really one for the Council itself to consider. Government have made two attempts to induce the other House to agree to the view which we still claim is the reasonable, the right and the proper view, but they have been unsuccessful, and now it is for the Council to consider whether it intends to press this disagreement to the point of provoking a situation which, I fear, may delay the passing of this Bill very considerably. I think I am correct in saying that if the Council insists on its amendment, the position will be that a joint sitting of the Chambers will have to take place, which, I take it, cannot come off for the next six months. The question in issue is a simple one—is it worth while to delay the passage of this Bill, a very important Bill indeed, because of the disagreement on this point? We consider, I say frankly, that the change made in the other place is a change for the worse. However, this is not a perfect world and there are occasions when we have to make a choice between what is essential or vital and what is not. We have to consider whether this particular matter is merely *de bene esse* of the Bill or actually *de case*. Looking at the matter as a whole I do not think it can be said that this vitally affects the Bill. I have said before that the exclusion of this little word 'adult' makes the Bill a less perfect Bill than it was before, but I would respectfully ask the Council to consider whether the issue is one of sufficiently grave importance to be made the reason for hanging up the Bill and for carrying the disagreement between the two Houses to such a point. I certainly think this is a matter regarding which the Council was perfectly

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entitled to amend the Bill how it liked; nobody questions that this is a Bill over which the Council has full control. I put this motion forward purely on the ground of expediency, and because I doubt whether it is really worth while to hang this important Bill up because of this, as I think, comparatively unimportant point.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, when the Honourable Sir Arthur Froom moved his amendment to this clause in this House, I said I feared that it would not be possible to get it accepted by the Assembly. Unfortunately, Sir, that has come to pass. At the same time, although we recognize our right, as a revising House, to make any additions or alterations that to us seem necessary, I agree with my Honourable Friend, Mr. Cook, in thinking that it is not advisable on this point to stand on our right and fight with the other House, and that it is much better to come to some sort of understanding. I see, Sir, there is a feeling that the joint Hindu family is getting a concession which other communities are not getting. I beg to suggest a sort of compromise, which, I believe, will be acceptable to the other communities, and will also be acceptable, I hope it will be, to the other House also. If you will allow me, Sir, I should like to move an amendment in clause 15, sub-clause (1). This will put all communities on the same level.

The HONOURABLE THE PRESIDENT: Will the Honourable Member hand it in?

The HONOURABLE MR. LALUBHAI SAMALDAS: I will hand it in. I move, Sir, that in clause 15, sub-clause (1), after the words 'or on the life of his wife' the words 'or on the life of his children' be added.

The HONOURABLE THE PRESIDENT: I must consider this amendment. If Honourable Members will look up page 27 of the red book, they will see that rule 35 lays down that further amendments may be moved, when a Bill is returned to the originating Chamber, but these amendments must be consequential upon, or alternative to, the amendments made by the other Chamber. We have got beyond that stage now. We are now at the stage where we accepted the Bill as originally passed in the originating Chamber, with an amendment, and they have sent it back saying that they do not agree with our amendment; that is, rule 36 (4) applies. That rule runs as follows:

'The other Chamber may either agree to the Bill as originally passed in the originating Chamber or as further amended by that Chamber, as the case may be, or may return the Bill with a message that it insists on an amendment or amendments to which the originating Chamber has disagreed.'

It does not seem to me that there is room for further amendment at this stage, and I think the Honourable Member cannot move the amendment now.

The HONOURABLE MR. LALUBHAI SAMALDAS: In that case, Sir, I think it is much better to accept the amendment as moved in the Legislative Assembly and to pass the Bill as so amended, so that the Bill may come into force as early as possible, and that there should be no conflict between the two Houses. For that reason, Sir, I support the motion made by the Honourable Mr. Cook.

The HONOURABLE THE PRESIDENT: The question is that the following motion be adopted:

'That this Council do agree to the Bill to consolidate and amend the law relating to Income-tax and Super-tax as further amended by the Legislative Assembly.'

The motion was adopted.

BUDGET FOR 1922-23.

The HONOURABLE MR. E. M. COOK: Sir, I rise to present the Revised Estimates of the current year and the Budget Estimates of revenue and expenditure for next year. I am quite sure, Sir, that the Council will join with me in regretting that, owing to the limitations to which the human body is subject, it is impossible for the Honourable Finance Member to be in two places at once; and, if I may be permitted a reflection of my own, it is this: I think that it is a pity that the procedure of the Indian Legislature does not admit, on an occasion like this when there is no discussion, of a joint sitting of the two Houses, so that the Finance Member could present his Budget to both branches of the Legislature. ('Hear', 'hear.') However, Sir, among the various statements, estimates, and so forth, that I am now about to present, Honourable Members will find a copy of the *Budget Speech which Sir Malcolm Hailey is now addressing to the other House. It is, therefore, unnecessary, and I think undesirable, that I should interpose any lengthy remarks of my own between the presentation of these papers and their perusal by Honourable Members. It may, however, be of some little convenience to Honourable Members if I indicate extremely briefly the more salient facts of the Central Government's financial position as set forth in the Budget speech. I shall not attempt to comment thereon or to give any lengthy exposition of the figures. I propose merely to indicate, in as few words as possible, broadly and without any elaboration, firstly, the important facts, and secondly, the proposals of Government for the coming year. What I shall say will indeed be very little more than a recitation of a table of contents of the Finance Member's speech, which will be in Honourable Members' hands in a few minutes. I pass now, without any further remarks, to the actual figures. The Council will perhaps remember that for the current year we budgetted for a revenue of 128½ crores as against an expenditure of 127½ crores, leaving a small surplus of about Rs. 71 lakhs. We budgetted in an atmosphere of some depression, but we certainly did not anticipate or provide for the very great stagnation of trade that the current year has witnessed. In the event, we now estimate in the current year a revenue of Rs. 108 crores, that is, some 20½ crores less than the revenue budgetted for. On the other hand, we expect to incur an expenditure of about Rs. 142 crores, i.e., 14½ crores in excess of the budgetted expenditure. Altogether therefore, we anticipate a deficit in the current year of Rs. 34 crores. The deficiency of Rs. 20 crores in revenue is mainly accounted for under the heads of Customs and Railways. Honourable Members will find some details about the other heads in the speech, and I do not think I need deal with them here. Under Customs we expect a falling off of Rs. 4½ crores, which would have been, I may say, very much worse but for the enormous imports of sugar. Under Railways, we expect a total worseness on the Budget of no less than Rs. 13 crores, made up of a worseness of

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Rs. 4 crores in traffic receipts, the remainder being accounted for by a very heavy increase in working expenses. As regards the worseness of Rs. 14½ crores under expenditure, 2 crores of this is accounted for by an increase in interest charges, due to our larger rupee and sterling loans. As regards military expenditure, the necessity for the continuation of operations in Waziristan has resulted in an expenditure of 6½ crores thereon as against the 3 crores provided for in the Budget. Still, in spite of this excess of 3½ crores in Waziristan, it has been found possible by various economies to keep the excess on the whole military Budget down to 2½ crores; that is to say, we expect the military expenditure in the current year to stand at Rs. 65 crores as against the Budget figure of 62½ crores.

As regards Exchange, the non-attainment of the Budget assumption of an average rate of 1s. 8d. means a worseness of a little over 9 crores. Of that 9 crores, Honourable Members will find, when they examine the statement, that about 5½ crores are shown adjusted under the head 'Exchange', while the remainder appears in the accounts of the commercial departments, Railways, Posts and Telegraphs, and so forth, i.e., their Home expenditure has cost them more.

This, Mr. President, is the fourth consecutive deficit. In 1918-19, the deficit was 6 crores; in 1919-20, mainly due to the Afghan War, it was 24 crores; our final accounts for 1920-21, which have only just been made up, show a deficit for that year of 26 crores. When you add to that the 34 crores deficit in the current year, it will be seen that our expenditure has exceeded our revenues during the past four years by a total amount of 90 crores.

I now proceed to give a very brief summary of the Budget estimates for next year. In making our estimates we have assumed some slight improvement in trade as compared with the current year, though not any really substantial return to normal conditions. On the basis of the present taxation we estimate a revenue of 110½ crores, that is, 2½ crores more than the current year; this includes the full provincial contributions of 920 lakhs. I do not think I need give details about the estimates of revenue. Honourable Members will find these given in the speech. As regards our expenditure, there are very few variations in the ordinary civil departments, practically all new expenditure having been definitely debarred. Honourable Members will notice, however, that we are making a large provision for working expenses on Railways.

For the purpose of these estimates, sterling has been converted into rupees at an average rate of 1s. 4d. That is not a prophecy; it is merely an assumption; for the purposes of the Budget we have to make some sort of assumption, and that is, we think, as things are at present, as good an assumption as the ordinary business-man would make. The military Budget of next year is 62 crores 18 lakhs, that is, just slightly, a few lakhs, below the current year's Budget, although Honourable Members will observe from the speech that the provision entered for Waziristan can only be regarded as tentative—it is quite impossible to say what our operations there are going to cost, and it is possible that these may lead to some excess. Altogether, then, the total expenditure budgetted for for next year is 142½ crores, which would leave a deficit of 31½ crores.

I must invite the Council to consider with very great care and to give their very anxious consideration to what the Honourable the Finance Member says where he discusses the various possible ways of meeting this

deficit. It is obvious, when one thinks about it, that there are, in theory, three possible ways of meeting the situation. In the first place, one could in theory budget for a deficit for the whole or part of that amount. In the second place, we could, again in theory, attempt to reduce our expenditure and to bring it down nearer the level of our revenues. In the third place, we can increase our revenues. The Council will observe that these three theoretically possible courses could be applied either separately or in combination. One of the problems which this Council has to consider, and which Government have been anxiously considering, is whether it would be desirable and even if desirable, whether it would be practicable, to leave the whole or even the greater part of this deficit of 31½ crores uncovered. Now in considering this matter there are two points of the most vital importance. The first point is this: Can it be said that this deficit that we have to face is due to transient causes? Can it be said that, if we sit tight, better times will come, and that, as our revenues expand, and provided we keep a tight hold on our expenditure, may expect equilibrium to be reached? I am afraid, Mr. President, that that view cannot be taken. I challenge any one to take such a view. I do not mean to imply that either the current year's deficit of 34 crores or next year's deficit of nearly 32 crores is to be taken as the measure of the permanent gap that exists between the revenue and expenditure of the Central Government. I assume that, as our frontier commitments are liquidated, that part of our military expenditure which we classify as abnormal, and which I have mentioned this morning, will gradually disappear. I also assume that our revenues would very readily react to a really good revival of trade. But after making every possible assumption of this nature, I do not think it can be said that, if things are left to themselves, equilibrium will be obtainable within a measurable time. We have to remember that we have before us a certain loss of revenue in the shape of the provincial contributions, which we are committed to reduce and gradually to abolish on the slightest sign of any betterment in the Central Government's position. Altogether, I think it must be admitted that the position has got to be faced. Then there is a second point, of cardinal importance in this matter, how have these deficits been financed? These 90 crores of deficits for the past four years, where did the money come from? Of that 90 crores, about 37 crores have been obtained by the issue of fiduciary currency notes, that is to say, notes the only backing of which are our own I. O. U's. A further 47 crores will have been found by incurring floating debt in the shape of Treasury Bills, while the remaining six crores will have been taken from the proceeds of our regular annual borrowings. I do not wish to elaborate this point too much, because I am sure Honourable Members themselves are perfectly well aware that our position as regards the floating debt is an anxious one, and that our Treasury Bill outstandings are already dangerously high. This is a matter of experience. The events of the past month or two in India have shown perfectly plainly, I claim, to every observer that we cannot substantially increase our floating debt, and also that it is with the utmost difficulty that we can even maintain the present level. We have been obliged to force up money rates, and the tighter we have made money the more trade asks for money; and so we go on in this sort of vicious circle, and it is not too much to say that we have practically got to the end of our resources as regards the financing of deficits by our floating debt. The conclusion to which Government have come, is that the inevitable result of attempting to finance again deficits of this sort would be to force us to large issues of unbacked currency notes, and I am quite sure that Council will agree that the effect of such inflation upon the general level of prices and on the

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credit of the country would be extremely serious. The second alternative is reduction in expenditure. The Council will see from the details of the Budget that in the Civil Departments we have cut out all new expenditure which cannot be proved to be absolutely necessary. We cannot claim that further reductions are impossible, and the Honourable the Finance Member is to-day announcing in another place the appointment of a Committee of Retrenchment. But the field for retrenchment is small, and it would not be safe for Budget purposes to rely on any really material relief there from retrenchment.

The third course is to increase our revenues. We can increase our revenues in two ways: firstly, by ensuring that our commercial departments pay their way, or at any rate, are not a burden upon the general tax-payer, and, secondly, by increasing taxation. As regards our commercial departments, in the current year the Railways, after including the proceeds of the surtax, show for the first time for many years a working loss, after paying interest charges of 2½ crores. We estimate that next year, even after allowing for the increase in goods rates which will have effect from April 1st they will still be working at a loss of over a crore. It is proposed therefore to increase passenger fares by approximately 25 per cent. yielding an additional revenue of 6 crores. As regards the Post and Telegraph Department, in the current year this is working, after making all the necessary adjustments, at a loss of not less than 90 lakhs, and we estimate that next year, if no change be made in the rates, there would be a loss of at least 80 lakhs. It is proposed, therefore, to repeat the proposals of last year, which were not accepted by the Legislature, and to raise to half an anna the quarter anna post card, and, secondly, to abolish both the half anna and nine pies rate for letters (which I may say has brought in practically nothing) making the charges in future one anna for letters not exceeding 2½ tolas in weight and one anna for every additional 2½ tolas, bringing in an increased revenue of 160 lakhs. These changes in the Commercial Departments will altogether bring in, we estimate, an increased revenue of 760 lakhs, thereby reducing the estimated deficit from 31 crores 76 lakhs to 24 crores 16 lakhs.

I now come to the proposals for additional taxation. I shall mention these without any comment, and without attempting to arrange them in any order of unpopularity. As regards Customs, Government propose to obtain nearly 15 crores more from this source. It is proposed to raise to 15 per cent. the import duty on all articles now assessed to 11 per cent, and at the same time to increase the cotton excise duty from 3½ to 7½ per cent. The combined effect of these two measures will be an increased revenue of 5 crores and 45 lakhs. Secondly, it is proposed to raise from 2½ to 10 per cent. the present import duty on machinery, iron and steel and railway material, yielding an extra revenue of 4 crores, 5 lakhs. Thirdly, it is proposed to increase the duty on imported sugar from 15 to 25 per cent, giving an increased revenue of 2 crores. Fourthly, we propose to raise the specific duty of 12 annas per gross boxes of matches to Rs. 1-8-0, which would give an estimated increased revenue of 95 lakhs. Fifthly, we propose to impose an excise duty of 1 anna per gallon on kerosine produced in India, with a corresponding increase in the duty on imported petroleum, namely, from 1½ to 2½ annas per gallon, the extra revenue which we hope to get from these two measures will be 90 lakhs. Sixthly, it is proposed to remove yarn from the free list and to impose an import duty of 5 per cent, which will yield a revenue of half a crore. Seventhly, it is proposed that the articles which are assessed at the highest rate of the tariff should, in

future, be assessed to 30 per cent. instead of 20 per cent, yielding an extra revenue of 75 lakhs. Finally, as regards alcoholic liquors, the customs returns show that any attempt to increase the import duty on wines would probably result in an actual loss of revenue. As regards ale and beer, liqueurs and spirits, although Government would for some reasons prefer to wait for another year, they feel that they cannot afford to neglect any possible increase of revenue, and it is accordingly proposed to increase the import duty on these particular alcoholic liquors by approximately 20 per cent., yielding an extra revenue of 30 lakhs. Altogether the total of these increases in Customs is 14,90 lakhs, and the extra revenue during the month of March is likely to be 80 lakhs. This will still leave an uncovered deficit of about 9½ crores. Government propose to make a further call on the payers of income-tax and super-tax. They do not propose to effect any alteration in the rate of income-tax payable by persons whose incomes do not exceed Rs. 30,000 a year, but it is proposed to raise the rate on incomes between Rs. 30,000 and Rs. 40,000 from 14 to 15 pies, and on incomes above Rs. 40,000 from 16 to 18 pies. As regards super-tax, it is proposed to regrade the higher rates, working up in the manner shown in the Schedule to the Finance Bill (which will shortly be in Honourable Members' hands) to the highest rate of 6 annas, as against the existing highest rate of 4 annas. The combined effect of these Income-tax and Super-tax measures will be to produce an extra revenue of 2½ crores.

Finally, Government consider that the present emergency is such that there is now no alternative but to increase the salt duty, which has always been regarded as our ultimate reserve. It is proposed to increase the duty from Rs. 1-4-0 to Rs. 2-8-0 a maund. This is estimated to produce 5 crores a year, but in the first year, owing to the existence of the credit system of sales, it is not likely to exceed 430 lakhs.

The total extra revenue obtainable from the measures that I have mentioned, including those regarding Railways, Posts and Telegraphs is estimated at slightly over 29 crores next year. It will still leave an uncovered deficit of 2½ crores, together with any extra liability that may fall on us in respect of Waziristan. Government consider that the existence of any uncovered deficit is, in present circumstances, a matter for anxiety. They have not felt, however, justified in proposing taxation to a greater extent than I have mentioned.

I will deal very shortly, Sir, with our Ways and Means figures. This is a rather technical part of the Budget, but always a very important one, and on the present occasion it is of more than usual importance, because there is more than the usual connection between our Ways and Means and Revenue accounts. I need not give full details of our Ways and Means operations in the current year. I will only say that they show that we are obviously approaching the end of our resources as regards financing deficits. Thus, during the current year we have had to meet liabilities of 90 crores, one-third of which has been due to the Central Government's own deficit, while 12½ crores has been due to the Provincial Governments' deficits or drawing on their balances, so that half our total liabilities on the Ways and Means side has been due to the necessity for finding money to finance deficits. As regards next year, the total liabilities will amount to about 58 crores, which include 30 crores for railway capital outlay and 3½ crores for Delhi and Telegraph capital outlay. I do not think I need give details of the way in which we propose to meet those liabilities, except to say that we have entered in the Estimates a rupee loan of 25 crores and Sterling borrowing of about £17½ millions, £2 millions of which will however

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represent the final instalments of the last loan of £10 millions. Government do not however bind themselves to distribute their total borrowings between rupee and sterling in any particular proportion.

The most important point as regards the financial events of next year is the Secretary of State's own position, and I draw particular attention to what the Finance Member has said as regards the methods that may have to be adopted for putting the Secretary of State in funds next year. After various recoveries from the Home Government, and assuming that he is going to borrow £17½ millions in sterling, the Secretary of State will still require to be put in funds to the extent of £18 millions; and the problem as to how he is to be put in funds to that extent by means of remittances from India, has a very very important bearing upon the financial arrangements for next year. There are only two ways in which he can be put in funds. One is by his drawing on the sterling reserves, and the other by the sale of Councils. I do not wish to detain the Council with any remarks about these two methods, except to indicate the importance of this particular problem and its bearing upon money and exchange conditions in India throughout the year.

I do not think I need detain the Council with any more figures or explanations. I have said enough to show, Sir, that the problem before the country is a grave one, but I feel sure, whatever views may be taken as to the particular methods Government propose for meeting it, that at any rate this Council will consider Government's proposals with that high sense of responsibility that has always characterized its deliberations.

DATE FOR DISCUSSION OF THE BUDGET.

The HONOURABLE THE PRESIDENT: The Governor General has fixed the 8th for the Budget discussion. I would invite the particular attention of Honourable Members to Standing Order 70 which lays down the scope of that discussion. The rule runs:—

'The Council shall be at liberty to discuss the Budget as a whole or any question of principle involved therein.'

Honourable Members will probably save themselves some trouble if, in framing their speeches, they will bear that rule in mind.

PRESIDENT'S RULING RE: LISTS OF BUSINESS.

The HONOURABLE THE PRESIDENT: Before I call on the Honourable Lala Sukhbir Sinha to move the motion that stands in his name, I should like to refer to what transpired this morning as I wish to give a definite ruling on the question of business not included in the list of business originally circulated. The list of business is to be circulated by the Secretary, and once the list of business has been circulated, that is the list of business for the day, and if it is desired to take up any other business not included in the list, that must be done with my consent; and I shall in future always require an Honourable Member wishing to move in connection with supplementary business, before he commences his speech, to ask my definite consent.

The HONOURABLE LALA SUKHBIR SINHA: I beg to ask your consent, Sir.

The HONOURABLE THE PRESIDENT: I have already given it.

REGISTRATION OF CHELAS BILL.

The HONOURABLE LALA SUKHBIR SINHA: Sir, I beg to move, in as few words as possible, for leave to introduce a Bill to control the possession of minor children by *sadhus*, *fakirs*, religious mendicants and certain other persons. Sir, as far back as 1913, I moved a Resolution in the United Provinces Council to have some legislation for the protection of children taken away by *sadhus*, *fakirs* and other religious mendicants, either by inducement or by some other means, who, instead of giving them education or training, converted them into criminals and mendicants. The discussion took a long time, and the Resolution was accepted unanimously by the Council. The Honourable Dr. Sapru, who is now Law Member of the Government of India, gave his unqualified support. Many religious members also gave their support; for instance, the Maharajah of Palanpur and the Kumar Sahib of Benares. Two Members of the Assembly also gave their support Mr. Mahadeo Parshad and Mr. Biswambhar Nath. Two Muhammadan Members, one of whom is now a Member of this Council, the Honourable Saiyid Raza Ali and Khwaja Gulam Mustaklan of Meerut also gave their full support, Pandit Motilal Nehru also, who is now a great leader of the non-co-operation movement, also gave his full support. The then Lieutenant-Governor, Lord Meston, also gave his support and accepted the Resolution, and the Council appointed a Committee of many religious members. They circulated a set of questions. Over 100 opinions were received. Many of them were unanimously in favour of some legislation. The Committee drafted a Bill, and submitted it to the Government, but as the Reforms Scheme was going to come into force, no further steps were taken. During that discussion some Members pointed out that, instead of having the Bill in the United Provinces, it would have been much better if action were taken by the Government of India in the Imperial Council. On that assumption I have ventured to bring this Bill forward before this Council to-day. The provisions of the Bill are very moderate; they only provide for the registration of children under the age of 18 by those *sadhus* and *fakirs* who want to take them from their parents or in the case of orphans also. The provisions in the Bill are quite tentative and are open to changes and amendments. What I propose now before this Council is to give me leave to introduce it, and if that leave will be given, then my second motion will be to have it circulated for opinion. Therefore, Sir, with these few words, I move for leave to introduce the Bill.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I wish to say a few words indicating the attitude of the Government towards this Bill. As the Honourable Lala Sukhbir Sinha has informed us, a Committee was appointed in 1913 by the United Provinces Government to consider this subject, and after a period of gestation of somewhat unusual length—six years—they produced this Bill. The Committee also consulted a large number of witnesses. Undoubtedly a number of witnesses did favour legislation. On the other hand, it was made clear that, in the opinion of a number of experienced officers and other persons, the problem was one which bristled with difficulties. There were many witnesses who thought that, although there was undoubtedly a social evil to be dealt with, nevertheless legislation was not a suitable or effective remedy, and that the better course would be to leave the evil to be gradually cured with the advance of education. Government do not desire to oppose the introduction of this Bill, but they consider that, in view of the difficulties to which I have referred, it is

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essential that Local Governments should be consulted; and I am glad, therefore, to observe that the next motion which the Honourable Member proposes to move, assuming that the Council allows the Bill to be introduced, is one for its circulation.

The HONOURABLE MR. RANGASWAMY AYYANGAR: Sir, the Honourable Lala Sukhbir Sinha is the Secretary of the All-India Hindu Sabha, and, as such, I never expected that a Bill of this sort would emanate from him. Further, there are so many details in the Bill that require careful consideration. When there is the kidnapping section and other sections in the Criminal Acts, to cope with similar offences a Bill of this sort is not at all necessary. Then it is very difficult to distinguish between ordinary adoptions in a Hindu family and adoptions by a *fakir* or a *sadhu*. Nobody has yet defined a *fakir* or a *sadhu*, and, as such, they cannot be distinguished from an ordinary Hindu. Further, the Honourable Lala Sukhbir Sinha contemplates giving powers to the Magistrate to register the adoption. When there is the sub-registrar to register ordinary adoptions, I do not see how a Magistrate can step into the place of the sub-registrar for the purpose of registering adoptions. It bristles with so many difficulties. I reserve my remarks on the Bill for a further stage, but I have to express my disappointment that the Secretary of the Hindu Sabha should come and denounce the *fakirs* and *sadhus* and should express such a poor opinion of them. I know many of them have high ideals and many have high ideas of the training which they give to young boys. They may have to enforce strict discipline to bring the *chelas* up to their level, and such discipline should not be construed as inflicting cruel punishments upon the students. Exception should not be taken for adopting *chelas* at a young age for being disciplined.

Idealism exists only in young age and when a boy becomes grown up all his idealism and religious sentiments fade away. Further remarks and amendments on this Bill I reserve to the next stage.

The HONOURABLE MR. V. G. KALE: Sir, the feeling of surprise which is entertained by my Honourable Friend, Mr. Ayyangar, is natural in the case of my friend who is a pillar of Hindu orthodoxy. But I am not myself surprised. And if I am surprised at all, I am agreeably surprised that such a Bill comes from the Secretary of the All-India Hindu Sabha. That only shows that the orthodox Hindu community is moving very fast and the fact must be welcomed that even the orthodox Hindus are being roused to a consciousness that while in all other departments of life we are advancing by rapid strides, the community cannot be left where it was in the past on such social questions as those relating to *sadhus*. I realise that there are difficulties in the way. I do myself see that it will be very difficult to distinguish between good *sadhus* and bad *sadhus*. There are various uses to which their *chelas* may be put by them. There are indeed numerous difficulties in the way. But I wish that the Bill should have a fair chance, because it is going to be circulated in order that public opinion may be elicited thereon, and, therefore, I support the motion for leave to introduce the Bill. The Honourable Mr. Ayyangar has spoken of idealism in the early life of man and even of woman, but this very idealism is likely to be taken have to be provided by society. That being the intention of the Bill, namely, to remove the abuses wherever they are to be found—and the fact cannot be gainsaid that there are these abuses—I give my hearty support to the motion before the House.

The HONOURABLE RAJA SIR RAMPAL SINGH: Sir, I rise to support the motion of my friend, the Honourable Lala Sukhbir Sinha, and beg the House that permission should be given to him to introduce the Bill. It is a little too premature to go into the provisions of the Bill, and I do admit that the question is very complicated, and requires a great deal of consideration. But it is an admitted fact that the evil of mendicancy is growing and spreading in the country, and the sooner it is checked the better. Sir, I belong to a province which abounds in places of worship or pilgrimage and the evil of beggary is rampant in all its nakedness there. In fact, though the province is over-populated, the number of beggars has outgrown all proportion, so much so that they have now taken to migrate to other provinces to commit their depredations there. Sir, it is very unfortunate that the name of religion should be exploited by these beggars, and it is still more unfortunate that the charity-giving people should tolerate the beggars. I, therefore, support the motion and ask the House that leave should be given to my Honourable friend to introduce his Bill.

The HONOURABLE DR. GANGA NATH JHA: Sir, I rise simply to correct a misapprehension that might have arisen from the speeches of some of the previous speakers. It would appear from what they have said as if our friend, the Honourable Lala Sukhbir Sinha, was departing from orthodoxy in moving this Bill. Very far from it, Sir. The conditions laid down in our books for the initiation of disciples whom our friend calls *chelas* are so strict that the Bill now proposed by my Honourable friend is very moderate, and instead of being a departure from orthodoxy, it is only going a very few steps along the lines of orthodoxy. In that sense, Sir, the Bill cannot be regarded as any departure from the orthodoxy for which our friend stands.

The HONOURABLE DIWAN BAHADUR V. RAMABHADRA NAIDU: Sir, after having heard the arguments in favour of the Bill from such persons like the Honourable Raja Sir Rampal Singh and the Honourable Dr. Ganga Nath Jha, it is strange that the Honourable Mr. Rangaswamy Ayyangar should hold a different view. It is true that the Honourable Lala Sukhbir Sinha is the Secretary of the All-India Hindu Sabha. But he is not departing from orthodoxy. On the other hand, he has taken pains to remove the evil that exists in the so-called *sadhus*. He has experience of *sadhus* all over India, and he has seen the vices that exist among them. It is only a sense of humanity that has impelled him to bring forward this Bill after such a long study, and we should welcome the Bill all the more since it emanates from such an experienced man like the Honourable Lala Sukhbir Sinha.

The HONOURABLE CHAUDHURI MOHAMMED ISMAIL KHAN: Sir, I rise to oppose the motion of my Honourable friend Lala Sukhbir Sinha. I find that the Honourable Member has used Arabic words in his Bill. Perhaps he means that the Bill should apply to Muhammadan saints. Let me assure the Council that Muhammadans do not require such a Bill, nor do I think is such a Bill necessary for the Hindu community, as the ordinary criminal law of the country can protect them.

The HONOURABLE LALA SUKHBIR SINHA: Sir, I thank the Honourable the Home Secretary for the sympathetic manner in which he has received my motion, and I thank the House for the sympathy and support that many of the Members have given to me. As regards my friend, the Honourable Mr. Ayyangar, I think he is under some misapprehension. The Bill will not affect those *sadhus* and *fakirs* who are really *sadhus* and *fakirs*. There is no provision in the Bill at all which will affect them.

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The provisions in the Bill are only for those so-called *sadhus* and *fakirs* who take away children by force or enticement in order to make them mendicants and criminals. I have the most and best respect for *sadhus* and *fakirs*—more than he has—and as the Secretary of the All-India Sabha, it is my first duty to respect *sadhus* and *fakirs* as a class. But I do not like the country to be flooded with so-called *sadhus* and *fakirs* who take away children from their livelihood and turn them mendicants and criminals. There is a lot of evidence for this if he will kindly look into the papers that I have got with me. Therefore, I ask him to read the papers and remove his misapprehensions, and I think he will agree with me later on that the Bill will be very useful for the whole community, not only for the Hindus, but for the Muhammadans also. One of my Muhammadan friends also has opposed the Bill, but I may tell him that the Honourable Saiyid Raza Ali and Khwaja Ghulam Mustaklan, who was a Sayid and a very religious man in Meerut, gave their full support to the Bill. They used to sit in the committee and when we drafted the Bill they found it necessary also for the Muhammadans to have some legislation. Therefore, Sir, I request this House to give me leave to introduce the Bill. The provisions are liable to be changed. They are only tentative. Honourable Members are at liberty to make any amendments, but at this stage I only want leave to introduce the Bill.

The HONOURABLE THE PRESIDENT: The question is:

'That leave be given to introduce a Bill to control the possession of minor children by *sadhus*, *fakirs*, religious mendicants and certain other persons.'

The motion was adopted.

The HONOURABLE LALA SUKHBIR SINHA: I beg to introduce the Bill and to move that the Bill, with the Statement of Objects and Reasons, be circulated for the purpose of eliciting opinion thereon.

The HONOURABLE THE PRESIDENT: The question is:

'That the Bill to control the possession of minor children by *sadhus*, *fakirs*, religious mendicants and certain other persons be circulated for the purpose of eliciting opinion thereon.'

The motion was adopted.

The Council then adjourned to Wednesday, the 8th March 1922, at Eleven of the Clock.

COUNCIL OF STATE.

Wednesday, the 8th March, 1922.

The Council assembled at Metcalfe House, at Eleven of the Clock. The Honourable the President was in the Chair.

QUESTIONS AND ANSWERS.

NAMES OF SHIPPING COMPANIES FOR CARRYING MAILS.

103. The HONOURABLE MR. LALUBHAI SAMALDAS: Will Government be pleased to state the names of shipping companies, to whom, and the terms and conditions on which, contracts for the carrying of the mails on the coast of India and Burma, have been given?

The HONOURABLE MR. B. N. SARMA: The information required by the Honourable Member is incorporated in Appendix XI to the Annual Report on the Posts and Telegraphs of India for the year 1920-21, a copy of which is available for reference in the Press Room.

PAYMENT OF INCOME-TAX BY BRITISH AND FOREIGN SHIPPING COMPANIES.

104. The HONOURABLE MR. LALUBHAI SAMALDAS: Will Government be pleased to state if the British and the Foreign shipping companies carrying on trade on the coast of India and Burma pay any income-tax to the Indian Government?

The HONOURABLE MR. E. M. COOK: I have replied to this question and also the questions, Nos. 105 and 106, in the reply which I gave to the Honourable Mr. Sethna on the same subject on the 22nd of February.

PAYMENT OF INCOME-TAX BY BRITISH AND FOREIGN BANKS AND INSURANCE COMPANIES.

105. The HONOURABLE MR. LALUBHAI SAMALDAS: Will Government be pleased to state if the British and the Foreign Banks and Insurance Companies carrying on their business in India and Burma pay any income-tax to the Indian Government?

106. The HONOURABLE MR. LALUBHAI SAMALDAS: Will Government be pleased to state if the British and the Foreign shipping companies have to pay any income-tax on that portion of the profit which is earned by them by their trade with this country?

(See reply to question No. 104.)

RULES FOR REDEMPTION OF LAND-REVENUE.

107. The HONOURABLE LALA SUKHBIR SINHA: (a) Will the Honourable the Revenue Member be pleased to lay on the table a copy of the rules under which land revenue was formerly redeemed on payment of cash money to the Government?

(b) From what year to what year were these rules in force and for what reasons were they abolished?

The HONOURABLE MR. B. N. SARMA: (a) An extract from Government of India (Home Department) Resolution, dated October 17th, 1861, is being sent to the Honourable Member.

(b) The orders took effect from the date of their issue. They were practically recalled as a result of the Secretary of State's Despatch, dated July 9th, 1862, which limited their operation to lands required for dwelling-houses, factories, gardens and plantations. The reasons were the objection to capitalising the income of the State, and the risk that lands bearing an unduly light assessment might be redeemed before the settlement could be revised.

ATTITUDE AND POLICY OF THE NON-CO-OPERATION PARTY.

108. The HONOURABLE SAIYID RAZA ALI: (a) What response do Government propose to make to the action taken by the Congress Working Committee at Bardoli in postponing civil disobedience and suspending other activities to which reference had been made in his Calcutta speech on the 21st December by His Excellency the Viceroy?

(b) Has the attention of Government been drawn to the Resolutions passed by the Committee of the Bombay Representative Conference on the 14th February recommending the convening of a representative conference, the withdrawal of notifications and orders in connection with the Criminal Law Amendment Act, and the Seditious Meetings Act and the release of political prisoners? If so, how far are Government prepared to go in the direction desired?

(c) Will Government be pleased to state fully their present policy towards the Congress and its programme of work as modified by the Bardoli and Delhi Resolutions?

The HONOURABLE SAIYID RAZA ALI: Sir, I gave notice of this question on the 20th February. Since then some change has come over the political situation, and I should like, with your permission, to add the words 'and Delhi' after the word 'Bardoli.'

The HONOURABLE THE PRESIDENT: Does the Honourable Member (Mr. O'Donnell) object to that?

The HONOURABLE MR. S. P. O'DONNELL: No, Sir.

The HONOURABLE MR. S. P. O'DONNELL: I will read to the Council the answer which was given recently to a similar question by the Honourable the Home Member:—

'The Government have seen and considered the Resolutions referred to. They can discover in them no indication of any fundamental change in the attitude and policy of the non-co-operation party. Whilst civil disobedience is to be postponed for the present, there is no suggestion that it should be definitely abandoned as an item in their programme. On the contrary, the clear intention of the Resolution is that this step should be merely suspended till the ground has been adequately prepared for its inauguration on a large scale. Recruitment of volunteers is to continue and to be speeded up. The seditious propaganda which has been carried on throughout the country since the inception of the movement, is in no way to be abated and the continuance of attempts to seduce Government servants from their allegiance is specifically provided for.'

The Resolutions thus point merely to a temporary change in the tactics of the party and not to any reversal or radical alteration of its aims, which are directed as before to the subversion and paralysis of the lawfully constituted Government of the country. The Government of India desire to make it clear that, unless and until there is complete cessation of the illegal activities of the non-co-operation movement, there will be no change in their own attitude in regard thereto. I am to add that these activities have already produced a serious situation which may at any moment evenuate in bloodshed and disorder.'

I would also refer the Honourable Member to the Resolutions passed by the All-India Congress Committee and to the statement which Mr. Gandhi is reported to have made on 27th February last as regards the meaning and scope of these Resolutions. It follows that the Government are not prepared to take action on the lines suggested in part (b) of the Honourable Member's question.

TURKISH PEACE TERMS.

109. The HONOURABLE SAIYID RAZA ALI: When was the last representation made to the Secretary of State for India or the Prime Minister by the Government of India or His Excellency the Viceroy concerning the revision of the Treaty of Sevres? Are Government in a position to state when a solution of the problem may be expected?

The HONOURABLE MR. S. P. O'DONNELL: The last representation made by the Government of India to His Majesty's Government was contained in a telegram despatched on the 28th February 1922. The telegram is being published.

As regards the second part of the question the Government of India are naturally not in a position to state when a solution may be expected, but, as the Honourable Member is doubtless aware, the whole question will shortly be discussed by representatives of the great allied powers.

LOSS BY EAST INDIAN RAILWAY ON ACCOUNT OF STRIKE.

110. The HONOURABLE SAIYID RAZA ALI: (a) What is, roughly speaking, the loss sustained by the East Indian Railway on account of the strike?

(b) Has the attention of Government been drawn to a printed pamphlet published under the auspices of the East Indian Railway Indian Labour Union and entitled 'What led to the strike at Tundla—Facts gathered on the spot' containing the strikers' version? Is it true, as stated therein, that the men were not given an opportunity to send for the absent witnesses to the assault or to engage a lawyer at the inquiry held by the Magistrate?

(c) Will Government be pleased to lay on the table copies of reports by all the doctors who medically examined Ram Lal as also the Joint Magistrate's order?

(d) Do Government, in the public interest, propose to intervene to bring about a settlement between the Railway authorities and the strikers?

The HONOURABLE MR. H. A. F. LINDSAY: (a) It is not possible to furnish even an approximate estimate of what the loss sustained by the East Indian Railway may have been.

(b) The Government have seen a copy of the pamphlet in question. They have no information on the subject other than that contained in the

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Joint Magistrate's order. From this order they gather that in the Magistrate's opinion many witnesses were prevented from appearing at the inquiry.

(c) A copy of the Joint Magistrate's order is placed on the table. The Government have no copy of the medical certificate referred to except that given by the Civil Surgeon of Agra. A copy of this certificate has just been obtained and is placed on the table.

(d) The Government have full confidence in the ability of the Agent to deal with the situation.

EAST INDIAN RAILWAY COMPANY.

TUNDLA.

Alleged assault on 2nd Fireman Ramlal, S. No. 28619, on February 2nd 1922, by Shunter J. Carroll, S. No. 36494, and Fireman C. Emery, S. No. 42028.

Finding by R. I. Muddie, I.C.S., Joint Magistrate, on his public inquiry held at the Institute, on February 6th, 1922, at 17-30 hours.

This is an inquiry taken up by me *suo motu*. The case had already been taken up by the Police, but it seemed expedient to hold a public inquiry.

Unfortunately many of the witnesses have been prevented from appearing. This is clear from the Inspector's statement.

The evidence of the most important witness (apart from Ramlal) has however already been taken on oath by the Sub-divisional Officer and I have my order on it as well.

The salient facts are that Ramlal, a 2nd fireman, says he was beaten severely by his Fireman Emery and Shunter Carroll with a shovel and thrown off the engine and fisted (fainted?) Ramlal has however no visible marks of injuries on him and according to the medical evidence has not been injured. Ramlal has also been examined by the Civil Surgeon, but his evidence is not on record as he could not be obtained by the time within which it was desirable to hold the inquiry. Gunner Dubey is said by Ramlal to have carried him to the Locomotive Foreman's office. Dubey's statement to the Deputy Magistrate is that he knows nothing about Ramlal's injuries, but saw him quarrelling with Carroll on the engine.

According to Dubey, Carroll had hold of Ramlal's hands. He saw no assault on Ramlal.

The statement of both Carroll and Emery have been recorded. They state that Ramlal and Carroll had a quarrel because Ramlal wanted to leave the engine contrary to orders, but Carroll refused permission. Ramlal eventually slunk off and was reported by Carroll for leaving his engine without notice.

This is alleged to be the reason of Ramlal's allegations against Carroll and Emery.

In the face of the medical evidence and of Dubey's story, it is impossible to believe Ramlal's story which I believe to be a fabrication.

Dubey's story except for the matter of Carroll holding Ramlal's hands agrees with Carroll's and Emery's statements, and the fact of Carroll reporting Ramlal supplies a motive for a false allegation.

Whatever happened on the engine there is no doubt that it was a most trivial occurrence and one which could not possibly be taken up in any Criminal Court.

Sections 120 and 121 of the Railways Act are in my opinion absolutely inapplicable. Ramlal's only course is to file a petition under the ordinary law if he desires to prosecute the case.

(Signed) R. I. MUDDIE.

The 6th February 1922.

TUNDLA;

4th February 1922. (11 A.M.)

I have to-day examined the Fireman Ramlal. I can find no sign of abrasion or cut in the whole head, limbs or body. The only possible injury is shown by a defined swelling (1" x ½") of the right 5th rib just below and outside the nipple. This swelling has no bruise about it but is definitely tender and I consider it to be due to bruising, not fracture, of the rib at that spot. All the internal organs are in my opinion quite healthy and uninjured. From the absence of any bruise or abrasion I am of opinion that the story of Ramlal as told me by himself as to his being beaten with a shovel, kicked, his head banged on the footplate and finally thrown from the engine, is incorrect. It is possible that the swelling on the rib is of old standing and the tenderness assumed, but on the whole I think it is due to a recent injury and might have been caused by a blow. The man's life is not in any danger and I consider he might be up and about if he so chose. I do not consider that he was rendered unconscious at any time nor does he now complain of any ache or tenderness about the head.

(Signed) A. COCHRANE, Lt.-Col., I.M.S.,
Civil Surgeon, Agra.

The HONOURABLE SAIYID RAZA ALI: May I put a supplementary question? Is it a fact that the strikers offered to resume work during the visit of His Royal Highness the Prince of Wales absolutely unconditionally?

The HONOURABLE MR. H. A. F. LINDSAY: I don't think that question arises.

MESSAGE FROM HER ROYAL HIGHNESS PRINCESS MARY.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, I have the honour to hand over a telegraphic communication from the Right Honourable the Secretary of State to His Excellency the Viceroy for the information of the House.

The HONOURABLE THE PRESIDENT: This message has reference to the telegram of congratulation sent by this Council to Her Royal Highness the Princess Mary. It runs as follows:—

'Your telegram dated 25th February. Resolution of Council of State has been laid before Princess Mary. I am desired by Her Royal Highness to request you to convey to the Council an expression of her warm appreciation of their message.'

HIS EXCELLENCY'S ORDERS RE DISCUSSION ON BUDGET.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, I have the honour to present an order by His Excellency the Viceroy with reference to the general discussion on the Budget for the information of the House.

The HONOURABLE THE PRESIDENT: This is the order from His Excellency the Governor General:

'In pursuance of the provisions of sub-section (3) of section 67 of the Government of India Act, I hereby direct that the heads of expenditure specified in that sub-section shall be open to discussion by the Council of State, when the Financial Statement is under consideration.'

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GOVERNOR GENERAL'S ASSENT TO CERTAIN BILLS.

The SECRETARY OF THE COUNCIL: Information has been received that His Excellency has been pleased to grant assent to the following Bills:—

The Indian Lunacy (Amendment) Act, 1922,
The Indian Emigration Act, 1922,
The Delhi University Act, 1922,
The Civil Procedure (Amendment) Act, 1922,
The Indian Limitation (Amendment) Act, 1922,
The Indian Income-tax Act, 1922.

FACILITIES TO MEMBERS OF INDIAN LEGISLATURE VISITING LONDON.

The HONOURABLE THE PRESIDENT: Before we proceed to the business of the day, I should like to inform the House of the facilities to be extended to Members of the Indian Legislature who may be visiting London. His Excellency has caused to be sent to me copies of letters which have passed between the Secretary of State and the Speaker of the House of Commons. The Speaker writes:

'I wish to give every possible attention to our Indian Colleagues when they are over here, and I would be glad if you will have notice given to me of the presence in England of the Members of the Legislature.'

I am sure Honourable Members will greatly appreciate the kind offer of the Speaker. (Applause). If any Honourable Member is visiting England and is desirous of going to the House of Commons, and will let me know of his intention, I will see that proper credentials are furnished to him.

DISCUSSION ON THE BUDGET.

The HONOURABLE THE PRESIDENT: We will now proceed to the debate on the Budget.

The HONOURABLE SIR MANECKJI DADABHOY: Sir, in rising to open the debate on the Budget, I must state that I find myself in a somewhat difficult position by the fact that I hold a seat on the Fiscal Commission. However, I wish to make it perfectly clear that whatever I say to-day in connection with this Budget represents my individual opinion on the subject, and that whatever conclusions to which I may hereafter arrive in my capacity as a member of the Fiscal Commission will be wholly unaffected by what I say to-day.

Sir, I congratulate this Council on the opportunity it has obtained of speaking on this Budget. Perhaps after the discussion in the other House we may not materially add to the deliberations that have already taken place, but it will at least have this advantage, that the Finance Minister and the Government of India will know the point of view of the Members of this Council—the premier Council in India—and the light in which the taxation proposals contained in the Budget are received by this body.

In commenting on this Budget I speak with a heavy heart. I realize the Finance Minister's difficulties. I realize that during the last two years

the task which he has been called upon to confront has been exceptionally heavy. I fully realize that no Finance Minister during the last 40 years has had such misfortunes to contend with as Sir Malcolm Hailey. I realize the difficulties of Government due to the depression in trade and the slump in business, and to the purchasing power of the rupee having fallen. I fully realize all these serious considerations. I fully realize that Sir Malcolm Hailey has had a most anxious time and that he has done his best to place a courageous Budget before the general public, without seeking cheap popularity. But when all this is said, I submit that it is all. I feel it my duty to state that the Budget as presented to the House is reactionary in its character; the principle underlying it is retrograde and unsympathetic; it is subversive of the industrial interests and the development of the country; and if this Budget is passed in its present state India will be oppressed not only with burdens which will be heavy in character, but which will permanently, or at any rate for a long time to come, affect the vital interests of this country. In framing this Budget Sir Malcolm Hailey stated that he had laid two principles before him. The first is that it caused the minimum of inconvenience and hardship to the tax-payer, and secondly, the minimum of disturbance to the general public and to trade. With both these propositions I respectfully differ. I join issue with him on both these points and in the course of my debate to-day I shall point out that the principles which he has laid down militate very severely against both trade and the interests of the general tax-payer.

Sir, there is one important feature of this Budget, the heavy increase in taxation. Coming on the top of last year's heavy taxation I feel that the country is not in a position to stand this additional burden. I feel, Sir, that all the available sources of revenue have been exhausted, and, coming as they do on the severe taxation of last year, I feel that the new proposals on the whole are of an oppressive character and need material alteration. This Council is always ready to support Government in its legitimate financial proposals, but I am afraid, Sir, as the Budget stands at present, Sir Malcolm Hailey will not receive the support of the non-official Members or their co-operation.

Sir, our able Finance Minister has in the presentation of the Budget laid down three alternatives. He has plainly told us that either we must cover the deficit, or reduce the expenditure or sanction fresh taxation; and Sir Malcolm Hailey has adopted the last alternative and asks this House to sanction the proposed taxation. Sir Malcolm is as human as most of us. I do not blame him for having adopted a course which will add revenue to the Government coffers. But then, Sir, the other side of the question has to be seriously probed into. I shall in the course of my examination of the budget endeavour to be as brief as possible. The first question that has been put to us is that we must cover the deficit. I acknowledge that on grounds of policy, on grounds of expediency, on grounds of statesmanship, it is always desirable to adopt the course of covering our deficit, either by a reduction of expenditure or by increased taxation. But, Sir, we are passing through abnormal times; the state of our finances is critical. I must not be understood to say that I am entirely in favour of leaving the deficit uncovered. I would only remind my friend, Sir Malcolm, of what the position in Europe now is. What is happening there? Can he point out any country, with the exception of England, which during the last two or three years has covered its deficits? France alone has done so by putting the amount which she expects to receive by way of reparation from Germany on the credit side, though

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recovery of reparation might as well be dropped. I do not lay great stress on this point. However, as the Budget stands, Sir Malcolm Hailey though anxious to cover up the deficit, has actually left a deficit of nearly three crores of rupees uncovered for the next year. That deficit still stands and the proposals contained in the Budget do not make good that deficit. Therefore, whether the deficit is three crores or seven crores or more, it will not make a great difference in an exceptional year like this.

Sir, the next proposal lies before us in an alternative form. Are we going to reduce expenditure, or are we going to accept additional taxation? Sir Malcolm has stated that it is not possible for the Government of India at this stage to reduce the Military expenditure, to reduce the Civil expenditure, to reduce the enormous burdens which are a drain on our finances. He has stated that at present there is no other alternative for this Council but to submit to his Budget, to accept cheerfully and readily a further instalment of taxation. I shall come to the question of taxation presently. But I beg to point out, Sir, that I feel, despite what I have heard from His Excellency the Commander-in-Chief, I feel that we cannot allow our Military expenditure to stand in its present condition. Sir, during the war we were definitely told by Finance Minister after Finance Minister that we had to meet the Military expenditure out of sheer necessity, that this expenditure was at best of a temporary character, that this expenditure would cease when normal conditions were restored, and that the country would be absolved from the crushing burden at an early date. We have looked in vain for the fulfilment of that prophecy. Our Military expenditure has increased by leaps and bounds. Our Military expenditure at present is 62 crores, half the revenues of the State. I ask my Honourable Friend, Sir Malcolm Hailey, to enlighten us what country in the world spends 50 per cent. of its gross revenue on Military expenditure?

The HONOURABLE MR. E. M. COOK: Provincial revenues should also be taken.

The HONOURABLE SIR MANECKJI DADABHOY: It is a mistake to take into consideration provincial revenues. I think that is a bogey. My friend, Mr. Cook, seriously tells me that I omitted to take into consideration the provincial revenues. Sir, I do not think he is serious. It might be perhaps logical, but it is not fair, in calculating total Military expenditure, to take our provincial revenues into consideration. The bulk of our provincial revenues are spent on provincial appropriations, are spent in the provinces, and in considering a matter of this sort you have only to look to the Imperial revenue as it stands. On the other hand, Sir, of the 90 crores of debt which we have incurred during the last four years, nearly 10 or 12 crores have gone to Provinces as contributions in the shape of relief. Sir, I must say, and with great respect to His Excellency the Commander-in-Chief, and I feel it my duty to point out that the country at large, the Council at large as a body, is not in agreement with His Excellency regarding the Military policy. I have heard a great deal said about the propriety of our Military expenditure. Sir, there are ways of reducing that expenditure, but I do not propose to-day to go into the labyrinth of Military expenditure, to point out the various details where economy can be safely and effectively practised, where retrenchment could take the place of extravagant and liberal expenditure. I wish to point out

that, despite what His Excellency has said, there is scope, tremendous scope, for retrenchment. Sir, we are told that this Military expenditure has been necessitated by our frontier policy. We are told that this Military expenditure has been necessitated by our occupation of Waziristan. His Excellency the Commander-in-Chief is aware that there have been always two opinions on this question. India has resolutely, to my knowledge, for the last 25 years protested against the policy of unnecessary aggression and annexation. India has strongly protested and made it clear that she cannot bear crushing Military expenditure. His Excellency the Commander-in-Chief has told us plainly that we need not look forward for a decrease in this Military expenditure and has warned us that the Military expenditure next year will be much larger than what it is this year. If I am incorrectly representing His Excellency, I am very sorry, but that is what I gathered yesterday. He stated at any rate that the expenditure next year would be as much as this year. Sir, I understand that this expenditure is inevitable and that we will have to increase this expenditure, at any rate, for a series of years, that there is no hope or prospect of seeing any diminution in this expenditure as we are now engaged in an attempt to pacify the fanatics of Waziristan. I submit that we might as well make an attempt to pacify the band of tigers in the jungles of Sundurbans (Laughter). I submit, Sir, that this policy must, as early as possible, be brought to an end. There is only one alternative left. We must come back to our original boundary line. We must come back to our natural boundary line. We must set back our frontier boundary. We cannot year after year spend money, the tax-payer's money, on the off-chance of civilising and controlling these fanatical tribes of the frontier. Sir, there is only one consideration, one alternative, and that is, we must evacuate those frontiers which cost us such large sums of money and where expenditure cannot be restrained. Our friend, Mr. Denys Bray, than whom there is no frontier officer of such unique experience has told us . . .

The HONOURABLE THE PRESIDENT: Order, order. The Honourable Member cannot refer to the debates of the other House save in so far as they refer to speeches of those Members of the Executive Council who are entitled to speak in both Houses. The reason of the ruling is obvious.

The HONOURABLE SIR ARTHUR FROMM: May I ask, Sir, what time each Member of the Council will be allowed to speak during this debate?

The HONOURABLE THE PRESIDENT: I prescribe no time-limit. I trust to the good sense and consideration of the Members of this Council who, I am sure, will not take an undue amount of time. I must say, however, that I should regard anything above half an hour as transgressing.

The HONOURABLE SIR MANECKJI DADABHOY: Sir, in view of your ruling and the limited time at my disposal, I feel I will not be able to do justice to many contentions raised in the budget, but I will endeavour to place some of the most important arguments before this Council. The next question is that of the Excise duty. This has been justified by Government on the ground that the import duty has been raised to 15 per cent. Sir, I should have thought that after the statement made by Lord Hardinge in the Imperial Legislative Council, after the assurance given by Sir William Meyer, as the Finance Member, after the statement made by the Right Honourable Mr. Montagu in answer to the Lancashire deputation in March last, that the Government might have left this controversial subject severely alone. Sir Malcolm Hailey says that he has not overlooked the

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contentious history of this duty. If, Sir, he has not overlooked the past contentious history of this duty, why has it been thought fit now to increase it? Sir, this duty as it stands, perhaps might not unduly affect manufacturers, but what I contend is, that this Council times out of number has made its position clear in respect of this duty. The country object to this duty not as a harassing or oppressive duty, but as one wrong in principle; it is wholly indefensible, and it cannot stand. Sir Malcolm Hailey as a Finance Minister knows that no European country in the world has ever gone in for a tax of this nature. During the war, when the real sources of England were attenuated; during the war when England was almost verging on bankruptcy, it never for a moment dreamt or took into its head the idea of putting a duty on cloth manufactured in Lancashire; and, Sir, if such an attempt had been made by England or any Government, that Government would not have survived for twenty-four hours.

Sir, at present there is no justification for this duty. Sir Malcolm Hailey in his Budget says that he has endeavoured his very best not to change the character of the duties and also to see that the *inter se* relations between the various duties are maintained. I beg to point out to him that it is not so. The very fact that an additional duty on Stores has been put; the very fact that the duty on Machinery has been increased; the very fact that the Income-tax has been raised, destroys the character which he alludes to, and the *inter se* relations between the various duties which he has claimed to maintain. Sir, there was no justification for the increase of this duty. The general tariff of 15 per cent. was raised as a general tariff, and if that was done, there was no necessity to isolate the item of Excise duty and to raise this duty; and the very fact that 4 per cent. had been increased and the present Excise duty has been brought to 7½ per cent. conclusively proves and establishes the desire of Government to maintain the countervailing character of the duty to which we object. It is wrong, Sir, in principle, and this duty is indefensible from any point of view.

Sir, the Excise duty is a tax on production. It is not a tax on profits. The Millowners of Bombay do not mind bearing their fair share of the burden of taxation; it does not affect them in the least if this duty is maintained. If you allow it to remain as it is, it will be simply passed on by the manufacturers to the consumers. The Finance Member thinks that this duty will not be oppressive; but I beg to point out that it will be very oppressive. It will eventually tell upon the industry. The Bombay Millowners will prefer to go in for another item of taxation than this. As regards the present prosperity of the mill industry, my Honourable Friend forgets that the industry has gone through many cycles of adversity. If he takes the average profits for the last twenty years, it has not been more than 10 per cent. If you bear in mind that the present prosperity of the industry is merely ephemeral, that it is due to war causes; if you bear that in mind, this increase in duty is not justifiable. Let me also bring to the notice of the Finance Member that the Millowners of Bombay have not been so selfish as he thinks. What they realized in the last three or four years they gave solidly in a body to help your War Loans (Hear, hear). But for the Bombay Millowners' help and assistance your position to-day would have been difficult. I say there is a limit to one's endurance. You still have a loan of 25 crores of rupees to float this year, and you will have to depend on the Bombay Millowners for their help and assistance. You will have to look to them for the supply of the major portion of the

money. The whole of the industries in this country are lying low; the industries of the country are financially suffering; the jute trade is ruined; other trades are ruined. There is only one trade at present, the mill industry of Bombay, and I warn the Government not to throttle that industry. That is the industry which supports the people, which supports labour, and it will be of great assistance to Government in its financial policy.

Sir, I likewise say to my friend, Sir Malcolm Hailey, that the tax on Machinery is wholly unjustifiable. The tax on this has been raised from 2½ per cent. to 10 per cent. This sudden jump is to be regretted in face of the assurance of my friend, Sir Malcolm, last year, that this increase in duty was temporary and undesirable. Sir Malcolm thinks that this duty is justified at present by the fall in the price of machinery. Does Sir Malcolm Hailey know when this fall commenced? This fall commenced only in last August, and while the prices of machinery increased by 300 to 400 per cent., the reduction last August has only been 20 per cent. in some cases, and 30 per cent. in others. This small decline in price, therefore, does not affect the question. When Sir James Westland discussed this matter he assured the Council that the import of machinery would be allowed free for the industrial development of the country. Is this the time when India is struggling to develop her industries, when India is struggling to make her position felt, to bring prosperity to trade, that this heavy duty of 10 per cent. be imposed? I ask Sir Malcolm, is this measure consistent with his preliminary statement that it will cause the minimum of hardship to the trade? Is he not aware, Sir, that contracts have been made by people for millions of pounds of machinery during last year? That machinery is coming out, and I should have thought that in all propriety, in all fairness, the Finance Minister would have at least exempted those contracts which were closed on or before the 28th of February last. What is the result of this policy of taxing machinery? It is a charge on capital. We do not mind a charge on profits, but by this charge on capital you are going to handicap the trade. You are compelling companies that have been floated to wind up their concerns. You are compelling other companies to borrow money and have a capital debt at the very start. I ask the Finance Minister seriously to consider his position and see whether it is right and fair to enhance the duty in view of his statement deliberately made in this Council twelve months ago.

Sir, about the Salt duty I will only say a word. I agree with the Finance Minister that in its incidence it will not be felt. It only works out at 3½ annas a head a year. That may be so. I will only ask him whether he thinks that in the present political and economic condition of India this is a wise tax to levy. It is for the Government to decide. I would only warn them that they are taking an uncalled for and unnecessary risk in this matter.

Sir, with the time at my disposal I cannot refer to many other matters, as other Honourable Members have to follow me, but I want to assure the Honourable the Finance Member that we will give him every help and assistance if Government makes an earnest attempt, if Government makes a serious attempt, to recast this Budget and remove oppressive and unpopular taxation. We are ready to bear our share of the burden, and I would suggest to him a few sources of income which he might consider. It would be advisable to remove this increase in Excise duty and substitute in its place an increase in the Corporation tax from one anna to one and a

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half anna. If the Corporation tax (super-tax payable by companies) is raised he will get more revenue than he expects to get from Machinery and this Excise duty combined. He will not be doing any injustice to any particular trade. He will not be doing injustice to one particular line of business. Sir, the principle of putting a duty on yarn has been admitted by Government. This was the duty Government was advised last year to impose. The Government have now decided to put a 5 per cent. import duty. If the principle is admitted, why confine this duty to 5 per cent. and not increase it to 15 per cent? Why not bring it within the general tariff of 15 per cent? The argument that it will affect the loom industry of India is absolutely unfounded. Those who know anything about it can assure my Honourable friend that as regards the imports of yarn they are generally of a superior count, and that only one-seventh or one-eighth part of it is used by hand-loom weavers. The rest is all consumed in the power loom industry. Sir, I am against export duties of all sorts, except in articles in which we hold monopoly, and I will never agree to an export duty so long as I am in the Council; but if the financial position of Government necessitates the raising of revenue, my submission is that it will be advantageous, as a special measure, to lay a moderate export duty on oil seeds, teak, bones and manure, and also a moderate duty on wheat equivalent to the duty on rice. I also suggest that the foreign imports of coal should be taxed. What justification have we got to allow foreign coal to be imported free? Except the coal required for bunkering purposes, all imports of foreign coal may be taxed with advantage. You may as well levy a port tax . . .

The HONOURABLE THE PRESIDENT: The Honourable Member does not seem to be bearing in mind the remark which fell from me a little while ago.

The HONOURABLE SIR MANECKJI DADABHOY: I am just closing my remarks, Sir. About 10,00 ships annually enter the harbours of India; the shipping industry has done very well during the War, and if a small tax is put on it, I don't think it will considerably affect it.

Sir, the position is clear to my mind and I ask Sir Malcolm Hailey. I request him with all earnestness, to see his way to revise and re-cast the Budget. We feel that we cannot support it as it stands. When fiscal power has been given to us to a certain extent, I say we shall be humiliating ourselves in the eyes of the world if we accept this Budget without protest and without opposition; but I assure him of our support and our willingness to meet him half way if the Budget is re-cast on sound principles, on principles of justice and fair play which will not involve serious additional taxation on the poor and unprotected.

The HONOURABLE SIR EDGAR HOLBERTON: Sir, I desire, if I can, entirely to dissociate myself from the atmosphere of gloom with reference to this Budget which has been the atmosphere prevalent this morning, and if I were allowed to say so, I would say in the other place also. Our expenditure has gone up of course. What else could we expect? The year has been a thoroughly bad year commercially all over the world—as bad I suppose as the world has ever seen. And how could India expect to escape? In India also we have had a bad year politically. Sedition has been rife. There has been a political rebellion within our borders. There has been a series of political strikes with no economic justification. All

these things have to be paid for. There has been in the Budget a very heavy loss on Exchange. This could not be avoided. In addition to all this War prices are still with us. Everything that Government has to spend costs more than it did. How on earth, under these conditions, could we have expected the expenditure side of the Budget to show a diminishing ratio? I cannot see that, as regards the expenditure side of the Budget at all events, the slightest blame can be attached to the Finance Department. It is true that in the course of the debates in both Houses suggestions for Retrenchment Committees were not received by the Government with the willingness which we might have expected; but still from our own personal experience as people who live in this country we know that everything is starved; we know that everything has been cut down to the very smallest possible margin; we know that public works which are absolutely necessary for the improvement of each Province and of the Central Government are being cut down; we know that the whole great mass of Government servants consider themselves underpaid and with some justification, and we know that every protest that they put forward, every petition they venture to submit, is met with the reply 'no funds.' This being so, unless people can suggest absolutely specific instances, we must acquit the Government of extravagance. (Cries of 'Retrenchment'). Where you are going to get retrenchment, I do not know; it will at all events have to be the work of a very great expert to find out.

Next, I would turn to the Army. There has been a general cry for a reduction of the expenditure on that. We are told commonly that it absorbs more than 50 per cent. of our revenue. I do not agree with that. I consider that the sphere of the Army is spread over the whole of the provinces and that the Army expenditure, if we can divide it up into percentages, should be spread over the whole revenue available. If we do that, I shall be surprised if we find the figure much exceeding 30 per cent. 30 per cent. may be an exceptional figure, but we live here in exceptional times. We have not only to protect the inhabitants of our political zone from the wild raiders of Waziristan, for which so strong a case was made by His Excellency the Commander-in-Chief yesterday, but we have also to protect our peaceful citizens from marauders in our midst. As long as the present political situation continues in India, as long as we are in danger of rebellion and sudden political strikes, it is essential that we keep an Army fit to cope with any situation that may arise at any moment. That being so, my strong view is that on questions of Army expenditure, we must be bound by the joint deliberations of the Civil and Military authorities which give their verdict through the Central Government. Any sum cut off the military budget which is considered necessary by the Central Government is perilous to the individual who desires to pursue his peaceful avocations in this country.

A deficit, of course, there was bound to be, and the Honourable the Finance Member has in his long, interesting and instructive speech dealt with most of the possible means by which this deficit could have been met. Apart from taxation, the three obvious methods which occur to one are, first of all, the printing of notes, which I do not think will find a single supporter here; secondly, utilising the Gold Currency Reserve, which would be a last resort which I fancy also would find but little favour, and, thirdly, carrying a great deal of this deficit and relying upon the public to lend us the money to carry on with. I would not advocate carrying the whole of the deficit, and I am sufficiently impressed with some of Sir Malcolm Hailey's warnings that there are limits to the amount of money which

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India could borrow; but, in my humble opinion, he has been overcautious in his fears on this matter, and I cannot believe that, provided the Government of this country is strong, provided the Army is kept at the right figure, provided citizens are prepared to foresee for themselves scope for the peaceful pursuit of their business in India, the borrowing capacity of the country has as yet been at all fully exploited. I have not the exact figures with me, but I should doubt if the loans outstanding against this country were more than 600 crores. Of this, no less a sum than something like 450 crores are remunerative loans, loans sunk in railways, in irrigation works, not loans which we are going to consider very seriously when the question of the credit of the country comes up for discussion. If my figures are anything like correct, the debt standing against the credit of this country cannot exceed something like the small and paltry figure of 150 crores. What other country in the world, which has had to do with the war, can show such a balance sheet? Surely here must be an avenue for meeting, at all events, a portion of the deficit.

However, there is no question also that a large portion of the deficit will have to be met by excess taxation. If the Honourable the Finance Member has been a little hampered in his budgeting for extra taxation by the sitting of the Fiscal Commission, on which I have the honour to have a seat, in raising his general rate of duties from 11 to 15 per cent, he has, I think, escaped, though perhaps narrowly, the accusation of diverging from the principle of the revenue budget and turning it into a protection one. We will accept the 15 per cent general rate as a revenue budget on the assumption that we are about at the end of the possibilities of the revenue budget in that direction.

With reference to the details of his Budget, I desire, in the first place, to associate myself most strongly and emphatically with the unanimous condemnation of the taxation of Machinery, Iron and Steel, and Railway Material. (Hear, hear). The industrialisation of this country is perhaps the strongest cry of its people. Put it as you like, tell us, if you will, that the price has gone down 50 per cent, or 100 per cent, or 200 per cent, it does not matter. By taxing these things before you have available in India the machinery to provide you with all the things required for building up new industrial concerns, you are simply checking the progress of the country. I hope and trust that the Honourable the Finance Member will find it in his power to take this duty off altogether, but, if he does not, surely some one of our friends, at the time of the passing of the Finance Bill, will at all events succeed in carrying an amendment to the effect that any order or contract which had been entered into before the 28th February, 1922, must bear exemption. Otherwise, you are taxing the enterprising business-man of this country most unfairly.

I do not wish to spend much of your valuable time and I will not traverse very many of the items of taxation, but I must say a few words on the most vexed of all the subjects, namely, the Excise duties. Sir, in his treatment of the Cotton Duty problem the Honourable the Finance Member has, if I may say so, adopted the methods practised by a medical practitioner of the old days. He has found a patient with a disease and he has been called on to prescribe. He has taken his bag with him and he has pulled straight out of it Gregory's Powder and blue pills; he has told the patient he must continue this course which, it is true, has been the course he has had before and he has been hating. All that he gets, however,

is more Gregory's Powder and blue pills (Laughter), and more excise. Now, supposing the Honourable the Finance Member had been dealing with the matter as a Harley Street practitioner of the present day would, he would probably have approached the patient with a new remedy; he would have said:

'The medicine that you have been taking is an obnoxious one; do not persist in it; do away with it.'

He would produce out of his bag something sugar-coated, something containing the same real ingredients, but something which would do away with the words 'excise duties' and especially with the word 'countervailing.' Now, gentlemen, to leave this simile for a moment, there is no doubt that, apart from commercial objections to this tax, the real foundation is a sentimental one with which one must have great sympathy. At the same time, there is evidence to show that the present rate of divergence between the excise duty and the import duty is sufficient to allow prosperity to the Bombay millowner. (A voice: 'Question.') I am questioned about this. I would refer to newspaper reports of evidence given before the Fiscal Commission by some of the most prominent Bombay millowners. Why not therefore do away with excise, reduce the custom duties to 7½ per cent, and, taking the example of our friends in Japan, bring in a consumption tax, a purely temporary tax to meet this emergency, a tax which would have to be re-introduced every year, a tax which would disappear immediately the present financial stringency was over. In this way we should meet the sentiment of our friends. We should, I think, not unduly damage the industry; and we should also meet the Finance Member's point of view and bring him in the revenue which he says he must have. This consumption duty, I need hardly tell you, is a system adopted in Japan and is levied on both import and export articles alike. It would hit with exactly the same force the cotton going out of the mills, the cotton coming from Lancashire and, what is most important of all, the cotton coming in from Japan. I put this forward as a serious suggestion, by which it is possible that the various divergent opinions about this cotton duty might be brought into union.

The system of consumption duties might, I think, also be applied to the kerosine tax and the salt tax. Why not call the two extra calls which you are going to make on these two industries also a consumption tax? My point is, as I have said before, that you would bring it into unity with your regular tax; you bring it in as an emergency measure, realizing that it is not desirable, but realizing also that you have to get funds for the present. An emergency measure is one that you will take off at the first possible moment, but the same hope cannot be held out for any tax which gets into the actual tariff.

One more item and I have finished. There is one other point which must have struck everybody, namely, that the commercial departments of the Government are working at a loss and taxation is necessary to bring them into a position of solvency. Sir, I could not expect to carry the House with me in the suggestion I am going to make, but it is one made repeatedly by responsible people all over the world. Is not the remedy the denationalization of these services and the putting of them on a commercial basis? It is almost an accepted fact that the function of Government is not to carry on a business. Railways, Posts and Telegraphs, like Telephones, are a business. I suggest that, unless it is possible in the next few years to get these commercial departments into a solvent state at a lesser charge

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to the tax-payer and the railway traveller than is at present the case, this question of handing them over to commercial people to manage must be seriously taken into consideration.

The HONOURABLE MR. SETHNA: Sir, within a few days we shall be crossing the threshold of the new official year 1922-23. It will be the second year since the Reforms have come into existence. We are not sufficiently clairvoyant to peer into the future and discern what Fate actually has in store for us. My Honourable Friend, Sir Edgar Holberton, has just now told us that he would dissociate himself with any picture of gloominess in regard to the coming year. On the contrary, the picture portrayed for our benefit by the Honourable the Finance Member is certainly very gloomy and shows that the coming year is to be financially gloomier than the one which is soon to end. It is a matter for regret that the Reforms should have been heralded in with this terrible set-back. But the situation has to be faced and ways and means found whereby in the years to come instead of deficits we may have surpluses, so that the country may advance faster and on healthier lines the nearer it approaches complete self-government as an integral part of the British Empire. Taxation has been at its heaviest in all the European countries since the war and after; but during the last few months there has been a tendency everywhere in Europe to reduce taxation as far as possible, and the attempt, as we know, is meeting with much success. It is a pity, therefore, that just at this time India should be compelled to raise its taxation and to raise it in a manner never dreamt of in this country. The taxable capacity of any country is not easy to determine, but it will be readily admitted that, as compared to other countries, India is certainly and beyond all question very poor. If what has been said before be true, that the real annual income of an Indian is £2, as compared with the Englishman's £45: and even if that annual income has increased to-day, as I believe it has, the Legislature will yet have to take great care to see that the tax-payer is not burdened beyond his capacity. Our deficits for the last four years amount to 90 crores of rupees. If this country had not made a free gift of 100 millions Sterling during the war—a gift made without the country being consulted and in a desperate hurry—our balances to-day would have been on the right side.

The expenditure, however, has been growing at an enormous rate, and even if we had not made this free gift of 100 millions Sterling, I admit that at this juncture we would certainly have had to increase our taxation. It is this growing expenditure to which the Legislature must direct its very close attention. Rabid and perversely unfair critics of the type of the present Chairman of the Calcutta Chamber of Commerce, who look upon Indians as both incapable and untrustworthy who have no faith in the Reforms and much less in those who compose these Councils, will pour forth, in the choice language and style in which they seem to revel and in which they appear to be such great adepts, their vituperations on the heads of those Members of the Legislature like myself who are asking Government to reduce their military expenditure. These critics will assume that any such attempts on our part are no more than a parrot cry and that Government on no account should reduce its Military expenditure, for otherwise to use the words of the same critics they would be juggled out of their birth-right or receive the Order of the Boot. Fortunately for the country, Sir, we have men in the Government of India who

think otherwise, and they have already accepted the Resolution of the other House to have a Retrenchment Committee. Sir, that Retrenchment Committee will not be able to go very far, for it will deal only with the Civil expenditure, the total of which amounts to 20 crores. No matter however drastic may be their recommendations, they will not go a long way to meet our heavy deficits. Therefore, Sir, it is the Military expenditure to which we must devote our attention primarily. Reduction seems to be the cry all the world over at the present moment. Only two days ago there was a telegram to the effect that the recommendations of the Geddes Committee of 84 millions to be reduced have been accepted by the Government to the extent of 64 millions, of which 11 millions are reductions as recommended by the Resolutions passed by the Washington Conference. That telegram goes on further to say that in the coming year, the estimates will be 484 millions as against 665 millions, which means a reduction of 24 per cent. If we can but effect a reduction of 24 per cent. in our Budget, the trick is done and there will be no necessity for any further taxation.

Much, Sir, has been said on this vexed question of the Military expenditure in the other House both last year and, I understand, yesterday and the day before. It was my misfortune not to have heard His Excellency the Commander-in-Chief or the Honourable the Finance Member on the defence, I am told, they put up in support of the Military expenditure. But whatever they may have to say it will be a long time before the country at large is convinced that the Military expenditure cannot possibly be reduced. Sir, a note was issued by the Military Department last year and another one I understand has been issued and circulated within the last two days. But neither of these, I repeat, will convince the country that the Military expenditure cannot be reduced, and reduced substantially. In the pre-war days the total of our Military expenditure was only 31 crores. Last year we budgetted for 62½ crores, but the Finance Member has told us that this figure will reach or has reached 65 crores. In next year's Budget, he gives the estimate at 62½ crores of rupees, which includes of course 2½ crores for Waziristan.

In this connection, Sir, I seek some enlightenment from the Honourable the Finance Member. In paragraph 14 of his Budget speech he says:

'I have estimated for the Budget purpose the rupee at 1 shilling 4 pence. The debit that will be necessary in our accounts which we still maintain at 2 shilling basis will at this estimate be about 15½ crores, of which 10 crores will appear under the head Exchange.'

Now, Sir, what I desire to know is, whether any part of these 10 crores is due in any shape or form to the Military expenditure. (Sir Malcolm Hailey: 'Yes'). I get an answer in the affirmative. Then it means that the 62½ crores is not the correct figure and the Legislature and the public have a right to know how much more has to be added to arrive at the correct figure of our Military Colossus.

Further, why should a part of the Budget be prepared at 1s. 4d. and another portion at 2s., unless it be that the Government do not desire that the public at large should know the exact amount of the correct Military expenditure until they dive deep into the mysteries of the Budget figures. I certainly think it would be very advisable that we should revert to the old practice of having the Budget prepared at one rate of exchange, be it at 2s., at 1s. 8d. or at 1s. 4d. as is determined upon.

Sir, the acquisition of Waziristan has cost the country no end of money and very great loss of life. Now, this is the stumbling block or one of the

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stumbling blocks of the Military Budget, and certainly it is one of its most objectionable features. During 4 years the country has spent 25 crores of rupees in Waziristan, and what have the Government to show in return for it? Absolutely nothing.

The HONOURABLE SIR MALCOLM HAILEY: May I ask that figure again?

The HONOURABLE MR. SETHNA: 25 crores in 4 years.

The HONOURABLE MR. E. M. COOK: Is that all spent on Waziristan?

The HONOURABLE MR. SETHNA: Yes. Am I wrong?

The HONOURABLE SIR MALCOLM HAILEY: I will see the figure.

The HONOURABLE MR. SETHNA: I repeat that we have spent 25 crores in 4 years and we have got nothing in return for this enormous waste of money; and what is more the Finance Member tells us that there is still the 'indeterminate liability' for Waziristan. This mad adventure must cease, and the sooner it ceases the better for the country at large.

Now, Sir, in regard to the strength of the Army, Government have maintained that it should be kept up at its present level and they cannot possibly reduce not only the strength of the Army, but also its consequent very heavy cost. If the Army cannot be reduced, at least one thing can be done, by which we can effect a saving of 1½ crores. If we are not going to reduce the numbers, I think we can, without impairing the safety of the country, substitute 10,000 Indian troops for 10,000 British troops. Each British soldier costs Rs. 1,971 per annum, and an Indian soldier Rs. 411. Therefore, if there is a substitution of 10,000 Indian troops, we keep the numbers as they are, but we effect a saving of 1 crore and 56 lakhs, and I repeat that in the opinion of the country at large, no matter what the Government might have to say to the contrary, the safety of the country will not be imperilled by such substitution. Our abnormal military expenditure is the root-cause of all our trouble and our heavy deficits and the Legislature must compel Government to agree with us in reducing Military expenditure. I quite understand that the Military expenditure is at present an untouchable item, but it can be very vitally touched if only the Assembly will inform Government that in those items they can touch and deal with they will vote no grants as asked for unless and until Government reduce, and reduce substantially, their Military expenditure.

Even assuming as correct and convincing the figures which Government have placed before us, firstly in regard to the unavoidable and to the inevitable character of the heavy expenditure and the consequent deficit, and even assuming that the best method of meeting this increased expenditure is by adding fresh taxation to the full extent of the deficit, the Legislature has to consider which of the new proposed taxes might be granted and which most scrupulously avoided. The one item above all others, not even excepting the salt tax, which the country to a man must oppose, is the proposed increase in the excise on cotton duty. The increase in salt duty will certainly affect the masses; so will the increase in the cotton excise duty, if not to the same extent to an appreciable extent, but the increase in the excise cotton duty is an insult to the intelligence of the country. The Honourable the Finance Member has informed the Press officially that he has suggested this increase, not due to any wire-pulling, not because

he is desirous of appeasing Lancashire, but for the sole purpose of adding to the revenue. I accept his statement, but if we are to be the masters of our own house, are we going to allow ourselves to be taxed in the manner proposed and allow Lancashire to benefit? However spontaneous it might have come to the Finance Member to raise cotton excise duty, he will have to admit that this increase of 4 per cent. certainly will benefit Lancashire.

The HONOURABLE MR. E. M. COOK: 'No'.

The HONOURABLE MR. SETHNA: It is true that there is also a similar increase of 4 per cent. on imports, but does not my Honourable friend know that, according to the proposed new taxation the local producers of cloth, in addition to the 4 per cent. which they will pay, will also have to pay, instead of 11 per cent., 15 per cent. on the sizing material, the stores, and the accessories they will purchase for their mills? They will have to pay four times as much on the import of new machinery and a higher income-tax. I have with me here the figures of an average mill in Bombay with which I am connected, and according to these figures I roughly make out that the increases in the items I have referred to will give an advantage of more than 2 per cent. to Lancashire. (A voice: 'What about yarn?') My Honourable friend says, 'What about yarn?' The percentage of foreign imported yarn which the cotton mills use is negligible. Imported yarn is mostly used by hand loom weavers.

Moreover, the productions of cloth of Indian mills are of qualities which are meant for the masses, not for the classes, and why should the masses be taxed any further than what they are already? But above all, the self-respect of the country demands that we should absolutely negative any suggestion for the increase of the excise duty. May we ask why, during the worst days of the war, when so much money was needed, when taxation of all possible kinds was resorted to England never dreamt of raising one penny from its cotton excise? Is there any cotton excise duty in any of the self-governing colonies? Will any British statesman have had the hardihood of proposing such a duty to Australia, to New Zealand, to Canada or to South Africa? Is it not monstrous therefore, and one cannot use a milder term, for the Government of India to come forward with such a proposal just when Great Britain has promised India self-government and has already contributed a first instalment towards that direction to raise the cotton excise duty? Are not the Government of India aware that in England not only the Ministers but the whole country are cognisant of the views we hold on the subject? I will quote a few sentences from the reply which the Right Honourable Mr. Montagu gave to the deputation from Lancashire that waited on him on the 23rd March last year. He said:

'The Government of India would have had to propose to their Legislative Assembly duties upon cotton coupled with a corresponding excise. That Legislative Assembly contains an overwhelming majority of Members fresh from the constituencies upon whose vote the issue would be decided. I do not hesitate to say as a mere hypothesis and prophecy that there would not be one single Member of that elected majority that would have voted for an excise duty upon cotton goods. They do not believe in it. They are protectionists; they prefer to get their revenue from protection; and the consequence would have been that your Bill would have been defeated in the Legislative Assembly.'

He further said:—

'Whatever be the right fiscal policy for India, for the needs of her consumers as well as for her manufacturers, it is quite clear that she should have the same liberty to consider her interests as Great Britain, Australia, New Zealand, Canada and South Africa.'

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The total amount of duty to be collected from imports and excise is 5 crores and 45 lakhs. My Honourable Friend, Sir Edgar Holberton, has suggested some means of avoiding cotton excise and charging what he calls consumption duties. I say, Sir, that the country would ten times sooner agree to increase the import duty from 15 to 20 per cent. or even 25 per cent. rather than consent to pay even a fraction of one per cent. in the shape of an increase of cotton excise duty.

Sir, the controversy on the cotton excise has been very bitter for years past; in fact, it has been an open sore for the last 20 or 25 years; but the country was greatly relieved when Lord Hardinge, in winding up the Budget debate of 1916-17, observed as follows:

• 'The Government of India have no desire to create controversy here, in England or anywhere else at the present time by the discussion of questions affecting Indian interests, but they are glad to have had the opportunity of placing on official record their views that the import duties on cotton fabrics should be raised, and that the excise duty should for the present remain at its actual figure and an assurance given that it would be abolished as soon as financial considerations will permit.'

We hoped that by this pronouncement Lord Hardinge had sounded the death-knell of this most obnoxious impost. Surely, my Honourable Friend, Sir Malcolm Hailey, could not have lost sight of this solemn pledge, and he must have spoken with his tongue in his cheek when this day last week, no matter how urgent the demand for more money, he came forward in all earnestness to propose an increase in the very cotton excise duties which Government have definitely promised to repeal altogether as soon as circumstances permit of their doing so.

I too should also like to say a word in regard to the increased duty on Machinery. I say that the proposal to increase this duty, which was for the first time levied at only 2½ per cent. a year ago, to 10 per cent. from this year will lay the Government of India open to the charge of deliberately holding back the progress of the country. It is only of late that India has taken kindly to industries. I admit that perhaps 10 per cent. will not kill industries, but it will certainly retard their progress. I also know that the levying of a 10 per cent. duty will, with one stroke of the pen, enhance the value of existing plants; but Government ought to see to the future prosperity of the country, and we want India to progress and this duty will give it a serious check. Under this head Government expect an additional revenue of 4 crores and 5 lakhs of rupees. This head includes Iron and Steel and Railway Material. If machinery were dropped, and the duty, instead of being 10 per cent. on Iron and Steel, were raised to much more, it would give a great fillip to the Iron and Steel industry of this country, and enable more such concerns to be started. (A voice: 'Like Tata's'). Not only Tata's but others in Calcutta, and if this protection is given to this trade many more concerns would come into existence sooner than they otherwise would.

I do not desire to exceed my time-limit. Much can be said in regard to Postal and Railway charges, but all I would like to point out is, that we ought to profit by the experience of Great Britain. We read just the other day that the London Brighton and South Chatham Railway alone carried nine million fewer passengers last year and the underground railways and omnibuses showed a combined decrease of 72 million passengers in the same period due to higher fares.

In regard to Postage rates I quote from the 'Outlook', which says:

'That the Postmaster General predicted an increase for the last half year of £5,250,000 from the higher postage. It now appears that the increase obtained was £250,000 or four per cent. of that estimated. An apologist might reply that a greater part of the discrepancy of 96 per cent. between revenue estimated and revenue obtained can be accounted for by the business collapse. The collapse has taken place when the estimate was made, and there is still less warrant in a bad business period than in a good one for an attempt to raise the cost of doing business.'

We can say with equal justice that business in this country is also in a bad way and Government should be careful before they increase both their Railway fares and their Postal charges. Last year an attempt was made to raise fresh taxes from the better classes from people who could conveniently afford them. This year the additional taxation is to come as much from the rich as from the poor, and the poor will be severely affected by the increases in the Salt tax, on Kerosine Oil, on Matches, Cotton excise, higher Postal charges and Railway fares. And not only will they increase the cost of living but, as has been pointed out by the Honourable Sir Maneckji Dadabhai, they will add very greatly to the existing political and economic discontent in this country. In retrenchment and retrenchment alone is our salvation, and the severest pruning must, of course, be in the military expenditure. If thereafter more money is still needed, then will be the time for us to see which particular taxes might be agreed to. But at all costs we should leave out, first of all, increase on Cotton excise, increase on Machinery, increase on the Salt tax, and also leave alone the quarter anna post-card, for these taxes will not only retard the progress of the country, but also prove a greater burden than the poor of this country can possibly bear.

The HONOURABLE MR. V. G. KALE: Sir, the Budget has been characterised by different speakers by different words. I would like to call the Budget an impossible Budget, because it is not possible for the country to stand the huge taxation which it is sought to impose upon the people. The situation to which we have been reduced financially has been due mainly to three causes. There are, first, the world causes which have been in operation and which have affected India in common with other countries. Secondly, there have been special causes to which we must attribute the present financial stringency and taxational difficulties, and they are principally due to the contribution which India made to the prosecution of the War. Very few people realise the great extent to which India made sacrifices for the successful prosecution of the War, direct and indirect. Apart from the War contribution of 150 crores, India had been disbursing large amounts of money on behalf of His Majesty's Government. We received payment for these disbursements in England. Funds accumulated in very large quantities in London, with the result that the whole of our Exchange system was disturbed and dislocated, and the consequences are being felt even at the present moment. My Honourable Friend, Mr. Sethna, inquired whether the Budget was made up on two different bases—the 24 pence and the 16 pence basis. The very fact that such a question is put in this Council must show what a confusion has been created in our financial arrangements and in the accounts that we keep, by the part that India has played in the prosecution of the War. The Budget has been placed, so far as I understand the subject, not on two different bases, but one basis—16 pence to the rupee; but the accounts are being maintained upon the old basis which was adopted two years ago, viz., the 2 shilling basis, and so far as remittances from this country to London are concerned, that is to say, the Home

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Charges and other amounts which we are remitting to London are concerned, there is the distinction between the two different bases. But the very fact that we have to assign 15 crores of rupees to the item of Exchange and another 9½ crores on capital account, goes to indicate to what straits the financial management of India has been reduced. And here I come to the third cause. The Government would not like that the word 'mismanagement' or 'maladministration' should be used in connection with the management of India's finances. Whatever word you may use, however, the situation is there. Not only is a heavy load of taxation being imposed on the country in the coming year, but the heavy burden of debt, permanent and floating, which has been already incurred, is not likely to be reduced for several years to come. Now, the important point I wish to make in connection with the proposals for taxation is, that there must always be a reasonable proportion between national income and national taxation, and I want to inquire whether the next year's Budget shows a proper relation between the two. I will not go into the detailed calculations of the average income per head of the population in this country. Assuming that income to be Rs. 50 or Rs. 60, which is very doubtful, but assuming it to be Rs. 50 per head per year—the large masses of the people must be taken to have an average income of not more than Rs. 20 to Rs. 25—which means Rs. 2 or Rs. 2-8 per month. Can we imagine a man, woman or child living on Rs. 2-8 per month, and at the same time, being called upon to pay more for all the necessities of life? for food, for salt, for kerosine, for matches, and, what is more important, for clothing? Can you imagine a person on Rs. 3 or Rs. 2-8 a month, being called upon to spend more? We are told that the contribution on account of the increase in the salt tax is very small. But you have got to take that contribution along with the other contributions. Taken by itself, every tax is small; but after all, the burden on the back of the tax-payer is composed of a number of taxes, and for the next year these taxes have all been increased, and most of them are going to hit the masses of the people very hard. We know that prices in the country are very high. The index number of prices is still higher by nearly 75 to 80 per cent. than it was in 1913-14. The cost of living has gone up on all sides, and the Government may take it that the common mass of the people of India have been compelled to reduce their expenditure upon necessities of life, upon food, and upon clothing. The masses of the people are postponing the purchase of clothes and they are limiting their expenditure to absolute minimum necessities of life on which their health depends. Under these circumstances, how is it possible for the people to agree to the taxes which are being proposed? I can understand additional taxes being imposed upon profits, and upon higher incomes, but almost all these proposals of which I have been speaking, are proposals for the taxation of the poorer classes. Before the war, Government statisticians used to say that the prosperity of the country was increasing because it was reflected in the increasing imports of certain comforts and luxuries of life which were used by the masses. The finger was laid on the import of articles such as matches, soap and tinned sheets for the roofing of houses. What has happened to these articles? Their prices are going to be still further increased. Apart from all amenities of life, apart from all conveniences being reduced and denied to the people, the very necessities of life are going to be cut down and taxed. I find from the observations made by the London 'Times' that the Indian people are asked to remember that the constitutional and social progress of

India must involve a considerable cost and that the budget before us is the price the Indian people must pay for reform and progress. I would gladly agree to this proposition if the budget were going to make for greater social and political progress. What social or economic advancement is proposed as a result of the budget? I must say that the budget is the most uninspiring budget that I have ever read, the most dismal budget that it has been my fortune to read; (A voice: 'Misfortune'!) yes, my misfortune to read. There is no proposal in the budget with regard to social reform and social advancement. There can be no provision for social advancement and economic reform because the new taxes are required solely for making up deficits; and one does not know for how many years these deficits will have to be continued and thus social progress will have to be arrested. Along with the finances of the Central Government, we cannot forget the finances of the provinces, because the masses of people will be called upon to bear the central as well as provincial taxes; and the total burden of the taxes made up in this way from central taxation, provincial taxation and local taxation, will be very huge indeed! When Government is asked to set about certain reforms of social or economic character, we are met with a reply that it is not possible. 'Inquiries will have to be made, which will take a long time; and retrenchment and economy are not practical.' Under these circumstances, what is it that we are expected to do? The Government comes before us and says:

'Well, this is our budget. We cannot cut down expenditure by a single crore. You must, however, help us in putting on these taxes.'

I am very glad to find that my Honourable Friend, Sir Maneckji Dadabhoy, at the outset of his speech, was courageous enough to say that, if this budget is to stand as it is, it will not be possible for him to support Government or to co-operate with Government. (A voice: 'Co-operate so far as the budget is concerned.') I do not mean anything else. If such a great friend of Government as the Honourable Sir Maneckji Dadabhoy makes this observation, (A voice: 'He is often an opponent too.') I shall be pardoned if I say that the representatives of the people in this House are placed in an extremely awkward position. Government wants us to support their budget. And we shall be regarded as irresponsible critics if we do not allow and help Government to cover the whole deficit by means of additional taxation. Irresponsible, certainly we are! But we cannot help it; we are not to blame for it. We cannot say to Government—

'Well, step aside, and we shall show you how to carry on the financial management of the country satisfactorily.'

It is not within our power to say that, and consequently all we are expected to do is to support Government. But how can we do it? Consistently to do so is to support Government. But how can we do it? Consistently with our honest convictions, consistently with the interests of the public, and above all, consistently with our consciences, it is not possible for us to support the proposed taxational measures. The people cannot stand the additional taxation, and honestly and sincerely I think it is a budget which takes out of the small earnings and incomes of the people more than it ought to do. The cost of living will materially increase as a result of this budget. The cost of production will go up everywhere and we shall be moving in a vicious circle. The cost of administration has been increased because the cost of living has been increased. Now, the cost of living has again been increased by additional taxation, and the cost of administration consequently will also be further increased. We shall go on round and round and it will be an endless business. The industry and trade of the

[Mr. V. G. Kale.]

country will be handicapped on account of the increased cost of living, and this increased cost of living will cause a very great hardship to the poor. When you are going to tax the poor and the middle and lower classes, you can imagine what the condition of an average family will be? Everything is costing higher. Even education is costing higher. The Government of Bombay have recently issued a press note increasing even the High School fees. A poor family with two children learning and reading in a high school will find education a costly luxury beyond their reach. Even elementary education, which is to-day a luxury to the masses, will become impossible for them. Consequently, socially, morally, intellectually and materially, a great set-back will be given to the advancement of the country by this budget. My friends who are intimately connected with trade and industry, have made observations on that part of the budget which relates to taxes upon Trades and Industries. I will not, therefore, detain the Council with any remarks of mine on that subject. I shall, however, say one thing with regard to the Excise duties. I will look at them from the consumer's point of view and I must say that the consumer will find that the price of his cloth has gone up as a result of the excise duty. The manufacturers will take care of themselves. The mill-owners in India, at the present moment, have practically a monopoly in the supply of cloth. On account of the increased duty on imports and on account of the limited quantity of cloth turned out by the Indian mills, they are practically in the position of monopolists, and as such, they can coolly pass on the increased Excise duty to the shoulders of the consumers. The consumer will be the sufferer, because mill-owners are not philanthropists; and, if they can help it, certainly they will shift to the consumer the Excise duty wholly or partially. From the point of view of the interests of the consumer, therefore, I oppose the Excise duty. I do not want that the cloth of the poor should further go up in price. If you look into the statistics of imports and production of cloth for the last few years, you will find that the quantity of cotton cloth per head of the population that is used by the people in India, has gone down very materially. Before the war, it used to be about 13 yards per head. During the war, it was about 9 yards per head, and I am doubtful whether it would be possible in the near future for the people of India to have even 9 yards of cloth per head of the population on the average to clothe themselves. People will be under-clothed and under-fed and this will lead to a material deterioration in the moral, intellectual and economic condition of the country. Consequently, the taxes upon Salt, Cloth, Kerosine and Matches are the taxes which ought not to be thought of. If the Government cannot do without additional taxation, let the taxes be imposed upon the shoulders that are broad enough to bear them. Let the poor people—and the majority of the people of this country are poor cultivators—not be hit by these high taxes. According to the showing of Government itself, high prices of these commodities hit the lower class of the people. If I am not mistaken, in the memorandum submitted by the Government of India for the consideration of the Babington Smith Committee, they stated that high prices were pressing on the majority of people hard. Indeed, the present proposals of Government are calculated to have the same effect. Let Government pause before they finally make up their mind to insist upon the present proposals of taxation being carried out. All we can say is that we cannot conscientiously agree, having regard both to our honest convictions and the interests of the public, to support the taxes which have been laid before us. If any other proposals are placed before us, we shall consider them and give them such support as we can.

The HONOURABLE SIR ARTHUR FROMM: Sir, in discussing an important matter like the Budget, it is very difficult to refrain from referring frequently to the Honourable the Finance Member either by his official name or by the name of the Honourable Sir Malcolm Hailey; but I think I am expressing the feelings of all the Members of this Council when I say that, although we have frequently to refer to him either by his official name or by his personal name, such criticisms as we make are really intended in a friendly spirit; even if at times they appear to be acrimonious; our idea is to assist Government and not to place obstacles in their way. I fully recognise, and I think all the Members of this Council recognise, the difficulties which have beset the Honourable the Finance Member in presenting a Budget to the Legislature which means increased taxation. Increased taxation is never welcome, and, although many Members of the Legislature have held up their hands in horror and exclaimed 'Oh! this Budget,' I cannot but think that, in many respects, it was only what we expected.

I will first turn to the expenditure side, Sir, and here at once, of course, I come to the Military expenditure. I cannot help thinking that His Excellency the Commander-in-Chief must feel extremely flattered at the amount of time and discussion which is devoted to the department over which he so ably presides. I should like to say at the outset that I am in thorough agreement with what has been stated by both His Excellency the Commander-in-Chief and by the Honourable the Finance Member that the Military Budget cannot be reduced. I am thoroughly convinced by what has been stated, that the Army Department has done all it can to economise. We know the reasons why the Military expenditure cannot present a more favourable aspect to the Legislature. The chief of them is the increased cost of everything. Honourable Members of this Council will remember the general outcry for increased wages throughout the country, which outcry has been liberally met and is materially reflected in the price of everything, of food, of clothing, and of material; and the Army Department feel that as much as the rest of us do. Then, again, the Railway charges have gone up, and the Army Department feel that acutely in moving their troops about. They move their troops about, I understand, much more often than they wish to do to quell internal disturbances. The Waziristan policy has been criticised. I do not pretend to be an expert on it, but I do understand this much about it and that is, when the North-West Frontier is frequently being raided, what would any other Honourable Member of this Council besides His Excellency the Commander-in-Chief do? What would Honourable Members think it the best thing to do? Would they sit inside the borders and wait to repel repeated attacks which result in a disastrous loss of lives of innocent people, or would they not go straight for the heart of the disease and go into the enemy's country and fight it out there? That, I understand, is the policy which His Excellency the Commander-in-Chief is taking up at present.

There is another matter to which I would like to draw the attention of this Council in connection with the Military expenditure which is the amount which we have to pay for the safety of this great country of India, safety from invasion and internal disorder. In paying for the safety of this great country we do not pay one single pie for the safety of her sea borders, and I think Honourable Members should remember that in discussing this expenditure, when they lift up their voices and say what a dreadful amount we are spending for defence. Supposing you had your own Navy

[Sir Arthur Froom.]

to support too. I have heard in many quarters that an Indian Navy would be liked and welcomed. I do not know whether it would be liked and welcomed if we had to pay for it. We are often compared with Japan. Now, Japan supports a very large Army; it also maintains a very large Navy; and in their financial year 1921-22, the cost of their Navy was £70 millions, or a third of their whole Budget. India has not got that to face at all, and I think that we should meet this Military expenditure which I am convinced is necessary for the internal and external security of this country. We should face it as cheerfully as we can.

There is another point in connection with this. I feel sure, Sir, that Members of this Council are most of them possessed of a lively imagination, and this lively imagination, I think, might be directed in this way. Cannot you imagine the discussions which have ensued between His Excellency the Commander-in-Chief and the Honourable the Finance Member before the Finance Member would agree to the amount to be set aside for Army expenditure. I feel quite sure that the Honourable Member must have had, if he will permit me to say so, many scraps with His Excellency the Commander-in-Chief over the amount. The Honourable the Finance Member must have said 'Cannot you reduce this, cannot you reduce the other'. I feel sure that in presenting his Budget the Honourable the Finance Member did not want to have a bigger Army expenditure than could possibly be fixed with equity. And, when in support of His Excellency the Commander-in-Chief the Honourable the Finance Member says that he is not prepared to recommend any reduction of the amount set aside for military expenditure, I think Members of this Council should accept it. (*Cries of 'No, no.'*)

Well, so much, Sir, for the expenditure side of the Budget. I now come to the revenue side. First of all, as regards the increase in Railway fares. There is one small matter about which I am not clear in this connection. The Honourable the Finance Member in his speech pointed out that, after the application of the increased Railway fares, it was estimated that the Railways would work at a loss of a crore of rupees . . .

The HONOURABLE SIR MALCOLM HAILEY: Increased goods rates.

The HONOURABLE SIR ARTHUR FROMM: Thank you, Sir, I intended to say goods rates. After the application of the revised freights on goods the Honourable the Finance Member estimated that Railways would work at a loss of a crore of rupees. Later on the 25 per cent. increase of Railway fares was referred to, and six crores is expected to result from that. Then six crores is taken into the credit side. Do I understand that we are to get 7 crores from the increased passenger fares?

The HONOURABLE SIR MALCOLM HAILEY: No, 6 crores.

The HONOURABLE SIR ARTHUR FROMM: Railways will then show a net credit in the Budget of 5 and not 6 crores. That brings down the total Budget Revenue to 28 crores and not 29. I will leave that point and hope the Honourable the Finance Member will explain that later on.

I have no particular remarks to offer as regards the income-tax and super-tax. We have got to swallow it. We do not like it, but we have to find money from somewhere.

We have heard a good deal of discussion about Salt, Matches and Kerosine, and about the poor man's tax. Well, last year when it was proposed to increase the Postal charges I have lively recollections of 1 P.M. hearing a good deal about this poor man; in fact, the 'poor man' flag was put up and waved everywhere and we were supposed to be the oppressors of the poor man. I have never been quite convinced that my friends were not playing to the gallery of their constituencies . . .

The HONOURABLE SIR MANECKJI DADABHOY: Sir, I rise to a point of order. I do not know whether that remark is correct.

The HONOURABLE SIR ARTHUR FROMM: I meant nothing rude in any way. I did not intend to cast a reflection on Honourable Members. The remark was only made in the course of debate. But where is your poor man in this country that we hear such a lot about? Is he the mill-hand on my side of India? If he is then that poor man works on an average about three or four days a week instead of six. His wages have been increased, and now he won't do his work in the same way that he used to. We have found the same thing in some works with which I am connected. They work on an average four days a week instead of six, and yet they are called poor men. I say that they can afford to pay this tax and do another day's work.

Now we come down to Machinery. Here I am afraid I must join in the cry against the additional taxation. I do not like this tax of 10 per cent. when there was none a year ago. I agree with what my friend, Sir Edgar Holberton has said about it being a drag on industrial development, and if the Honourable the Finance Member does not propose to forego it altogether, let him at any rate reduce the proposed tax considerably. I also agree with my Honourable Friend, Sir Edgar Holberton, that those orders which have been placed before the introduction of this Budget should be allowed in free of the new tax. It might be contended that that would create a dangerous precedent, and that we might want to get our already ordered whisky in free of the increased tax also. But that is not so; what I want to point out is that Machinery which is intended for a new industry is coming to a non-paying concern, and therefore you will be charging capital if you insist on levying this increased tax on orders which have already been placed and which were placed on calculations based on the 2½ per cent. import tax.

Finally, Sir, I come to this vexed question of Cotton excise. I do not propose to plunge into a deep whirlpool of discussion in connection with this. Although I am from Bombay I am not a mill-owner. Sir Edgar Holberton in discussing this matter gave the debate a medical turn, and talked about blue pills and Gregory's powder, and eventually arrived at 'consumption.' I do not know whether that was the result of the Gregory's powder and blue pills. I cannot help thinking that he must at one time have had a medical training. I know nothing about the consumption tax. I do not propose to discuss it now. It is obvious that the result of this Excise duty and the increase in import duties will spell higher prices in cloth. That I think will be felt very hardly throughout this country. At the same time, I recognize that Government has to get the money, and I do not think the view of the mill-owners will be adverse to this tax. The mill-owners, I believe, were perfectly well satisfied with the margin of 7½ per cent. which existed before the new Budget was introduced, and that margin of 7½ per cent. is still maintained. One of the Honourable Members speaking before me said that this increased

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[Sir Arthur Froom.]

Excise tax was an insult to the intelligence of the country. Well, the insult is so extraordinary that in Bombay when the details of the Budget became known most mill shares jumped up 10 points. (Laughter.)

I will not detain this House any longer. I do not think the Budget is a bad one on the whole. I do not like the Machinery tax. The Cotton excise will mean higher priced cloth for the people. I leave it to the other Members to fight their battles over that with the Finance Member. But, as I have said, Sir, I do not think that the Budget should be so adversely criticised as a whole as it has been, and I must congratulate the Honourable Member in charge of the Finance Department on the way in which he has faced a very difficult task.

The HONOURABLE RAJA SIR HARNAM SINGH: Sir, I sympathise with the Honourable the Finance Member. The financial situation as he pointed out is very difficult indeed. The revenue of the current year has fallen far below our expectations, whereas the expenditure has gone up beyond the estimate. As a consequence, the present year will probably close with a deficit of no less than 34 crores. The outlook for the next year is no less gloomy, although the Honourable Member has tried his best to increase the revenue by all possible means.

It is not difficult to see that abnormal and difficult conditions have prevailed in India for the last few years, seriously affecting the financial situation of the country. There has been a general depression of trade, and the poor monsoon of 1920 made the financial position worse. Economic and political causes have also affected the trade, and consequently the revenue of the country. I am aware that India has shared with all the other countries of the world the financial burdens which the world war has entailed. But, in spite of these facts, we cannot with equanimity face the heavy deficits that are confronting us year after year. Increased taxation may cover part of the estimated deficit next year; but I do not think it can completely fill the gap between the national revenue and expenditure. The national debt will, therefore, increase and the financial stability of the country will be endangered. The increased rate of interest of the new loans shows that the credit of India is not now so good as it used to be in the past. Every debt incurred adds a fresh burden to the already overburdened finances of the country. On the other hand, the increased taxation will not only involve serious hardship and difficulties on the people, and increase their discontent, but its effect on trade will be very discouraging. I shall not be surprised if this aggravates the trade depression which has been a contributory cause of the heavy deficit of the present year. There is another point with regard to taxation to which I want to draw the attention of this Chamber. Increased taxation does not always add to the revenue of the country. It raises prices, and makes the poor man pay more for the necessities of life. But there is a limit to the resources of the people; and the poor accept privation, and the rich choose to give up the luxuries which they cannot afford. Consumption decreases, and trade suffers; but the national income may not increase in proportion.

Sir, I do not believe in taxing the poor people of this country beyond a just and fair limit. The Salt tax, for instance, will involve a great privation to the people. Salt is not only necessary for man; but also for cattle; and the burden on the poor farmers and agriculturists will be disproportionately heavy. I may also here point out that in addition to these

Imperial taxes, the Provinces will levy their own local taxes. This means naturally a double burden on the people.

Sir, I am inclined to think that the financial resources of the Government cannot be further increased without serious consequences, unless the prosperity of the country is assured by the rapid growth of productive industries in the country. But although I am not a pessimist I do not see a very brilliant prospect in this direction. The conditions, I am sure, will improve in time; but there are no signs, I am afraid, of an immediate and sure progress. The monsoon may play the same tricks, our foreign trade may not flourish for some time, Economic and Political causes may still operate against us. Sir, I do not like to hold before the House the dark side of the picture any longer. There is only one possible way of saving the country from an approaching bankruptcy, namely, Economy and Retrenchment.

The Military expenditure has gone up by leaps and bounds in the recent past. It now absorbs the major portion of the national income. This is really a serious question. The Washington Conference ought to have some effect on the Military expenditure in India. Public opinion is unanimous in India on this point. The financial position of India cannot effectively be improved without revising our Military policy, and moderating our Military expenditure.

Sir, I really do not know what the financial future of India is. When every year closes with a heavy deficit, and the national debt is gradually piling up, when instead of providing for the payment of old debts, we incur fresh ones, I cannot call the prospect at all cheerful.

Although I appreciate the difficulties of the Honourable the Finance Member, yet I cannot help thinking that the present Budget, as it has been presented, is extremely unsatisfactory and discouraging.

The HONOURABLE LALA SUKHBIR SINHA: Sir, so far as my opinion goes the Budget as placed before this Council is most unsatisfactory and most disappointing. By this I do not mean to say that the Finance Member has not made efforts to make the Budget as satisfactory as possible. I think he has done his best, but I am sorry to say that he has failed in his efforts. He has taken the easiest possible way to meet the expenditure, that is by raising revenue from new taxation or by raising the duties. He said in his speech that there are three courses to meet expenditure, the first is to finance the deficit, the second to curtail expenditure, and the third is to raise revenues from new taxation. Sir, to my mind he has taken the last and the easiest course to meet expenditure. He has not taken into consideration the poverty of the country. He has not taken into consideration that the people here get only about Rs. 30 or 40 a year per head, out of which they have to pay about Rs. 7 a year or one-sixth of the income. Out of the Rs. 40, the income per head of the population, they have to pay for their food-stuffs, for their clothing, for the education of their children and for many other expenses, festivals, marriages, and so on. It is impossible and inconceivable for anybody to see how they manage and afford to live on this income and bear the expenditure which I have mentioned. Sir, during the last three years, the deficit has been not less than 90 crores. Last year the deficit was about 20 crores, and we expected that this year there would be no deficit. But it has gone up to 34 crores. I do not understand, Sir, how long this state of affairs will continue and how long these deficits will have to be made up by new taxation

[Lala Sukhbir Sinha.]

or increased duties. In the whole world, I admit, that the price of food-stuffs has gone up, but there is a limit to everything. If the expenditure has gone up the revenue has gone up, and it is for the Finance Member to see that the expenditure and revenue are kept within bounds, and to see that the expenditure does not exceed the revenue. The coat should be cut according to the cloth. The expenditure should be so arranged as not to exceed the income. If it exceeds the income, then there will soon be a day when we shall be bankrupts, and I think this country is sure to approach bankruptcy if efforts will not be made to keep the expenditure within bounds.

Sir, as regards expenditure, we find that in the Military Department not less than 52 per cent. is spent. In the Brussels Conference and the Nations League it is laid down that Military expenditure in any country should not exceed 20 per cent., but here it has gone up to 52 per cent. I was present yesterday in the Assembly and I heard what His Excellency the Commander-in-Chief said in support of his Budget. I quite agree with him that the country requires a sufficient Army for the external and internal peace of the country. But, Sir, I want to know why expenditure has gone up to 63 crores when it was only about 30 crores before the war. It is said that it is due to high prices that the expenditure has gone up. But so far as I know the prices have gone up by about 50 per cent. In that case the Military expenditure should not have gone up over 45 crores at the most. But we find that 58 crores have been spent on the ordinary Army and about 3 crores on Waziristan frontier. Some Honourable Members have said that the money spent on Waziristan has been a waste. I differ from them. I say that this money is not a waste, but it has been a gain to the country. We do not like the frontier people of Waziristan to raid our country. It is the duty of the Government to protect us from external raids and attacks, but the question is, what special reason has now cropped up to spend more money than was spent in the past? This question of the frontier has been for generations before us and Government have spent a good deal of money on the frontier. I think the Government should devise means either to make that frontier permanent in some way or other, or to devise means to have a permanent Army there, so that it may not be said that the amount spent there is a waste of extra expenditure. In the Army, I am ready to say, there is a large margin for reduction. In the Assembly as well as in this House, much has been said on this subject, and I appeal to His Excellency the Commander-in-Chief to see how much reduction can be made in his department having regard to the number and efficiency of the Army. I do not mean to say that the Army should be reduced too low or that the efficiency should not be maintained; but what I say is, that there should be a limit put to the number of Military forces. In this connection I may say whether it is possible or not to reduce the British soldiers. There are at present not less than 80,000 British soldiers. Besides this, almost all the superior officers are Europeans. Is it not possible to Indianise the Army? Is it not possible to reduce the number of British soldiers as soon as possible? Is it not possible to reduce the expenditure in the Supply and Transport department, in which we find that a large amount of money is taken by middlemen, by contractors? It has been stated that the Military is also required for internal peace and especially at this time when there is so much discontent in the country. I beg to submit, Sir, that in no country sedition or discontent has been put down by force or

rather by Military force. It is only by constitutional means and by a conciliatory policy that the people can be kept contented and satisfied. I do not know how long this military force will be utilized to put down the people, to put down discontent in the country, and how much money will be required to do so. I quite disagree with this policy of using military force to put down discontent in the country. The Government ought to take constitutional steps, ought to take such conciliatory steps as may satisfy the people, and not to use military force.

I may suggest one thing more to His Excellency the Commander-in-Chief, namely, that instead of having a standing army he may have more Territorial and Reserve forces. They will cost less and be utilized when the time comes for their help and use.

As regards the civil side, I find that from the pre-war times the expenditure has increased by not less than 70 per cent. In pre-war times the total was about 50 crores, now it has gone up to about 90 crores. Sir, I do not find any reason why in the Central Government, in those departments, in which many subjects have been provincialized and transferred, reduction has not been made. For instance, I may mention the departments of Forest, Agriculture, Irrigation, Medical, Education, Sanitation, Public Health, Industries and Commerce. When all these subjects have been transferred and have become Provincial, I do not understand why any reduction has not been made in the Central Government in these departments. The object of the Reforms Scheme is to make Provincial Governments as free as possible from the intervention of the Central Government. I do not see any reason why a reduction in these departments should not be made as soon as possible.

From the Budget I find that India has to suffer a great loss from Exchange. Much has been said about this question by experts, but what I find is that until and unless a Gold standard is introduced in the country, this question will always remain, and I find the time has come when the Government of India should appoint a Committee or take some other steps to settle this question once and for all, otherwise this question of Exchange shall always trouble us, and we cannot know where we stand as regards our finances.

Sir, the object of putting the Budget before the Legislative Assembly so far as I can understand, is to allow the Members to criticise it in the best possible spirit and to put forward suggestions for the consideration of the Finance Member. If the Finance Member thinks that whatever he has made up in his mind to do, he will not budge an inch from that, and will not take into consideration any suggestions that are proposed to him by the Indian Legislature, then there can be no question about it. He may do what he likes. But, Sir, I submit it is for him to consider suggestions and proposals that are made in both these Houses of the Legislature. We are ready to support him, ready to put before him suggestions in order to make his Budget as agreeable and as satisfactory as possible. The Budget put before the country is very disagreeable. It will touch the poor more than the others. For instance, he has proposed Excise duty on Cotton manufacture. I think this duty is bound to pass on to the consumer. The price of cotton cloth made in this country will be more expensive, and the poor people will feel it. Similarly, it is the case with regard to Salt. For many years past no effort has been made to increase the duty on Salt, but it has been rather reduced year after year as it is used not only by human beings

[Lala Sukhbir Sinha.]

but mostly by cattle. India is an agricultural country, and if salt is not available for cattle, I do not know how the cattle will be able to work.

Then, Sir, post-cards. The Postal Department is not meant to be a source of income. It is a service for the people and should not be made a source of income. At present I find it has already given some net receipts of about one crore (*A voice*: 'There has been a net loss.') If any net loss has to be made up, then the Finance Member has some reason for raising the charges, but it is a question whether the post-card should be made half anna or some other postage should be increased, because the post-card is generally used by the poor who cannot afford to use half anna cards or one anna postage. If the Honourable the Finance Member can find his way to keep the post-card as it is and increase other postage, I think there will not be so much objection; but the chief objection is to the increase of the cost of post-cards. I think the House may remember that there was a great deal of objection to an increase in the case of post-cards last year, and after great discussion it was dropped and in addition to the half-anna postage a postage of nine pies was introduced as a compromise. But it is now found that the income from nine pies postage has not been sufficient, and therefore both this and the half-anna postage are going to be abolished and the one anna postage only is going to remain.

Then, Sir, it is proposed to put a duty on Machinery at 10 per cent. It is already admitted that India is very poor as regards industries, and every effort is now made by Government as well as by the public to develop its industries; but this duty of 10 per cent. will set back this development.

My friend, Sir Maneckji Dadabhoy, has proposed some new items of taxation that should be considered. One of them is to increase the duty on yarn. I think he is quite fair in making this suggestion. If yarn is taxed, say at 15 per cent, I think there would be no objection.

Then there may be an export duty on Bones and other Manures. It will bring a revenue as well as prevent a very useful commodity from going out of the country as Bones are badly wanted for the agricultural prosperity of the country.

With these few remarks I appeal to the Honourable the Finance Member to recast his Budget in the light of the suggestions and proposals made in this House and in the Assembly. If he will not do so, the present Budget will not be accepted by the public, and the present political situation will, I am afraid, be worse than ever. These non-co-operators are going about the country and have already begun within the last week saying to the people that the Government is going to tax you more and more and where will you be? The consideration of the present political situation is of great consequence at this moment, and therefore I appeal to the Finance Member to reconsider his Budget and recast it as much as he can, in order to make it more agreeable to the people.

[At this stage the Council adjourned for Lunch till Two-thirty of the Clock.]

The Council re-assembled after Lunch at Two-thirty of the Clock, with the Honourable the President in the Chair.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Sir, I congratulate the Honourable the Finance Member for the able manner

in which the Budget has been prepared. It is by no means an easy task to work at figures and put them in its proper form as presented before this House, and I quite realise the pains he has taken.

In this connection, I desire to make a few observations on this very important deliberation. I do not know whether it is necessary to say anything after the eloquent speeches delivered by the older statesmen of the House, but I will be failing in my duty imposed on me by my electorate if I do not say a few words at this critical juncture.

I shall first deal with those subjects that will materially affect the poor masses of India.

The extra taxation on Salt will, I think, be a great hardship on the masses. It is one of the urgent necessities of daily human consumption. One cannot live without it and it is only one of the necessities of life that is being used by the rich and the poor alike. Any interference with the use of salt by heavy taxation will seriously tell upon the health of the people. Moreover, salt is largely consumed by cattle and, if it is heavily taxed, it will affect a good deal in the preservation of cattle which are so very useful in various ways in this agricultural country. I, therefore, strongly oppose an extra taxation.

The next item is the tax on Kerosine Oil. After the introduction of Kerosine Oil in India, the old system of lighting with nut oil and castor oil has disappeared, and it has now become one of the chief necessities of Indian life and the masses cannot get on now without kerosine lights. It will be a great hardship if Government taxed the Kerosine Oil, which is after all produced in India itself.

Now I come to the increase in Postage. The doubling of post-card rate and the increase of $\frac{1}{2}$ anna and $\frac{3}{4}$ anna letter rates to one anna will surely and seriously go against the common interests of the poor. Considering the small profit which the Government is going to derive under this head, it is not worth interfering with the present rate of postage. Use of cheap postage is hitherto enjoyed in India from generation to generation, and any interference with it by the raising of the postal rates will produce a great outcry among the masses. I beg to suggest, therefore, Sir, to leave $\frac{1}{2}$ anna post-card rate as it is at present and introduce $\frac{3}{4}$ anna note paper post-card and also introduce 9 pies stamps for letters weighing one tola abolishing $\frac{1}{2}$ anna rate.

The next important item which has been spoken of so strongly, is the increase of Railway Fares. Passenger fares have been recently increased and any further increase under this head will, I am afraid, be very hard on the travelling public, especially the poor.

I do not mind about the increase in 1st and 2nd class passenger fares, but I do strongly object to the increase in third class fares, as it will hit the poor very hard. I am not unmindful of the fact that the present coal market is in an abnormal state and that the cost of coal will no doubt affect the working of the railways considerably. With a view to get out of this difficulty, I would suggest the use of wood fuel along with coal. This system has been worked in some Railways, e.g., The South Indian Railway and the Madras and Southern Mahratta Railway and proved a success.

[Khan Bahadur Ahmedthamby Maricair.]

Then I am not in favour of increasing the Cotton Excise duty from $8\frac{1}{2}$ to $7\frac{1}{2}$ per cent. as it affects the indigenous industries. Cotton Excise Duty. The duty of $8\frac{1}{2}$ per cent. on this head was in existence for several years. The increase now proposed on foreign piece-goods is from 11 to 15 per cent. i.e., 4 per cent. in excess of the old rate, that means an increase of 37 per cent., whereas the Cotton Excise duty from $8\frac{1}{2}$ to $7\frac{1}{2}$ per cent. works out to over 100 per cent. If at all any increase be made it may be made to the amount equivalent to the duty increased on foreign piece-goods, viz., 37 per cent. to the present rate, which works out at about 5 per cent.

The next important item about which I raise my objection is the increase of import duty on Machinery from $2\frac{1}{2}$ per cent. to 10 per cent. This exorbitant increase is most objectionable. Any heavy taxation on this item as well as on cotton means nothing but an embargo on the development of indigenous industries, and it will give facilities to other nations, such as Japan, etc., to monopolise the Indian Market. I believe it is the wish and desire of the Government to develop the Indian industries, whereas the present attitude which the Government has taken by increasing these taxations will, I am afraid, cause a great outcry among the industrial classes, as it will give a death-blow to the thriving industries of India.

I do not like to repeat the same question as so many Members spoke both in this House and the other House regarding the Military. reduction of Military expenditure. I have also heard the speech of His Excellency the Commander-in-Chief on this subject in the other House, and I quite realise that sufficient military force is essential not only to safeguard the interests of the country, but also to safeguard the interests of law-abiding citizens. But it is essential that this very heavy item of expenditure should gradually be reduced. Moreover, as the safety of India means a safety of the Empire, it is equitable and just that the British Exchequer should also bear a portion of this heavy military expenditure and thus come to our rescue at this crisis.

I know the Honourable the Finance Member will ask as to how to meet the deficit if reduction of proposed duty is made on the suggested commodities. My answer is quite clear and simple, i.e., to remove the existing embargo imposed upon the shipment of rice to Ceylon and the Straits Settlements about which a great deal of discussion took place in this House. I really cannot understand the reason why the Government are still stubborn in not removing the embargo. They not only stand in the way of free trade, but they also lose millions of rupees by way of export duty on rice. In the year 1911, about 14 million tons were shipped from the Ports of Madras to Ceylon and the Straits Settlements. In the year 1912, about 15 million tons were shipped. In the year 1913, about 12 million tons were shipped. This means a revenue of several millions of rupees. I, therefore, strongly recommend the withdrawal of the restriction immediately and allow the trade to continue freely as before. I also suggest the withdrawal of the restriction on the export of wheat and levy a reasonable duty.

Another solution I beg to suggest is to impose export duty on ground-nuts shipped from all the ports of India to foreign countries. There has been a very large export from the Ports of Madras to Marseilles, a French

Port, and the Honourable Members of this House will be surprised if I mention the quantity of ground-nuts shipped from India:

In the year 1911 to 1912	3,822,583 tons were shipped
" 1912 to 1913	4,867,011 " "
" 1913 to 1914	5,558,120 " "

In the subsequent years the shipment has been decreased owing to the war and also due to exchange problem.

Well, Sir, even if a small taxation is levied on these commodities, it will bring in a very large revenue to Government, and I hope my suggestion will meet with the approval of this House as well as of the Government. After all it is a produce cultivated in India and taken to foreign countries and consumed by foreigners. Why not have the tax levied on this commodity when we ourselves are finding it very difficult to meet our financial position? I strongly recommend that instead of taxing and squeezing the poor Indian masses, a taxation on the goods shipped to foreign countries should be introduced and this taxation will be borne by foreign consumers.

Finally, I may say that any extra taxation on the items which will affect the poor will no doubt be a great hardship and it will give greater facilities for the non-co-operators to play on this harp and it means 'adding fuel to fire.'

With these few words I commend my observations.

(At this stage the Honourable Sir Maneckji Dadabhoy took the Chair.)

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, this Budget has been called a bankruptcy budget, an insolvency budget, a dismal budget. I am not going to repeat those terms. But, Sir, it is very difficult to speak with patience and restraint when one sees the resources of one's country frittered away in a way that cannot meet with the approval of the country. Sir, the difficulty is greater because we feel our helplessness in improving the situation. It is not only we that feel so, but even the Honourable the Finance Minister says that he is helpless. He is obliged to bring in Providence in his speech. He says: 'But Providence has seen otherwise'. That means he perhaps himself is not quite able to retrieve the situation. He does not only bring in Providence, but he brings in later on political troubles, labour troubles, which led to the stoppage of colliery and curtailed the raising of coal. His actual words were:

'We not only maintained the services by the purchase of foreign coal at a greatly increased expenditure, but it had of course a detrimental effect on our balance of trade.'

But I think we have a right to expect Government to see that those troubles were easily squashed. Some attempts ought to have been made earlier and things ought not to have been allowed to drift in the way in which they must have drifted if what the Honourable the Finance Minister has said is true, that it led to the curtailment of trade. Sir, the Honourable the Finance Minister is and has been the trustee of the country. He was good enough to say last year that:

'Speaking here to-day I frankly, and with no feeling of regret at the curtailment of our former powers, welcome the measure which has given us so powerful a partner in the trusteeship for the finances of India.'

Sir, the suggested trusteeship should be a complete joint trusteeship. The joint trustees cannot work only in one matter together and then leave the responsibility to the other trustees in other matters. Recognising that

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we were joint trustees we approached this Council or rather Mr. Kale did, and an attempt was made in the other House also, to give all the help that we could to the Finance Minister in improving the situation; and how was our request for co-operation treated? The Honourable the Finance Secretary opposed it and on a division it was lost. It is true that in the other House with more elected Members than we have, they carried it; but if the Honourable the Finance Minister thought that both the Houses of the Legislature were joint trustees with him, he might easily have taken us more into his confidence from the beginning. It may be said that there is a Standing Finance Committee and there is a Public Accounts Committee. Yet, in spite of those committees, expenditure has been mounting up; and it is not for us, unless we know all the details, here to say how far that committee was taken into confidence and how far all the facts were placed before them; but when we want a special Retrenchment Committee our request was met with a refusal. The Honourable the Finance Minister last year expected that he would be able to balance practically the expenditure and revenue; but he says that, owing to the war and owing to the slump in trade and other incidents, it was not possible to do so and we are faced with a heavy deficit. That deficit has been met by raising more money by Treasury Bills and other means. The situation is getting bad to worse from day to day and it is up to this Council to consider the best way in which the whole situation can be met. There is a deficit of Rs. 90 crores already during the last four years. That is bad enough. We all thought that during the first or the first two years after the cessation of the war, when war factors had not reached any stability, we may have to spend more; we were hopeful that at least in this year there would not be any necessity for fresh taxation and that we would be able to make both ends meet. Unfortunately that has not happened; and we have also been told that it cannot be done for some time to come. Had it been even that it was a temporary deficit this year, perhaps the House and the country would not have taken such a gloomy outlook of the situation as they have done. But the Honourable the Finance Member says plainly, straightly—and I congratulate him on his courage and straightness—that it is not a temporary deficit. We also feel that it is not a temporary deficit; and if it is not a temporary deficit, has not the time come when all of us should meet and put our heads together? We may not have the financial brains of the Honourable the Finance Minister, or the Honourable the Finance Secretary, or the Assistant Secretary, but we can honestly help; that is what we want to do. If Government will not accept our help, our assistance, it can only be due to two factors; one is either they do not believe in our *bona fides* or that they do not believe in our capabilities. If that is so I beg to say, Sir, that it would not be justified. As I said, we do not claim to be financial experts in the same manner as the Honourable the Finance Minister or the Finance Secretary may be; still we have some knowledge of finance and we are prepared to come forward and render all the assistance we can.

Coming to the details of the Budget, Sir, we find that the most important item is the Military. His Excellency the Commander-in-Chief told the other House and the Honourable the Finance Minister said the same thing, that it was not possible to reduce the expenditure by a single pie—he did not use the word 'pie', but it practically came to that—not an iota of the expenditure could be reduced.

The HONOURABLE SIR MALCOLM HAILEY: Combatant strength.

The HONOURABLE MR. LALUBHAI SAMALDAS: Anyhow the expenditure could not be reduced. It is a pleasure to know that, as I take it, an attempt will be made to reduce the expenditure without reducing the strength of the Army. Now, I want to make certain suggestions to His Excellency the Commander-in-Chief, suggestions which are made only by a layman, and if I make any mistakes I hope His Excellency will realise that it is done more through ignorance of the technique than through any desire to hit at the Army. Sir, before I come to the details, I would like to speak on the general policy; and in this connection I think on behalf of this House we may express our thanks to His Excellency the Governor General for having allowed us to consider and discuss the Military item to-day; otherwise under the Act we would not have been able to do so. With that permission and with the desire of His Excellency the Commander-in-Chief to effect reduction in the expenditure, as far as possible, we all hope that a way will still be found by which, without reducing the strength of the Army in any way, we may be able to reduce the expenditure to such an extent that the Honourable the Finance Minister may be saved the trouble of raising all the monies that he estimates to have under the new schemes.

Coming to the general policy, Sir, His Excellency in the other House said—I believe it was His Excellency, but I am open to correction—that the Members who asked for taking away our troops from Waziristan were gentlemen either from distant Bombay or Calcutta

The HONOURABLE SIR MANECKJI DADABHOY: I must ask the Honourable Member not to refer to any speech made in the other House.

The HONOURABLE MR. LALUBHAI SAMALDAS: I bow to your ruling. It may be said that the amount we have to spend in the occupation of Waziristan is a sort of insurance against attacks either from Afghanistan or from the frontier tribes. I request His Excellency to reconsider the whole situation and see whether we are not paying too heavy a premium for the insurance that we are effecting. It is for him, for His Excellency and the military staff, to decide whether this occupation of Waziristan leads to the good of the country, or whether it might be permissible, in the financial interests of the country, to retire from Waziristan. Sir, it is not only the opinion of laymen; we are all laymen from Bombay and Calcutta; but I want to quote the opinion of a journalist who has studied the frontier question and the near East as well as perhaps any military officer of the Government has done—I refer to my Bombay paper the 'Times of India'. While reviewing the budget, the 'Times of India' after referring to the occupation of Waziristan, says:

'Waziristan is becoming a sink down which illimitable crores are being poured. The policy of occupation has become unbearably heavy. Withdrawal is always an unpleasant emergency to face, but there is on the Budget statement no alternative between withdrawal or something like bankruptcy. The policy of occupation was a mistake. It must be courageously reconsidered. The country is entitled to ask from His Excellency the Commander-in-Chief some alternative to this crushing burden for the protection of a very limited section of the Frontier.'

This appeal comes from a respectable journalist like Sir Stanley Reed, and I make the same appeal to His Excellency for a reconsideration of the whole situation in view of the fact that the country is becoming bankrupt. Sir, if it is not possible just now, owing to the frontier troubles or owing to the Treaty with Afghanistan being only very recently entered into, is it not possible later on for His Excellency to see if it is not possible to reduce

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the strength of the Army, not now,—His Excellency shows by a nod and says it is not possible—it may not be possible now—but it may be possible later on?

It may be that, as was stated here that the Army is to be sent from one place to another to quell local troubles as in Malabar. It may be that it is felt by the Government of India that the Political situation in India is not so very easy at present as to make any reduction in the Army. It is for the Government of India and His Excellency the Commander-in-Chief to take stock of the situation, but when taking stock of the situation, they must bear in mind the fact that the country is getting bankrupt. It cannot afford to find more money. Then there is the question as to how best to reduce the military expenditure. Referring again to the 'Times of India,' it says:

The HONOURABLE SIR EDGAR HOLBERTON: May I know, Sir, if these newspaper extracts are in order?

The HONOURABLE SIR MANECKJI DADABHOY: I do not see any objection to quotations from newspapers.

The HONOURABLE MR. LALUBHAI SAMALDAS: The 'Times of India' says:

'We recognise that in many respects this is a very bad time to recommend any reduction of the Army in India. We recognise also the public spirit with which Lord Rawlinson has dealt with the question of military economy and the considerable savings he has made.'

The 'Times of India' further goes on to say:

'The military issue in India is therefore not only one of economy, but of retrenchment. That the Government of India must face and shoulder, if in no other way by rationing Army Headquarters with a sum considerably less than that asked for in the budget for the coming year.'

I hope, Sir, that His Excellency the Commander-in-Chief will very carefully consider the whole situation, not from the military point of view, but from the financial point of view and do his best to reduce, not the Army,—for I do not press for the reduction of the Army just now,—he will do his best to reduce its expenses so that the difficulties of my Honourable Friend the Finance Minister may be reduced, and on his behalf also I think he would make the statement which would please the hearts of the public that he will see his way to reduce the military expenditure.

Sir, the words 'vicious circle' have been used just now by my Honourable Friend, Mr. Kale, in one connection, and I want to use those words in connection with another matter. We have been told that the present strength of the Army is necessary, not only for the frontier troubles, but for the maintenance of internal peace and order. If we are going to have bankrupt budgets year after year, and if we are going to have more and more taxation, there will be more and more discontent in the country. If there is more discontent, there will be according to the Government arguments greater necessity of controlling the forces of disorder and maintain peace in the country. That means more army would be required, and we cannot go on moving in that vicious circle without any retrenchment being effected very long. That is also a question which has to be very carefully considered, not by His Excellency the Commander-in-Chief personally, but by the whole of the Government of India and see whether it is not possible to do something, as the 'Daily Mail' or some other paper said, concession-cum-

repression does not lead to any good. Let it be either full concession or let it be repression, said the paper—the latter is a recommendation which we cannot approve. The country cannot go on in a state of excitement and agitation for years to come. We want a definite policy to be laid down by the Government. It is a political question, but politics do mix up with finances, and I am therefore obliged to refer to it. But this question also has to be settled once and for all.

We have been told, Sir, by my Honourable Friend, Lala Sukhbir Sinha, that we want to Indianise the Army, and asked His Excellency the Commander-in-Chief as to when he can do that. He has, I believe, made up his mind to make a beginning both as regards the officers as well as the Army. But I would like to draw the attention of His Excellency the Commander-in-Chief to the fact that if India is really going to have *Swaraj*—it may be in 10 years, or 15 years or 20 years; or it may be in a generation as was said by His Excellency, a beginning on right lines has now to be made. I remember, Sir, a definition of Home Rule given by Mr. Lionel Curtis some time back. He said Home Rule meant government by the representatives of the people, for the people and backed up by the army of the same people. That is the correct definition of *Swaraj*, and I hope His Excellency the Commander-in-Chief when considering the whole situation will be good enough to see that a proper beginning is made so that the country may be able to attain *Swaraj* in the real sense of the term as early as possible. That is an appeal which, I believe, will be supported by almost all the Members of this House as also by the country at large.

Now coming to details—I do not know if I have exceeded my time-limit. May I know, Sir, how much time I have?

The HONOURABLE SIR MANECKJI DADABHOY: You have spoken for 17 minutes so far.

The HONOURABLE MR. LALUBHAI SAMALDAS: Thank you, Sir. I would just like to refer to the very clear Explanatory Note which was supplied last year written by Sir Godfrey Fell. That Note I take as the basis for this year's budget also, because this year's Note is unfortunately not so clear or elaborate, perhaps he has not had much time to devote to it. But looking at the figures and glancing through them which I received only last night, I think I am right in saying that most of the expenditure which was put down for 1921-22 is likely to recur. I cannot see any variations in the Note supplied for 1922-23. Therefore, I think I shall be justified in basing my remarks on the previous Note. We are told, Sir, that there has been no increase, if anything, a slight decrease, in the British Army as well as in the Indian Army, and yet in 1913-14, I am talking of salaries only, the amount of expenditure on British soldiers was 3 crores 45 lakhs. In 1921-22 Budget, it was 9 crores and odd practically, though not exactly, three times but 2½ times. We have been told that the index figure, as my Honourable Friend, Mr. Kale, said, was 80 per cent. higher. It has been said that it was only 50 per cent. higher. But taking it at 80 per cent., is it not possible to reduce the salaries or make some arrangements by which the expenditure on the salaries could be reduced? I have been told that a soldier does not receive more than he would receive in England. If that is so, perhaps it is not possible to go in for reduction. But I merely wanted to draw the attention of His Excellency the Commander-in-Chief to the fact that, while the index figure has gone up by 80 per cent., the expenditure on account of the salary of the British soldier has gone up by 2½ times.

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Then, Sir, there are two or three items which I would like His Excellency the Commander-in-Chief to take into consideration. The administrative staff and establishments, which cost Rs. 59 lakhs in 1913-14, are now put down at 1 crore and 57 lakhs, practically three times the sum. I want the Accounts branch to be as strong as possible, because it is the chief department that will control expenditure, and yet I do not see any reason why the Accounts staff and establishment should have been increased three times or so. It has gone up from Rs. 26 lakhs to Rs. 77 lakhs. Similarly, the medical staff and establishments have gone up from Rs. 56 lakhs to 1 crore and 76 lakhs,—more than three times. It is possible that during the war the soldiers had to be treated much more kindly, and more attention had to be devoted to them, and more hospitals had to be built. But I appeal to His Excellency the Commander-in-Chief to consider whether, in this year of bankruptcy, it would not be possible to reduce this kind of non-recurring expenditure. I am not talking of the recurring expenditure. I am talking at present only of the non-recurring expenditure which are charged to capital. There are several such items, but I won't take up the time of the Council by referring to all of them. There is only one item about which I seek to have an explanation. I hope I will be enlightened on it. On page 322 of this Blue Book an item is put down. The heading is 'The principal items making up the increase of £2,212,000.' One of the items—item (ii)—is 'Marriage allowances and allotments to families of British soldiers and airmen in India—a new item'. It is put down as a new item there, and the expenditure is £832,000. I do not know what that item is, and why, although it is new, it has been put down in this year of scarcity, and whether it can be removed. I seek this information and I appeal to His Excellency the Commander-in-Chief, if possible, to reduce it. We do not know what it is for, and I would like to have some detailed information about it.

Then, Sir, in this year's Budget, there is an expenditure on the movement of troops, an increased expenditure of 1 crore and 38 lakhs. That figure must have been arrived at on the basis of last year's figures, thinking that there may be some trouble like the Moplah troubles, etc., I think it can easily be reduced, because I fervently hope that we shall have no trouble, not only of that kind, but any other political or labour trouble, which will necessitate the sending of the Army from one place to another. But even if it is sent, I ask the Honourable the Finance Member whether he should not charge to the province which is not able to keep its affairs in good condition the travelling charges of sending the Army there. Why should we, the Central Government, bear that expenditure?

Coming, now, Sir, to the civil side

The HONOURABLE SIR MANECKJI DADABHOY: I would ask the Honourable Member to bring his remarks to a close as early as possible.

The HONOURABLE MR. LALUBHAI SAMALDAS: All right, Sir. I would try my best to do so. I merely ask a few questions. My Honourable friends have spoken on Machinery and Excise and Salt tax. I won't repeat their arguments, but before I bring my remarks to a close, I would like to refer to two items. One is about the annuities regarding Railways. There are three different items entered in three different places. On page 303 of the Blue Book there is an item which is put down as 'Annuities in purchase of Railways—Rs. 5 crores and 3 lakhs.' There is another item on the same page 'Redemption of capital from revenue' which is

set down at 1 crore and 17 lakhs. That would mean that the one was total revenue and capital expenditure, while the latter was only capital expenditure. But in the other book (Budget statement) in Appendix B on page 2 it is put down—'Annuities in purchase of Railways—3 crores and 85 lakhs.' These two do not make up 5 crores and 3 lakhs, and I would like to have an explanation on that subject. If the explanation is given, I strongly support the proposal that has been made that the redemption of capital from revenue, 1 crore and 17 lakhs should be taken to capital, and so far our expenditure should be reduced.

Another item of expenditure which can be reduced has been suggested by various authorities. I specially desire to bring it to the notice of this House, because it has been suggested by my Indian Merchants' Chamber and Bureau. They advocate 'the diversion of 6 crores of interest earned in Paper Currency Reserve and excess of Gold Standard Reserve to revenue, which Chamber consider permissible in view of proposed repayment of 4 crores Treasury Bills held by public.' It may be said that the total sum is 15 crores and only the interest thereon can be treated as suggested. I ask the Honourable the Finance Member to carefully consider this suggestion and see whether it is not possible to take out the whole of the 6 crores, and by doing so reduce the expenditure by 6 crores plus 1 crore and 17 lakhs, or 7 crores and 17 lakhs and the reduction which His Excellency the Commander-in-Chief may be able to effect.

Sir, as my time is up, I want now to refer to the Exchange. . . .

The HONOURABLE SIR MANECKJI DADABHOY: I would ask the Honourable Member not to embark on any new subject now.

The HONOURABLE MR. LALUBHAI SAMALDAS: I am sorry I have no time, but I will only just refer to one matter. We have a feeling, Sir, that the Honourable the Finance Member has an idea that people are going to non-co-operate with him as regards his Budget. He has told the Assembly practically. 'If you do not behave properly

The HONOURABLE SIR MANECKJI DADABHOY: I have already ruled that you should not refer to anything that has taken place in the other House this Session. I cannot allow you to refer to it because in this House we cannot refer to what has passed in the other House this Session.

The HONOURABLE SIR MALCOLM HAILEY: May I rise to a point of order, Sir? I am very loath as you may well imagine, Sir, to question in any way your ruling in this matter, but I think we were under the apprehension, rightly or wrongly, that Members of this Council might refer to speeches made by Members of the Executive Council in the other House, in view of the fact that they are allowed to speak, both in this Council and in the Assembly. May I add, from my point of view, that it would be a great convenience to me if any Member of this Council were, by your permission, allowed to refer to any speech I made in the Assembly, for perhaps they may desire to suggest points which I may be able to clear up here.

The HONOURABLE SIR MANECKJI DADABHOY: I understood our President to rule otherwise this morning, but as it is your personal desire

The HONOURABLE SAIYID RAZA ALI: I believe, Sir, that that is what he told the House this morning.

The HONOURABLE SIR MANECKJI DADABHOY: I thought that this morning the President had ruled otherwise, but as it is your desire to give your personal explanation, Sir Malcolm, I will allow the Honourable Member to proceed with his remarks.

The HONOURABLE SIR MALCOLM HAILEY: I am much obliged, Sir.

The HONOURABLE MR. LALUBHAI SAMALDAS: He wants me to speak.

The HONOURABLE SIR MANECKJI DADABHOY: Yes, I will allow you to do so, but you must be as brief as possible.

The HONOURABLE MR. LALUBHAI SAMALDAS: I want to ask the Honourable the Finance Member and this House why we come here away from our place, at some sacrifice, sacrifice of health, sacrifice of business? Do we come here merely for the fun of attending the Council debates or for being called Honourables? We come here because we think that we will be able to assist Government in shaping the country's affairs in such a way as shall best serve her interests. But we are told that if we do not act properly, that is to say, if we do not carry the budget as it is, the Parliament—there was an impression produced in our minds, I am merely saying what impression was made on our minds—that the Parliament which is the only body that can give by instalments *Swaraj* will not do so, and it was also said that we were losing friends in England.

The HONOURABLE SIR EDGAR HOLBERTON: I rise to a point of order, Sir. This is certainly a new subject.

The HONOURABLE SIR MANECKJI DADABHOY: I have already allowed the Honourable Member to speak on the subject.

The HONOURABLE SIR EDGAR HOLBERTON: It is now 45 minutes.

The HONOURABLE MR. LALUBHAI SAMALDAS: I merely wanted to say that I hope the Honourable the Finance Member did not mean it, but if he did and if we can get *Swaraj* only by co-operating in the way in which he likes us to do, I would much rather have the benevolent despotism of the old days and the *ante status quo* than be a party to an arrangement where our co-operation would be useful merely to tax the people instead of allowing us to improve their material, moral and economic condition.

The HONOURABLE SIR MANECKJI DADABHOY: (Addressing the Honourable the Finance Member): Would you like to give an explanation at this stage, or would you like to make it at a later stage?

The HONOURABLE SIR MALCOLM HAILEY: I would rather do so in a speech which I hope you will allow me to make in closing the debate. Perhaps there may be other Members who have some misapprehension of the same nature as that of the Honourable Mr. Lalubhai.

The HONOURABLE SAIYID RAZA ALI: Sir, it is really difficult to withhold sympathy from the Honourable the Finance Member who finds himself to-day in this predicament. It has not been suggested, and in fact it is not a fact that due care and thought have not been bestowed on the framing of the budget. The Honourable the Finance Member, as is his wont, has taken extraordinary pains to make the budget as clear as he in the circumstances of the case could. The question, however,

Sir, is one of principle. We have to examine whether the principle on which the coming year's budget has been framed is one which can commend itself to any reasonable man.

I do not want to tire out the Council with quotations, but the burden of the song, if I may be allowed to say so, of the Honourable the Finance Member's memorandum is that revenue should meet expenditure. In many places he has given forcible expression to this view. Now, I for one, take emphatic objection to that proposition. The proposition is inherently wrong, and hence the troubles of the Honourable the Finance Member and of the Government of India. It is very wrong to say that revenue should meet expenditure. The correct proposition would be that expenditure should be within the revenue. But if you lay down a reckless standard of expenditure and after finding that you have not got enough revenue to meet it you want to cast your net as wide as the circumstances of the case allow you to do, there will naturally be strong objection taken to the manner in which you have acted. The only logical and reasonable manner of framing the budget is to find how much money is at your disposal. Having once determined that, you should try to distribute it among your Departments as fairly and equitably as you can. I do not suggest, that perhaps the Honourable the Finance Member did not resist the incursions that were made on his Department by various spending Departments. Indeed, I hope that he resisted and resisted to the bitterest end. All the same, the fact is there that the Honourable the Finance Member as a Member of the Government of India, now wants to vindicate his position before this House.

I do not propose, Sir, to go through very many questions. I would just take a few questions which affect the public at large and try to show that the additional proposals for taxation are not based on any sufficient grounds. Necessarily to show that, I will have to examine both our expenditure and our receipts. The receipts have fallen considerably and I do not think that they are very illuminating figures, excepting this that we are faced with a large deficit in the coming year. Now, Sir, what is responsible for this deficit in our budget? As every man in the street knows, our Army expenditure looms large in the horizon and is mainly responsible for this increase. About the military budget I shall explain my position in as few words as possible. Let us see what is the situation which we find around us to-day? The situation which confronts us, rather the situation, fortunately for us, before us is this, that the most powerful military power of modern times stands defeated and vanquished. There can be no suggestion that owing to German intrigue any invasion of India can take place. With our northern neighbour Afghanistan we have entered into a treaty of peace. There is no power in Central Asia left now from whom we can have any reasonable apprehension of any future invasion. Bolshevism lies prostrate at the feet of Western Europe. That being so, is it reasonable, may I ask, to suggest that because there may arise in the distant future any apprehension of danger from our North-West Frontier tribes, therefore we should keep the army not only in an efficient condition but in that condition which unfortunately is not commensurate with the money that we can afford to spend on it? Sir, going through the whole subject, I find that for this increased military budget two bogeys have from time to time been tried to be trotted out from end to end. The first is the frontier disturbance and the second is the maintenance of internal order in which are included the movements of troops. Now, Sir, so far as frontier disturbances are concerned, I make bold to say that, excepting the Afghan War of 1919, if you take an average period of 3 years preceding

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that year, I do not think that our border has been less turbulent than has been the case during the past three years. I do not, I may be allowed to say, disregard the Waziristan campaign, but as against it there have been a number of campaigns of a more onerous character from time to time in the past. No doubt the frontier tribes can give us trouble, but after all trouble can be met with trouble. If they have troubled us, they have experienced always more trouble from us. Our position is never actually in danger. Then coming to internal order I will submit, Sir, once for all that the primary function of an Army is to repel external danger. I say it with great respect to His Excellency the Commander-in-Chief that it is not the primary function of an Army to maintain internal order. The duty of maintaining that order, in the first instance, devolves on the police. If the police fail to discharge their duty, and I am glad to find that in this country the police have never failed to discharge their duty, then civil authority has a right to summon the military to its aid. Therefore, the plea that because there is danger of internal disorder, therefore we are entitled to commit ourselves to a huge military expenditure is a very hollow proposition. I must admit, Sir, that the movements of troops which have been necessitated during the past 8 months have unfortunately entailed a certain amount of expenditure, but there is no reason to suppose that what has been done during the past 8 months will repeat itself on a larger scale in the near future. I am convinced that our police, efficient as it is, is quite competent to deal with such local trouble as may crop up from time to time. Now I do not think it is necessary for me to give the figures of military expenditure. They are a matter of common knowledge. The military expenditure has gone up very enormously. In the year 1913-14 it was 18 millions sterling and in 1919-20 it went up to 41½ millions. It has since then stood between 42 to 44 millions with a tendency to go up. Now, Honourable Members will see that the expenditure during the past 8 to 9 years has much more than doubled itself. Is that a position on which we can congratulate ourselves? My submission is that it is not. I have already stated to the House that there being no danger of any invasion or of any aggression from any quarter, this is just the time when we should embark upon a campaign of economy and retrenchment. In fact the question is one which has attracted very considerable public attention in England. Whatever may be the view, and I am free to confess that I do not know what is the view of the military advisers of the Government of India on this subject, namely, whether we are entitled to embark on a campaign of retrenchment as a result of the late war, there is no doubt that the view taken in England is that for the next ten years there is no reason to apprehend any danger from any quarter. In the instructions issued to the Geddes Committee, whose Report as Honourable Members know was out only last month, it is clearly stated that the Committee will be required to submit its Report "on the assumption that no great war was to be anticipated within the next ten years, although provision should be made for the possible expansion of trained units in case of an emergency arising." That was one of the instructions that were given to the Committee. To me it seems that our position in India is much safer than the position of England, because we have not got the huge commitments which naturally fall to the lot of England. Sir, as was pointed out by one of the speakers, we are not required to spend anything on the Navy. Now, I ask Honourable Members to remember that the Navy of England is there to protect us. That being so, is there any reason why we should unnecessarily increase our military expenditure, though our safety is assured by

the naval forces of the Empire, of which we are a unit? On the question of retrenchment, Sir, the point that will naturally suggest itself to many Honourable Members is as to how we are going to economise. One of the suggestions thrown out by more than one of the Honourable Members who have preceded me, is that we can make a satisfactory retrenchment by Indianising the Army. The suggestion was that so many British soldiers should be replaced by so many Indian troops. That is one way, but, Sir, that is not the only way of doing it. The question arises as to what has been the effect of war on modern warfare and on modern weapons. If one soldier at present is as good as two or three soldiers of the pre-war period then surely a clear case has been made out for reducing the strength of our Army, both British and Indian. I do not say that we should reduce the British forces alone. If the interests of economy demand it, let us reduce both the British and the Indian forces. Now the question is this. It is unfortunately a question on which I am not in a position to express any opinion worth much, namely, what has been the effect of the war on the efficiency of our Army. I am sure, Sir, that the distinguished soldier who presides over the Military Department will enlighten us on this point. Now I invite the attention of Honourable Members to the Geddes Committee Report where the effect of improved modern weapons has been brought out and where it is explained as to what use a soldier can be put now, and whether he is not as useful as three or four soldiers were before the War. It says:

"The units also from the point of view of fighting efficiency are far more powerful than they were in 1914-15. Owing to the introduction of machine-guns the fire power of an infantry battalion is given as 6 to 8 times as much as it was before the war, and that of a cavalry regiment four times as much as it was before the war. The introduction of heavy artillery, gas, and tanks has increased the fighting power out of all comparison with the number of men engaged, and officers who are intended to increase the efficiency of the army, have increased disproportionately to the men. Moreover, there has been added to the Defence force of the Empire the very costly and highly specialised arm of the air. There will, therefore, be a far more powerful Army than we had before the war."

We can also say that we have got the nucleus of an Air Force in India and, in time to come, it will relieve a portion of our burden. Now, that is the latest authority, if I may be allowed to say so, on the subject. That being so, may I not suggest to the Government of India whether the time has not come for them to reduce the strength of the British officers and soldiers from 69,600 and odd to 46,400, that is by one-third? Apply the same principle to the Indian soldiers whose strength at present, as Honourable Members are aware, is 158,615. If you do that, you will get quite a decent amount to cover the lion's share of your deficit. This is the position, Sir, those are the facts. I do not think it is necessary for me to say more on the Army.

I will have a few words to say on other subjects. Very briefly stated, Sir, my position on the remaining part of the Budget is, that this is a Budget which taxes the poor more mercilessly than the rich. That is the main objection that I take to the Budget. Having worked out the figures I find that out of 2,165 lakhs, as much as 1,300 lakhs has to be borne by the poor and the balance to the extent of 865 lakhs falls on the rich. This classification of course I find with reference to the articles on which increased duties are proposed to be levied. For instance, I will say in a word that things like Salt, Passenger fares and Matches are not matters in connection with which the lion's share of the burden can fall on the rich. The share of the rich is denoted by Income-tax, Super-tax,

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Alcoholic liquors, Machinery and Sugar, if I may be allowed to include the last item in the list. That is the main fault that I find with the Budget. Now, Sir, the position is, what are we going to do? Going through the Budget I found that our working expenses on many of the Departments had steadily increased during the last two years. If we compare the accounts of 1920-21 with the revised estimates for 1921-22 on the one hand, and with the Budget for 1922-23, on the other hand, we will find that there has been a steady increase in the working expenses both on our commercial departments as also on our spending departments. On the other hand, the receipts from our commercial departments have not kept pace with the increase in expenditure. This is more or less of general application, but I will just note the important heads without going into the figures. My remarks apply to Railways, Posts and Telegraphs, Customs, Salt and Opium. We find that there is a steady increase under expenditure. This increase is represented by 20 per cent. to 89 per cent. in the working expenses without any proportionate increased income for these years. Now, that being so, Sir, I ask, are we to content ourselves, unfortunately for us, with this Budget or such portion of it as we may be able to swallow? The position is that it is not a satisfactory Budget, and I for one object, subject, of course, to my general objection, more particularly to the increased duty on Salt, to the additional Excise duty on Cotton goods and to the increase in the Passenger fares. Now, only one of these subjects calls for some remarks from me, namely, the question of the Cotton Excise Duty. The proposition has been very thoroughly discussed to-day, and I need not say much about that, but I would remind the Honourable the Finance Member not to forget that this question has got a very unfortunate history behind it. In the year 1894 this duty was levied simply because Lancashire thought that Indian goods would compete with its produce. That was clearly stated in the Council by the Honourable Mr. Westland, who was the Finance Member at that time. He stated:

'Her Majesty's Government, representing the supreme authority in the administration of India, and following the instructions of the House of Commons, have stipulated that if we are obliged by stress of finance to impose an import duty on cotton goods, we must deprive it of a protective character by imposing an equivalent duty upon similar goods manufactured in India, to the extent to which these enter into direct competition with goods imported from the United Kingdom.'

The whole subject has got a very unfortunate history and, therefore, every Indian naturally has a positive dislike for this duty. I am sorry, that the Finance Member has thought it proper to increase this duty. As has been pointed out, the duty should have been taken off; if that were not possible, he ought to have allowed the sleeping dogs to lie and not raised the duty.

One word more, Sir, and I have finished. I, for one, am not prepared to support the Government's proposals, especially with regard to the three items which I have indicated. Now, let us see what the Government's attitude on the point is. I must at once concede that Government have a right to expect all reasonable assistance from us in the present financial crisis, and I, for one, am prepared to help the Government as much as lies within my power. All the same, are Government justified in supposing that, because Members have chosen to enter the Legislature, therefore it is their duty to support the proposals of Government, whether good, bad or indifferent? Much more so is the case with regard to certain departments

which are never put to the vote of the Legislature, e.g., the Army and many portions of civil departments. Here, behind our backs, without our knowing anything of what you are doing, you increase your expenditure and, after increasing that and finding that your revenues are not sufficient to meet it, you bring it to us and say: 'You are our Councillors and you have entered these Council Chambers. Therefore, we hope you will be good enough to help us.' Sir, I submit that is not at all a fair proposition. If you really want to rely on us, take us into your confidence, lay the figures before us, put everything to the vote of the Council, put before us for vote the Military expenditure and also all other non-votable civil expenditure. It will be our duty to help you after seeing as to how many of the proposals for retrenchment which we may put forward you have carried out. Sir, that being the position I think it is a very one-sided arrangement, and the Government are not at all justified in coming to us and expecting us to do everything for them. If it is going to be a case of mutual confidence, let it be a case of mutual confidence; if it is going to be a case of convenient alliance whenever it suits the Government, then there is no reason why we on our part should not follow the same principle. I strongly object to Government getting all the half-pence and we getting all the kicks. (Laughter.) That arrangement is very, very unsatisfactory, and I must say, Sir, that if this Budget does not commend itself to the Legislature and is thrown out, the Government have nobody but themselves to blame for the manner in which they have been treating the Legislature ever since the Members chose to come here.

HIS EXCELLENCY THE "COMMANDER-IN-CHIEF: Sir, I do not propose to take up the time of the Council this afternoon by repeating what I said yesterday in another place. But there are one or two points in connection with this discussion which, I think, it is right that I should mention in this House; and although I do not wish to detain you longer than I can help, I will also endeavour to meet the considerable volume of criticism that has been launched at the Military expenditure, both in this House and elsewhere.

Briefly, I endeavoured yesterday to point out the attitude of the Government in reference to this Military expenditure. One Honourable Member, Sir, this morning has referred to certain discussions that must have taken place between myself and the Honourable the Finance Member in coming to a conclusion as to what the figure of the military budget should be. I think I may tell him without revealing any secrets that those discussions have been very ample, have been very thorough, and, I may say, have been very cordial on both sides, with the result that the figure that you now see before you is the one that has been adopted by the Government as a Government, and is laid before the country for that reason. I have used every possible endeavour to cut down Military expenditure to the lowest possible limit. I had hoped that, in presenting the figure to the Assembly this year, we might have shown a considerable reduction on that which we presented last year. But circumstances have been against us. We have had to confront, to our disadvantage, a considerable rise in prices and extra expenses on the Railways and elsewhere, as well as higher charges from Home which 12 months ago we could not anticipate. The economies, therefore, that I had meant and agreed to carry out, which would have shown a reduced budget figure this year, have, I am sorry to say, been swallowed up by expenses that could not be foreseen. After going into every branch of expenditure most thoroughly, it has been borne in on me, and I am afraid there is no disputing it,

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that, though we may by strict enforcement of economy be able to reduce the figure next year to some extent, no big or drastic or large reduction can be effected in the budget figure unless we proceed to cut down actual fighting troops. At the present juncture—and I lay emphasis on the fact that in all the remarks that I have made on this subject I have referred only to the present time—my opinion, as the Military Adviser of the Government, is that we cannot make a reduction in fighting troops. And that is because the position in which we find ourselves, both as regards the internal situation in India and the situation on the frontier, is not one that gives such confidence in the stability of the whole situation as to warrant us basing on it a policy of reduction. When circumstances improve, when the internal situation gives less cause for anxiety than it does at present, when the position on the Frontier is less threatening than it is at present, when the Treaty that we have signed with the Amir has been in existence a little longer than the two or two and a half months which is now its age, then I am quite prepared to consider the possibility of adopting some of the suggestions which have been made by Honourable Members, both in this House and in another place, for making reductions in the fighting strength of the Army as a whole.

Several Members have made a distinct reference—I might almost go further and say that they have made severe criticisms—regarding the policy that has been adopted in Waziristan. This is not surprising in view of the expense that it has led to in the last Budget and in former years; though I think the total figure which one Honourable Member quoted of 25 crores in the last four years is not one that we can accept as accurate. I will leave that point to be dealt with by the Finance Member. I would say one word in reference to Waziristan. Many of our critics seem to think that the Army has gone into Waziristan on a sort of filibustering expedition, with a view to gain honour and glory. I see some Honourable Members nodding their heads when I say this. I desire emphatically to repudiate any such suggestion. We, the Army, have been forced to go into Waziristan much against our will, in order to protect peaceful inhabitants within our own administrative border. There is no more unpopular service in the Army to-day than service in Waziristan. I do not know whether many Honourable Members have had the good fortune to visit that country. I am sure, if they had, they would sympathize with the officers and men whose unfortunate duty it is to serve there. I repeat that we have been forced to go in in order to protect our own subjects within our own administrative border against the constant and vicious and vigorous raids of the Mahsuds and the Wazirs from beyond the frontier. If someone else would take charge of these turbulent tribesmen, if someone would transport them to some other area, or even if they would agree to cease these raids and depredations upon our own peaceful inhabitants, no one would be better pleased than the Army. But we are bound as a Government to give protection to those of our subjects who live within our own administrative border. I say that is a duty of the Government, a duty which that Government must fulfil if it is going to deserve the term Government. We have entered on this policy in Waziristan in order to protect our tribes; and instead of remaining on the defensive within our own borders on a frontier or over an extent of frontier of some 300 to 400 miles, we have tried to suppress the disease at its centre, and so far we have been successful. I have referred to this, because I cannot help feeling that there is some misapprehension

in the minds of Honourable Members as to the reason for our policy and for the expenditure which we have had to incur. I say that we can look forward to considerable reductions in this direction during the coming Budget, in comparison with last year. No doubt if our relations with Afghanistan continue to be as good as they are at present, and if the Treaty that has been signed matures in the way that we hope it will, it will be of very material assistance in our frontier policy and in the maintenance of law and order even in the Passes and in the borders of Waziristan.

I will pass on now to the internal situation. When I see a state of affairs in internal India to-day, in which I am constantly, almost daily, called on to send troops to reinforce the Police in order to maintain law and order, when I see the unrest in almost all parts of India, and when I remember also the trouble that we had in Malabar in suppressing the Moplah rebellion, I cannot bring myself to recommend a reduction in our fighting troops. It has been suggested by some Member that it is not the duty of the Army to maintain law and order and to suppress internal disturbances; I quite agree. But when your Police are either not sufficiently numerous or not sufficiently trained to maintain the law within your own borders, it is inevitable that the Military should be called in to support it. It is not, again, a duty which the Army is intended for, nor is it one that should in actuality be charged against the Army Budget. The maintenance of law and order and the forces necessary to enforce them should be charged against the Provincial budget. But one can understand, when one looks at the financial position of the provinces, that they rather encourage the Army to support the Police. I say again that the Army dislikes this particular duty, and would be very glad if it were possible to get rid of it.

Now, there have been many criticisms by Members of this House on Army expenditure. One Honourable Member insisted on saying that the Military expenditure was 50 per cent. of our revenue. I cannot subscribe to this view, for if the percentage is to be calculated for purposes of comparison with other countries, it must be calculated upon the revenues not only of the Central Government, but of the Provincial Governments as well, and if those two are combined, I think you will find that the percentage of Military expenditure is only a little over 30 per cent. The same Honourable Member described our frontier policy as 'aggressive.' I think from what I have said of Waziristan, it will be clear that I repudiate the epithet 'aggressive,' as we have only undertaken these operations by force of necessity. Another Honourable Member suggested that I was a bit flattered by the amount of attention that the Military Budget had attracted. I am not quite sure that it strikes me in that particular light, though perhaps it might strike him (A voice: 'No, no').

Another Honourable Member referred to the desire for developing the Territorial Forces, a suggestion which I cordially accept. It is a development which has been carried into effect during the past year, and which we intend to proceed with during the coming year. We have already some nine battalions in being, and we have taken money in this year's estimate to raise another ten battalions. Some are getting on better than others. But we hope—and we hope with some confidence—that at any rate in certain areas in India these battalions will become eventually a success.

Another Honourable Member said—I am not quite sure whether I understood him correctly—but he appeared to be somewhat emphatic in saying that it was desirable not to reduce the numbers in the Army, to reduce expenditure. I entirely agree with him. That is really

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having your cake and eating it. It is a principle that I entirely approve of, and nothing would give me greater pleasure than to reduce expenditure. This is what I have been trying to do for the last twelve months, to reduce expenditure in the Army, and though I don't mean to say that I have got to the utmost limit that we can, I do say we have approached it very nearly.

Honourable Members have also referred to Indianisation, and in this matter I should like to make reference to a phrase that I made use of in a speech yesterday in another place, which has, I gather, been misinterpreted by some Honourable Members. I made the following remarks in connection with Indianisation and with India's progress towards Dominion status and self-government. What I said was:

'In company with other departments of the State, the Army must eventually be Indianised, but will it ever be possible either in the Army or in the Civil Service to completely Indianise them and to wholly eliminate the British either in the one or in the other? I venture to think that it will be at least several generations before any such development can actually take place.'

I went on to say that we were making a beginning in the case of the Army, and were starting schools for the education of young Indians. Now I understand that my remarks have been misinterpreted as meaning that the Government of India propose to defer the policy of Indianisation for many years. It was far from my intention to convey this impression. On the contrary, I am endeavouring loyally to carry out the policy of the Government of India, with which I am in complete accord, to substitute the Indian for British officers in the Indian Army as rapidly as is possible, consistently with the efficiency of the Army, for which I am responsible. All that I meant to convey by my remarks, which in this connection were an expression of my personal views, was this, that I do not believe that India will wish for several generations, if indeed ever, to deprive herself entirely of the services of British officers, both military and civil, who have done in the past, as they will assuredly do in the future, great work for this country, to which so many of them have devoted the best years of their lives. (Hear, hear.)

The HONOURABLE SIR DINSHAW WACHA: Sir, it is no doubt a matter of profound regret that the financial condition of the country at this moment should be so parlous as to evoke a public cry the echo of which we have heard in this and in the other House. But as far as the deficits are concerned, I am trembling now, particularly after the remarks which were made by the Finance Member in his speech, that the deficit of the nature of the current year might continue not only in the coming year but for some years together. That remark points out that our financial position has greatly deteriorated, particularly in the last four years, say from 1918. That being the case, I do not know where the finances of the country may drift to. It may be that we are perhaps on the brink of what I may call a Niagara of deficits in the future; and the question is, whether it is possible for us to stem the tide, the floodgates of which are now burst open, or to sit with folded hands, and agree to everything that Government may propose in order to meet those deficits. Governments in every country no doubt often find themselves in that awkward predicament in which the Indian Government has found itself to-day. Whatever may be the condition in the present day of Central Europe, we, at least, in India, have escaped all those ravages and devastations that have gone on during the war. India suffered absolutely nothing so far as the war was concerned; rather I should say and I wish

my friends here, the non-official Members, to remember that it has benefited a great deal by the war, not only economically, but in other respects. Where would India have been but for the Navy; where would India have been but for the way that England and France fought together side by side with our brave Indian troops to put down that bastard Imperialism which had threatened to sweep away the great civilization which the world acquired within the last 50 or 100 years? The fact is this, that were it not that England, the Home of Freedom, was fighting on the borders of France, and shedding the blood of millions of the flower of her sons, India would not have been saved. What would have happened had India been whirled into the vortex of the war? What might have been her condition to-day? I ask again my non-official friends to remember, accurately, impartially and justly, whether India is not to-day in an infinitely better position in every way on account of the war, because it has escaped all the horrors, the devastations and the costly expenses from which all Europe has suffered. On the other hand, it is well known, as the favourable balance of trade showed, that during the war period India gained, gained ever so much, that in the last two years following the Armistice there was a boom, boom in industrial concerns, boom in joint stock concerns and boom in other numerous concerns floated with a capital which mounted up, I believe, so far as my memory goes, to something like two hundred crores of rupees. Where did India earn all that favourable balance of trade during the war period and a couple of years after? Go back to the last ten years before the war. Could anyone assert that India would have gained so much in trade, ordinary, normal trade? No. I think I can challenge anybody who may say that India did benefit as much during the pre-war days, or even prior thereto. Therefore, India stands to-day in a stronger position so far as the economic benefits that accrued from the war. If her financial condition has of late unfortunately received a rude shock there are no doubt causes for it. Those causes, I believe, have been very ably and lucidly put forward fully, frankly and courageously, by the Honourable the Finance Minister. There are two broad factors which have contributed to the present financial position of India—the internal factors and the external factors. We know what those internal factors are, particularly one which grievously affects us because of the famine of the previous year (1920), famine which always leaves its baneful aftereffects on the year subsequent thereto. All those conditions have to be taken into account. Other internal conditions are at present in the melting-pot. India is somewhat in a chaotic condition at present and has suffered and is suffering on that account. We must seriously take that element also into account. When we take all these things into our consideration and couple with them the distracted world factors, I for one am not surprised that there is such a very huge deficit. But, when I say that I am not surprised, I must qualify my statement by at least one remark, and that is this, that there has been going on for some years, if I may say so, an accumulation of small deficits. If Honourable Members will only closely study the financial statements of the last 10 years they will find one thing. I think my Honourable Friends, the Finance Minister and his Secretary, will correct me at once if I am wrong in saying that during the last few years expenditure has been allowed to out-run the revenue. That may be allowed in one year; that may be allowed in another year; but when it goes on year after year, I am afraid, Sir, we are inevitably driven to come to an impasse, and the day of reckoning must come. That day of reckoning has come upon us now. The cumulative effect of all these small deficits that have gone on for some years past has brought us to this stage, combined, of course, with the other factors

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to which the Honourable the Finance Member has referred. I should say that if the last 10 years' continuous revenue is taken, it will be found that, were it not for the railway surplus which it is the practice to merge into the general revenue account, we might have been in a very different state. I think I have calculated, of course I speak from memory, that from 1911-1912 up to 1920 the case has been this: if you deduct from the general revenue the railway surplus, you will find that in almost all the years there has been a material deficit. Of course, that deficit was not seen because of the merging of the railway surplus there. But if you deduct that surplus you will see in its nakedness each year's deficit almost. I do not complain of it. The dire necessities of Government were great, and, of course, they had to use that surplus, though I am one of those who for years past have been speaking about it as an unsound practice that the railway surplus should be merged in this general revenue account. My contention was that it should always be exclusively used for the development, further development, and extension of railways alone. Had that been the case, it is possible that the railway conditions might have been better and there might have been some alleviation of the congestion of traffic about which the public, specially the mercantile public, have complained. But that is not our concern to-day. What is past is past. I did not mean to refer to it, neither do I want to blame anybody. There is an end to it. There is, however, no doubt that this fact has added to the present dismal situation to which the Honourable the Finance Member has referred and which has obliged him to come before us with a very heavy bill of enhanced taxation. We very loyally submitted to the taxation of the current financial year which was about 19 crores. For the coming year, of course, it has gone up to 31 crores! Now, Honourable Members in this House, as elsewhere, have no doubt greatly objected to many of the items of this new taxation. Some of them object that there is a tax on Salt, a tax on Kerosine, a tax on Matches and one thing or other, which, of course, greatly affect the domestic economy of the masses, the poor masses. My friend, the Honourable Sir Arthur Froom, suggested in his speech that there are no poor masses at all or, if there are poor masses, as far as mill labourers are concerned, they are very happy and well-off. That may be. But even taking all the textile operatives, not only in Bombay and Ahmedabad, but in Calcutta and other places, including Madras, there is a large mass of the labouring classes who are poor and eke out their existence from day to day and who, during famine time, flock to the relief works in order, of course, to gain a little food and a little money.

THE HONOURABLE SIR ARTHUR FROM: But they do not work.

THE HONOURABLE SIR DINSHAW WACHA: It is not the case that they all do not work. Sir Arthur Froom is entirely mistaken. I admit at once that the mill hands in Bombay and Ahmedabad have latterly got so much increase to their wages that they do not, of course, attend to their work for 26 days of the month but for about 20 days. It is a fact that by working for 20 days they get more money than what they used to get before for 26 days. Their wages have been increased by hundred per cent. and more. But we are talking of India as a whole. We must not mix up one section of the labouring community, which is very happy, with the larger classes of labourers, the millions, who are eking out their daily subsistence. Remember also that we are just now in a good year with prospects of a rich harvest. Heaven forbid, supposing the next monsoon fails, of which, as we all know, we may not be too sure, what consequences may follow?

I think more than one Finance Minister has said before that as far as our finances are concerned, it is a "gamble in rain." That rain-gamble also goes to upset a great deal of the financial position of the Government. I say, Heaven forbid, if to-morrow there is another famine in the country, if not a general famine, famine here and famine there. No doubt the provinces are expected to find relief to a certain extent under the Reforms Act—what aid the Government of India will give to them when they come up to it for relief is another matter. When all these contingencies are considered I do say that, as far as the millions of the poor are concerned, the poor are poor. They are always poor from the days of the world. Their lot is the same everywhere, and it is not in any way exceptional to this country. But having regard to the fact that we have got our large mass of the poor, the question is whether a duty on Salt is expedient just now. I do not say about other taxes, but this Salt duty is one which is particularly hard. It has been said that it only comes to 3 annas per unit. I admit that statement. But that is not the only thing. Matches, Kerosine oil and other things all combined together go, of course, to swell the expenses of the poor. Many a mickle makes a muckle, and in the case of the poor this is all the more true. As my friend the Honourable Mr. Kale pointed out, there is local taxation and provincial taxation apart from Imperial. It may be very small but even this combined small taxation for the poor is too much and it adds, of course, greatly to the expenses of their domestic economy and brings them on the verge of hardship and inconvenience, if not semi-starvation. Therefore, I say that we have to look to the condition of these poor masses first; and in this connection it is said that the Excise duty on cloth makes it a great deal worse for them. Now, I am one of those who from the very beginning, when the Excise duty was first introduced in 1895 or 1896 opposed it, opposed it not only individually, but opposed it in my capacity as a Secretary of the Bombay Presidency Association. We sent long memorials to the Government of India of those days. I do still maintain that the Excise duty is most burdensome because it hits the poor. I have not known in the whole industrial history of Europe or America for a century and more that an Excise tax is put upon an indigenous industry, whatever that may be. Nowhere is it being levied and I should certainly be glad to be enlightened by the Finance Minister if he can inform us that there is a country in the world to-day where Excise duty of this character has been levied for years and years. Of course the mill-owners are flourishing and they agreed to the 3½ per cent. duty which has been levied for years. Now it is going to be increased. It may be that this additional 4 per cent. duty on piece-goods may not perhaps injure the mill-owners themselves, that is to say, the manufacturers; but it will certainly injure the poorer classes. As the Honourable Mr. Kale very rightly said the production of cloth is not materially increasing in India and the imports of Manchester cloths are diminishing year by year—I find it has reduced the import duties for the current year by nearly two crores of rupees. What then will be the effect of putting this extra duty on cloth which will be something like one anna per yard? The greater reason for which I fight against this Excise duty is this. Everywhere, even in the case of the income-tax, what do you do? You take the tax on an earned income. Here, it is not a tax on income, it is simply a tax on production, which I consider to be most inequitable. Suppose you grind and labour to produce ten thousand pounds per day, but if that quantity will not cover your cost are you to be made to pay a tax on the loss you incur? I consider that to be a monstrous thing. It is an inequitable tax, against which I have been fighting and fighting for years and against which I fight to-day.

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I say it is most unsound and unfair, and it is even worse than an income-tax, because you are asked to pay on your income. But here you are asked to pay on your loss. What I say is that, if by any means this additional duty is given up, it would be far better and I think it would create a great deal of contentment amongst the masses. Well, they have for the last few years been paying a rupee and a half for a pound of cloth for which they used to pay 8 to 12 annas before. In other words they pay now 6 annas per yard which sold previously for 2 or 3 annas. In this Excise duty upon cloth, of course the profiteers will put on their own profits, apart from those of the manufacturer, and the middle-man his, and last of all the small retailer. Thus, this Excise duty on cotton will eventually fall on the head of the ultimate consumer and, since everybody wants cloth, the burden that will fall on the masses will be exceedingly heavy. Therefore, I appeal to the Honourable the Finance Member and to Government to consider the incidence of the duty from the point of view of the poor Indian humanity. It will never do to see these poor people going without cloth. Many children go naked about the streets because we have the sun. Children in England could not do so. They may go without shoes but they cannot go without clothes. Here in India, where we have the sun almost always, owing to the climatic conditions children go about naked till the age of 5 or 7 years. All these are conditions which have to be taken into account.

Then, as to Salt. I need not inform Honourable Members that the salt duty was very heavy before Sir John Strachey in 1878 revised and equalised it for all India. In some provinces it was 3½, in some provinces it was 2½ and in some provinces it was 2 per maund. Sir John Strachey did the wisest thing by abolishing the big salt cordon which went round the whole country, and at the same time reducing the duty to a flat rate of 2½. That remained so till the Honourable Sir Evelyn Baring, who was afterwards Lord Cromer, the great regenerator of Egypt, as our Finance Minister, found our financial conditions so favourable in 1882 that the first thing he did was not only to free India from all revenue import duties except those on Arms, Ammunition and Liquors, but also to reduce the Salt tax. If India has since prospered exceedingly, it is because of that free-trade policy which Sir Evelyn Baring introduced, but which our Neo-Protectionists of the hour are now going to supersede. What would be the effect I cannot say, though, what Sir Ibrahim Rahimtulla, the King of Protection, acting as Chairman of the Fiscal Commission might recommend I cannot say. Coming back to the point of this Salt duty, I may observe that the Honourable Sir Evelyn Baring reduced it by eight annas. The Bengal Chamber of Commerce, I believe, and some other people said:

'This does not affect them much, it is not more than 10 or 11 annas per year per head; why do you reduce it, why do you forego it?'

The Honourable Sir Evelyn Baring gave a very good reply and I wish that every Member of this House, every Member of Government, will also remember that reply. He said:

'Eight annas per year even to the poorest man is very much. It gives him a dhoti or a lota.'

Now, if all this extra taxation on Matches, Kerosine oil, Salt and Cloth are taken together, it will make a very large sum. It will be more than eight annas per head, and you must consider what these eight annas and more per head will mean, especially if you also take into consideration

the diminishing purchasing power of the rupee. I admit that, as far as the purchasing power of the rupee is concerned, everybody is suffering. The Government themselves are suffering and I further admit that is also a cause of this deficit. But I do say this, that the Salt tax is a very burdensome tax for the masses and, if by any means the Government of India and the Finance Member could see their way to keep it at Rs. 2 or Rs. 1-8, that is only increase it by eight or four annas more, I think it would be a very great relief. The Finance Member and the Government of India would earn the gratitude of the masses. I do hope and earnestly hope that, notwithstanding that the financial conditions are bad, they may be able to find some other means, some other resources, wherewith to recuperate the reduction which they might make in the Salt duty.

Then, Sir, I wish to speak also on the subject of Machinery, Stores and other kindred commodities. Of course, the mill-owners are no doubt crying out against the taxation on these, and perhaps, it is natural. Everywhere there are what you call interests and interests, and every interest tries to protect itself. It is so in Parliament. In the lobby there during a Budget time you will find the railway interest tries to get as much relief as it can for railways, other industrialists do the same. The iron and steel manufacturers, the Lancashire manufacturers all scramble together, saying to the Chancellor of the Exchequer to reduce this and reduce that. It is human nature, but I do say that, apart from the mill-owners, we are now embarking on an industrial development of a very extensive character. In these circumstances, is it wise, is it expedient, is it financial statesmanship to increase these duties on Machinery very high, from 2½ per cent. to 10 per cent? That is too much, and I think that, if the Finance Member will only be content with taking five per cent. everybody will be glad. The same is the case with Stores and other articles which all go to increase the cost of production. The cost of production in one thing or another falls on the ultimate consumers, and the ultimate consumers are the masses. Therefore, the burden eventually falls to a large extent on the poor and, if the maxim of economists is true that taxes should be so adjusted that those who are most able to pay should pay the most and those who are least able to pay should pay the least, if that be the case, then I ask who are the least able to pay but the masses. Will you not do anything to alleviate the heavy burden of the masses? Why make them discontented? Sound finance is the bed-rock of national prosperity, and sound finance means that you must keep the masses contented and prosperous. That being the case, Sir, I would only appeal to the Finance Member and the other Members of the Government to see if they cannot find a way to reduce the Salt duty, to bring down the Excise duty to 3½ or 4 per cent. and also to make a reasonable reduction on Machinery and Stores. There is always a way to be found if one is sought. But I will no longer refer to this subject. Time is passing.

I wish however to draw the attention of Members to another matter. What will be the effect of this present heavy taxation—30 crores of additional taxation—supposing that it is imposed. What will be the effect on the country itself? Will you not be diminishing the ability of the tax-payer? And what is then to happen next year when there may be another deficit, as the Finance Member himself has forecast, when the ability of the tax-payer to meet his fresh demands has been reduced by the present taxation? The condition of India being what it is, while international trade and commerce remain in the present chaotic condition, I do not believe that we shall get out of this mire of deficits for the next five or

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ten years. Are we then to face a deficit every year? That is a very serious consideration and will require financial statesmanship of the highest rank from whoever may be the Member for Finance. We are entering upon a very troublous and parlous condition of affairs, and I think it will be wise and expedient on the part of the Government to see that the taxes are not imposed which will overburden the already greatly burdened tax-payer. You will break his back and then there will be no hope indeed. This is merely an adversity Budget. The adverse circumstances of the times have necessitated it. But if these adverse Budgets are to continue from year to year, and if taxes are to increase more and more, it goes without saying that you will materially diminish the ability of the tax-payer till at last he will be unable to meet any demands. Where shall we be then? Perhaps in the lowest depth there may be a still lower deep threatening to devour all. Is that a stage which the Government wishes to reach? I hope not. If this avalanche of deficits, if this Niagara is going to flood the whole country, we will be overwhelmed and swept away in the tide of financial ruin. During the last 50 years India has prospered. Are we going to make her more prosperous by encouraging her industries, manufactures and trade, or are we going to impose a crushing burden of taxation on a particularly unproductive kind which shall impoverish it? I would not have so much objection if the expenditure was of a productive character. But that is not the case. We have a large unproductive expenditure; and of this unproductive expenditure the military expenditure is the most unproductive. None can deny it. I am sorry that His Excellency the Commander-in-Chief is not here at present to listen to what I am going to say on it. He observed this morning in his speech that it is impossible to reduce military expenditure any further. He has reduced it to the irreducible minimum. But what is the cause of this expenditure? His Excellency further said that if the Provincial revenues were taken into account the percentage on military expenditure to the total revenue will be less. I am afraid His Excellency was not quite correct. I have some figures here for the years from 1911-12 to 1919-20. In those years Provincial and Imperial revenues were combined. The Provincial revenue has only been separated since 1921-22. But what was the net annual expenditure on the military for the seven years from 1911-12 to 1919-20? From the Parliamentary return of those years I find that the ratio of net military expenditure to net revenue was 69½ million pounds per annum. And what was the ratio during the remaining two years namely, 1919 and 1920? While the annual expenditure during those 7 years was 6·93 million pounds per annum during the two following years it was 11·7 million pounds per annum. What does that show? This only that the Army charges have gone up higher and higher. There are two matters about this military expenditure which have led onward and onward to the increase. One is continuous frontier expenditure. The other is the fatal Army amalgamation of 1859. India has cried aloud during the last 40 years about the second one. It is the one about which the Indian Government itself has written despatch after despatch to Secretaries of State. Lord Lytton, who was himself the author of what is called the 'scientific frontier', sent a despatch to the Government of England in 1878. Lord Lytton was followed by Lord Ripon and Lord Dufferin and others. But the question still remains unsolved. The War Office is absorbing a great deal of the revenues of India. Why, because of the amalgamation scheme? And what is that pound of flesh? Nothing:

but this, that India has been made an unwilling partner under that amalgamation scheme and is forced to pay huge sums for soldiers' pay, depôts and other matters. Professor Fawcett, who was a Member of Parliament and sat on the first Committee on East India Finance from 1871 to 1874, and who was a master of the art of cross examination, brought out from various army experts who were witnesses the unchallenged fact that the amalgamation scheme was at the root of the great mischief which Indian military expenditure was creating on the revenues of India. It was an amalgamation, as he said, of two countries, poor India and rich England. It is something like a partnership between two men, one with an income of £1,000 and another with an income of £20,000, the former being something in the nature of a sleeping partner with no voice in the business, but paying every pie that was demanded, just or unjust. The War Office calls for the tune and India has to pay the piper. That is the whole essence of the amalgamation! It is a contract between a poor man and a rich man, and the rich man quietly smokes his pipe and says to the poor partner, 'kindly foot this bill.' The poor partner does not know why he should pay; but all the same there is the partnership, and a contract is a contract which cannot be got out of; and in that way India has paid through the nose year after year from 1859 till to-day whatever sums demanded counting by hundreds of lakhs. Unless and until this amalgamation scheme which is ruinous and mischievous is abolished nothing that you can do will reduce your Military expenditure. But you will never be able to abolish this amalgamation scheme until, not only the Members of this Council and the Government, but the general public emphatically cry out against it and say that India can no longer suffer this amalgamation scheme to go on. Then only will your military expenditure be reduced but not otherwise, whether Waziristan is or is not evacuated and other Frontier activities cease. I tell you plainly and you will remember my words,—I am an old man nearly 80 years of age—and die to-morrow that, unless this amalgamation scheme is abolished, you will never get out of the clutches of the War Office which tyrant like keeps an iron grip on India. That is the position of India so far as military expenditure is concerned, and it is the one potent cause above all other causes. It is the root cause of the annual disturbance to our revenue.

I am sorry, Mr. President, that I have overrun my time, like the Finance Member who allows to overrun his expenditure. But I will now conclude by saying this only; I most earnestly appeal to the Government of India to do everything in its power to put an end to this ruinous amalgamation and to speedily put its financial house in order. I appeal to all the Members of the Government of India to put their heads together and see how far they can at least reduce this Salt duty and the Excise duty on cloth and give what relief they can give to the tax-payer. If no relief can be given then there remains one last resource which, though to be condemned on abstract economic principle, must be deemed as a practical expedient. The Honourable the Finance Member asks what is the use of borrowing? I admit that borrowing is a very unsound principle for meeting a deficit, but sometimes a desperate disease requires a desperate remedy. In that case leaving alone the Salt duty and other objectionable taxation, borrow 10 crores of rupees at 6 per cent. interest for 25 years. You will have only to pay interest to the extent of 60 lakhs of rupees every year, and if you will try to liquidate that loan in 25 years, you will have to set apart 40 lakhs more for reduction of the loan every year, say a crore in all from the annual revenue. That will be spread over 25 years, and in that way the financial troubles of the Government of India may

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be relieved and industrial development can be allowed to smoothly go on. Such an arrangement will make the people more contented and prosperous than they are and free the Government from all adverse criticism. With these remarks, I resume my seat.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, there are always two sides of the shield, and we who live in the Punjab near the frontier have to think differently. History will show that the Punjab has always been invaded and hundreds and hundreds of villages have been left without any population. It is true that for some time we do not see this. When there are some hardy nations who are now more or less taking up conscription, we have also to be alive to that. All the other provinces have never been invaded and the Members from other provinces have no experience of invasion, because each time the invaders have come they have come up to Delhi and stopped there. We have been the sufferers. It is for this reason, Sir, that I think the Army should be kept efficiently. There has been something said about amalgamation. If we had not gone from here and the Army in France and elsewhere in other theatres was not one, and managed by the same department, I think we would not have had the success. The Kut affair is very well known, the reason was that the news from India did not reach the place and the enemy was under-estimated. I think the Army as a whole is a thing that we want efficiently to be maintained. How can we do without it? Then again, Sir, take the Department of Education that is now started in the Army. It is the business of the Education Department to have these men educated. Hundreds and thousands of these men get educated in the Army, and that money is also added on to it. After all they are men in the Army. These are poor whose lands are not sufficient to maintain them. They require to live. If all these men were disbanded, they would have no means of living. It is also felt by the martial classes who have fought in the last war that they were taken away from their own professions and when they came back after hard fighting, they were put to trouble by being thrown out, being disbanded. On the whole I agree with the Budget, but there are one or two things, which, to be true to my constituency, I must point out. Some of them have been pointed out by the other Members. The most important of them is that the poor should not be taxed. One particular class of people have escaped taxation, and that is the capitalists and the money-lenders. We cannot tax them, because many of them do not show their accounts. They have got many sets of accounts, one for the Court, one for themselves and the other for departments. If every district were to sell standardised books and there are water-marks and the stamp on the paper and if it is insisted on that only those books should be allowed to be put forward in Court, and if such books as are standardised and sold, are produced before the taxation department it is then that you can tax them properly. Hitherto we the agriculturists have been taxed for them. Again, Sir, of course the Punjab and other provinces have been paying for Bengal which has got a permanent settlement. We ought not to pay for them. Let them tax themselves, if they like, for their own expenses. (Hear, hear.)

Then, another thing that is worth putting before this House is that the chaukidars, lambardars and policemen are low paid and they therefore have to live on the country. All the wrongs that they do are dubbed on to the Government, and this is one of the causes of discontent. If these

people are appointed by the local people themselves, then directly they misbehaved, they could be dismissed. Now, the dismissing authority is different and the appointing authority also is different and the people who are suffering have no voice in the matter at all. I think the more the people are associated, the better it will be.

Only one thing more I wish to point out. I refer to the tax on Machinery. India requires machinery and when it is only a young country in that respect to nip it in the bud is not a good thing.

I hope due consideration will be given to the suggestions put forward by the Members before the Finance Member. On the whole I think I can congratulate the Finance Member on the success of the Budget.

The HONOURABLE MR. E. M. COOK: Sir, I do not propose to deal in any general way with the criticisms which we have heard to-day. I only rise to offer a very few, brief and somewhat disjointed remarks in response to several requests that have been made for information. In the first place, the Honourable Mr. Lalubhai Samaldas has been in some trouble about these Railway annuities. He maintains, I think, that there is some discrepancy between the figures in the blue book and the figures in the pink book. I can assure him that the matter is perfectly clear and that the pink figures are really the same as the blue figures, if you look at them together. The Honourable Member will find, if he opens the blue book and the pink book at the same time, that the total annuity payment in 1922-1923 (page 2 of the pink book and page 303 of the blue book) is £3,357,500. Now, if you convert that at Rs. 10 to the pound, you get 3 crores and 35 lakhs; if you convert it at Rs. 15 to the pound, you get 5 crores and 3 lakhs. That accounts for the difference. Out of that 5 crores and 3 lakhs, 1 crore and 17 lakhs represents real capital payments, and the remaining 3 crores and 86 lakhs represents true interest charges.

The Honourable Mr. Lalubhai also said:

'What about this 6 crores that is appropriated in respect of interest on our paper currency investments?'

I should like to remove one slight misapprehension that he is under, and that is that it is not 6 crores in respect of the paper currency investments; it is roughly 3 crores. If he turns to the table on page 331 of the blue book, he will find that out of those 6 crores, about 3 crores, including the Exchange adjustment, is in respect of the excess assets of the Gold Standard Reserve about £40 millions. I don't wish to prejudge any discussion that may take place subsequently, on some other day, as to the merits of this appropriation; but I must point out that the effect of not making it would be that we should be borrowing from the Gold Standard Reserve, and it is, I think, at least questionable whether that would be a proper solution of the difficulty.

I think one Honourable Member asked for some details of the 4 crores and 5 lakhs, which was mentioned in the Finance Member's Budget speech as representing the extra revenue which would be obtained by putting up the 2½ per cent. duties to 10 per cent. The estimate is as follows: 185 lakhs from Machinery; 110 lakhs from Iron and Steel and 110 lakhs from Railway plant, making up a total of 405 lakhs.

Another Honourable Member gave a figure of 25 crores as the total expenditure on Waziristan. The correct figure is 20 crores and 11 lakhs, up to the end of the current year.

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[Mr. E. M. Cook.]

I think the only other point I need trouble the Council with, at this late hour, is the Honourable Mr. Sethna's remark when he suggested—or so I understood him—that some of our accounts are kept on a 1s. 4d. basis and some of them on a 2s. basis, and I rather got the impression that he was not quite satisfied that there had not been a little concealment somewhere, more particularly as regards the true Military expenditure. This budget has been called all sorts of names, but, except by my Honourable friend, it has not been called equivocal. The Honourable Mr. Kale has corrected the Honourable Mr. Sethna, to some extent, and has pointed out that the figures are all on the same basis. The accounts are on the 2s. basis, and an adjustment has therefore to be made in order to bring the Home charges back to the true market rate of exchange. In the case of the commercial departments that adjustment is made under the head concerned, but in the case of the non-commercial departments it is all lumped together under the head 'Exchange.' That has been the practice which has been followed for many years; whether it is a good or a bad practice I won't argue; but why raise this only about the Military expenditure? My Honourable friend might have raised it about any of the other non-commercial heads. (A voice: Particularly about Military expenditure). If my Honourable friend's observation is merely a request for information, then it is all right, but I hope that he is not making any suggestion that we were tucking away something which we would not like the public to see. If he looks at the figures of the Home charges given in the blue book, he will find that the Exchange adjustment on Military expenditure in 1922-23, which will be taken to the head 'Exchange,' works out almost exactly to 5½ crores . . .

The HONOURABLE MR. V. G. KALE: Therefore the Military expenditure is not 62½ but 68. That is my point.

The HONOURABLE MR. E. M. COOK: The Honourable Member put the point not so directly. I got the impression that he thought we had tucked something away somewhere. I now present him with the information that the adjustment is 5½ crores.

The HONOURABLE MR. V. G. KALE: Then the military expenditure is 68 crores instead of 62½.

The HONOURABLE MR. E. M. COOK: I think my Honourable friend's arithmetic is correct. Of course the same adjustment would have to be made for the current year, as also for past years.

I should like to have dealt with one or two other observations, but I do not wish to interpose between the Council and any other Honourable Members who wish to speak. I should, however, like to say that I don't admit that we could fund these deficits by increasing our borrowings. With very great respect to the Honourable Sir Edgar Holberton I don't admit that the Government have been too cautious as regards their ordinary annual borrowings. It is quite true that our rupee loan this year was 49½ crores, but he must remember that of that amount nearly 20 crores went to the discharge of war bonds, and about 5½ crores was lent by us to the Bombay Government, instead of their floating a loan themselves; so altogether only about 24 crores could be regarded as new money. We have entered 25 crores as our rupee loan this year, and also new sterling loans of £16 millions. I don't think, having regard to the state of the market for

Indian sterling securities, and to the fact that this year we have very few war bonds maturing, that my Honourable friend can fairly say that that estimate is over cautious.

(At this stage the Honourable Sir Maneckji Dadabhoy left the Chair.)

The HONOURABLE DIWAN BAHADUR V. RAMABHADRA NAIDU: Sir, it is unfortunate for us that we who are in the second year of our existence are asked to face a budget which is worse than the previous one.

The Council must be doubtless aware that 87 per cent. of the population mainly depend upon agriculture. The Indian farmer is one that deserves sympathy from the highest to the lowest. The Indian peasant is

5 P.M. proverbially poor. He depends mainly on monsoon conditions and a single drought upsets him. He cannot boast of even one hearty meal a day. He toils day and night being wedded to the soil. His income is fixed. His condition is not in any way bettered. The increase of taxation proposed on Salt, Yarn, Kerosine Oil, Post and Telegraph, and Railways may heavily press on him. I would plead on his behalf that he must be left undisturbed. Ryots must be allowed to travel as formerly without paying the extra 25 per cent. railway fare which the Government propose to levy. Let them enjoy the privilege of writing upon the quarter anna post-card. Instead of constructing the costly strategic railways on frontiers, may I venture to suggest that it would be profitable to construct tanks to facilitate irrigation? It will not be out of place, if I mention that a network of irrigation schemes as pointed out by the great Engineer, Sir Arthur Cotton, would be an advantage to India.

It is a fundamental principle that Expenditure must not exceed Revenue. The Government well knew the financial crisis of India. It is a wonder how the Government of India recommended the general increase in the salary and allowances for all the higher services in India without bestowing any thought upon the limit of their resources.

His Excellency the Commander-in-Chief Lord Rawlinson declared the other day that he, as military expert to the Government of India, cannot advise them to reduce the Army from what he considers to be an irreducible minimum. Last year the Government increased the expenditure on the military from 40 crores to 62 crores of rupees. The increased expenditure may be said to be due to the reorganisation of the Army which was begun by Lord Kitchener and given effect to fully last year. A committee sat at Simla to inquire into the requirements of the Army. We are at a loss to know whether that committee was entrusted with the task of retrenchment also. Military expenditure is swallowing up more than half of our income. It has grown intolerably costly. Much money is already sunk in the unfortunate Waziristan. The little affairs on the frontier as they are called really cost us a mint of money. It is for the military experts to tell us when we shall get rid of this incubus. When Mr. Geddes is able to show an appreciable reduction in the Army expenditure in England, is it not open to the Government of India to pronounce what amount could be reduced in the budget for the Army?

It passes one's comprehension that His Excellency the Commander-in-Chief with all his efficient Army could not put down at once the rebellion in Malabar. It is sad to reflect that he allowed it to last for many months and we have not seen the end of it yet.

Even as early as 1881 Lord Ripon whose Viceroyalty is enshrined in the hearts of India's millions and who, it must be remembered, had to face an

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Afgan War, the legacy of Lord Lytton's forward policy, and its concomitant frontier troubles, vigorously protested against an increasing Military expenditure. Writing to the Duke of Cambridge, Lord Ripon said:

'It is impossible for the finances of India to bear the burden of additional military expenditure. Every branch of our civil administration is already starved.'

When so long ago as 1881 it was found that Military expenditure had reached the limits of endurance by the people, I need not point out that its steady increase in the interval of 42 years which has elapsed, has gone beyond those limits, and no wonder that the cry for retrenchment is insistent and real. In this view I am glad I have the support of no less an authority than the 'London Times' which in referring to this year's budget says 'that the budget need not have been so large while India's military expenditure has become disproportionate to her Imperial revenue', and it urges the Government to terminate the forward military policy on the North-West frontier.

In saying this I am aware of the situation created internally by non-co-operation of which we have had a tragic instance in Malabar. I dare not suggest a sudden reduction in the strength of our Army, but may I not hope that means will be found and a programme will be adopted, as early as possible, for a gradual and a steady reduction in our military budgets, so that the burden may be eased though not at once, but in the course of a definite number of years?

After all, let me console myself that the additional taxation which we and the Government are forced to impose on the people, will not be a permanent fixture, but it will be removed soon after normal conditions come to prevail.

The HONOURABLE LALA RAM SARAN DAS: Sir, this Budget I am sorry to observe, is very depressing and very disappointing. It is the primary duty of Government to keep its subjects contented, happy, and flourishing. I think this new proposed taxation does not tend towards this object at all. It is a matter for great regret that the Reformed Councils should have started not only with an empty purse, but with a big deficit every year. These growing deficits have enhanced the difficulty which our Finance Member has to face in tackling the Budget each year. The manner and the way in which he has tackled the Budget this year and has kept the Government solvent is looked upon with great dismay and resentment in the country. I would strongly recommend that the Finance Member may kindly recast the Budget and give the Budget a toning-down effect. The root-cause of the present discontent in the country is economic distress, and, in case this economic distress is increased, I think Government will find more troubles than it anticipates. Military expenditure, of course, is enormous and a number of my Honourable friends have greatly dealt with this matter. His Excellency the Commander-in-Chief has said that the percentage of the Military expenditure on our total revenue is not 55 per cent. but 30 per cent. Even 30 per cent. is very high as compared with the normal times. I cannot understand and I think Sir Edgar Holberton and Sir Arthur Froom, who seem to have justified this high Military expenditure, have not convinced this Council regarding the necessity of keeping up this, I should say to a great extent, unnecessary expenditure. At present the European Army is all recruited in England and under the present system it has to be paid for at the rate of salaries which are paid in Great

Britain. India is a much poorer country and it cannot therefore afford to pay the wages which are current now in England. I would suggest that the European Army for India should be raised here and in that way I think a good saving can be effected. We have noticed that our Army expenditure has been constantly rising, and from 18 millions sterling it has now reached 42 millions. Of course, a great deal can be said on the point that, when other countries are increasing their armies, why should not India increase her armies? This competition, I consider, is disastrous in its effects, and for that reason a Conference was held at Washington which considered the reduction of armaments and the reduction of expenditure thereon. India, too, has, I am glad to observe, gone in that direction by coming to some terms with Afghanistan. We are, of course, liable to be attacked from Central Asia and in order to safeguard India, some Army is to be maintained. But in case treaties could be made with these countries, I think we can safely reduce our Army. New duties as now proposed are bound to retard the progress of our industries, and I consider that Government is adopting an inconsistent policy when it, instead of fostering the industries, gives them a set-back. India requires great industrial development and it is only through the industrial development that the country can bear higher taxation or raise more revenues than it can at present. Sir Arthur Froom has depicted the picture of a poor Indian differently and Sir Dinshaw Wacha has given a right reply to that. What I want to add to that is, that a number of harvests have consecutively failed and that India has thereby suffered very heavily. The cost of living has gone up very high and there is a large portion of people who find it very difficult to have a good living. There are famines in the country and a number of people die of starvation. Of course, India has gained by the great war, but that great gain I find is in the matter that Indian armies have fought side by side with their British brethren and have gained and enlisted the sympathy of the British Parliament and of the world at large. Excise duty on cotton piece-goods will be considered and will be misconstrued in various quarters. As the Honourable Saiyid Raza Ali has already quoted the policy underlying this Excise duty, it is not, I should say, proper. British people are for free trade, but in this way they are trying to resort to protection of Lancashire. The import duty on Machinery has been increased practically four times, and this fact will be taken by the public as a great step towards retarding the industrial progress, and I would strongly advocate that, in the interests of the development of the country, Machinery should be treated free. It has been said that this budget taxes particularly the rich and not the poor. I do not agree there. What I think is that the poor are being equally taxed and taxed heavily. Salt tax, increase in Railway fares, increase in Postage rates and particularly in the Post-card, will be a great hardship on them. His Excellency the Commander-in-Chief has explained that in Waziristan the operations were simply defensive and that they were not offensive. Well, it is a great consolation to know that, because at present the finances of our country do not admit of any offensive operations. I quite agree with my friend the Honourable Sir Maneckji Dadabhoy that, although he and I both are against the export duties, export duty on seeds, bones, minerals, oil seeds, coal, hides and skin and jute be increased in case the finances of the country demand them.

The HONOURABLE SIR MANECKJI DADABHOY: I did not refer to jute and minerals in my speech.

The HONOURABLE LALA RAM SARAN DAS: Very well, I add those items myself. What we see, Sir, to be the chief feature of the new budget.

[Lala Ram Saran Das.]

is an increase in import duties alone, but there is no increase in the export duties. I see no reason that only the imports should be touched and that exports should be quite free. The loss of 16 crores in Exchange is simply deplorable, and some efforts should be made to avoid this loss in the future. Of course, I cannot at this stage say whether a Gold currency in India is advisable or not, but I should say that some steps should be taken either by the introduction of Gold currency or something else by which such results may be avoided. One of the Honourable Members of this Council took Rs. 50 a month as the average income of an Indian. I disagree with him. I do not think our average income is even Rs. 30 a month. (Cries of 'Rs. 50 a year and not a month') I think you are probably right. My friend the Honourable Sir Umar Hayat Khan has cast a great slur on the commercial community by saying that they keep forged accounts or that they keep triplicate accounts for different purposes. I myself happen to be a zamindar as well as a business-man and I strongly resent that remark. Business-men keep more accurate accounts in their own interests than agriculturists whose accounts may or may not be kept so elaborately. The Honourable the Malik Sahib has also drawn the attention of the House to the fact that capitalists and money-lenders are not being properly or adequately taxed. I differ there also from my Honourable friend, who, for all practical purposes, is a capitalist himself, because he himself, as an agriculturist, has to deal with the big produce that he gets from his lands.

I am glad to learn from His Excellency the Commander-in-Chief that ten more battalions of the Territorial Force are to be added this year, but His Excellency has not shown us what corresponding reduction has been made in the ordinary forces when this new force has been added to our present forces. On page 321 of the Demand Estimates, under the head of increase in column 1, I find that the increase in the price of food-stuffs and other consumable stores over the scale adopted in the Budget of 1921-22 is one crore and 83 lakhs. As far as I know the forward contracts for wheat and other food-stuffs are being entered into at comparatively very cheap rates, so I cannot find any justification for such a big item being retained here. I hope that the Honourable the Finance Member will enlighten us on this point how the amount of 1 crore and 83 lakhs has been arrived at.

As regards the Air Force, of course I am not an expert in that direction, but, so far, we have not seen that we have gained very much materially by the introduction of the Air Force, and, in case the Air Force has to replace the ordinary Army, in case the Air Force is considered to do more work because of its easy accessibility to any place, a corresponding decrease in the ordinary strength of the Army ought to be made.

Of course it has been a great satisfaction to me to hear from His Excellency the Commander-in-Chief that, in case the new Treaties with Kabul and perhaps with other countries come into effect and are adhered to by the Governments with which they have been made, he expects to show a great reduction in his demand next year. Of course, we all wish that there may be peace in the land and that the other Governments, I mean the other countries in their own interests, as well as in ours, might agree to this humane proposal.

THE HONOURABLE MR. K. V. AIYYANGAR: Sir, I have little to add to what the non-official Members of this Council have said, but I want to add a few words on one or two points. His Royal Highness the Prince of Wales in his speech at Madras assured us that our voices are respected

in the Councils and they go to frame the policy of the Government. All right-minded gentlemen of the ruling race, who believe in the higher destinies of the Indians, are of the same opinion. Let us dismiss from our minds the silly outpourings of such diehards as the President of the Bengal Chamber of Commerce who has the other day tried to discredit the Government as influenced by Resolutions in the Legislature.

In examining the Budget that is before us we feel and hope that the Government will be responsive enough to consider favourably the wishes of those who are co-operating with them for working out the reforms with success and who are at the same time here for doing good to the country. The Budget that is before us is sure to press very heavily on the poor and also to wipe out the nascent industries of the land. In the face of hard facts no sophistry or threats can influence us to take any other view. Even the Secretary of State a few days ago has said in Parliament that India is a highly taxed country. Let us examine the difficulties of Indian textile merchants in the light of fresh taxation proposed, and in doing so I would be only adding to what the Honourable Sir Dinshaw Wacha, the Honourable Mr. Sethna, and others have said about them. The income-tax and the super-tax on the mill-owner comes nearly to half of his profits. Added to this a 10 per cent. tax is put on Machinery in case a new mill is to be started. And the *ad valorem* duty of 7½ per cent. on cotton manufactures works out to nearly 30 per cent. of the net income. Then there is the tax on advertisement. While the packet post containing foreign advertisements are allowed to be imported free of duty, the Indian merchants are handicapped by the heavy duty put on paper, etc., With the increase of Salt duty, Postage, Cloth, Kerosine, Match boxes and the increased Railway fares, the Indian mill-owner will decidedly have to pay a higher rate of wages to the labourer. Apart from the standpoint of the mill-owner, even if we take the standpoint of the poor people, as was pointed out by the Honourable Mr. Kale, the tax on cloth will be a very heavy burden on the poor. The Indian-made cloth is, as Mr. Sethna drew our attention to, used only by the poorer classes. Even in these days of Indian cloth boom very little margin of profits will be left, while in ordinary times this industry is bound to perish if this high duty is continued for years. With all these difficulties coal cannot be obtained very easily and it has to be imported all the way from England. Though no sympathy can be felt for the mill-owner who imports foreign yarns and weaves here, yet it should be said that that trade of the mill-owner with a five per cent. duty on yarns is doomed for ever. The Indian mill-owner fares this way and I need not dilate upon the condition of the poor people under this Budget. It is feared that the cost of living will nearly be doubled with the increase of the Salt and Sugar duty and a rise in the price of Cloth which the poor usually wear. The wishes of the representatives of the people should be respected when they emphatically protest against a tax being levied on two essential necessities of life—food-stuffs and cloth. The duty on Kerosine, Match boxes and the increase in Railway fares and Postage is also sure to press very heavily upon them.

The touchstone of the Reforms is the economic progress of the country; and if in the Reforms we see only very heavy taxation without corresponding benefits in the shape of improvement of education, irrigation, sanitation and industries, we have to agree even with the leaders of those who do not co-operate in running the Reforms. They seem to be justified in saying that the policy now followed is only a set-back to Indian progress and not an advance.

[Mr. K. V. R. Aiyangar.]

In the name of Exchange so much injustice has been done to our land. We do not want to have the prestige of an Indian currency, but we would like to have pounds, shillings and pence instead of rupees, annas and pies. If English notes and English coins are introduced into India, I think half the trouble in connection with Exchange would end.

The merchant community in our Presidency view the proposed rise in the super-tax as very abnormal, and they term it, in a telegram that was handed to me this morning, 'confiscation pure and simple.'

Provincial finance too is very disquieting. The lion's share that each Province has to contribute to the Imperial Exchequer is taken objection to. Lately in Madras an ingenious but uncharitable charge was made on the Councillors of the Imperial Assembly and of the Council of State, to the effect that they have not moved the Council to effectively reduce the provincial contributions only because they were actuated by a motive, that is, that we consisting more of Brahman Members did not want to place more finances at the disposal of transferred subjects in the provinces and thereby attempt to bring unpopularity on the non-Brahman Ministers. Let us dismiss it as a base, unfounded and silly charge. The Members of the Central Councils should be credited with the forethought, that even if it be not for demonstrating the efficiency of the Indian Members holding the portfolios of transferred subjects, at least for the subjects themselves they would have exerted themselves to put more money into the hands of the Provinces. We Councillors have the wisdom to foresee also that during the next elections, when the Nationalist party is sure to be in a majority, they will be subject to the same handicap as the present Ministers are in the finances, and so the system of taking heavy provincial contributions should be mended in the initial stages by us. As a matter of fact many Members in the Assembly and here have been exerting themselves in that direction. To come to the main issue in regard to provincial contributions. There is some force in the argument that only because there are the transferred subjects, the items considered to be of less importance. That little money has been allowed to be handled by the provinces. The authors of the Reforms anticipated that, if the provinces are allowed to have at their disposal the sum needed for their provinces, the Ministers would spend the money and would not support taxation to pay for the Imperial revenues. There is no doubt that the transferred subjects are starved and that the pruning knife has to be applied to cut them even below the level of the pre-transferred period. A Madras Minister has been telling us the other day that he had to cut short much of the necessary items of expenditure.

The HONOURABLE THE PRESIDENT: Order, order. The Honourable Member must get closer to the Budget.

The HONOURABLE MR. K. V. R. AIYYANGAR: At present both Provincial and Imperial Finances are in a very bad condition. I do not lament the loss in the Excise revenue from drinks or the loss due to the curtailment of the imports of foreign goods. Both these are *highly beneficial* for the moral and economic progress of India, and in course of time the Government as well as the representatives of the people have a duty to perform in seeing that these two items of income are wiped away from the Indian Budget. It is no doubt a large sum and the financiers of Government should vigorously work out the other sources of taxation, but I repeat it is their duty to see that these two items are not counted upon at all.

In such abnormal times as this it can be pertinently asked whether the Government cannot postpone the expenses contemplated to be incurred on Railways and other items that consume much of the capital expenditure. Here I acknowledge the force of the argument raised by the Honourable Sir Dinshaw Wacha that the Railways are paying concerns and we should not reduce the expenditure here. If we cannot reduce expenditure in that direction, then there are other items. Why not give effect to what the Honourable Sir Dinshaw Wacha has suggested in his speech of saving a crore, and spreading the savings for over a period of 20 years to save this huge deficit? During the war Railway and other items were curtailed and in this year of our abnormal deficit we should copy the war-time budget and curtail these items. When the country is enjoying peace I echo the sentiments of many that the Military budget also should be cut short. I do not blame the Commander-in-Chief or the Honourable Sir Malcolm Hailey for having such a huge budget for the military. But if we are to probe into the facts of this matter, we should find that the whole deficit is due to the working of the Esher Committee Report. It is due to that enemy of Reforms. He is not here and I do not know whether I am permitted to say it, but Sir Michael O'Dwyer, who was responsible for drafting out the proposals of the Esher Committee, is responsible for this huge deficit.

Why should all the deficits be covered by fresh taxation? We may vote for a deficit Budget and also cover part of the deficit by the flotation, of a loan. I am sorry that we cannot be a party to this heavy taxation, and we decline to be made a tool for this purpose. It is not only that the country will pounce upon us for co-operating in the dirty task, but it is against our conscience. As it is we should throw out the Budget and respectfully request our Finance Minister to substantially amend the taxation and save the country from famine and chaos, which would be the inevitable result of the Budget as it has been presented to us.

The HONOURABLE SIR MALCOLM HAILEY: Sir, the preparation of a Budget is at any time no light task. But the preparation and the presentation of a Budget in a year such as we have experienced—a year which has been described as exhibiting the deepest depression in trade for a hundred years—I say the presentation of a Budget in such a year presents a task full of anxiety, full of difficulty, full of heart-searching, for Government. Yet such a task has its alleviations. It has at any rate had such alleviations for me to-day, when I have listened to the remarks and the criticisms of this Council. The Council, as I anticipated, has fully recognised those difficulties; it has not failed to express some measure of sympathy with Government in the very abnormal and unusual circumstances which we have had to face. Not only so, but the Council has realised that it is a problem in which we need the assistance of its co-operation, and its constructive ability. The Honourable Mr. Lalubhai asked whether or not we need its advice. Need I reply to that? We welcome not only its advice, but also its practical suggestions, for many of its Members are men deeply versed not only in current finance, but in the problems which have attended the financial history of this country. I know that many Members have felt it incumbent on themselves to criticize us severely; they have indeed spoken of the Budget in epithets that I have not hitherto seen applied to it elsewhere. It has been called reactionary, retrograde and impossible; it has been said that certain parts of my proposals are an insult to the intelligence of India. One Member, if I have not misunderstood him, even suggested that to vote some of my projects of taxation would be a dirty task. But I am far

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from resenting such terms, for I know that those epithets are only used in order to add impressiveness to the criticisms which have been made.

I have conceded that this Budget has been treated by the Council to-day in the spirit in which one would wish to see a serious and responsible Assembly treat a problem presenting such overwhelming difficulties. In dealing with the causes which have produced the deficit of the current year and of the three previous years, they have not, as others have done, charged Government with running a rake's progress with unthinking profligacy for a long series of years. They have realised that our deficits in the past have been due largely to abnormal circumstances. They have not forgotten that in the accumulated deficit of 90 crores, which now weighs so heavily on us, are to be found not less than 28 crores due to the Afghan war, and a further very large sum due to frontier expeditions. They have also realised, I am sure, that in that same amount is included large adjustments on account of war expenditure in the last two previous years. They will have realised, I am equally certain, that part of that deficit is due to the effort which India made to assist Great Britain in the great war owing to the high interest charges involved in financing the free grant of 100 millions which India contributed to Great Britain in her difficulties. If that is one of the causes of our present condition, it is not dishonourable to India. (Hear, hear). It reflects no condemnation on the financial management of this country. Sir Dinshaw Wacha, in analysing the cumulative deficits of the past years said that for many years (over ten years in fact) we had really been working to a net loss, in that we had depended on the profits we were making from our Railways to equalize our expenditure in other directions. As a matter of figures that charge is true; I admit it that we have consistently added the Railway surplus to our general expenditure. I know his feelings on the subject; but I would ask him whether India at large was during those years prepared to accept the proposition that we should not add on to the general revenues the surplus profits from Railways. I think that in spite of the criticisms that have now been levelled at us in regard to that side of our financial policy, yet at the time India at large was thoroughly convinced that our action in taking the profits of Railways to our general revenues was justified. As for the deficit of the coming year and of the year which is passing away, that I think needs no further detailed explanation or justification at my hands. It is very generally recognised that it is due to causes over which we have no control. It is due to the world depression of trade, to the falling exchange, to the losses we have incurred in working our great commercial departments. I would only ask the Honourable Members here present to realise that great as has been the increase in our expenditure of recent years, great and regrettable as it might have been, yet it is small indeed in comparison with the increase of expenditure of other great countries which have been through the world war. The expenditure of England is now 5 times what it was before the war. The expenditures of France and Italy are from 7 to 9 times what they were before the war. I mention this fact only as showing, if additional proof were necessary, that we ourselves would have found it difficult to escape in the present abnormal conditions of the world from a calamity which is common to nearly every other country, namely, a great and unavoidable increase in expenditure, together with the falling off in ordinary revenues.

Well, there the deficit is and the problem which has troubled us and has troubled the Council, is on what principles are we to act in the face of a deficit of this nature? Are we to leave it uncovered? Sir Maneckji Dadabhai suggested that it was not necessary to cover the deficit to the extent

we have suggested. I think, however, that after taking up that attitude, he showed a certain tendency to avoid standing by his conclusions. He asked us why we should attempt to cover our deficit, when England is the only country which has attempted a similar operation? Let me ask him on what analogy then is our finance to be based? Is our finance to be based on the analogy of the bankrupt countries of Central Europe or on the analogy of the country which has always stood highest in the world for its financial conscience and its financial soundness? I knew that the East does not always need to or wish to follow the West; but if it is looking for a preceptor in State finance, I think it can take no better preceptor than England.

But we have been offered an alternative suggestion. It has been put to us that instead of attempting to cover our deficit, we should be content to meet as much of our expenditure as possible from our loan operations. Now, on the 1st March I attempted to explain the great difficulties underlying a policy of that nature, that is to say, that if we are to meet our expenditure purely by extending our floating debt, that is, from accumulating fresh Treasury Bills, we might, even if we should succeed in raising the necessary money (a matter of grave doubt), easily provoke a crisis in the money market. At any particular time there may be a fresh and insistent demand for money, and if we were coming on the market at the same time, we might provoke a very serious state of affairs indeed. It is suggested, however,—I think Sir Edgar Holberton suggested this—certainly the Honourable Lala Ram Saran Das did so—that we should meet our expenditure from loans proper. My Honourable friend, Mr. Cook, has already explained the circumstances under which we have taken a sum of 25 crores as a reasonable limit for our Indian loan for next year. Although we should be glad to get more than that, yet I think it would be exceedingly unwise to rely on budgeting for a much larger loan in India than we have already provided. Honourable Members who have put forward this proposition, have at the same time limited it by certain safeguards. They have said that, given something like stability in the country, given something that would guarantee us against a prospect of serious disorder in India, then we can safely calculate on getting a larger loan. It is that guarantee and that proviso which in my mind constitutes the greatest difficulty. If we could be certain that the paralyzing effects of the agitation in this country would pass away, we might well assume that the loan market would be more favourable. But the Council knows, as well as I do, perhaps more intimately than I, what the state of the country is. Can we justly make those assumptions, and can we justly budget on them? If, on the other hand, we are right in taking the more limited view of the possibilities already described by me, then undoubtedly the whole of our loan would be required to meet the standing capital liabilities which I have described in my statement of 1st March. Nothing that is would be left for meeting the ordinary current expenditure of the year.

Then, Sir, if we put on one side that device, what is left? We have been told here that there is one way, and one way only, to meet this emergency that is, a serious reduction in expenditure. Now, just as when the discussion was carried on elsewhere, the attack has centred almost entirely on military expenditure, for the opinion seems to be that our efforts to retrench civil expenditure, (though I again assure the Council that those efforts will be sincere and will be pushed home to the best of our ability) would not make any substantial difference to us. It would in that case be left to us to attempt to meet our deficit by a serious reduction of military

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expenditure. Now Mr. Sethna referred to the possibility of our allying ourselves with those vituperative critics who are prone to condemn any attack or any criticism of military expenditure. I need not tell him that I am not likely to join those vituperative critics; I do not sympathise with them; certainly in so far as they are vituperative I dissociate myself from them. The Council knows to what I refer, and will take my meaning. But as regards military expenditure our justification in reply must be of the shortest. The Council has heard His Excellency the Commander-in-Chief on the subject; and Mr. Sethna referred also to my defence of military expenditure. For myself, however, I have left the explanation of military expenditure to the Army Member of our Government. I need not repeat in detail what he has said; but the point comes simply to this, that the Government, that is the Government as a whole, after the most careful examination of military expenditure came to the conclusion that no further economies of any importance could be effected without a reduction in combatant troops. Certain Members have spoken as though the fixation of the military budget consisted in a series of conversations, possibly amicable and possibly otherwise, between the Commander-in-Chief and the Finance Member. That is very far from the actual procedure adopted. The items of military expenditure are examined, the possibilities of reductions are explored by Government as a whole, and I can only say that Government as a whole has come to the decision that no serious further reduction could be made without reducing the present strength of the troops or seriously modifying the composition of the Army.

The HONOURABLE SAIYID RAZA ALI: That decision is wrong.

The HONOURABLE SIR MALCOLM HAILEY: Well, Sir, I am merely stating the decision we came to after the greatest deliberation, and if the Honourable Saiyid Raza Ali thinks that we were wrong, I can only bow to his superior judgment, which I am naturally bound to respect; but I am afraid that at present he has not furnished me with sufficient facts in order to allow me to put pressure on Government to alter their decision. His mere statement to that effect is not sufficiently convincing. Since Government has come to that decision, it is not competent for any Member of the Government to put forward his individual views; it is not competent for the Commander-in-Chief to express the view that the sum is entirely excessive, or for the Finance Member to urge that the sum is entirely insufficient. I have stated the full and considered opinion of Government as a whole, and by that decision we must stand. So, if no serious reduction can in effect be made there—and I must take that as an hypothesis for the present,—then we come to the means for meeting the deficit.

Now I think the House generally has agreed—I have heard very little against the proposition that I put forward—that the great commercial Departments must be made to pay for themselves. Members who have spoken have shown a strong dislike to the proposal that we should increase the rates of Postage and Passenger fares, but nobody has denied our main proposition that these Departments must not be run at a loss to the general tax-payer. As to the exact details—well, Sir, the details are always open to discussion and recasting. But I desire to hear what concrete proposals there are for making these Departments pay their way other than those we have put forward.

Then as to the proposed taxation. Our list of proposed taxes was long. That they should commend themselves to the country as a whole was, I

know, practically impossible. That they should have been welcomed by the Legislature—that again I know was hopeless. I can only say that we put them forward after the gravest deliberation, and in view of our necessities and nothing else. They have been objected to on two grounds—firstly, that they would add very greatly to the burden on the poor, and secondly, that in certain cases they were inequitable in themselves. Any tax on consumable articles must add to the burden on the cost of living; so much must of course be admitted. What I cannot admit here are the calculations that we have heard as to the extraordinarily exiguous income which now represents in modern circumstances the average income per head throughout India. Sir, if some of the calculations we heard to-day were correct, then I am afraid that a large number of people in India would, during the last 2 or 3 years, have passed entirely out of existence. It is quite clear that the current calculations as to the average income per head must be revised in modern circumstances. Given the general increase in average incomes, I cannot believe that an addition of 3 annas per annum per head on account of salt, however people may dislike it for political reasons, can in itself be regarded as excessive. Nor do I believe that if you take the huge number of people who travel by passenger train every year and divide that over the sum which we propose to get by the increased fares, then the addition would amount to a very heavy individual burden. However, there the fact remains. If you can give to us a more certain, a more equitable, a more evenly distributed way of producing the money, let us bear it, and we shall be only too glad to consider it; but, in the meanwhile, my proposition remains, that the money is required to cover the deficit and that it would be little short of disastrous to attempt to carry on without it.

Then there are certain items of taxation which have been attacked because they are unreasonable or unjustifiable in themselves. Of course the principal of these is the cotton excise duty. Now, Sir, it cannot be supposed that Government were for one instant blind to the long and contentious history of that tax. It cannot be supposed that Government entered lightly on my proposal which would be likely to alienate the mill-interests of Bombay and Ahmedabad and elsewhere. We know well what our obligations are to them in regard to our previous loans. We know how exceedingly difficult it would have been throughout the War and since the War to finance the country unless we had had their goodwill, their confidence and their trust in our financial stability. The reason, and the only reason, why we proposed to make this addition to the cotton excise duty was because we were raising the general import duty on cloth to 15 per cent., and we felt that the extra 4 per cent. which we are proposing to place on cotton excise would not in itself make any addition to price of cloth to the general consumer. I think I am right in saying that the prices of mill cloth are largely, if not entirely, based on those of the imported article. What would be the consequence therefore of raising again the tariff duty on the imported article and leaving the cotton excise alone? If I am correct, the consequence would have been simply that amount of extra profit to the mill-owner. The Honourable Sir Dinshaw Wacha, versed in these old controversies from the past, made a powerful appeal for the absolute abolition of the duty. May I ask him one question? Would the abolition of the cotton excise duty result to-day, or in any early period of time, in a reduction in the price of cloth to the consumer?

The HONOURABLE SIR DINSHAW WACHA: Certainly it would. No prophet is required to tell that.

The HONOURABLE SIR MALCOLM HAILEY: I still pause for a definite answer to that question.

The HONOURABLE SIR DINSHAW WACHA: My argument is that it is inequitable.

The HONOURABLE SIR MALCOLM HAILEY: The mill-owner naturally bases the price of his production on the competitive rates.

The HONOURABLE SIR MANECKJI DADABHOY: But you control them, if they go astray.

The HONOURABLE MR. SETHNA: What about competition between mill-owners themselves?

The HONOURABLE SIR MALCOLM HAILEY: There is very little competition. They are answerable for only 40 per cent. on the total cloth consumed. As for control I say Heaven help the man who might come before this Legislature and put forward a law suggesting that the mill-owners should reduce the price of their product to what we consider to be the proper price! Well, Sir, those are the grounds on which we hope to put that forward. Now, as to the alternatives that were offered to us, I again wish to acknowledge the fact that the Council has put its constructive ability at our disposal, to help us in the sore and difficult task which is before us. Well, Sir, Sir Maneckji Dadabhoy would, instead of raising the cotton export duty and the duty on machinery, on which so powerful an attack has been made from every quarter here to-day—an attack of which we must take account,—instead of doing that, he would raise the flat rate of company super-tax. That is a proposition, Sir, which will have to be seriously considered before the next stage in the annual Finance Bill. Then, again, Mr. Lalubhai Samaldas would reduce our liabilities by transferring to capital the sum which we now set apart from revenue for payment of railway annuities. He would also take the step which has been advocated in the press and elsewhere of ceasing to earmark to the paper currency reserve the interest on our paper currency securities. Those are two difficult propositions, the latter at all events of very wide import since it is one with which our credit with the rest of the world is somewhat wrapt up; and the House will not perhaps expect me to give a definite answer here this evening. Mr. Maricair would put an end to all our difficulties by removing the embargo on the export of rice. I do not propose to deal at length with his suggestion, because he was, I think, under some misapprehension as regards the figures. If I am correct, he has mistaken millions for thousands. In any case I would point out that there is no restriction at present on the export of rice from Burma and that the sole remaining restriction is in regard to export from India; the net amount of export from India is comparatively small. Sir Maneckjee Dadabhoy and Lala Ram Saran Das would both assist the position by export duties. Sir Maneckjee would put them on coal, on bones, on manures and even on wheat. Lala Ram Saran Das would add to this taxes on minerals, also on jute, forgetting, I think, that we have an export tax on jute already. Now, Sir, it was perhaps not very imaginative of us that we decided not to introduce any tax of an entirely new description. Export duties do not of course in themselves constitute a novelty. We have tea, we have jute, we have hides. But we did not wish to add to the list for we did not wish in any way to prejudice the decision on the issues which lie before the Fiscal Commission. We kept therefore to what some of my friends no doubt may consider the purely hackneyed lines; we took existing taxes and we proposed additions to them believing that before we enter into any large policy of raising funds by

heavily taxing our exports, we ought to wait the report of the Fiscal Commission.

Sir, I must conclude what I have to say regarding our budget and regarding the criticisms on it. But one point of substance remains. Lala Sukhbir Sinha put it to me that the most undesirable consequences will follow if I 'refused to budge.' Of course, it is not for me to refuse to budge. It is for Government to consider and reconsider, if necessary, the criticisms evoked by proposals which have been placed before the country. But leave that alone. What is to happen if Government refuses to alter its position? I am glad of an opportunity of referring to what Mr. Lalubhai Samaldas said in regard to an impression which had conveyed itself to him that we had yesterday adopted an uncompromising attitude—an attitude which implied that we would carry this budget through under our statutory powers at any cost; finally, that we had even gone so far as to say to the country—'If you do not pass this budget and every item of it, then, beware, for you won't get *Swaraj*.' Now it would be impossible for us to hold out any such threat. It would be impossible for us even to entertain language which might convey the impression of any such threat. I would remind my Honourable friend that the exact position which I had to meet yesterday was simply this—that not one, not two, but many of my critics had said to me—'Unless you reduce some substantial sum, such as 20 crores of rupees, from the military budget, we will wash our hands of the whole affair. We will throw on the Government the entire responsibility of every item of this iniquitous taxation. We will dissociate ourselves entirely from the whole proceedings.' Now, that was a definite statement made to us. The statement made to us was not that if we persisted in pressing our attempt to carry through any particular item of our taxation, the speakers would take the action I have described. The statement made to us referred particularly to a lump deduction of a heavy nature from the military budget. In discharge of my duty as a Member of Government, I had to say that Government had decided that it was impossible in the present situation to make any reduction of combatant troops, and therefore that I could hold out no hope of any such lump deduction from the military budget as has been asked for. I had to ask in consequence what would be the attitude in view of my answer. I felt it incumbent on me to add this warning. 'If you persist in it, if you persist in a policy of entire dissociation, if you say that the whole responsibility must rest with the Government, that they must carry through the rest of the measure themselves by exercise of their statutory powers, then I have to ask you what will be the effect of that action in regard to your aspirations for a speedy advance on the path of constitutional reform.' I held out no threat, Sir. If there was a threat, it was made to us. If there was a challenge, it was made to us. And, so far as concerns any answer given by me it was not a threat and it was not a challenge; it was simply—and I say this with emphasis—the advice of a friend, who has always attempted to promote India's advance on the path of constitutional reform; it was the advice of such a friend to those whom that advance is designed to profit; it was given in that spirit, and in that spirit only. (Hear, hear).

ADJOURNMENT OF COUNCIL.

The HONOURABLE THE PRESIDENT: Since there is no official business for to-morrow, there will be no meeting to-morrow. The Council is adjourned till Wednesday, the 15th, at Eleven of the Clock.

COUNCIL OF STATE.

Wednesday, the 15th March, 1922.

The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

QUESTIONS AND ANSWERS.

FINANCIAL POSITION OF THE DACCA UNIVERSITY.

111. * The HONOURABLE MAHARAJA SHOSHI KANTA ACHARYYA CHAUDHURI: (a) Have Government received any communication from the Dacca University in regard to the general financial position of the University?

(b) If so, what is the purport thereof, and what action has been taken thereon?

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: (a) The reply is in the affirmative.

(b) The Government of India have consulted the Government of Bengal. It is not desirable to disclose the contents of the letter.

SALARY OF VICE-CHANCELLOR, DACCA UNIVERSITY.

112.* The HONOURABLE MAHARAJA SHOSHI KANTA ACHARYYA CHAUDHURI: (a) Have Government received any communication from the Dacca University requesting them to contribute Rs. 2,000 per month towards the salary of the Vice-Chancellor?

(b) Have the Government of India entered into any agreement with the Vice-Chancellor of the Dacca University in regard to the terms of his appointment? If so, what are the said terms?

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: (a) The reply is in the affirmative.

(b) The Government of India have not entered into a formal agreement with Mr. Hartog, but after obtaining the concurrence of the Government of Bengal, they had agreed to the terms on which he accepted the post which he now occupies. The terms are:—

‘The appointment to be for five years in the first instance with the possibility of an extension for a further four or five years, provided that it would be open either to Mr. Hartog or to the Government of India to terminate the engagement after the first five years on giving not less than six months’ notice. The pay of the appointment to be Rs. 4,000 per mensem with a rent-free house, travelling allowances as recommended by the Calcutta University Commission, and a first class passage out to India and back to England on retirement. As regards contributions to retiring allowance, Mr. Hartog’s contribution would be fixed at 5 per cent. of his annual salary and that of the Dacca University at 10 per cent. The appointment was to take effect, and he was to draw pay, from the date on which he took charge of the office of Vice-Chancellor in Calcutta.’

EMBARGO ON EXPORT OF RICE FROM BENGAL.

113.* The HONOURABLE MAHARAJA SHOSHI KANTA ACHARYYA CHAUDHURI: (a) Has the attention of Government been drawn to a

*The Honourable Member was absent.

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recent debate in the Bengal Legislative Council on the question of the embargo on the export of rice from Bengal?

(b) If so, will Government be pleased to make a statement as to their present policy in this matter?

The HONOURABLE MR. B. N. SARMA: The Government of India have had under consideration the question of removing the restrictions on the export of rice from India which were imposed more than three years ago. Before these restrictions were imposed, it was customary for India to export her superior or special qualities of rice, while at the same time counterbalancing this export by importing comparatively cheap and inferior rice from Burma, with the result that ordinarily there was very little or no net export from India and no drain on Indian stocks. Representations have been received that the continuance of the embargo on the export of rice is having a prejudicial effect on the rice mill industry and would still further weaken her hold on the markets of the world. The last harvest, both in India and in Burma, was a very fine one; the price of rice in India last year never showed the same large rise which occurred in the prices of other food-grains, and it has now fallen considerably. At the same time, there has been a heavy fall in the prices of millets. The Government of India have, therefore, now decided to remove, with effect from the 1st April, all restrictions on the export of rice from India, but they desire to make it clear that, should this measure be followed by a considerable rise in prices, the question will be reconsidered. The existing restrictions on the export of wheat (including wheat flour) and of other food-grains and pulses will be continued in full force.

The HONOURABLE LALA SUKHBIR SINHA: May I put a supplementary question to this question? Do the Government propose to remove the embargo on the export of wheat after the end of March?

The HONOURABLE MR. B. N. SARMA: There is no present intention of interfering with the existing practice.

The HONOURABLE SIR ARTHUR FROM: May I put a supplementary question, Sir? Will the Honourable Member state whether this policy of Government on the embargo on the export of wheat has reduced prices in this country? I think the Honourable Member made some mention of this the other day. May I ask him to let me know what it was?

The HONOURABLE MR. B. N. SARMA: The question does not arise directly out of the rice question; but I may say that the price of wheat is still fairly high, especially in the Punjab, and the Government have reason to believe that the stocks are low and might have been higher but for the restrictions; and I think it would require very strong and powerful arguments to make them reconsider their position.

SLAUGHTER OF COWS AND CALVES.

114. The HONOURABLE LALA SUKHBIR SINHA: (i) Have Government any information as to the date from which the Resolution of the Calcutta Corporation to stop the killing of calves has been brought into operation?

(ii) Are Government aware that the Corporation has passed by 16 votes to 4, another Resolution on the 25th January 1922 to prohibit the slaughtering of cows in Calcutta?

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: (i) The Government of India have no information on the subject.

(ii) The Government of India have no information beyond what has appeared in the public press.

PRODUCTION OF MEDICAL CERTIFICATES FOR CASUAL LEAVE.

115. The HONOURABLE LALA SUKHBIR SINHA: (i) Is it a fact that in the office of the Deputy Accountant General, Central Revenues, Delhi, a medical certificate is required to be produced even for casual leave? If so, under what regulation?

(ii) Is it a fact that people are punished for absence on gazetted holidays?

The HONOURABLE MR. H. A. F. LINDSAY: (i) A medical certificate is not ordinarily required in support of an application for casual leave. If, however, a man absents himself on the plea of illness, a medical certificate is, as a rule, called for, when the absence exceeds three days.

(ii) In consequence of heavy arrears of work, it has recently been necessary to confine the holidays to those immediately concerned, e.g., the Moharrum holidays were granted to Muhammadans only. In these circumstances, and as leave is not a matter of right, those who absented themselves without proper excuse have been dealt with under the ordinary rule, i.e., the leave so taken has been treated as privilege leave or leave without pay.

QUARANTINE CAMP AT MANDAPAM.

116. The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: (a) Are Government aware that the Ceylon Government have established a quarantine camp at Mandapam in the District of Ramnad, Madras Presidency, for segregating the emigrants to their Colony?

(b) Are Government also aware that they insist on Indian passengers, even those who travel in upper class, going to Ceylon to undergo quarantine in their camp?

(c) Will Government be pleased to state if any action has already been taken for the needful relief on the representation made by the Government of Madras, on this subject?

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: (a) Yes.

(b) Under the Ceylon quarantine regulations every passenger, unless he holds the prescribed exemption or health certificate, is required to undergo quarantine at Mandapam.

(c) The Government of Madras have informed the Government of India that the matter is still under consideration with the Ceylon Government.

LIMIT OF CASUAL LEAVE IN CERTAIN OFFICES IN DELHI.

117. The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Will the Government be pleased to state the limit of casual leave allowed to the office of the Deputy Accountant-General, Central Revenues, Delhi, during a year and at a stretch, as compared with other offices in Delhi, e.g.,

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office of the Chief Commissioner, Deputy Commissioner, Chief Engineer, Deputy Accountant-General, Posts and Telegraphs, and Auditor General?

The HONOURABLE MR. H. A. F. LINDSAY: A comparative statement is placed on the table.

Comparative statement showing the limit of casual leave allowed annually, and at a stretch, in the several offices mentioned by the Honourable Member.

	At a stretch.	Total.
Chief Commissioner's office	10	20
Chief Engineer's office	10	...
Deputy Commissioner's office	15	15
Deputy Accountant General, Posts and Telegraphs' office.	4	12
Auditor General's office	no fixed limit	15
Deputy Accountant General, Central Revenue's office.	10	10

ABSENCE ON HOLIDAYS UNDER NEGOTIABLE INSTRUMENTS ACT.

118. The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIK: Is it a fact that absence on holidays under the Negotiable Instruments Act, viz., Mohurram, Holi, and Easter, etc., entailed loss of pay and forfeiture of leave to men in the office of the Deputy Accountant General, Central Revenues, Delhi, against the provisions of the Act?

The HONOURABLE MR. H. A. F. LINDSAY: The Honourable Member is referred to the answer given to-day to part (ii) of the Honourable Lala Sukhbir Sinha's question on this subject. The office arrangements referred to in that answer are in no way contrary to the provisions of the Negotiable Instruments Act.

WITHDRAWAL OF EMBARGO ON EXPORT OF RICE FROM MADRAS.

119. The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIK: Will Government be pleased to state when the embargo on export of rice from the Madras Presidency to Ceylon and the Straits Settlements will be withdrawn?

The HONOURABLE MR. B. N. SARMA: The answer given to question No. 113 covers this question.

SETTLEMENT OPERATIONS IN THE DISTRICT OF MYMENSINGH.

120. *The HONOURABLE MAHARAJA SHOSHI KANTA ACHARYYA CHAUDHURI: (a) With reference to the answer given in the Indian Legislative Council to question No. 3 (a) and (b) on the 14th September, 1920, in regard to the excess collection of the costs of settlement operations in the district of Mymensingh, will Government refer to the answer of the Local Government which has been since published in the Bengal Legislative Council Proceedings, and lay on the table a copy of the 'General Orders' of the Government of India under which the said excess collection was stated, by the Government of Bengal in their said answer, to have been automatically credited to Imperial Revenues?

*The Honourable Member was absent.

(b) Will Government be pleased to make a statement showing the amount of such excess collection from the different districts of Bengal, during the last ten years?

(c) Are Government aware of a general public feeling in Bengal that the amounts of such excess collection should be spent on objects of local public utility in the respective districts?

The HONOURABLE MR. B. N. SARMA: (a) and (b) The information will be obtained and supplied to the Honourable Member.

(c) As the excess collections, if any, are no longer credited to Central revenues, this part of the question does not require any action on the part of the Government of India.

TRANSFER OF ADEN TO THE COLONIES.

121. The HONOURABLE MR. PHIROZE SETHNA: Will Government be pleased to state: (a) If they are aware that the Aden Chamber of Commerce which had previously favoured the transfer of Aden to the Colonies has on January 30th 1922, passed the following Resolution unanimously:—

"This Chamber urges that an early decision should be come to regarding the future administration of Aden, as the present state of uncertainty is detrimental to the local trading and other interests. Further, in view of the extended period over which this matter has been pending, and considering the long and important connection of Aden with India in regard to trade, the Chamber is now of opinion that Aden should remain under the Government of Bombay, and that a measure of Self-Government should be given to the local tax-payers and rate-payers as regards Municipal and harbour affairs."

(b) If this Resolution has been conveyed to the Secretary of State for India, and, if not, will it be so conveyed by the Government of India?

The HONOURABLE MR. S. P. O'DONNELL (on behalf of the HONOURABLE SIR JOHN WOOD): (a) Government had no previous knowledge of this Resolution.

(b) A copy of the Resolution when received by the Government of India will be communicated to His Majesty's Secretary of State for India.

MOTION FOR ADJOURNMENT OF HOUSE.

The HONOURABLE THE PRESIDENT: I have received notice from the Honourable Saiyid Raza Ali that he desires to move the adjournment of the business of the House for the purpose of discussing the matter which he states in his letter. The matter stated in the Honourable Member's letter is:

'for the purpose of discussing the policy enunciated by the Government of India in their telegram to His Majesty's Secretary of State for India on the 25th of February 1922, and the consequences of its publication.'

As Honourable Members are aware the right to move an adjournment of the House is subject to certain restrictions. I shall invite the attention of Honourable Members to the restriction contained in rule 12, sub-rule (5), which runs as follows:

'A motion must not deal with a matter on which a Resolution could not be moved.'

[The Honourable the President.]

The restrictions on the moving of Resolutions are contained in another portion of the rules and I invite the attention of Honourable Members to sub-clause (1) of rule 23 of the statutory rules which runs as follows:

'No Resolution shall be moved in regard to any of the following subjects, namely:

- (1) any matter affecting the relations of His Majesty's Government, or of the Governor General or the Governor General in Council, with any foreign State.'

I have been supplied by the kindness of Government with a copy of the telegram referred to by the Honourable Member. The opening states clearly the object of the telegram:

'We feel it our imperative duty to impress upon His Majesty's Government the necessity for a revision of the Treaty of Sevres.'

I think the Honourable Member who gives notice must see that he is proposing to debate the revision of a Treaty entered into by His Majesty's Government, and that he will agree that it is a matter very eminently affecting the relations of His Majesty's Government with a foreign State. The first portion, therefore, of the Honourable Member's notice is out of order.

The second portion of the notice deals with the consequences of the publication of the said telegram. Now it is essential also under the rules which govern motions for adjournment that the matter stated should be specific. 'It must be a specific matter of recent occurrence.' The words used by the Honourable Member do not relate to a specific matter. No doubt the Honourable Member has in his mind the resignation of Mr. Montagu. As regards that matter, there is a Resolution on the paper to-day, of which notice was given prior to the receipt of his notice. Therefore in this respect he is restrained by the rule against anticipation in so far as his motion is not bad otherwise for lack of definition. I am, therefore, unable to put the motion to the Council.

The HONOURABLE SAIYID RAZA ALI: Sir, without in any way trying to impugn the ruling which you have been pleased to give, I would beg leave to say that through your indulgence and through the indulgence of the Government of India, we had in this very Council Chamber discussed the foreign relations of the Government of India and of His Majesty's Government in so far as they relate to the Khilafat question alone. I may point out that only on the 21st February 1921, we discussed a Resolution on this subject, and you, Sir, and the Government of India, allowed us to discuss it in which identical questions were involved. I do not mean to say that we as of right are entitled to take up the question which has formed the subject-matter of my motion, but I would beg leave to say that so far as precedent is concerned, there is considerable authority in my favour.

The HONOURABLE THE PRESIDENT: I have no recollection of the discussion of a Resolution which transgressed the ruling I have just given, but I am clear that any debate which transgresses the rules cannot be allowed.

PRIORITY FOR THE HONOURABLE SIR MANECKJI DADABHOY'S RESOLUTION.

The HONOURABLE SIR MANECKJI DADABHOY: Sir, may I make a request to give precedence to my Resolution? There are three other

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Resolutions on the agenda paper, and my Resolution is placed on the supplementary list of business. I have consulted the other Honourable Members in whose names the three Resolutions stand, and they have no objection to my making this motion. I have also consulted the Leader of the House, and he has also no objection to my making this motion.

The HONOURABLE THE PRESIDENT: The point raised by the Honourable Member is of some importance. The place which an Honourable Member has obtained in a ballot is, I must tell the House, indefeasible except with his consent. It is the only right and the only way by which a minority would ever be able to ensure an opportunity of bringing forward a Resolution. If the Honourable Member is correct in saying that he has obtained the consent of the Honourable Mr. Lalubhai, the Honourable Khan Bahadur Ahmedthamby Maricair and the Honourable Mr. Khaparde, I am prepared to put the motion to the House subject to the consent of the Government.

The HONOURABLE MR. LALUBHAI SAMALDAS, THE HONOURABLE MR. MARICAIR AND THE HONOURABLE MR. KHAPARDE: Yes, we have no objection.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: I have no objection.

The HONOURABLE THE PRESIDENT: The question is:

'That on to-day's paper priority be given to the Resolution standing as No. 4 on the list in the name of the Honourable Sir Maneckji Dadabhoi.'

The motion was adopted.

The HONOURABLE THE PRESIDENT: In result, therefore, the Honourable Sir Maneckji Dadabhoi's Resolution will be taken first on the list.

RESOLUTION RE: RESIGNATION OF THE RIGHT HONOURABLE E. S. MONTAGU.

The HONOURABLE SIR MANECKJI DADABHOY: Sir, I beg to move the following Resolution:—

'That this Council recommends to the Governor General in Council that he be pleased to communicate to the Secretary of State for India the sense of deep regret felt by this Council at the resignation of the Right Honourable E. S. Montagu and its warm appreciation of his signal services to India generally, and more especially in connection with the Reforms to which this Council owes its existence.'

Sir, I need offer no apology for moving this Resolution. I feel it is a task of duty, it is a task of obligation, it is a task which this Council owes to itself as the premier Council in India where the representatives of the people of India sit, to express its deep and profound sense of sorrow at the news, namely, the retirement of the Right Honourable E. S. Montagu from the office of the Secretary of State for India. Sir, I am echoing the sentiments not only of a majority of this Council, probably of all the Members of this Council, and also of the people of this country when I say that the news of Mr. Montagu's retirement has been received with great feeling and profound sorrow throughout the length and breadth of India. The news came upon the country as a bolt from the blue, and as far as I have been able to gauge the situation all over the country, at present there is one topic on the lips of every man, woman and citizen, that India has lost by Mr. Montagu's

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retirement from his office one of the most sincere and genuine friends of this country. Sir, I do not propose to enter into a discussion of the circumstances that have led to his resignation of the office of the Secretary of State for India. Probably, no useful purpose would be served by a discussion of that kind now. His resignation might be compatible with the collective responsibility of the Cabinet; his resignation might be compatible from the standpoint of Imperial interests; but I venture to state that his resignation is not compatible with the general interests of this country. This is not the time, nor the occasion, to deal with Mr. Montagu's many-sided activities or to give a history of his career, but I feel bound to state that it is the sense of this Council that in the long roll of illustrious Secretaries of State who have served this country, nobody has served this country better, nobody has served this country more faithfully and taken a more genuine interest in the progress and development of this country, than Mr. Montagu. Sir, in July 1917 when he was called upon to occupy this onerous office, every one knows of the state of excitement and dissatisfaction which prevailed in India. This country had expressed, and expressed in very strong terms, their condemnation of the administrative policy that had been adopted and pursued in this country. The whole of the Indian nation as a body had loudly cried out for reforms. The illustrious and the now famous memorial of the 19 Members of the Council had been already put forward before the Imperial Cabinet. And within a few weeks of his appointment came the famous Despatch of the 20th August 1917, which gave fresh hopes and which raised fresh ambitions in the people of this country. In pursuance of that announcement of policy, the Secretary of State, with his characteristic genius, his marked ability and his enthusiasm, set himself to work. He came out to this country, co-operated with the then Viceroy, collected first-hand information, and within a brief period laid before the country and the Imperial Parliament a remarkable sketch of reform which has now become a matter of history. Sir, had it not been for Mr. Montagu and had it not been for Lord Chelmsford, whose co-operation was willingly and cheerfully given, I say the present reforms would not have come into existence, and this Council in which we are sitting to-day would not have come into existence. Sir, I do not propose to speak to-day on the reforms enunciated by Mr. Montagu. They are now a matter of recent history. But we all know that it was he who gave one-fifth of the human race inhabiting this world the first act of civic freedom, the first instalment of political liberty, the first instalment, or contribution I may say, of self-government, which we may hereafter be able to attain and achieve in its entirety. Sir, it is thus, when we come to think of the numerous, varied and the signal services rendered by Mr. Montagu to the cause of India, his deep and all-abiding sympathy for the people of India, his constant care and anxiety to make India a contented partner in the Empire and his earnestness of purpose and his true devotion to duty, that we feel that we cannot allow this opportunity to pass without expressing our deep sentiments of sorrow in losing a Secretary of State of such conspicuous and glorious record and career. Sir, I do not propose to-day to discuss controversial matters which led to his retirement. It is advisable that on an occasion like this, we should abstain from criticisms which may be prejudicial to the country, and I speak with the language of restraint to-day particularly in view of the forthcoming Conference at Paris. At the same time, I am bound to mention, and I feel it obligatory on me to state, that the action of the Government of India in despatching the telegram which culminated in the unfortunate retirement of our beloved

Secretary of State was one that was wholly justified. I go further, Sir, and say that if the Government of India had failed to despatch that telegram, it would have been guilty of a gross dereliction of duty. The interests of this country, the interests of our fellow-Muhammadan subjects, the interests of peace not only of India but of the world made it necessary for the Government of India to have taken up that attitude, and whatever might have been its consequences from the Imperial point of view, I assert, and assert with all the emphasis which is at my command, that the action of the Government of India was a legitimate and proper one; and we are glad now to find that the Government has been earnest, and that it has done everything in its power to respect the Moslem interests of the country. Sir, there are one or two matters to which I shall make a brief allusion. This telegram, I feel, was justified. It was justified from a constitutional point of view.

The HONOURABLE MR. C. M. BAKER: I rise to a point of order, Sir. Is not the Honourable Member discussing the Treaty of Sevres and the foreign relations of the British Government?

The HONOURABLE THE PRESIDENT: He is approaching the discussion of the Treaty of Sevres. When he arrives at it I will stop him.

The HONOURABLE SIR MANECKJI DADABHOY: I say, Sir, that the telegram was justified from a constitutional point of view. India has been an original party to the League of Nations. India is a signatory to the treaty of peace. India is a signatory. . . .

The HONOURABLE THE PRESIDENT: Now, I think the Honourable Member is over the line.

The HONOURABLE SIR MANECKJI DADABHOY: If you will just hear me, Sir, I am not transgressing the rules. I will endeavour not to transgress any rule. I say that from all points of view the action of the Government of India was justified, and this Council would have held the Government of India responsible if they had failed to discharge that burden of duty.

Sir, there is one more matter to which I should like to refer. I only hope for the future of this country that the change of Secretary of State will not mean, or imply in the least, a weakening of that policy, which the Government of India has so nobly and so courageously followed in the past, of raising the people of this country from their former condition to a condition of equal partnership, of raising their political status and making this country self-respected, and helping it to take its proper place in the comity of nations. I hope, Sir, that nothing will be done to depart from a policy that has been laid down deliberately and with much wisdom, and which has now been embodied in the Government of India Act, and which has become, as I said, the Magna Charta of Indian liberty, Indian progress and Indian advancement, and regeneration. There is in the midst of all these clouds a little ray of silver lining, hope and assurance in the fact that the Premier, before leaving England for his holidays is reported to have said that so far as the Moslem feeling is concerned, it will be an important element to be borne in mind at the Conference in Paris. I will go further and remind the Imperial Government that whatever policy may hereafter be adopted, one thing should be borne in mind, and that is, that the interests of India are paramount, that India must be governed with due regard to the interests of the people, that all progress and all advancement in this country should be heartily encouraged and that steps should be

[15TH MARCH 1922.]

[Sir Maneckji Dadabhoy.]

taken gradually for the political regeneration of the people of this country, leading to their eventual emancipation from the form of government to full self-government within the Empire. I also hope that the exhortation given by Mr. Montagu on leaving the India Office that the British people should not permit their Government to vacillate or falter in the continuance of their Indian policy will be taken to heart and scrupulously observed by the people of Great Britain. We are dependent for our advancement and progress on the good-will of the people of England, and I have no doubt that, whatever reasons may have compelled Mr. Montagu's resignation, whatever political exigencies there may be that might have forced or accelerated his retirement from the office which he adorned, one fact must also be borne in mind by the people of Great Britain, that they will have to depend for the commercial prosperity of England, for the peace of Europe and for the name and prestige of Great Britain itself on the good-will and cordial friendship of the people of this country.

Sir, I shall not detain the Council any longer. I only wish to make a request that this Resolution is of great importance, and if my Resolution is accepted, the Government of India will telegraph this Council's profound regret to the Secretary of State and assure him that though he has left office, though he has officially severed his connection with India, the people of this country are extremely grateful to him for what he has done for them, and they believe and hope that from his place in the House of Commons he will still be able to render much greater service to the people of this country.

The HONOURABLE SAIYID RAZA ALI: So many and so varied are the services of the late Secretary of State for India to this country that I really find considerable difficulty in deciding as to which of them should be specifically mentioned in this House to-day. Sir, while associating myself with the remarks that have been made by the Honourable Mover of this Resolution, I must say that the activities of the Right Honourable E. S. Montagu, while as Secretary of State for India, have not only been confined to an improvement of the political status of this country in the direction indicated by the Honourable Mover of the Resolution, but there are many more services which can usefully be mentioned to the House. The great and honourable part which Mr. Montagu took in shaping and formulating the Reforms Scheme and giving it the ultimate form in which it was passed by the Houses of Parliament is a matter of common knowledge. His coming out to India at great sacrifice, devoting his time to listening to the addresses presented by the various deputations, and patiently discussing with the deputationists all sorts of schemes some of which contained crude and undigested matter are not matters for which we cannot but be grateful to the authors of the Reforms Scheme. We also know that, after the issue of the Report associated with the honoured names of Mr. Montagu and Lord Chelmsford and with the introduction of the Government of India Bill in the House of Commons, a Joint Committee of the two Houses was appointed and opportunity was given to the people of this country, as also to those in England who felt an interest in the question, to give evidence and make suggestions in order to improve the scope of the reforms. I feel it my duty to mention, Sir, that the Joint Committee in which Mr. Montagu took a very prominent part considerably enlarged the scope of the reforms. His piloting the Bill through the House of Commons with that consummate skill, all his own, has drawn the admiration of the Indian no less than the English friends

of reform movement in this country. Then, Sir, Mr. Montagu worked hard and succeeded in securing the inclusion of India as an original Member of the League of Nations. That is really a position of which,—whatever may be the opinion of a certain section of the people,—we Indians feel proud. That has very considerably raised the status of this country and given us a voice in the discussion of many matters relating to our welfare and progress as a whole to which we would not have been entitled to give expression if our country had not been a member of the League. In this connection I may also cursorily mention the grant of fiscal autonomy that has practically been conceded to this country . . .

The HONOURABLE MR. LALUBHAI SAMALDAS: No.

The HONOURABLE SAIYID RAZA ALI: I hope I am right when I say that the grant of autonomy has been practically conceded to this country . . .

The HONOURABLE MR. LALUBHAI SAMALDAS: No.

The HONOURABLE SAIYID RAZA ALI: I will repeat it and I do not think that my Honourable friend is right in contradicting me. If he believes his proposition is right I believe he will be in a position to support his statement by quoting chapter and verse. Then, Sir, another matter to which not much importance has been attached because the thing has been overshadowed by events of greater moment, was the appointment of Lord Sinha as Under-Secretary of State for India, and subsequently as Governor of Bihar and Orissa. I venture to say that, if that event had stood alone, if that bold departure in the line of Indian policy had been taken by any other Secretary of State for India, that alone would have been sufficient to entitle him to our gratitude. As it is, that is one of the many, one of the minor I dare say, important services rendered by the outgoing Secretary of State. I should also not forget that Mr. Montagu fought hard in the matter of securing to Indians in the Colonies and Self-Governing Dominions an equality of status with the residents of other parts of the British Empire. His services in this connection are too well known, and I do not think it is necessary for me to remind the Honourable Members in whose memory must be fresh the courageous and bold utterances of Mr. Montagu made only last month. It is hardly necessary for me to remind Honourable Members as to what a deep debt of gratitude we owe to Mr. Montagu in that direction. Then, Sir, I come to the part played by Mr. Montagu in connection with the Khilafat question. On this question as Honourable Members will notice I propose to move an amendment; and I think before I come to this part of my speech it would be meet and proper if I lay my amendment before the House. My amendment is, Sir, that between the words 'in connection with' and 'the reforms' the words 'the Khilafat question and' be inserted. With your permission, Sir, I would rather like to place these words at the end of the Resolution, because it was suggested to me this morning by a friend that the insertion of these words in between would not perhaps as a matter of form be so proper as if the words came quite at the end. The Resolution as I propose to amend it would be:

'That this Council recommends to the Governor General in Council that he be pleased to communicate to the Secretary of State for India, the sense of deep regret felt by this Council at the resignation of the Right Honourable E. S. Montagu, and its warm appreciation of his signal services to India generally, and more especially in connection with the Reforms to which this Council owes its existence and the Khilafat question.'

[Saiyid Raza Ali.]

Sir, ever since the Khilafat question has come to the forefront Mr. Montagu has made every effort that the view-point of India should be given that prominence and effect that it deserves. The question has assumed very great importance since the termination of the war. Very properly no efforts were made by the Mussalmans and the people of India in this direction as long as the war lasted, because every one of us thought that it was our duty not to embarrass the Government during the progress of the war. The enemies of the Empire having been defeated in 1918, the question was seriously taken up and no occasion was lost by the people of India, or what is more, I am glad to say, by the Government of India, to press the Muslim and Indian point of view on His Majesty's Government. The great efforts that were made by the Right Honourable E. S. Montagu at several Peace Conferences that took place for eighteen months in 1918 and 1919 are fresh in the memory of most of us. Sir, whatever may have been the view that has been taken of the question by the people of this country, and howsoever dissatisfied they may be on the settlement of the question as it stands to-day, it is our duty to give expression to our sense of gratitude to the Government of India, no less than to the Right Honourable E. S. Montagu, for the great efforts that were made jointly to bring about peace and contentment to the distracted people of this country on this important question. Sir, I know the delicacy of the situation and I would be the last man to say one word which would embarrass the Government of India or add to the difficulties of the situation that has arisen by the resignation of Mr. Montagu. All the same I am entitled to say that not only the Mussalmans, not only those with whom the Khilafat question is a religious matter, but all the people of India stand behind the representation that was made on the 28th of February 1922, by the Government of India and the strong support given to that representation by the Secretary of State. The situation that has followed it is most unfortunate, and I do not think I would be doing any useful service by dwelling upon it. But there is one thing, Sir, to which I may invite your attention and it is this, that we are indeed very sorry that Mr. Montagu is no longer at the helm of affairs at Whitehall. It is our duty to place on record our deep sense of gratitude to that distinguished statesman for all that he has done to espouse our cause. But, Sir, we sincerely hope that the disappearance of Mr. Montagu from Whitehall will not lead to any change of policy on the Khilafat question. That, in fact, is the reason why I considered it my duty to give notice of this amendment, because as is known to Honourable Members, among the very many services rendered by Mr. Montagu, two services are outstanding, namely, the efforts he made in connection with the Reforms Scheme and his support of our cause on the Khilafat question. Therefore, Sir, that has been my object in giving notice of this amendment, so that His Majesty's Government will not make any departure in Mr. Montagu's policy so far as the Khilafat question is concerned. It only remains for me, Sir, to say that the memory of Mr. Montagu will remain enshrined in the hearts of a grateful people, and that generations yet unborn will ever remember with gratitude how this distinguished statesman laboured continuously for five years, through good repute and evil, to secure for India and its people a position worthy of them.

The HONOURABLE MR. SETHNA: Sir, with your permission I should like to add a few words by way of an amendment to the original Resolution moved by my Honourable Friend, Sir Maneckji Dadabhoy; this amendment is in consonance with the wishes expressed by him in his speech. I have

sent to the Secretary's table notice of my amendment which is as follows: That the following words be added at the end of the Resolution:

'and that a copy of the Resolution be conveyed by telegram to the Right Honourable E. S. Montagu.'

Sir, the news of the resignation of the Right Honourable E. S. Montagu, in the words of the Mover of the Resolution, came upon the Indian public as a bolt from the blue. We were well aware that for some time past because of his whole-hearted devotion to the cause of India Mr. Montagu was not a *persona grata* with some of his Colleagues in the Cabinet and also with the Die-hards in Parliament, and that a section of the British public were doing their level best to undermine his influence and longed for his removal from the office of Secretary of State for India. We are well aware that the amendment to the address from the Throne which was moved a month ago in the House of Commons was intended to be a vote of censure on the Right Honourable E. S. Montagu. The rejection of that amendment by an overwhelming majority gave us hope that we would be safe in reckoning that Mr. Montagu would continue in office till the life of the present Government. It is often the unexpected that happens, and such is the case in the present instance, for we have lost the services of the man at the helm of affairs who was most essential at Whitehall in the present very trying and critical period of India's history.

Mr. Montagu has befriended India in a manner and to an extent as not a single one of his 21 predecessors in office has done. Perhaps the youngest and certainly one of the ablest, it not the ablest of them all, he has realised that Indians would soon break through the leading strings by which they were held together for so long, that the Morley-Minto Reforms had not gone far enough, and that for the security of the Empire, as well as for its good name, it was necessary that substantial reforms should be immediately granted to this country. From his speeches made as Under-Secretary of State, which position he occupied during the years 1910-1914, the expectations were raised should he ever attain to the position of Secretary of State for India. He was appointed to that office in July 1917, and as my Honourable Friend, Sir Maneckji Dadabhoy, has pointed out within only a few weeks, he made that memorable pronouncement of August 20th, 1917, which we can truly look upon as the Magna Charta of this country, and for which his memory will endure in this land for ages to come. The Montagu-Chelmsford Reforms bear their joint names as we know, but we also know that perhaps by far the larger share in that scheme is due to Mr. Montagu and not to the late Viceroy.

The HONOURABLE SIR WILLIAM VINCENT: May I rise to a point of order? Is the Honourable Member right in making a reflection on the late Secretary of India? Is it good taste to do so?

The HONOURABLE THE PRESIDENT: I think the Honourable Member has no intention of making a reflection.

The HONOURABLE MR. SETHNA: I only say that India knows and believes that the Reforms are more due to Mr. Montagu than to Lord Chelmsford. I mean nothing else. The country is indebted to Lord Chelmsford for his share, but the country is ever so much more indebted to Mr. Montagu for what he has done. Mr. Montagu worked hard at these reforms. He overcame no end of opposition, and to use his own words, when the Indian Reforms Bill passed the third reading he looked upon that event as 'the proudest moment of his life.' He also observed on the

[Mr. Sethna.]

occasion that his one ambition in life was to have the privilege of commending to Parliament what he believed to be the only justification of the Empire, namely, the step of self-government for India. To his mind, he said, the only Imperialism worth having was a trusteeship intended to develop the country under the British flag into a co-partnership in the Commonwealth.

Sir, at every step of his career as Secretary of State, Mr. Montagu has done all he possibly could to advance the cause of India. Only a year ago on him in connection with the Cotton Excise duties, and no matter what differences of opinion there may be between my Honourable Friend, Mr. Lalubhai Samaldas, on my right, and my Honourable Friend, Saiyid Raza Ali, on my left, as to the question whether India has been given fiscal autonomy or not, Mr. Montagu informed that deputation that India had a perfect right to deal in its own interests so far as the question of fiscal autonomy was concerned just in the same manner as does Great Britain or any of the Dominions. It is not unlikely that we may have repetition of the same trouble from Lancashire in regard to these duties, and that perhaps within the next few days. The manner in which the new Secretary of State will deal with that question will be a proper test to judge how the Home Government means to carry on its promises in regard to the future of India, now that Mr. Montagu is no longer in the Cabinet to fight our battles.

Further, a very fitting tribute was paid by his Colleagues, the Maharao of Cutch and the Right Honourable Mr. V. S. Srinivasa Sastri, to Mr. Montagu in regard to the excellent work done by the latter for India at the Imperial War Conference. Both these Indian representatives observed that the support which Mr. Montagu gave to India's cause has placed India under a debt of deep gratitude to him. They said that Mr. Montagu could not have been a stronger and a more sympathetic advocate of India's interests even if he were an Indian himself. The least therefore we can do, is to pass this Resolution and to convey to Mr. Montagu personally and to convince the British public that all India deplores the resignation of Mr. Montagu, as she would be parting from a sincere, tried and well-trusted friend.

Sir, his resignation in regard to which we have read so much within the last two days is due, no doubt, to causes other than what were at first given out, but as it is ruled from the Chair that we should not refer to the circumstances of his resignation, I shall not enter into any details. Perhaps his resignation has assured a slight extension of life to the present Government, but it looks as if its days are numbered and that the country is in the throes of a general election. If Mr. Montagu's party comes into power, it will be a proud day for India; if his party will offer and if he will accept again the office of Secretary of State for India and continue to advance yet more the position and the prestige of this country and its people. (Applause).

Mr. Montagu's resignation in the minds of the general public, and as has been said by the previous speakers, gives rise to the fear that perhaps the policy laid down by him may not be pursued in the future, for we know that in the past while Government have tried to keep pace with the pressing demands of the ceaseless march of time, they have also in the same breath tried to retain its ancient character and thereby presented the appearance

of the texture of the faithful Penelope unravelling by night what is woven by day. I trust that Government will recognise that there is now no going back but that there is to be one steady and onward move. The 12 noon. Reforms have not opened the flood gates. We recognise with gratitude that a certain amount of water has been let out. Let us hope that the Government will act in a manner whereby more water will be gradually let out until the gates are thrown wide apart. Sir, discontent is cited as perhaps one of the main roads to progress. Discontent leads to desire and desire to volition and to will. Nothing will now keep back this country from attaining its cherished desire of complete self-government as an integral part of the British Empire, and I for one have sufficient faith in the British Government that they will by no means retrace the steps they have taken at the instance of the Right Honourable the Secretary of State who by force of circumstances has been compelled to resign his post to the great regret of the millions of this country.

The HONOURABLE THE PRESIDENT: To the Resolution under consideration, amendment moved:

'At the end, after the first amendment, insert the words 'and that a copy of this Resolution be conveyed by telegram to the Right Honourable E. S. Montagu'.'

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, the Resolution moved in such eloquent language by my Honourable Friend, Sir Maneckji Dadabhoy, as amended by the Honourable Saiyid Raza Ali and further amended by the Honourable Mr. Sethna, gives expression to the sense of deep regret felt by this Council at the resignation of the Right Honourable E. S. Montagu and its warm appreciation of his signal services to India generally, and more especially in connection with the Reforms to which this Council owes its existence, and the Khilafat question. If adopted by this House, it will be not only our duty but also our pleasure to communicate this Resolution to the right quarters by telegram as requested in the amendment moved by the Honourable Mr. Sethna. Honourable Members who preceded me have, in their speeches, given in some detail the services which the late Secretary of State rendered to the cause of constitutional progress in India as well as to the Khilafat cause. It is unnecessary for me to add anything to that list. But there were one or two statements made by one or two speakers with reference to which it is necessary for me to say a few words. It has been assumed, I believe, in more than one speech delivered in this House this morning that the announcement made in the House of Commons on the 20th of August 1917, was due to the initiative of the Right Honourable E. S. Montagu. As a matter of fact, that announcement was due to the initiative of Lord Chelmsford taken before Mr. Montagu took up office as Secretary of State for India. The form of the announcement of course was one which was finally decided upon when actually made in the House of Commons, but the initiative towards the declaration of a policy calculated to satisfy Indian sentiments was taken by Lord Chelmsford. The Honourable Sir Maneckji Dadabhoy expressed an opinion that the action of the Government of India in sending the telegram the publication of which ultimately led to Mr. Montagu's resignation was perfectly legitimate and proper. I do not know that the legitimacy and the propriety of sending that telegram has been questioned in any quarters either out here in India or in England. As a matter of fact, if I remember aright, the Right Honourable Austen Chamberlain, in one of his declarations, has clearly admitted that the Government of India acted properly in acquainting His Majesty's Government with the views of the people of India, and that they were perfectly within

[Mian Sir Muhammad Shafi.]

their rights in asking for permission to publish that telegram. The resignation of Mr. Montagu is the result of permission given to the Government of India to publish that telegram without consulting the Cabinet.

It was further stated by more than one Member that the resignation, they hoped, did not indicate any change of policy either with regard to the Khilafat or with regard to the Reforms. In so far as we are aware, nothing has been said by any authority at any stage of this controversy in England which justifies any such fear. There is no ground for the fear which has been expressed by more than one speaker. In connection with what the Honourable Saiyid Raza Ali said towards the end of his speech, may I invite the attention of the House to the question put in the House of Commons by Sir John Rees and the answer given to that question by Mr. Chamberlain? Sir John Rees asked the Prime Minister whether, in view of the unfortunate effect upon Muhammadans in India of the resignation of the Secretary of State following immediately upon the publication of the Government of India's pronouncement, some signal and decisive repudiation of any want of sympathy with the Indian Moslems on the part of His Majesty's Government can be devised and may be expected. Mr. Chamberlain replied as follows:

'If my Honourable Friend will read the letter in which the Prime Minister accepted the resignation of the late Secretary of State he will see that that resignation had nothing to do with the merits of the policy advocated by the Government of India, but only with the publication on the sole responsibility of my Right Honourable Friend.'

Then, further on, Mr. Chamberlain observed:

'The views of the Government of India and of Indian Moslems have been most fully before the Government and the Peace Conference and have received most careful and sympathetic consideration from His Majesty's Government. Our object has been, and is, as I stated the other day, to secure a just and honourable peace between the belligerents.'

As I said before, Sir, this Resolution, if accepted by the House, will be communicated to the right quarters by telegram.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, as a Muhammadan representative, it is my duty to thank the Honourable Mr. Montagu for the sacrifice which he has made for our cause and we feel also that he should have suffered on our behalf when another committing the same sort of mistake has been let off. Then, Sir, being a soldier, I am very grateful to him. When I represented the case of soldiers that they should be given franchise, he at once took the matter up, and all the soldiers owe him a debt of gratitude for all that they have got. As regards the Council itself, Sir, I think it is in some ways better than the previous one. On these grounds I support the Resolution.

The HONOURABLE MR. BOROOAH: I beg to associate myself with this Resolution. Sir, I regard the resignation of Mr. Montagu as a misfortune both to India and England, especially at a time like this; and I suppose that many in this House, as well as many outside this House, will agree with me when I say, that India will ever remember Mr. Montagu with nothing but feelings of great admiration and gratitude. India expected much from Mr. Montagu, and Mr. Montagu has done much for India. Sir, let us hope that his resignation does not signify any change whatever in the Indian policy of His Majesty's Government, and that the angle of vision which was fixed in the year 1917 still remains the same, and that it has not been and will not be affected in the least. I have nothing more to add except that I support, and support very warmly, every word of the

very able speech with which the Honourable and distinguished Mover has introduced his Resolution. I support the Resolution. I support both the amendments as well, which appear to me to be quite appropriate.

The HONOURABLE MR. G. S. KHAPARDE: Sir, I rise to support this Resolution, on grounds some of which have not been adverted to, and one ground which I put forward, is the immense trouble which the Right Honourable E. S. Montagu took. I saw him when he was in India. From morning to evening he would see deputation after deputation, receive representation after representation, and I remember we also submitted our views. The scene got transferred and I happened to be in England also at the time. At that time everybody desired more, nobody said that what was given was enough. All the Indians taken together, each one of them in one way or another desired a little more. But still there were many parties. Some were willing to take what was given and be content. There were some, among whom I was one, who were willing to take what was given but press for more and resented that more was not granted. There was a third party which said that they did not care for anything at all. The party to which I belonged, I remember, was introduced to the Secretary of State and was readily heard. We went there individually and collectively, placed our views and were patiently heard. In the meantime there was a party of English politicians who were entirely opposed to these reforms and thought that they were too early and too great and ought not to be given. They also approached the Secretary of State and, I believe, they made their representations and their voice was heard in the Joint Committee which ultimately decided the form and contents of the Government of India Act. I happened to be at the National Liberal Club and also at the antechamber of the India Office where the Secretary of State used to sit, and they were crowded with people who went to make one representation or another. I wondered at the immense amount of trouble the Secretary of State was taking. I am sure if I were the person concerned and if all these representations came to me and all these arguments were urged before me, I suppose I should have liked a few hours' rest before I should be able to say anything at all. But that was not so in his case. The Secretary of State listened to them all. Then you would find him in his place in the House of Commons arguing the matter till about midnight and sometimes very late with great patience and with immense sportsmanship. Each time he opposed but he would not create a feeling that he was opposing. He would consent, but would not allow it to be thought that he was conceding anything. He had always certain ideas that he carried in his mind which he pressed forward and forward and very successfully too, that excited my admiration. I admired it at the time, I have always admired it ever since, and this particular occasion when he retires from office brings them all to my mind and I still feel—I have no doubt that there is as good fish in the sea as ever came out of it, and England is a rich country, rich not only in the sense of having much money, but in the sense of having statesmen and good soldiers and wise people—I still feel and cannot help feeling a sort of loss that Mr. Montagu will not be at the India Office for the reason that we have come in contact with him and spoken to him personally and he is in a certain manner in our good books. I have no doubt his successor will be equally good, equally honest, equally strong, equally painstaking and equally able. I have no doubt about that, but I have this doubt that there will not be this personal tie, this personal acquaintance and personal knowledge, and that makes me feel the loss. I therefore most heartily support this Resolution and the idea of its being communicated to him personally.

The HONOURABLE SARDAR JOGENDRA SINGH: I do not very much like a funeral oration. The time will right itself in a more clear and certain way. I am, however, one of those who believe that Mr. Montagu read the heart of India correctly and tried to give India an institution which will throb with the heart of India. There are many who think that the constitution as given would not work in the interests of India. I do not agree with them. I was talking to a very high official yesterday on the eve of his retirement. He told me that the racial bitterness was very difficult to eliminate from our relations in this country. If that is so, government becomes very difficult to carry on where any bitterness between the rulers and the ruled exists. What was the remedy? Mr. Montagu and His Majesty's Government tried to meet this new demand and created a constitution which would expand with the desires of the people. Therefore, I think that Mr. Montagu not only served India but served the Empire in providing for India a Government strong and capable of expansion as time goes on, and as such we owe him a deep debt of gratitude. The telegram which the Government of India sent representing the views of India is, as the Honourable Mian Sir Muhammad Shafi pointed out. . .

The HONOURABLE THE PRESIDENT: Will the Honourable Member kindly raise his voice? I cannot hear one word.

The HONOURABLE SARDAR JOGENDRA SINGH: The telegram which has brought about the resignation of Mr. Montagu, as the Honourable Mian Sir Muhammad Shafi has pointed out, was supported by the Government of India, and nobody in England has raised any question as to the right of the Government of India to represent its views. The question is about its publication. One heard a great deal of the open-door diplomacy when peace was concluded. This is one instance of open-door diplomacy where the Government of India has been thrown over by His Majesty's Government, and I am greatly surprised that the Government of India has not defended its action very strongly in sending the telegram and representing India's cause in the Council that is going to meet in Paris.

In the new times it will always be a question as to how these sister communities, as they have been designated, are going to represent their views at Councils where general questions relating to them are going to be submitted. Personally, Sir, I think that the acceptance of the resignation of Mr. Montagu has done more to endanger a peaceful settlement than anything else. It is known all over the world that the French support the Moslem cause. . . .

The HONOURABLE SIR WILLIAM VINCENT: I rise to a point of order, Sir. Is the Honourable Member in order in referring to these points when His Majesty's Government are now dealing with the Treaty of Sevres?

The HONOURABLE THE PRESIDENT: The Honourable Member in possession of the House is so inaudible that it is impossible for me to follow him. He must avoid the Treaty.

The HONOURABLE SARDAR JOGENDRA SINGH: I had just a touch of fever and cold yesterday and find it difficult to talk loud; however I will raise my voice, Sir. There is not very much more to say except to support warmly this Resolution and to point out that the future policy of His Majesty's Government will depend more on how we work the constitution out here than on any Secretary of State that comes to the helm.

The HONOURABLE LALA SUKHBIR SINHA: Sir, I rise to give my full support to the Resolution that has been moved by my Honourable Friend, Sir Maneckji Dadabhoy, as amended by my friends, the Honourable Saiyid Raza Ali and the Honourable Mr. Sethna. The Resolution, if passed by this Council, will be a recognition of the services of the Right Honourable E. S. Montagu who was the founder, father and organiser of the Reforms Scheme, if I may be allowed to say so. Sir, this Council owes its existence to the Reforms Scheme; and, as he was the founder and as we expected much from him, it is our duty to pass this Resolution without any voice of dissent. Although he is out of the Cabinet now, we expect that he will not be silent and that he will do his best for India in future also. With these few words I strongly support this Resolution.

The HONOURABLE CHOWDHURI MOHAMMAD ISMAIL KHAN: Sir, I rise to support the Resolution moved by my friend, Sir Maneckji Dadabhoy, and the amendments moved by my Honourable Friends, Saiyid Raza Ali and Mr. Sethna. It is needless for me to repeat

The HONOURABLE THE PRESIDENT: The Honourable Member must raise his voice; he is quite inaudible.

The HONOURABLE CHOWDHURI MOHAMMAD ISMAIL KHAN: It is needless for me to repeat all that Honourable Members have said. Suffice it to say that I agree with them. Looking from a Muhammadan point of view I feel it my bounden duty to say that the Right Honourable E. S. Montagu was a true friend of the Muhammadans, and his resignation at this juncture has come as a bolt from the blue. Though an assurance has been given that Muhammadan interests will not be affected by this resignation, the Muhammadans feel that they have become orphans and that the champion of their cause has been sacrificed at the altar of political party feeling. It was the late Secretary of State who gave a sympathetic hearing to the Muhammadan claims and safeguarded their interests in the reformed Councils. He also championed the Khilafat cause and I associate myself with the Honourable Mover in expressing my deep sense of regret and that of the Muhammadan community at the untimely resignation of Mr. Montagu.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I yield to none in the Council who have preceded me in my respect and admiration for the ex-Secretary of State, but memories must be short if we forget what previous Secretaries of State have done for India. My Honourable Friend, Sir Maneckji Dadabhoy and others said that he has done what no others have done and that he has been the best Secretary of State for India. Sir, as a student of one of the greatest Secretaries of State that we have seen, Lord Morley, I think it is not fair that we should forget what Lord Morley did for this country. He was a friend, philosopher and guide to many of us educated Indians here, and we realise that it is he who first set the ball rolling. Sir, there is another name that ought to be mentioned in this connection. I believe my Honourable Friend, Mian Sir Muhammad Shafi, perhaps referred to him when he said that although the announcement of the 20th August 1917 was made in the time of Mr. Montagu, it was actually drafted and prepared by, if I mistake not, Mr. Chamberlain, and the credit is as much due to Mr. Chamberlain as to anybody else. I believe I am right in saying that. Though Mr. Montagu has done a lot for us, we cannot forget what the previous Secretaries of State have done for the country. My Honourable Friend, Mr. Sethna, who never uses an unkind word, somehow or other referred to Lord Chelmsford—I do not think he meant it—possibly what he meant was—I hope I am expressing his views correctly—that

[Mr. Lalubhai Samaldas.]

the recommendations of the Montagu-Chelmsford Report were whittled down by the later recommendations of the Government of India; and if he had thrown the blame on my friend who sits opposite, perhaps he would have been better able to defend himself. . . .

The HONOURABLE MR. SETHNA: I referred to him as the mouth-piece of the Government of India.

The HONOURABLE MR. LALUBHAI SAMALDAS: He would have been able to defend himself, but I think we have no right to go back and criticise a Viceroy who is not present here. Then there is one matter to which I would like to refer, which is a personal matter. My Honourable Friend, Saiyid Raza Ali, said that we have got fiscal autonomy or, as he put it, practically fiscal autonomy. If he had been present in this Council, when I moved a Resolution on the subject he would have seen my Honourable friend who sits opposite to me had to use all his diplomacy to get it defeated; he got the Honourable the Commerce Member and the Law Member to take the issue on a side track and to say that it would wreck the reforms if it was carried. If my Honourable friend, Saiyid Raza Ali, was present at the time it would not have been necessary for me to convince my Honourable friend that fiscal autonomy

The HONOURABLE THE PRESIDENT: I can quite believe that the subject is one to which the Honourable Member is very much attached and would like to refer to, but really it is not relevant to the present discussion.

The HONOURABLE MR. LALUBHAI SAMALDAS: Then, there is another matter, Sir, which is also a personal matter.

The HONOURABLE SAIYID RAZA ALI: On a point of order, Sir. Are we here to discuss personal matters? I thought that we were here to discuss public questions. My Honourable friend is constantly referring to personal matters.

The HONOURABLE MR. LALUBHAI SAMALDAS: The Resolution that was passed in the Council expressed its disapproval of the action of the Secretary of State as regards the issue of 7 per cent. sterling loan. As the mover of that Resolution, I may say that I never meant that as a vote of censure on the Right Honourable E. S. Montagu. I think I had better make that position clear, because if I support this Resolution without making my position clear, it may be said that I was not consistent.

The HONOURABLE SIR ZULFIQAR ALI KHAN: Sir, when we pay a tribute of admiration to the ex-Secretary of State we convey the general feelings of the people outside this Council. Sir, coming as I do from a province which is largely inhabited by Muhammadans I beg leave to say that when the announcement of Mr. Montagu's resignation was made a feeling of consternation went from one end of the province to the other, and I dare say that the same feeling prevails in other provinces, because questions and problems of very great importance and moment are at present pending before the statesmen of Great Britain, and Mr. Montagu being one of the most prominent men who took interest and deep interest in the right solution of the Muhammadan problems, his resignation must be deeply regretted. Sir, our judgment of his career must be influenced by the result of our examination of his great work. The Honourable the Education Member said in his speech that Lord Chelmsford was primarily responsible for the initiative taken in connection with the

Reforms in India. Sir, without in any way depreciating the efforts made by that statesman, I may say that those who have read Lord Morley's 'Recollections' will see what potential personalities can do in a matter of initiative of this kind. Lord Morley in his 'Recollections' has clearly said, or he has implied it in so many clear words, that although the Despatch was sent by the Viceroy from India, yet the inspiration came from himself and he was the author of those Reforms. In the same manner, Sir, I would say that it was Mr. Montagu's personality which was responsible for these reforms. Sir, as soon as he accepted office as Secretary of State for India, he immediately took stock of the situation in the Empire. His weighty and momentous pronouncement of 20th August 1917 will remain as an act emanating from a statesman distinguished for foresight and sympathy. His noble work in this connection, while it is being appreciated now by us in India, will be appreciated perhaps more by posterity. History will record, as it has recorded in the past, the coming and going of men, but it is only the benefactors of nations who will shine in history and who will be remembered. While carrying through these reforms he met with opposition and obstinacy at every turn, but it was due to his great perseverance that he won the battle, and to-day we meet here and see the result of his great statesmanship. Sir, these Councils are the result of his energy and foresight; he has made us feel ourselves more representative and more responsible, and I hope that this liberal policy which he harmonised with the old traditions of Great Britain will be continued in the future by those who succeed him in office. There is no doubt that every reform creates new difficulties of adjustment, but a man who is responsible for the management of great Empires must be guided by rectitude and sympathy, and the result he must leave to God and I hope that in this matter this result will conduce to the tranquillity and peace of the Empire.

Sir, the announcement made by my Honourable Friend, Mian Sir Muhammad Shafi, that the statement made in the lower House in England that the same policy with regard to the Khilafat question will be continued by Mr. Montagu's successor and that the Muhammadans of India need not have any misgivings on this point will, I am sure, create feelings of rest in the minds of my countrymen. Sir, with these few words, I beg to support the Resolution moved by my Honourable Friend, Sir Maneckji Dadabhoi.

The HONOURABLE LALA RAM SARAN DAS: Sir, I rise to heartily support this Resolution. Two of my colleagues have strongly but rightly spoken in support of this Resolution and have described in detail the signal and unparalleled services which the Right Honourable E. S. Montagu has done to India. The Indians rightly regard him as a great soul, a genius, an eminent statesman, a high personality of strong perseverance and firm in his views. We fail to understand why our Premier Mr. Lloyd George should have differently treated the late Secretary of State for India in asking him to resign.

The HONOURABLE SIR WILLIAM VINCENT: May I again rise to a point of order, Sir? May I ask the Honourable Member if he does not think it would be wiser to exclude questions of policy of His Majesty's Government in a discussion which is solely meant to convey the gratitude of India to the Right Honourable E. S. Montagu?

The HONOURABLE THE PRESIDENT: I observe with great satisfaction the restraint shown by Honourable Members throughout this debate,

[The Honourable the President.]

and I think it would certainly be most wise to exclude questions of policy in this discussion.

The HONOURABLE MR. K. V. RANGASWAMY AYYANGAR: I should object to the Honourable Sir William Vincent, who is not a Member of this Council, rising to a point of order. I think it is only Members of this Council that have the right to submit a point of order.

The HONOURABLE THE PRESIDENT: The Honourable Member is perfectly right in rising to a point of order.

The HONOURABLE LALA RAM SARAN DAS: What I wanted to show was the sentiments of Indian people on this question. With due deference to what the Honourable the Home Member has said, I do not wish to cast any reflections.

The HONOURABLE SIR EDGAR HOLBERTON: I am sorry, Sir, I cannot hear the Honourable Member.

The HONOURABLE LALA RAM SARAN DAS: What I say is that I do not want to cast any reflections upon our Premier. We are equally grateful to our Premier for getting through the reforms which we are now enjoying. But, at the same time, I want to give expression to the sentiments of Indians—I should say, the majority of Indians—who think that certain other Ministers—in case I am allowed to mention names, Lord Milner, the Right Honourable Mr. Churchill and Colonel Amery have equally violated the same doctrine.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Is my Honourable Friend in order in mentioning these names and criticising them?

The HONOURABLE THE PRESIDENT: The Honourable Member is not approaching the subject in the same good taste and with the same restraint as has been up to now manifested in the debate.

The HONOURABLE LALA RAM SARAN DAS: Well, Sir, we, all Indians, deplore this resignation and express our sense of deep gratitude that we owe to the outgoing Secretary of State. With these words, Sir, I heartily support the Resolution.

The HONOURABLE MR. C. M. BAKER: Sir, the Honourable the Mover of the original Resolution proposed a vote of appreciation. I do not know whether he realised it, but, at the same time, he was really proposing two votes of censure. First, by his silence, he proposed a vote of censure on the late Viceroy, Lord Chelmsford, the real originator and author of the reforms. That mistake has already been corrected. Secondly, not by silence, but in many words, he proposed a vote of censure on the British Government in connection with its foreign policy. . . .

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: May I point out, Sir, that the Honourable Member is out of order in referring to the British Government and the policy of the British Government? No one has raised the question of the British Government—neither Sir Maneckji Dadabhoy nor any of the speakers.

The HONOURABLE THE PRESIDENT: It would have been better if a personal explanation had come from Sir Maneckji Dadabhoy

The HONOURABLE SIR MANECKJI DADABHOY: Sir, I must say that I am extremely surprised. . . .

The HONOURABLE THE PRESIDENT: The Honourable Member may not make a speech. He may give a personal explanation.

The HONOURABLE SIR MANECKJI DADABHOY: I am not only surprised, Sir, but I am pained to see that the Honourable Mr. Baker should seriously tell this Council that in moving my Resolution I am not only censuring the former Government. . . .

The HONOURABLE THE PRESIDENT: The Honourable Member may make a statement on a point of fact.

The HONOURABLE SIR MANECKJI DADABHOY: My statement, Sir, is that the statement made by the Honourable Mr. Baker is egregiously wrong and unwarranted.

The HONOURABLE SAIYID RAZA ALI: We have not discussed the attitude of the British Government.

The HONOURABLE SIR MANECKJI DADABHOY: No.

The HONOURABLE MR. C. M. BAKER: Sir, I am glad to accept the Honourable the Mover's explanation that he does not mean any censure on the British Government though I find it hard to reconcile with his language. I do not think, Sir, that this motion will serve any useful purpose. If the late Secretary of State did well, he needs no praise from us. If he did ill, this is not the time to say so. If any Honourable Member has anything to say against his policy, he will not choose this moment for saying it. It would be like writing disparaging remarks on a tomb stone. It is clear that the Resolution cannot really be debated and will not serve any useful purpose. But the original Resolution, as it is worded, is open to no objection. The censures to which I have alluded do not stand in the original words of the Resolution. They were put in by the Honourable Mover in his speech. I have no objection to voting for the Resolution as a polite formality. But the amendment.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, I move that the question be now put.

The HONOURABLE THE PRESIDENT: The Question is that the question be now put.

The motion was adopted.

The HONOURABLE THE PRESIDENT: The question is that the following amended Resolution be adopted:

'This Council recommends to the Governor General in Council that he be pleased to communicate to the Secretary of State for India the sense of deep regret felt by this Council at the resignation of the Right Honourable E. S. Montagu, and its warm appreciation of his signal services to India generally, and more especially in connection with the Reforms to which this Council owes its existence and the *Khilafat* question, and further that a copy of this Resolution be conveyed by telegram to the Right Honourable E. S. Montagu.

The Resolution was adopted.

The HONOURABLE SIR EDGAR HOLBERTON: I think it would have been more in order, Sir, with due respect, to have put the amendments first.

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The HONOURABLE THE PRESIDENT: I should certainly have done so in the ordinary way, but nobody opposed the amendments. I put the Resolution as a whole as there was no sign of opposition to either amendment.

The HONOURABLE SAIYID RAZA ALI: Sir, will the Leader of the House be pleased to send to England to His Majesty's Government a short summary of the proceedings of this debate?

The HONOURABLE THE PRESIDENT: I have no doubt that if the Honourable Saiyid Raza Ali will speak to the Leader of the House outside this House, he will be delighted to give him an answer, but he is not in order now when the Resolution has been put and carried.

The HONOURABLE SAIYID RAZA ALI: I want to put the question to him through you, Sir. That is the only channel through which I can approach him in this House.

The HONOURABLE THE PRESIDENT: I am afraid the Honourable Member has chosen a defective channel.

RESOLUTION RE CARRIAGE OF GOVERNMENT AND RAILWAY MATERIALS.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I beg to move that:

'This Council recommends to the Governor General in Council to issue instructions to the Departments concerned to give Indian Shipping Companies an opportunity of quoting for the carriage of Government and Railway materials from any ports to India, and to give them preference if their quotation is approximate to that of other Companies.'

Sir, I think it will be accepted on all sides that each nation has a natural desire to have its own mercantile marine, and wherever they have no mercantile marine, these nations have by the grant of subsidies, bounties or other concessions, tried their best to create such mercantile marine, and that is a justifiable action. The object of having a mercantile marine of its own, is that the country or the nation may have full control over the transport of its imports and exports. If it has no mercantile marine of its own but has to depend upon other countries for the transshipment of their imports and exports, the nation will be at the mercy of that country, and it is in self-defence that each country would like to have its own mercantile marine. The other advantage, Sir, of having a mercantile marine is that it opens out new careers for the youth of the country. Speaking for India, we have so few careers open to our countrymen that it would be advisable that this new career should be opened to them by the creation of a mercantile marine. Moreover, such a mercantile marine provides employment for both skilled and unskilled labourers or citizens of the country. I think there will be no difference of opinion as regards the necessity of each country having its own mercantile marine, and where there is none, it should, by the grant of subsidies, create it. That other countries have been doing this kind of work can be seen by a reference to the history of either the continental countries, or taking Asia, of Japan, or taking America, of the United States and other countries.

(At this stage the Honourable the President vacated the Chair and the Honourable Sir Dinshaw Wacha occupied it).

All these countries have passed laws for granting subventions or for making it obligatory that coastal traffic should be carried in their own boats. Almost all countries excepting England have reserved their coastal traffic for their own ships. England has not felt the necessity of taking that action because it has practically the monopoly of not only her own coastal traffic, but a greater portion of the coastal traffic of the British Empire. She has, therefore, not found it necessary to have any restrictions by Statute. Yet we find that a committee appointed only recently said that:

'there is a strong feeling among Eastern Lines of Steamers that the Indian coasting traffic be reserved for British ships.'

The feeling there is growing that even in Indian coasts no other foreign ships should be allowed to carry on the coastal traffic. If that is the feeling of Britain, naturally the feeling of India would be that the coasting traffic should be reserved primarily for Indian shipping companies, and secondarily, for British shipping companies. Where it was not possible, in the beginning, for countries to have their mercantile marine attempts were made to create such mercantile marine by the granting of subventions. I will only quote one instance, and that is that of Japan. Japan lays down:—

'Navigation subsidies will be paid at the rate of 25 yens per 1,000 knots navigated per ton of the gross tonnage in respect of vessels having a gross tonnage of 1,000 tons and a maximum speed of 10 knots per hour.'

That is one of the subsidies of Japan. Other countries also have given similar or different kinds of subsidies so that the mercantile marine that is in existence may not be killed by the competition of other countries. My Resolution does not ask for any such concession. It will be quite proper for India to ask for such concessions,—that time may come later on. As it is, evidence is being collected by the Fiscal Commission on this point and some gentlemen connected with shipping companies have given evidence on the subject. Perhaps we may await the Report of the Fiscal Commission before we ask for any concessions.

It may be asked where is the necessity of moving a Resolution of this kind? Cannot Indian companies compete with other companies and fight their way out? Unfortunately, they cannot. In the early stages an infant industry requires a certain amount of protection, and the Indian shipping companies will require certain protection. Here we do not ask for protection. What we ask for is equality of treatment and nothing more, and I daresay that my Resolution will have the support of all, even of those who may be interested in other rival shipping companies. That new companies are and can be killed by competition by old established companies can easily be proved by a reference to the companies that have been taken to liquidation during the last few years. There are three ways of doing this. The old existing companies give rebates. So far, there is nothing objectionable. But the rebates are allowed to accumulate and one of the conditions of the rebate is that the shipper does not at any stage ship with any other company. If the shipper transfers his custom to other companies the accumulated amount of rebate is forfeited. That is one way. A second way is by conference. Big steamer companies will take into conference smaller companies only when they find it is absolutely impossible to crush the latter. It is only then that they take the smaller companies into conference. Till that is done, it is very difficult for a new line to get any business. The third way is by refusing space to shippers even when there is sufficient space to carry goods. They will say

'You have not dealt with us. So we won't give you any space.'

[Mr. Lalubhai Samaldas.]

These are the ways by which the old established companies can and do their best to kill competition. All these three ways are, under the American Act, considered illegal. We have no such Act. Possibly, a time may come when we will have Bills introduced in both the Houses or in one of the Houses and carried by a great majority to have all these activities considered illegal. But it is not so now and at present it is possible for foreign companies to kill competition by any of these three methods. It is because these three methods can be used to kill the smaller Indian shipping companies that we want a sort of guarantee that whenever new shipping companies are started in India they will receive fair treatment at the hands of Government. From Government we have every right to get all support to forward new industries, and the shipping industry ought to be considered as one of the key industries of the country. That the freight paid by Government on Government stores is not a small one will be seen by a reference to the freight paid by the Secretary of State from 1911-12 to 1917-18 for the carriage of Government stores and railway materials from England to India. I need not tire the Council by reading all the figures, but I hope the Council will take my word for it when I say that it varies from Rs. 90 lakhs to 45 lakhs a year. That item goes practically into the pockets of the foreign companies. If there are Indian companies, a part of that item, if they receive fair treatment, should go into the pockets of the Indian companies.

(At this stage the Honourable the President resumed the Chair).

It may be said that it is not possible to give any freight to Indian companies because it is the High Commissioner who makes purchases on behalf of the Government of India in England, and he can only place freight or arrange for freight in England with the English companies. The Stores Purchase Committee appointed a few years ago have recommended that there should be a Director General of Stores in India, and he should be empowered to make all purchases whether in India or in England, and if it was necessary to place orders in England, it should be done through the Stores Branch of the Director General of Stores. That time has not come yet, because we do not know what action the Government of India have taken on that recommendation of the Stores Purchase Committee.

We know as a matter of fact that we have got a High Commissioner; that the High Commissioner in England makes all purchases on behalf of the Government of India; there is a regular department there; and till the purchases are made through the Director-General of Stores in India I want the Government of India to send instructions to the High Commissioner, who I believe is directly under them now and not under the Secretary of State, that in placing orders for Government or railway stores, tenders from Indian companies should be invited, and that if their tenders are approximately equal they should be given preference. It is just possible that objection may be taken to the word 'approximate.' My friend, Sir Arthur Froom, just now said that it was not possible. Let me make that position clear. When I use the word 'approximate' I mean a difference of 1 or 2 per cent.; I do not mean that when the difference is over 2 per cent. Indian companies should be given preference; I do realise that in the interests of the general tax-payer a larger difference should not be allowed; but other things being approximately equal I claim that he should have the first refusal. If the Indian companies offer almost equal quotations as the other companies, they should be given the first opportunity. If the tenders are high, of course the companies which give the lowest tender and are able to work cheapest should be given the chance; that is for the

present; as I said we may come to the House, it may be necessary to have certain legislation to restrict coastal traffic later on to Indian companies; but for the present that demand is not being put forward before this House.

By giving to the Indian companies freight from England, another sort of assistance would be given to such companies. It very often happens that when the Indian companies take cargo from here to the continent or England, they find it very difficult to get return cargoes and they have often to return in ballast. If an arrangement were made with the High Commissioner for chartering these boats for railway materials and other stores these boats will not have to come in ballast, but will come loaded with Government materials. This refers to the carriage of Government stores from ports outside India to Indian ports. Now, I refer to the question of the carriage of railway materials or cargo or coal from an Indian port to an Indian port. Coal to the extent of about 200,000 tons is being carried from Calcutta to Rangoon for the use of the Burma Railways. I will place a particular case before the Council to show how necessary it is to adopt a Resolution of this character.

The HONOURABLE SIR ARTHUR FROMM: Sir, I rise to a point of order. I do not think this matter comes within the scope of the Honourable Member's Resolution. The Resolution is for the carriage of Government and Railway materials from any ports to India and does not refer to coastal trade.

The HONOURABLE MR. LALUBHAI SAMALDAS: May I explain, Sir, that 'from any ports' includes ports in India and also ports outside India to India. I have carefully considered that question. Instead of putting it 'any ports outside India' I said 'any ports.' I hope that explanation will satisfy my Honourable friend.

The HONOURABLE SIR ARTHUR FROMM: The Resolution has reference to Government and railway materials only.

The HONOURABLE MR. LALUBHAI SAMALDAS: Quite so, not to anything else. I was referring to railway material, coal required for the Burma Railways. Burma is recognised as a part of India yet, although my Honourable friend opposite does not want it to be part of India later on. Still it is supposed to be part of India now.

The HONOURABLE THE PRESIDENT: I must point out that India is mentioned in the Resolution and not British India; India means British India and the Native States of India.

The HONOURABLE MR. LALUBHAI SAMALDAS: I am talking of British India. I am referring to the carriage of coal for Burma railways from Calcutta to Rangoon. The shipping company with which I am concerned offered to carry this coal and asked that they should be allowed to tender. They did it in the proper way; they went to the Agent, Burma Railways; they went to the Mining Engineer; they went higher still and yet after a show of sympathy and almost a promise saying 'you will be asked to tender,' the only information that we receive is that the order has already been placed. We have not got any indication; we have not been told at what rate it has been placed, where it has been placed and with whom it is placed, or whether any tenders were invited at all. It is therefore necessary, Sir, that Government should issue instructions to all departments concerned that wherever Government material or railway stores have to be carried, either from ports outside British India to Indian ports

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or from one Indian port to another, tenders should be called for from Indian companies and wherever the quotations are approximately the same preference should be given to Indian companies. I do not ask for anything more than equality of treatment. We want that we should be given an opportunity of quoting, that the Indian companies should be treated as if they were at least British companies and not otherwise. Of course, later on, we may want and we may claim better treatment than English companies, but that is not done now; at present, we want only equality of treatment, that Government should do what the ordinary business-man would do, *viz.*, ask for tenders from all parties concerned and give it to those who are most likely to do it properly whom they want to help. In the present instance, the people who pay the taxes are likely to benefit most by such an arrangement. With these words I commend the Resolution to the Council for their acceptance.

The HONOURABLE SIR ARTHUR FROMM: Sir, Honourable Members of this House might perhaps be inclined to regard me as an interested person in connection with this Resolution; and I had not intended to intervene in the debate at all. But when the Honourable Member who moved the Resolution states that he is merely claiming equality of treatment, while his Resolution reads that Indian companies should be given 'preference,' I cannot see where equality of treatment comes in.

In his speech the Honourable Member quoted three reasons why some Indian shipping companies failed. The companies he referred to were, I presume, based on Bombay. He quoted three reasons; one was the rebate system, which is in the nature of a contract between shippers and ship-owners, much in the same way as you enter into contracts in any other business you may be pursuing. The second one was Conferences; and the third was that ships with plenty of vacant space refused cargo; the latter I do not believe for a minute. I have never in all my experience heard of any ship which had vacant space turning down any suitable cargo which offered; and I would like to see the Honourable Member's instances he quotes if he has any. I will give you a fourth cause in connection with the failure of these shipping companies and that is, entire bad management. The management of a shipping company is a lifelong education, and the company which I have no doubt he has in mind failed entirely owing to bad management, faulty management, so faulty that it had to be taken into Court. That was the reason. There is no more difficult thing to manage properly than a shipping company. If it is not managed properly and this has nothing to do with rebates or conferences or refusal to accept cargo, it is robbed on all sides. I only wish to put the Honourable Members of this House right on that point.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Sir, I rise to oppose this Resolution. The Honourable Mr. Lalubhai Samaldas in his speech said that the Indian shipping companies should get fair treatment from the Government. And contrary to it he wants by this Resolution to give Indian companies a preference in their quotation approximate to that of other companies. I think this is a matter which Government should seriously consider. My Honourable Friend has perhaps forgotten the help and assistance which the British India Steamship Company gave Government during the war.

The HONOURABLE MR. LALUBHAI SAMALDAS: I never referred to any particular company.

The HONOURABLE THE PRESIDENT: I think it will be wise to refrain from referring to particular companies.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: I think my Honourable Friend has forgotten the assistance which the foreign companies gave the Government during the great war at very cheap rates, and that none of the Indian companies came forward to help Government to carry their arms and ammunition. The foreign companies have made great sacrifices in helping the Government in time of need and Government in their turn are expected to make some concession to these companies in the carriage of Government and railway materials. If this House brings forward a Resolution to say that Indian companies should be given preference as against the foreign companies who have sacrificed so much during the war it is most objectionable. I do not think this Resolution can be accepted by this House, and so I oppose it.

The HONOURABLE MR. SETHNA: Sir, I rise to support this Resolution. The Honourable Mover has explained that in different parts of the world Governments have tried to help the shipping industry as best they can. The latest recruit in this line amongst Governments is, as perhaps this Council knows, the Government of the United States of America. The United States Government were always opposed to Government interference in matters of enterprise, commercial or industrial. But since the war they have been controlling the mercantile marine of that country which runs to nearly seven million tons, and although it is some years since the war is over, they are still maintaining this control.

Sir, I must confess I was somewhat surprised at the Resolution when I read that the Honourable Mover asked for an 'opportunity to be given to Indian companies of quoting for the carriage of Government and railway materials.' Surely, Sir, I should have thought there was no necessity for asking for permission to quote and that it was perfectly open to him to do so if he were the agent of a company

The HONOURABLE SIR ARTHUR FROMM: Exactly so.

The HONOURABLE MR. SETHNA: My Honourable Friend, Sir Arthur Fromm, interjects by saying exactly so, but as the Honourable Mover has explained, and I think to the satisfaction of the Council, that an opportunity was absolutely denied to him by the Burma Government. If that be the case, then I say, Sir, it is for the Government of India to see that the Railways which have anything to do with the Government of India should avoid such pin pricks. It is these pin pricks under which Indian merchants and others labour and which are most annoying, and I am sure my Honourable Friend, Sir Arthur Fromm, himself will be the first to agree with me that the procedure of the Burma Railway, as explained to us by the Honourable Mover, was absolutely incorrect. Surely it was left with them to place the order with the lowest tenderer or not, but it was most impolite and unbusinesslike on their part not to have given him even an opportunity to tender. I, therefore, now understand the reason of the Resolution being worded in the manner as it appears on the agenda paper.

The Honourable Mr. Lalubhai Samaldas has explained that there are three methods by which new companies can be crushed out of existence. My Honourable Friend, Sir Arthur Fromm, has named a fourth, namely, entire bad management, and he further added that for the successful management of a shipping company, a lifelong knowledge of the trade is required. I entirely agree with my friend, Sir Arthur Fromm. I believe

[Mr. Sethna.]

that he will also agree with me that infant concerns if properly managed, do require encouragement and help from Government, if possible. In addition to the reasons for the failure of companies already given, I would also give one more and explain it by quoting an instance and no one will remember it better than my Honourable Friend, Sir Arthur Froom, himself. There is a company in Bombay known as the Bombay Steam Navigation Company, a powerful organization now in the hands of Europeans, at one time in the hands of some prominent Indians. That company studiously made an effort to drive out competition from anybody else. The newly started rival companies were managed well but yet had to suffer.

Take the case of the competition between the Peninsular and Oriental of which my Honourable Friend, Sir Arthur Froom, is the head in Bombay and the Nippon Yusen Kaisha, which took place many years ago when both were trying to cut each other's throats, but as both were very rich and powerful organizations they found it to their advantage to combine after a time which they did to the detriment of the merchant exporters from Bombay to the Far East. To return to the Bombay Steamship Company. What did they do against even well managed concerns? First of all, they cut down the passenger rates from Bombay to ports at a distance of 100 or 300 miles to which their boats went. They did not rest there, because the new companies were also prepared to cut down their rates. Will the Council believe when I say that the stronger of the two, because it was longer in existence and had large reserves, in order to drive out the other company from competition not only carried passengers free of charge, but also presented them with a free coloured handkerchief. (Laughter).

I think Government ought certainly to help new concerns by every means possible if as Sir Arthur Froom lays down they are well managed. The argument of my Honourable Friend, Sir Arthur Froom, was that only badly managed shipping companies go to the wall. I have shown that well managed concerns, because they got no encouragement or support from Government, which they would have got if they were under other Governments, have also had to close their doors.

The HONOURABLE SIR ARTHUR FROM: Not the British Government.

The HONOURABLE MR. SETHNA: My Honourable Friend again interjects by saying 'not the British Government.' Let there be equality of treatment extended by the British Government which the Mover asks for. But does the Government of India give equality of treatment in these matters? Does my Honourable Friend, Sir Arthur Froom, forget the discussion that we had on the question of the purchase of Railway Stores in September last in the Council of State at Simla. I was then able to point out from the evidence of Sir William Meyer before the Acworth Committee that the British Government were well aware that their Head Commissioner for India in London, with a view to protect vested interests in England, was compelled to give preference to the extent of 10 per cent. to British manufacturers. Now is that equality of treatment, may I ask?

The HONOURABLE MR. E. S. LLOYD: It was in the interests of India.

The HONOURABLE MR. SETHNA: It was not in the interests of India, because India has thereby lost crores of rupees, and I condemned such an arrangement then, and I most emphatically say to-day again that it has worked very injuriously and to the detriment of this country

The HONOURABLE SIR ARTHUR FROM: It has nothing to do with shipping.

The HONOURABLE MR. SETHNA: My Honourable Friend, Mr. Lalubhai Samaldas' contention is absolutely correct. My friend is asking for equality of treatment not in regard to the goods which private firms may ship by those boats, but in regard to the material which the Government of India want for themselves. Surely, Sir, Indians have a right to expect the Government of India to show some regard for new concerns trying to make some headway in the shipping trade by asking for a share of the patronage which Government have in their hands.

For these reasons I think my Honourable Friend has made out a strong case in support of his Resolution.

The HONOURABLE SIR EDGAR HOLBERTON: Sir, I should like, if I may, to say a word or two with reference to the speech of the Honourable Mr. Sethna. He is evidently in the first place under a misunderstanding as to the terms on which the Burma Railways Company buys its coal. I know no instance of a large dealing in coal being made in Burma in which freight has been paid by the buyer. The freight, as far as I know, according to the custom of the trade, is fixed in Calcutta by the people who sell the coal. Therefore, the unfortunate Burma Railways :

The HONOURABLE MR. LALUBHAI SAMALDAS: It is not so.

The HONOURABLE SIR EDGAR HOLBERTON: My knowledge is different. I have had different quotations for coal supplies and all the quotations have been inclusive of freight. That being so, the Burma Railways can hardly be blamed in all cases for not accepting or listening to tenders from certain shipping companies.

Secondly, with reference to the Honourable Mr. Sethna's reference to the Stores Committee, we must be very careful because I think he was supporting a statement of his own in this debate by a reference to a similar statement of his own in a former debate. I think it is a little difficult to accept as a strong support of any statement that any Member may make in the debate here a similar *ex parte* statement which he himself may have made in a previous debate on a similar subject. However, I only rose to clear up the position about the Burma Railways. But what I would suggest to my Honourable Friend is, that he should ask leave to divide his motion into two. I think he will surely find the House with him as far as the words 'from any ports to India,' but I think there will be a difference of opinion as to whether it would be for Government's advantage to give a preference to any Company, Indian or otherwise, who can give a rate approximately as good as that available in other quarters.

The HONOURABLE MR. H. A. F. LINDSAY: Sir, the terms of this Resolution are precise, but the discussion on it seems to have become rather discursive. I should like to go back to the actual terms of the Resolution and clear up one or two points on which Honourable Members are suffering under some misapprehension. The first point refers to the instructions to the Departments concerned. The House must not think that the Departments concerned, the local purchasing Departments, have any control whatever over freight

The HONOURABLE MR. LALUBHAI SAMALDAS: Not in the case of the High Commissioner?

The HONOURABLE MR. H. A. F. LINDSAY: The High Commissioner's is not a consuming Department. The consuming Departments have got no control over freights. The purchase of stores for the Departments of the Government of India is centralised chiefly in two hands. In the first place, there is the High Commissioner in London who controls the purchase of stores for shipment to India, and, in the second place, there are the stores required by Railway Companies in India, chiefly coal, which is shipped to them by the Mining Engineer from Calcutta. Now, Sir, the procedure followed has been quite clearly explained in the report of the Stores Procedure Committee. The following note has been given by the Director General of Stores on this very subject which explains exactly what happens, and if I am allowed, I shall read a sentence or two from that report.

'All stores, from whatever source obtained, are shipped by the Stores Department which engages the necessary tonnage by direct contract with ship-owners.'

And then again,

'Acceptance of freight tenders is subject generally to the same rules as those governing the acceptance of tenders for stores.'

Now, the rules governing the acceptance of tenders for stores are, as we all know, the Stores Rules, which are intended to govern all purchases of Departments of the Government of India and local Departments, and the underlying principle of those rules is acceptance of the lowest satisfactory tender . . .

The HONOURABLE MR. LALUBHAI SAMALDAS: At a not unfavourable rate, under the latest rules.

The HONOURABLE MR. H. A. F. LINDSAY: That is exactly the same thing—the lowest satisfactory tender. Now, this expression is not used by the purchasing officers in any way as a screen to enable them to choose any particular commodity they like from any particular firm or (as applied to the present case) to place their freight with any particular company. They have absolute discretion, but this general principle of acceptance of the lowest satisfactory tender governs all their purchases. In the case of freight for stores required for India, the phrase has a very special and particular meaning. It means in the first place that ship-owners—I am referring particularly to stores purchased in London—waive their claim to exemption from liability for loss or damage to cargo in the course of shipment. I might explain this more fully by referring to the practice of Government not to insure its stores. That is to say, Government must insist before it gives a freight contract that the ship-owner shall accept full liability for loss or damage to stores. That is one of the conditions on which the tender becomes satisfactory. The second condition is that no claims for demurrage or any subsidiary or contingent claim shall be put in a general case. Of course a special case may arise in which demurrage is claimed, but demurrage is frequently waived. And finally,—and this is a most important point—the lowest satisfactory tender is nearly always considerably below the open market rate of freights.

I think the House will understand from this explanation that it is not a very lucrative business to tender for the carriage of Government stores, and the tendency is undoubtedly to place the contracts with companies which have large fleets and are able to meet Government in those particular conditions which I have explained. At the same time Government recognise that the grant of these contracts is profitable to this extent that they give a security of tenure, a security of conditions, and they realise that Indian shipping companies must have full opportunity to take advantage of

these conditions. I may say at once that Government have no intention whatever of depriving Indian steamship companies of this opportunity. My Honourable Friend has quoted a particular instance in which he says he was deprived of that opportunity. He asked to be allowed to tender, but unfortunately the contract had been previously given. I do not think that he will find that in cases in which the contract is still open he will have any difficulty in lodging his tender. The Government are perfectly prepared to accept the terms of this Resolution, on the understanding that the usual Stores Purchase conditions of the acceptance of the lowest satisfactory tender is bound to govern all the offers made to the Stores Department.

The HONOURABLE SIR DINSHAW WACHA: Sir, I generally agree with the spirit of the Resolution which the Honourable Mr. Lalubhai Samaldas has put before you. I think the time has come, when young industries are rising in India, and particularly the development of these rising industries which is, of course, acknowledged by the Government itself that some support is essential, at least for the first few years, till they can stand on their own legs. The Indian shipping companies have of late been more in prominence. It may be that owing to bad management some of them go to the wall; but there are other companies which are strong enough and in a position to compete with companies which have been long established. So far as I understand, my friend's Resolution he suggests that equal treatment is necessary. The Honourable Mr. Lindsay has, of course, explained to us that there is nothing in the Government rules and regulations which says that equal treatment should not be given and that every tenderer has a right to tender consistent with the rules and regulations in regard to shipping of stores of Government. True; but what happens is this. Whatever may be the rules and regulations of the Government, after all it is the executive head who has to administer or interpret those rules, and it is left to his absolute discretion. And more or less sometimes it happens that there is bias or prejudice or self-interest, or some such motive comes in the way. Then what happens is, that there is not that equal treatment which the Government think we ought to have. There lies the difficulty. It is in the practical application of the rules that the unequal treatment is involved, and it is that differential treatment which the Indian shipping companies feel most, notwithstanding the principle laid down by Government. That principle is not observed by those who have to administer the rules. That is our difficulty, and I am quite sure that after the discussion that has taken place in this House, the Honourable Member for Commerce will see his way to circularise all the Heads of Departments who have in their hands the administration of the Stores and Freight and other cognate matters that they do give that equal treatment and equal opportunity to tender which is presently particularly denied, although, in the abstract, it is of course there. The difference is between the abstract and the practical, and my friend, the Honourable Mr. Lalubhai Samaldas' Resolution clearly implies that the spirit is sadly wanting. Very often these things happen. I may say that in one instance the Mining Engineer did promise that everything would be done in the proper time and a fair opportunity would be given to tender. The Honourable Mr. Innes himself showed me the draft of a brief letter requesting the Mining Engineer to give the opportunity sought for. Yet when the actual opportunity occurred and we asked the Burma man, he said, 'No, no, the contract has already been made'! That is the procedure against which we protest telling one

[Sir Dinshaw Wacha.]

thing to a tenderer and raising expectations and then doing another. This is a procedure which is most annoying and exasperating. It suggests that Government is not honest. To lay down one thing in principle and allow those who have to carry it into practice to wholly ignore it. Is that right? It is this wrong which the Indian shipping companies suffer from which has got to be righted; and I hope that the Honourable Member for Commerce will see that nothing of the character I have pointed out happens in the future. With these words I certainly support the Resolution the spirit of which is right and proper.

The HONOURABLE MR. LALUBHAI SAMALDAS: I am thankful to my Honourable Friends who have supported me and I am equally thankful to my Honourable Friends, Sir Arthur Froom and Sir Edgar Holberton, for trying to put their point of view before the Council. Sir Arthur Froom said that I was referring to one company which was badly managed. I may tell him that I was not referring to one company. I have a list with me which I will pass on to him if he likes, and if the Honourable Member for Commerce requires, I can show that 15 or 20 companies have been crushed out of existence by the larger companies whom I won't name. Then as regards the surplus space, there also I find actual complaints from shippers saying that—

'because we shipped with you the larger companies would not take our goods although they have got space.'

I am prepared to pass them on to Sir Arthur Froom. As regards the actual case that I referred to, Sir Dinshaw Wacha has made it quite clear and we felt that there was a grievance. My Honourable Friend, Mr. Lindsay, says that he is prepared to accept the Resolution on the clear understanding that the new Stores Rules, whether it is 'lowest satisfactory tender' or 'not unfavourable rate,' whatever those new Stores Rules are, should govern the Resolution. I am prepared to accept this understanding that this Resolution will be given effect to in the light of the new Stores Rules and nothing more. I was perhaps not quite clear when I used the words 'Departments concerned.' I meant, of course, not the consuming Departments, but the purchasing Departments. I thank the Government for accepting this Resolution on the understanding they have mentioned and I hope the House will accept it.

The HONOURABLE THE PRESIDENT: I will put the Resolution in two parts. The question is that the following Resolution be adopted:—

'This Council recommends to the Governor General in Council to issue instructions in the Departments concerned to give Indian Shipping Companies an opportunity of quoting for the carriage of Government and Railway materials from any ports to India.'

The motion was adopted.

The HONOURABLE THE PRESIDENT: I will now put the remaining part of the Resolution:—

'and to give them preference if their quotation is approximate to that of other Companies.'

The House proceeded to divide.

The HONOURABLE MR. SETHNA: I rise to a point of order. Will it be competent to Members of this Council who are also Members of the

Fiscal Commission before whom this question is, I understand, being discussed to vote on this question one way or the other?

The HONOURABLE THE PRESIDENT: Most decidedly; the duty of a Member of this House to the House is superior to all other duties save his duty to his God and his King.

The second part of the Resolution was adopted.

The Council adjourned for Lunch till a quarter to Three of the Clock.

The Council re-assembled at a quarter to Three of the Clock, with the Honourable the President in the Chair.

RESOLUTION RE IMPROVEMENT OF MINOR PORTS.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Sir, the Resolution that stands in my name runs as follows:—

'This Council recommends to the Governor General in Council to take steps to contribute, out of the Customs Revenue, a portion of the expenditure incurred by the Local Governments for the improvement of the Minor Ports.'

In moving this Resolution I beg to make the following observations:

This is a question, Sir, that affects greatly the seaborne trade of Southern India in the Madras Presidency. This Presidency has been peculiarly situated and has as many as 15 minor ports. I do not think any other Province in India has as many minor Ports as that of Madras. For example, Bombay has only 7 minor ports, Bengal 1, Bihar and Orissa 3, and Burma 5. In the Presidency of Madras, there are no protected Harbours with the exception of Madras and the steamers have to anchor in open sea between 3 to 5 miles away from shore. Landing and shipping of cargoes have been conveyed by barges and boats between shore and steamer and *vice versa*, which is being done only during the high tide. In all these minor ports free communication from shore to steamer has become impracticable owing to the silted condition of the Bar especially at Negapatam. Various efforts have been made to remove the silt by means of hand dredging and steam dredging, which has become a failure. The Madras Government have done all that they could to help the minor ports financially, but everything proved futile.

On the frequent representations made by the several minor ports of the Presidency, the Government of Madras have arranged to examine the whole question by getting the opinion of the expert Engineers, and accordingly communicated with the Home Government and with the help of the Secretary, Public Works Department, India Office, Messrs. Sir John Wolfe Barry Lyster and Partners were asked to go to India and examine the several ports of the Madras Presidency. Accordingly, they have sent a Special Engineer, Lieutenant-Colonel DuCane, to go to Madras and inspect the important ports in the Province and report their conditions. As a result of the investigation a report has been submitted to the Government of Madras on the 28th February 1920 recommending the improvements of the Ports of Tuticorin, Negapatam, Mangalore, Malpe and Cocanada.

[Khan Bahadur Ahmedthamby Maricair.]

I shall first deal with the port of Negapatam where the suggested improvements have been taken in hand. In paragraphs 78 and 79 in page 19 of the Report, the expert Engineers recommended the construction of two break-waters, and the cost of constructing the same comes to about Rs. 6 lakhs. The annual recurring expenditure if the proposed works are carried out will come to Rs. 52,100.

The Landing and Shipping Fees Committee of Negapatam have recently increased their charges to the highest maximum and also levied tolls on passengers embarked and disembarked. With all these increased taxations the expected revenue is about Rs. 40,000 showing a deficit of Rs. 12,100. During the visit of His Excellency the Governor of Madras to Negapatam, the Landing and Shipping Fees Committee, otherwise called the Port Trust Committee, have requested His Excellency the Governor to visit the Port and His Excellency was kind enough to comply with the request and had the pleasure of seeing the condition of the Bar personally when the Committee presented the arguments of the Port Deputation wherein they have made a special suggestion in paragraph 9, clause (2), which is as follows:—

‘As the Customs Revenue will naturally benefit and increase in proportion to the increased volume of trade that will pass through the Port consequent on the improvements to be effected and as the Landing and Shipping Fund with all the enhanced rate of dues could not afford to bear all the expenses on the improvements suggested in the report of Sir John Wolfe Barry Lyster and Partners, to make a free grant of at least half the estimated cost of improvements, as already applied through the Presidency Port Officer—vide Presidency Port Officer's No. 500-2155-P., dated 7th September 1920, or recommend payment of a moiety of the cost of Port improvements about to be taken in hand from the Customs Revenues controlled by the Government of India, as they do not spend any money out of the Customs Revenues towards the improvements of this Port for the encouragement of the sea-borne trade.’

On inspecting the Bar and hearing the appeal of the Deputation, His Excellency the Governor of Madras was convinced of the necessity for the improvement of the Port and expressed his whole-hearted sympathy towards the scheme.

On the face of the recommendations by Sir John Wolfe Barry Lyster and Partners, the Government of Madras have appointed a Special Harbour Engineer, one Mr. Bristow, who has since taken over charge of all the minor ports.

The Landing and Shipping Fees Committee have sanctioned in its meeting held in January a preliminary scheme that has been suggested by the Harbour Engineer, Mr. Bristow, at a cost of about one lakh of rupees and the work as already said has now been commenced. To complete this work as suggested by Sir John Wolfe Barry Lyster and Partners, we require a capital of Rs. 5 lakhs more. It will not be possible for the Government of Madras to give any contribution in this direction, nor will it be feasible for the Port Trust to borrow loans as it will not be in a position to repay. Further, it will not be desirable to increase any more taxation on goods as the highest maximum rate has already been reached.

Under these circumstances, I recommend that a portion of the expenditure incurred in this direction for the improvements of the Ports be contributed out of the Customs Revenue. Besides Negapatam there are four more Ports, viz., Tuticorin, Mangalore, Malpe and Cocanada which also need

improvements. As per report submitted by the Harbour experts the estimated cost for the improvement of each of these Ports is as follows:—

								Lakhs.
Tuticorin	...	...	...	...	...	...	nearly	150
Mangalore	...	...	...	...	...	...	...	6
Malpe	...	...	...	...	...	...	...	106
Cocanada	...	...	...	...	...	...	...	3

and the works could not be undertaken, unless the Government came forward with their helping hand. I am afraid it will not be possible for the Port Trust to complete this work out of their revenue.

Now, Sir, I shall explain how the Department of Sea Customs are profiteering under the shelter of the Port Trust. They spend no money whatever in the improvement of the Port, but derive maximum benefit with the minimum cost or, if I may be permitted to say, with no cost at all.

Sir, I would like to ask the Government: Is it fair, is it justifiable and is it equitable that this Department of Sea Customs which is thriving as a parasite on the Department of Port Trust will not bear even a portion of the expenses in keeping these ports in their proper condition so as to give every facility for landing and shipping? In this connection I should like to cite a case which will prove to this House whether this modest demand on the part of the Port Trust Committees are justifiable or not. Sir, if a bag containing nuts valued at Rs. 100 is landed at a Port, the Port authorities can charge at the most one anna, which was previously charged quarter anna in the form of landing and shipping fees, whereas for the same bag of nuts if consigned from the foreign country, the Government of India through their Customs Officers charge Rs. 15 as duty. Is it not an injustice that the Customs Department who do not contribute even a farthing towards the improvement of the Port, is allowed to collect such an exorbitant revenue. On the other hand, the poor Port Trust who spend lakhs and lakhs of rupees get only one anna.

Lastly, Sir, I beg to conclude with one more point which was submitted by the Port Trust Deputation before His Excellency the Governor of Madras during his recent visit to the Port of Negapatam and which runs as follows:—

‘The prosperity or otherwise of the Port of Negapatam depends upon the stable conditions of the Bar which impedes the entrance to the river and is constantly shifting its position according to the wind, weather and season of the year. At times it is favourable to navigation and at times it is much the reverse. Inside the river between the mouth and landing quays, silt and sand is constantly being deposited owing to insufficiency of tidal water scour from the river. The result has been that, when conditions are most unfavourable, boats have the greatest difficulty in getting in and out, and often have to wait for hours before doing so. In consequence of these adverse conditions, merchandise landed and shipped at this Port is subject to considerable damage by sea water, with the result that the Insurance Companies have declined to accept risks over such cargo for the Port of Negapatam, whereby merchants suffer serious handicap and trade is discouraged.’

I would like further to refer the Hon'ble Members to paragraph 74 in page 18 of the Report of Sir John Wolfe Barry Lyster and Partners where it is stated as follows:—

‘It was also pointed out that at the present moment the port is on the black list with the Insurance Companies owing to the amount of cargo damaged or lost in crossing the Bar.’

[Khan Bahadur Ahmedthamby Maricair.]

From the aforesaid statements it will appear that the commercial public is being put to a serious loss in their cargoes being damaged by the sea water for which no Insurance Company accepts liability.

With a view to protect the interest of the sea-borne trade it is only proper and just that every facility be given in all the minor ports of the Presidency to have free communication from shore to steamer and *vice versa* and a portion of that expenditure should be met by the Customs Revenue.

With these few words I commend my Resolution for the acceptance of the House.

The HONOURABLE SIR MANECKJI DADABHOY: Sir, the Madras Presidency has an excellent and a very enthusiastic advocate in our friend, the Honourable Khan Bahadur Ahmedthamby Maricair. He has fought battles for Madras very often in this Council with great ability and skill, but I am afraid he is carrying his enthusiasm a little bit too far when he asks this Council that the Imperial Revenues of State should be appropriated for the improvement of the minor ports in his Presidency. It is, therefore, only on principle that I am standing to oppose this Resolution. I quite appreciate the force of his argument that the ports in his Presidency are in a very inefficient and unsatisfactory condition. But that is no argument why the Imperial revenues—the Customs duties which are Imperial revenues—or even a part of it, should be appropriated for the benefit of a particular province. My friend is aware that all the provincial minor ports are allowed to collect all its revenues and its other charges. It is purely a provincial matter. All the port charges are recovered by the Provinces, and therefore every province should bear its financial burden in this matter. Take, for instance, the Bombay Presidency. What is the position of Bombay to-day? The Port Trust of Bombay, by raising loans, by making improvements, by adopting a bold and courageous policy, has made Bombay an enviable port to-day. Why should not the Madras Presidency follow suit? Why should not Madras with its statesmen, with its merchant class, with its big business men like my Honourable friend, Khan Bahadur Maricair, go in for a similar policy? My friend also said something about the sea customs. But as far as I am aware—and I speak subject to correction—the sea customs are not separately classified. They all come, as I understand, under one general head of Customs revenues, and you cannot separately allocate those revenues. The Resolution, I submit, in nature and character represents purely a provincial grievance. The matter ought to be taken before the Madras Council, and they would know how to meet a grievance like this. I think it is hardly fair and proper for my Honourable friend to ask this Council to sacrifice a part of the Customs duties when the Government of India is so badly in need of every pice it can get hold of at present. When fresh and heavy taxation has been called for this Session, when the customs general tariff has been unsparingly increased 3 P.M. from 11 per cent. to 15 per cent. at the detriment of the consumer, it is monstrous to ask that a portion of this money should be appropriated for the improvement of the minor ports in which the Presidency of Madras is interested. I, therefore, hope that my Honourable Friend will see his way not to press this motion on the Council.

The HONOURABLE MR. C. M. BAKER: I think the last speaker went rather too far when he said that minor ports were an entirely provincial matter. It must be remembered that every improvement of the ports increases the customs revenue and indirectly the income-tax revenue as

well. But unfortunately there is one difficulty in the way of this Resolution, namely, that in the distribution of subjects and revenues minor ports have been allotted as a provincial subject, and it is, therefore, not open to the Central Government to spend any money on them; nor do I think it is open to this Council to vote a Resolution that they should do so. On the other hand, I do not think that would debar me from asking the Central Government not to give a subsidy, but to refrain from taking one. It is a fact that at present they do take a subsidy from the Bombay minor ports; it takes the form of a contribution of Rs. 10,000 a year towards the pay of the officers of the combined Salt and Customs Department who do the work of minor ports—a perfectly fair charge, but one which the Central Government can very well afford to forego. We have some reason for asking for consideration, because although the Bombay minor ports are supposed to finance themselves, practically during the last ten years they have found it impossible to do so, and the Provincial Government has been put to a certain amount of expenditure, direct and indirect, in assisting them to keep going. I, therefore, hope that the Government of India will give the subject such consideration as is possible consistent with the present allotment of subjects.

The HONOURABLE MR. SETHNA: I too agree with the Honourable Sir Maneckji Dadabhoy in the point that he has made clear in this Council that you cannot expect the Central Government to devote a portion of its customs revenue to the purpose to which the Honourable Mr. Maricair would like to divert it in the Provinces. The Central Government is not expected to help the Provinces with any portion of its contributions except under very exceptional circumstances. If for example, because of their being confronted by a serious famine, or by financial crisis or by political disturbances they are unable to meet their expenditure, it will be right and proper for them to approach the Central Government for a monetary grant; otherwise I agree with Sir Maneckji Dadabhoy that the proposition should not be supported. Further, my Honourable Friend, Mr. Maricair, forgets that under the Reforms Scheme we are pledged to the gradual abolition of the provincial contributions to the Central Government. Therefore, the Provincial Governments will have considerably more money in the near future to devote to the purpose for which the Honourable Mover wants help.

But, Sir, the Honourable Mr. Baker has raised a fresh point upon which I should like to say a word or two. Mr. Baker says that while the Central Government will not contribute money on the minor ports they ought not also to levy a subsidy from those minor ports. That leads me to a very important question, and I wish my Honourable Friend had moved a Resolution to that effect instead of the one which he has brought forward to-day. So far as I know, in most countries the control of ports does not lie with the Provincial Governments, but with the Central Government. In fact, if I remember rightly, the Acworth Railway Committee in its Report have made the recommendation that the control of the different ports in this country should be handed over to the proposed new Railway Administration in this country. If that were done, Mr. Maricair's request would be met because the Central Government would then take charge of both the major and minor ports, and also Mr. Baker's point that there should be no contribution to the Central Government and that there ought to be no subsidy from the minor ports to the Central Government. I am, therefore, not inclined to support the Resolution of Mr. Maricair, but if Mr. Maricair himself or any other Member brings a Resolution to the effect that

[Mr. Sethna.]

the control of all ports in India should vest hereafter in the Central Government, such a Member will find in me a hearty supporter.

The HONOURABLE SIR DINSHAW WACHA: Sir, as more than one objection has been taken to the Honourable Mr. Maricair's proposition, assuming that the Central Government comes to the aid of those Madras ports he mentioned what will happen? Bombay, which can claim a large number of ports will come and say: these should also be improved and taken over by Government; Calcutta and Karachi may make a similar demand. Where will the Central Government then stand? Because once the demand is conceded, a precedent will be established; and upon that precedent all the other Presidencies and Provinces which have got large seaports and minor ports will demand the same. Therefore, on that principle alone, I think the proposition cannot have the support of this Council. There is another point. The Honourable Mr. Maricair said that a part of the customs duties might be assigned for the improvement of this particular port mentioned by him. Granted. Madras is one of the five ports which collect customs import duties. There is Bombay, there is Calcutta, Madras, Sind, and Rangoon. Look at the trade returns and you will find that Madras contributes the least customs duties, only a little over $\frac{1}{3}$ of the total. Even Karachi has a better trade than Madras; Rangoon has also better trade; and, of course, Bombay and Bengal have the largest imports. Therefore, it is Bombay and Calcutta that pay the largest amount of the duty, and how is it possible in equity to say that a part of the customs dues which are so largely contributed by Calcutta and Bombay, Sind and Rangoon should go to Madras? That will not do. I, as a Member from Bombay, will protest against any transfer of customs duties to a province like Madras which contributes the least. I think the only way for Madras is that it should either be content with the kind of port that it has got now, or, if Madras, has got private enterprise, let its private enterprise come forward. Let it go before the Government and ask for concessions:

'We will do this improvement ourselves. Let the Government give us a concession to collect the dues for 20 or 25 years.'

and in the meantime let Madras go on with private capital and improve the port and earn a big revenue from that port. That is the right and proper business way of doing this thing, and that is the way on which private enterprise can help Madras and benefit itself. I think if my Honourable Friend goes to Government with that sort of private enterprise and tells the Government:

'Here, we have a capital of 25 or 30 lakhs. Let Government give us the concessions to this effect and that effect, and we are prepared to hand over the port after so many years.'

Such an offer is most likely to be accepted as it will benefit Madras and stimulate private enterprise at the same time. But to ask the customs duties, partly no doubt, to be devoted to the improvement of a small port is hardly reasonable. The Honourable Mr. Maricair also pointed out that ports like Cocanada, Negapatam and others would require an amount for their respective improvements which may exceed three crores! For Government to concede to so preposterous a request is out of the question. Where will the Central Government stand? We know that we are going to be saddled with very heavy taxation, and in these circumstances, is that possible? I hope the House will certainly reject this proposal.

The HONOURABLE MR. E. S. LLOYD: Sir, I agree with what has been said by several Members, namely, that it is rather difficult to see how we can deal with this matter while the distribution of subjects between the Provincial and Central Governments remains what it is. It seems to me that a proper solution of this question is rather the one hinted at by the Honourable Mr. Sethna. It is possibly open to question whether ports should be divided into minor and major ports, or whether there should be another line of demarcation. It is possible that this is travelling beyond the exact bounds of the Honourable Mr. Maricair's Resolution, but it seems to be open to us to say that what should be done is that the Government of India should take over all ports, at any rate, the administration of the ports, and leave to the Landing and Shipping Committee the petty matters of what may be called the harbour administration as distinguished from port administration. As far as I understand, the position is this; these Landing and Shipping Committees have no statutory position at all at the present moment. They cannot raise loans and really have no defined position. Under the Landing and Shipping Act, which is a local Act, it is merely left to an officer of Government to collect certain fees on goods, passengers and cargo. I do not think these committees in the smaller ports are constituted under any Act at all. It seems to me that the proper line on which to approach the question would be to alter these local Acts and allow small committees as local bodies to raise fees on the cargo and possibly on passengers who land in any port, and on the strength of those fees to raise loans, while the Government of India themselves as the central authority would attend to the general administration of the port and take to themselves all the fees which may be charged under the Ports Act on the tonnage of the vessels thus concerning themselves with the sea part of the matter as distinguished from the land part. That is a line of approach which I believe has already been suggested to the Government of India. I do not know whether possibly the Honourable Member who will reply for the Government of India will be able to enlighten us as to whether that is a possibility. But I quite see that at present with the allocation of subjects such as it is under the present Devolution Rules, it is hardly possible to expect the Government of India to make direct contributions in aid of the minor ports, especially out of a particular source of revenue. I believe it is one of the maxims of finance that no particular head of revenue is ear-marked for any particular purpose; it all comes as revenue, either central or provincial, as the case may be; it does not become revenue out of which particular heads of expenditure should be financed. Therefore, what really seems to be wanted is, that possibly some alteration of the Devolution Rules should be arrived at which will relieve the present difficulty; but while things remain as at present the only thing to be done seems to be that the Local Governments should strengthen their own local Acts and give these shipping committees power to raise loans which may be taken from the Government of India. Then while the Government of India can finance these committees by way of loan, at the same time they might possibly see their way to formulate a policy under which anything to do with shipping shall fall on the central revenues, and anything to do with landing shall fall on the provincial revenues. I would go further and say that these committees should be left almost entirely to themselves and develop very much on the lines of taluk and district boards keeping their own accounts and managing their own affairs with the minimum of interference by Government in matters which are merely of local importance.

The HONOURABLE DIWAN BAHADUR V. RAMABHADRA NAIDU: I think, Sir, the Honourable Mr. Lloyd has told the Council the difficulties

[Diwan Bahadur V. Ramabhadra Naidu.]
of dividing major and minor ports. I quite sympathise with him in all that he said. It will be better so far as the port department is concerned that the control is taken over by the Central Government. Now, as it is, the control of minor ports, so far as customs are concerned, is with the Central Government and the Provincial Governments lose a good deal. It is not possible to get loans from the Central Government. It is not possible consequently to improve the minor ports. In these circumstances I quite endorse the opinion of Mr. Lloyd.

The HONOURABLE MR. H. A. F. LINDSAY: Sir, I join with the majority of the previous speakers in asking the House to oppose this Resolution, not for want of any sympathy with the aims and aspirations of the minor ports, but on general principles. You will find that the Government of India Act and the Devolution Rules have laid down certain general principles which have been working satisfactorily, and of which we want to have full experience before making any alteration. The principle of demarcation is that the major ports shall be the concern of the Central Government and the minor ports shall be the concern of the Provincial Governments. We must not imagine, therefore, though we might imagine from the speech of my Honourable friend, the Mover, that these minor ports have been left in the air to look after themselves, nobody's children. They have been provided with the care and maintenance of the Provincial Governments, from provincial revenue so far as such revenues are available.

This leads me to a further point. I have yet to find it established that ports require customs revenue for their development. The ports must surely aim at becoming going concerns and they must maintain themselves by the fees they levy on their shipping. The more they look to Government subsidies for their support, the weaker they are bound to be in the end.

Now, there is a further point which has not, I think, been made quite clear so far, a purely constitutional point. However much the Government of India might desire to help the minor ports, there is nothing in either the Government of India Act or the Devolution Rules which empowers them to do so. In fact it is not permissible for the Government of India, under the law as it stands at present, to incur from central revenues any expenditure on provincial subjects. The question of the maintenance of ports and the control of ports has been divided into two halves, major ports under the Central Government and minor ports under the Provincial Governments; and therefore the answer to the Resolution of the Honourable Mover is, that the future of the minor ports lies in the hands of Provincial Governments until such time as they show by their development and their appeal to shipping that they are qualified to come under the ægis of the Central Government.

And there is a final objection which will, I am sure, weigh considerably with this House. The Honourable Mover might quite well say that it is still open to the Government of India to notify certain minor ports as major ports and take them under their protection. Sir, this argument will weigh very little, I am afraid, with the House in the present financial position. Those Members who were present when the Budget was discussed the other day know perfectly well that, so far from any Government revenues being available for subsidising minor ports, it is very doubtful whether major ports will receive any support beyond that which the shipping industry can afford them. The Honourable Mr. Lloyd suggested a different division of

the subjects; that instead of making the major ports come to the Central Government and minor ports to the Provincial Government, the division should be by sea and land. I am not quite certain, Sir, how it would work out in practice; but I doubt if it is really a principle which would commend itself to the Government of India.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Sir, in pressing my Resolution I wish to make a few observations in reply to the remarks which fell from some of my Bombay friends. I could at once see the object of their opposing my motion, as my Honourable Friend, Sir Maneckji Dadabhoy, said

The HONOURABLE SIR MANECKJI DADABHOY: I am not a Bombay Member.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Their argument was that the Port of Madras is not so flourishing as the Port of Bombay. I know, as a matter of fact, that they do not like to see the Port of Madras flourish in any way and compete with Bombay. I know very well that if this scheme is carried through in all the coast ports, Madras will be the best port in India

The HONOURABLE SIR DINSHAW WACHA: By all means make it.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: So I see their object is to place an obstacle in my way. There is one important point, Sir, which is lost sight of both by the Government as well as by the Members who have opposed my motion, and it is this. If my motion is not accepted of improving the minor ports in the Madras Presidency, the British Government stand to lose a good deal of the customs revenue which they are now deriving. The situation of the Madras Government so far as their ports are concerned, unlike Bombay, is very dangerous. Madras has two foreign ports such as Pondicherry and Karikal. Both are at a distance of about 60 and 10 miles from Madras and Negapatam, respectively. Both Pondicherry and Karikal are French ports and they are doing their level best to divert to their ports all trade from the British ports. As a matter of fact, in Pondicherry they have provided a pier for landing and shipping goods and they have electric and hydraulic machinery to handle cargo both for export and import. It is a very fine port, and I am afraid all the trade which is now done at the British ports will be diverted to that port. I therefore warn the Government of India to develop the British ports, otherwise in a few years all the ports in the Madras Presidency will become silted and it will not be possible to have any communications, with the result that the French ports will capture the whole trade. That is the point which I had reserved for my reply.

The next point is about the washing away of the hands of the Government of India. The Bombay Members suggested that this is a matter entirely for the Local Government. Now I ask how far is it possible for the Local Government to pay? How many ports has Bombay got, and how many ports has Calcutta got? Look at the number of minor ports which Madras has got. They have as many as 15 ports. Is it possible to expect the Madras Government to pay contributions to so many minor ports?

The HONOURABLE MR. C. M. BAKER: In Bombay there are 52 minor ports.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: There are only 7 minor ports in Bombay, Bihar and Orissa 3 and Burma 5. I got this information from a very reliable source.

The HONOURABLE MR. E. S. LLOYD: May I point out that there are 71 ports in Madras?

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: I have only calculated the number of ports at which steamers are actually touching and where most business is done. With regard to the policy of paying a contribution to the Local Government by the Central Government, if there is a will there is a way. If the Government of India wish to help the minor ports so that they make them major ports, they may do so. If the Government of India really want to assist the trade, they can do so only if they have the will to do it. The other day we had a dismal budget and Government want to tax the people. Why do they do it, because they find it necessary to tax the people to make up the deficit in the budget. Similarly, because I find that the Madras Government cannot afford to pay, I appeal to the Government of India to make a contribution to them. If the Government of India pooh pooh my request, what can I do? I thought the Central Government is the proper authority before whom all people lay their grievances. With that object I brought forward my Resolution to-day. The Honourable Sir Maneckji said:

'Oh, Mr. Maricair is always pleading for Madras.'

I have not got much experience of Bombay or Calcutta. The Members from those places always plead for their own provinces, and I plead for Madras which province I represent. It is my duty, I think, to come here and represent the difficulties of my constituency, and so I maintain that I am entirely in order in pleading to safeguard the interests of my province.

There is only one other point which I should like to refer to, and that is about the remark which my Honourable Friend, Sir Dinshaw Wacha, made that we should start a private enterprise. The Madras Presidency is not so forward as the Bombay Presidency (Hear, hear) in the matter of industrial enterprise to promote limited liability companies and to develop the minor ports in the presidency. And so it is not possible that his suggestion will meet with the approval of our people. I hoped Honourable Members of this Council would not be prejudiced against my suggestions and that they will give their unanimous support to my Resolution. On the contrary I find that some of the Bombay Members are against it. It may be so, Sir, but I have done my duty and I leave it to the discretion of the Council. I therefore commend my Resolution for the acceptance of the Council.

The HONOURABLE THE PRESIDENT: The question is that the following Resolution be adopted:

'This Council recommends to the Governor General in Council to take steps to contribute, out of the Customs revenue, a portion of the expenditure incurred by the Local Governments for the improvement of the minor ports.'

The Resolution was rejected.

RESOLUTION RE RECIPROCAL RIGHTS AND DISABILITIES OF INDIANS AND COLONIALS

The HONOURABLE MR. G. S. KHAPARDE: Sir, the Resolution which I propose runs as follows:—

'This Council recommends to the Governor General in Council that when rights and disabilities are conferred or imposed on Indians by the laws of any Colony, legislation be undertaken to confer or impose the same rights or disabilities on the subjects of that Colony in British India.'

I believe that the terms of this Resolution are quite clear. It only means that if any particular British Colony imposes any particular disability upon us or confers any rights upon us, then we should do the same thing that they have done to us. This Resolution is intended to consolidate the British Empire or rather—it is perhaps highly impertinent for me to say that I am going to consolidate the British Empire—it is a means or a step towards doing it. Ours is a very large Empire in all the continents of this world. It comprises possibly all climates and nearly, I believe, all the races, and all civilisations also. We have got all things in the British Empire. Nearly all samples are to be found there. There is a sample of all climates, and a sample of all the civilisations. In fact everything is there. This idea of consolidation arose as early as 1911. It is not entirely a product of the war. English statesmen saw early that this broad Empire should be brought together by certain ties and relations, and for that purpose they made an endeavour. In the Imperial Conference of 1911, Lord Crewe moved a Resolution, or rather submitted a memorandum and made a speech. I have got a part of the speech here, but I do not propose to read it. It is needless to take time over it. So, this idea occurred to Lord Crewe in 1911. Then, for a few years, nothing happened. But in 1917, India was invited to this Imperial Conference, and Sir Satyendra (now Lord) Sinha was one of the Members invited to that Conference. He submitted a memorandum to the Conference. That memorandum was discussed and I believe Mr. Chamberlain, then Secretary of State, supported it. There was a long discussion and ultimately the Conference accepted the principle. They said:—

'The Imperial War Conference, after examining the memorandum on the position of Indians presented by the Indian representatives to the conference accepts the principle of reciprocity of treatment between India and the Dominions, and recommends the memorandum to the favourable consideration of the Governments concerned.'

So that, this idea was conceived in 1911, and it was more or less formulated in 1917. In the subsequent year, 1918, that idea was again put forward. Here it was accepted. Again, Lord Sinha happened to be there and he put in a further memorandum and a further Resolution, and that Resolution was also accepted after long discussion. The great peculiarity of this discussion is that nearly all the Colonies agreed to it. Even General Smuts did not dissent, but merely expressed some doubts on some points. Otherwise he was favourably disposed, and it was on both occasions unanimously carried. I shall read only the opening part of the Resolution of 1918. It is a long Resolution, and it is enough to read the first part of it only.

'The Imperial War Conference is of opinion that effect should now be given to the principle of reciprocity approved by Resolution 22 of the Imperial War Conference in 1917.'

They go on to lay down further things. It will thus be seen that this principle of reciprocity, which I have endeavoured to paraphrase in the words of my Resolution, was accepted in the year 1917 and directed to be carried out in the year 1918 by the Imperial War Conference, or rather the Imperial Conference, as I should call it. In pursuance of that, it is mentioned by Lord Sinha himself that a Bill was drafted. But unfortunately that Bill has never been introduced, and therefore I could not trace it anywhere, either in the Library here or anywhere else. We do not know what that Bill was. Very likely it was designed, as the author himself says, to carry out this principle of reciprocity. From that time, i.e., 1919, up to the present day, the history is obscure. I tried to get hold of the blue books for all these years, but unfortunately they are

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not available here. Therefore, I have got to leave it there. But fortunately for me, the other day I read in the papers—it is only a paper report and may be a mere rumour—that the Right Honourable Srinivasa Sastri, when he goes out to the Colonies, will have some work to do in connection with this. It is very tempting to mention the grievances and all those things, but I do not propose to mention them now, and I do not care to mention them to-day for the simple reason that what I am asking is merely reciprocity, and that is a very simple rule, and very wisely adopted, not only by the Imperial Conference but even by the League of Nations. It is, after all, Sir, the old rule of 'Do unto others as you would be done by.' If you receive a particular treatment, then you had better give that treatment to others also, or to take it back to my own idea and assimilate it to my own way, it comes to this. My original idea is that we are like tenants in common—the undivided family of the Hindus. We keep adjoining pieces of land. We will live together. We, of course, call them our own lands, but with all that, we endeavour to keep what is called the group soul—one soul that will govern all these people. The endeavour in the Imperial Conference was to develop what in Indian language we should call a group soul for the whole of the British Empire, a group soul meaning that we have, all of us, one great object in view. To attain that object the best course will be that we should have all the same means and that we should all keep the same way, and adopt every step which is universally approved. That will be the best course. But in this imperfect world the best is not always attainable. It may, therefore, happen that in doing good to the whole of the British Empire, our means may sometimes differ and some people may have one set of means, and other people some other method. Some people may have one set of means and other people some other means. All the same we may have one mind to think about it and this mind should carry it out, and the best way of carrying it out after all comes back to the golden rule of doing unto others what you would like to be done by. We have this in the Indian philosophy which is as follows:

Ye yatha mang prapadyante tanstathaiba bhajamyaham.

Even in the twentieth century we have got nothing more than that to offer. So it comes back to this proposition. Lord Crewe once remarked, and with your permission I will read only one sentence from what he said:

'It does not appear to have been thoroughly considered that each Dominion owes a responsibility to the rest of the Empire for ensuring that its domestic policy shall not unnecessarily create an embarrassment in the administration of India.'

It practically means that we have got to recognise that they have got their rights and they have got to recognise that we have got our rights, and as my liberty is limited by the liberty of my neighbours, similarly the liberty of the colonies is limited by the liberty of the other portions of the British Empire and so on. That, after all, is the application of the old golden rule, and as the Government of India, I believe, is in sympathy with these ideas and, as I said, the Right Honourable Mr. Sastri is likely to be deputed to go into these matters and look into them, I shall not elaborate this part of the argument by adducing reasons for it. It is sufficiently clear that we do want to consolidate this British Empire. We do want to knit ourselves together by ties of friendship and affection. In fact, we endeavour that we should be so well impressed with each other that we should like to work together and we should not consent to part. That is the test of it. In a joint family all people care so much that they like to remain together and they

do not like the idea of separating. Then we say that they have got one soul or that it is an undivided family, and we want the British Empire to be so much of one mind and so fond of being together and so unwilling to part that we shall endure for ever. That is the real idea at the bottom and to further that idea the League of Nations has formulated various rules. Our Imperial Conference has recommended this idea. It is not retaliation at all. I am afraid some of my friends might forget or might mistake my argument for saying that we want to retaliate. That is not so. The Imperial Conference itself says that it is not a measure of retaliation, but it is really a measure intended to secure a recognition on the part of the other colonies about the existence of India and about the Indians having some rights. It was necessary to do so, because in some of the colonies, I do not want to name them, the Indians were known not as Indians but as coolies. I had a very amusing experience of it personally myself. I lost the train and I got down at a wrong station. This was in England. I asked the station master and the other people there as to what other trains were there, going about in my Indian turban. One gentleman told me that he was very glad to see me. I said, 'I never knew you before.' He said, 'I saw your performance in the White City.' 'My performance in the White City? I never went there,' I said. He said, 'You never went there? I saw your performance there.' I said, 'I never did any performance there.' Then he looked at me and said, 'Perhaps it was somebody else.' I said, 'What do you mean?' He said, 'were you not performing on the trapeze?' I said, No. That is their idea of an Indian, performing on the trapeze and such other things. Lord Crewe insisted upon this that it has to be brought home to all the colonies that India has got a civilisation, that Indians are civilised people, that they have got certain rights, that they should be treated as people having certain rights, and they should not be judged merely from our emigrants, most of whom really go out to eke out a living. Lord Crewe thought that way, and in my own humble way I think in the same manner. We do not want to take aggressive steps at all. All that we need do at present is to collect the laws of these colonies to see which colony has imposed what disabilities, also to make a list of what political rights and privileges have been given by one colony and also what disabilities have been imposed by the same colony. If we make a complete list of that, that will help us in knowing what is happening and has happened. We may send a copy of it to the Secretary of State, and whenever we send our representatives to the Imperial Conference we may supply them with a copy and they will be able to show to the representatives of the other colonies:

'You have done this, you have done that and if you go on doing so, we shall be obliged to enact similar laws in our own country. If you exclude me I shall have to exclude you and that is not a very friendly feeling.'

Lord Sinha himself said these words. I shall read out that portion only which relates to this topic

The HONOURABLE SAIYID RAZA ALI: Cannot we take that as read?

The HONOURABLE MR. G. S. KHAPARDE: We had better not. I do not think I will express it so well as it has been expressed by better people and higher people. After proposing all these alternatives, he said:

'If a Dominion is determined to exclude these two classes of immigrants from India, India should be free to do the same as regards that Dominion. It would be clearly recognised that this exclusion in their case was not actuated by race considerations, but was the outcome of our different economic conditions.'

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Further, he goes on to explain that it is to be attributed to the motive of securing a recognition of further rights, not retaliation but only the seeking of further rights. This then being the object of the Resolution and there being no retaliation concerned in it and this being designed to bring together this large mass of humanity which has been brought together by Providence under one Crown, it is best to cultivate good relations between them and you cannot impose any rule better than that of saying;

'Look here. You behave with your neighbour as you want yourself to be treated by him. If you do not do it, the other neighbour may retaliate and do something worse.'

I ask for no immediate action being taken, because the Council members I have used the words "legislation may be undertaken". To undertake legislation means a great Secretarial operation. First of all, you collect facts together, then you sit down and write long notes over it. Proposals are then framed and then they are sent for opinion to the different Local Governments, local bodies and other persons, and ultimately they materialise as a Bill. And then when the Bill comes here then we again refer it to Select Committee and it has to go through all that trouble. That is a matter which will take a long time and what I say now is that the Secretarial action had better be undertaken now and hereafter as time goes on and occasion arises we shall go on with it. Very likely no occasion will arise. The mere fact of our being engaged in this task will induce the colonies to remove all their restrictions, or at any rate bring them down to reasonable limits and then we shall not have all this trouble to go through at all. So my Resolution asks for no immediate action beyond Secretarial work, i.e., collecting materials for doing something; and I believe it is harmless, it will do no harm to anybody at all and it will secure the solidarity of the Empire. So I recommend my Resolution to the acceptance of the Honourable Council.

The HONOURABLE MR. BOROOAH: Sir, this Resolution puts me, at least, in a rather awkward position, for I find it somewhat difficult to select a course. When I first saw the notice of this Resolution I was quite inclined to support it. In fact, I went a bit further; I met the Honourable gentleman, the Mover, and told him that I would support the Resolution only with a very slight modification; but I am sorry to observe that since then further considerations have made it necessary for me to change my views. Sir, I fully appreciate the feelings that have led my Honourable and most esteemed friend to move this Resolution and I fully sympathise with him in all those feelings. It may appear at first sight, I quite admit, somewhat strange, or even unfortunate that after about 200 years of British rule, after being taught for about 200 years to value and appreciate the high ideals and standards of British policy, after acquiring and imbibing a taste for British institutions and British ways of doing things, we find it at last necessary, in the year of grace 1922, to have recourse to an old and abandoned policy of the British people of ancient times; I mean their crude and primitive policy of an eye for an eye and a tooth for a tooth. I quite admit, Sir, this appears rather unfortunate. But who is to blame for this? We cannot certainly blame the Government of India; we know that it is not in their power to help us in this matter. We know that the Government of India cannot be the masters or the dictators in the houses of other people. On the other hand, we are profoundly grateful

to that Government for their very earnest and honest attempts to help us in this direction. Then if we look up to the Government of His Majesty, we are told that inasmuch as these colonies are self-governing countries, the Imperial Government cannot find their way to interfere. What else can we do then? What other course can we adopt? What other alternative is there for us? It will thus be seen, Sir, that we have been driven by extreme necessity to propose measures which form the subject-matter of this Resolution; and if anybody is to blame for this, it is not ourselves; it is not very much the Government of His Majesty; most assuredly it is not the Government of India; but it is the Colonial Governments and the Colonial Governments alone.

After all, Sir, what is it that we ask for? We know that they have the first rights in the colonies; we do not ask them to give us all the rights and privileges that they enjoy there; we simply ask them to treat us like human beings; we simply ask them to treat us like civilised people; we simply ask them to treat us as British subjects; and we do not ask even for that, without doing a great deal towards developing the colonies, towards making them what they are to-day. I think, Sir, our self-respect as the inheritors of a great and glorious civilisation demands it. I think, Sir, our birth-right as the citizens of the great British Empire fully entitles us to make this claim. Do we then ask for too much? Can any impartial and unbiassed critic ever declare that we are asking for too much? Can he declare this, when he looks at the fact that we have got Aryan blood running in our veins? Can he ever declare this when he looks at the fact that we have at our back, a literature, a philosophy, a civilisation, which are admitted to be as ancient, as our rocks, which are universally regarded with the greatest wonder and admiration all over the world? And finally, can he ever declare this when he finds that we have been within the glorious British Empire for nearly 200 years? Sir, the treatment which is being accorded to my countrymen in many of the colonies is, I should say, a disgrace to the Indian people; a disgrace to the Government of India; a disgrace to the Government of His Majesty; it is a disgrace to the British nation; and finally, it is a disgrace to the peoples and the Governments of the colonies. In a word, it is the blackest disgrace to the British Government, the dirtiest spot that soils its fair name and fame.

Sir, I know it is feelings like these that have prompted my friend to propose this Resolution in this House, and I fully share these feelings with him. But, what I fear is, that this Resolution cannot serve any practical purpose, it cannot do us any practical good; it cannot carry us too far. Supposing we pass this Resolution unanimously, supposing this Resolution meets with the unanimous approval of this House, what will be its effect? If we want to confer a right or impose a disability, upon the subjects of a colony, residing in British India, as contemplated in this Resolution, if we want to do that to-morrow, we shall have to introduce a Bill in either of the two Houses first of all; we shall have to discuss it and we shall have to fight for it, and we shall have finally to get it sanctioned by both the Houses of the Legislature; and we shall have to do all this, in spite of this Resolution. In other words, when the time comes for conferring or imposing any such right or disability we shall have to adopt all the procedure and to go through all the formalities which are required for making a new law. What, then, is the use of this Resolution? What is the good of proclaiming to the world beforehand that in case such and such things take place we shall take such and such steps? By all means take your proper steps, at the proper time when the occasion arises for them. But I do

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not think you can gain much by making an advertisement in advance. It will in some cases do you probably more harm than good.

Still, Sir, I am glad for the introduction of this Resolution. It will undoubtedly have one great effect; and it will have that effect, even if the Honourable Mover ultimately withdraws his Resolution. Sir, my point is this. When a great leader, the veteran hero of a thousand and one debates,

a cool, calculating, cautious and careful public man, in short, 4 P.M. when a gentleman like the Honourable Mr. Khaparde stands before this august assembly with such a Resolution, it should serve as a sure indication of the gravity of the situation; it should be regarded as the most unmistakable index of the extent to which the feelings of the sedate and moderate Indians, the feelings of the thoughtful and educated Indians have been stirred, have been exasperated, have been wounded — which I hope the Colonies and the Governments of the Colonies will do well to take note of.

With these few words, Sir, I beg to request the Honourable Mover kindly to see if he finds it possible to withdraw the Resolution. But I must make it clear before I sit down that, in spite of all that I have said, I keep quite an open mind, and that I have not yet decided which way to vote, in case there is a division in the House.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, every Indian is naturally jealous of the rights of his own countrymen, and thus the idea which occurred to my Honourable Friend, the Mover, is present in every mind. The other day when speaking on this subject, it was for this reason I said that we should do something more—whether it is non-cooperation or anything else I don't mind. But the thing is that, though we are parts of one whole Empire, it is very unfortunate that one part should try and impose on us restrictions and hamper our growth. Perhaps they are right, and if it is so, let us also reciprocate. No doubt, we may pass this Resolution, but how are we going to reciprocate in this matter? There are many Colonials in this country who will say: 'Oh, we belong to England, our houses are in England.' They may just go to England and work there temporarily as some of them work here. How are we going to deal with them? England will be very angry. If effect can be given to this Resolution at all, I am for it, but I do think that it will not be feasible for us to do anything more, and, if it is only talk, I am not for talk alone.

The HONOURABLE SAIYID RAZA ALI: Sir, I rise to speak to the Resolution not without a feeling of considerable reluctance. The Resolution recommends what has come to be known in these days as a policy of direct action which has its own advantages, but it would be difficult to deny that it has also on the other side its counter-balancing disadvantages. In any case, the policy is one of direct action which should not be resorted to unless an extreme case has arisen which cannot be met by having recourse to other expedients. If I felt sure or even if I felt persuaded that we would after all be able to influence the people of the self-governing Dominions to treat us fairly and to extend to us the same treatment as we accord to the people of those Dominions in our country, I for one would have asked, as one of the previous speakers said, the Honourable Mr. Khaparde not to press this Resolution to vote. But, Sir, knowing as I do the history of this unfortunate question, the efforts that have been from time to time by Indian publicists of the highest order, and also the endeavours that have been made

in our behalf both here and in England by the incumbent of the office of the Secretary of State, I feel that the time has come for us at least to indicate in no ambiguous terms as to what our attitude on this important question is going to be. I do not agree with my Honourable Friend, Mr. Borooah, that whatever we have got to do, we should do without indicating in the slightest manner as to what we have in contemplation. I think that would be a policy of secrecy and deep secrecy to which I at least would be no party. If we are quite clear that the time has come that some action should be taken by us against the people of the Colonies, it behoves us to place on record our views and indicate to those Colonies what action we propose to take. This is a fair proposition, for we should be indicating to them our line of action and we should be enabling them to consider how far they are prepared to meet our claim in this direction.

Now, Sir, as I have pointed out, the policy has far-reaching consequences; but having known the failure that has met all our representations in this matter, I with a heavy heart would decide to vote in favour of my Honourable Friend, Mr. Khaparde's Resolution, unless a re-assuring statement on the subject is made by the Honourable Member in charge on behalf of Government. I quite realise, Sir, that holding out idle threats will not advance our cause. In fact, as I pointed out, one of the disadvantages of direct action is that it stiffens the back of the adversary, and that should certainly be avoided as far as possible. But without meaning any threat in the slightest degree, I for one would be prepared to recommend to my Honourable Colleagues in this Council that unless as a result of the representations of the Government of India and of His Majesty's Government the Colonies decide to give us the same rights as we have given to them in our country, I think we shall be perfectly justified in carrying this Resolution, and after that to devise means to give practical effect to the recommendation contained in it. As I have pointed out, it is no pleasure to anybody to take action in that direction, but if there is no other course left, then I think, Sir, that we will be justified in taking action on the lines indicated in the Resolution.

The HONOURABLE MR. B. N. SARMA: Sir, I fully understand and appreciate the feeling of deep dissatisfaction and resentment under which the Indian community is labouring at the treatment accorded to Indians in many of the self-governing Dominions and Colonies abroad, a feeling which is voiced in this Council by Mr. Khaparde in moving the Resolution we are discussing this evening. I think the object he has had before him has been achieved and I also fully appreciate the full force of the arguments advanced by Mr. Raza Ali and others that as a counsel of despair they may be forced to take some such step as has been advocated in this Resolution unless there is some indication of a hope that we shall achieve by other means the object all of us have in view. Mr. Khaparde has premised that his object is to consolidate and unify the Empire and to prevent any disruptive tendencies appearing therein, and he thought that if the Colonial Governments could be taught that there is a limit to the forbearance of the Indian people, perhaps that object will be better promoted than by a policy of silent acquiescence. While I sympathise fully with the object that he has in view, namely, that we should do all that lies in our power to consolidate and unify the Empire and not to encourage any disruptive tendencies, I think that

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have to see that we do safeguard the interests of about a million Indian residents abroad, but we should also see that we do nothing here in anger or sorrow or as a result of despair which is likely to inconvenience, embarrass and make more difficult the position of our Indian brethren in foreign and distant possessions, both within the Empire and outside. We have them dispersed in 33 or 34 countries, if not more. Many of them are settled in Crown Colonies or Possessions which do not enjoy self-governing powers, and I think we may dismiss from our consideration, as I think Mr. Khaparde also had not in mind that particular part, the Possessions which are not self-governing, because His Majesty's Government has not delegated to the subordinate Governments the power to dictate policy, and to initiate principles as to how those Colonies shall be composed, what shall be the laws and the mutual and reciprocal rights of the various parts of the Empire therein. Confining our attention to the self-governing Dominions, then, we must remember that in South Africa alone, and Natal, in particular there is a very large Indian population—there are altogether about 150,000 Indians. There are numerous settlers in various other self-governing Dominions. The principle of reciprocity is admitted and there is no going back upon it. The Government of India stands by it, and I do not think that any self-governing Dominion objects to it. There is common agreement that each component part—I am speaking of the Self-governing Dominions—and India shall determine for itself the nature and composition of its population. That was the stage at which the matter stood in 1917 and 1918 to which period Mr. Khaparde was alluding when he was speaking of a Bill which was suggested by Mr. (now Lord) Sinha and supported by the then Secretary of State. There is nothing in the Bill except the enunciation of a principle of reciprocity which does not carry us very far. But we have gone one stage further than that which we reached in 1917 and 1918. Be it remembered that all these self-governing Dominions, with the exception of South Africa, have acknowledged the principle that in so far as Indians are lawfully settled within any of those Dominions, they should be permitted to have exactly the same rights as His Majesty's other British subjects living within those Dominions. It is true that those principles which have been accepted by all those self-governing Dominions have not yet been translated into practice. They will have to be placed before the Parliaments of the respective countries for adoption and ratification. But still there is no denying the fact that we have advanced a stage further than we did in 1918 and 1919, and I think our thanks are due to the indefatigable efforts of the late Secretary of State, the Right Honourable E. S. Montagu, backed up as he was by our representatives, the Maharao of Cutch and the Right Honourable V. S. Sastri. Government propose, if the finances permit and the money can be found by the Assembly, to depute the Right Honourable V. S. Sastri to those Dominions which have invited him to go over there to present the matter home before the heat cools down and to induce those Governments to adopt in practice the principles for which there was common agreement in June 1921. I would ask the House, is this an opportune time, when such negotiations are about to be begun, when there is ever hope held out by the Ministers that an amicable and satisfactory settlement will be arrived at, that we should pass a Resolution of this description. Whatever may be our feelings on the subject, I would respectfully ask the Council to say 'No.'

Then, again, I acknowledge that so far as South Africa is concerned, the position is not so satisfactory, because no such assurance has been given. But the Government of India do not despair even there. They have sent

Despatch to the South African Government and we believe that no legislation would be undertaken of any character which would be unsatisfactory to the Indian Government during this Session (Hear, hear), and be it also noted that the South African Government, notwithstanding the pressure of certain component parts of that Government, have vetoed two Bills last year which further attempted to restrict the privileges and rights of our fellow subjects in Natal. That is an indication that the South African Government is beginning to realise its responsibility towards the Empire as a whole, and I do not think that we should do anything now to embarrass that Government, especially when it is in the throes of a labour revolution. I think, Sir, that even with regard to South Africa the position would improve slowly, and there is absolutely no reason why we should not win in the end the privileges which have been promised us by the other self-governing Dominions and why South Africa would not come into line with the other self-governing Dominions. Therefore, I submit that the moment is inopportune and that we should not do anything to embarrass the position of the South African Government, especially at a time when they are likely to take into consideration our Despatch and view it as favourably as possible.

Honourable Members will also remember that if we analyse the situation, the position is not quite so easy as may appear to some on the surface. These various restrictive laws do not directly attack the Indian community as such, but are couched in such euphemistic language as not to wound the feelings of anybody but provide tests which I think are effectual in practice. But by the adoption of similar tests we shall not be able to make any advance whatsoever in the direction in which we hope to make an advance. The Governments have already conceded—you may say it is not much, but still they have conceded,—the right of all merchants, of all traders, of all students, of all tourists, of all temporary visitors who wish to go, to go freely without being subjected to any humiliation or discrimination whatever in the various Dominions, and I think they also wish to encourage the growth of mutual intercourse between the various component parts of the Empire. But before they can do all that we desire they have to overcome prejudices notwithstanding their agreement with the Government of India and His Majesty's Government in the principles which should govern action, and those prejudices have got to be broken down and rendered powerless and ineffective. Therefore, the position stands thus, that so far as one class is concerned, there is absolutely no difficulty. The colonials do not want to come and settle down here. They do not wish to own land here. They do not wish to come here as petty traders, and therefore any laws, any disabilities which you may seek to impose here would not be very effectual in practice, because no European from any self-governing Dominion cares to settle down here, no European would care to own property here, no one comes here to compete with you in small trades. The Dominions have imposed no restrictions on the import or export trade other than what are common to the whole world, and consequently you cannot retaliate under the terms of this Resolution because there is no corresponding disability which you can impose. Even if you go further, you will only be hitting yourself hard because your exports are greater than the imports, and I do not see how you will be improving your financial position, or your economic position by any retaliation of that character. Then, again, there were only about ten persons from South Africa in the Civil Service here according to the figures for 1915 available so far against the 150,000 settled down in South Africa—there will not be much that you can gain except to irritate and to make the position of our fellow subjects there more difficult, because

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the moment you attempt to pass legislation of this character, it is sure to stiffen their backs and to make the position of our brethren there more uncomfortable, whereas all of us here desire to make it more easy, to educate them and to enable them to be assimilated in the country in which they have settled down. I, therefore, submit that even on an analysis of the whole question you will find yourself confronted by difficulties of a peculiarly embarrassing nature. You would have to have laws which would have to vary with reference to each country, laws which would not be effective laws, which would require the employment of an agency in every port in British India, which means a large immigration establishment, otherwise you cannot carry out your policy of putting an embargo on immigration—we have at present no such immigration prohibitions and consequently we have to embark on that large expenditure without any concrete result. I am not saying for a moment that some of these administrative difficulties would not have to be overcome if as a last resort that is the only alternative. I am not suggesting for a moment that at no time whatsoever would India not be forced to adopt means in order to maintain its self-respect, but I would suggest, and I do so with great emphasis, that we shall only be doing incalculable harm and no good whatsoever by threatening reprisals of this character when negotiations of a delicate nature are being undertaken or will be undertaken, and when there is every hope that we shall be able to consolidate the position of the Empire by peaceful and rightful means. There are various other administrative difficulties which I shall not enter into because the problem is not a question of practical politics at present. We have examined that question and we have found that there are numerous difficulties confronting us at every stage which I shall not allude to further at the present moment. In conclusion, I would suggest that the problem is narrowed down to the self-governing Dominions and that our position with regard to them except in South Africa is extremely hopeful from the fact that they have accepted the main principle for which we have been contending, that in regard to South Africa also there is absolutely no reason whatsoever as to why our position would not be accepted by them on a cool and mature consideration, and a Despatch has gone for the purpose, and that we should not do anything to embarrass either the Government at Home or the self-governing Dominions at this juncture. Finally, I would ask as to whether all the permanent conquests of Asia over the rest of the world have not been when she undertook the mission to preach the gospel of love and brotherhood of man, and why should we in this instance alone despair that we shall not be able to bring home to the people in the self-governing Dominions the truth that Indian culture has points of excellence in it, and that they as well as we would be the richer for more mutual intercourse and better understanding, that the Empire would be strengthened thereby, and that wiser counsels would not ultimately and in the end prevail? (Loud cheers).

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I rise to appeal to my Honourable friend to withdraw his Resolution and I do it for one particular reason. The Honourable Member for Government has stated the case very fairly and lucidly. If we merely wanted to stand on our self-respect I think all of us should support this Resolution moved by my Honourable Friend, Mr. Khaparde. But there is another factor to be taken into consideration, and that factor is the condition of our brethren in South Africa. As the Honourable Mr. Sarma has said the position in other colonies is hopeful; the difficulty is about South Africa. I am not giving

out a secret, Sir, when I say that a few representatives from South Africa have come down to Bombay and they are coming very shortly to Delhi. They were consulted on the subject and they have said that it would be better if they are allowed to take a deputation to His Excellency the Viceroy so that they may put their case before him. They say it would not do to put up the backs of the Government in South Africa. As it is, their position is now becoming rather awkward; they have still hopes that if negotiations which we as the Government of India are now allowed to carry on directly with the South African Government under the new Resolutions the League of Nations were carried on, they are still hopeful that the proposed legislation for restricting the rights either in Natal or in interprovincial immigration may be stopped or vetoed. Are we going to make that position impossible? We from here cannot render much help to those people excepting by representing their case here or as has been suggested by taking a deputation to present the representation to His Excellency the Viceroy. But if we are going to carry out this Resolution, which, as my Honourable Friend, Mr. Sarma, has said, is more out of despair than in hopefulness, then the position may be very bad for our brethren there. It is in their interests and it is more to safeguard these interests that I would ask my Honourable Friend, Mr. Khaparde, to withdraw his Resolution. He was good enough to say that he did not want retaliation; although unfortunately he did use that word at the end of his speech; but he was quite clear on the subject; he said he did not want retaliation. His speech perhaps will not be sent by cable to South Africa; but the Resolution will be sent by cable and the Resolution as it stands says 'impose same disabilities'—I am dropping the idea of conferring rights. Now, if that is not retaliation, or does not mean retaliation, I do not know what it means. If it means retaliation and if the people and the Government of South Africa take it as a direct challenge, they may purely to spite us or to harm our people there, pass laws for which our countrymen there will have to suffer, and for which we from here will not be able to render much assistance to them. For their sake, Sir, I ask my Honourable Friend, Mr. Khaparde, to withdraw his Resolution.

The HONOURABLE LALA RAM SARAN DAS: Sir, the advice given by the Honourable Mr. Sarma seems to us very sound and quite in keeping with the traditions of India. India, as all the world knows, has been famous for its spiritual supremacy, for its sacrifice and for its magnanimity. India had a glorious civilisation at a time when civilisation was unknown to other parts of the world. Our object now is to increase the sphere of our fraternity and not to give cause to any of the Colonies to enforce the law which some of them ill-advisedly might like to have. Once we start on the principle of retaliation which the Honourable Mr. Khaparde advocates, I think it quite probable that in all Colonies they will soon welcome this principle; they will say 'Well; we do not go to India and Indians should not come to our Colony.' Prevention is always better than cure. What we all wish is that all British Colonies should be freely open to Indians and, as far as that principle is concerned, I think our adopting the principle which the Honourable Mover's Resolution advances will be a mistake. With these observations, I shall ask my Honourable Friend, Mr. Khaparde, to kindly withdraw his Resolution.

The HONOURABLE MR. G. S. KHAPARDE: I have noted, Sir, four objections that have been taken to my Resolution and I shall only speak a few sentences, two for each objection, or about eight sentences in all. The first objection was that this Resolution would do no good. To that

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my reply is, that my Resolution does not ask you to do anything at this moment; but only to prepare what I call the secretarial portion. So that objection loses its force. The next is as I tried to make it clear that there was no retaliation in the Resolution at all, that the principle of reciprocity must prevail, and therefore I read out from the reports at the risk of being dilatory, turning pages of reports wherefrom I borrowed the words, as we often do in Courts from the language of the Judges. So that objection also fails. The third objection is, is this the proper time? That really is a difficult objection to meet because my knowledge is rather limited, and my Honourable friend, Mr. Sarma, as a Member of the Government, probably knows more about it than I do, and I am, therefore, disposed to take his advice and not to press the matter further. With these remarks, if the Council will permit me, I will withdraw my Resolution, only telling them that there is an Honourable Member here who told me that he would oppose it. I shall now see whether he opposes it or not.

The HONOURABLE SAIYID RAZA ALI: By way of personal explanation I may say that I was under the impression that Mr. Khaparde was not going to move his Resolution at all; that is why I said 'If you do so I will oppose' I never objected to his withdrawing it.

The Resolution was, by leave of the Council, withdrawn.

The Council adjourned till Thursday, the 16th March, at Eleven of the Clock.

COUNCIL OF STATE.

Thursday, the 16th March, 1922.

The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

QUESTIONS AND ANSWERS.

SUGAR INDUSTRY.

122. The HONOURABLE SARDAR JOGENDRA SINGH: Will the Government be pleased to say what steps Government has taken to foster the Sugar Industry?

The HONOURABLE MR. B. N. SARMA: With a view to the improvement of the sugar-growing and manufacturing industries the Government of India appointed a Committee of which the Honourable questioner was himself a member. The main recommendations of the Committee, even if accepted, involve the Government of India regret to say, financial outlay which it is impossible at present to undertake; such are the establishment of a Sugar Research Institute, Sugar Board and Government Sugar-factory. The establishment of provincial Research stations under the control of the Central Government or the transfer of the existing stations to that control, is a measure *prima facie* opposed to the principle of devolution which is inherent in the constitutional reforms, and the Government of India cannot accept the principle here advocated without first considering the opinions of the Local Governments. It is hoped to establish a Sugar School with some factory equipment. The important proposals of the Committee for rendering land available to the industry for sugar cultivation are a matter for the Local Governments and it is being left to them to take the necessary steps on lines suggested by the Government of India.

The HONOURABLE SARDAR JOGENDRA SINGH: Does that mean that the Government of India are taking no immediate action in the matter?

The HONOURABLE MR. B. N. SARMA: With regard to the proposals regarding land acquisition we are shortly addressing Local Governments and will undertake legislation at an early date. With regard to the question of the Sugar School and other projects involving expenditure, I am afraid nothing can be undertaken during this year.

AGRICULTURAL PROGRAMME.

123. The HONOURABLE SARDAR JOGENDRA SINGH: Will the Government be pleased to state its agricultural programme for the next two years, if it has any?

The HONOURABLE MR. B. N. SARMA: The Government of India have no concern with the agricultural programmes of Governors' provinces and little concern with those of the minor Administrations. The most important items in their own programme are the expansion of educational facilities at Pusa, the institution of a dairy school at Lucknow, the provision

in Southern India of facilities, such as exist at Muktesar, for the manufacture of anti-rinderpest serum, the expansion of the Botanical Survey of India, the establishment of an Entomological Research and Educational Institute, and the establishment of large Cinchona plantations in Burma. I regret that it has not been found possible to make financial provision for any of these schemes except Cinchona plantation, in which an excellent start has already been made, and, to a certain extent, for the scheme of making Pusa a first-class educational institution in Agriculture.

The HONOURABLE SARDAR JOGENDRA SINGH: Does the Honourable Member regard the Cinchona cultivation which is going to be started would benefit agriculture generally. Is the selection of seed going to play any part?

The HONOURABLE MR. B. N. SARMA: It certainly would improve if we consider its benefits to the agricultural community as a whole and help botanical research. The question relates both to the Educational and the Revenue Departments, but it is administered by the Revenue Department.

DIGNITIES AND FUNCTIONS OF EDUCATION AND REVENUE DEPARTMENTS.

124. The HONOURABLE SARDAR JOGENDRA SINGH: Will the Government be pleased to state, in view of Education and Revenue being provincial transferred subjects, what are the dignities and functions of these Departments in the Government of India?

The HONOURABLE MR. A. I. MAYHEW (on behalf of the Honourable Mian Sir Muhammad Shafi): The Department of Education and Health deals with a number of central subjects and is also concerned with certain matters connected with subjects which are provincial, reserved and transferred subjects.

As Revenue is not a transferred subject, the Honourable Member's question, so far as this subject is concerned, does not arise.

ANNUAL GRANTS FOR RAILWAYS.

125. The HONOURABLE SARDAR JOGENDRA SINGH: Will Government be pleased to state what amount from the annual grant for the Railways has been spent in India during the current year, and what amount outside India?

The HONOURABLE MR. H. A. F. LINDSAY: According to the latest figures available, i.e., to end of December 1921, the amounts actually spent on railways during the current year are as follows:

(Thousands of rupees.)			
	Spent in India.	Spent in England.	Total.
	Rs.	Rs.	Rs.
Capital	8,05,22	8,79,33	16,84,55
Revenue (working expenses)	46,64,56	15,07	46,79,63

INDIAN MERCHANT SHIPPING BILL.

The HONOURABLE SIR ALEXANDER MUDDIMAN: The next motion in the List of Business stands in my name. I beg to move that the Bill to consolidate certain enactments relating to Merchant Shipping be taken into consideration.

RULING AS TO WHETHER THE PRESIDENT CAN MOVE ANY IMPORTANT MOTION FROM THE CHAIR.

The HONOURABLE SAIYID RAZA ALI: On a point of order, Sir. The point on which I will request you to give a ruling is, whether it is in order for the President of the Council in his capacity as President to move any important motion, which, though not controversial, admits of differences of opinion being entertained. Under section 63A of the Government of India Act, Sir, you are as much a Member as any of us, and therefore it is quite open to you to give the Chair to any of the Chairmen and move that measure from the floor of this Chamber. I do not want to explain the difficulties to which your taking part in this debate may give rise. One of the difficulties as you can easily see is that, if in the course of your speech any Member wishes to draw attention to any point of order, that will be awkward both to himself and yourself. So, that is the point on which I will ask you to kindly enlighten us with a ruling.

The HONOURABLE THE PRESIDENT: I quite feel the difficulty brought forward by the Honourable Member, and if it were possible for me to move the motion from anywhere but the Chair I should certainly do so. Unfortunately as long as I am in the House I must preside. A Chairman can only preside in my absence. That is laid down by order of the Governor General under section 63A (2) of the Act. So, if the motion is to be made by me it must be made by me from the Chair. Whether or not I, as President, should make a substantive motion is undoubtedly a matter that requires careful consideration. If the Honourable Member had been present on the occasion when I introduced this Bill he would have observed that in my speech I regretted that there was no Member of the Statute Law Revision Committee in the Chamber who could make this motion except myself. Two of the Members were absent, and the Honourable Mr. Khaparde, who has been appointed to the Statute Law Revision Committee, was not a Member of that Committee at the time when the Merchant Shipping Bill was under consideration. Therefore, if the motion has to be made by any Member of the Statute Law Revision Committee, it had to be made by me; and it must be made from the Chair for the reasons I have given. The only doubt was whether a Member of the Government should not move it, but I was requested by the Government to put down this motion, for the reason I believe that they considered that I have some slight acquaintance with this measure. I quite agree with the Honourable Member that, generally speaking, it is not desirable that the President should move a substantive motion from the Chair, but I think that the Chamber, after hearing my explanation, will probably be of the opinion that, in the circumstances I have explained, it is not undesirable.

INDIAN MERCHANT SHIPPING BILL.

The HONOURABLE SIR ALEXANDER MUDDIMAN: When I was interrupted by the point of order, I think I had moved the actual motion that

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the Bill to consolidate certain enactments relating to Merchant Shipping be taken into consideration.

In asking the leave of this Council to introduce this Bill, on the 28th of February 1922, I reviewed the history of Merchant Shipping legislation in this country and in England at considerable length. I do not propose to detain the Council on this occasion by repeating what I then said. I explained that the Bill was a Bill which dealt with form; that it made no substantive change in the law, and it was in my opinion a harmless measure of legal reform. For these reasons I brought forward the motion which I left to the Council, and they were good enough to grant me leave to introduce the Bill. On the present occasion I do not think I need detain the House further and I leave the motion in the hands of the Council.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, when you introduced this Bill you said that the operation of the Bill would be suspended till a new Amending Bill was actually necessary and to it reference has been made in the Notes on Clauses. You also said that since the Bill left your hands, a clause has been inserted suspending its operation till it is brought into force by the Governor General in Council, and then you went on to say that this was purely a consolidation Bill, and that its operation would be postponed till a new Amending Bill was brought forward. The Honourable Member for Commerce laid down two alternatives. He said:

'We propose either that this Bill, which, as you have explained, Sir, is purely a consolidation measure, should be passed through the Indian Legislature, but not actually put into operation, or that it should be pushed through to its final stage, but not actually passed.'

The Statement of Objects and Reasons said:

'that the passage of the present Bill should be suspended at some convenient stage in its consideration by the Indian Legislature.'

I want some explanation on this point, Sir. If the Bill is now taken into consideration and passed, I think in due course it will be submitted to the other House, and then it is possible that the other House may also pass it because the Bill, though of a very complicated nature, is purely a consolidation Bill, in which no intentional alteration in the substance of the law has been made save in the minor respects which are specified in the Notes on Clauses. That Bill will be passed in that House also. I dare say the idea is that it will not come into force till an Amending Bill has been brought in. But I believe it will be brought into the other House, and it is possible that they may appoint a Select Committee, and they will pass the Bill, and we in this House will not have an opportunity of considering the Bills in detail as the Bills may not be referred to a Joint Committee. I want the Honourable Member in charge to give us an assurance that we, by passing this Bill, will not give up our right of examining the Amending Bills when they are brought forward. Then, I have no objection to allow this Bill to be passed at this stage.

The HONOURABLE MR. H. A. F. LINDSAY: Sir, I can make it quite clear in a few words. The Honourable Mr. Innes explained the last time when this Bill came up that the whole Bill would be held in suspension until an Amending Bill was ready to be brought forward; and if you turn to clause 1 (2) of the Bill, you will find that the Consolidation Bill will not actually be brought into force until a date to be named by the Government of India. That seemed the best course to follow in dealing with

this Bill, and it was adopted by the Honourable Mr. Innes in consultation with the Honourable the President. So the effect of this clause will be that, if the Bill is passed, it will remain in suspension until a date to be notified; and when the Amending Bill is ready, both Bills will probably come up together—in which House I cannot at present assure the Honourable Member. But I think it is very probable, Sir, that the Government will agree to a Joint Committee sitting on the Consolidation Bill and the Amending Bill when both come up before the House together. I hope that the Honourable Member will be content with that assurance.

The HONOURABLE SIR EDGAR HOLBERTON: Sir, there is just one point with reference to this Bill on which I should like to inquire for information. It happens to be the only point with reference to the shipping laws with which I personally have ever come into contact very seriously, and that is the registration question; and I notice that in the Statement of Objects and Reasons, it says that the Bill has been unable to deal perfectly with the consolidation of the law in that respect. There is at the present moment a considerable movement in favour of ship-building in India; and I only rise to hope that some method of getting the law with reference to registration perfected will shortly be brought in, because, as a person who has built ships in India and attempted to register them, I can inform this House that it is a most extraordinarily difficult and complicated performance at present, and in fact so much so that if the law is left as it stands, it is really a serious handicap at the present moment to the establishment of a ship-building industry in India. I only make this point, because I regret to see that even the great legal knowledge of the drafter of this Bill has been unable at present to find very much light in the direction of consolidation.

The HONOURABLE SIR ALEXANDER MUDDIMAN: I should like to say that it was not on the ground that we were unable to do it, but on the ground that the Committee thought it would be unsuitable in a Consolidation Bill.

The HONOURABLE SIR EDGAR HOLBERTON: I merely rise to draw the attention of the House to the very great difficulty experienced by any body who builds ships in India in getting them registered in a satisfactory way.

Apart from that, I only desire to express the thanks of my Chamber for the stupendous labour that has been gone through by yourself and the rest of your Committee in this very important piece of legislative work.

The HONOURABLE MR. H. A. F. LINDSAY: Sir, I can give an assurance that the registration law will be gone into when we take up the amending Bill. The materials are to some extent ready. It will be a very difficult task, but it will certainly form part of the amending Bill.

The HONOURABLE SAIYID RAZA ALI: Looking at the bulky nature of the document that is before us, I think we should all congratulate the Committee and you, Sir, on the great care that has been bestowed upon the subject and the careful manner in which the law has been consolidated. The only question that arises at this stage is, whether we should stay our hand and not pass the Bill but appoint a Committee to undertake the amending and consolidation work simultaneously, and then make a report on the entire subject; or, on the other hand, whether we should

[Saiyid Raza Ali.]

pass this Consolidation Bill in the hope that at no distant date a Committee will be appointed to make the necessary amendments, the importance of which is not denied by anybody, and then bring this Act into line with present-day requirements and thus round-off the whole subject. But let us look for a moment at the speech delivered in this Council Chamber by the Honourable Mr. Innes in which he said:—

'Then, Sir, we propose to place before the Legislature, as soon as possible, an amending Bill. We propose to take that Bill through to its final stage without actually passing it into law; and finally, Sir, our idea is that we should refer both the Consolidation Bill or Act, as the case may be, and the Amending Bill to a further Committee, in order that a final Consolidation and Amending Bill may be placed before the Legislature.'

Having regard to this speech, I have not the least doubt that the best course for us would be to pass this Consolidation Bill, if it commends itself to Honourable Members, into law. I have every hope that the amending Bill will be taken up at no distant date. This is all the more necessary as the subject has not been dealt with for more than 40 years. (A voice: 100 years.) I beg pardon, for about 100 years, as has been pointed out in the report of the Committee. Therefore, it is very necessary that no further delay should take place, and this Consolidation Bill, which, so far as I have been able to see from a cursory glance, is not a controversial measure, should be passed into law.

The HONOURABLE LALA RAM SARAN DAS: Sir, I am sorry to say I have not had much time to go through this Bill. But in looking over it cursorily I find that the word "Native" is constantly used in various sections. I should like, in consonance with the present practice, that this word should be deleted and the word 'Indian' or 'Asiatic' be put in its place.

The HONOURABLE SAIYID RAZA ALI: I hope there will be no objection to this proposal on the part of the Government.

The HONOURABLE MR. H. A. F. LINDSAY: I can certainly say that the matter will be considered, Sir.

I should like to add one or two remarks by way of endorsing what the Honourable the President has already said and of commending this Bill to the favourable consideration of the House. I may say that we have already worked on it to some extent in the Commerce Department in the numerous cases relating to merchant shipping which come up for disposal in the Department. We have found that it has materially assisted us in our work to have this consolidated Bill to refer to.

I trust that the House will favourably consider the Bill.

The HONOURABLE LALA RAM SARAN DAS: My question has not been answered.

The HONOURABLE THE PRESIDENT: I think the Honourable Member has answered it. He said the question will be considered.

The question is:

'That the Bill to consolidate certain enactments relating to Merchant Shipping be taken into consideration.'

The motion was adopted.

The HONOURABLE THE PRESIDENT: Would any Member like me to put the Bill clause by clause or part by part?

(Cries of No, No).

The HONOURABLE SIR ALEXANDER MUDDIMAN: I move that the Bill be passed.

The HONOURABLE THE PRESIDENT: The question is:

'That the Bill to consolidate certain enactments relating to Merchant Shipping be passed.'

The motion was adopted.

RANCHI MENTAL HOSPITAL BILL.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I beg to move for leave to introduce a Bill to provide for the incorporation of Trustees for the European Hospital for mental diseases at Ranchi, and to make provision for other matters in relation thereto.

The asylum was established at Ranchi some years ago for European lunatics, and as this asylum was intended to provide for lunatics from a number of provinces, the initial cost of the buildings and of the equipment was met by the Central Government, the provinces undertaking to pay for the maintenance of lunatics sent there from their own provinces. Subsequently, the Reforms Scheme came into operation, and that necessitated a revision and reconsideration of these arrangements. Under the Reforms Scheme the subject is a provincial subject, and the Central Government can only pay for the maintenance of lunatics sent from places directly under its control and make advances to Local Governments. On the other hand, the Bihar and Orissa Government would have had considerable difficulty in providing for any improvements required in the way of capital expenditure, because such expenditure could only have been provided by raising a loan, and as the capacity of the province to raise a loan is strictly limited, that might have had embarrassing results. It was therefore decided that the best course was to vest the hospital in a Board of Trustees representing the various provinces, which would be responsible for the upkeep of the hospital under the control of the Local Government. Under the arrangements proposed in this Bill the ordinary annual charges for the maintenance of lunatics will be met by the Board, by recoveries from patients and from the Local Governments concerned. The Board will be placed in funds, until such recoveries fall due, by an advance from Central revenues. Similarly, the expenditure on original works or improvements will be met by an advance. All these advances will be repaid to the Central Government by the Board on receipt of the amounts due to them; so that no expenditure otherwise than for lunatics for whom the Central Government is responsible will really fall upon Central revenues.

In addition to providing for the incorporation of the Board of Trustees, the Bill also defines the powers of the Board. It gives a larger representation to Bengal than to other provinces, because 58 per cent. of the lunatics in the asylum happen to come from the province of Bengal.

The Bill also provides for the control of the Board and its supersession if necessary; and also, should it ever prove necessary, for the dissolution

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[Mr. S. P. O'Donnell.]

of the Board and for the vesting of all its property in the Government of Bihar and Orissa.

The HONOURABLE LALA SUKHBIR SINHA: Sir, I do not rise to oppose the introduction of this Bill, but what I want to ask is, whether it is necessary or desirable to have a separate asylum for Europeans. The feeling in the country is that all institutions should be common to Europeans and Indians, and, in view of that feeling, I do not think it is desirable to have a separate lunatic asylum also for Europeans.

The HONOURABLE SAIYID RAZA ALI: Sir, I do not entirely agree with the Statement of Objects and Reasons. No doubt one of the reasons why it has been found necessary to take over charge of this institution is that the Reforms have come into being and the Central Government find some difficulty in meeting the cost of this institution, but the Bill, I must congratulate the Government, is rather an elaborate one in which ample provision has been made for many matters other than the financing. The whole machinery has been set up for the management of the institution, for the manner in which Trustees are to be appointed and the Managing Committee is to be brought into existence and the manner in which the Managing Committee and the Trustees are to discharge their duties. I am not complaining of that, but what I say is, that I am certain that what is euphemistically called a Bill to provide for the incorporation of Trustees for the European Hospital for mental diseases at Ranchi has not been brought in on account of the financial difficulty alone. That may be one of the reasons. But that does not appear to be the sole consideration.

Then in addition to that, Sir, I beg to make one suggestion at this early stage for the consideration of Government. In clause 4 of the Bill, as Honourable Members will see, provision has been made for the appointment of Trustees by various Governments. Now, the greatest representation has been accorded to Bengal. I believe that on the whole is as it should be, looking to the fact that a large number of the lunatics come from Bengal. But I think the Government has overlooked the fact whether it is not proper to have two or three representatives returned by the process of election. We find the Government of Bengal have it in their power to appoint four Trustees, three other Governments can appoint two Trustees each. Instead of that, may I suggest whether the object of the Government will not be better served if the proposal, which is in accord with modern opinion, of allowing the Bengal Legislative Council and the Bihar Legislative Council to return one Trustee each, is adopted? That number may be in addition to these 14 Trustees whom the Government propose to be appointed by the several Provincial Governments, or it may be out of these 14. That of course is a matter of detail and I am not much concerned with that. But I think surely the public will have more confidence in this institution if two or three Trustees are appointed by the process of election instead of having recourse to the process of nomination wholesale.

The HONOURABLE MR. S. P. O'DONNELL: Sir, as regards the point raised by the Honourable Lala Sukhbir Sinha, I should like to point out, in the first place, that this asylum was established a number of years ago and is actually in existence as a separate asylum for Europeans. Secondly, the reason for having a separate asylum is that the other asylums were primarily intended for the reception of Indian patients and a separate asylum was necessary to meet the needs of a class of patients who differ

in their customs and habits of living. An overwhelming majority, I believe, of lunatics sent to the other asylums are Criminal lunatics, or wandering or pauper lunatics—Indians of the respectable class do usually maintain their own lunatics themselves at their own expense—and therefore it became necessary to make separate arrangements for a rather different class of lunatics.

Then the Honourable Saiyid Raza Ali referred to the question of the appointment of Trustees and suggested that some Trustees should be appointed by the various Legislative Councils. That is an unusual proposal. I cannot remember any precedent for the election of the Trustees of an institution of this kind by any Legislative Council

The HONOURABLE SAIYID RAZA ALI: We have provision for it at Bhawali. We have got a very important institution for consumptives there and the United Provinces Legislative Council have got the power to make appointments by election. I am stating this for the information of the Honourable Member who comes from my Province.

The HONOURABLE MR. S. P. O'DONNELL: I think that is perfectly correct. The Legislative Council does elect Members of the Committee of the institution in question, but that institution is one in which Indian Members take a very great interest. I think, however, I am right in the broad proposition that the usual procedure in these cases is appointment by the Local Government. But I should like also to point out that the Council will be able to exercise control for the annual expenditure incurred by the province on the asylum will have to be passed by the Councils. Further, lunatic asylums are a transferred subject, so that the Ministers and the Councils will have control as regards expenditure and they will have every opportunity of making their voice felt.

As regards the last point mentioned by the Honourable Saiyid Raza Ali that the Bill does a great deal more than meet a financial difficulty, I think he has rather misunderstood the position. The reason for the establishment of a Board of Trustees was, as I explained, in order to provide for financing the institution. That was the real reason underlying the proposal to appoint a Board of Trustees. But once you do appoint a Board of Trustees, it is necessary to define their powers, it is necessary to include provision for making rules to provide for the control of the Board and provide for all the other subsidiary matters dealt with in this Bill.

The HONOURABLE THE PRESIDENT: The question is:

[Mr. Lalubhai Samaldas.]

Sir, this Resolution is in a way supplementary to the Resolution which was accepted in this Council yesterday. This Resolution is not likely to tread on the toes of vested interests, and I believe therefore that this Resolution will be unanimously accepted by this Council. When all European countries desire to have their own Mercantile Marine, India, which has a coast line of 4,500 miles, would naturally like to have a Mercantile Marine of her own. This desire is quite natural not only for self-protection and protection of her industries, but also because it would provide work for skilled and unskilled artisans in manufacturing ships. India has even before the Christian era had her own ships. Going back to the Vedas, we find reference made of ships there. God Varuna is asked to protect ships as they are carrying passengers. So even in the Vedic times, which may be about 5,000 B.C., or even before, we had our shipping industry so far back as that. Coming to recent times, we have merely to refer to a book full of information published after very good research by Radha Kumud Muckerjee. He gives the progress of shipping industry from the very earliest times, and that shows that this industry has been in existence for so many centuries. Up to even the beginning of the 19th century, India was building her own ships. In 1800, Lord Wellesley reported that:

'From the quantity of private tonnage at command in the port of Calcutta, from the state of perfection, which the art of ship-building has already attained in Bengal, promising still more rapid progress and supported by abundant and increasing supplies of timber, it is certain that this port will always be able to furnish tonnage, to whatever extent it may be required, for conveying to the port of London the trade of the private British merchants of Bengal.'

That was in 1800. Up to 1820 the Admiralty placed orders in India for the naval requirements. With the introduction of steam-driven ships or steamers the wooden ship-building industry in India began to decline. Even then up to a comparatively recent period the enterprising firm of Wadias, whom my Honourable Friend, Sir Dinshaw Wacha, knows, were experts in this industry. They were manufacturing wooden ships and putting in engines imported from outside. I know, Sir, that in 1876 or so the Indian State from which I am coming had a steamer built in Bombay by these people. The steamer was called 'Bhavnagar.' Now the difficulty is that the wooden ship cannot profitably compete with the steam-driven ships of other countries. The war has been an eye opener in more sense than one. During the war the Munitions Department took up this matter, made inquiries and tried to find out how far it was possible to build ships in this country. In the Industrial Handbook there is a Chapter specially devoted to ship-building in India. In that it is said that since 1917 attempts were made and successfully made to build wooden and composite ships and supply these for the requirements of military in Mesopotamia. A special agency was created to organise the construction of such ships in 1916. River craft construction and replacing of spare parts was taken up at Karachi, Bombay and Calcutta. A ship-yard is still in existence at Karachi which is capable of accommodating 20 ships when they are under construction. Ships that were built in Bombay and Calcutta were of the length of 125 feet of steel composite character and 50 feet of pure steel. That work was done satisfactorily by the Munitions Department, and they thought it necessary to bring out a special officer from the Admiralty who was called the Controller of Ship-building and who was asked to investigate the ship-building possibilities and encourage construction in India and to control repairs to ships other

than His Majesty's ships and hired transports.' He has submitted his Report. That Report must be in the Commerce and Industry Department. I think that Report, together with other materials that may have been collected thereafter, should be submitted to the proposed committee, so that it may go through all this information and then come to a decision as to how far Government should help the ship-building industry. They may even advise whether it is possible to do so. It may be said that now foreign ships can be purchased at £7 or 8 a ton. Why should India spend more and establish a new industry in this country? This question can also very well be referred to the proposed committee. But I would like the proposed committee to consider also that ship-building is an industry which ought to be made indigenous, even if it costs the general tax-payer a little more than what it would cost to buy ships. That is a question that I believe has been put before the Fiscal Commission. They will give their opinion, and that opinion also may be placed before the proposed committee for further consideration. Action on these lines has been suggested by the Stores Committee. The Stores Committee has made suggestions as to how and when Government orders for ship-building should be placed in the hands of private firms and how private firms should be encouraged to take up this work. I need not repeat them. I would merely refer to the Report of the Stores Committee, Chapter X. Almost all Governments have in one way or another assisted this ship-building industry, either in a direct way or in an indirect way. Among the indirect methods there are three ways of doing it, either by the grant of loans at a low rate or preferential railway rates, or exemption from import duties on ship-building materials. These are the three ways in which Government can subsidise this industry. Even Britain which has always stood out for free trade has in 1903 made a loan of £2,600,000 to the Cunard Line Company for the manufacture of two special kinds of steamers at the rate of 2½ per cent. which was 2 per cent. lower than the market rate. That will work up to £52,000. That was the subsidy given by Britain to this Cunard Company. This has been found necessary even in a country like Britain where ship-building industry is so far advanced that it does not need assistance. But coming to other countries, such as Japan, we find that till 1895 or rather 1896 she had practically no ship-building industry worth the name. It was in the Chinese war that Japan's eyes were opened to the necessity of building ships. She thereafter granted subsidies which varied from one hundred thousand to two hundred thousand dollars every year. In 1897, she spent more than two hundred thousand dollars. For this special purpose, in 1910, a new Act was passed by which ships of thousand tons were given a bounty varying from 11 to 22 yens per gross tonnage, and over and above that a special subsidy was given per horse power used in the engines. America has recently passed an Act under which she is going to create a fund of 25 million dollars specially for this purpose, and that fund is to be created by the remission of the excess and war profit taxes if the amount of such taxes is invested in the construction of such ships, so that if we ask for Government subsidies or grants, we are merely following the example set by other countries, even by Britain, and in a larger measure by countries which have to protect infant industries, countries like Japan. These questions, Sir, I would like to be considered very carefully by the Committee which I ask this Council to recommend to the Governor General in Council to appoint. That Committee will have full power to show whether and, if so, how far, the ship-building industry should be assisted, either by direct Government aid or indirect Government aid. I hope this Resolution will meet with the

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[Mr. Lalubhai Samaldas.]

unanimous approval of the Council. In passing, Sir, it may interest the Council to learn that one of the ships built by the Wadias took part in the battle of Trafalgar.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, I strongly support the Resolution, because I see that India is more of an island than a Peninsula as its north is blocked by the Himalayas—no one can get through that—and on the other side is Sind and Baluchistan which are very difficult to pass through. So it is practically an island, and its connection with England and all the rest of the world are all by sea, so I think that India should also do as much as Japan and England have done for shipping. We have been very backward, and I think we should now go so fast as to make up the time lost.

The HONOURABLE SARDAR JOGENDRA SINGH: Sir, I have very great respect for the views of my Honourable Friend, Mr. Lalubhai Samaldas, but there are certain doubts which I hope he will explain when he rises to answer the debate. I do not know how this Committee is going to help in starting a ship-building industry in India. We have experience of other Committees appointed by the Government; and after three or four years we are told that no action can be taken. A new Committee would only cause India expense, and I do not know how it would help to start such an industry. Capital has to be raised for starting any ship-building industry, and does the Honourable Member expect the Government to help in raising funds? (A voice: 'Oh no! Oh no!'). Yet, if not, I do not see how a Committee could tell us how such an industry could be started. Possibly in Bombay it may be otherwise, and the Honourable Member understands the position there better, how things can be done there; but otherwise the whole programme may be shifted from day to day. The Committee sitting all the time and coming to no conclusion. It is no use harking back to the time of the Vedas. Possibly there was a very big ship-building industry in those days, but it is no use having such boats now. If we are going to do anything at all, we have to compete with the other Companies, and the thing will possibly come naturally as business develops and enterprise develops—it may possibly be started by the same house which was in that time associated with the ship-building industry. It would no doubt be a great advantage to have our sailing ships, but I do not know that any action on the part of the Government at present would help us in that direction. The whole thing will depend on finance, enterprise and resources, which I for one do not see forthcoming from the Government in any case at all.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Sir, during the war the Government of Madras appointed a Committee, called Ship-building Committee, on which I had the honour to serve as one of the members. That Committee has done a great service in building sailing ships. The Government of Madras was kind enough to secure materials for building vessels at the pre-war rates, and it was very useful for the public to build the vessels, and was also useful for the Government, as such vessels that were built were also used by Government for carrying their munitions and other things to Basra and Mesopotamia, and so, Sir, such an industry, if established in India, will no doubt be of very great use, provided the Government will come forward with finances,—help as far as possible—but I do not know whether Government, as it at present stands, will be able to give any financial help, but as my Honourable friend, the Mover,

has explained that it may be possible for private enterprises to come forward and take this important question up, at any rate, it is absolutely necessary that the Government of India should give a helping hand and appoint a Committee so as to go into the whole question properly and recommend its solution; so I support the Resolution.

The HONOURABLE SIR DINSHAW WACHA: Sir, I heartily support the Resolution proposed by my Honourable Friend, Mr. Lalubhai Samaldas, and for two reasons; one is personal, the other, public and general; personal, in so far that I have been one of the earliest, in Bombay at any rate, to advocate the stimulation of the ship-building industry, which has been neglected, as the Honourable Mr. Lalubhai Samaldas has informed us, since the middle of the 19th Century. I am very glad to see that since the war there has been an eye-opener in many things industrial, and in the ship-building industry as well. The fact is that we are now really entering upon an expansive industrial development in different directions; but there are two industries more than any other which I personally as well as my friends here would like to see developed—they are the two which promise to bring immense prosperity to the country in the shortest possible time; those are the sugar industry and the shipping industry. Fortunately, so far as the sugar industry is concerned, a Company was projected in Bombay with a very large capital by Messrs. Tata and Sons, but it is a matter of regret that, owing to the monetary stringency in the market for months past there and to one thing or another, specially prolonged trade depression, that promising and lucrative enterprise promoted by the Tatas is going to be suspended and the Company wound up. But I do hope that the time will return when some very strong Company of courageous industrialists will still take it up and conduct it with vigour, knowledge and experience, which I repeat again and emphasise, will contribute to the immense prosperity of the country in the near future. Apart from this, as far as the shipping industry is concerned, of course, as our friend, the Honourable Sardar Jogendra Singh, just said, we need not go back to the Vedic times. Practically, coming to the first century after Christ, the author of the Periplus of the Erythrean Sea has recorded what kind of trade there was between India and foreign countries as far as Egypt. And Hippolus has given us a very good account of it which might be read even to-day with interest. I myself once gave a lecture some five years ago before the Sydenham College pointing out how far Indian trade was carried in Indian vessels manned by Indians even in the first century of Christ, and how far our ships had gone for purposes of trade East and West.

Of course, times have greatly changed in India. So far as Bombay is concerned, it is an historical fact that she used to construct ships both for war and for the mercantile marine. Even in the 18th Century, as Mr. Lalubhai told us, the Wadias were the greatest naval architects and builders of the mercantile marine; so much so that large ships were at first ordered by the Admiralty to be built by them in the Bombay dockyard. The East India Company in appreciation of their work presented them with grants of land. I can myself go back to the year 1854, when I was a boy of ten, and I remember very well that in Bombay the enterprising firm of the Kamashad established a Chinese Merchant Steam Navigation Company purely by private enterprise with four ships; and they did very well for about ten years, when the share speculation of that time swept away the company as well as some of the private owners who had been conducting a most prosperous trade with Hong Kong. But even so, two other big

[Sir Dinshaw Wacha.]

companies were started for ship-building and carrying Indian trade East and West. These also came to grief in a short time. Had those companies survived the debacle to the present day, Bombay might have by this time brought its ship-building industry to perfection almost and might by now have firmly established it on a very profitable basis. But what happened was that the attention of Bombay capitalists, after credit was restored was directed to the cotton industry chiefly owing to the Lancashire cotton famine, during the American Civil war of the Sixties and since then, that is since 1870, Bombay's cotton industry began to flourish, till you see what it is to-day. I have not the slightest doubt in my own mind that the ship-building industry is also a very promising and profitable one in spite of their international competition and certain local jealousies. The great war has made us alive to many industrial and trade matters and it is necessary that India should take its part in the ship-building industry. There are two reasons for this. In the first place, there is the national reason; and the other is private gain. India should be prosperous and self-supporting to the best of its power and ability. One of the most important and profitable industries is ship-building. At the present time nine-tenths of the shipping in Indian waters is foreign. The larger percentage of that shipping is, of course, British. Almost the whole export and import trade of India is carried in British bottoms, and if we only consider the amount of freight realized by the British ship-owners from Indian trade since the Suez Canal was opened in 1870, it must come to crores and crores of rupees. Now these crores and crores have gone out of India for the most part, and only a very small portion has been retained in the country. But if that trade had been carried in Indian ships, all that money would have remained in India to fructify and develop many industries. India would, to-day, have been much better off in the matter of accumulated capital. That is the point that I want to bring to the notice of this House most prominently, and firmly impress on the mind of my Colleagues. Ship-building is a most important industry, and if it is once established on a firm basis, and if it is during the first few years subsidised by Government as it ought to be as so many other great Governments have, say, like the United States and Japan, I for one am strongly of belief that a glorious future will lie before that industry in India, which will directly increase the prosperity of India very largely. I do not, of course, blame the British ship-owners for having captured the Indian carrying trade. They have been a nation of mariners ever since the days of the Norsemen, and certainly since the days of Drake and Frobisher. I do not blame them for having secured the monopoly of the Indian carrying trade, as for over half a century they were the first in the race. Now that our eyes are opened, I do not see why we Indians should not have our own ship-building industry, supported by the Government for a time, say, for 10 or 20 years, until the industry has been placed on such a firm foundation that its future course will be smooth and assured.

For these reasons I heartily support this Resolution. I hope and believe that, if a Joint Committee is appointed, Mr. Lalubhai himself will be nominated on it as he is an important business member of this House. He will be able to throw much light on the question and can help to make the Report of the Select Committee such a substantial State paper as to command the respect, attention and support of the House and the Government alike.

With these remarks, Sir, I beg to support this Resolution.

The HONOURABLE SIR EDGAR HOLBERTON: Sir, I find it necessary to oppose this Resolution. I do not intend at this moment to give any of the very many reasons which I can bring against the acceptance of this Resolution, but will confine myself to one. It seems to me a very extraordinary thing, at a moment when the Fiscal Commission, which is intimately mixed up with questions of this kind is sitting, that you should complicate its eventual decision by appointing a Committee which will have to go into this question presumably before the findings of the Fiscal Commission have been made public. The Fiscal Commission may or may not put forward definite suggestions with regard to this industry, but I put it to the House that the moment is inopportune for the appointment of the Committee proposed, and whatever arguments there may be, in favour of or against this Committee should be deferred for the present.

The HONOURABLE LALA RAM SARAN DAS: Sir, I rise to cordially support this Resolution. I have not been able to follow the Honourable Sir Edgar Holberton in his argument at all. As far as I can see, the Fiscal Commission has nothing to do with this particular subject. Sir, it has recently become the settled policy of the Government that industries should be fostered, encouraged and developed. This industry, which has been in existence in India from very ancient times, should certainly be revived. Indians are possessed of the marine instinct and large numbers of seamen are recruited from this country. We have already large steel works in India, and we hear that another big company—if I mistake not it is Messrs. Camel Laird and Company—for steel manufacture is about to be established somewhere in the coalfields. A Committee is very useful for going into the details of a question. I cannot, therefore, follow Sardar Jogendra Singh in what he said about the uselessness of Committees.

With these few remarks, Sir, I support the Resolution.

The HONOURABLE MR. SETHNA: Sir, I too rise to support this Resolution. I do not think I have anything further to add to what has been said, and said so forcibly, by different speakers, and particularly by Sir Dinshaw Wacha. I however rise to speak in regard to the objection that has been raised by Sir Edgar Holberton. Sir Edgar observed that there are many objections to the proposal, but he would only deal with one. We would sooner have had some of the other objections, for the one he dwelt upon cannot appeal to this Council. The objection on which he laid stress was that the matter is before the Fiscal Commission and possibly the Fiscal Commission would be able to lay some definite proposal before the country in this connection. I do not think this Council or the country would for a moment imagine that the Fiscal Commission will not be in favour of ship-building in India. If therefore they do make some definite proposal, it will in some form or other support the proposal for ship-building in India. Therefore any recommendation or proposal they may make, will strengthen the hands of the Committee now proposed rather than otherwise, and consequently the Resolution needs our support.

The HONOURABLE MR. H. A. F. LINDSAY: Sir, I do not wish to detain the House for more than a minute or two in replying to this Resolution and commending it to the favourable consideration of the House. I must begin, however, by laying at the door of my friend, Mr. Lalubhai, the serious charge of having either read the debate in another House or even possibly having attended the debate himself

The Honourable Mr. LALUBHAI SAMALDAS: 'I did not attend really.

The HONOURABLE MR. H. A. F. LINDSAY: On the 12th January, Government there accepted a proposal that a Committee should be appointed to go into the whole question of the ship-building industry and into various allied questions, such as the recruitment of Indians as Deck or Executive Officers and Engineers in the Royal Indian Marine, the establishment of a Nautical College, provision of State scholarships and so on, including this item of encouragement to the ship-building industry. I can assure my Honourable friend that the Committee will be appointed, though exactly when I cannot say, and possibly the Government will be forced to meet the objections of the Honourable Sir Edgar Holberton and to defer the appointment of a Committee certainly for the present. The proposal accepted in another place was accepted on the 12th January, a considerable time after Budget provision could be made. There are no funds at present for the maintenance of the large and representative Committee which the Honourable Sir Dinshaw Wacha asks us to appoint; but if it is found possible to finance the Committee by re-appropriations later on in the year, and when the Committee is appointed, certainly the reports and the materials which the Honourable Mr. Lalubhai Samaldas has referred to will be placed before them, and they will have full opportunity of deciding on the merits of the case.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I plead guilty to the charge of having read the report of the debate in the other House, but I think the debate in the other House, does not prevent us from debating the same point here. If anything, I think it would strengthen the hands of my Honourable friend, the Member for Commerce and Industry, in getting grants from the Assembly for the appointment of the Committee. If, as he says, he has no funds, I am prepared to get funds for him by canvassing for votes from the Standing Finance Committee. If that is the only difficulty, I am prepared to meet him; if he tells me what amount he requires, although I cannot take it upon myself just now, I am quite prepared to work as hard as I can and get funds sanctioned by the Standing Finance Committee or by the Assembly. That argument, I do not think need deter him from appointing the Committee.

Then, Sir, I have to thank all the Members of the House who have supported my proposition, even the Honourable Sir Edgar Holberton who opposed the Resolution gave a technical reason for opposition and that technical objection has been met by the Honourable Mr. Sethna. Even in my opening remarks I had said that I wanted that the recommendations of the India Fiscal Commission should be put before this new Committee. So I had anticipated this objection and met it.

Sir, a question has been asked as to how capital is to be found and how the raw materials are to be obtained. Capital, I think, can be found if there is a guarantee that Government will either subsidise to a certain extent or will, as my yesterday's Resolution asked, give preference to Indian Mercantile Marine or give them at least equal treatment with foreign ships. If that is done capital will be found. As regards raw materials, that is a matter for the Committee to consider, but it may be necessary to do the assembling work in the beginning as some of the Companies in Bengal are doing. They get the parts from England and have the assembling work done in India and it provides work for Indian labourers. It may be begun in this way, and later on as I was told by Mr. Rhodes at one of our Committee meetings, they might take up the work of manufacturing some parts in India. I do hope, Sir, that the time will come when the Steel Company to which reference has been made by my Honourable Friend, Lala Ram Saran Das, will be able to make all the steel plates required for this industry. It would have been able to do the work by this time, but (I would not say on account of Government) the war came in the way and did not allow the Bengal Nagpur Railway to allot enough wagons for the carriage of raw materials. As soon as it is done, (and I believe that provision is made in this year's Budget for about Rs. 2 crores for the Bengal Nagpur Railway for the supply of sufficient number of wagons and locomotives) there will be no difficulty in supplying steel plates required for this industry. The only difficulty is to get steel, and the steel that we manufacture now is all taken up in the manufacture of rails. I am an optimist and I always thought that my Honourable Friend, Sardar Jogendra Singh, was an optimist also. As an optimist, we all expect—even at his advanced age my friend, Sir Dinshaw Wacha, said he expects—a better and brighter future for this industry in India.

The HONOURABLE SIR DINSHAW WACHA: Certainly.

The HONOURABLE MR. LALUBHAI SAMALDAS: It is no use saying that we might fail. We have to try again. The time must come and will come when we will be able to manufacture not only the steel required in this country, but also engines and boilers and all the machinery in this country. (Hear, hear). I do hope that the Government will appoint a Committee as early as possible and not defer it on account of having no funds. I repeat my offer made to the Hon'ble Mr. Lindsay that if he would give me the exact figure of the amount he requires for the appointment of the Committee, I am prepared to work out and get the Honourable Members of the Standing Finance Committee to sanction the same. I hope, Sir, that this Council will unanimously pass this Resolution.

The HONOURABLE THE PRESIDENT: The question is that the following Resolution be adopted:—

'This Council recommends to the Governor General in Council to appoint a Committee of officials and non-officials to consider the best means of helping the Ship-building industry in this country and to make recommendation regarding the same.'

The Resolution was adopted.

The Council then adjourned till Monday, the 20th March 1922 at Eleven of the Clock

COUNCIL OF STATE.

Monday, the 20th March, 1922.

The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

QUESTIONS AND ANSWERS.

RATE OF 1 £=10 Rs.

*126. The HONOURABLE SARDAR JOGENDRA SINGH: Will Government be pleased to say how long it intends to keep the rate of 1£=10 Rs. on the Statute Book?

The HONOURABLE MR. E. M. COOK: Government are not in a position to make any pronouncement on the subject.

GOLD COINAGE.

*127. The HONOURABLE SARDAR JOGENDRA SINGH: Will Government be pleased to state when Indian mints are going to coin gold?

The HONOURABLE MR. E. M. COOK: The subject of the Honourable Member's question was fully dealt with in the Honourable the Finance Member's speech in another place on a Resolution for the appointment of a Currency Committee as recently as the 24th January last. The Honourable Member will find, if he reads the record of that debate, that the Finance Member gave the assurance that the Indian Mints are prepared to coin gold as soon as the demand for gold currency arises. He pointed out, at the same time, that no such demand could arise so long as the present premium on gold as compared with its statutory parity exists, nor would it arise in present conditions even if the statutory rate were reduced to the parity of Rs. 17 to the £, since the value of a sovereign at present gold prices is over Rs. 17½.

ROYAL MILITARY COLLEGE AT SANDHURST.

128. The HONOURABLE MR. BOROOAH: (a) How many candidates from Assam have been admitted to the Royal Military College, Sandhurst, since 1918?

(b) How many of them were from the Assam Valley and how many from the Surma Valley?

(c) How many candidates from each valley respectively have been recommended by the Assam Government to the Government of India, since 1918?

(d) What was the number of applications for admission from each Valley?

(e) Is it a fact that a certain officer, appointed to receive and forward applications from the Assam Valley summarily refused to forward some applications? If so, what were the reasons for such refusal?

* The Honourable Member was absent.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) One.

(b) The one candidate referred to was from the Assam Valley.

(c) From the Assam Valley, one; from the Surma Valley, none.

(d) and (e) Apart from the one candidate referred to in (c), the Government of India understand that, subsequent to 1918, the Commissioner of the Assam Valley Division has received three applications, which he did not forward as he considered that the applicants' qualifications were insufficient.

RIOT AT KANAIRHAT, SYLHET.

129. The HONOURABLE MR. BOROOAH: (a) Are the Government aware of a riot, said to have occurred at Kanairhat, in Sylhet, on or about the 15th of February last?

(b) What were the casualties on the side of the police, as well as on that of the people?

(c) Is it a fact that a constable was shot dead and that his body was cremated, without a post-mortem examination?

(d) Has the brother of the deceased constable applied to the Court for an inquiry as to the cause of the death? If so, what has become of the application?

(e) Has any step been taken to make a thorough inquiry into the matter of the riot?

The HONOURABLE MR. S. P. O'DONNELL: (a) Yes.

(b) There were about 8 casualties among the rioters. Three constables were killed and three wounded.

(c), (d) and (e). The Government of India have no information.

REFUGEES FROM CONTINENTAL EUROPE.

130. The HONOURABLE MR. PHIROZE SETHNA: Will Government be pleased to state:—

(a) how many refugees from Continental Europe are at present in this country,

(b) if any or all of them are maintained at Government expense,

(c) the amounts spent per mensem on each one of them if by himself, or on each family if any such refugee is accompanied by members of his family, and

(d) the total amount so spent since the beginning of the war up-to-date?

The HONOURABLE SIR JOHN WOOD: (a) One family of Lithuanians consisting of husband, wife and six children,

(b) the cost of maintenance is at present being borne by the Indian Government and is subject to adjustment hereafter, with the Governments concerned,

(c) information has been called for from the Local Government concerned and will be laid on the table on receipt,

(d) a statement is under preparation and will be laid on the table when it is complete.

LIBRARY FOR THE INDIAN LEGISLATURE.

The HONOURABLE THE PRESIDENT: Honourable Members are aware perhaps that a grant was made by the Legislative Assembly last September for the constitution of a Library for the use of Members of both Chambers. A sum of Rs. 15,000 was allotted for that purpose and the Library has been started; but representations have been made to me and to the President of the Legislative Assembly, suggesting that some guidance to the officers purchasing the books would be desirable. I have been in consultation with the Honourable Sir Frederick Whyte, and we think it would be an advantage to have a small nominated Committee, representing both Chambers, who could consider suggestions and act generally as an Advisory Committee to the Secretary in regard to the purchase of books and the general arrangements of the Library. My Honourable Colleague will, I understand, make an announcement to-day in the Assembly. I have nominated, with their consent, the Honourable Sardar Jogendra Singh and the Honourable Mr. Khaparde to serve as Members representing this Chamber, and I understand my Honourable Colleague will nominate Mr. Samarth and Mr. Ginwalla to represent the Assembly on this Joint Committee. If any Members have suggestions to offer either in regard to the general arrangements of the Library or in regard to the purchase of particular books, those suggestions will, in the first place, be considered by the Committee I have mentioned.

The HONOURABLE DIWAN BAHADUR V. RAMABHADRA NAIDU: May I suggest the names of the Honourable Mr. Kale and the Honourable Dr. Ganganath Jha also as Members of the Committee?

The HONOURABLE THE PRESIDENT: I am afraid I cannot give effect to that proposal till I have had an opportunity of consulting my Honourable Colleague. The arrangement was that we should nominate two Members each. The matter, therefore, must be put before him in the first instance; possibly he may have had suggestions from the other Chamber.

MOTION FOR ADJOURNMENT.

The HONOURABLE THE PRESIDENT: Before we proceed to the business of the day, I have to inform the Council that I have received notice of a desire to move the adjournment from the Honourable Saiyid Raza Ali. The matter on which he wishes to move is specified in his letter and runs as follows:—

'To discuss a definite matter of urgent public importance, that is to say, the policy of Government as evidenced by the prosecution of Mr. Gandhi, and its effects on the country.'

That motion seems to me to require a little explanation from the Member who has given notice, before I come to a decision as to whether it is within the Rules or not. The matter on which an adjournment can be moved must be a specific matter of recent occurrence. I should like to hear the

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[The Honourable the President.]

Honourable Saiyid Raza Ali on the point whether 'the policy of Government as evidenced by the prosecution of Mr. Gandhi' is, in fact, a specific matter of recent occurrence, and, thereafter, I shall ask the Member of the Government concerned to give me his views also.

The HONOURABLE SAIYID RAZA ALI: Sir, the arrest and prosecution of Mr. Gandhi are a matter of public importance.

The HONOURABLE THE PRESIDENT: Will the Honourable Member bear in mind the point of order I put to him—that is, whether the policy of Government as evidenced by the prosecution is or is not a specific matter of recent occurrence.

The HONOURABLE SAIYID RAZA ALI: It is a specific matter. That it has happened recently is quite clear from the fact that the arrest was made on the 9th or 10th of the month. As long as the case was *sub judice* it was not open to any Member of this Council to bring forward this matter. The orders in the case were passed only the day before yesterday (Saturday), and as Honourable Members are aware the sentence of six years has been passed. The trial is over and therefore the matter now comes within the cognizance of this Council. So I think that for the reasons I have stated it is a specific matter and it is a matter which has recently arisen. There has been no meeting of this Council since Saturday when the sentence was passed.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I desire to make it clear that the prosecution of Mr. Gandhi involves in no way a new departure in policy on the part of Government. It is perfectly true, as everybody knows, that under the law Mr. Gandhi could have been proceeded against earlier. The Government did not so proceed for reasons which, I think, are manifest. They had hoped that the non-co-operation movement would kill itself, and they were reluctant to proceed against a man of the high personal character of Mr. Gandhi, a man who had not himself been guilty of direct incitements to violence, and a man whose peculiar combination of qualities had secured for him a hold over a large number of people. They deferred action as long as they could. But when the Non-co-operation Party had been given an opportunity of revising its attitude after the Bardoli Resolution, and had not taken that opportunity, the Government came to the conclusion that in view of the consequences to which the movement had led they could no longer hold their hands. But the prosecution of Mr. Gandhi in no way involves any alteration in the attitude or policy of the Government. There have been a number of prosecutions of non-co-operators for precisely the same offence, namely, sedition, and under the same section 124A, Indian Penal Code, as the section, under which proceedings have been taken against Mr. Gandhi. It has been perfectly open to any Member of this Council months and months ago to raise the question of the policy in this respect of the Government, but that has not been done. There has, Sir, in fact been no embarking by the Government on a new policy.

The HONOURABLE SAIYID RAZA ALI: As a matter of fact, Sir, I wanted to invite the Government's attention to two specific points in the course of the discussion if I got the opportunity. I have had no such opportunity and it has yet to be seen whether an opportunity is going to be given to me. The two specific points to which I refer—and I mention them because the Honourable Mr. O'Donnell refrained from making any observations with

regard to them—are, in the first place, the severity of the sentence passed on Mr. Gandhi, and in the next place, as to what is going to be the pace of the Reforms which the country desires to be introduced.

The HONOURABLE THE PRESIDENT: The Honourable Member has not dealt with the point which I put to him, whether this prosecution involves a change of policy. That is the whole point of his notice. He has not said he wants to discuss the sentence inflicted on Mr. Gandhi. He has not said he wishes to discuss this particular case. He raises the general question of policy as evidenced by this case; and after hearing the Honourable Mr. O'Donnell, in my opinion, there has been no change of policy, as stated by the Honourable Member, which is a specific matter of recent occurrence. I cannot allow the motion.

RESOLUTION RE REPRESENTATIVE FOR INDIA ON THE INTERNATIONAL CONFERENCE AT GENOA.

The HONOURABLE MR. SETHNA: Sir, I beg to move that—

'In view of the approaching International Conference at Genoa, this Council recommends to the Governor General in Council the desirability of sending a representative for India elected by the Indian Legislature and with definite instructions.'

Sir, on the 14th of last month when speaking to the amendment on the Address from the Throne, the Premier, Mr. Lloyd George, in the course of his speech observed that the International Conference at Genoa was called for the purpose of reconstructing Europe, and he added that because India was one of the countries which had become poorer on account of the War, that India was specially invited to send a delegate for the purpose of helping the British delegation at that Conference. We appreciate the compliment, and we would have appreciated the compliment still more if the selection rested not with the Government of India, but with the Indian Legislature.

In bringing forward this Resolution, Sir, I would like the Council to understand that I do not for one moment criticise the nominations made by Government in the past. On the contrary, the country at large has every reason to be thankful to the Government of India for the most excellent selections they did make. For the first Imperial War Conference the representatives selected were the Maharaja of Bikaner and Lord Sinha; and last year again the Maharao of Cutch and the Right Honourable Srinivasa Sastri. Again, some months ago, Mr. Sastri was delegated to represent India at the Washington Conference, from which labours he is now returning, and we hope he will be able to take his seat with us here within a week from now. I say these nominations have satisfied the great majority of people in this country. Of course there is a section of the people to whom no nomination made by Government would ever give any satisfaction. But the point however is that, even if these nominations in the past have given satisfaction to the country at large, it may be that hereafter nominations might be made which might not be acceptable to the majority of the people in the country; whereas if the selections were made by the Indian Legislature the Legislature would be responsible for the consequences of the appointments, should the selection not prove fortunate. But we may give credit to the Legislature for selecting a representative, or representatives should there be more than one, who would look after the interests of the country in the best manner possible and reflect credit on their choice

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[Mr. Sethna.]

and such representatives need not be Members of the Legislature themselves.

I hope, Sir, it will not be argued that I am too late with my proposal so far as the Genoa Conference is concerned, because the first intimation was to the effect that the Conference would start about the end of this month. We are aware, however, that owing to the Ministerial crisis in France which led to the downfall of M. Briand and the advent of M. Poincaré to power, the date is now fixed for some time in June, and perhaps it may be postponed to a still later date because of a desire on the part of the Powers to prevail upon the United States of America to join the Conference. Therefore, Sir, there will be enough time even if the meeting is to be held earlier, for considerable time will be taken up before the proceedings commence, over the discussion and settlement of the Agenda.

The importance of the Genoa Conference is undoubted, for even if the United States of America does not join, we are aware that so far 35 countries have given their assent to be members, and I understand that these representatives, together with their staff, will number a good few hundreds. The important aspects of the Conference will of course be political and economic. I do not think, Sir, anyone will now question the advisability of sending a representative to such a Conference from India. In fact, so far as the political aspect of the case is concerned, it may be held that perhaps India has a greater claim than the Dominions, and for this reason. Among the questions to be discussed may also be the question of the Anglo-French Alliance, and because France has colonies in Asia and Africa should there be any disturbances there, Indians would be expected to take part in those entanglements, on the side of France because of the alliance which the Dominions are not expected to, but are perfectly free to come in or not. Again, Sir, questions in regard to Turkey and Russia will also be discussed at the Conference, and it is necessary that India should be represented there, because of the very large number of Indian inhabitants being members of the Muhammadan community.

As regards the economic aspect of the case, we recognize that our largest market for our exports is of course Central Europe, and if the balance of trade is at present against this country, it is because Central Europe is practically in a state of chaos. It will, therefore, be the duty of the Conference to try to rehabilitate these countries, and if we had an Indian representative there, he would be able to point out to his Colleagues that the attitude of the French in trying to subordinate everything and that, at the present moment, every country is yearning to return to normal conditions.

The time, therefore, Sir, has arrived, to my mind, when not only should India participate in the Conference, but that its representative or representatives should be clothed with high authority. A nominee selected by Government would carry weight, as such nominees have done in the past, but they would not carry as much weight as they would if selected by the Indian Legislature; and it is for this reason, Sir, that I have brought forward the Resolution. I realize that in the Dominions it is the practice for the Premier to go. If he cannot go, he sends a representative to air the views of the Party in power in such Dominion. We have not reached that stage in this country so far, but it will be a step in the right direction

if the Legislature were allowed to select their own representatives to advance the views not only of the people, but also of the Government of India. It might be contended that the representative of the Indian Legislature may perhaps hold views which are not in consonance with the views of the Government of India, and, consequently, there may be a clash of interests, and therefore it will be necessary that the representative should be nominated instead of being elected by the Legislature. But however much we might differ in matters of internal administration, I think we may give credit to the Legislature, so far as representation in a Conference outside India is concerned, that they will look upon the interests of India as a whole, and, consequently, the views of the Government of India and the Legislature may be expected to coincide in a case of this kind. I therefore hold that it would be very advisable if the representative or representatives were selected by the Legislature.

I see on the agenda an amendment by the Honourable Sir Zulfikar Ali Khan, according to which he would like that the person elected by the Legislature should also be approved of by the Government of India. This, I take it, is an amendment intended to safeguard against the contingency to which I have just referred. If Government believe that my Resolution goes too far, and if they are prepared to accept the amendment of my Honourable Friend, Sir Zulfikar Ali Khan, I for one will have no objection, because in that case too I will consider it a step in the right direction. If we cannot straightaway elect our representatives the step contemplated by the amendment is an intermediate stage and will clear the way for a direct election in years to come.

With these few words I submit my Resolution for the acceptance of the Council.

The HONOURABLE SIR ZULFIQAR ALI KHAN: I wish to move the following amendment:

'That between the words 'Legislature' and 'and' in the third line of the Resolution insert the words 'and approved by Government'.'

The HONOURABLE THE PRESIDENT: That is not the amendment on the paper.

The HONOURABLE SIR ZULFIQAR ALI KHAN: The printed words say:

'And such representative being approved of by Government.'

The HONOURABLE THE PRESIDENT: Does the Honourable Member wish to alter his amendment?

The HONOURABLE SIR ZULFIQAR ALI KHAN: Either of the amendments suggests that the representatives should be approved of by Government.

The HONOURABLE THE PRESIDENT: Which amendment does the Honourable Member wish to move?

The HONOURABLE SIR ZULFIQAR ALI KHAN: I wish to move the printed form of the amendment.

Sir, my Honourable Colleague, Mr. Phiroze Sethna, has, in his very eloquent speech, placed the arguments which may induce the Government and this House to accept the Resolution which he has introduced in this

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[Sir Zulfiqar Ali Khan.]

Council. I need not go into the detailed history of this policy of the Government; but I may be allowed to say that in 1915, so far as I remember, when this policy was accepted by Government, we, Indians, felt that by sending a representative to such conferences we were given a status which India's progress, enlightenment, resources and population demand. This step which my Honourable friend now wishes the Government to take is the second stage in the development of this policy. There is no fault to find with the selection of Government made from amongst the public men of India. So far as I remember, three representatives out of our public men have been successively selected, the first being Lord Sinha (then Mr. Sinha), the second, Sir Ali Imam, and the third, the Right Honourable Mr. Srinivasa Sastri.

Now, Sir, without in any way saying anything which might reflect on the ability and the distinguished personality of these people, I may say that sometimes even such selections have proved unsatisfactory. For example, Sir, year before last, when certain questions in connection with the Khilafat were to be discussed, there was an impression in India that the representative of India, although commanding the full confidence of the Indians was not quite in touch with the sentiments and interests of the particular community for their representation before the League of Nations, and therefore Government was forced to send a deputation from India, and also to organize a certain representation in England itself, consisting of some Muhammadans then living in England. From this point of view, Sir, in order to obviate this difficulty in the future, I think the only course open is to give the representatives of India in the Legislature a chance to have their say in the selection of this representative.

Then there may also arise, as the Honourable Mover has said, certain questions affecting especially Turkey and Russia, and the selection of a man for the next year may have a weighty influence on the solution of these questions. Therefore, in order to have full concurrence and support of the public it will be wise for Government to give the two Houses of the Legislature a chance to make suggestions to Government for the nomination of a representative. It does not necessarily bind Government in any way to make a selection out of the three or four men who may be suggested; and, if Government finds the suggestions made by the Legislature not satisfactory and the people suggested not suitable, Government could make a choice of its own independent of the suggestions made. Sir, as I said before, there are some very important matters to be discussed, and I do trust that Government will respect the wishes of the people in this matter and give us an opportunity to suggest these names and in this way the representative of India who will be suggested by the Legislature and perhaps approved of by Government will be in a position to represent the public opinion in India as well as the Government in this representative Assembly. It is true that in the case of self-governing Dominions the Premier goes to represent the country or he sends a representative. But, Sir, the case of India is different. Those Dominions have their own national Governments, and therefore the representative who goes from those Dominions cannot in any way go against the policy of Government. Here also our policy with regard to foreign affairs is to a very great extent identical with that of the Foreign Office, but, in order to remove certain misunderstandings and difficulties, I think it is necessary that a panel of four or five men may be suggested by the Legislature and the Government could approve one out of this panel; or, as election in

certain cases is not always satisfactory, Government could go and make an independent selection. With these few words, I wish to put this amendment before this Council.

The HONOURABLE SAIYID RAZA ALI: Sir, since this morning I have been overpowered with a sense of pessimism and I regret to notice that so far as I am concerned the same sense reflects itself even in this Resolution that has been moved by my friend, the Honourable Mr. Sethna. To everyone who will carefully read the Resolution for himself it would appear that there are some difficulties in the way, the solution of which has unfortunately not been suggested by the Honourable Mover. Where can you have the spectacle, as you have in India, of an irremovable Executive tagged to the heels of a Legislature, whose powers are limited? It is very difficult to suggest as to what are the practical methods by which you can make the feelings of the Legislature respected or accepted. These feelings may in some cases be respected, but it is very difficult to make them accepted by the Executive Government. The main question I think here is—and I believe the Honourable Members are not unacquainted with its difficulties—whose representative will this gentleman be whom we are going to elect? Is he going to be our representative or is he going to be the representative of Government? If he were responsible to the Legislature, then no doubt the method suggested by my Honourable friend would be the best course to be adopted by the Legislature, though in self-governing Dominions it is not necessary that such an election should be made by the Legislature. The man selected in self-governing Dominions is not the representative of any Party, but of the Government and the country. But unfortunately these premises do not hold good when we look at the conditions obtaining in India. After all, the representative will be the representative of the Indian Government, neither of the Indian people on the one hand nor of India on the other. Therefore, I consider that, as long as the present constitutions remain in force, I see considerable difficulty in the suggestion commending itself to the Honourable Members of this Council. But I am not prepared to say that we should not make a very small beginning—a small and modest beginning—that has been suggested by the Honourable Mr. Sethna, but in any case it will be impossible for us to elect only one man. I do not know what the attitude of the Government on this question is going to be, but to place facilities in the way of Government, I think it will be just as well for us to select three or four representatives and leave the choice to Government, so that, if they decide in favour of any particular man, they may be in a position to do so. I think that is what we should do.

Now, the second point for our decision will be—what should be the method of selection that should be resorted to if the Resolution is accepted? The Honourable Member says nothing as to that. Of course, we have two Chambers of the Indian Legislature. I do not know as to whether he is going to act on the principle of one vote for one man, or whether he would give the Honourable Members of this Council more than one vote. At least he has indicated nothing so far as that goes. I do not know whether we shall be entitled to one vote or more than one vote.

Now, I come to the last point of all, namely, the point that the Honourable Mr. Sethna mentions at the end of his Resolution that we should send this representative with definite instructions. Now I for one do not know as to whether we are justified in embodying these words at the end

[Saiyid Raza Ali.]

of this Resolution. The difficulties are obvious. In fact, it is extremely difficult to know as to what will be the exact questions that will come up before the Genoa Conference. I daresay the Government are in a position to know something on the question, but I am sure they do not know all the details. So far as I know—and I think I am making a very bold venture in reading the mind of Government—I think the Government are not in possession of full facts, and I do not know if all the specific recommendations are going to come up before the Conference. If this is so, the Government will find some difficulty in solving this problem; much more shall we who know next to nothing on the subject. It will, therefore, be very difficult to say as to what should be the specific recommendations with which we should charge the men or man whom we are going to elect. The whole thing is in a melting-pot. It is in the air. I, therefore, would like to make a recommendation which would have a chance of being accepted by the Government of India. In every way, and looking to the whole character of the question, with which we are confronted, I think it would be much better if the Honourable Mover dropped the words 'and with definite instructions' which he has put at the end of his Resolution. Nothing is further from my mind than to put any restrictions on the powers of this Council. As I said in the beginning, if we had an Executive Government responsible to the Legislature, he would be perfectly right in saying that it should be this House which should lay down the instructions and not the Executive Government; but, unfortunately, that time has not yet come and nobody knows how long it is going to take. Sir, my submission is that the Honourable Mr. Sethna should join us in fighting the battles of the country and asking the Government to give us full responsible government at a very early date. If he is not prepared to do that, I, at least, consistently with the views I hold, cannot see how I can support these words at the end of his Resolution. I would, therefore, formally move as an amendment that the words 'and with definite instructions' be deleted from this Resolution.

With these words, I commend the Resolution, as amended both by the Honourable Sir Zulfiqar Ali Khan and myself, to the acceptance of this Council.

THE HONOURABLE MR. S. P. O'DONNELL: Sir, the Honourable Mr. Sethna has dealt with this question with his usual candour and lucidity, and has thereby lightened my task.

The Genoa Conference may best be described as an attempt to reconstruct international trade. No doubt that general description covers a multitude of subsidiary problems, but, broadly speaking, it is, I think, the best description that can be given of the purpose for which this Conference is to be held. So far as I am aware, the detailed questions which will come up for discussion, will be questions primarily concerning Europe. At the same time they are far from being questions which are indifferent to India. Financially and economically, the world is now largely one; what happens in one country or in one hemisphere has reactions and repercussions upon the rest of the world; and India is undoubtedly vitally interested in the success of the Conference. The Government of India propose therefore that India should be represented at the Conference. At the same time, they cannot accept the proposal that the representative of India should be elected by the Legislature. I believe I am correct in stating that there is absolutely no precedent for the appointment or the selection of the representative of any country at a Conference of this kind by a Legislature.

The universal practice, so far as I am aware, is that the representative of each country or Power is invariably either a member of the Government, and appointed, therefore, by the Government, or some other person appointed by the Government. And the reasons for that are, I think, obvious. They rest upon the principles governing the division of functions between the Legislature and the Executive. A Conference such as that to be held at Genoa is a means whereby the various Powers can meet together and enter into negotiations, and the carrying on of negotiations is essentially a task for the Executive. The work of the Legislature lies in another sphere, the sphere of legislation and the enunciation of general principles, and nothing but confusion could result from any encroachment by the Legislature on the functions of the Executive.

There are also, in the case of India, additional reasons why election by the Legislature is not admissible. In the first place, the Government of India is still an official Government. The principle of responsibility to the Legislature has not yet been extended to the Central Government; the Government of India is still a Government responsible to the Secretary of State and to Parliament; and, therefore, any proposal which would have the effect of eliminating the Secretary of State or of limiting his discretion in a matter of this kind is not a proposal which is in accordance with the express provisions of the Government of India Act. Secondly, it must be remembered that matters affecting the relations of His Majesty's Government with other States are matters which are excluded from the purview of the discussions of the Legislature, and, in so far as any such matters may be involved in the discussions which will take place at this Conference, it would clearly be anomalous that the Legislature should elect representatives to deal with such matters.

But, Sir, we may look at this question from another and equally important aspect. It was admitted by Mr. Sethna—I should not say 'admitted' because he put it in the forefront of his Resolution—that the representative of India must go to the Conference with definite instructions. I gather that the Honourable Saiyid Raza Ali—in fact it is clear from his amendment—is opposed to that. I confess I was not clear as to the reasons which underlay his objection, but, at any rate, I gathered that he objected to that. I think the Council however will agree that it is absolutely essential that the representative of India should go to the Conference with clear and precise instructions. There is no question of sending a plenipotentiary, of giving some person *carte blanche*, of sending any person armed with plenary power to sign any blank cheque and to enter into any agreement which he may think fit. That is an absolutely impossible suggestion. The position of a representative at an international conference of this kind was succinctly stated by Monsieur Viviani when he said referring to the League of Nations that the representatives are representatives of their Governments and can do nothing outside the express terms of their instructions. Now, Sir, if that is admitted, who else can give the instructions except the Government? I cannot myself imagine any procedure by which the Legislature could issue instructions covering all the matters which will be dealt with at a Conference of this kind; but, even were it supposed that by some impossible procedure that initial instruction could be given by the Legislature, the Legislature could not deal with supplementary instructions. At any time questions may arise on which further instructions and directions will be required, and those instructions can,

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obviously, in the circumstances of the case, be obtained only from the Government. It is not that the instructions to be issued by the Government would necessarily or probably be different from those which would commend themselves to the Legislature. I quite agree that in all probability the instructions issued by the Government would be such as the Legislature would endorse. Nor again—and here I come to the amendment moved by the Honourable Sir Zulfikar Ali Khan—is it a question of the Legislature selecting unsuitable persons. I have no doubt that the Legislature would select men of integrity and capacity. It may well be that the Legislature would even select the very person on whom the choice of the Government would fall. But, although his amendment seeks to mitigate the difficulties, it would still leave the representative of India in the anomalous position of owing his appointment partly to one authority and partly to another authority and of owing a dual allegiance, divided in some undefined way, between the Government and the Legislature. It seems to me, Sir, that that is an impossible position. We cannot afford to have any doubt, any confusion or any uncertainty regarding the position of our representative. That would be absolutely fatal; it would entirely destroy his usefulness at the Conference. If he goes in any other capacity except as a representative of the Government and to carry out the instructions of the Government, I cannot see that his presence there would serve any useful purpose. The representatives of all the other countries will be the representatives of their Governments; they will voice the views of their Governments and they will wish to elicit the views of the Government of India, and nothing else.

Now, Sir, I quite agree with the point made, if I followed him rightly, by the Honourable Sir Zulfikar Ali Khan that the relation of the Government of India to the Indian Legislature differs from that of Governments in countries in which full responsible government has been established to their Legislatures. And in theory and principle that may be held to carry with it some difference in the relation of the representative of the Government to the Legislature. I think the difference can easily be exaggerated. So far as I am aware, the proposals that are placed before a Conference of this kind by the representatives of the various Powers are not usually proposals that have been formally discussed and formally resolved on by their Legislatures. So far as I am aware, that is neither necessary nor usual. What these Governments have to see to is that their representatives do not enter into commitments and agreements which might meet with the strong disapproval of their Legislatures. And doubtless if they do so, it is true that these Legislatures, if so disposed, can take more drastic action than the Indian Legislature can take. They can, if they so desire, turn the Government out. But the difference is nevertheless a difference of degree and not of kind. The Government of India also has to take into account the views of this Legislature. It has to take account of those views not only in matters of legislation—and Honourable Members will remember that the proposals made by the representatives of India at the Assembly of the League of Nations regarding the immoral traffic in women, were subsequently submitted for the approval of this Council—but also in regard to any matter which comes within the wide range of its discussions, and of public opinion as expressed through the Legislature. And there need, I think, be no apprehension that the Government of India will ever be oblivious of the views of the Legislature.

But, it seems to me, Sir, that the constitutional position is misconceived, if it is argued that because there is this difference between the relations of the representatives of the Government of India to the Indian Legislature, and the relations of the representatives of other Governments to their Legislatures, that therefore the Legislature should be vested with a function which everywhere else is discharged by the Executive. Whatever difference of this kind there may be,—and I have tried to show that the difference is not great in practice,—is the outcome, the result, the consequence, of the different constitutional position of the Government of India and any change accordingly in the direction of the reduction or elimination of that difference must be the result of further constitutional developments. To endeavour to reverse the process would be simply to put the cart before the horse.

Well, Sir, for these reasons the Government cannot accept the proposal that the representative of India should be elected by the Legislature. At the same time, they propose that India should be represented at the Conference, and it will always be their endeavour to select for such conferences men in whom the country and the Legislature will have full confidence. It has been frankly admitted by the Honourable Mr. Sethna that the representatives whom they have chosen in the past, such as His Highness the Maharaja of Cutch and the Right Honourable Mr. Sastri,—have commanded this confidence, and the fact that the Government have chosen such men is clear evidence of their intention in the matter.

THE HONOURABLE MR. SETHNA: Sir, I am obliged to the Honourable the Government Member for the very lucid explanation he has given as to why he is not able to accept my Resolution.

The main point in his speech is that as the Government is constituted at the present moment, any representative selected by the Legislature would not be carrying out the intentions of the Government of India as the Government of India would like him to do. This, Sir, assumes that the Legislature and the Government of India will not be at one in regard to the points that will be brought up before the Conference. . . .

THE HONOURABLE MR. S. P. O'DONNELL: May I point out, Sir, that I expressly said that it was not a question of anticipating that there would be differences in regard to the instructions to be issued to the representative of India? What I was anxious to make clear was simply the fact that the authority which issues the instructions must be the Government and that there must be no doubt that the allegiance and the responsibility of the person sent to this Conference is to the Government. I was dealing with the question of principle.

THE HONOURABLE MR. SETHNA: I quite see that, and I was referring to that point. I say that because the representative is elected by the Legislature, it does not follow that the Legislature would not be in sympathy with the ideas which the Government of India may have on points to be brought up before the Conference. So far, at any rate, as questions outside India are concerned, I for one would say that the Legislature and the Government of India would be in perfect agreement. However, I see, Sir, that there is some point in what the Honourable Mr. O'Donnell has just now told us. But I should like to inquire from the Honourable Member if in that case he would be willing to allow the choice to be made by the Legislature, but that the representative so selected should carry out the instructions of the Government of India alone?

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The HONOURABLE MR. S. P. O'DONNELL: No, Sir, I am afraid I cannot accept that, because it still seems to me to involve the anomaly of a sort of dual responsibility. The position would still be that in some sort of undefined way the representative sent there would be expected to represent two bodies. If whilst he received his instruction from the Government, he was at the same time a man chosen by the Legislature he would be expected by the Legislature—and if not so expected I do not quite see the object of this Resolution—also to voice the views of the Legislature.

I have also pointed out the constitutional objections to anything which limits the discretion of the Secretary of State in this matter.

The HONOURABLE MR. SETHNA: I do not say for one moment that the Secretary of State should be left out. I should also expect that he too might be there in addition to the representative or representatives selected by the Legislature. I am sorry that my Honourable friend cannot meet me even to the extent that I have indicated.

Then, Sir, to deal with the amendment of the Honourable Saiyid Raza Ali. I think that has been fully replied to by the Honourable Mr. O'Donnell, in regard to the omission of the words 'and with definite instructions' from my Resolution. Surely, Sir, a representative could not be sent there without definite instructions. He could not be given *carte blanche* to deal with the different matters which will be brought up before the Conference. Therefore I will leave my Resolution as it is. If the amendment of Sir Zulfiqar Ali Khan were accepted it might prove a *via media* until such time as the country obtains complete self-government and can send duly accredited representatives to the Conference, without any let or hindrance of any kind.

I quite agree with the Honourable Mr. O'Donnell, and I repeat what I said in my opening speech, that the Government have been very careful in the excellent selections they have made in the past, and I do hope, Sir, that, if this Resolution or amendment is not accepted—which I hope will not be the case,—that Government if they have to nominate again will once more select men of the type of Lord Sinha, and the Right Honourable Mr. Srinivasa Sastri, and one other Indian whom I inadvertently forgot to mention before—I mean Sir Ali Imam, who too in his various spheres of activities has like the others rendered valuable service to this country.

The HONOURABLE THE PRESIDENT: The question is:

'That to the Resolution moved by the Honourable Mr. Sethna the following amendment be made—

'After the word 'Legislature' the following words be inserted, 'such representative being approved by Government'.'

The amendment was rejected.

The HONOURABLE THE PRESIDENT: The question is:

'That in the Resolution under consideration the words 'and with definite instructions' be omitted.'

The amendment was rejected.

The HONOURABLE THE PRESIDENT: The question is:

'That the following Resolution be adopted:

'In view of the approaching International Conference at Genoa, this Council recommends to the Governor General in Council the desirability of sending a representative for India elected by the Indian Legislature and with definite instructions'.

The Resolution was rejected.

RESOLUTION RE LEAVE TO MUHAMMADANS FOR JUMMA PRAYERS.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Sir, 12 NOON. the Resolution that stands in my name runs as follows:—

'This Council recommends to the Governor General in Council that he may be pleased to pass necessary orders that all the Muhammadan employees of all the Courts and public Offices in all the Provinces including the Central Government offices shall be granted two hours' holiday, for saying their Jumma prayers on Fridays.'

This is a question, Sir, concerning the religious duties of the Muhammadans at large. In my motion in the Madras Legislative Council on 2nd April 1913, the Government of Madras was kind enough to grant leave of absence for one hour first on Fridays as per G. O. No. 1408-Public, dated 14th November 1913. Subsequently I moved a Resolution on 29th March 1915 at the meeting of the Legislative Council for two hours' leave as the leave for the one hour already granted was not sufficient. The Government of Madras was good enough to extend their concession to one more hour as per G. O. No. 1066-Public, dated 14th November 1915.

At a meeting of the Imperial Council held on 11th March 1913, the Honourable Sir Reginald Craddock on behalf of the Government, in replying to a question put by the Honourable Mr. Ghaznavi, said the following:—

'As regards the Muhammadan employees in Government of India Secretariats the Governor General in Council will be pleased to allow the concession asked for and the desirability of action on similar lines will be commended to Local Governments.'

Other Provinces, such as Burma, Bombay, Bengal, Bihar and Orissa, also allow a period of two hours' leave for Jumma prayer on Fridays on condition that the employees make up the time by working extra hours during the week, if necessary.

It is clear that the Local Governments have rightly thought in giving this concession to the Muhammadans to perform their religious duties; but some of the Provinces have imposed conditions that the employees should work extra hours to compensate these two hours' leave of absence.

My object in bringing this Resolution in this House is to give facilities to the Muhammadans employed in all the Departments throughout India for discharging their religious duties on Friday.

I request, therefore, that all the Muhammadan employees of all the Courts and Public Offices in all the Provinces in India including the Central Government are granted two hours' leave on Fridays without any conditions whatsoever and that a General Order be issued to this effect.

I cannot adequately express how the Muhammadan world will be thankful to the Government for the great service rendered in allowing them to exercise their religious rights. As the Resolution is self-evident and as this is one of religious importance, I need not dwell much on this subject, and I, therefore, trust that the Honourable Members of this House will give their whole-hearted support to my Resolution unanimously and that the Government will not hesitate in accepting the same.

With these few words, I commend my Resolution for the acceptance of the House.

The HONOURABLE MR. S. P. O'DONNELL: The Government are anxious that Muhammadan employees should receive adequate facilities for saying their Jumma prayers on Friday; and, as a matter of fact, as far back as 1913, the Government of India issued orders to all Departments of the

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Central Government that one hour's leave should be allowed for this purpose. So far as I am aware, no complaint of any kind that the time allowed was insufficient has ever been received, certainly no such complaint has reached me in the Home Department from any Muhammadan employee.

So far as Local Governments are concerned, the Government of India also at the same time commended to them the desirability of taking similar action, and, as the Honourable Mover has pointed out, a number of Local Governments have taken similar action.

The Government of India did not think it right at that time to issue orders to Local Governments on a matter which falls clearly within their jurisdiction, and it will be agreed by the Council I think that now that the Reforms Scheme has been introduced, and that Provincial Governments are enjoying a larger measure of autonomy; and further, now that certain Departments have been transferred to the control of Ministers, it would be impossible for the Government of India to issue orders on this matter to Local Governments. It would be particularly inappropriate, indeed impossible, for Government to issue orders to a Minister in charge of any department in which Muhammadans were employed, that he must allow a specified time to his Muhammadan employees to say their Jumma prayers. It is perfectly open to any Member of a local Legislative Council to raise the point if in his opinion the time allowed is not sufficient, and there is no reason whatever to suppose that Local Government on either the reserve or transferred side will be in any way unsympathetic on the subject.

At the same time, I am quite prepared, if it would meet the wishes of the Honourable Mover, to have copies of this debate forwarded to all Local Governments and to commend to them the desirability—if action has not already been taken—of taking steps to provide adequate facilities for their Muhammadan employees to say their Jumma prayers on Friday. Perhaps that will sufficiently meet the object which the Honourable Mover has in view.

The HONOURABLE SAIYID RAZA ALI: At first I thought the remarks made by my Honourable Friend, Mr. O'Donnell, in support of the Resolution, were rather half-hearted, but he pulled up fortunately towards the end of his speech, and I think the pronouncement he has made on behalf of Government is one that I hope will meet the wishes of my Honourable Friend, the Mover of this Resolution.

I don't want to go into the question of reserved or transferred subjects. Much is sought to be made of those unfortunate facts by the Central Government when they are so disposed. I don't think there was occasion for the Honourable Member to have referred to that. The desire of my Honourable friend, the Mover, is that, whether it is a transferred or central subject, leave should be given to Muhammadan employees to enable them to say their Jumma prayers. The time, I must admit, is somewhat inconvenient, but the Local Governments should make it possible for such employees to say their prayers.

I am glad of the suggestion that has been made by the Honourable Mr. O'Donnell, and hope that a copy of this debate, with the remarks that were made by Mr. O'Donnell—and if I had my way I would erase the first portion of the speech made by him—will produce the desired effect, and that Local Governments will make suitable arrangements to enable these men to say their prayers. In view of the announcement on the part of Government, I would suggest to my Honourable friend whether it is not

proper to withdraw his Resolution, having regard to the fact that the Government of India have undertaken to send copies of the debate, with, I hope, more favourable remarks than those made at first by the Honourable Mr. O'Donnell, to the Local Governments.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: The opening sentence of the speech delivered by the Honourable Mr. O'Donnell was that the Government were very anxious to afford every facility to their Muhammadan employees to offer their Jumma prayers. I am sure that my Honourable friend does not want that opening sentence erased.

The HONOURABLE NAWAB MOHAMED MUZAMMIL-ULLAH KHAN: Sir, I cordially support my Honourable Friend, Saiyid Raza Ali's remarks. It has been so sympathetically and reasonably suggested by the Honourable Home Secretary that the proceedings of to-day's debate should be sent to local Governments. I think it would be quite sufficient for the purpose of meeting the Resolution of the Honourable Mover and therefore I do not see any necessity for any more remarks on this subject, and I earnestly hope that my Honourable friend the Mover will find his way to withdraw the Resolution at this stage.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, I would ask the Honourable Mover not to agree with my friend here. As the Government is pledged, we Muhammadans can always have our prayers under the Government. But at some places the Juma Masjid is at times far away and I think the Local Governments, if any communication is sent to them at all, should calculate the time not as 2 hours or 3 hours, but the actual time that a man will have to spend from a particular place to the Juma Masjid and back and the time that he will require for prayers. Then, Sir, we are told in our religion that the Christians will always be our greatest friend, and we are very very thankful that we are under a Christian Government. When our prophet had a trouble, he sent all his relations to Abyssinia where there was a Christian King and when the King died he prayed for him. So we are very glad that the Government Member has very kindly promised that he will send a copy of this debate to the Local Governments. But why not pass this Resolution? What harm is there in passing this Resolution? I think there is no harm at all and I do believe that my Hindu friends would not object to it, and also my Christian friends.

The HONOURABLE DR. GANGANATH JHA: Sir, I suppose the Hindus rather than oppose this Resolution would welcome it because, if this Resolution is accepted and is acted upon, it opens the way to the resuscitation of various practices which are fast disappearing under the stress of modern conditions. I am quite sure if the Secretary of the All-India Hindu Sabha were present here, he would certainly have moved an amendment that a similar concession should be given to Hindu employees also. It is certainly a very refreshing prospect, Sir, that if this system is extended, it will alter our offices and workshops into veritable hermitages during certain parts of the day. It is a very refreshing prospect, as I said, and it would be perhaps a little embarrassing to the employers, but they will have the consolation that, according to our Scriptures, they also shall share in the merits of the religious practices because, according to our laws, just as the King is entitled to one-sixth of the produce of the land, so is he entitled also to one-sixth part of the merit of all religious rites that are performed in the country. Although this practice may be a little embarrassing to the employers in the beginning, yet the prospect of sharing the merit should, I think, be a great consolation.

The HONOURABLE DIWAN TEK CHAND: Sir, I rise to say a word or two on this Resolution. The practice in the Punjab Courts is that if any Muhammadan official who wishes to say mid-day prayers on a Friday and applies to the Head of his office he is allowed to leave the office for an hour or so. Small mosques or prayer-platforms are generally erected in or near the Court compound, and no Muhammadan is inconvenienced in discharging his religious obligations. During my 28 years' service no Muhammadan official has ever complained to me that he has not been given permission to say his prayers on Fridays or indeed on any other day in the week.

I do not think Muhammadans really require two hours for the Friday prayers. One hour is, I think, considered sufficient by them if a mosque is near. At Karachi people go to the Central mosque at 1-45 p.m. The *Sunnats* take about 15 minutes and the *Khutba* begins at 2 and lasts 20 minutes. Then commence the *Fars* which last 6 or 7 minutes and the *Dua* lasting 3 or 4 minutes. Another round of *Shunnats* takes 10 minutes followed by *Dua* for 3 or 4 minutes. The total thus comes to either 57 minutes or 60 minutes. In rare cases where no mosque exists near an office or a Court-room, or where any particular individual wishes to go to the Juma Masjid in a big town or a City, it may be necessary to extend the time-limit to an hour and a half or even two hours. But in all cases whether the leave allowed is one hour or two hours the interval thus spent should be made up by working extra time after 4 p.m. Otherwise the Hindu officials would want similar concessions on the *Ekdashi* and even on *Amawash* days when it is really inconvenient for them to attend office before 12 o'clock.

I may bring to the notice of the House that I know the instance of an English official who is a seventh day adventist and who does not work on Saturdays. His superior officer does not raise any objection because the official concerned makes up his deficiency by working on Sundays.

I am in full sympathy with this Resolution, but I venture to suggest that it may be amended as follows:

The HONOURABLE SAIYED RAZA ALI: As the Honourable gentleman is going to withdraw his motion, is the Honourable Member in order in proposing an amendment?

The HONOURABLE THE PRESIDENT: The Honourable Speaker is in possession of the House and is perfectly in order in moving an amendment.

The HONOURABLE DIWAN TEK CHAND: For the words 'shall be granted two hours' holiday for saying their Jumma prayers on Fridays,' I would substitute the following words:—

'May be allowed a recess for a time not exceeding two hours for saying their Jumma prayers on Fridays, provided that they agree to work for equivalent time after office hours, if required to do so by their official superior.'

The HONOURABLE THE PRESIDENT: Amendment moved is that for words 'shall be granted two hours' holiday, for saying their Jumma prayers on Fridays' the following words may be substituted:—

'May be allowed a recess for a time not exceeding two hours for saying their Jumma prayers on Fridays, provided that they agree to work for equivalent time after office hours, if required to do so by their official superior.'

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, on this amendment I hope you will give me a chance to say one or two words more. I think we are thankful to our Hindu brothers, but there is an interference in our religious duties and if I say something in a discordant tone I hope they will not mind.

The HONOURABLE THE PRESIDENT: I hope whatever the Honourable Member says will be relevant to the amendment.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: What I want to say is that we should not be penalised for offering our prayers and keeping this fact in view. I hope the House will reject this amendment when the question is one of religion.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Sir, I am sorry that after the Honourable Member from the official bench had given a sympathetic answer, some of the members both official and non-official have raised objections and suggested an amendment. One Honourable Member has said that a similar concession should be extended to Hindus also. This shows that my Honourable friend, Dr. Ganganath Jha, is rather prejudiced over this Resolution. This is a privilege which the Muhammadans have been enjoying for a long time and any obstacles sought to be put in their way by Hindu Members will be considered an insult to our community. We are not jealous of the number of holidays which Hindus have been getting over and above those the Muhammadans are getting. If the Honourable Member really thinks that Hindus should also be given any other concession similar to this he is welcome to bring a motion before the Government and get it put before this Council. Sir, I am very sorry that he should say anything about this suggestion at all.

With regard to the hours, I know, as the Honourable Sir Umar Hayat Khan has said, that there are some mosques near to the offices and in some places there are mosques very far from the offices. My only request is that Muhammadans be given two hours maximum leave. If, as the Honourable Diwan Tek Chand has said, mosques are situated within the office compound, surely no Muhammadan would ask for two hours leave and leave all his office work. It is a well known fact that the employees are always working overtime both in the mornings and in the evenings, if they find their services are necessary, and for this they get no extra remuneration or overtime fees whatever. If, on the other hand, any restriction is imposed with regard to the religious duty for which leave is asked, I think it will be an insult to the Muhammadan community.

Of course, I have nothing more to say, as the Honourable Member representing the Government has said that he will do his best. The only question on which I wish to say a few words is that about which the Honourable Saiyid Raza Ali touched, namely, that there is no use in simply sending copies of this Resolution to the Local Governments unless the Honourable Member will also send his favourable remarks. As it stands, this is a reserved subject and is not in the hands of the Ministers. Unless the Government of India will come forward and recommend similar concession, I am afraid they will not give due regard to it. In the year 1913, when the Honourable Sir Reginald Craddock answered a question on this subject, he simply said that the Muhammadan employees in the Government of India Secretariat were getting this leave. My present Resolution is that Muhammadan employees in all the Courts and public offices in India should be given this leave. If the former order is restricted

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only to the Government of India Secretariat, I hope the Honourable Member will extend it according to the present Resolution.

With these few words, in view of the sympathetic answer given by the Honourable Member representing the Government, I withdraw my Resolution.

The HONOURABLE THE PRESIDENT: The Honourable Member cannot withdraw his Resolution, nor can I put the question that leave be given to him to withdraw it, until the amendment is disposed of. Does the Honourable Member withdraw his amendment?

The HONOURABLE DIWAN TEK CHAND: If the Honourable Member wishes to withdraw his Resolution, I will withdraw my amendment.

The HONOURABLE THE PRESIDENT: The Honourable Member must first ask for leave to withdraw his amendment.

The HONOURABLE DIWAN TEK CHAND: I withdraw my amendment.

The HONOURABLE THE PRESIDENT: Is it your pleasure that the Honourable Diwan Tek Chand have leave to withdraw his amendment? If there is a single dissentient voice, I must put the amendment to the Council.

There being no dissentient voice, the amendment was, by leave of the Council, withdrawn.

The HONOURABLE THE PRESIDENT: Is it your pleasure that the Honourable Mr. Maricair have leave to withdraw his Resolution?

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: No.

The HONOURABLE THE PRESIDENT: Then I must put the Resolution to the House.

The HONOURABLE SAIYID RAZA ALI: On a point of order, may I just ask whether, if this Council by a majority gives leave to withdraw a Resolution, it should be taken as withdrawn.

The HONOURABLE THE PRESIDENT: The practice is that the question is not put to the House until I ask whether it is the pleasure of the House that leave be given to withdraw. If a single Member objects, the question must be put. That is the Parliamentary practice, and that is the practice of the Chair.

The question is that the following Resolution be adopted:

'This Council recommends to the Governor General that he may be pleased to pass necessary orders that all the Muhammadan employees of all the Courts and public offices in all the provinces, including the Central Government offices, shall be granted two hours' holiday for saying their Jumma prayers on Fridays.'

The Resolution was rejected.

The Council then adjourned till Tuesday, the 21st March, 1922, at Eleven of the Clock.

COUNCIL OF STATE.

Tuesday, the 21st March, 1922.

The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

RANCHI MENTAL HOSPITAL BILL.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I beg to move that the Bill to provide for the incorporation of Trustees for the European Hospital for mental diseases at Ranchi, and to make provision for other matters in relation thereto, be taken into consideration. I take this opportunity, Sir, of correcting an error into which I inadvertently fell the other day when replying to the Honourable Saiyid Raza Ali. I said that the expenditure on the hospitals paid by each Local Government would be votable. As a matter of fact, the position is really governed by the Act, which the Council passed the other day, amending the Indian Lunacy Act of 1912. The effect of that Act is to make this expenditure prescribed by or under a law, and as the Council is aware, any expenditure prescribed by or under a law is not submitted to the vote. The principle, of course, is the same as that followed in England, when any expenditure of a fixed and standing character which has to be met is not submitted to the vote of Parliament, but is debited against the Consolidated Fund. Exactly the same principle applies to expenditure on Indian lunatics. If an Indian lunatic is sent from one province to another, he has to be paid for, the charge has to be met like a debt charge, and so no purpose could be served by submitting the charge to a vote.

The motion was adopted.

Clauses 1, 2 and 3 were added to the Bill.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I beg to move as an amendment that in clause (e) of sub-clause (1) of clause 4 of the Bill, for the words 'Calcutta Branch of,' the following words 'be substituted, namely:—

'Council of the company which was at the commencement of this Act registered under the Indian Companies Act, 1913, by the name of.'

This, Sir, is a purely formal amendment which has the effect of specifying more clearly and accurately the particular association concerned.

The amendment was adopted.

Clause 4, as amended, and clauses 5 to 21 and the Preamble were added to the Bill.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I beg to move that the Bill, as amended, be passed.

The motion was adopted.

AMENDMENT OF STANDING ORDERS.

The HONOURABLE THE PRESIDENT: The next business on the paper is the motion standing in the name of the Honourable Mr. Kale regarding the

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amendment of Standing Orders. Under Standing Order 54, it is my duty to read these draft amendments to the Council.

1. That in Standing Order 10 after the word 'Secretary' the words 'and signed by the Member giving notice' be inserted.
2. That in Standing Order 18 for the words 'the Member to whom the question is addressed' the words 'any Member' be substituted, and the words 'on the ground of public interest' be omitted.
3. That in Standing Order 22 after the words 'at 4 p.m.,' the following words be inserted, namely:

'or, if the President with the consent of the Member of Government concerned so directs, at any earlier hour at which the business of the day may terminate.'
4. That in Standing Order 23 for the words 'by 6 p.m.,' the words 'within two hours' be substituted.
5. That to Standing Order 24 the following proviso be added, namely:

'Provided that no count to ascertain the presence of a quorum shall be made within half an hour of any previous count.'
6. That in Standing Order 31 (3)—
 - (a) after the word 'motion' where it first occurs, the words 'or an amendment to a motion' be inserted, and
 - (b) after the word 'motion' where it occurs for the second time, the words 'or amendment' be inserted.
7. That for sub-order (3) of Standing Order 33 the following be substituted, namely:

'(3) Where a motion is made under sub-order (1) or a request is made under sub-order (2) the motion and, if it is carried, the question, or as the case may be, the question shall be put without amendment or debate, provided that the President may allow any Member any right of reply or of speech which he may have under the Standing Orders.'
8. That in clause (b) of sub-order (1) of Standing Order 37 the words 'composed of such Members of the Council as he may name in his motion' be omitted.
9. That in Standing Order 39—
 - (a) to sub-order (1) the words 'and it shall not be necessary to include their names in any motion for appointment of such a committee' be added; and
 - (b) in sub-order (2) after the words 'is made or' the words 'in the case of a motion made by way of an amendment under clause (a) of sub-order (2) of Standing Order 38' be inserted.
10. That in clause (a) of the proviso to Standing Order 58 for the word 'a' the words 'substantially one' shall be substituted.
11. That after sub-order (1) of Standing Order 60 the following proviso be inserted, namely:

'Provided that the Member may with the permission of the President authorise any other Member in whose name the same Resolution stands lower in the list of business to move it on his behalf and the Member so authorised may move accordingly.'
12. That for sub-order (2) of Standing Order 60 the following be substituted, namely:

'(2) If the Member when called on is absent any other Member authorised by him in writing in this behalf may, with the permission of the President, move the Resolution standing in his name. But if no Member has been so authorised, or such permission is not granted, the Resolution shall be deemed to have been withdrawn.'
13. That in Standing Order 72 for the words 'Governor General' the word 'President' be substituted.

In ascertaining whether the Mover has the leave of the Council, does any Honourable Member desire me to submit these different drafts separately, as otherwise I shall submit them as a whole?

The HONOURABLE MR. H. MONCRIEFF SMITH: Sir, as I am going to take exception to leave being given in respect of item No. 6, I would ask them to be taken separately.

The HONOURABLE THE PRESIDENT: In that case, I will ask whether the Honourable Member has leave of the Council with regard to all the amendments except No. 6, which I will take separately.

Has the Honourable Mr. Kale the leave of the Council to introduce the draft amendments in the Standing Orders which appear on the paper with the exception of item No. 6? Will those who are in favour of leave being given rise in their places?

(On taking a count) the Honourable Member has the leave of the Council.

The HONOURABLE THE PRESIDENT: There remains only one amendment, namely, item No. 6. Has the Honourable Mr. Kale the leave of the Council in regard to amendment No. 6? Will those Honourable Members who are in favour of leave being given in respect of this amendment rise in their places?

(On taking a count) the Honourable Member has not the leave of the Council.

Leave has therefore been granted as regards all the amendments except No. 6.

The HONOURABLE MR. V. G. KALE: Sir, in the September Session of this Council I had the privilege of moving for the amendment of one Standing Order and the Council knows that the amendment that was effected in that Session gave us the power of subjecting the annual Budget to a general discussion. That privilege we have already exercised this year. Honourable Members, I am sure, must have been experiencing certain difficulties in connection with the procedure that we follow here and some of them must have felt the necessity of improvements in the Standing Orders which govern the procedure that is followed in the Council. I thought that some of the Standing Orders might be amended with a view to facilitate our work, and that impression was strengthened by the amendments which have been carried out already in the other House. The amendments made in the other House cannot apply as a whole to the procedure of this House, but certainly we can learn much from what has been done there, and, in the light of the improvements which have been effected in the other House, I feel it is just possible for us to introduce improvements into our own Standing Orders also. I shall not weary the Council by reading each and every amendment and explaining why I feel that the improvement that is being sought is required. I may, however, refer to only a few of the important changes which I am proposing.

For example: In Standing Order 18 for the words 'the Member to whom the question is addressed' the words 'any Member' are to be substituted, and the words 'on the ground of public interest' are to be omitted.

The Standing Order, as it stands at present, is this:—

'If on a question being called it is not put or the Member in whose name it stands is absent, the President, at the request of the Member to whom the question is addressed, may direct that the answer to it be given on the ground of public interest.'

Now, the amendment which I wish should be introduced into this Standing Order is that any Member should have a right of requesting that the answer to a question should be given, not necessarily on the ground of

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public interest. I presume that almost all questions for which answers are expected in this House are questions which are put in the public interest, and consequently I believe that any Member of this House might be empowered to suggest that the answer may be given even when the Member putting the question is absent.

Then, in Standing Order 22, after the words 'at 4 P.M.' the following words be inserted, namely:—

'or, if the President with the consent of the Member of Government concerned so directs, at any earlier hour at which the business of the day may terminate.'

Honourable Members are aware that we in this House have not generally to sit till 4 O'Clock. It does very often happen that we have to disperse at about 12 O'Clock or 12-30

The HONOURABLE MR. LALUBHAI SAMALDAS: Not very often. Seldom.

The HONOURABLE MR. V. G. KALE: Not very often as my friend suggests. At the Simla Session the practice that had actually to be followed was such that this rule could not be carried out as it stood. Therefore, we shall be satisfying the substantial object of the Standing Order by making the alteration which I propose, namely, 'at any earlier hour at which the business of the day may terminate.' The Standing Order was originally so worded because it was thought that the usual time for the closing of the sittings of the Council would be 4 O'Clock. But if we finish our work at 1 O'Clock, it is not reasonable that we should have to wait from 1 to 4 O'Clock. Consequently, I suggest discussion as early as the sitting closes, of course, with the consent of the Member of Government concerned, because, as it is a motion for adjournment, the Member representing Government must have a full opportunity of preparing for a reply.

In Standing Order 23, for the words 'by 6 P.M.' the words 'within two hours' are to be substituted.

This is only a consequential amendment.

To Standing Order 24 the following proviso is proposed to be added, namely,

'Provided that no count to ascertain the presence of a quorum shall be made within half an hour of any previous count.'

The question here is, when any Member feels that there is no quorum, whether he should draw the attention of the Chair to the fact that there is no quorum or the Chair shall take a count and ascertain whether there is a quorum and declare that there is no quorum when that is a fact. What is, however proposed by this amendment is that when a count has been taken, no further count shall be taken unless there is an interval of half an hour between the two. Otherwise it may so happen that in ten minutes another count will have to be taken and that will be highly inconvenient.

Then, for sub-order (3) of Standing Order 33 the following is to be substituted, namely:—

'(3) Where a motion is made under sub-order (1) or a request is made under sub-order (2) the motion and, if it is carried, the question, or, as the case may be, the question shall be put without amendment or debate, provided that the President may allow any Member any right of reply or of speech which he may have under the Standing Orders.'

The question involved in the amendment proposed to Standing Order 33 is this. When a question has been debated for some time, several Members feel that there has been sufficient discussion and that the Question may be put. But it so unfortunately happens that a Member who has made the motion does not get any opportunity of replying to the criticisms which have been passed upon the motion. He has made a motion or moved a Resolution. There are so many speeches made, most of them hostile. The Question is put and he loses the opportunity that he should have, and, to my mind, reasonably, have of replying to many of the criticisms which have been made. So far, therefore, as my opinion goes, even when the Question is put, the Mover of a motion or of a Resolution should get an opportunity of replying, and then all further discussion should be put a stop to. It is but fair and reasonable to the person who moves the Resolution that such an opportunity should be given. That is a matter that will have to be considered in connection with this amendment.

Then another important amendment relates to Standing Order No. 58. This Standing Order runs as follows:—

'Subject to the restrictions contained in the rules and to the provisions of these Standing Orders, any Member may move a Resolution relating to a matter of general public interest:

Provided that no Resolution shall be admissible which does not comply with the following conditions, namely:

(a) it shall be clearly and precisely expressed and shall raise a definite issue.'

The condition here laid down, namely, that a Resolution shall be clearly and precisely expressed and shall raise a definite issue is proposed to be slightly altered. The amendment is that 'it shall raise substantially one issue.' In many Resolutions there are a's, b's and c's. In no Resolution, however, shall two distinct issues be raised. It is necessary for proper discussion that one distinct issue should be raised in each Resolution. There should also be no confusion of a number of issues. But it may be that when a Resolution is divided into different parts, those parts relate substantially to the same subject, the issue is one but there are different aspects or branches of the same subject which are spread over a number of sub-clauses of the Resolution, and therefore the proposed amendment is an improvement of the language of the existing Standing Order and the meaning is sought to be brought out more clearly. The words 'substantially one issue' are to be substituted for the words 'a definite issue'.

Then, there is an amendment proposed in sub-order (1) of Standing Order 60. The Standing Order stands thus:—

'(1) A Member in whose name a Resolution stands on the list of business shall, when called on, either—

(a) withdraw the Resolution, in which case he shall confine himself to a mere statement to that effect; or

(b) move the Resolution, in which case he shall commence his speech by a formal motion in the terms appearing on the list of business.

(2) If the Member when called on is absent, the Resolution standing in his name shall be deemed to have been withdrawn.'

Now, the amendment is to sub-order (1) of Standing Order 60, which is to the following effect:—

'Provided that the Member may, with the permission of the President, authorise any other Member in whose name the same Resolution stands lower in the list of business to move it on his behalf and the Member so authorised may move accordingly.'

[Mr. V. G. Kale.]

Often times it so happens that the same or substantially the same Resolution stands in the name of more than one Member. Suppose I have a Resolution standing in my name and it stands fifth on the list of business, while substantially the same Resolution stands in the name of another Honourable Member whose place is second. I see that it is hopeless for me to expect that I shall get an opportunity of moving that Resolution. Consequently, a Member may, with the permission of the President, authorise another Member in whose name the same Resolution stands lower in the list of business to move it on his behalf, and the Member so authorised may move accordingly. If an Honourable Member's Resolution stands second in the list he may, if he so wishes, authorise, with the permission of the President, an Honourable Member who stands fifth in the list, to move his Resolution so that a full opportunity is given for the discussion of the Resolution. So, it is an arrangement among the Members themselves as to who will speak first and who will speak last, of course, with reference to substantially the same question, and consequently I think the amendment will conduce to the convenience of discussion and also of all Honourable Members. My next amendment is that for sub-order (2) of Standing Order 60 the following be substituted, namely:—

'If the Member when called on is absent, any other Member authorised by him in writing in this behalf may, with the permission of the President, move the Resolution standing in his name. But if no Member has been so authorised, or such permission is not granted, the Resolution shall be deemed to have been withdrawn.'

Then, again, it so happens that having given notice of his intention to move a certain Resolution and having gained the first, second or third place in the agenda of the day, a Member finds that he cannot attend the meeting of the Council. In that case, he loses his opportunity; not only that, but the discussion is rendered impossible. Many of the Members are naturally anxious that though they cannot move the Resolution themselves, the question should be discussed in the interests of the House and in those of the country, but under the orders as they stand, this is not allowed. The Resolution practically lapses and the opportunity of the Honourable Member is gone. I think, therefore, that it will be an improvement if the Member when called upon is absent, another Member who is authorised by him in writing, with the permission of the President, is allowed to move the Resolution standing in his name. Of course, if no Member has been so authorised in writing, naturally the Resolution will be regarded as having been withdrawn.

Now, these are the more important amendments which I wish to introduce, and I think I have been able to show what is the object with which these amendments are being proposed and how, if they are accepted, they will conduce to the greater convenience of discussion.

Before I sit down, I must render my thanks to the Honourable Mr. Moncrieff Smith for the assistance he has given me in putting into the proper phraseology the ideas which I had in my mind. With the courtesy which characterises him, he rendered me similar assistance at Simla and he has now given me his help in drawing up these amendments also. And he express my gratitude to him for his assistance. With these words, Sir, I move that the amendments that I am proposing should be made and that the proposed amendments be referred to a Select Committee.

The HONOURABLE MR. H. MONCRIEFF SMITH: Sir, in indicating the attitude of Government towards the Honourable Mr. Kale's draft amendments, I do not think that I need follow his example and discuss the

amendments in detail. The Government has no objection to any of these. Some of them are distinctly useful as Mr. Kale himself has pointed out, some are even necessary, and the rest, at all events, even if they are not necessary, are harmless. In some cases they merely give effect to a practice which has been established in the Council by the Chair.

The Government is, therefore, quite prepared that these amendments should go before a Select Committee. I would mention one particular amendment which I think requires very careful examination at the hands of the Select Committee, and that is No. 7 on the list. It deals with the question of the closure; and I think we shall have to be very careful indeed in making any amendments in our procedure in that respect. Not only the substance but the drafting also will require very careful scrutiny. I support Mr. Kale's motion that the draft amendments should be referred to a Select Committee.

Before sitting down, I should like to congratulate Mr. Kale on his industry in having gone through our Standing Orders and selected those matters which he deems require amendment.

The HONOURABLE MR. SETHNA: Sir, the Standing Orders as originally drafted contemplate that they might be changed, if necessary, when time and circumstances required, and section 53 lays down the procedure as to what to do in the event of any proposed change. My Honourable friend has brought forward a string of amendments to which I need not refer at any length because they are being referred to a Select Committee. I will also follow the example of the previous speaker and propose to dwell on just two items. The Honourable Mr. Moncrieff Smith has told us in regard to amendment no. 7 that the committee should be very careful to consider whether any change is necessary. I know, Sir, that the present rule, which prevents any Mover from replying after the closure is applied, is a practice which is prevalent in the House of Commons; but, Sir, I am also aware that many important bodies do give a right of reply to the Mover, and it will be for the Select Committee to consider whether they might leave this to the discretion of the Council; that is to say, after the closure is applied the President might take the sense of the meeting whether the Mover is to reply or not. I suggest this, from my experience of another large body where a similar rule prevails.

In regard to item No. 5 I heard the explanation of my learned friend, Mr. Kale, very carefully; but I am afraid this item also will require some consideration at the hands of the Select Committee. It is suggested that after a count in regard to a quorum is taken there should be no further count within a period of half an hour. Now it may happen that in the next few days when we have, for example, the Finance Bill before us that a count will be taken and 16 Members are found to be present at say 11-45 A.M., which is the time just now. According to the rule which is suggested, until 12-15 P.M. no further count could be taken; but if between this half hour the number of Members is reduced to 5, according to this rule no count can be taken, and very important measures will have to be decided by the votes of just the small number of Members who are present. I hope the Select Committee will take this into consideration.

Sir, I am sorry my friend has not included in his list, nor did it occur to me to send a notice myself; but there is one amendment to which the Select Committee might also give some consideration

The HONOURABLE THE PRESIDENT: The Select Committee can only consider amendments of which notice has been given.

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The HONOURABLE MR. SETHNA: In that case I have nothing more to say.

The HONOURABLE SIR EDGAR HOLBERTON: Sir, I should like to express the thanks of this House to the Honourable Mr. Kale for bringing these suggestions forward. Most of them certainly seem to be improvements; but, at the same time, I must myself rather anticipate that they will not all get through the Select Committee; for instance, it seems to me that this amendment in Standing Order 60 is a very dangerous one. It would allow a series of Members, some of whom may not be present or have no intention whatever of being present, to put forward the same Resolution and swamp the board with possibly very unimportant Resolutions and give them a prominence which they do not deserve. At the same time, Mr. Kale in his speech spoke of substantially the same Resolution, whereas in his draft he says 'the same Resolution'. If that is his suggestion I think he will have to include the word 'substantial'; otherwise the President might be in some difficulty.

I find the same difficulty also in regard to No. 12, which is an amendment of sub-order (2) of Standing Order 60; that seems to me to be a definite encouragement to a Member, who cannot take the trouble to attend the Council, to send up Resolutions from some part of the country and then get somebody else to do the work for him. I think it is essentially desirable that Members should be here to bring their own motions before the Council.

A third amendment that appears to me a little dangerous is No. 8—that in sub-clause (b) of sub-order (1) of Standing Order 37 the words 'composed of such Members of the Council as he may name in his motion' be omitted. I think it is essential that before people put forward names for Select Committees Members should have been approached beforehand, and if a Member is allowed to put forward a Select Committee without first of all ascertaining whether the Members mentioned are willing to serve, possibly the President and the Council would be put to an undue amount of trouble. I just make these short remarks to show my sympathy with Mr. Kale's endeavour to improve our Standing Orders.

The HONOURABLE SAIYID RAZA ALI: Sir, I do not propose to discuss in detail the amendments that have been proposed by the Honourable Mr. Kale. It would be enough if I on my part indicate that I am in general agreement with the amendments that he has brought forward. It is always very useful when the amendment of any law is proposed to have a general discussion indicating the sense of the House; that, I find, is exactly the course that the discussion is taking to-day. I think, Sir, that the Honourable speaker who preceded me (Honourable Sir Edgar Holberton) fell into a little misapprehension when he remarked that though Mr. Kale proposes the addition of the words 'substantially one' in Standing Order No. 58, he had not followed that language in Standing Order 60. If the Honourable Member will refer to these two rules he will find that they relate to two entirely different matters. By adopting the words 'substantially one' in Standing Order 58 it means follows that you should insert, in fact it has nothing to do with your inserting the corresponding amendment in Standing Order 60

The HONOURABLE SIR EDGAR HOLBERTON: Sir, I think the Honourable Member has misunderstood me. What I said was that with reference to Standing Order 60 the Honourable Mr. Kale in his speech spoke of substantially the same Resolution, whereas in the wording of his amendment he said 'the same Resolution'. I did not discuss No. 58 at all.

The HONOURABLE SAIYID RAZA ALI: I am speaking within the collection of the Council. I do not think I need repeat what I said. If that is so, I do not think that point really arises. Those are two entirely different motions. Referring to amendment No. 5, I quite see the natural desire and nervousness on the part of my friend, the Honourable Mr. Sethna, as to what is going to be the fate of the Finance Bill if this Resolution were in force, for instance, to-morrow. But my submission is this, that the amendment is a very reasonable proposition. You cannot have counts every five minutes. If Honourable Members have no sense of responsibility and if they make it a point in order to frustrate the supposed object of my Honourable Friend, Mr. Sethna, to absent themselves just at 46 minutes past 11, then their case as well as my Honourable friend's is hopeless and that cannot be helped. We must trust to the natural sense of responsibility of the Honourable Members of this Council. It becomes really very trying to take a count every five or ten minutes. You must have some fixed time within which the same question shall not be raised. Therefore, I think it is a very sound amendment that my learned friend has brought forward. Coming to amendment No. 7 I must say that it raises a somewhat important question. I do not think the importance of the question is quite as momentous as made out by the Honourable Mr. Moncrieff-Smith; but I must at the same time admit that it is, on the whole, a somewhat important question. The opinion of this Council, so far as I have been able to ascertain it, is also somewhat divided on this subject. But all the same we have got to take up the subject and we have got to make up our minds one way or the other, whether to take this step or not. The question has agitated the minds of Honourable Members of this House for some time ever since the ruling was given that after a closure is proposed then the Mover, in case the motion for closure is adopted, forfeits the right of reply. As I submitted, there is a considerable body of opinion here which takes the view that in any case even if the closure is adopted the Mover should be given a right of reply; but to be on the safer side I notice that my Honourable Friend, Mr. Kale, has made it subject to permission being accorded by the President. In other words the discretion will rest, if this amendment is carried, in the President to give the right of reply to the Honourable Mover or not. I think, Sir, that is an ample safeguard and that should disarm all the criticism against the amendment to this Standing Order. The practical effect will be this, that even after the closure is carried the Mover will have his right of reply, but it will be for the President to declare whether the Honourable Member should exercise that right or not. I am not oblivious of the fact that at times the atmosphere may grow rather warm and even hot and in that case it may not be desirable to allow the Honourable Member to exercise his right of reply. But for that we must trust to the good sense of the Chair, and I have not the least doubt that that right will be properly and judiciously exercised. Therefore, I think, Sir, the main principles enunciated in the amendments brought forward by my Honourable Friend, Mr. Kale, will commend themselves to the majority of the Honourable Members of this House, and I support his proposals.

The HONOURABLE NAWAB MOHAMED MUZAMMIL-ULLAH KHAN: Sir, I do not think there is any necessity for me to speak on this occasion about these amendments. The amendments would go to the Select Committee, and there the Honourable Members will have an opportunity to thresh out all the questions. But as other Honourable Members have spoken I feel I ought also to speak and support the motion brought forward

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by my Honourable Friend, Mr. Kale. Some Honourable Members here commended the amendment No. 12 on the list, namely, that if the Member when called on is absent any other Member authorised by him in writing on his behalf may, with the permission of the President, move the Resolution standing in his name. Now, I must submit, Sir, that our Council is in its infancy, therefore we must try to maintain strict discipline and we must not seek for excuses so that if any Member thinks that his Resolution is for the good of the country, he must try his best and come to the Council and place his views before the Members. If he authorises any other Member to move the Resolution on his behalf, he cannot certainly put forward all that the Honourable Member who originally intended to move the Resolution has in his mind. The original drafter of the Resolution can alone express all his thoughts and ideas better. If this particular motion of asking any other Member to move the Resolution than the Member who gave notice of it, is carried, then it will mean putting one's thoughts and ideas into another man's mouth which may not be suitable for him. Therefore, I think that it is a very necessary thing that in our infant stage every Honourable Member should try and attend the Council, particularly when he has a Resolution standing in his name. Another thing is, a Resolution cannot be lost for ever. If the Honourable Member who gave notice of it cannot attend one meeting, he can come at the next meeting and place his views before us. With these words, I support the motion.

The HONOURABLE MR. V. G. KALE: Sir, I do not think it is necessary to say much in reply as my Honourable Friend, Saiyid Raza Ali, has already replied to some of the criticisms.

With regard to the observations made by Sir Edgar Holberton relating to amendment of Standing Order No. 60, I am sorry for the slip I seem to have made and let me say that I did not want that any Member who has a Resolution standing in his name which is similar to the Resolution standing in the name of another Honourable Member, should be allowed to move the latter's Resolution. That was not my point. If the same Resolution has been given notice of by more than one Member, then and then only that contingency will arise. I know as a matter of fact that such a notice was given last time of one Resolution by more than one member. Under those circumstances, I think there will be no harm in giving permission of this sort for moving the Resolution. Sir, as the amendments are going to be discussed at great length in the Select Committee, I will not say anything further on this question.

12 noon. The HONOURABLE THE PRESIDENT: The question is: 'That the proposed amendments for which leave has been granted as set out in the list be referred to a Select Committee.'

The motion was adopted.

Under Standing Order 55, the Select Committee procedure is rather different from our ordinary procedure. I will read the whole of the relevant rule.

'If that motion is carried', (that is the motion that the amendments be referred to a Select Committee) 'the draft amendments shall be referred to a Select Committee of which the President shall be Chairman, and one of the Chairmen of the Council to be nominated by the President shall be a Member. The remaining Members who shall be seven in number, shall be selected by the Council by means of the single transferable vote in accordance with the regulations framed in this behalf by the President.'

That is the regulation, and before we can have an election, we must have nominations. I propose now to leave the Chair for quarter of an hour to enable Members to put in nominations, after which I will return and then say whether it is necessary to hold an election.

The HONOURABLE SIR EDGAR HOLBERTON: I rise to a point of order, Sir. Do we nominate 5 or 7?

The HONOURABLE THE PRESIDENT: 'The remaining Members shall be seven, and they shall be selected by the Council by the single transferable vote.' If the Honourable Member will refer to the regulation (which is on the table) about the single transferable vote, he will find it very interesting. (Laughter).

(The Honourable the President at this stage vacated the Chair and then the election commenced.)

MEMBERS NOMINATED FOR SELECT COMMITTEE.

The HONOURABLE THE PRESIDENT: The following gentlemen have been nominated for election:—

The Honourable Saiyid Raza Ali.

The Honourable Mr. H. T. S. Forrest.

The Honourable Mr. Moncrieff Smith.

The Honourable Mr. Khaparde.

The Honourable Sir E. Holberton.

The Honourable Mr. Sethna.

The Honourable Mr. Kale.

I understand that these are the only nominations that have been received, and as there are seven vacancies there is no need to go to election. I understand that these gentlemen are willing to serve on the Committee. It remains for me to complete the Select Committee by the appointment of one of the Chairmen of the Council. Is the Honourable Sir Maneckji Dadabhoy willing to serve on the Committee?

The HONOURABLE SIR MANECKJI DADABHOY: I shall be glad to serve on the Committee if the work is going to be finished by next week. Otherwise I regret I cannot accept the appointment as I am going away with the Fiscal Commission.

The HONOURABLE THE PRESIDENT: I propose that the Committee should meet on Thursday. I have much pleasure in nominating the Honourable Sir Maneckji Dadabhoy to complete the Committee. I would suggest to the Honourable Members that we should meet at 11 o'clock on Thursday in the Committee Room. There is no other business that day.

The Council now stands adjourned till Wednesday, the 22nd March, at Eleven of the Clock.

COUNCIL OF STATE.

Wednesday, the 22nd March, 1922.

The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

FUTURE MEETINGS IN CONNECTION WITH THE FINANCE BILL.

THE HONOURABLE THE PRESIDENT: Before we proceed to the business of the day, I should like to say a few words regarding the future meetings of this Council in so far as they are connected with the Finance Bill. Honourable Members are aware that, although Government had hoped to lay the Finance Bill on the table to-day, they have not been as expeditious in another place, in dealing with the measure as had been hoped. I understand the Bill has not been passed there. On the other hand, I am informed that it is probable that it will be passed in the course of to-day. If Honourable Members will look at the Rules, Rule 25 says:

'Every Bill which has been passed by the originating Chamber shall be sent to the other Chamber and copies of the Bill shall be laid on the table at the next following meeting of that Chamber.'

Then Rule 27 is the next relevant rule and that says:

'On the day on which the motion is set down in the List of Business which shall, unless the President otherwise directs, be not less than three days from the receipt of the notice, the Member giving notice may move that the Bill be taken into consideration.'

If the Bill had been laid on the table to-day we could have taken it up, I think, without any difficulty either on Friday or on Saturday, but now, unless I give a direction dispensing with the three days' notice, I do not think it could be taken up. I should like to have the opinion of Members on the question of notice. I understand no new matter has so far been introduced into the Bill; certain matters have been deleted. Of course, Honourable Members will not have had the original Bill a long time; it has been in their hands some weeks now. I should be glad to consider any observations Honourable Members wish to offer on the point.

THE HONOURABLE SIR MANECKJI DADABHOY: Sir, I do not think it necessary in this particular case to have the three days' notice. Many of us have followed the Bill in the other House, and as far as I know, almost all of us are aware of the changes that have been made in the Bill by the other House. After all, the Bill is a very simple one, and in view of the fact that we are hard pressed for time now, I think it would be advisable to take up the Bill on Friday and proceed to debate it. So far as I am able to understand, that is also the general opinion prevailing in the House.

THE HONOURABLE SIR EDGAR HOLBERTON: Sir, I am afraid I cannot agree with the Honourable Sir Maneckji Dadabhoj on this point. It is not at all certain yet exactly what form the Bill is going to take in the other House. But I do feel that at least we should have 24 hours; I consider it as a minimum, 24 hours. I should certainly resist to the utmost of my power any idea of rushing it. I understand we will be allowed to move our amendments there and then, and I do not think

The HONOURABLE THE PRESIDENT: Anything I said proceeds on the assumption that the Bill, as passed by the Assembly, will be in the hands of Honourable Members to-night, that is, it will be circulated to-night. Anything I said proceeds on the assumption that Honourable Members will have in their hands the Bill as finally passed by the Assembly to-night. If not, we shall have to consider something else.

The HONOURABLE MR. E. M. COOK: Sir, the Government are in your hands in this matter. We certainly do not wish to press for the Bill being taken up within the usual three days, if it is at all inconvenient to the majority of Honourable Members. It is a very important Bill; at the same time the issues, as they will emerge, I fancy, in the Bill as laid before this House will be, I think, fairly simple. The only question of urgency that arises is from the fact that it is most desirable, in the interests of the public revenues, that this Bill should receive the Governor General's assent before the 31st March. If that assent is not given before the 31st March, then such of the taxes, as will remain if the Bill is passed and as have been collected from the 1st of March, will have to be refunded, and the public revenues might lose a substantial sum of money. That is the only point. If the Bill is not so delayed, if it can receive the assent of the Governor General by the 31st of March, then the Government do not wish in any way to rush its progress. At the same time, I believe the position is, Sir, that if this Council makes any amendments in the Bill, then those amendments will have to go back east what amendments this Council may make; it is possible that there may be a few drafting amendments; there frequently are—I cannot say at all. I imagine that if the amendments are of a minor nature, then the concurrence of the other House could probably be assumed; but if not, of course then there might be considerable delay. We have a margin now from the 22nd to the 31st, and that margin is none too large, but provided the Bill can be passed, provided there is a likelihood of the Bill being finally passed and presented to the Governor General for signature before the 31st of March, then, Sir, it is immaterial to Government whether the Bill be taken on Friday or Saturday or even Monday; though I must say that if it falls over into the next week, there might be some danger of its progress being delayed.

The HONOURABLE SIR ARTHUR FROMM: Sir, on the understanding that we shall have the Bill as amended in the other House to-night, I see no objection to it being taken into consideration in this House on Friday next, the same day on which it is laid down on the table; I say, if we have the Bill to-night.

The HONOURABLE THE PRESIDENT: I am much obliged to Honourable Members for their expressions of opinion. I will consider it, and before we adjourn to-day, I will look into the matter. I shall make one more suggestion to the Government, and that is that, if it were possible, they should circulate with the Bill a paper showing the changes made in the Bill as introduced and as passed. That would facilitate examination by this Chamber.

The HONOURABLE MR. E. M. COOK: Yes, Sir. But as to the actual printing of the Bill and its being in the hands of Honourable Members, of course I cannot absolutely guarantee that this will be to-night; it will depend on the time that it is passed in the other House.

RESOLUTION RE: REMITTANCE TRANSACTIONS AND GENERAL EXCHANGE OPERATIONS.

The HONOURABLE MR. V. G. KALE: Sir, the Resolution which I have to move runs as follows:—

'This Council recommends to the Governor General in Council that he may be pleased (a) to place on the table of this House a full statement showing the gains and the losses that have accrued to Government since the year 1917-18, on capital as well as revenue account, in connection with the sale of Council drafts and reverse Councils, the revaluation of sterling securities and gold in the Currency Reserve, the purchase and sale of gold, the purchase of silver and the coinage and the issue of rupees to the public, the repayment by the British Government in London of funds disbursed on its behalf in this country, and the remittance transactions between India and other countries generally, and showing how the losses have been met and the gains have been disposed of; and (b) to consider the desirability of re-examining the basis of the exchange value of the rupee on which the accounts are being kept, particularly with reference to remittances to and from this country.'

Sir, I am afraid the length and the nature of the Resolution,—the way in which it has been framed,—must have struck many Honourable Members as queer, and some of them must have thought that the subject-matter of this Resolution was more suitable for an interpellation than for a Resolution. I will, therefore, first of all explain the object I have in view in bringing forward the Resolution. It is not my intention in any way to criticise the currency and the exchange policy of Government. If I had wanted to do that, I would have done it in a straightforward manner,—by bringing forward an appropriate Resolution regarding that subject. But my principal object in moving this Resolution is to ask Government to clarify the whole position so far as our remittance transactions and general exchange operations are concerned. Honourable Members are aware that there is a vague and widespread impression in the country that the Government of India has incurred huge losses on account of its exchange policy. Questions have been asked in this House and in the other House, and a controversy has been carried on, with respect to that subject for over two years now, and it has been stated by people who can claim to speak with authority that the losses may be put down at anything like 50 crores of rupees. It is necessary, in view of the opinion that prevails in this matter, to ascertain what really are these losses and gains on account of exchange. If we look into the accounts which are published by the Government of India, we shall find that on the two sides of the account large sums of money are credited and debited as gains and losses from exchange. Now, many of these gains and losses are nominal. Some of the gains and losses are, however, real. We want, therefore, to know what the real gains and losses are, and what part of those gains and losses are due to our system of keeping accounts. It is well known that till the year 1920-21 our accounts were kept on the basis of the rupee being equivalent to 16 pence. From the beginning of the year 1920-21 the basis was altered, and since that time the accounts have been maintained on the basis of a 2-shilling rupee. In the past the system was very simple, and our total transactions on account of remittances to and from this country were comparatively small. Consequently, the exchange difficulty was not so much felt. No doubt the exchange problem has been with us now for over two generations and our difficulties with regard to exchange mainly arose on account of our necessity for finding a sufficient quantity of rupees to meet what are called our Sterling obligations. In this House where I see before me a number of distinguished business-men and financiers I need not repeat what system has been followed by the Government of India in making its annual remittances and in providing for that part of the revenue which has got to be converted into Sterling for

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keeping the Secretary of State in funds. I say it was a comparatively simple matter in the past, because our exchange gains and losses and our revenue and expenditure in connection with exchange, were concerned only with the remittances we had to make for our net expenditure in England. But on account of the war the Government of India had to make huge disbursements in this country on behalf of His Majesty's Government. In certain years these disbursements exceeded 100 crores of rupees. During the last few years crores of rupees have been passing to and fro between England and India. The Government of India has been disbursing crores of rupees for financing the operations of the war in the Eastern theatre, and payment is being secured for these disbursements in London. Now, the gains and losses on account of exchange are of two kinds. In the first place, if the quantity of rupees that the Government of India has to find for meeting the Sterling obligations is smaller, there will be a gain. If, however, on account of a lower rate of exchange, more rupees have to be found by the Government of India for keeping the Secretary of State in funds, there is a loss. Therefore, so far as we are concerned, the exchange difficulty arises only when, on account of the nature of the rate of exchange, we have got to find more rupees for financing our Sterling operations in London. But, while disbursements are being made in this country, funds are being moved from India to England, and they are, later, brought back from England to India on a very large scale. Prior to the year 1920-21, the accounts of these were kept on the 16-pence basis and since that year they have been maintained on the 2-shilling basis, whereas the actual rate at which payment was received in London has varied from time to time. Naturally, on this system of accounting sometimes there were gains and at other times there were losses. Now, this position was clearly explained by the Finance Member in putting the financial estimates before the Legislature in 1919-20 and in the previous years. I will not take the Council into the history of the system of the keeping of our accounts and the basis of exchange beyond the year 1917-18. It is not necessary for me to do so, because our exchange difficulties really began in the year 1918, owing to the rise in the price of silver, to the accumulation of our funds in London and to the contribution that India was making to the vigorous prosecution of the war. Owing to all these difficulties the exchange rose and then accounts were swollen on both sides by the so-called gains and losses. The Finance Member himself in very lucid terms has explained what was meant exactly by the gains and losses of exchange. Though we speak of actual gain or loss on exchange the question is, is that loss or gain real, is it substantial on every occasion? Or does it arise merely on account of the system we follow in keeping our accounts? For example, if we continue to keep our accounts on the 2-shilling basis when the actual rate of exchange for the time being is only 15 pence or 16 pence, our accounts become artificial. This was exactly what was said by the Finance Member in the year 1920. He said:

'First, the question that arises about these gains is how they actually accrue, what they actually consist of and how far they represent a wind-fall which we may devote to such objects as we think desirable.'

And then he goes on by means of a simple illustration to show how the gains and losses, as the case may be, arise. He then says:—

'It will be obvious to Honourable Members that in these gains there is a great element of artificiality, and that it would not be correct to assume that whenever our accounts show a gain on exchange this represents a real accretion to our resources, for the so-called gain obtained every time we transfer a million pounds to the Home Treasury has a liability to turn into a loss if the amount has to be re-transferred to India.'

Then in the year 1921 the Finance Member said:—

'In such transactions there is a real gain or loss, and during 1919-20 there was on the whole a gain, but during the year 1920-21 on the whole there has been a loss of 23½ crores.'

Now these two statements are likely to be regarded as inconsistent with each other. The Finance Member says in one place that the gains and the losses are only nominal, and in another place he says that in such transactions there is a real gain or loss. In his speech regarding the financial statement that has been presented to us in the current year, the Finance Member observed:

'As I explained last year, the head, viz., loss by exchange is really one of adjustment.'

and in the place to which I have made reference, he has said:

'In all such transactions there is a real gain or loss.'

The public mind is likely to be befogged by these statements, but they must be taken to be not contradictory to one another but rather as supplementary to one another, inasmuch as there is a real gain or loss in certain transactions, while in other transactions there is really no gain or loss. It is only a matter of accounts. In this Resolution, therefore, in the various details to which I have referred I want the Government to point out to us what is the gain or loss which may be put down entirely to the method of accounting, and secondly, what has been the gain or the loss to the country on account of the real depreciation or deterioration that has taken place in the assets of the country. Now, speaking of the deterioration of the assets of the country, my Honourable friends who are in touch with business matters know how, when a certain amount of money has been remitted abroad at a favourable rate of exchange and has to be brought back when the rate of exchange is no longer favourable, there is really a loss in the assets. Now, has there been a loss in this manner (A voice: 'Very heavy') in the case of India? Have the assets of India deteriorated in this manner in the matter of bringing back the funds which were remitted in England? Funds to the extent of crores have had to be remitted to England as I have shown already. They have had also to be brought back and accounted for. In these operations there have been substantial losses. What is the total amount of these losses which represent genuine, real deterioration, which may be called a substantial loss of assets to the country? That is the question I want to ask. I do not want to take up the time of the Council by quoting from the speeches of the Finance Members delivered since the year 1916-17 in which it has been pointed out that by making disbursements for His Majesty's Government in this country and by consenting to receive payments therefor in London, our funds were accumulating abroad and that this was a genuine sacrifice made by India for the Empire. This was repeatedly emphasised by our Finance Members. Of course in the recovery of what disbursements we make, in London there is no substantial loss. That can be shown by the fact that from time to time the recoveries have been made at current rates of exchange. Had it not been so, there would have been real, serious losses on account of war disbursements and the gains and losses which have appeared in the Government's accounts from year to year in our recovery of war disbursements would certainly have not been nominal. For example, when in the middle of 1917-18 and in April 1918, the rate of exchange went up from 1 shilling 4 pence to

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1 shilling 5 pence and 1 shilling 6 pence, the British Government agreed in March 1918, to make repayments to us for our war disbursements at 1 shilling 5 pence per rupee and later on, from July 1918, the rate of 1 shilling 6 pence was applied, so that there was no likelihood here of any real losses being incurred by the Indian Government. While, however, the amount of the disbursements is calculated on the one side at a uniform fixed rate, the repayment is made at varying current rates, and the difference constitutes the gain or the loss shown in the accounts. On what a colossal scale the remittance transactions of Government have taken place in the past, I will show by taking the year 1919-20 as an illustration. In that year, the Secretary of State sold Bills on India to the extent of about 33½ crores, for which on account of the prevalent favourable rate of exchange, he obtained 81 million pounds. At the standard rate of exchange, viz., 1 shilling 4 pence that works out at 46 crores of rupees. Here we made a gain of 12½ crores on remittance through Council Bills, but in the same year, the Government of India had to sell Sterling Bills on London. That entailed a corresponding loss. Here Bills were sold to the value of 24½ millions. Calculated at 1 shilling 4 pence that works out to 36·81 crores of rupees. But, as a matter of fact, the Government of India received in this country only 18½ crores which works out at a loss of 18½ crores. So, in one single year there was a gain of 12½ crores and a loss of 18½ crores on these two heads, and on war recoveries also there was a large gain of 29 crores. On other transactions we incurred losses, for instance, on gold purchases in London by the Secretary of State because on account of the depreciation of the Pound Sterling he had to pay a premium on the purchase of gold over the rate of exchange which we took for our accounting purposes, and there was a loss which had to be brought to account. Similarly, there was a loss on the coinage of rupees. Silver was purchased at a particular rate. It was brought to this country; it was coined into rupees and the rupees were issued to the public. By that time the value of silver contained in the rupee had gone up; consequently there was a loss. Therefore in the year ending 31st March 1920, there was a total gain on the credit side of 43 crores and on the debit side there was a loss to the extent of 84 crores, and so there was a net gain of 9 crores. Now, this net gain or net loss it has been the system of the Government of India to debit to the various heads, to Capital,—to Railways, to Irrigation works and so on,—and to Revenue heads, and whatever balance remains, of either loss or gain, debit or credit, is put into a suspense account to be cleared in the succeeding years. In this particular year there was a net gain of 5½ crores after the transfers had been made. But this net gain was not credited to revenue. It was put into a suspense account and since that time up to the current and coming years there is no gain credited to revenue. In 1917-18 there was a net gain credited to revenue of 4½ crores. In 1918-19, there was a similar net gain of 7½ crores of rupees. In 1919-20, as I have just pointed out, there was a net gain of 5½ crores, but it was not put on the credit side of the Revenue account. In the succeeding year 1920-21, there was a loss of about 2 crores and as Honourable Members are aware in the year 1921-22, there has been a loss put down to Revenue of about 9 crores, and for the coming year, it has again been put down at about 10 crores apart from the losses that have been put down to the Capital account. So, that has been the position, and from this it will have been seen how these so-called gains and losses have been accumulating and they have been cleared away. In 1919-20, the Government of India

fondly expected that whatever losses there were would be made good by the gains that were sure to accrue in succeeding years. I do not want, as I have already said in the beginning, on this occasion, to criticise the Government's Exchange policy, because that is not the object of my Resolution. I am referring to this matter to show that the Government of India thought at that time, rightly or wrongly, that the rate of exchange would stand at a very high level. Consequently, whatever losses there had been, or there would be, would, it was believed, be more than counter-balanced by the gains, and the Finance Member did say in so many words that it would be possible for him to make good these losses. And consequently he insisted on wiping off the losses incurred on account of the revaluation of the securities and gold held in the Paper Currency Reserve and he made a very strong point of this. In his speech on March 1st, 1920, he remarked that the losses on account of depreciation of our securities in the Currency Reserve arising out of the new basis that had been taken up for keeping the accounts, namely, 2 shilling, must be wiped out as early as possible, that they could not be kept hanging. He said on 1st March 1920:

'I need not remind the Council that as soon as this deficiency in our Paper Currency Reserve has been made up, our revenues will have obtained the full benefit of the very substantial savings in the annual Home charges resulting from the higher rate of exchange. Such savings may not improbably amount to Rs. 11 or 12 crores a year and it is solely because of this prospective accrual to our revenues that, as I shall mention later, we felt justified not only in making a large reduction in the amount of the contribution to be taken from the provinces under the Reforms Scheme, but in contemplating its entire extinction within a reasonable time'.

It will be seen that the Government of India thought at that time, rightly or wrongly, that the rate of exchange would continue to stand very high and that consequently they would be able to make a gain upon their net remittances to England on account of their sterling expenditure. However, this unfortunately proved to be building castles in the air.

The HONOURABLE SIR MANECKJI DADABHOY: It was a gamble.

The HONOURABLE MR. V. G. KALE: My Honourable friend says it was a gamble and so it was. In the very next year, 1921, the Finance Member had to show how the whole superstructure had come down like a castle of cards and the anticipated extra gain had been converted into a huge loss. My point, therefore, now is that Government should show us what have been the real losses. The fact cannot be gainsaid that there have been large losses. Our assets sent out to London and brought to account or brought back to this country, have deteriorated on account of the rise in exchange and owing to the revaluation not only of the securities in the Paper Currency Reserve but also of gold in that Reserve. There has thus been an undoubted deterioration. To my mind these are genuine losses. They cannot be explained away by saying that they are merely accounting losses. I have already explained what are accounting losses and how they are nominal. But we ought to know what are the real losses and whether the gains and losses during the last five years have balanced one another. Secondly, I wish the Government to reconsider the system of keeping their accounts and I take my stand upon what the Finance Member himself has said during the past two or three years. When the rate of exchange rose to 24 or 28d. and the accounts were being maintained upon the 16d. the rupee basis, the Finance Member said that there was an artificiality in the accounts, that the accounts were, to use his own language, out of accordance with facts. Now I want to say that the present situation

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is just exactly what it was described to be by the Finance Member two or three years ago. The accounts are now entirely out of accordance with realities. They are being maintained on the 2s. basis. And yet the rate of exchange is only 15d. The disparity between the current and the nominal rate of exchange that is adopted for the purpose of accounts is as large and as wide to-day as it was three years ago. I wish, therefore, Government should consider if the time has not come to re-examine.

THE HONOURABLE THE PRESIDENT: The Honourable Member's time is very short.

THE HONOURABLE MR. V. G. KALE: Re-examine the position and see whether it will not conduce to the convenience of keeping accounts and clarifying the situation to base its accounts on the 16d. rupee basis. I want it to be made clear here that I do not wish to ask Government to settle finally what their exchange rate should be. It may be considered later on by the Committee that may be appointed or it may be left to be defined by the course of import and export trade. So I do not want Government in any way to fix the rate of exchange. That is not my desire. What I want is that the basis of the sterling value of the rupee should be reconsidered in view of the difficulty that is being encountered in keeping the accounts, because accounts are swollen on both sides by fictitious losses and gains, and it is very difficult for the public to know exactly what the real position of the finances is. That is the reason why I want Government to consider whether they cannot modify the basis of their accounts. With these words, Sir, I commend the Resolution to the acceptance of the House.

THE HONOURABLE MR. E. M. COOK: I read this Resolution, Mr. President, with much attention and interest. I may say that I read it more than once. After hearing my Honourable friend's speech, I now perceive something of the difficulties which he feels, and which no doubt many other people feel, regarding this question of the exhibition in our accounts of these so-called losses and gains by exchange. If I understood my Honourable friend correctly, these difficulties relate to the method of exhibition in our accounts of certain non-revenue or remittance transactions, under what are called, in our accounts jargon the 'Debt Heads.' These heads comprise not only the heads which deal with the Public Debt, but also the suspense heads and those under which the various remittance and other kindred transactions are recorded. And I take it that my Honourable friend's difficulties arise from two causes. In the first place, there is the fact that our accounts are at present kept on a basis which is somewhat widely divergent from the actual rate of exchange. The second cause of my Honourable friend's difficulties has been, I think, the enormous fluctuations that have occurred in exchange during the past four years. Two years ago we had a rate of 2s. 10½d. At one time last summer exchange fell, I think, just below, 1s. 8d. It is clear, therefore, that, whatever basis you had for your accounts, there would have been enormous adjustments of some kind necessary because of these great fluctuations in exchange. Now I may say at once, Mr. President, that I feel no insuperable difficulty in accepting my Honourable friend's Resolution. But I should like to point out, with reference to clause (a), that I hardly think it was necessary to make a recommendation to the Governor General in Council in order to extract information from the Finance Department. We are always ready, so far as it can be done within the time at our disposal, to give any Honourable Member every kind of information we can possibly

produce or procure. I take it, however, that what my Honourable friend really wants to do is to draw prominently public attention to the fact of these difficulties and to these anomalies which, I admit, our accounts do present. Now, Sir, I have said that I have no difficulty in accepting the Resolution, and for that reason I do not propose to cover the rather wide field which my Honourable friend has traversed in the course of his very interesting address. If I did so, it would be necessary, I fear, to detain the Council for some considerable time. I do think it desirable, however, to say a few words regarding one or two of the broader aspects of this question, not so much in order to exhibit any difference between the Honourable Member and myself—for I think really, at bottom, there is practically no difference on general principles between us—but rather, if I may so presume, in order to dot the i's and cross the t's of one or two remarks my Honourable friend has made, and to assist him, if I can, in removing any misconceptions that may be held regarding these so-called losses and gains by exchange. I am very much obliged to the Honourable Mover for having drawn such prominent attention to the great element of artificiality in these so-called losses and gains by exchange. Of course, whenever we use the words 'losses' and 'gains' there must be an element therein of what it is the fashion to call 'relativity' and because of that element of 'relativity', I am afraid this phrase 'losses and gains by exchange' is sometimes used, by people who ought to know better, in rather a loose sense, for example, some people, reading our Budget Statement, say that next year, we are budgetting for a 'loss' by exchange of 15½ crores, although, as the House will have gathered from what my Honourable friend said, that that is entirely a misnomer. What is the actual position? Perhaps I can assist Honourable Members by putting it in a few words. Rightly or wrongly, we are at present keeping our accounts on the basis of 2 shillings to the rupee. That means that our Home expenditure is brought into the accounts at 2 shillings to the rupee. It follows, therefore, that if our accounts are to be correct, if they are to be true accounts, there must, somewhere or other, be an adjustment, in order to bring back the figures to the actual rate. How do we make that adjustment? We make it in the case of the commercial Departments by debiting to the respective heads themselves the difference between the 2 shilling rate and the actual rate,—1s. 3d., 1s. 4d., 1s. 5d., or whatever it may be. In the case of the non-commercial heads, we do not distribute these exchange adjustments over the individual heads, but bring them all together and put them under the head 'Exchange.' But that, as I am sure the House will agree, is not a 'loss by exchange'. It is an adjustment in order to bring your accounts, your somewhat artificial accounts, back to reality. But I need hardly say that when you have done it, the net result in the end is exactly the same as if you had throughout the year kept your accounts at the actual rate current.

THE HONOURABLE SIR DINSHAW WACHA: You conceal deficits by your system.

THE HONOURABLE MR. E. M. COOK: I am afraid I cannot admit that. It is quite obvious, Sir, that, by choosing various rates as the bases for your accounts, you could make these exchange losses or exchange gains whatever you liked. You may keep your accounts on a half a crown basis or a 3s. basis; and you could thereby swell your 'loss' by exchange. On the other hand, if you like to keep your accounts, on, say a basis of 1s. to the rupee, then the adjustment would have to be in the other direction, and careless people could then talk about a 'gain' by exchange—it would be

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just as inaccurate to talk about a 'gain' by exchange in that case as it is to talk about a 'loss' by exchange in present circumstances.

Now, when does a loss or gain by exchange really accrue? My Honourable friend has supplied the answer. Let us for a moment, in order to visualise this matter as simply as we can, get rid of any idea of accounts, or the accounts basis, and let us just think of an ordinary commercial concern, say a mill company, which has payments to make at Home for machinery, etc. Obviously, in your business concern, an actual loss or gain accrues, or is liable to accrue, when you move money from India to England or from England to India, but here there is a point I want to make; when you move money from England to India or *vice versa*, the loss has not actually accrued until you move it back again. Let me take a concrete example. Suppose the Secretary of State sells a crore of rupees by Council Bills. The effect is so far neither a loss nor a gain. But if he remits that money back to us, either by sales of Reverse Councils or by shipping gold or silver to us, then, unless his remittance back is made at the same rate as the remittance he drew from India, there is, on that completed transaction, either a gain or a loss. That, I submit, is a true gain or loss. I quite admit that in the case of a number of the transactions mentioned in my Honourable friend's Resolution those are of the nature, or can be regarded as of the nature, of completed transactions, and in those cases there has been an actual gain or loss. Take Reverse Councils. The effect of the Reverse Councils sold two years ago was to remit back to India money which had been remitted from India to England at a different rate of exchange. (A voice: 1s. 4d.) Whatever it was, if you take the difference between those two rates, then it is possible to say, and it is indeed accurate to say, that, regarding that as a completed transaction, there was a loss. Similarly, take our sales of gold. When we were selling gold—I have not got the figures actually with me, but I think I am correct in saying that, taking our transactions over the whole time we were selling gold,—it was sold at a rate higher than it had originally cost us, in rupees, to acquire, and so, on that completed transaction, there was a real gain. So far, of course, we are quite clear. It is when we come to put such transactions into the accounts year by year that these difficulties arise. What I have said, I am afraid, is little more than the mere obvious, but I wanted, if I could, to emphasise what my Honourable friend himself has said. So much for these 'losses' and 'gains.'

I now come to clause (b) of the Resolution. I have already said that, provided you do make the necessary adjustments in your accounts, then the net result at the end is the same as if you had kept your accounts at the actual rate of exchange. But I need hardly say that I quite admit that every consideration points to the great desirability of making the basis on which you keep your accounts as close as possible to the actual rate of the year. Unless you do that, then, as we have indeed seen and experienced, you are liable to give rise to a great deal of misunderstanding, and even, I fear, some times to either conscious or unconscious misrepresentation. I quite admit all that. At the same time I think Honourable Members will agree with me that the fixation of an accounts basis in consonance with or fairly close to the actual market rate presupposes and postulates a fairly stable market rate. If your rate itself is liable to fluctuate, then, although the basis which you took for your accounts one year may be fairly close to the actual average rate, and therefore your

exchange adjustments comparatively small, as used to be the case in the old days, nevertheless, the next year exchange may fluctuate 8 or 4 pence, and the accounts basis may be widely out of accord with actual facts. So, unless you are prepared to change your accounts basis year after year, if you have a widely fluctuating exchange you are bound to get out of touch with the actual rate and you are bound to have to make these big adjustments which, I admit, do disfigure our accounts at present. It is not an easy matter to switch over from one basis of accounts to another. When we switched over from 1s. 4d. to 2s. there was a considerable amount of difficulty and labour involved in doing so. You have got to recast all your statements and accounts; it upsets comparison by statistics and is, I submit, a thing which you ought to do only when you are reasonably satisfied that your new rate is going to continue for some time. My Honourable friend, Mr. Samaldas, laughs, and no doubt claims that I have now said 'peccavi'. I prefer to follow my Honourable friend, Mr. Kale, in not discussing the previous exchange policy adopted in this country, and will confine myself to the present position. We have a rate which I admit, as things have been during the last year, is very markedly divergent from the actual facts. It has necessitated these large adjustments and has caused complications and difficulties in our accounts. I will also admit that the probability of the actual rate returning again to 2s. is now somewhat remote, to say the least. At the same time, I take it that my Honourable friend does not really ask us at the present moment, by a stroke of the pen—although as a matter of fact a great many strokes of the pen would be involved—to go back to the 1s. 4d. basis. If we are to get back to 1s. 4d. let us be perfectly sure that we have then got back to something that is the most suitable and convenient pivot for our accounts to turn on for a good long time to come. I quite admit that for some months now exchange has been, within a penny or so, fluctuating round about 1s. 4d. If it continues to behave like that for a further substantial period, then I fully admit that there will be a strong case for changing our present accounts basis of 2s. But my Honourable friend may rest satisfied that Government, though they may move slowly in this matter, will move as soon as they feel that they can with confidence recast the accounts on some new basis—as soon as some really stable foundation is discoverable we shall not hesitate to do so.

The HONOURABLE MR. SETHNA: Sir, with your permission I desire to offer only a remark or two. I am glad that the Honourable the Finance Secretary has accepted this Resolution moved by my friend, Mr. Kale, and particularly the second part thereof. The Honourable Mr. Cook has told us, in fact he admitted, that the system of accounting at present might be considered as an artificial one and that the head of exchange is introduced in order to bring the accounts to their reality. My Honourable friend, Sir Dinshaw Wacha, rightly interjected by saying that this amounts to concealing the correct figures, and that is exactly what the public do not like.

The HONOURABLE MR. E. M. COOK: I thought my Honourable Friend, Sir Dinshaw Wacha, said 'concealing your deficit.' I did not quite catch what he said.

The HONOURABLE MR. SETHNA: That is merely a paraphrase. The net result is the same.

With regard to the suggestion from the Honourable Mr. Kale to prepare the accounts at the prevailing rate of exchange the Honourable Mr. Cook says, and perhaps rightly, that they cannot easily switch off

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from one rate to another year after year. My suggestion to him is to consider if it would not be possible, instead of lumping together the loss in exchange under all the different heads—namely, a lump sum of 15½ crores as has been shown in the budget for the coming year,—that he shows the losses in exchange separately under each major head, so that the public may know at a glance what the exact and correct figures are under the various heads. I refer in particular, once again, to the military expenditure, where, according to the budget figure, the man in the street understands that the military expenditure is 62½ crores; whereas, if you take into account the loss in exchange, the expenditure is to be not 62½ but 66 crores and which the public have a right to know.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, the Honourable Mr. Cook says that the first part of the Resolution ought to have been put in the form of a question in order to elicit the information required. With reference to that remark I may say that we have asked questions on this subject, not once only and not only here, but in the other House. Somehow or other the answers have not been quite satisfactory. It may be that we did not put the questions in a proper form; or it may be that the Finance Department have always managed to give replies from which the desired information cannot be derived. Here now we make a direct request in a detailed Resolution asking for information, and the Honourable Mr. Cook has agreed to give it. I know it will be to a certain extent difficult to collect all this information, but if the Department takes the trouble to do so and places all the figures on the table for public information, it will remove many misapprehensions. As there are some misapprehensions on the subject, in the interests of the Department itself, it is much better that they should take this trouble and give us the information that we require.

As regards item (b) I shall divide it for practical purposes into two heads, as we do in commercial concerns. I take commercial concerns as my guide because my Honourable Friend, Mr. Cook, has referred to Joint Stock Companies. I am referring to the Assets and Liabilities account or the Balance sheet as it is called and the Profit and Loss account. As regards Profit and Loss Account, I agree with Mr. Cook that if these adjustments are correctly made, there are no grounds for complaining about the actual figures. The figures for adjustment will be much smaller and there would be less misunderstanding if they were worked out at 1s. 4d. instead of at 2s. The former figure is a pivot round which exchange has varied during the last year and this is agreed to by the Honourable Mr. Cook. What my Honourable friend, Mr. Kale, says is, let us have this figure and accept that as the pivot, round which adjustments will be made. (The Honourable Mr. E. M. Cook: 'To consider the desirability'). The Honourable Mr. Kale is very modest in his demand and I want to go a little further, because I want to name the figure. There are two ways of arriving at this figure. Government can, after proper inquiry, decide as to the figure at which they would like to try and stabilise the exchange. When they are asked to do so, they say that the world factors have not stabilised and we must wait till they have done so. This means they are not prepared to go into and examine the question. We then suggest the other alternative and say if you are not prepared just now to appoint a Committee and come to a definite conclusion, let us, for all practical purposes, take the figure round which the exchange moves about, and that figure as my Honourable friend, Mr. Cook, said is £0-1-4. Why would he not

take the £0-1-4 basis? Why is he in so inordinate a love with the 2 shilling figure? Why not come to the £0-1-4 figure, stick to it for a few years and have adjustments made on the £0-1-4 basis, so that the figures for adjustment might be small, and the trouble in calculation perhaps less; and by adopting this figure we will come more near the exact figure than by the 2 shilling figure. I hope he will see his way to accept this and not only consider the desirability as the Resolution asks, and that if he thinks it is desirable to adopt the basis, to do so as soon as possible.

The HONOURABLE SIR DINSHAW WACHA: Sir, I am very glad that the Honourable Mr. Cook has on behalf of the Government given an explanation in reference to the Honourable Mr. Kale's Resolution. So far as it goes it is very clear and as Mr. Kale wants some 'clarifying' explanation on the subject, I think the Honourable Mr. Cook has fairly tried to clarify the exchange expenditure method from the Government point of view. I should rather be inclined to clarify it myself from the public point of view. Sir, this question of exchange and its fluctuations is not of to-day or yesterday. It is going on unexplained for years. I think it first began somewhere about the year 1886 when, owing to what they called 'uncertainty of exchange'—these were the words used by the Finance Member of the day—we first found ourselves in the same difficulty in which the Government to-day find themselves; only their deficits now are enormously larger than the deficits of those days. In 1896, I think the Government had a deficit of only 8 or 4 crores of rupees in their budget. Lord Dufferin was the Viceroy and Governor General and I forget who the Finance Member was. That was the year in which the salt duty was once again increased from 2 to 2½ rupees, and that was the year also when the income-tax was for the first time revived after its abolition in 1865. From that time forward I have watched closely how every Finance Member in turn has always harped on this question of exchange, viz., that exchange was a disturbing factor, and that exchange disturbed their balance and needed adjustment and so on and so forth. Such pleas and excuses have been frequently brought forward since. There is nothing new to me at least. There was also brought forward another plea in those days, viz., the 'precariousness of the Opium revenue.' The opium revenue and the exchange question were two troublesome factors whereby the budgets were disturbed. There had been a 'prolonged wail'. What have the Government done during the last 36 years? Absolutely nothing; they have been repeating whenever deficits occurred the same excuses and pleas, apart from 'famine and pestilence'. Internal factors and external factors, though of a different character, were also urged. The fact is this, Sir, that Government have been not infrequently in a very embarrassing position. They had been hanging between what was called financial necessities on the one side and financial expediency on the other. They laid the fluctuations of exchange at the door of deficit and put on new taxation or enhanced the old. This financial jugglery has been going on for the last so many years. Opium was once the *deus ex machina* of a budget. It is exchange now and for many years past. The difficulty arises from what I should call defective or unbusinesslike book-keeping. It has been pointed out over and over again that the Government method of book-keeping is generally defective and cryptic. And I would go further and use a stronger word and call it 'rubbish.' The whole system of keeping accounts and the method and manner of their presentation are antique and obsolete. It requires to be thoroughly and radically overhauled, and some trained man from England, strong in modern State

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finance, is required in order to make a clean slate for the purpose of lucidly presenting the annual financial position. This is the only way in which we can improve for better the present obsolete and cryptic method. Well, Sir, what has happened is this. From year to year whenever there are deficits, they bring forward this bogey of 'low exchange' or 'the precariousness of the opium revenue' or 'famine and pestilence.' As far as the plea of 'low exchange' is concerned what happens is this. The Honourable Mr. Cook has said that Government do not know what the rate of exchange is going to be at budget time and they therefore take a certain arbitrary figure. The figure is arbitrary in this way, that, when the revenue is going up, a little favourable exchange rate is taken and when the revenue is going down, a more unfavourable rate is taken. If I am wrong I shall be pleased to stand corrected. My friend, the Honourable Mr. Sethna, pointed out with reference to military expenditure that the exchange incurred thereon was never revealed. The military expenditure for the coming year is not only 62 crores; were exchange added to that amount, it comes to 68 crores as he was able to elicit it from the Honourable Mr. Cook. Why not, then add the exchange figure under each head on which exchange is generally incurred? That is the most businesslike method and the adjustment between the assumed figure and the actual made at each year's close. Every year revenues are underestimated and expenditure overestimated, and at the end of the year, when the Finance Member or the Finance Secretary finds a deficit on account of exchange, apart from other reasons, this bogey of which we hear so much is held up to the public gaze. I do say, Sir, that it was in the year 1897 when I myself and my friend, the late Mr. Gokhale, gave evidence before the Royal Commission, generally known as the Welby Commission, we brought forward this identical question of the fluctuations of exchange of a violent character more or less. I suggested to the Commission a simple businesslike way to deal with them. It was this. To open a heading in the State budget of a separate account to be called the 'Exchange Reserve and Suspense Account.' They may assume any rate they like at budget time; but if at the end of the year when the actual average rate was ascertained whatever the gain or loss, as the case may be, on adjustment, should be carried forward to this account. If in one year, after the year's adjustments are made, there is a gain, the account should be credited with it. But let it be there. It should not be wiped off or transferred to any other head. That is what a business man would do; credit the gain if gain there be or debit the loss if loss there be. But let the Exchange Reserve or Suspense Account be carried forward from year to year, so that the superior book-keeper may know what is the balance and whether it showed a deficit or surplus. That is the correct system of book-keeping. If the procedure I have described be adopted it would solve the whole difficulty, and the public or the Legislature would never more hear of this dolorous chant or 'wail' of exchange. The Finance Member in his financial statement can exhibit a full account of exchange incurred and say:

'Here are these different heads with exchange gain or loss, and the net resultant is the balance, debit or credit, as the case may be.'

There will be an end of the matter. It is simplification itself. So far as the business way of State book-keeping is concerned, the Government of India seem to me to be incorrigible. At least that is the opinion I have formed after so many years of study. They will never adopt the correct

system, though criticism after criticism is made year after year. But the ears of Government are stuffed with cotton and they are deaf to all suggestions. It is only at the time of huge deficits that public opinion is heard and echoed in the Assembly. Government then promise to consider it and now-a-days they are somewhat disposed to repeat the formula! We accept it.' Our newly formed Legislature say:

'Very well. We thank you. We are much obliged to you.'

That is the position, Sir. But I do venture to say that they should do a great deal more. With a new democratic Government, with the popular voice asserting itself more and more and with more and more business people coming into the Legislatures, I must say that it would be wise that Government should also take a new departure. Let them import from England a well-versed business-man like Sir Eric Geddes, who could put his axe to the root and sweep away the present method of keeping accounts on a fossilised system and present you with a new clean slate which even the man in the street can read. It will give the people a clear idea of the state of the finances, and not an obfuscated or confused one as at present, and it will help Government to see its own way clearly, more clearly than they do now. At the same time, Sir, I think Professor Kale has done a very great service by bringing forward his Resolution. Last year when I interpellated the Government on the same subject, my question was misunderstood and of course we had an unsatisfactory reply. I did not mind it, but I am very glad, Sir, that the Honourable Mr. Kale has not only repeated my question, but has amplified and cast it in the form of a Resolution. I think, Sir, this discussion will do good both to the House and to the Government. Let the Government open their eyes; let them open their ears, and if they keep their eyes and ears open, I am quite certain that the next Financial Statement will be entirely different from what it is to-day.

The HONOURABLE MR. V. G. KALE: I am really thankful for the discussion that has taken place on my Resolution and I am grateful to the Honourable Mr. Cook, as well as to the other Members of the House, who have made their remarks. They have made even clearer than I could do in my speech what were my requirements with regard to the Government system of keeping accounts in relation to exchange and remission transactions of the State. I am particularly grateful to the Honourable Sir Dinshaw Wacha for the most lucid and instructive manner in which he brought out what is really required that the Government of India should do. I hope that the statement which Government will prepare and place before us will really show what the country wants and that the Honourable Sir Dinshaw Wacha will have no complaint to make with regard to the Statement. We do want that the real losses and gains on account of exchange should be clearly brought out. The real deterioration in the financial position of Government should be made clear and placed beyond doubt, and Government should consider whether there is an immediate possibility for the changing of the method of keeping their accounts. I will not detain the house with any further remarks and close my observations, thanking the Honourable Mr. Cook again for accepting my Resolution.

The HONOURABLE MR. E. M. COOK: Sir, I wish to deal only with one point raised by the Honourable Mr. Sethna and referred to by the Honourable Sir Dinshaw Wacha. I am not going to follow the Honourable Sir Dinshaw Wacha in his remarks about the necessity for maintaining a proper exchange account, outside the ordinary revenue accounts, to which all losses

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and gains should be debited or credited. I hardly think, if I may say so, that that arises on this Resolution. The Honourable Mr. Sethna has raised a very important point. He referred to the 15½ crores exchange adjustments, which has to be made in our accounts according to our Budget calculations. I understood him to point out the great desirability of that adjustment being distributed under the various heads of accounts in order that each major head of account, such as Customs, Salt, Opium, and more particularly Military, should itself contain that adjustment. As my Honourable friend knows, we do make the adjustment under the commercial heads. Out of that 15½ crores, 5½ crores are distributed in the accounts under the commercial heads, that is to say, our figures for railways do show the actual expenditure at the current rate, but as regards the non-commercial heads, which account for 10 crores out of that 15½ crores, I admit that we lump them all together under the general head 'Exchange.' All I wish to say is this: This practice has continued from as far back as I can remember. I admit that the convenient practice of portmanteauing these losses and gains under the 'Exchange' head was all very well at a time when the losses and gains consisted of sixteenths and thirty-seconds; it does give rise to some misapprehension, in the mind of the ordinary man in the street who does not perhaps read our figures particularly carefully and perhaps runs away with the impression that our actual expenditure under, say, 'Army' is less than what is actually the case.

The HONOURABLE SIR DINSHAW WACHA: That only serves to conceal the deficit.

The HONOURABLE MR. E. M. COOK: I don't see why! The total is the same in either case. We will certainly consider if we can distribute this 10 crores over the various non-commercial heads.

The HONOURABLE THE PRESIDENT: The question is: 'That the following Resolution be adopted:

This Council recommends to the Governor General in Council that he may be pleased (a) to place on the table of this House a full statement showing the gains and the losses that have accrued to Government since the year 1917-18, on capital as well as revenue account, in connection with the sale of Council drafts and reverse Councils, the revaluation of sterling securities and gold in the Currency Reserve, the purchase of gold, the purchase of silver and the coinage and the issue of rupees to the public, the repayment by the British Government in London of funds disbursed on its behalf in this country, and the remittance transactions between India and other countries generally, and showing how the losses have been met and the gains have been disposed of; and (b) to consider the desirability of re-examining the basis of the exchange value of the rupee on which the accounts are being kept, particularly with reference to remittances to and from this country.'

The motion was adopted.

RESOLUTION RE: TREATY ARRANGEMENTS INVOLVING FISCAL OBLIGATIONS.

The HONOURABLE SIR MANECKJI DADABHOY: I beg to move:

'This Council recommends to the Governor General in Council that he may be pleased to intimate to the Secretary of State that in future India shall not be made a party to any treaty arrangements involving fiscal obligations and international trade relations until the Indian Legislature has had an opportunity of pronouncing on the same.'

Honourable Members will see that the reasons for bringing forward this Resolution are obvious. My object in bringing up this Resolution is, in

the first instance, to obtain from Government a full and exhaustive statement as regards the nature of all our fiscal obligations, and secondly, in order to enable the Council to judge the soundness or otherwise of these fiscal treaties which have been from time to time entered into on behalf of India by the Imperial Government. I confess that I am in a somewhat awkward position to-day. I fully realise the constitutional difficulties involved in my Resolution.

I am also in a somewhat anomalous position to-day on account of my connection with the Fiscal Commission. I, therefore, propose to speak very cautiously on this Resolution, and beyond making a full statement of the case, I do not propose to enter into any long discourse or arguments either for or against the Resolution. The importance of the Resolution will be perceived by Honourable Members. In order to explain or rather to comprehend the scope of my Resolution, I am afraid I shall have to take back the Council to the Resolution, that was moved in this Council on the 23rd of February 1921 by my Honourable Friend, Mr. Lalubhai Samaldas. That Resolution appertained to grant of fiscal autonomy. I shall read that Resolution and refresh the memory of the Honourable Members. That Resolution was to the following effect:

'That this Council recommends to the Governor General in Council that His Majesty's Government be addressed through the Secretary of State with a prayer that the Government of India be granted full fiscal autonomy, subject to the provisions of the Government of India Act.'

My Resolution to-day seeks to carry us a step further in the direction of fiscal autonomy, not in the matter of our internal fiscal relations, but in the matter of treaties involving international trade obligations. I may also remind the Council that this Resolution which I have just read was passed in its modified form. My Honourable friend for the words 'subject to the provisions of the Government of India Act' had originally inserted in his Resolution the words 'under the direction of the Indian Legislature.' It was then pointed out by the Honourable Sir George Barnes, then Commerce Member, that in view of the existing law, I mean the Government of India Act,—that fiscal autonomy under the direction of the Indian Legislature was not possible, and it could only be conceded subject to the provisions of the Government of India Act. This modified Resolution was submitted to the Secretary of State, and a Despatch was forwarded by His Majesty's Secretary of State to the Government of India. This is now known as No. 70, Revenue Department, dated 30th July, 1921. In forwarding this Resolution the Government of India also pointed out to the Secretary of State the difficulties in the matter, and stated that in view of the decision of the Joint Committee that fiscal autonomy could not be guaranteed to India by Statute without limiting the ultimate power of Parliament to control the administration of India and without limiting the power of veto which vests in the Crown. It was also stated that any system of fiscal autonomy, so far as India was concerned, could only be established by the acknowledgment of a convention, and in order that conventions of this kind may grow up, the Secretary of State should, as far as possible, avoid interference with the Government of India and the Legislature where they were in agreement and that interference, if it did take place at all, should be limited to safeguarding the international obligations of the Empire or any fiscal arrangements within the Empire to which His Majesty's Government was a party. It is with reference to this latter dictum, safeguarding the international obligations of the Empire or any fiscal arrangements within the Empire to which His Majesty's Government was a party that my Resolution is now moved. This Council is aware that under the

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Government of India Act power has been reserved to the Indian Legislature for the purpose of passing any Laws or any Regulations for the maintenance of peace, order, etc. We have got also powers under the Act for regulating our tariffs and making all fiscal arrangements. So far as those powers are concerned, they are confined to making of laws in the country. We have no right whatsoever—or in other words, I will put it this way; we have to submit to any fiscal arrangement which the Imperial Government may make involving India in any fiscal obligations without in any way being able to resist or oppose it. In short, we are simply tied down and fettered, so far as our fiscal treaties are concerned; that is, we have to tacitly obey and carry out treaties and obligations that may be imposed by the Imperial Government, though they may not suit the country, and which may perhaps be in the interest of the Imperial Government or other countries. This is so far as our statutory position is concerned. The Government of India have also inherent powers which have been established by case law, and I shall only briefly refer to them in order that the scope of my Resolution may be carefully comprehended. In addition to the statutory powers given under the Government of India Act, the Governor General in Council enjoys further two more kinds of powers nowhere defined in any Statute. Firstly, he has powers as the representative of the Crown, being such prerogatives, privileges and immunities appertaining to the Crown as appropriate to the case and consistent with the system of law in force in India, and, secondly, powers, rights and privileges derived from the Native Princes of India whose rule he superintends. An instance of the first is, the Governor General in Council has the power of making treaties and arrangements with Asiatic States, of exercising jurisdiction and other powers in foreign territory and of acquiring and ceding territory. An instance of the second class may be described as the rights of the Government in respect of lands and minerals in India,—rights different from those which the Crown possesses in respect of lands and minerals in England. I will not refer to the case law which has laid down these principles, but I will only mention at this stage that both under the Statute and under the exercise of inherent powers given to the Government of India, we are entirely helpless in the matter of regulating treaties or controlling any fiscal arrangements which may be made by the Imperial Government. That is, Sir, our position. The present position is this. The United Kingdom as the sovereign authority makes all our fiscal negotiations, arrangements, treaties, etc. I believe these treaties are sent out to India or to the Dominions whom they may concern, and very probably in ordinary course they are ratified by the Government of India or the Dominions. The basis of all these matters tries to obtain the most-favoured-nation's treatment for herself and for the Dominions. How far India has been benefited by the most-favoured-nation's treatment, or how far India has received those economic benefits and advantages it is not the scope of my Resolution at this stage to inquire into. The position, therefore, is that India is entirely helpless in this matter. We may control our finances; with our increased and enhanced powers we may throw out Government proposals, and discard them. On the other hand, by a stroke of the pen

The HONOURABLE MR. G. S. KHAPARDE: A little louder, please.

The HONOURABLE SIR MANECKJI DADABHOY: I am very sorry I can't speak louder; I have got fever at present. I was referring to this,

that the Imperial Government can easily by a stroke of the pen commit India to obligations which may be incompatible with her financial resources or which may not be consistent with her economic interests. It is for this reason that I have been obliged to move this Resolution. I may further tell the Council that, so far as these commercial treaties are concerned, the Government of India itself is not in possession of all the facts and information. A lively correspondence on the subject has passed between the Bombay Merchant Chamber and Bureau and the Commerce Department of the Government India. The Bombay Merchant Chamber insisted on Government placing before the country a full and exhaustive statement of all the conventions and treaties entered into by the Imperial Government on behalf of India. I have been supplied with copies of the correspondence by the Secretary to the Chamber. I will read only one passage which shows in a nut-shell the real position in regard to this important matter. The Government of India in their letter dated 27th January, 1922, addressed to the Secretary of the Indian Merchant Chamber, makes this remark:

'In view of the world-wide dislocation of foreign relations existing before the war, it would be a matter of considerable difficulty to produce an exhaustive and up-to-date list of the commercial treaties and undertakings between His Majesty's Government and foreign countries to which India is a party.'

Can you, Sir, conceive a situation more anomalous than this, that the Government of India should not be aware of all the treaties and should not be in a position at any time to say what commercial treaties and undertakings exist to which India has been made a party? I cannot for a moment realize such a state of affairs. I think it is the duty of the Government of India to have before it a full, exhaustive and detailed statement of all the treaties and other fiscal undertakings that have been entered into on its behalf, so that the representatives of India sitting in the Indian Legislature may have an opportunity of examining those treaties in order to ascertain whether they have been made in the interests of, and for the benefit of, India, or otherwise. It is only just and proper that this should be done. Perhaps my Honourable friend, Mr. Lindsay, will be in a position to give the Council some explanation in regard to this matter

The HONOURABLE MR. SETHNA: May I request the Honourable Member to read out again that extract from the Government of India's letter? We did not catch it.

The HONOURABLE SIR MANECKJI DADABHOY: The letter reads as follows:

'I am directed to refer to your letter No. T-1555, dated the 14th November 1921, and to say that, in view of the world-wide dislocation of foreign relations caused by the war, it would be a matter of considerable difficulty to produce an exhaustive and up-to-date list of the commercial treaties or understandings between His Majesty's Government and foreign countries to which India is a party.'

The obvious conclusion from that is that they are not themselves aware of all the treaties in existence to which India is a party. That can be the only meaning.

Now, Sir, my contention is that the present policy of the Government of India in all fiscal matters is influenced by revenue considerations. So much I will concede, and probably all Honourable Members know that a high general tariff may have a protective effect on certain industries. At present, however, the policy which determines the action of Government is guided

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by purely revenue considerations. As such, the importance of my Resolution may be easily conceived. However, I will not anticipate the findings of the Fiscal Commission. We do not know what the Fiscal Commission will decide. But whatever may be their decision the necessity will be all the greater for this Council to exercise its privileges and prerogatives in regard to control over commercial treaties, if the Fiscal Commission recommends any change in the existing policy, if it recommends Imperial preference or recommends a policy of protection. The necessity for our control and supervision in such an eventuality will be all the greater.

Now, I have explained, Sir, that a constitutional difficulty underlies my Resolution. I have also laid before the Council my feeling that probably it will not be possible for Government to accept the Resolution in the form in which I have placed it before the House. I quite admit that there are many difficulties in our way. My object, however, in proposing this Resolution is clear. My object is to invite a full discussion and thereby to obtain exhaustive information in regard to these commercial treaties so that we may know exactly what our position is. We want also to know what our position will be hereafter in regard to all fiscal treaties and engagements. I have made a very modest request. My request is that the Indian Legislature should be allowed an opportunity of pronouncing on the merits of the treaties entered into on behalf of India. I do not ask, and I cannot ask under our existing constitution, for anything more than that. We have not a Dominion status; and I am very doubtful, even if we had Dominion status, whether we would have full power in regard to these matters. I realize the difficulties of Government. At the same time, I think that, whenever treaties or engagements are entered into by the Imperial Government imposing fiscal obligations on India, the Indian Legislature should have the right of expressing its opinion on the merits of that arrangement by an open and free discussion. That will enable the Imperial Government to obtain the views of the Indian Legislature, which will help them either to ratify or to cancel those treaties. It is for this reason that I have brought forward my Resolution.

I may state in conclusion that, if any suggestions are made by any Honourable Member in order to get over the constitutional difficulty, I will be quite prepared to consider them. I will only say that my object is to invite full and fair criticism on the subject. I want to know the policy of Government in regard to these matters, I mean the policy which will be adopted hereafter, whatever the policy in the past may have been. With a partial fiscal autonomy granted to the country, and with our powers of discussion of financial matters, I think it is not only necessary but obligatory that a further measure of control should be granted to the country in a matter which involves very serious fiscal obligations. With these words, Sir, I commend my Resolution to the acceptance of the House.

The HONOURABLE MR. G. S. KHAPARDE: Sir, I wish to propose a friendly amendment that:

'In line 2 of the Resolution for the word 'intimate' substitute the word 'inform', after the word 'State' add the words 'for India' and for the words 'shall not be made' substitute the words 'does not wish to be made.'

Sir, as will be seen, there is no change of substance that I want to make. I only introduce a few words to soften the tenor of the proposed Resolution.

The HONOURABLE SAIYID RAZA ALI: I think there is no sting in it.

The HONOURABLE MR. G. S. KHAPARDE: At least I do not perceive any.

The HONOURABLE SAIYID RAZA ALI: I am so glad.

The HONOURABLE MR. G. S. KHAPARDE: So far as I can see, there is no sting in it. The word 'intimate' appears to me to convey a sort of command, a sort of imperative order, and therefore I substitute the word 'inform,' because we cannot from here command the Secretary of State or issue any order to him. The words 'Secretary of State' are rather vague—I should think, because in England there is the Secretary of State for the Colonies, the Secretary of State for India and the Secretary of State for War and so on. So I put the words 'for India' to indicate that this request is addressed to the Secretary of State for India. The expression 'shall not be made a party' is rather emphatic. We are not in a position to say whether it shall be or it shall not be so. In matters of this kind we only make a recommendation to His Excellency the Viceroy and the Viceroy will kindly convey our message to the Secretary of State and there the matter stands. So I only alter the words 'shall not be made a party' into 'does not wish to be made a party.' There might be objection to these verbal changes that I have endeavoured to make. Why have I done this? Just as in the case of merchants, they do not expect to make profit at once on one transaction, but they make a little profit here, and a little profit there, and when sometimes there is a loss, they cover it up with other things, so also in politics when we wish to have more rights and when we wish to expand our powers, we do not press it in one direction, but like all fluids which press equally on all sides, we should try to press our claims slowly in all directions. I once fought to get a little discussion on the speech from the Throne, and in those little ways we try to expand our powers or at any rate to see how far the Government will encourage us to reach the utmost limit that the Government of India Act does give us. I have no doubt the Honourable gentleman in proposing the Resolution had the same view and the same idea, but sometimes things might get expressed in a more emphatic manner; and therefore I want to facilitate the passage of this Resolution by softening the words, so that it might be more acceptable and Government may be induced to view this request with favour. That is all the object I have in view. I have been often corrected for having put things a little too strongly and a little more pungently than they ought to be. My Honourable Friend has often told me so. So I have brought forward this amendment to assist him and make it softer and easier and plainer for the House to accept. With these few words, I commend my amendment for the acceptance of the Council.

The HONOURABLE THE PRESIDENT: Amendment moved to the Resolution under discussion:

'In line 2 of the Resolution for the word 'intimate' substitute the word 'inform', after the word 'State' add the words 'for India', and for the words 'shall not be made' substitute the words 'does not wish to be made.'

This is only a drafting amendment.

The HONOURABLE MR. SETHNA: Sir, I had intended to support this Resolution by my vote, but after hearing the Honourable Mover, I think it right to support it both by vote and speech. The Honourable Mr. Khaparde has introduced an amendment for the purpose of softening, as he said, the terms in which the Resolution is worded. This did not appear, to judge from the interjection of my Honourable friend, Saiyid

[Mr. Sethna.]

Raza Ali, to suit him and he should have liked to have introduced some sting in the wording of the Resolution. There is no necessity of either softening it or adding any ginger if I may be pardoned for using a vulgar colloquialism. What we have to do is to put our case before Government respectfully and at the same time as emphatically as possible. Sir, it seems that there is some doubt in the minds not only of us here but also of some people in England in regard to the extent to which the reforms have gone in the matter of allowing us fiscal autonomy in the country itself. We know there is a difference of opinion in this country and expression was given to it only the other day by two Honourable Members in this House. It seems to be the same in England as well to judge from a telegram of Reuters which we read the other day and according to which one Mr. Waddington, who I take it must be a Lancashire Member, suddenly discovered that the interpretation of the Government of India Act by Mr. Montagu and the Select Committee on the Bill had widely exceeded the terms of the Act which nowhere provided that India should have definite fiscal autonomy. Sir, that is the view of a Member of the House of Commons. Within the last few days we have read the speech made by Lord Curzon on the subject of Mr. Montagu's . . .

The HONOURABLE THE PRESIDENT: How does this arise out of this Resolution?

The HONOURABLE MR. SETHNA: I will come to it now.

The HONOURABLE THE PRESIDENT: The Honourable Member must approach his Resolution more directly.

The HONOURABLE MR. SETHNA: I merely quote his words. I refer to the words of Lord Curzon, who said that India is a subordinate branch of the British Government, and I think . . .

The HONOURABLE THE PRESIDENT: How does that arise out of the Resolution?

The HONOURABLE MR. SETHNA: Inasmuch as he looks upon the Government of India as a subordinate branch, he would consider that we have no right either in regard to internal fiscal policy or in regard to international obligations with other countries. I am pointing out that there is therefore this difference of opinion both here and in England. Fortunately, Sir, from the debate which took place yesterday in the other House, we find the Government of India, according to the Finance Member, certainly recognise that we can do what we please in regard to the fiscal obligations in the country itself. This Resolution, however, deals with our international trade relations all the world over. I understood the Honourable Mover to begin his speech by saying that he would ask Government to acquaint us with all our fiscal obligations with other countries entered into before now. But, so far as the Resolution is worded, he only asks in regard to any future obligations. The Mover quoted from a reply given by Government to the Indian Merchants' Chamber and according to which Government are not prepared to disclose the existing obligations. I am surprised at the attitude Government have chosen to adopt in regard to this particular matter, for although we have not yet reached complete Dominion Status, I think the country has a right to know what our obligations are at any rate up to now, and therefore, Sir, I feel bound to support this Resolution. Government have appointed a Fiscal Commission. What, Sir, is the use of a Fiscal Commission if

any of the recommendations it makes will not prove acceptable to Government and if they would decide contrary to any recommendations made therein in regard to any international trade relations? Secondly, I think Government should respect the views held by the Indian Legislature. The Mover of the Resolution does not insist upon Government accepting what the Legislature would recommend. He only wants that the Legislature should consider the proposal. It will leave Government free to accept the proposal or not. But, of course, if they do not agree, the country will certainly expect that there must be good reasons for throwing out the considered wishes of the Legislature. We have not yet reached Dominion status, but we are told that we are on the way to it, and consequently if we are free to settle our internal fiscal policy it is but right that we should also have at least an indirect say for the present in the manner proposed by Sir Maneckji Dadabhoy in regard to any treaty arrangements that are made with foreign powers hereafter.

Let us not indulge in illusions in regard to this matter. If there is going to be any membership for India in the Empire let it not be a myth but a reality.

The HONOURABLE MR. H. A. F. LINDSAY: I welcome this fair and frank explanation that the Honourable Sir Maneckji Dadabhoy has given of his doubts, and, if I may add, of his suspicions, as regards the attitude of Government in regard to these commercial conventions. I may say at once, Sir, that Government stand absolutely by their declaration on the subject of fiscal autonomy and I wish to meet straightaway any sort of idea that Government has anything whatever to conceal in regard to international trade obligations. In order to explain my point clearly I hope the House will bear with me when I state exactly what happens when a commercial convention is concluded. In the first place, the convention is usually ratified by the Home Government with a Colonial clause, as it is called, which enables the Dominions and India to subscribe to that convention or not, as they please, and the first point which I wish to make quite plain is, that no commercial convention is ever ratified by the Home Government on behalf of India without a reference to the Government of India . . .

* The HONOURABLE MR. LALUBHAI SAMALDAS: For the approval of the Government of India?

The HONOURABLE MR. H. A. F. LINDSAY: Yes. If the Government of India do not think that it is in the interests of India to adhere to any particular convention, that particular convention is not ratified on behalf of India . . .

The HONOURABLE SAIYID RAZA ALI: Has the Government of India been known to disagree in any case?

The HONOURABLE MR. H. A. F. LINDSAY: Most certainly. That leads me to the second point, which arises from the correspondence with the Indian Merchants' Chamber and Bureau. Correspondence does not always lead to the elucidation of the full facts, but conversation very often does and again I welcome this opportunity of making a full statement on the subject to the House. The archives of the Commerce Department are full to overflowing with correspondence with the Home Department on the subject of these commercial conventions, negotiations leading in some cases to final ratification, in other cases to final rejection. I

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may give one or two instances perhaps. In 1894, a convention was arrived at between the Home Government and Spain which gave most favoured-nation treatment to the British Government, and on a reference to the Government of India, India was included in that convention. The next convention I would like to refer to (I am not taking them strictly in their sequence, because I am only picking out one or two that are more important than the rest) was one of 1903 with France and that convention was of rather a special nature. It was referred to in a debate in another House yesterday on the subject of imports of vinegar. The agreement with the French Government is that India shall admit at a specially favourable rate of duty vinegar brought from France and in return shall receive from France a similar concession for chillies, coffee, cardamoms, tea and other classes of Indian produce.

The HONOURABLE SIR MANECKJI DADABHOY: Are not copras included in that too?

The HONOURABLE MR. H. A. F. LINDSAY: I think they are. They are included in 'Colonial produce.' I only gave these as examples. That was in 1903 and it still holds good. The next agreement I should like to refer to is one of 1908, with Japan. That agreement was also of a rather special nature. It was not in this case an agreement between the British Government and the Japanese Government to which India was afterwards asked to become a party, but it was a direct agreement between India and Japan. Now, if the House will bear with me for a minute or two I should like to read out the terms of that agreement or commercial convention with Japan, because it is a typical convention and it will show the House exactly what the clauses of these conventions are; and, by way of preliminary explanation, I should like to say that the whole underlying principle of all these commercial conventions is the exchange of most-favoured-nation treatment. That is to say, the foreign Government with which the convention is concluded agrees to give to India no worse treatment than it gives to any other foreign Government with which it concludes a commercial treaty; and India, on the other hand, agrees to give to the foreign Government exactly the same treatment, or at any rate no worse treatment than it gives to any other country. The commercial convention with Japan is quite short. It consists of four Articles.

Article I runs:

'Any article the produce or manufacture of the dominions and possessions of His Majesty the Emperor of Japan shall enjoy, upon importation into India, the lowest customs duties applicable to similar products of any other foreign origin.'

That is one-half of the most-favoured-nation clause.

Article II runs:

'Reciprocally any article the produce or manufacture of India shall enjoy, upon importation into the dominions and possessions of His Majesty the Emperor of Japan, the lowest customs duties applicable to similar products of any other foreign origin.'

That is the counter part.

Article III runs:

'The privileges and engagements of the Present Convention shall extend to Native States of India, which by treaty with His Britannic Majesty or otherwise may be entitled to be placed, with regard to the stipulations of the Convention, on the same footing as British India.'

'His Britannic Majesty's Government shall communicate from time to time to the Imperial Government of Japan a list of these States.'

Article IV runs:

'The present Convention shall be ratified and the ratifications shall be exchanged at Tokio as soon as possible. It shall come into effect immediately after the exchange of ratifications, and shall remain in force until the expiration of six months from the day on which one of the High Contracting Parties shall have announced the intention of terminating it.'

The HONOURABLE SIR MANECKJI DADABHOY: May I inquire if this clause about ratification appears in every treaty? Is this condition about the expiration after 6 months peculiar to this treaty?

The HONOURABLE MR. H. A. F. LINDSAY: I was just coming to that point. In every treaty, Sir, there is a clause allowing for the termination of the treaty by either of the contracting parties and the period given for denouncement is anything from 3 or 6 to 12 months. I now come to the more difficult constitutional question that my Honourable Friend has raised and which is the basis of the Resolution now before the House. My Honourable Friend, Mr. Khaparde, has introduced an amendment which, in his own words, will soften the terms of the Resolution. Even apart from attempts of other Honourable Members also to soften the terms of the Resolution, I am afraid that, for the reasons I shall give, I cannot possibly accept it. I tried even to soften its terms on my own account, which with the permission of the House I might have been allowed to do, but I am afraid that there are constitutional questions involved which prevent me from accepting it on behalf of Government, and the reason is this. Neither the British Government, so far as I am aware, nor any of the Dominion Governments allow any discussion by the Legislature of the terms of their economic conventions or any other treaties before those conventions are ratified, and I think that procedure will commend itself to this House also. The ratification, the conclusion, of these treaties, like the whole of the preliminary negotiations, are matters for the Executive Government. The Executive Government has full responsibility—the Legislature has no responsibility. The Legislature cannot be called to question by a foreign Government if any of the terms of a treaty are broken. It is purely a matter for the Executive Government.

Another reason why a reference cannot be made to the Legislature is that the negotiations cover very frequently a long period of time, and often have to be conducted by cable. There is no possible chance of being able to come to business-like arrangements with a foreign Power if they can only be made during a Session of the Legislature. And, finally, from the diplomatic point of view, I ask this House, would it be wise, before the ratification of a treaty, to allow a frank and free discussion which must touch on the very delicate relations which must exist between the two Governments concerned? That, I think, would be a principle which no Government could possibly accept. And mark the difference. After ratification, the whole principle of the discussion becomes changed. The criticisms which the Legislature would be free to make on any terms of the treaty would be criticisms not of the foreign Power or of any claims of the foreign Power, but of the action of Government in having concluded that particular treaty.

Now, Sir, I come to my second point. Although the preliminary discussion of these treaties cannot be allowed, it is certainly right that their

[Mr. H. A. F. Lindsay.]

terms should be known to Members of the House. I understand that the practice at Home and possibly of the Dominion Governments also is to include these commercial conventions in what is known as the Treaty Series of Parliamentary papers. As such they are laid automatically on the table of both Houses. That we shall certainly be very ready to do in India, so far as commercial conventions affecting India have been laid in the Treaty Series of Parliamentary papers at Home. As a matter of fact there have been no commercial conventions actually ratified on behalf of India for some years past. I think that in 1915 there was a convention with Switzerland, but I cannot remember any concluded since. The Government certainly agree that these conventions should be accessible at all regard to past treaties, I do not know, as I said before, whether the House realizes what a stack of correspondence there is in the Commerce Department on this subject; and hence the terms of our reply to the Indian Merchants' Chamber and Bureau, which I hope are fully understood now. It would be absolutely impossible to go through all these documents, copy cut duplicates and transmit them even to a body of the standing of the Indian Merchants' Chamber. Honourable Members will recall that a few moments ago I gave the names of three or four countries with which conventions have been concluded. Those are only typical of the numerous conventions which exist in the Department. What we are prepared to do is this: We are prepared to go through these and make a brief summary of any which can be regarded as public property and place that summary on the table. I trust that the Honourable Member will realize that this is the fullest and the farthest extent to which we really can go constitutionally in the matter, and I hope that he will accept that assurance as the best attempt we can make to provide the House with full information on the subject. I have already read out the terms of the Japanese Convention, and there is no need to place that on the table of the House at present, but we shall certainly go through the list and do what we can in the matter.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, the Honourable Mr. Lindsay has put the case for Government so clearly and lucidly—and I may be permitted to congratulate him on doing so—that very little remains for me to say on the question. I rise merely to clear one misapprehension in the mind of my Honourable Friend, Sir Maneckji Dadabhoy. He was under the impression that the Government of India did not have sufficient knowledge of the treaties or conventions that were made by Britain with the foreign Governments on behalf of India, while my friend, the Honourable Mr. Sethna, thought that Government were not prepared to give that information asked for by the Indian Merchants' Chamber and Bureau and make it public. In fairness to the Department concerned, and especially to the Honourable Mr. Lindsay, it is necessary for me to say that before Sir Maneckji Dadabhoy's Resolution was ballotted or booked and before we knew anything about it, the Honourable Mr. Lindsay told me, when we were discussing some questions regarding the relations between his department and the Indian Merchants' Chamber and Bureau, that he was prepared to give all the information that was available to the Chamber. He explained to me, as he did just now that as there were files upon files it will be very difficult to have them copied and sent to the Indian Merchants' Chamber and Bureau merely because they wanted to have them. He asked me to write to the President not to misunderstand his letter, and to add that when he came next to Bombay, he will at a

personal interview between him and the Chamber give a full explanation of the subject—explanation which he has now given to this House. I think it is but fair to the Department, Sir, that I should state this fact. After listening to the constitutional difficulties raised by my Honourable friend, Mr. Lindsay, that in no civilized country does the Government take the Legislature into confidence before treaties and conventions are made,—and I believe that is a correct statement of facts,—I realize that it will be very difficult for Government to accept the Resolution as it stands at present. Of course, it may be said that if you place the conventions and the treaties on the table after these have been executed, there is no advantage of doing so as the criticisms of the House will have no effect thereon and that it would have the same effect as the locking of the stable door after the horse has been stolen. However, every one of us can see that under the present circumstances it will not be possible for Government to accept the Resolution in the form in which it has been moved. I therefore request my Honourable friend, Sir Maneckji Dadabhoy, to withdraw the same. He ought to be satisfied that the discussion has led to an assurance from the Honourable Mr. Lindsay that hereafter all new conventions or commercial treaties that are entered into, either directly between India and foreign countries, or by Britain on behalf of India, will be placed on the table of the House and it will be open to the Members of both Houses of the Legislature to raise a discussion on the subject-matter of that treaty. After that assurance, I hope my Honourable friend will see his way to withdraw it.

The HONOURABLE SAIYID RAZA ALI: Sir, I must confess that after hearing the very able speeches of the Honourable Mover and the Honourable Member in charge on behalf of the Government, I do not know which to admire more, whether the charming, captivating moderation of the Honourable Sir Maneckji Dadabhoy or the skilful way in which, without telling us our real position, the Honourable Mr. Lindsay has sought to take advantage of a constitutional difficulty. Sir, it was quite open to Mr. Lindsay, to his credit it must be said, to tell us that the course recommended in the Resolution was wholly unconstitutional. There was absolutely no question of any constitutional difficulty, but having regard to the Government of India Act passed by Parliament less than two years ago, and having regard to this set of rules, it is not open to this Council to raise a discussion on any matter which touches upon the foreign relations of His Majesty's Government, or of the Governor General or of the Governor General in Council. I say these few words in order that the Honourable Sir Maneckji Dadabhoy and the merchant princes of Bombay should know where they stand. I take it, Sir, that the position is that if we want to discuss the terms of any treaty, political, economic or commercial, that naturally raises the question of the foreign relations of the Governor General or the Governor General in Council with the State concerned. If Honourable Members will refer to Rule 23 they will find that they have absolutely no right to discuss such matters; and an amendment of the rule involves the approval of the Secretary of State. Their cognizance of such matters is entirely barred by that rule. All the same it is some little consolation to me, without trying to discover how the big merchant princes of Bombay are affected, that they are prepared to claim that India should be treated as an autonomous State. It is not a very big consolation, but still it is encouraging and heartening to find that, busy as these merchant princes are, they yet find time in the midst of their business to look into matters in which they also for their part are to a certain extent

[Saiyid Raza Ali.]

interested. For my part I make bold to say, let us consider what the principle underlying the proposition is and, as our path is full of difficulties, let us find a way out of those difficulties. A little sweet language on the part of the Honourable Member or Members, as the case may be, on behalf of Government does not carry us very far. Unless we take up the real problem and try to find a solution of it, I submit that the net result will be a series of infructuous Resolutions by a number of our Honourable Colleagues who are interested in trade and commerce. (A voice: 'And industries.') I may mention 'industries' also, but though my knowledge of the subject is limited it seems to me that more of the Members are concerned with commerce and trade than with industries. Therefore, Sir, I suggest, if Sir Maneckji Dadabhoy will allow me, that having formulated a proposition let him not run away from the logical conclusions of that proposition. If he wants autonomy, then let it be autonomy. If he does not want autonomy then that is his look-out. But at least he should have the courtesy and courage to follow his propositions to a logical conclusion. I do not understand why he should go only so far and no further. For myself if I start I go from one end to the other. Having once advanced two steps across the floor of this Council unless you asked me to stop, Sir, in which case I should certainly go no further, I would go on to the other end. I suggest, Sir, that the only reasonable course for us to take is to combine and make a joint effort to solve this problem. The only solution is to raise India to Dominion status. (A voice: 'Full Dominion status.') My Honourable friend suggests the words 'Full Dominion status'. I for one have absolutely no objection. If we get it I think I will be the first man to congratulate my Honourable friend on our attainment of that position. Sir, I may be allowed to explain by the way, that my Honourable friend, Mr. Sethna, was not quite fair to me when he suggested that I desired to put a little sting into the Resolution. The only thing I can say is that it is fortunate my friend belongs to a business profession. Had he belonged to my profession I am afraid that he would have come to grief in more Courts than one. I never suggested sting, then surely he is entitled to bring that charge against me. But the charge is entirely unfounded.

Sir, I interjected when Mr. Lindsay was speaking whether there had been cases in which the terms of any negotiations by His Majesty's Government had fallen through prior to the ratification of a treaty on the ground that the Government of India had not agreed, and the Honourable Mr. Lindsay said that there had been cases like that. I was anxiously waiting to see whether he would quote a case or two of that character, but I must say that I was extremely disappointed.

The HONOURABLE THE PRESIDENT: I should like to draw the attention of the Honourable Member to Rule 9. That may be the reason for the Honourable Mr. Lindsay not answering the question.

The HONOURABLE SAIYID RAZA ALI: I see, Sir, that you have come to the rescue of my Honourable Friend. (Laughter).

The HONOURABLE THE PRESIDENT: I had no desire to come to the rescue of the Honourable Member. I only desired to draw the attention of the House to Rule No. 9. (Laughter).

The HONOURABLE SAIYID RAZA ALI: I quite see. It is for Honourable Members to see whether the Honourable the President came to his rescue or not.

I will continue my observations. Sir, I say that as long as you have this Act and these rules, whether you are an original member of the League of Nations or whether you want to secure for yourself a place in the moon, which I hope nobody in this Council wants, you can never attain autonomy—fiscal, economic or political. After all it is a question, as has been pointed out, of evolution and ordered progress. If you want evolution and ordered progress, surely you have no right to put the cart before the horse and say:

'first let us have fiscal autonomy, and political autonomy will follow that.'

I think it is an untenable position. I have no quarrel with my Honourable friends. If they can get fiscal autonomy, no one will be more pleased than myself, but I beg them to consider whether they are not wrong in the course they have adopted, viz., in trying to solve this problem piece-meal and in proceeding along those lines which are not at all calculated to secure autonomy for India. The only way to do that is to make a joint and united effort and secure responsible self-government and Dominion status for India as soon as we can.

The HONOURABLE SIR MANECKJI DADABHOY: Sir, before I close the debate, I should like to know definitely the position of Government. I understand that the Government is prepared to give an undertaking that whenever a treaty is passed in England affecting India, that treaty will be placed on the table of the Indian Legislature. This is the first thing. Secondly, I understand that a compendium of all existing treaties will be made and placed in the House. Am I to understand that Government is prepared to give an undertaking on both the points?

The HONOURABLE MR. H. A. F. LINDSAY: Sir, I should like to make the position quite clear. I do not think I have been quite understood. When I talked just now of the case of the treaty between Japan and India, as a direct agreement, I meant a direct agreement between the two Governments, ratified and confirmed through the Home Government. Now, as regards the assurance which I have given to Honourable Members it relates entirely to agreements which are laid on the table of the Houses of Parliament in the Treaties Series, and I can assure the House that all agreements affecting India and which are in that Series will be laid on the table of both Houses here in India. Now, you may ask whether all treaties which are ratified with foreign Governments automatically appear in that Parliamentary Series. I cannot say definitely that they do. I cannot commit myself on that question, but as far as I know they do appear in that Series and I can assure Honourable Members that as soon as they appear in that Series they will be reproduced in India and laid on the table.

The HONOURABLE THE PRESIDENT: The Honourable Member is at this stage only entitled to answer the question put to him by the Member in possession.

The HONOURABLE MR. H. A. F. LINDSAY: I should like to reply in one word to my Honourable friend, Saiyid Raza Ali.

The HONOURABLE THE PRESIDENT: Is the Honourable Member speaking or giving information on the Honourable Sir Maneckji Dadabhoy's question?

The HONOURABLE MR. H. A. F. LINDSAY: I was trying to speak.

The HONOURABLE THE PRESIDENT: Then I must ask the Honourable Member to resume his seat.

The HONOURABLE SIR MANECKJI DADABHOY: I must express my grateful acknowledgment to the Honourable Mr. Lindsay for the frank and lucid statement which he has made to the Council to-day. He has thrown much light on the subject and as far as I am able to see, he has successfully made out three points of great importance. He has pointed out to the Council that in all cases where conventions are entered into with Dominions and Colonies, the statutory period ranging from 3 to 12 months is always given for the ratification and renunciation of any particular treaty made by the Imperial Government to all the parties who are interested in those treaties. (The Honourable Mr. H. A. F. Lindsay: 'for denouncing'). Yes, for denouncing. The second point that he has made clear is that it is not part of the work of the Legislature but it is solely the duty of the executive to enter into these treaties. He has also made it clear that on account of diplomatic considerations it may be fatal in many cases that the terms of the treaty be published before they are ratified. I see there is considerable force in all these arguments. I also appreciate the numerous other difficulties which the Government have to encounter. I for a moment do not charge the Government with any concealment in the matter, and if my speech has been misunderstood, I take this opportunity of clearing it up. I only stated that to my mind it was inconceivable that the Government of India, with its technical departments, with all its well-paid Secretariats and its store of information, should not be in a position to lay its hand at any time on the most important treaties which bind this country. I myself, in my speech, have indicated the difficulties in the matter. I realized the constitutional difficulty, and, as I pointed out, my only object in moving this Resolution was to obtain for the Indian Legislature the right to pronounce on these treaties and express its opinion, and the undertaking and assurance which my friend, the Honourable Mr. Lindsay, has now given will fully serve that object. In future every treaty affecting India which is passed will be laid on the table of this House and if the terms are objectionable or prejudicial to the interests of this country, it would be open to any Member of either House to move a Resolution condemning that treaty. My object is gained. I say . . .

The HONOURABLE MR. V. G. KALE: Did you want it before or after? In your Resolution you wanted it before.

The HONOURABLE SIR MANECKJI DADABHOY: It was so; I had to put it in that way. The object would anyway be gained, because within the statutory period within which a treaty can be denounced, it would be open to any Member to move a Resolution and the decision of the Indian Legislature will be communicated to the Secretary of State for India if the Indian Legislature unanimously decides that the treaty should not be ratified, I am sure its considered opinion will be given effect to by the Home Government. In view, therefore, of the assurance I do not see the advisability of pressing my Resolution, and I ask your leave, Sir, to withdraw my Resolution.

The HONOURABLE THE PRESIDENT: The leave of the Council.

The HONOURABLE MR. H. A. F. LINDSAY: I must apologise for having interrupted the Honourable Member. I thought he had finished, and I am

all the more covered with confusion to find that his concluding remarks were distinctly complimentary. I have only two points to raise further, Sir. I am not sure that I made it quite clear that the treaty with France is the only one known to us which might in any way act as a limitation to fiscal autonomy. That is to say, that so long as the treaty remains in force India is not in a position to tax these particular products from France any higher than the terms of the treaty allow. And inasmuch as all the other commercial conventions are most-favoured-nation conventions it follows that equal treatment must be given to the same products from whatever countries they come. The general purport of these conventions is for India to give most-favoured-nation treatment and that I think will be accepted by the House as the most reasonable policy to adopt in our foreign trade relations. One word, Sir, with regard to what the Honourable Saiyid Raza Ali has said. He asked me, I think, to state the terms of any negotiations which had fallen through prior to the ratification of a commercial convention . . .

The HONOURABLE SAIYID RAZA ALI: On the ground that the Government of India did not agree.

The HONOURABLE MR. H. A. F. LINDSAY: I am afraid he has asked for what I may call super-Dominions treatment. It will be clear from my previous remarks that no Legislature discusses the terms of these conventions before they are ratified, and particularly not if they are not going to be ratified.

The HONOURABLE THE PRESIDENT: Does the Honourable Member (Mr. Khaparde) desire me to put his amendment to the House?

The HONOURABLE MR. G. S. KHAPARDE: In view of the decision of Sir Maneckji Dadabhoi to withdraw his Resolution, I withdraw my amendment.

The amendment was, by leave of the Council, withdrawn.

The HONOURABLE SIR MANECKJI DADABHOY: I beg leave to withdraw my Resolution.

The Resolution was, by leave of the Council, withdrawn.

RESOLUTION RE REORGANIZATION OF THE RAILWAY DEPARTMENT.

The HONOURABLE MR. SETHNA: I beg to withdraw my Resolution which runs as follows:—

'This Council recommends to the Governor General in Council to take early steps to re-organise the Railway Department and consider the recommendations of the Acworth Committee relating thereto.'

PROGRESS OF FINANCE BILL.

The HONOURABLE THE PRESIDENT: In these circumstances, I am left in this position, that I do not know what the progress of the Bill is in the

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[The Honourable the President.]

other House and we have finished to-day's list. I must, therefore, ask Honourable Members to attend here to-morrow at 11 A.M., because, unless the Bill is laid to-morrow, it cannot be taken on either Friday or Saturday. The Council, therefore, will meet at 11 o'clock to-morrow when I trust that Honourable Members will make a quorum.

The Council then adjourned till Thursday, the 23rd March, 1922, at Eleven of the Clock.

COUNCIL OF STATE.

Thursday, the 23rd March, 1922.

The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

QUESTIONS AND ANSWERS.

NORTH-WESTERN RAILWAY STRIKE.

* 131. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (a) Is it a fact that the services of those employees of the North-Western Railway who took part in the recent strikes and who have been re-employed have begun *de novo*?

(b) Is it a fact that the gratuities of these employees which they earned before the strike have been confiscated?

(c) Will the Government kindly state what is the total amount of the gratuities so confiscated (i) in Loco. and Carriage shops, and (ii) in other clerical establishments?

(d) Are the Government considering whether or not it would be desirable to restore the gratuities legally confiscated?

The HONOURABLE MR. H. A. F. LINDSAY: (a), (b), (c) and (d). These gratuities are intended as a reward for good, faithful, efficient and continuous service for not less than 15 years. They are paid only on retirement. Participation in a strike under the existing rules constitutes a breach in service. Men therefore who go out on strike *ipso facto* lose the amount of gratuity previously earned. The question of the revision of the rules is under consideration. I am unable to say what was the effect of the last strike on the North-Western Railway in cancelling gratuities previously earned.

TRAFFIC INSPECTORS, STATE RAILWAYS.

* 132. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state what number of posts of Traffic Inspectors in the Transportation Section on each of the North-Western, Eastern Bengal, and Oudh and Rohilkhand Railways, are held by Europeans, Anglo-Indians and Indians, respectively?

The HONOURABLE MR. H. A. F. LINDSAY: The number of posts of Traffic Inspectors in the Transportation Section of the three State Railways held by Europeans, Anglo-Indians and Indians, are:—

	Europeans.	Anglo-Indians.	Indians.
North-Western Railway	28	11	3
Eastern Bengal Railway	11	5	3
Oudh and Rohilkhand Railway	4	6	12

* The Honourable Member was absent.

RATES FOR SEABORNE FREIGHT.

193. The HONOURABLE MR. LALUBHAI SAMALDAS: Will Government be pleased to state the rates of freights paid during each of the last five years for importing by sea railway materials and Government stores giving the names of the shipping companies with whom contracts were made for that purpose?

The HONOURABLE MR. H. A. F. LINDSAY: Rates for seaborne freight are variable not only week by week, but also according to the nature of the material to be carried. It would take considerable time and trouble to collect the information asked for which is not in the possession of the Government of India, and they are not prepared to put the High Commissioner to this trouble.

KHYBER RAILWAY.

* 134. The HONOURABLE RAO BAHADUR ANNAMALAI CHETTIYAR: With regard to the Khyber Railway will the Government be pleased to state:

- (a) When was the construction of the Railway commenced?
- (b) What was the original estimate?
- (c) What is the revised estimate?
- (d) Who is the present Chief Engineer?
- (e) Does he continue to be in charge of the construction work from the commencement?
- (f) Is it a fact that he was sent to England for the purchase of plant, etc., and stayed there for about eight months?
- (g) Is it a fact that he has purchased plant, etc., to the extent of 18 lakhs of rupees?
- (h) Is it a fact that of the materials so purchased some were discarded as unfit for use?
- (i) Has he any previous experience of work of this kind?
- (j) If so, what is his experience and when gathered?
- (k) Is it a fact that six European officers were appointed to act under him and that each one of them found it necessary to leave after some time?
- (l) Is it a fact (1) that he has taken a building or a garden in Peshawar on lease for a period of three years, (2) that he has spent nearly Rs. 70,000 in erecting a building thereon, (3) that he is using the building as an office, and (4) that he is residing in the same premises?
- (m) Is it a fact that he has entered into an agreement with the owner of the said premises to pull down the new structure after the completion of the contract and restore the same as it stood at the time the agreement was drawn up?
- (n) Is it a fact that buildings fit for office purposes can be had in Peshawar for a rent of Rs. 100 per mensem?
- (o) Is it a fact that two motor lorries are or were engaged for conveying mails from Peshawar to his office at Landikottal?

* The Honourable Member was absent.

- (p) If so, what is the cost of the two lorries?
- (q) What are the monthly expenses for the upkeep of the lorries?
- (r) Is it necessary that he should have motor lorries for the conveyance of his mails?
- (s) Is it a fact that there is a regular postal mail service between Peshawar and Landikottal?
- (t) Is it a fact that coolies can be had in large numbers and for smaller wages in Peshawar in winter than in summer?
- (u) Is it a fact that the Chief Engineer commenced work in summer and paid double wages?
- (v) Is there a European contractor in connection with the construction of the Railway line?
- (w) Is it a fact that the contractor is to be paid a commission of 25 per cent. on the actual amount spent by him over his work?
- (x) Is it a fact that a son of the contractor is employed on the line on a salary of Rs. 1,200 per mensem?
- (y) If so, does he get the commission of 25 per cent. even on the salary of his son?
- (z) Will the Government be pleased to lay on the table a copy of the agreement entered into between the contractor and the Chief Engineer?
- (aa) Will the Government be pleased to state the progress of the construction so far and the amount spent so far?
- (bb) Has any member of the Railway Board made an inspection of the work at any time?
- (cc) If so, how often and when?

The HONOURABLE MR. H. A. F. LINDSAY: The information is being collected and will be furnished to the Honourable Member as soon as possible.

The HONOURABLE SAIYID RAZA ALI: Having regard to the nature of the allegations contained in question No. 134, will you please allow the Honourable Member in charge on behalf of Government to reply to this question, Sir?

The HONOURABLE THE PRESIDENT: As the rule stands it is at the discretion of the Honourable Member to reply or not.

The HONOURABLE MR. H. A. F. LINDSAY: Unfortunately I have not got the information.

The HONOURABLE THE PRESIDENT: That is the reply?

The HONOURABLE MR. H. A. F. LINDSAY: That is the reply, Sir.

INDIAN FINANCE BILL.

The SECRETARY OF THE COUNCIL: Sir, in accordance with Rule 25 of the Indian Legislative Rules, I lay on the table a Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, further to amend the Indian Tariff Act, 1894, and the Indian Post Office Act, 1898, to amend the Indian Paper Currency (Amendment) Act, 1920, to impose an excise duty on kerosene, to fix rates of

[The Secretary of the Council.]

income-tax and to abolish the freight tax, which was passed by the Legislative Assembly at its meeting on the 22nd March 1922.

The HONOURABLE MR. E. M. COOK: Sir, I am handing in the following notice to the Secretary which, with your permission, I should like to read out.

'I beg to give notice that, subject to the permission of the Honourable the President, I intend to move at the next meeting of the Council that the Finance Bill, 1922, as amended by the Legislative Assembly, be taken into consideration.'

There was some discussion, Sir, yesterday morning about the date on which this Bill would be taken up, and you were pleased to take the feeling of the House on the subject. I think the general feeling was that, provided the Bill was in the hands of Honourable Members last night, there would probably be no objection on the part of the House, and assuming that if you also had no objection, it should be put on the list of business for Friday (to-morrow). I beg to suggest that that be done. I believe the Bill was in the hands of Honourable Members last night.

The HONOURABLE THE PRESIDENT: I take it that course commends itself to the Council generally.

HONOURABLE MEMBERS: Yes, Sir.

The HONOURABLE THE PRESIDENT: That being so, I certainly have no objection, and the Bill will be taken to-morrow. Of course, the rule as to amendments must be relaxed at the same time.

The HONOURABLE MR. E. M. COOK: If Honourable Members can find it possible to give me private warning of any amendments, I shall be obliged.

The HONOURABLE MR. LALUBHAI SAMALDAS: That we will do.

The HONOURABLE THE PRESIDENT: That will be convenient. The rule must be definitely relaxed. The Council stands adjourned till to-morrow at 11 o'clock.

The Council adjourned till Friday, the 24th March, 1922, at Eleven of the Clock.

COUNCIL OF STATE.

Friday, the 24th March, 1922.

The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

MEMBER SWORN.

The Honourable Mr. E. Burdon, C.I.E., I.C.S.

QUESTIONS AND ANSWERS.

REGISTERED STEAMERS IN INDIA.

135. The HONOURABLE MR. LALUBHAI SAMALDAS: Will Government be pleased to state: (a) The number of steamers registered in India with their names and their total gross tonnage?

(b) The number of steamers owned by them and registered in this country?

The HONOURABLE MR. H. A. F. LINDSAY: The information is being collected and will be supplied to the Honourable Member on receipt.

The replies to the remaining questions by the Honourable Mr. Lalubhai Samaldas are rather elaborate and contain rather complicated statistics. If the Honourable Member will agree, I will lay them on the table.

The HONOURABLE MR. LALUBHAI SAMALDAS: I have no objection.

REGISTERED SHIPPING COMPANIES IN INDIA FROM 1860 UP TO DATE.

136. The HONOURABLE MR. LALUBHAI SAMALDAS: Will Government be pleased to state the number of shipping companies registered in this country from 1860 onwards up-to-date, and the names of the shipping companies that were wound up or carried into liquidation during that period?

The HONOURABLE MR. H. A. F. LINDSAY: I am afraid it would be an impossible task to collect the statistics required by the Honourable Member from 1860. The names of shipping companies that have been wound up or that have gone into liquidation could only be collected from the Annual Provincial Reports on the working of the Indian Companies Act in each province as there is no All-India return. I think, however, that the Honourable Member will find the essential information he requires in the publication of the Department of Statistics 'Joint Stock Companies in British India and Mysore' the last issue of which, for 1918-19, is in the library. Table 4 of that return gives the number and paid-up capital in rupees of each class of company at the end of each year from 1894-95.

INDIAN, ENGLISH AND FOREIGN COAL.

137. The HONOURABLE MR. LALUBHAI SAMALDAS: Will Government be pleased to state the total quantity of Indian, English and Foreign coal bought in each of the last 5 years for:

- (a) the Indian Railways, and
- (b) the Royal Indian Marine?

The HONOURABLE MR. H. A. F. LINDSAY: The quantity of Indian and Foreign coal (including English) bought by railways during each of the past five years is not available. The Honourable Member is, however, referred to Appendices 13 and 14 of the Administration Report for the year 1920-21 on the Railways in India, in which will be found the quantity of Indian and foreign coal consumed by railways during each of the years referred to.

2. As regards the Royal Indian Marine the figures are not available, but an endeavour is being made to have the information collected. The result will be communicated to the Honourable Member in due course.

INDIAN COAL CARRIED BY SEA.

138. The HONOURABLE MR. LALUBHAI SAMALDAS: Will Government be pleased to give separate figures for the total quantity of Indian coal carried by sea for the Indian Railways and the Royal Indian Marine in each of the last five years?

The HONOURABLE MR. H. A. F. LINDSAY: The following are the figures given separately of the total quantity of Indian coal carried by sea for the Indian Railways and the Royal Indian Marine during each of the past five years.

	Indian Railways..	Royal Indian Marine.	Total.
	Tons.	Tons.	Tons.
1916-17	133,835	436,574	570,409
1917-18	Nil.	245,129	245,129
1918-19	117,774	414,447	532,221
1919-20	179,526	213,947	393,473
1920-21	344,526	198,787	543,313

COAL FOR INDIAN RAILWAYS AND ROYAL INDIAN MARINE.

139. The HONOURABLE MR. LALUBHAI SAMALDAS: Will Government be pleased to give information regarding the following:

- Who settles the rate of freight for the carriage by sea of Indian coal for the Indian Railways and the Royal Indian Marine?
- What were the rates of such freights for the different ports during the last 5 years, and with which company or companies was the business fixed?
- Were public tenders invited before fixing the rates of freights referred to in (a) and (b)?
- Is it a fact that the contract for carrying by sea Indian coal required for the Burma Railways from Calcutta to Rangoon is fixed with the British India Steam Navigation Company, Limited, for a period of 5 years at a time?
- If the answer to (d) is in the affirmative, will a statement giving particulars of the rates of freight settled for each year be laid on the table and was it done so after inviting public tenders?

The HONOURABLE MR. H. A. F. LINDSAY: (a) In the case of State Railways such freight rates require the final approval of the Railway Board,

and in the case of Company lines of their Home Boards; in the case of the Royal Indian Marine, the freight charges are settled by the Director, Royal Indian Marine. Sea freight however is usually included in the contract price of the coal.

(b) No State Railways have taken any Indian seaborne coal within the last five years. The information asked for cannot be given in the case of Companies' Railways. With regard to the Royal Indian Marine the information is being collected and will be supplied to the Honourable Member when received.

(c) Public tenders were invited for seaborne coal in 1916-17, but the rate included the cost of the coal. From 1917 to December 1919 owing to scarcity of tonnage no freight contracts were made for any railway, but steamers were arranged as necessity arose by the Shipping Controller, since then contracts have been arranged by private treaty. As regards the Royal Indian Marine, information will be supplied to the Honourable Member later.

(d) The Burma Railway Company have a contract with the British India Steam Navigation Company for carrying coal for a period of ten years.

(e) Government do not consider that they are empowered to disclose details of such contract.

RAILWAY MATERIALS AND GOVERNMENT STORES.

140. The HONOURABLE MR. LALUBHAI SAMALDAS: Will Government be pleased to state the total quantity of the tonnage of the railway materials and Government stores imported by sea in India during each of the last 5 years?

The HONOURABLE MR. H. A. F. LINDSAY: The information so far as it is available is contained in the 'Annual Statement of the Seaborne Trade of British India with the British Empire and Foreign Countries' for the year 1919-20 and in the 'Accounts relating to the Seaborne Trade and Navigation of British India' for March 1921 issued by the Department of Statistics to which I would invite the attention of the Honourable Member.

IMPORT OF JAVA SPIRIT.

141. The HONOURABLE MR. PHIROZE SETHNA: Will Government be pleased to state:

- if any proposal has been made for allowing the Government of Bombay to import molasses and liquor from Java without paying any duty thereon as also any railway surtax, and the intention of the Government of India regarding such proposal?
- the amount of probable loss per annum to the Imperial revenues should above concessions be made (1) in regard to import duties, and (2) in regard to railway surtax?

The HONOURABLE MR. H. A. F. LINDSAY: (a) The Government of Bombay have recently asked whether the Government of India are prepared to allow them to import Java spirit free of import duty. The question is at present under consideration, and I am unable to inform the Honourable Member of the Government of India's intentions in the matter. No such request has been received with regard to molasses, nor for exemption from railway surtax.

(b) In the circumstances, it is impossible to estimate the probable loss to Central revenues.

The HONOURABLE MR. SETHNA: May I ask, Sir, whether the Government of India are thinking of necessary legislation on the point on which they have not yet decided?

The HONOURABLE MR. H. A. F. LINDSAY: I think it is a purely executive matter.

STATEMENT LAID ON TABLE.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, I beg to lay on the table the information promised by the Honourable Sir John Wood in reply to part (c) of the Honourable Mr. Phiroze Sethna's question in the Council of State on the 20th March 1922 regarding the cost of maintaining refugees from Central Europe.

In reply to item (c) of the question by the Honourable Mr. Phiroze Sethna at the meeting of the Council of State on the 20th March 1922, the Honourable Sir John Wood stated that the information had been called for from the Local Government concerned and would be laid on the table on receipt. The following information has now been received:—

The monthly cost of maintaining the eight Lithuanian refugees is Rs. 598-8-0.

INDIAN FINANCE BILL.

The HONOURABLE MR. E. M. COOK: Sir, I beg to move that the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, further to amend the Indian Tariff Act, 1894, and the Indian Post Office Act, 1898, to amend the Indian Paper Currency (Amendment) Act, 1920, to impose an excise duty on kerosene, to fix rates of income-tax and to abolish the freight tax, as passed by the Legislative Assembly, be taken into consideration.

The object of this Bill, Sir, is to place the Governor General in Council in funds to meet the cost of the administration during the coming year, and its necessity arises from the deficit in the State's resources, as shown in the estimates of revenue and expenditure which were submitted to the Legislature on March the 1st. I think all Honourable Members know that the Bill, as it has come up to us, has arrived in a somewhat truncated form, and that there are some substantial omissions in it, as compared with the form in which it was introduced in the other House. When the Bill was circulated to Honourable Members two days ago, there was circulated with it a printed memorandum which showed the effect of those reductions upon the taxation as originally proposed, and it may be convenient if I now summarise very briefly the position of Government as it now stands with reference to the resources available for next year. Now, the extra taxation proposed by Government on March the 1st left, as Honourable Members will remember, an uncovered deficit next year of 271 lakhs, apart from any additional, though, at present, indeterminate expenditure that may have to be incurred in respect of Waziristan. Honourable Members will have seen from that printed memorandum that the Assembly has reduced that taxation by a total amount of 956 lakhs,

although, as against this, there will be an improvement in our revenue position for next year by an amount of about 302 lakhs owing to the suspension of the operation of section 13 (3) of the Paper Currency Act, which, Honourable Members will see, is provided for in clause 6 of the Bill now before us. On the other hand, the result of the omissions made in the other House will be that we shall have to make refunds in respect of taxes which have already been collected since the 1st of March, and probably those refunds, which will, I expect, be paid next month, will amount to about 85 lakhs. Finally, on the expenditure side, during the voting of supply, the Assembly made reductions in the estimates of expenditure amounting to about 94 or 95 lakhs. I cannot say if there will be actual savings of that amount. It may be that, under one or two heads, it may be necessary for Government to apply for a supplementary grant from the Assembly later in the year, but, for present purposes, let us assume that those reductions will be made. The net result of all these variations is that there remains an uncovered deficit of 916 lakhs, apart from any additional liability on account of Waziristan, to which I have already alluded.

I must say at once, Sir, and indeed it must be apparent to all Honourable Members, that the position so created is a serious one, and one which justifies the entertainment of considerable apprehension regarding our financial administration next year. That perhaps may seem a serious statement to make, but I make it deliberately. I need not go over the ground which the Honourable the Finance Member covered in his Budget speech, regarding the way in which we have been financing a series of deficits and the grave results which must inevitably ensue if that process is continued much longer. I will only say, Sir, that neither here nor in any other place have I heard that statement of the position seriously disputed. On the contrary, such comments as have come to my hearing or notice have emphasised the danger of continuing to tread that path.

Now, it may be said that an uncovered deficit of 916 lakhs is a very different thing from an uncovered deficit of about 32 crores, which was the amount shown by the estimates of revenue and expenditure, apart from the extra taxation proposed. I admit that. At the same time I venture to think that that difference is one only of degree. The financing of a deficit of 32 crores has of course only got to be mentioned to be dismissed at once as an impracticable proposition. I do not go so far as to say that the financing of a deficit of 916 lakhs is impracticable, but I do venture to submit that it will impose a strain, possibly a severe strain, upon the resources of our financial administration. I fear that it may hamper our general Ways and Means arrangements; it may possibly affect the borrowing policy which we might otherwise be able to pursue, and I rather think that we shall be fortunate if it does not force us into undesirable expedients.

It may be that there are some Honourable Members here who do not agree with that statement of the position, and who may consider that I have rather exaggerated its seriousness. They may be inclined to dismiss this matter with a wave of the hand and say:

'Oh! well, you can find the money somehow; you can borrow it.'

I have no doubt, Sir, that we shall find the money somehow, and that, somehow or other, we shall borrow it, either from the public or from the Currency Reserve; but that does not alter by one iota the fact that the country is outrunning its income, not once in a way, but continuously,

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and I fear, on this particular occasion, with its eyes open. I think the position is essentially in no way different from that of a private individual who, so long as he can get the credit, endeavours to meet his current expenditure by an overdraft on the bank. There may be other Honourable Members who seek to minimise the difficulty by saying that the remedy lies in the hands of Government and that, by sweeping reductions and retrenchments in expenditure, most if not all of this uncovered deficit can be made to disappear. Those who hold that view may indeed go so far as rather to welcome this large uncovered deficit, as representing something which the country can hold *in terrorem* over Government in order to force a policy of retrenchment. Such people have before them the possibly not unattractive spectacle of an unwilling bureaucracy being forced to choose between insolvency and sweeping retrenchments, and having to bow to the popular will and make retrenchments.

Mr. President, I am afraid that I do not share the equanimity of those people who hold that view, and who console themselves by the spectacle of compulsory retrenchment, for any uneasiness that I rather suspect they may feel in their heart of hearts regarding our financial future. I admit, as I have already admitted very fully on one occasion in this Council this Session, that the financial position of the country is such as necessitates the undertaking of the most strenuous efforts in order to leave no stone unturned whereby a policy of economy, ruthless economy, and retrenchment can be translated into action. But what is the position? Does any one here seriously think that during the next twelve months it will be a practicable proposition to effect economies in the administration, in addition to the reductions already made by the Assembly, sufficient to produce something between Rs. 9 and 10 crores? If there be any such people I say they are harbouring a delusion. The Council will no doubt have read what the Honourable the Finance Member said recently elsewhere regarding the appointment of a Retrenchment Committee, a Committee with, we hope, a sufficiently strong personnel, of outstanding authority and weight, to be entrusted with the task of suggesting retrenchment in practically the whole field of our entire expenditure. If such a committee can be constituted, then I am quite sure, Sir, they will start their work with the united wishes of the Legislature and of the Government for their success. But I cannot imagine that, even if we had the most deadly axe ever forged and wielded by a Hercules, it would be possible to produce 9 or 10 crores sufficiently soon to have any substantial effect on our finances during the coming twelve months. I think, Sir, that the utmost that we can reasonably hope for is, that that Committee would be able to suggest to Government, apart of course from mere economies, such changes in methods or even in policy as may ultimately result in a definite lowering of our present general scale of expenditure in various directions. If so, and if those changes come into operation, then we may hope that their result will be apparent in a steadily decreasing scale of expenditure. But I venture to submit to this Council, as a body of practical men, whether you can by a mere stroke of the pen dismiss establishments, or whether you can by a mere stroke of the pen dismiss establishments, or absorb them in other establishments, or make immediate and sudden changes of policy or methods such as will bridge this gap either in the coming year or even in the next. If I am right in thinking that, then I submit that, taking even an optimistic view of the possibilities of retrenchment, it will be unsafe and dangerous to rely to any material extent on this method for enabling us to get through our financial difficulties during the coming year.

I have spoken, Mr. President, at some little length on this subject, because I think it is my duty to place before the Council the view that the financial advisers of the Government take as regards the position created by the action of the other House. At the same time, as the House is aware, no notice has been sent in on behalf of Government, nor has any formal recommendation been made to this Council, to replace some or all of the items of taxation which have been cut out by the other House. It may, of course, be said that, in view of the position which has been created, there are ready to hand certain other powers, certain other means of removing those difficulties. That is not a financial matter, and hardly falls within my province; but it is obvious to every one that the use of those methods would carry with it certain implications which, I believe, it is the anxiety, not only of Government but of all moderate sections of opinion in the country, to avoid if at all possible. But if those reductions had been carried any further, then I think it would have been a matter for consideration whether the price of avoiding those implications might not be too great. I cannot, therefore, Mr. President, pretend that in its present form the Bill is a satisfactory one. It does not give us, indeed it scarcely pretends to give us, what we shall, retrenchment or no retrenchment, undoubtedly need; and, speaking for myself, it is a little difficult to see how it can be regarded, unless our revenues happily show some unexpected improvement, or unless some other changes for the better occur in our financial outlook and position, as anything more than a temporary arrangement. I beg to move that the Bill be taken into consideration.

The HONOURABLE SIR MANECKJI DADABHOY: Sir, in discussing the consideration of the Indian Finance Bill, 1922, I do not propose to detain the Council at any greater length than what is absolutely necessary. Just about the end of the speech of the Honourable Mr. Cook, one significant, one pregnant statement fell from his lips. He said that the Bill was not a satisfactory one. I endorse on behalf of the Council that statement. The Bill is not satisfactory. It is not a perfect Bill by any means. In the history of the Indian Legislature at no time previously has a Bill involving such heavy taxation ever been laid before this Council for its acceptance, a Bill in which the taxation falls so heavily on the poorer classes has never before been placed before this Council; and it is therefore obvious that when I speak on this Bill I speak with a feeling of trepidation and disappointment. Sir, when this Bill was presented to this Council on the 8th March last, I stated, and I stated as the considered opinion of many of my Honourable colleagues, that the Bill as then presented was not acceptable to this Council. I then forcibly brought to the notice of Government that, unless the Bill was considerably recast, unless the Bill was re-formulated on principles of justice and fair play, unless it was distinctly modified so as to respect the public opinion outside this Council, this Council will not give its support to it. I am glad, Sir, the Bill now before this Council has come with certain improvements. The Bill has been shorn of some of its most objectionable features. I would say that the Bill has been purged of many of its features which could not for a moment be tolerated, and though the Bill, as it comes before us, is still full of many defects, though the taxation proposals contained therein will fall very heavily on the poorer classes, I say that it comes up before us in a form that leaves us no alternative but to give it our unwilling support. Sir, this Government could not expect this Council, when it imposes about 24 crores of new taxation, to give a welcome reception to a Finance Bill of this character. You cannot expect this Council to treat a

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measure of this sort with any equanimity of temper or to extend to it a willing, ready acquiescence and co-operation. But all the same, we realise that in this matter Government had a difficult task to perform, and that they have honestly endeavoured to meet the people of this country half way in matters relating to many of the new taxes against which there was popular opposition.

Sir, I was extremely pleased to hear from the Honourable Mr. Cook that the Government did not intend to place any amendments before this House for the restoration of those items of taxation which have been rejected by the sister House. I was also gratified to hear from him that, though he thought it was a somewhat difficult task, a sincere and an earnest attempt would be made by Government in the matter of retrenchment and economy. I cannot endorse his view that within the next twelve months the task of effecting retrenchment to the extent of 9 crores is an impossible one. I cannot share the apprehensions stated by him. I am confident that if the Government approaches the task with all seriousness and with an earnestness of purpose, considerable retrenchment can be made. He has asked us not to remain under such a delusion. I say that twelve months ago when a budget showing 19 crores of deficit was presented by Government, it was their duty then to make immediate steps to adopt a policy of retrenchment and economy. It was then obligatory on the part of Government to have appointed a Retrenchment Committee which it now seeks to appoint. Whose fault was it that the appointment of the Committee was delayed? Not the fault of the people. Why did not Government when a deficit of 19 crores faced them, take immediate steps to retrench expenditure? I am under no delusion in this matter, and I feel certain that if a right and proper class of people are taken on this committee and if their co-operation is solicited, and if the Government approaches the whole question with all seriousness, a substantial retrenchment and economy will be effected, and I appeal to His Excellency the Commander-in-Chief, with all the emphasis at my command, to give his very earnest and serious consideration to this matter. I bow to his well considered decisions in military matters, but with great respect to him, I must again point out that the country is neither in a mood nor in a position to tolerate such excessive military expenditure and the heavy expenditure can be substantially reduced by adopting a policy of cautious move at the Frontier and a systematic policy of retrenchment which may be helpful to the country.

Sir, I shall only briefly allude to some of the important alterations that have been made in the Bill. So far as the Salt tax is concerned, I quite agree that the incidence of the proposed enhanced taxation might not be felt heavily by the people if the Government proposals had been adopted. At the same time, my Honourable Friend, the Finance Minister, knows that no argument can prevail against the sentiments of the people. The sentiment of the people has to be respected; the sentiment of the people has to be religiously tolerated. It is only by respecting popular sentiment that government can be successfully carried on. You cannot ignore public opinion or public sentiment, and I therefore consider that the Government of India has adopted a right and proper policy in this matter in conceding to popular objections.

Sir, I do not wish to speak at any length on the much disputed question of Excise duty. I am glad the Government has seen its way to drop the proposal about the enhanced excise duty. I am also glad to find that my

Honourable Colleagues in the other House have acted wisely at this particular juncture in not pressing for an increase in the import duties on foreign piece-goods. I do not wish to speak to-day on this matter and commit myself in any way. My position as a Member of the Fiscal Commission makes it imperative on me that I should observe silence in this connection. All what I shall say is that the House has acted very discreetly and judiciously in restoring those items and in neither enhancing the Excise duty or increasing the import duty on foreign goods, and I also trust that nothing will be said or done in this House which will have the effect of modifying the policy adopted in the lower House. I have not the slightest doubt that the Fiscal Commission will approach this question from all its aspects in a sound and judicious manner and will come to a decision which will not only command respect and be of interest to this country, but which will be just to Great Britain whose partnership in the trade of the Empire we readily acknowledge.

Sir, as regards Machinery, the step taken is a sagacious one, and I congratulate the Finance Member on the readiness and cheerfulness with which he has accepted our demands in this connection. This is not the time, when India is hankering to increase her industries and develop her internal resources, that any increased duty on machinery be imposed. The Finance Member has not only done a service to India in this connection, but I go further and say that in this respect he has done a great deal of service to Great Britain. The result of this increased duty of 10 per cent. would have been the cancellation of many orders previously placed and it would have also increased unemployment in Great Britain and stopped many of the factories there which are now struggling for existence.

Sir, I know that many of the other taxes which have now been augmented are more or less of an oppressive character and which will fall on the poor with much severity. But in view of the attitude of compromise adopted by the Government of India and the manner in which they have met us half way in this important matter, I do not think it necessary to make any proposals for further amendment of those taxes. There is one matter, however, in connection with which I should like to say a few words. My Honourable friend, the Finance Member, has increased the Super-tax to a limit of 6 annas in the rupee. Sir, I do not protest against it under the present adverse circumstances. The wealthy people, the affluent merchants, are quite prepared and ready to bear their share of the State burden, but let me remind my Honourable friend, let me warn my Honourable friend, that the policy which the Government of India is now adopting will ultimately prove disastrous to the interests of the country. Sir, during the war when our finances were in such an unsatisfactory condition, during the war when we were practically bankrupt, the Finance Member of the time would not dare, or I would rather say did not dare, to enhance the taxation to this limit. What has now happened? You may impose a Super-tax of six annas in the rupee, but it is no more than an excess profits tax. Remember what is now going on in England. They have found it in England—the best of Statesmen have now come to the conclusion—that the policy adopted by them in imposing an increased super-tax and excess profits tax has proved disastrous to the interests of Great Britain. They are rueing the day when they imposed this enhanced taxation. The aristocracy have been ruined. They have sold their properties. They have sold their hereditary lands and houses. They have been reduced to bankruptcy. All new industries have been stopped and the old industries are in a state of financial crisis. I say

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that in India you will always have to depend for future resources on the wealth of the capitalists. Do not, therefore, whenever you require money, carry your programme of taxation to an unlimited and preposterous extent. Do not repeat in India or do not at least give the chance of repeating in India the phenomenon which has proved so terrible in Great Britain and in other countries. Sir, I should not be misunderstood. I for one moment do not say that the rich and the affluent should not bear their fair share of the burden. I say they should bear their legitimate share of the taxes. My Honourable friend has raised the Super-tax not to meet a war emergency, but in times of peace to meet the enhanced demands of Government for administrative purposes, a proposition which would not be justified or tolerated in any other country in the world.

Sir, I shall not detain the Council any further. I shall say that to this Bill, as it stands, we will give our unwilling, and our compulsory support. We are not frightened of our civic duties. We cannot be intimidated into acquiescence by what is said elsewhere. I know and I am glad to find that my Colleagues in the other House and my Colleagues here will stand by Government and do their duty. We have been told, Sir, that we Indian legislators have been a little bit contumacious in connection with this Bill. We have been told that we have adopted the expedient of wholesale refusal to vote supplies for immediate purposes of Government. We have been told, Sir, that we have brought the administration to a standstill. We have been told that we do not realise that we have probably made it necessary for Great Britain to reconsider the whole working of the Constitutional Reforms in India. We have been told further that Indians seem to be casting new Reforms into the melting pot, and we must not be surprised if our present attitude leads very soon to an examination of the whole problem from a new angle. Such, Sir, is the theme of a leading article in the 'London Times', as reported to-day in a Reuter's telegram, of the action of my Honourable Colleagues in the Legislative Assembly. Sir, I shall not allow the matter to rest at this stage. I think as a citizen of this country I am bound before I sit down to register my emphatic protest against this gratuitous intimidation. Nothing that is said in this matter elsewhere will ever stop us from vindicating our just rights and pleading our just cause in the Council of State and in the Legislative Assembly. Nothing will thwart us from our determination to serve our country and lead the Government in the right path of duty. Sir, the meaning of this criticism is clear. It is nothing more than, and my Honourable Friend, the Finance Member, will see that it is nothing more than, an indirect and sinister attempt to bring pressure on the Government of India to exercise its right of veto in respect of taxation which the Legislative Assembly has thrown out. I appeal to my Honourable Friend, the Finance Member, that he will rise to the occasion to-day and from his place in this Council repudiate the charge, which has been brought against our Colleagues, of having brought the administration of the Government to a standstill, and having adopted the expedient of wholesale refusal to vote supplies. I have heard the speeches of my Honourable Friend, the Finance Member, in the other House. They were earnest and sympathetic. He appreciated our difficulties and our awkward position, and I do hope that from his place to-day he will do justice to his Indian Colleagues who have helped him and the Government in coming to a right and proper solution of this difficult Budget. I say, Sir, we have helped the Government to come to a settlement as far as we could honestly go. We have honestly discharged our duties and brought forward

reasons and arguments to contend against Government proposals and we made it clear and voted for certain taxes that were necessary for administrative purposes. I say that an attitude of perfect friendship and co-operation and of determination to help the Government legitimately, could hardly have been shown in any other Legislature in the world. Sir, I have nothing further to add, but I only wish to say that we shall give our co-operation to all the valid proposals of Government. We only hope that next year when the Finance Member approaches this Council with his new budget he will come under more auspicious circumstances. I hope that the trade of the country will improve by that time. I hope that the general business conditions will undergo change and improve for the better, and I hope and pray that this will be the last Budget of deficit which my Honourable Friend, the Finance Member, has the misfortune to present to this House.

The HONOURABLE SIR EDGAR HOLBERTON: Will it be in order, Sir, if I now move my amendment?

The HONOURABLE THE PRESIDENT: No amendment can be moved at this stage when the motion that the Bill be taken into consideration has not yet been passed. The Honourable Member may, however, speak to that motion.

The HONOURABLE MR. SETHNA: Sir, during the last three weeks India has been greatly perturbed and deeply absorbed in the consideration of three very important topics affecting not only the present but the future history of this great country. They are Mr. Montagu's resignation, Mr. Gandhi's arrest and conviction, and last but by no means the least Sir Malcolm Hailey's Financial Budget for the year 1922-23. My Honourable Friend, Sir Maneckji Dadabhoy, has referred in very eulogistic terms to the attitude of the Assembly in endeavouring to meet the requests of the Honourable the Finance Member for increased taxation. I join with him in saying that we have every reason to congratulate the other House for doing everything in their power not to embarrass the hands of Government, but, at the same time, to act in the best interests not only of their constituents but of the country at large. Next year's deficit is certainly abnormal and of an extent never before known in our history. In consequence thereof increased taxation is proposed to be imposed also to an extent never before known. The Honourable the Finance Member has displayed much skill and ability in trying to collect more money in a manner which will give the least trouble to the tax-payer so far as circumstances can permit and also to raise the increased taxation only under those heads which on account of the increased taxation will, let us hope, not decrease their output or their turnover.

The Bill, as it has emerged from the Assembly, must meet with our approval in almost all important essentials. In speaking on the Budget in this House on the 8th of this month, I expressed a fervent hope that whatever may be the increases under other heads, at any rate four particular heads might be left severely alone, namely, increases in Salt tax, Cotton excise, and Machinery, and the quarter anna Post-card. I am glad to find that the first three have been left alone by the other House, and I regret that they could not see it advisable to press the retention of the quarter anna post-card.

Sir, in regard to the Cotton excise duty the Honourable the Finance Member knows that there is considerable objection to it throughout the

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country, and yet he thought it right to oppose as best he could the amendment in the other place for retaining it at 8½ per cent. In this House he took exception to an expression which I used, that the proposed increase in Cotton excise duty was an insult to the intelligence of the Indian public. I have not altered my views even after hearing him, and I do fervently hope that as soon as time and circumstances permit Government will adhere to their promise made years ago of repealing the Cotton excise duty altogether instead of levying even the present rate of 8½ per cent. that is charged. The Honourable the Finance Member told us emphatically and other Government Members have borne out the statement that there has been no desire whatever to support Manchester in this matter. I accept the statement and admit that their proposal was simply with a desire to get more revenue. I am afraid, however, that the attitude displayed by Government even unwittingly, lends colour to the belief that they have helped Manchester, for whilst in one breath the Honourable the Finance Member insisted upon getting as much revenue as possible, yet in another he thought it right in the other place to accept an amendment whereby the proposed increase in import duty on piece-goods has been abandoned. The reason which the Honourable the Finance Member gave was that it was not out of regard for Manchester, but out of regard for the Indian consumer. (The Honourable Sir Malcolm Hailey: 'No'). I hear 'No'. I should like to have the correct reason.

The HONOURABLE SIR MALCOLM HAILEY: The exact reason I gave was—I am repeating to the best of my recollection what I said at another place—that what we had proposed was a combined operation bringing us a sum of 5 crores of rupees. As that part of the increase which was represented by the Cotton excise duty had been vetoed by the other House, then it became a question whether we should or should not persist in demanding the remainder. The result of raising the general duty from 11 to 15 per cent. would undoubtedly have been a general increase of prices throughout the country in regard to those articles. The question we had to ask ourselves—I am only repeating as nearly as I can what I said—was, whether the general disturbance that this would cause would be worth the sum of money that would be brought in to us by raising the general duty from 11 to 15 per cent., and that was the exact ground I took there.

The HONOURABLE MR. SETHNA: I thank the Honourable the Finance Member for his explanation. It was to avoid the general disturbance as he explains that he agreed to the amendment of keeping the duty on imported goods at 11 per cent. instead of raising it to 15 per cent. as was originally proposed. May I ask the Honourable the Finance Member, has he not had one whole year in which to know whether there was a similar disturbance when we increased the rate of taxation a year ago keeping the Excise duty at 3½ per cent. and raising the import duty from 7½ per cent. to 11 per cent? Consequently, I contend that the attitude of Government is most inconsistent in this matter. If they were prepared to accept the amendment for reducing the import duty from 15 to 11 per cent. they should straightaway have also accepted the amendment in regard to Cotton excise duties instead of opposing it tooth and nail as they did. In response to a general public desire, they accepted the amendment for not increasing the rate of Machinery from 2½ per cent. to 10 per cent. I repeat they could just as well have accepted the retention of Cotton excise at 8½ instead of being defeated on the motion as they were.

Sir, retrenchment must be the order of the day, and to this my Honourable Friend, Mr. Cook, has referred in very clear terms. He particularly referred to the Committee which is likely to be appointed and he said it should consist of a very strong personnel, men of outstanding ability and weight. The entire country is with him in that respect. The Committee should consist not only of the ablest men available in this country, but India will deem it a great advantage if men of the type of Sir Eric Geddes and others, who can lay their finger on the weak spots, are especially invited from Home to point out where reductions can be made, and made with great advantage, to meet the deficiency of 9 crores and 16 lakhs for next year. The Honourable the Finance Member told us on the last occasion that, as compared with pre-war days, the cost of the Army in England is to-day nearly five times as much, and yet in telegrams received from London during the last three or four days we are told that the total cost of the Army is to be reduced by £33 millions to £62 millions as compared with last year.

The HONOURABLE SIR MALCOLM HAILEY: The figure I referred to was the cost of general administration, not merely of the Army.

The HONOURABLE MR. SETHNA: I think the figures were in regard to the Army expenditure.

The HONOURABLE SIR MALCOLM HAILEY: No. About a thousand million against £200 million; that was the figure I think.

The HONOURABLE MR. SETHNA: I think I saw a telegram which said that the cost of the general administration was reduced by more than £100 million and the cost of the Army alone by £33 million. I will, however, accept the statement of the Honourable the Finance Member as he must know better than myself.

My point is, if reductions have been effected in England, they can be given effect to here. I know that His Excellency the Commander-in-Chief holds different views, but the country at large have nothing before it to enable them to endorse the statement of the Commander-in-Chief as the final word in the matter. If, therefore, the Retrenchment Committee is appointed, and military expenditure is also looked into, the country will feel greatly relieved.

Sir, I know military expenditure is a non-votable item, and there have been considerable discussions on the subject both here and in the other place, but there is one point which was referred to by me on the previous occasion which I will refer to again in passing, namely, that, even if you keep the strength of the Army at its present number but substitute for 10,000 Europeans 10,000 Indians, that would straightaway effect a saving of a crore and a half. But several crores more might be saved in military expenditure in another way, because we know that this largest spending Department of Government is run mainly by men who, with due deference to them, I may say, have probably not even a nodding acquaintance with commercial methods. Commercial knowledge is of very great necessity to this department, and if commercial knowledge was availed of in the administration of the Army, I have no doubt that not a few lakhs but perhaps a few crores might be saved, and that the Honourable Mr. Cook's apprehension of Government not being able to reduce expenditure by 916 lakhs will be dissipated.

Sir Maneckji Dadabhoy referred to the present heavy taxation in England, and the desire there also to bring it down as best as possible. In regard

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to the high rate of income-tax in England it is said that if the authorities continue to levy at the present high rate they will break the capitalists and if the capitalists will not pay this tax they will break the country. The position here will soon be the same because of the heavy taxation now about to be imposed. The best course to my mind is to endeavour to return to normal conditions as soon as possible, and normal conditions can only be reached by retrenchment and retrenchment of a drastic character.

In England, according to recent advices we find that they propose a reduction in the rate of Post-cards to $\frac{1}{2}$ d. and Letters from 2d. to $1\frac{1}{2}$ d. Why are they proposing to do this? Simply because they find that the higher rate has resulted in a smaller revenue than what was anticipated. The Government of India are not unaware of this. In regard to Tobacco and Wines and Spirits from their experience of this year they know that because of the higher rates of taxation on these articles imposed since last March, the consumption of wines and spirits and tobacco has greatly decreased. It was, therefore, not worth while to increase the rates of taxation still further on these articles as that would most certainly reduce the consumption yet more. The same applies, I am afraid, to Postage and Railway passenger fares. But I realise that in the present circumstances the best that can be done is to allow these taxes to remain as they have been passed in the lower House.

I think it is a very generally admitted axiom that to levy taxation from the poor at rates that will deprive them of the necessities of life is a moral wrong. There is another axiom that to levy excessive taxation from the rich is perhaps an economic wrong. I say 'perhaps' because this latter axiom may not be subscribed to by all. The rich man does not spend all that he makes. He must lay by something, and what he lays up is lent for commercial and industrial purposes which helps the material advancement of the country. A higher Income-tax and a higher Super-tax is a tax on savings and the money taken by the State is withdrawn from productive use and spent on consumption. In a healthy condition of a State no more should be raised in taxation than will leave an amount available for capital development sufficient to meet all the needs of business. I hope, Sir, that the wish expressed by my Honourable Friend, Sir Maneckji Dadabhoy, that this is the last deficit year will be realized, and that from now onwards our revenues will so improve that by degrees we shall be able to effect reductions in the heavy taxation now imposed in the country.

The previous speaker has referred to the telegram that he has seen in this morning's papers in regard to an article published in the 'London Times.' Previous to the introduction of the Reforms the predecessor of this House, viz., the Viceregal Council, had the privilege of discussing the Budget at yards' length if Members so chose to do so, but the suggestions and the recommendations which Members made were no more than pious hopes. They appealed to deaf ears, for Government did as they pleased. The Reforms have brought about a certain amount of change, namely, that several items of the Budget are now votable and others non-votable. It is duties in a manner which, I hope, was to the satisfaction of the Government of India and certainly to the satisfaction of the Government. Quotations however which my Honourable friend read out, no less a paper than the 'London Times' has taken strong exception and found serious fault with the Assembly. I need not repeat those quotations from the 'London

Times,' but I may be permitted to quote from one other paper which, fortunately for us, takes a very sensible view of the situation. This paper is the 'Manchester Guardian' and in an article which appeared in it on the same day as the article in the 'Times', it says:—

'The Assembly appears to have acted in accordance with what it held to be the best interests of India and in order to force the Government to reduce the enormous military expenditure, which the mass of the people of India feel they cannot afford. It has probably done no more than Britons would have done in like case. The Government can get out of the difficulty temporarily by borrowing more than it intended. This appears to be the only solution possible now, but there should be retrenchment also.'

Sir, if a responsible organ like the 'Times' has ventured to pass criticisms in a most objectionable style as the quotations read out have shown, how much more might we not expect from organs like the 'Morning Post' and the 'Daily Telegraph'? Sir, we have been told that in spite of Mr. Montagu's resignation we need not be afraid of any reactionary steps being taken by the Government in England. We have been assured of this in these Council halls and outside by no less a personage than His Excellency the Viceroy. We have been so assured by various newspapers in England. Even the 'Times' itself only as recently as March 16th said:

'In view of Indian distrust of British good-faith we must endeavour to convince Indians that our intentions are unchanged, and that we sincerely intend to keep our pledges. The habit of vacillation which has so long paralysed our Indian policy must be dropped, and the Government of India must be freely and constantly consulted. Its views must receive the consideration they deserve, but in the politics of India the old essential and constitutional principle of co-ordination must be revived immediately, and consistently upheld.'

I leave it to the Council to reconcile the opinion expressed by the 'Times' a week ago with what we have seen in the papers this morning. I believe I am right in saying that, whatever may be the views of individuals or of journals in England which do not understand India, we have at the present time officials in the Government of India who will not endorse the criticisms made by the 'Times'. This mischievous criticism is nothing short of a threat that the Reforms have been a failure and that they should therefore be scrapped. The Government know that the Reforms have not satisfied the country as a whole. There are many who think . . .

The HONOURABLE THE PRESIDENT: Order, order. The Honourable Member is rather getting away from the Bill.

The HONOURABLE MR. SETHNA: I am speaking on the Budget, Sir. The country is not satisfied with the powers which have been given in regard to the votable items in the Budget and even what little power is given is proposed to be scrapped. If this is a threat, that threat, Sir, in the present temper of the country will not avail. He was a broad-minded and a far-seeing Englishman who wrote that the British hold on India was not one of force but has been a moral hold. Forty million people cannot hold three hundred million by force four thousand miles away from Home. If the British hold has endured in this country—and long may it endure—it is because in the main it has made for justice and security. In form it is imperialism armed with force, in reality, it is government by consent. If they now desire to lose that consent which the moderates have given them let them do so and take the consequences. Criticisms like that in the 'Times' will compel even the moderates to lose faith in the Reforms.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, our course seems to be cut and dried. On the one hand we are told that we cannot raise any more taxation; on the other hand, we are told that the Budget has

[Sir Zulfiqar Ali Khan.]

of very nearly 32 crores. Sir, with all due deference to the needs of the Military Department, I must say that when the treaty with Afghanistan has been made and the frontier menace has just been removed and when we remember that the Indian population is totally disarmed, how can one be convinced that such a huge expenditure on military armaments is justified? We see that in Mesopotamia, the Military authorities have considered it quite sufficient to maintain only an Air Force at Basrah to rule the whole country. We see that the same policy is likely to be pursued in Egypt and the Soudan. How then can the Indian population, which is disarmed and which cannot resist any force, be considered to be in a state to menace the tranquillity of India? Sir, next year I do hope that the Government of India will present a Budget which will be more acceptable first to the other House, the Assembly and then to this House. The Assembly has passed the Finance Bill. They have made inroads into the proposals put forward by the Honourable the Finance Member. He has been stripped of some of his fine clothes, but he is not naked, and yet he can be said to be dressed in decent apparel.

Sir, one remark more, and that is about the onslaught made by the 'London Times' recently and which has been dealt with by the Honourable Sir Maneckji Dadabhoy and the Honourable Mr. Sethna. I must say that in the present circumstances when the feelings all over the country are excited and bitterness prevails, and when people, at any rate those who co-operate with the Government, are trying their best to help the Government in tiding over the present difficulties, it is very indiscreet and very tactless to hold a menace to the liberties of India and say that all that has been given may be recalled so that India would be thrown back in the road of progress. Sir, I hope that the statesmen in England, guided by their old traditions of liberty and freedom, not only in their own countries, but in the countries under their control, will see that it is only by ruling over the hearts of the people that the Empire can be maintained. It is not by holding out threats of deprivation of liberty and reforms that they can do anything.

The HONOURABLE SIR EDGAR HOLBERTON: Sir, I rise to a point of order. The Honourable Member speaking just now made the statement that no amendment containing increased expenditure was to be permitted. I understand that the Honourable Member was entirely unjustified in his remark.

The HONOURABLE THE PRESIDENT: No point of order on an amendment can arise, until the motion that the Bill be taken into consideration and passed is disposed of.

The HONOURABLE SIR MALCOLM HAILEY: Sir, I should not have taken part in the debate at this stage of the Bill, had it not been that a direct challenge was put to me this morning by some of my Honourable friends, much disturbed, by reading a telegram embodying the views of the 'London Times' on the political situation created by the passing of the Finance Bill in the Legislative Assembly. I should have preferred myself that the discussion to-day had ranged entirely within the scope of the Finance Bill itself; but since it has taken a wider aspect, it is not right perhaps that I should remain silent on the subject.

Now, it will readily be supposed that on coming here fresh from the debates elsewhere, I do not desire to criticise in this House, or even to comment in this House on the attitude taken by the Legislative Assembly in

regard to our Finance Bill. I will pass over in silence the motive which prompted the Assembly in so materially reducing our proposals for taxation. The openly avowed motive was to bring pressure on us to effect substantial economy in the cost of our administration. (A voice: 'A very laudable one.') My Honourable friend thinks the motive laudable. However, laudable a motive may be, the course which is taken in pursuit of that motive is not necessarily on that account either practical or politic.

As I say, I desire to say nothing now in criticism of that attitude; but my Honourable friends here, having referred to the position of the Assembly, lamented the view which has been taken in the 'London Times' of the political results which may be likely to follow the action taken. I would only ask them to remember, Sir, that a paper, however, important, does not necessarily embody the views either of the people in England at large or the considered view of its Government. I would ask them to remember that if those views have been expressed in the 'London Times', somewhat different views have, as Mr. Sethna showed us, been expressed in another paper of great importance. For my own part, I think that it would be better for us to let those two opposite views contend with each other in the sphere of English journalism, and to await the result, as shown in the actions of the Government of England and in the actions of the Government of India. As to that result, I myself have no doubt whatever. Further, Sir, and merely as my own contribution to this discussion, let me say that I must join with my friends here in saying that I cannot admit any wholesale condemnation of the conduct of the Legislature in India during the last year and a half; for I must remind those who tell us that the action of the Legislature has been fatal to the cause of reforms, that the Legislature has after all, during the course of its existence, acceded to larger proposals of taxation than ever were put before the old Legislative Council with its Governmental majority. So much I must say in credit to the Legislature, and it would be unfair to say less.

Now, Sir, I must pass to the aspect of the question which does not relate to political considerations, but concerns those financial questions which are really cognate to the discussion of our Finance Bill. It was my duty as Finance Member to bring before the Legislature proposals for covering the deficit disclosed by our estimates for the coming year. That such proposals were incumbent on us is clear. I have even been held up to criticism because I failed to some extent in my duty, in so far that my proposals did not pretend to cover the whole of the deficit. Even so, however, we have failed to gain the assent of the Legislature to a very considerable part of those proposals, and we shall have to face the year with an uncovered deficit of no less than 916 lakhs of rupees. That one can accept such a result with equanimity is not to be expected: that the situation contains grave dangers, as the Honourable Mr. Cook rightly pointed out, is equally obvious. I dismiss at once the cheerful suggestion of my Honourable friend opposite that we can view the situation with a light heart; that we can depend on our powers of borrowing for bridging the deficit; that we should be content to rely on the Indian loan market to supply our current needs. It is obvious, and I can again only repeat what Mr. Cook said here, that situations may easily arise when the mere attempt to finance such deficits by floating debt may react in the most unfavourable way upon the money market itself. It is further obvious that deficits of this nature, unless they are of a purely temporary nature, are dangerous to our finances for many years to come. Nor can I accept the proposition, to which

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[Sir Malcolm Hailey.]

Mr. Cook also objected, that we can set ourselves right by immediate retrenchment. Two of my Honourable friends have assured me that there would be no difficulty whatever in such a process. But look at the remedies which they have put forward. The Honourable Mr. Sethna suggested that we could immediately substitute a number of Indian troops for British troops. Even he only expected to gain a crore and a half or perhaps two crores of rupees by that process. Even he knows as well as I do that that process could not be an immediate one. Then, again, he suggested that if we handed over the management of the business functions of our army administration to business-men, a speedy economy might be effected. I have heard the proposition before; and, since it is one that is often put before us, I think it is well that I should, purely by way of information, give the House some details as to the actual extent of our annual purchases on behalf of the Army. We buy about three and a half crores worth of provisions, and get this entirely through business firms on commission. We provide two and a half crores worth of forage; but for that purpose we run our own grass farms, and the price of our forage is, on the whole, less than that which obtains in the open market. Other sums are in proportion much smaller. Ordnance stores cost us a crore and a half of rupees and Ordnance stores must, I think, be bought through an expert agency. Our total buyings are Rs. 9,13,00,000. Let me suggest that at the outside the change which Mr. Sethna has proposed, if feasible, and if successful up to the full extent of his anticipations might effect an economy of 10 per cent.—perhaps 15 per cent. I only make this assumption; but at the best how far would this help in securing the total retrenchment on which he has calculated? Then, again, we have been told by Sir Umar Hayat Khan that there is wastage in the Public Works Department. What is the total sum that we have placed in our budget on account of the Public Works Department in the present year? One hundred and sixty lakhs of rupees. Effect the maximum of economy by any new system you can suggest, you will not gain and could not hope to gain more than ten per cent.; and what substantial effect is that going to have on securing nine crores by which our revenues have been left short of expenditure? We are told that a Contractor has made as much as 7 crores of rupees on a single contract; that sum in itself was somewhat hastily reduced by the speaker to 2 crores of rupees. I myself happened to know the nature of this contract; it concerned the provision of transport on the East Persian frontier. One of my Income-tax Collectors deplored the fact that he was unable to make a recovery of income-tax on account of the gains of this contract; but he placed the total gains of the contract only at 30 or 40 lakhs of rupees. Now, when suggestions for retrenchment which are put forward by my Honourable friends are so vague as this, I feel that they have not attempted to envisage, as we ourselves shall have to envisage, the serious problem that awaits us in attempting either to finance a deficit of 9½ crores or, in the alternative, to effect a reduction of 9½ crores of our expenditure. Whatever retrenchment you could effect, it could not have an immediate and very substantial effect. Your best retrenchment is that which is effected with discrimination and which consequently has a continuing influence on your annual accounts; that is the kind of retrenchment that we want to effect. One rupee of retrenchment effected in that way, since it will be of a permanent nature, is better than five rupees that you can raise by taxation. If that is the class of saving that we must seek to achieve, it cannot have such an astounding effect on the deficit of the present year as my Honourable friends seem to expect. Well, Sir, I have placed our case before the Council.

We cannot accept the decision that has been come to elsewhere with a light heart. We cannot dismiss from our minds the gravest apprehensions as to the results which may arise from it. Speaking as Finance Member I must warn the Council, and through them the country, that the situation is unsatisfactory in the extreme. At the same time, Council knows that we have not come before them here with a recommended Bill and the Council knows that, as a result, we are ourselves prepared to accept, not purely on financial grounds, but on general grounds, the decision which has been arrived at elsewhere. We accept that, because we feel that we must on general grounds accept it, but any further reduction, it would be impossible for us to accept.

The HONOURABLE LALA RAM SARAN DAS: May I offer, Sir, one word of personal explanation? It is on the remarks of the Honourable the Finance Member, as regards the income of a certain person. What I said in my speech was that the person referred to brought about two crores of rupees and not that he made that much profit. Besides it was a company and not an individual.

The HONOURABLE SIR MALCOLM HAILEY: I quite accept that.

The HONOURABLE THE PRESIDENT: The question is:—

‘That the Bill to fix the duty on Salt manufactured in, or imported by land into, certain parts of British India, further to amend the Indian Tariff Act, 1894, and the Indian Post Office Act, 1893, to amend the Indian Paper Currency (Amendment) Act, 1920, to impose an Excise duty on kerosene, to fix rates of Income-tax and to abolish the freight tax.’

as passed by the Legislative Assembly be taken into consideration.

The motion was adopted.

The HONOURABLE THE PRESIDENT: The question is:

‘That sub-clauses (1) and (2) of clause 1 of the Finance Bill stand part of the Bill.’

The motion was adopted.

The HONOURABLE THE PRESIDENT: Sub-clause (3) of clause 1 is consequential to what happens to the rest of the Bill and must therefore be postponed.

The HONOURABLE SIR EDGAR HOLBERTON: Sir, I rise to propose the amendment—

‘That in clause 2 of the Bill for the words ‘at the rate of one rupee and four annas per maund’ substitute ‘at the rate of two rupees eight annas per maund’.’

I wish, in the first place, to explain very clearly to this Council the reasons which have induced me to bring this amendment. In the first place, it has been strongly recommended to me by the Chamber which I have the honour to represent as a most desirable form of taxation. Secondly, it came within the purview of the Assembly at a very early stage in the discussion of the Finance Bill, and I think it is just conceivably possible that it was turned down without the amount of consideration that it might have received had it come up later. I shall be clear on one point, Sir, that in my opinion this Council of State is a revising Chamber and it has power under the Act to revise legislation, financial or otherwise, passed by the Assembly. But, at the same time, if I am fortunate enough to pass this amendment of mine through this House, and, if after that,

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even considering what we have had to say about it here, the Assembly desire to affirm their original determination to reduce this tax, I, for one, should be prepared immediately to advise this Council to fall in with the suggestion. I do not desire in any way to raise a contest between the two Houses on this particular point. But there are several very peculiar facts to be considered at the present juncture. We have seen a most interesting political development in the Assembly during the discussion on this Finance Bill, and much of the changes in grants and reductions that have been made there have been made, not as I think has been formerly the case, entirely on the merits of each tax, but with a definite determination to bring pressure on Government by reductions in certain directions to put their house in order in other directions in which the power did not to the same extent lie with the Assembly. That is to say indirectly the idea of some of the reductions was to get at items which were non-votable. Now, Sir, I, for one, am not going to impugn in the slightest degree the correctness of the course adopted by the other House. It has, I think, been carried through with commendable moderation and it has undoubtedly had a most notable effect; but I put it to this House that it is conceivable, possibly, that our friends have gone somewhat too far. They have made their protest, they have proved their point and their power, but they have also faced the Honourable the Finance Member with the practical certainty of coming to you next year with a deficit which cannot be less than 9 crores. The Honourable Mr. Cook in a very interesting and impressive speech has this morning pointed out to us the very serious dangers and difficulties of this position. There is even a possibility, he tells us, that his Department may be forced into what he goes so far as to call undesirable expedients to keep themselves going for the year. Now I imagine that by 'undesirable expedients' he must mean the printing of notes. None of us wants that to be done to an amount which will seriously hamper the trade of the country.

On the subject of retrenchment too we have had some exceedingly sound advice this morning from various sources, more especially from the Honourable Mr. Cook and the Honourable Sir Malcolm Hailey. As a business-man, Sir, I must throw in my voice with the side which maintains, and maintains strongly, that retrenchment cannot produce a very immediate effect. To talk of any great results of retrenchment in the year in which the Committee is going to sit is surely the most optimistic of suggestions. When the Committee has gone thoroughly into the whole position, when it has examined each Department, when it has made its recommendations, even then the process will be slow. For instance, supposing it recommended the reduction of various items in the military budget, items in the direction of establishments, it will not be possible by a stroke of the pen to get rid of those establishments. They are servants of the Crown in the same way as many other Civil Servants, and, if they are to be got rid of, the immediate effect will be more likely an increase of expenditure, because they will have to receive bonuses, they will have to be paid off. This Council would not, I am sure, desire for a moment that faithful servants of this sort should be sent away without a penny in their hands. (The Honourable Mr. Lalubhai Samaldas: 'Of course not.') Therefore, Sir, the idea that the magic word 'retrenchment' and the appointment of a Committee to look into retrenchment is going to produce anything like an immediate effect is, I think, extremely fallacious.

This brings us back to the position that there is perhaps very little hope of the deficit with which the Honourable the Finance Member is going to be faced about this time next year being less than 9 crores. Now, how are we to help him if we do desire to help him? We may perhaps have accomplished our political object, as we were perfectly justified in doing, of establishing the point that we are going to control, but we cannot desire to put the Finance Member and the country as a whole into a position of unusual and unnecessary difficulty. Therefore, Sir, I have put down this amendment on the paper. If we look into the merits of the case, we will find that this is not by any means a new exaction. The original rate of the Salt duty was, I believe, for years at Rs. 2-8 per maund. It was taken off in the year 1905, I think, or possibly in 1903. (A voice: 'In 1903.') Thank you, Sir, in 1903, not because it was being found a burden on the people, not because there was any clamour for its removal, not because Government were informed that it was pressing too hardly on the poor, but simply because the Government were overburdened with richness: their Budget at that time was more than balancing. Instead of using their balances as some of us might have suspected they would have done, to improve the conditions in some of the neglected provinces, such as mine, they decided to make a free gift to the country of this Re. 1-4 levy on Salt. Now, Sir, it is not an unusual occurrence to find that the giving of gifts eventually reacts on the donor, and this is an example. If the Government had at that time retained their levy on salt at Rs. 2-8, I maintain, from the information at my disposal, that the country would have raised no clamour. They have for years and years given the country the benefit of this reduction, but now, Sir, they are not in a position to continue their dole. The time has arrived when they have to call up their reserves and this, I put it to you, is the very first reserve which they have to call up.

As regards this question also of the actual pressure of the tax, as proposed, on the households of India, it has been generally stated in the course of debate that the incidence amounts to 12 annas on a family of four. Now, Sir, I maintain, and maintain strongly, that, if we say that is too great a burden, we are allowing our heart to run away with our head.

Now that the rate of wages is much higher than it used to be, as regards the industrial classes, I do not think there can be the slightest doubt that they will not feel this twelve annas; and even if they did feel it they could easily put in an extra day's work and put it in their pockets.

As regards the classes that live on the land, there is undoubtedly some more ground for the contention of extreme poverty. But, Sir, I put it to you that even these figures are a trifle fallacious; we are told extraordinary figures of the smallness of income that comes into some of these families. But these incomes do not, I think, include the very material sums that come into the family purse from the sons that have gone out into the world. It is in many parts of India, I grant you, impossible to hold that the money which a family of four may get from its land alone is sufficient; but that family in most cases takes the remedy into its own hands and sends forth some of its sons into the world. Therefore, even in these cases, with the assistance of the money which is received from those well-to-do labourers who have gone out to earn a living, even here there can be no great cause of complaint; nor will it be found an undue burden. When we remember that in the course of the budget deliberations in the other House, the extra tax on cotton has been cut off, when we

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remember that even the strongest advocates of the industrialisation of India feel no hesitation in maintaining that the consumer or the poor man is capable of bearing the burden of higher prices which this industrial policy will temporarily bring upon him, when we think also that this average of three annas per head, which is said to be the incidence of this tax, is computed as between the rich and poor alike and therefore is likely to fall with much less severity on the poorest, when we consider these three factors, Sir, I put it to the House that we shall not be laying ourselves open to attacks of injustice to the poor if we suggest and pass that this levy be brought back into the Bill. Furthermore, Sir, I must just make myself clear again on the point that I do this in no controversial spirit. I have explained fully why, and I hope that there will be no desire on the part of either Government or non-Government Members in this House just to turn my amendment down because they fear that controversy, and possibly difficulty in getting the Bill through in time may arise.

The HONOURABLE MR. V. G. KALE: Sir, I stand to oppose the amendment. The Honourable Sir Edgar Holberton has referred to a number of fallacies underlying the arguments which have been advanced against the imposition of an additional duty on Salt. But I hope he will pardon me if I say that his whole speech was honey-combed with fallacies. When he spoke of the average income per head of the population in this country, and about the incidence of taxation, and especially the pressure of the burden of the Salt duty upon the poor, I must say that he failed to realise what the present economic condition of the masses really is. He was inclined to think that this duty on salt might not have been opposed in the Legislative Assembly under certain conceivable circumstances, and that therefore his proposal to put it on again stood a very good chance of being accepted if it was passed on by this House to the other Chamber. Sir, I do not take this view, because from the very outset we took very strong objection in this House—and similar strong objection was taken in the other House—to any imposition of additional duties upon salt. It has been stated that the duty on salt is a very old duty and that there have been no complaints on the score of dear salt during the past several years when the burden was heavy. If this is an old tax, Sir, the argument also used in connection with it by Sir Edgar Holberton is an old argument. Perhaps my Honourable friend forgets that if there has been an agitation persistently carried on against any tax in this country, it has been against the tax upon salt. It has been the subject of protest on political platforms and elsewhere for over one generation; and my Honourable friend again forgets that it was the late Mr. Gokhale who persistently, in the Imperial Legislative Council, pressed upon the attention of Government the necessity of the reduction of this taxation. He wants to give to the Government credit for having spontaneously come forward with a proposal to reduce the salt tax years ago. I do not want to take away from Government whatever credit may be due in that direction. But I do not want also that credit should be taken away from quarters to which it truly belongs, namely, the political leaders of the country and pre-eminently Mr. Gokhale. It was at his suggestion, as far as I know, a suggestion repeated from time to time, and from year to year in the Imperial Council, that the duty on salt was steadily reduced from Rs. 2-8 till ultimately it came down to Re. 1. The Honourable Finance Member the other day took exception to the estimate of the average income of the population I had given; but I must repeat that whatever attention I have been able to give

to the subject has led me to conclude that, so far as the lower classes among the masses of the population are concerned, there is absolutely no doubt that their average income per head is not more than Rs. 3 a month. I will refer my Honourable friend to a report drawn up by a committee of which he was himself the Chairman with regard to the salaries of secretariat officers and subordinate establishments. From that report itself it can be found that to-day Rs. 15 a month for a family of five or four is absolutely necessary, and it is a fact that Rs. 15 a month for a family is not available among large classes of the population scattered throughout the length and breadth of the country. However, without going into this controversy I must point out that even twelve annas a year on salt for a family of four must be regarded as a burden inasmuch as during the last few years the income of the people has not increased to such an extent that they can bear additional burdens of taxation. During the time of the War there was an apparent wave of prosperity, but to-day on account of the depressed condition of trade and industries, certainly the additional burden that is sought to be imposed upon the people is one which cannot be tolerated. Under these circumstances, Sir, apart from the question of sentiment, I think it will be unwise on the part of this House to restore the duty on salt which has been so wisely taken away by the other House. For these reasons, Sir, I strongly oppose this amendment.

The HONOURABLE LALA SUKHBIR SINHA: Sir, I rise to oppose this amendment very strongly. The discussion that took place in this Council on the 8th March and also before that in the Assembly quite clearly showed that the feeling of all the non-official Members of both the Houses is very strong against increasing the duty on salt. Public opinion is also quite against any such increase in the duty on salt. During the last three weeks from the 1st of March, wherever I went, I found a great feeling against this increase of duty on salt. There was a Durbar of His Excellency the Governor at Meerut on the 10th March, and there I had an occasion to meet all the leading gentlemen of the Meerut Division, and all of them were of opinion that the budget deficit was very unsatisfactory, and especially the increase in the Salt tax was most unacceptable to them. Sir, salt is not only one of the important necessities of life, but it is an indispensable necessity. Every person from the richest to the poorest has to take salt with every meal. Not only the people but even the cattle have to take salt. In every village people have to give some salt to the cattle. Therefore salt is a necessity of life for cattle as well. Sir, there is a past history behind this whole question. Politicians after politicians tried to have this salt duty reduced. But now an attempt was made again after many years to raise that duty from Rs. 1-4-0 to Rs. 2-8-0. We are thankful to the Assembly for reducing this duty on salt and also for striking out all such objectionable items from the Finance Bill that were not acceptable to the people at large. Sir, we are here as the representatives of the people, and we have to give expression to their views in the best possible way. At the same time, we are supposed to help the Government as far as possible, but we are not supposed to help the Government, rightly or wrongly, in whatever proposition they put forward before us for our acceptance. Sir, the salt duty presses very heavily on the poor. I fail to understand why my Honourable Friend, Sir Edgar Holberton, has taken up this question to raise salt duty from Rs. 1-4-0 to Rs. 2-8-0. I find he is not in his place now, otherwise I would have liked him to suggest that the import duty on piece-goods should be raised from 11 per cent. to 15 per cent. . . .

The HONOURABLE THE PRESIDENT: That does not arise at the present moment.

The HONOURABLE LALA SUKHBIR SINHA: He raised such a question which affects very considerably the poor people of the country, and I therefore very strongly oppose this amendment, and I hope that this House will not undo what has been done in the Assembly.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, I rise to support this amendment. It may be said that I am always against things which are called 'popular,' but when money is wanted it must come from some source or the other, and I think it is much better that it may come from salt duty than from land-revenue. (A voice: 'Well, done'). If you want to make the people prosperous, you should not take away their hard-earned assets from land. The first thing required by them is the ordinary foodstuff like wheat and wheat flour. When we want to minimise anything, it is a common saying that 'It only proportions as salt in the flour.' So the first thing is wheat flour, and salt comes only next. I therefore support the amendment.

The HONOURABLE MR. G. S. KHAPARDE: Sir, I wish to oppose the amendment that has been proposed, for this reason, that salt is one of the primary necessities of life, it is one of those things without which man or animal cannot live, and therefore the best policy, or one of the greatest maxims, is to try and not to tax the necessities of life. Government at one time did tax it, I quite admit it, but there was a great deal of opposition throughout the country. I remember the time when the reduction in the Salt tax was hailed as a very great benefit to India. I think my Honourable Friend forgot this fact when he said that this reduction was a grant, and that grant has been taken away because of the dismal budget, and that the Government became immensely popular when that grant was made.

The other argument was that the wages have increased. But my Honourable Friend forgets that the purchasing power of the rupee has decreased. That fact has not been taken into consideration by those gentlemen who look at the thing purely from a money point of view. They say that formerly if a man used to get Rs. 5 only and now he gets to-day Rs. 7, therefore he is better off. I rather think that what he could buy for Rs. 5 then he cannot purchase to-day for Rs. 20. Therefore, the man who used to get Rs. 5 then, even if he gets Rs. 10 to-day is much worse off than when he used to get Rs. 5. Another point is this, it is the other House which has cut down this grant, and if anybody complained about it, I thought the Government would be the first person to complain about it. But they do not complain. Why should my Honourable Friend therefore try to increase the duty on salt and restore that item. That seems to me rather a peculiar attitude to take up. The Government have accepted the proposition to reduce the duty on salt, they are willing to carry on as best as they can within the sum at their disposal. There was no complaint of any sort before this House. (A voice: 'Honourable Mr. Cook did complain.') No, that was merely an observation. There was only an observation, and not a complaint. If there was a complaint, then my Honourable Friend, Mr. Cook, would have referred to it or would have asked us to restore this grant. It was only an observation; I think I can also make an observation that it is very unfortunate that Government have got to waste such a large amount this year, and I am very sorry for it. I quite sympathise with all Members of the Government that they have to carry on with a smaller amount. But that

is all right so far as sympathy goes. But if they want to raise this tax on salt, then I would strongly oppose it, for the reason that it has been admitted, and very rightly too, that the other House has behaved very well indeed by reducing what they could vote upon and inducing Government to accept items where their hands could not possibly reach. The have put the Government to the necessity of effecting retrenchment and economy in several directions, and particularly in a matter into which they could not possibly put their hands. That was a very reasonable way of doing things. Even the paper that has been quoted to-day and made much of and which speaks against us, even that paper admits that the measure that was voted upon was good. Only it thinks that it should not have been done now, it should have been done half an hour later or two hours earlier. That is a different thing altogether. On all these grounds, therefore, this tax of all things, which touches the poor in this year's budget, is an unfortunate one. The poor man will remember it when he is dining because there is less of salt. The poor man will remember this Budget when he is going out because the railway fares have gone up. If he wants to complain to Government, he will say:

'Oh, I used to send my letters for half anna, now I have to pay one anna to send a letter.'

Every act of the poor man's life has been by some strange fatality taxed in this year's budget. I did not like to say much about it, for the simple reason that money had to be found from some source or other. But it has been said that this money has to be found and if the Government is willing to utilise it, we must restore it to what it asked for originally. That, I think, is going beyond the position. If the Government is willing to lie on the bed as it has been spread, I say, 'All right, let the Government do so.' If they do so, it will be just for everybody concerned. For these reasons, Sir, I oppose the proposal to raise the tax to Rs. 2-8-0 per maund.

The HONOURABLE SIR MANECKJI DADABHOY: Sir, I should like to add one or two words to this debate, in view of certain remarks that fell from my Honourable Friend, Sir Edgar Holberton, which, I find, have not yet been answered. I was rather surprised, I must say, when he rose to move this amendment. I was carefully watching him when he was on his legs to see if he was at all serious about this amendment. If he was serious, I can only say that he was flogging a dead horse.

As regards the gallant Colonel, the Honourable Sir Umar Hayat Khan, who rose to support the amendment, I am not a bit surprised. We all know that the gallant soldier is always ready to support Government in season and out of season unless his pocket is touched.

The HONOURABLE SAIYID RAZA ALI: He is not the only person who supports the Government.

The HONOURABLE SIR MANECKJI DADABHOY: And he made it clear to-day that the land-revenue should not come in for a share of the additional burden. So one can really understand his enthusiasm in this matter.

As regards the remarks which fell from the Honourable Sir Edgar Holberton, I must say I am profoundly surprised that he should come to the rescue of Government after the most explicit and lucid statement made by the Finance Member this morning. The Finance Member has accepted the decision of the Legislative Assembly as it is now an accomplished fact. He has, of course, protested and he has certainly given his reasons at length against the action of the Legislative Assembly, but in view

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[Sir Maneckji Dadabhoy.]

of the well-considered and unanimous decision of the Assembly, he has actually accepted the decision as concluding the question. My Honourable Friend, Sir Edgar Holberton, has asked us, as a revising Chamber, to revise the decision of our friends in the Assembly. It is for this very reason that I am opposing my friend's motion. I think it is prudent on the part of the Members of this House as a revising Chamber to respect the well-considered opinion of the other House. When the Assembly, after due deliberation and after a careful consideration of the *pros* and *cons* of the situation, have arrived at a decision, it is incumbent upon this House to respect that decision when we find that that decision is in consonance with public opinion outside the two Councils. My Friend has also said that we are going a little bit too far and that the proposal about additional salt taxation ought to have been adopted in the present great financial emergency of Government. My Friend forgets the past history of this tax. In fact, Finance Member after Finance Member has said in previous years that the salt tax is an ultimate reserve in the hands of Government to meet emergent periods. Now that Government is going in for a wholesale policy of taxation, and has tapped every available source of taxation to the extent of Rs. 30 crores, is it not politic, I ask, is it not expedient, that the Government should keep up their sleeve some form of taxation which may relieve, or at least go to their aid in relieving, a future financial crisis? I say the position taken up by my Honourable Friend is wholly untenable, and I therefore strongly oppose this amendment.

The HONOURABLE MR. C. A. INNES: Sir, I hope the Council will excuse me if I deal very briefly with Sir Edgar Holberton's amendment. I do not propose to follow either Sir Edgar Holberton or the other speakers who have spoken on the merits of the case. On that aspect of the question all I have to say is this. I still consider, and I have always considered, that having regard, on the one hand, to our financial necessities, and having regard, on the other, to the economic effects of this enhancement of the salt tax, we are absolutely justified in placing that proposal before the Indian Legislature. But I would ask the Council to consider our position. Definitely and of set purpose we did not proceed in the way in which we might have proceeded. We did not enhance the salt tax from Rs. 1-4-0 to Rs. 2-8-0 a maund merely by notification under the Indian Salt Act. We knew that this tax was a tax which was opposed to public sentiment, and we deliberately decided that we would submit the proposed enhancement of the tax to the verdict of the Indian Legislature. We placed the case as fully as we could before the other House. We warned the other House of the dangers of leaving our deficit, or a great part of our deficit, uncovered, and for reasons which are known to this House, the verdict of the other House was against us. Sir Edgar Holberton has suggested that that verdict was possibly a hasty and ill-considered verdict

The HONOURABLE SIR EDGAR HOLBERTON: Not ill-considered.

The HONOURABLE MR. C. A. INNES: He has suggested that possibly, if we gave the other House an opportunity of reconsidering the matter, their decision would be in the way in which he wants it to be. But, Sir, I think it is evident from the tenor of the speeches which have been made this morning in the Council of State that there is no foundation for that hope. The position of Government is, we deliberately sought the verdict of the Indian Legislature on this proposal, and we have received that verdict. However much we may deplore it, however much we may fear the consequences of that verdict, yet Government have decided to accept it.

The HONOURABLE SIR ARTHUR FROMM: Sir, before I discuss the merits or demerits of the Salt tax, I should like to ask the Honourable Member for Government who has just spoken whether we in the Council of State are to understand that Government has accepted the verdict in another place and therefore, to put it briefly, will not listen to the opinions expressed in this House. I do not like that way of looking at, or that method of dealing with, our amendments. Sir, before I came into this Council to-day, I was told on many sides:

'There is no use your supporting such-and-such an amendment which is against the verdict of the other place, because you won't get any support from Government benches.'

I did not think that that could be so. I understood that Government would listen to a well-thought out debate and vote after considering that debate and not form their conclusions beforehand from what has taken place in another House. Well, Sir, to revert to this salt tax, I must admit that I had no personal knowledge of how its incidence was felt by the poorer people of this country. The salt tax or the revenue that the Finance Member hoped to obtain from it attracted my attention. He hoped to obtain during the ensuing year Rs. 430 lakhs, and I believe in the following year Rs. 5 crores. That figure seemed to me to be so substantial, that I asked some of my Indian friends how this tax would be felt by the people of India as a whole, and, Sir, the general reply received was, that it would not be burdensome, but that it was against the sentiment of the country. Now, Sir, I put it to you and to this House, is the taxation in the country to be ruled by sentiment? I went to considerable pains and I asked not one of my Indian friends,—I asked several of them—and that was the tenor of the reply, that it would be a mistake for this Council to put back the salt tax to Rs. 2-8-0 per maund, because it would be against the sentiment of this country and probably it would be made use of as a lever for further political agitation. Having elicited that opinion from my Indian friends, an opinion which, as I have said, was that this additional salt tax would not be a burden on the poor man, I support the amendment moved by my Honourable Friend, Sir Edgar Holberton.

The HONOURABLE MR. C. BOROOAH: Sir, I would entirely agree with the Mover of this amendment if the salt duty had been the only duty which the poor man has got to pay, but unfortunately there are many other duties. There is the duty on Piece-goods, there is the duty on Sugar, there is the duty on Kerosene, and the duty on Matches,—in fact, there is a duty on almost every necessity of everyday life, of the rich and the poor alike. Again, these are the taxes imposed by the Central Government; over and above these there are taxes imposed by the Local Governments. Then, if a man owns a bit of land, he has got to pay also land-revenue and local rates. If he happens to live within a municipality he has got to pay municipal taxes also. Of course, it is said that the salt tax would not be felt appreciably by the people, because the increase would be only three annas per head per annum. I beg to submit that an increase of three annas per head in addition to these numerous other taxes would be most certainly very appreciably felt by the people whose average income is not more than three rupees a month. I therefore oppose the amendment.

The HONOURABLE MR. E. M. COOK: I beg to move that the Question be now put.

The HONOURABLE LALA RAM SARAN DAS: I rise to strongly oppose the amendment. The ordinary people, I mean the masses, do not understand what deficit in a budget means, and whenever there is any increase

[Lala Ram Saran Das.]

in taxation they always resent it. At the present moment, when on purely economic grounds there is great distress in the country, I would strongly request the Honourable Mover of this amendment to withdraw it, for to put the poor people to more pinch is quite unjustifiable. I cannot follow the argument that because they pay the increased tax on clothing, on sugar, and on kerosene, why should they not pay the increased duty on salt? Wherever we can spare the people in taxes, we ought to. My Honourable Friend, Sir Umar Hayat Khan, if I remember rightly, opposed the increase in salt tax in the speech which he made on the 8th of this month, and I cannot understand why in a few weeks' time he is contradicting that statement. (The Honourable Sir Maneckji Dadabhoy: He has become wiser.) With these few words I oppose the amendment.

The HONOURABLE THE PRESIDENT: The question is:

'That in clause 2 of the Bill for the words 'at the rate of one rupee and four annas per maund' substitute 'at the rate of two rupees eight annas per maund'.'

The Amendment was rejected.

The Council adjourned for Lunch till a quarter to Three of the Clock.

The Council re-assembled, with the Honourable the President in the Chair.

The HONOURABLE THE PRESIDENT: The question is:

'That clause 2 stand part of the Bill.'

The motion was adopted.

Clause 2 was added to the Bill.

The HONOURABLE LALA SUKHBIR SINHA: Sir, I want to move that the following sub-clause be added to clause 3 of the Bill, namely:

'With effect from the first day of April, 1922, for the words and figure 15 per cent. in Schedule III of the Indian Tariff Act, 1894'

The HONOURABLE THE PRESIDENT: Has the Honourable Member given me a copy of that amendment?

The HONOURABLE LALA SUKHBIR SINHA: Yes, Sir.

The HONOURABLE THE PRESIDENT: Will he read it?

The HONOURABLE LALA SUKHBIR SINHA:

'With effect from the first day of April, 1922, for the words and figure 15 per cent. in Schedule III of the Indian Tariff Act, 1894, the words and figure 22½ per cent. shall be substituted.'

The object of my amendment is that the present duty on the export of hides and skins is 15 per cent. I want to increase it by 50 per cent. that is to say, that this rate 15 be increased to 22½ per cent., that is by 50 per cent.

The HONOURABLE SIR ARTHUR FROMM: May I ask whether this appears on the List?

The HONOURABLE THE PRESIDENT: I have not got the amendment yet, but I understand that it deals with an amendment to the Third Schedule of the Indian Tariff Act, 1894, and the question arises whether the Third Schedule is open to amendment. I think it is open to amendment. The preamble to the Bill runs—

'further to amend the Indian Tariff Act.'

If those who drafted the Bill intended to restrict the amendment of the Bill to Schedule II, they would have said so in the preamble. It is open to the Honourable Member to move his amendment.

The HONOURABLE LALA SUKHBIR SINHA: Sir, I beg to move:

'That with effect from the first day of April 1922, for the words and figure 15 per cent. in Schedule III of the Indian Tariff Act, 1894, the words and figure 22½ per cent. shall be substituted.'

Sir, at present the duty on the export of hides and skins is 15 per cent. I propose that it may be raised to 22½; that is, by 50 per cent. Sir, at present many new leather factories have been started at Agra, Gwalior, Cawnpore, Bareilly and other places,—Meerut also—and, therefore, more hides and skins are wanted for their own manufacture. At present the quantity of export of hides and skins out of India is no less than 42,000 tons every year, and the value of these hides is as much as about 5 crores. If my amendment be accepted, this export of hides and skins will go down, and the result will be that more hides will be available in the country for being manufactured in these local mills. The price of manufactured leather goods that come now from outside is high, while the leather goods made in the country are much cheaper, and if the hides and skins will not be exported so much as it is now, I think the price of leather goods will still go down, and the consumers will be much benefited. It may be said that the present dealers in this trade in hides and skins will suffer. But I may point out that these dealers and merchants who deal in the export of hides and skins will begin to manufacture those hides and skins here in the country, and it will be a new occupation for them, and more profitable. Sir, if the quantity of hides and skins exported will go down, I think it will have a salutary effect on the number of cattle also. At present we find that excepting cattle dying a natural death, many are killed for this purpose and poisoned also in the country. It cannot be denied that this will be stopped; and, therefore, on economical grounds I put this amendment before this Council for acceptance. The Honourable the Finance Member stands in need of money, and in this amendment I suggest to him a new source of income. It may be said that since this duty on the export of hides was placed in 1919 the export trade has suffered much; it has gone down by half. But I think if we raise this duty by 50 per cent., the income will remain the same, or may be more, and therefore, looking to the deficit in the Budget, I think it is desirable to raise this duty from 15 to 22½ per cent.

The HONOURABLE THE PRESIDENT: To the clause under consideration amendment moved:

'The following sub-clause be added, namely, with effect from the 1st day of April 1922, for the words and figure 15 per cent. in Schedule III of the Indian Tariff Act, 1894, the words and figure 22½ per cent. be substituted.'

Honourable Members will not find the Schedule III in the Bill at all, but as the clause is so drawn as to open the whole of the Tariff Schedules, I cannot hold the amendment out of order.

The HONOURABLE SAIYID RAZA ALI: Sir, I was really wondering as to what was the object of my Honourable friend in moving this amendment. He has made a fine speech; he has tried to impress us with the necessity of increasing our revenues; there is no doubt that is a perfectly legitimate object, having regard to the character of the Budget with which we are faced this year. But, Sir, my Honourable friend in a rather unguarded moment gave himself away towards the end of his speech when he said that his motion, if adopted, would probably result in a

[Saiyid Raza Ali.]

reduction in the number of animals that are slaughtered. That, I take it, Sir, is the real object that he had in view. Let me say at once that I have very considerable sympathy with the object which is so dear to the heart of my Honourable friend; and, in fact, the indiscriminate slaughter of animals in this country is a gross abuse and the sooner the abuse is removed and matters improved, the better it will be for the country. I do not agree, Sir, with the first euphemistic ground with which he tried to support his proposition, namely, that a large number of tanneries had recently been opened and, therefore, in the interest of those tanneries it was necessary to put an additional export tax on raw hides. Figures are always very uninteresting, but if the figures for the past three years with reference to this trade are gone into, it will be seen that the trade has been in a very bad way since the year immediately succeeding the termination of the war. In the year 1919-20, the trade did all right, but since then it has gone from bad to worse, and if the export tax is raised, I am afraid the trade will receive a more severe blow than that from which it is already suffering under the existing stringent conditions. Now, if I may be allowed to go into dry figures, it would appear that this trade in the year 1919-20 amounted to a little over 20 crores of rupees. In the year 1920-21 the amount fell to 4.74 lakhs, and in the current year the figures are about the same as those for last year, namely, 4.77 lakhs. I may point out that these are figures for the ten months in each year, 1919-20, 1920-21, 1921-22, the year beginning from the 1st of April and ending the 31st of January next. We have not got the figures for the entire 12 months, but I think we can safely rely on these figures for 10 months in each of the past three years. They will show how severe a blow has been dealt at this trade, and the natural result of the amendment which my Honourable friend has brought forward this afternoon would be that additional taxation would automatically result in a decrease in exports; which again means that we will not even get what we have been getting up till now in the shape of revenue. My Honourable friend wants to help Sir Malcolm Hailey, but I doubt whether Sir Malcolm will have any cause to thank him, inasmuch as an additional tax will result in decreased export. Quite apart from the sentiments and feelings of my Honourable friend, with which I am in very great sympathy, as a business proposition the amendment brought forward by him is, I am afraid, very unsound. Therefore, on financial considerations alone, that amendment should not find acceptance at the hands of this Council.

The HONOURABLE MR. C. A. INNES: Sir, I desire to associate myself with the remarks which have fallen from my friend, the Honourable Saiyid Raza Ali. I think, Sir, that if the Mover of this amendment had studied the matter with the same care as Saiyid Raza Ali, he would not have made this proposal. I oppose the proposal on two grounds. In the first place, this Bill is a Finance Bill, and, on principle, I object to proposals in a Finance Bill which have not as their object the gaining of revenue but have other motives. If the Honourable Mover desires to limit the killing of cattle in India, he can move a Resolution to that effect; or he can introduce a Bill. But, Sir, he should not . . .

The HONOURABLE LALA SUKHBIR SINHA: That is not my object at all.

The HONOURABLE MR. C. A. INNES: Then I will leave that point. I will merely follow Saiyid Raza Ali in dealing with the course of the raw hide trade. We imposed an export duty of 15 per cent. in 1919. Unfortunately we imposed that export duty just on the eve of a very great slump

in the trade. I do not think that anyone will say that the imposition of our export duty was the cause of the slump. The slump was due to world factors, general stagnation of trade, very largely arising from the fall in foreign exchanges, which precluded our best customer for raw hides, namely, Germany, from buying our hides. But, whatever the cause, the slump, the stagnation is there. I have the figures here which confirm what Saiyid Raza Ali has already told us. In 1913, we exported 56,000 tons of raw hides from India; in 1919, 49,000 tons; in 1920, our exports dropped to 25,000 tons and, in 1921, they dropped to 23,000 tons. The Council will see that this important trade is in a state of very great depression. The effect of increasing the export duty by 50 per cent. would be to decrease our exports and to increase the depression of the trade. It might kill the trade altogether. It certainly would not bring in revenue, but would probably reduce the revenue we hope to get from this export duty this year.

I oppose the proposal on another ground. The hide trade for the last year has been objecting to this export duty. It has been pressing the Government of India to take off the duty, and the reply we gave them was that they should lay their case before the Fiscal Commission. Now, Sir, there is great contention as to whether export duties are salutary duties or not. I do not desire to express an opinion one way or the other; but I do desire to point out to the Council that, as I happen to know, the Fiscal Commission has this whole question of export duties in general, and the export duty on hides and skins in particular, under consideration at the present moment. We expect their report in a few weeks' time. I have shown that we shall get no revenue under the proposed increase of the export duty, and I put it to the Council that, in these circumstances, the wise thing for this Council to do is to await the submission of the Fiscal Commission's report and not to commit itself to this proposal. I beg to oppose the amendment.

The HONOURABLE THE PRESIDENT: The question is:

'That the following sub-clause be added to clause 3 of the Bill, namely:—

'With effect from the first day of April, 1922, for the words and figure 15 per cent. in Schedule III of the Indian Tariff Act, 1894, the words and figure 22½ per cent. be substituted.'

The Amendment was rejected.

The HONOURABLE THE PRESIDENT: We will proceed to the Schedule later, but in the meantime I will put clause 3, subject, of course, to such amendments as may be made in the Schedule.

The question is:

'That clause 3 stand part of the Bill.'

The motion was adopted.

Clause 3 was added to the Bill.

The HONOURABLE THE PRESIDENT: We will now deal with the Schedule which Honourable Members will find at page 3 of the Bill. I will read item by item and if any Honourable Member wishes to speak on any item, he will doubtless rise and stop me.

(The Honourable the President then read the headings and items under Part I of the Schedule, from 1 to 26.)

The HONOURABLE THE PRESIDENT: The question is:

'That Part I of the Schedule stand part of the Bill.'

The motion was adopted.

[The Honourable the President.]

Part I of the Schedule was added to the Bill.

(The Honourable the President then read the headings and items in Part II of the Schedule, from 27 to 44).

The HONOURABLE THE PRESIDENT: The question is:

'That Items 27 to 44 of Part II of the Schedule stand part of the Bill.'

The motion was adopted.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I beg to move the following amendment:—

'That the words '11½ per cent.' be substituted for the words '11 per cent.' in the column with the heading 'Rate or duty' on page 7 of the Bill, against 'Cotton piece-goods'.'

Sir, I had better begin by saying that although I sympathise with the Honourable the Finance Member as every Member of the House, official as well as non-official, in his present difficulty, my amendment is not put forward with the idea of helping him out of the difficulty, as I would like him to do it himself. My idea is also not to raise any conflict with the other House, because although this proposal was made in the other House and thrown out, I can say more accurately and more correctly than was said by the Honourable Sir Edgar Holberton in connection with his Resolution that it was done in a hurry. Had it been very carefully considered there I believe it would have been accepted. As it was, there were two proposals, one for keeping the duty at 15 per cent. and the other for reducing it to 11½ per cent. Unfortunately both got mixed up and the amendment for 11½ per cent. was thrown out. So, it is not with the idea of raising any conflict with the other House that I am moving this amendment. I know we are a revising Chamber, but I do not want to exercise the right of revision merely for the sake of showing our strength. I hope I have made it clear that it is not with the idea of finding money for the Finance Member, nor with the idea of raising any constitutional question with the other House that I am moving my amendment. I am moving it to establish the principle that the Government of India has the power to raise any duty without in any way increasing the countervailing excise duty. I want that principle to be established once for all, and in doing so, I will have to go back to what has been called the melancholy history of the Excise duty for a short time only, Sir. I would not go back to 1896 and refer to what was done then, nor shall I refer to the strong agitation carried on against the cotton excise duty up to the time that the import duty was raised to 7½ per cent. while the cotton excise duty was kept at 3½ per cent. That was the first move made by the Government of India to show to Manchester and to the Secretary of State that it was free to raise the import duty without in any way increasing the countervailing excise duty. I do not know, Sir, whether my information is correct—I stand open to correction—but I believe that this action was taken by Government at the time when India made a gift of a hundred million pounds to Great Britain during the war. If I am correctly informed, it was more in the form of a treaty that this action was allowed by the Secretary of State. Then we come to the second stage. That was last year, Sir. That was free action on the part of the Government of India, and the Secretary of State was not able to oppose it then. It was for the first time that the Government of India was free to impose any import duty for revenue purposes only (I want to make that point quite clear) and that it was not bound either

by the orders of Manchester through the Cabinet or by the direct orders of the Secretary of State to impose an equivalent countervailing duty. We now come to the third stage. This year we are passing through a very severe crisis. As it is, after the taxes that have been reduced by the Assembly, my friend, the Honourable Mr. Cook, said that we were in a very serious difficulty. I believe the Honourable the Finance Member emphasised that point by saying that our financial position was really a serious one. I want to ask, Sir, a direct question. The Finance Member put down after very careful consideration, the proposal to increase the import duty on piece-goods from 11 to 15 per cent. and that the excise duty should be increased to 7½ per cent. at the same time. I hope the Finance Member will not mind my quoting him. He said:

'I do not think that even the most malignant of our critics can accuse us of raising the cotton excise duty for the purpose of counterbalancing the import duty on foreign manufactures.'

We ought to take his word as such, and take it that he made these proposals merely for the reasons assigned by him. In the preceding paragraph he says that the idea was—

'to preserve to the greatest possible extent the general character of the present tariff and the general relation *inter se* of the various duties; in other words, we have endeavoured to limit our proposals in such a way as not to involve any important change of principle in the existing fiscal arrangements.'

That meant, Sir, that although not directly influenced either by the Secretary of State or by any other influences, somehow or other his sub-conscious self—I hope the Honourable the Finance Member believes in sub-conscious self and also that the Honourable the Finance Secretary does so—thought that it would be much better to preserve the general difference between these two taxes. They may have thought that if the proposal was sent to the Secretary of State in any other form—and all these fiscal proposals have to go there—that the Secretary of State might veto it. It would have been the work of his sub-conscious self. I do not for a moment want to suggest that it was otherwise. I accept what has been stated both by the Honourable the Finance Member and the Honourable the Finance Secretary that there was never any idea of placating Manchester or that they received any direct or indirect instructions from the Secretary of State. But there was a sub-consciousness, a fear, at the back of their minds, which the conscious self did not know, that it will be much better to have the same difference between the two duties which exists at present until the Report of the Fiscal Commission was out.

In the other House the first duty that was removed was the Cotton excise duty; then came this question, the consideration of the import duty. All of a sudden some of my friends, who were ardent Protectionists, began to have a very soft corner in their hearts for the consumers and desired to support the proposal of the representatives of the European trading firms; and one was surprised to find Government, which was sorely in need of money, accept that proposal and give up one crore and forty lakhs of rupees which would have reduced their deficits to seven crores and seventy-six lakhs. When one sees the Government Members, the mill-owners, the representatives of the Democratic Party, the other Party, and the Independent members, both European and Indian, going all of a sudden to the same Lobby, one thinks Government must have some reason for all at once coming to this conclusion of giving up one crore and forty lakhs,

[Mr. Lalubhai Samaldas.]

which really meant a large amount of money and would have helped the Finance Member to carry on for some time. That I am not in any way exaggerating the difficulties of the Finance Member, or exaggerating his own point of view will be apparent to those who have carefully studied his budget speech. He said:

'The country cannot, if it has any regard for its credit or any thought for its future solvency, take refuge in the simple course of leaving the whole or even the greater part of this deficit uncovered, and, further, that, quite apart from such considerations, it would not be a practicable proposition to do so, even if we tried.'

And yet when he had definitely made proposals for getting more money out of the general tax-payer he goes out of his way and all of a sudden says:

'Well, I am prepared to give it up.'

In reply to the Honourable Mr. Sethna, he said—if I understood him rightly—

'that he was prepared to face the difficulties, face the disturbances, if he could get five crores and forty-five lakhs, that is, the amount the total import duty would have brought him. But for one crore and forty lakhs I was not prepared to face or take the risk of internal disturbances.'

May I remind the Honourable the Finance Member that the words he used in the other place was not 'internal disturbances' but, if I remember aright, 'undesirable political consequences'.

The HONOURABLE SIR MALCOLM HAILEY: No, Sir, I am afraid I did not use the words 'internal disturbances' here this morning or in the other House; nor speaking to the best of my recollection did I use the words 'unpleasant political consequences'. What I said was that it would not be worth the general disturbance that it would cause; 'internal disturbances' would refer to an entirely different matter and I am sure that I did not use those words on either occasion.

The HONOURABLE MR. LALUBHAI SAMALDAS: I will accept what the Honourable Finance Member says; but I have a distinct recollection that the reference was to political consequences. It is a question of one man's memory against another's.

The HONOURABLE SIR MALCOLM HAILEY: It may have been by somebody else. I referred to 'general disturbance'.

The HONOURABLE MR. LALUBHAI SAMALDAS: The Finance Member was prepared to accept general disturbances when he laid a heavy salt duty. He did not mind if the poor man's salt was taxed. He did not mind if the mill-owners were taxed for some economists will agree with him that the removal of excise duty will benefit the mill-owners and mill shareholders. It never occurred to him then to have pity on both the classes, so long as he was getting within his net the poor man with his salt duty, or the rich man with his cotton excise duty. It never occurred to him that there was any danger of general disturbances till then; he never thinks of it; but all of a sudden the idea of general disturbances comes to his mind when the import duty

The HONOURABLE SIR MALCOLM HAILEY: I am very loth indeed, and I am sure the Honourable Member will not accuse me of discourtesy if I

correct him again. I have tried to impress on the House that the words I used were 'general disturbance', in the singular, and made no reference to rioting.

The HONOURABLE MR. LALUBHAI SAMALDAS: 'General disturbance.' I now take it that it was not political or internal disturbance but economic disturbance in trade that my friend meant. If that is so all I can say is that I am not prepared to accept that inference. If there was likely to be disturbance, owing to high prices, it would have occurred if both duties had been levied for the poor man would have to pay as much, both for the mill-made cloth and foreign imported cloth. I agree to a very great extent with what the Finance Member and Finance Secretary have said, that the price of mill-made cloth will automatically go up, very near, though I do say entirely, equal to imported cloth. If cotton excise duty goes, and this duty remains, I don't think there would be any economic disturbance of such a character as would justify the Finance Member giving up one crore and forty lakhs of rupees. I say that there is a feeling—it may be unjustified—that this has a political aspect. I want the Finance Member to assure us that it is absolutely nothing of the kind, and give us his reasons why, in a fit of generosity, he gave away one crore and forty lakhs without having anything in return either from the mill-owners or from the poor. That is the thing I would like to be made clear at this stage.

The HONOURABLE THE PRESIDENT: Has the Honourable Member actually moved his amendment? It seems rather a long time since he commenced to do so.

The HONOURABLE MR. LALUBHAI SAMALDAS: Yes, Sir, I have formally moved the amendment. If you think I have taken very long, I will come to an end. I wanted to raise this issue and have the whole position made clear, not because I want to find money for the Finance Member, or to raise any controversy in the other House, but because I want the right of the Government of India to be established once more that I move the amendment. With these words I commend my amendment for acceptance.

The HONOURABLE MR. SETHNA: Sir, I desire to support this amendment. I do not do so with the idea that this amendment if passed will bring in a substantial amount of revenue to meet to an appreciable extent the very heavy deficit of 9 crores and 16 lakhs of rupees because the proposed increase of 4 per cent. on the duty on imported piece-goods would have brought in one crore and forty lakhs and the increase as suggested in the amendment at $\frac{1}{2}$ per cent. will only bring in 17½ lakhs. Therefore, Sir, it is not on the score of adding largely to the revenue that this amendment has been moved, and this has been clearly explained by the Honourable Mover. The Honourable Mover has taken exception to the Government giving up, without even a sigh of regret, so large a sum as one crore and forty lakhs which could have been obtained by levying duty at the higher rate. The Honourable the Finance Member, in the course of the discussion, very forcibly explained that this was done to prevent a 'general disturbance' in trade, and I use the word advisedly in the singular. This morning I pointed out to the Honourable the Finance Member that a similar 'general disturbance' might reasonably have been expected during the current year when there was no increase in cotton excise but there was an increase in the duty on imported piece-goods from 7½ to 11 per cent. On the contrary, I think the Honourable the Finance

[Mr. Sethna.]

Member, who is a keen student of all industrial questions knows full well that the Indian mills during the year 1921 have not made as much profits as in 1920. Therefore, this advantage, which he thinks Indian mill-owners had, did not create the 'general disturbance' in trade to which he has referred and a similar or further 'general disturbance' would not be created if the cotton excise duty were left at $3\frac{1}{2}$ per cent. and the duty on imported piece-goods raised to 15 per cent.

Sir, in the much quoted telegram regarding the article in the 'London Times', to which reference was made this morning, it is stated that the Assembly voted against increasing the duty upon imported piece-goods because it desired to appease Lancashire. There is surely no such desire either on the part of the other House or on the part of this Council. The main idea is to assert our right that we are masters in our own house, and this amendment which proposes an increase of only half a per cent. is for the purpose of establishing this principle and no more. For this reason, Sir, I think it right to support the amendment.

The HONOURABLE SIR MANECKJI DADABHOY: Sir, I rise to oppose this amendment on grounds of expediency and good policy. I think the Legislative Assembly acted with great prudence in summarily rejecting a similar amendment when it was proposed in that House.

The HONOURABLE MR. LALUBHAI SAMALDAS: Not summarily.

The HONOURABLE SIR MANECKJI DADABHOY: Yes, summarily. I was present in that House when this amendment was discussed.

Sir, the Honourable Mover and the Honourable Mr. Sethna, who has given his support to this amendment, have urged that it is not from the point of revenue that they are pressing for this amendment. I understood them to say that their great desire was to show to the country that they were masters in their own house.

The HONOURABLE MR. LALUBHAI SAMALDAS: To show our strength to Lancashire.

The HONOURABLE SIR MANECKJI DADABHOY: Yes, to show our strength to Lancashire. Also, as the Honourable Mr. Lalubhai put it, on the ground of principle to show that we are in a position to destroy the contravening character of the duty. Now, I submit, that if that be the ground, the position which my Honourable friends have taken up has already been vindicated when last year we raised the duty from $7\frac{1}{2}$ per cent. to 11 per cent. We do not want the vindication of that principle every year. That principle was thoroughly vindicated last year and stands good to-day. So on the ground of principle, my Honourable friend has no substantial case. My submission, Sir, is this that the Fiscal Commission is now sitting and the Government have very wisely adopted the Resolutions of the Legislative Assembly and have not pressed in this Council reconsideration of the case by any further amendment. The $3\frac{1}{2}$ per cent. original excise duty has been allowed to be retained and the 11 per cent. duty on imports has been kept. The Fiscal Commission is now making a full investigation into the whole subject. A considerable mass of evidence has been recorded before that Commission, and it is giving very serious consideration to this one of the most complicated and important of problems. My Honourable friend does not know what will be the result of his amendment. He wants now that this tariff be raised by $\frac{1}{2}$ per cent. The Fiscal Commission may perhaps come to some other

decision, which I am not prepared to prognosticate at present, and they may come up with a declaration of some new policy. Are you realising the general disturbance to trade by these constant adjustments of tariffs? There is nothing more disastrous, there is nothing more ruinous to trade than these constant adjustments of tariff policy. They should be avoided as far as possible. We want a steady tariff. People cannot do any business; people cannot make their purchases and sales, when they know that the tariff is being constantly altered and meddled with by Government. They do not know where they stand; they do not know whether they are going to make profits or losses over their transactions. After all, when this principle which the Mover of the amendment has suggested has been previously vindicated, what great hurry is there at this juncture to insist upon this small increase? Could not my Honourable friend wait a little longer

The HONOURABLE MR. LALUBHAI SAMALDAS: The change in the Secretary of State.

The HONOURABLE SIR MANECKJI DADABHOY: How is this going to prejudice you? I am not expressing my opinion on the subject one way or the other. My Honourable friend, Mr. Lalubhai Samaldas, has referred to the change in the Secretary of State. The new Secretary of State has not uttered a word at all on this subject; it is not possible for the new Secretary of State, on the eve of his appointment, to throw to the winds a most solemn and emphatic declaration on the subject made to the Lancashire deputation by Mr. Montagu. Is it possible, is it conceivable, that any statesman who has got his reputation to maintain is going within a few days of his appointment to make a declaration contrary to one made by his predecessor in office.

I submit that no good purpose will be served by insisting on this amendment. I think the matter might be left alone at present. I quite agree with the Finance Member that there will be economic disturbance if this amendment is accepted and, as I have pointed out to the House, these economic disturbances are very unwise and ought not to be encouraged. In the interests of trade I hope this Council will have the good sense to reject this amendment.

The HONOURABLE SIR MALCOLM HAILEY: I do not know, Sir, whether I ought not really to have accepted the invitation of the Honourable Sir Maneckji Dadabhoi and left this matter to the Council without further argument. For, Sir, what is the avowed reason for putting this proposition before the Council? Not for money. No motive so sordid occurs to the mind of my Honourable friend, nor is it for the purpose of raising a controversy with the Legislative Assembly. My Honourable friend is not in a heroic mood this afternoon. No, it is simply in order to emphasise the right of the Indian Legislature to impose an additional import duty on piece-goods whenever they care to do so, without raising the Cotton Excise Duties. This, then, is the important principle to assert which we are to put a half per cent. (only a half per cent., mark you) on to the general import tariff. Well, some years ago, as Sir Maneckji Dadabhoi has pointed out, we raised the duty to $7\frac{1}{2}$ per cent. without raising the Cotton Excise Duty. A large deputation visited Mr. Chamberlain on that occasion. Mr. Chamberlain, though this deputation was representative not only of spinners and of manufacturers, but also of labour, gave it the reply that he had to consider the interests of Indian revenues and that, in the interests of India and of Indian revenues, the rate must be raised to $7\frac{1}{2}$ per cent. without any increase of what is called

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[Sir Malcolm Hailey.] the countervailing duty. Then, a less heroic Finance Member than Sir William Meyer, namely, my humble self, last year proposed an increase of general import duties to 11 per cent. Again deputations visited the Secretary of State, this time Mr. Montagu, equally insistent and equally numerous. What was the reply they got? Emphatically the same, that India's interests must be paramount and that he would not consent to put pressure on India to raise the Cotton Excise Duty. The matter did not end there; and I need only recall the declarations made in Parliament by both the Secretary of State and by Lord Curzon regarding the convention which, in certain defined circumstances, was to regulate India's fiscal autonomy. I do not believe that any further assertion of principle is now necessary; or that the case would be strengthened by the imposition of a half per cent. rate as proposed by the Honourable Member. You have got the 7½ per cent. behind you; you have got the 11 per cent. behind you, and what the Honourable Member now asks for, is an empty assertion of right which is entirely uncalled for and would serve no possible purpose. I might perhaps have left the matter there, but that the Honourable Member went somewhat further and suggested the whole matter was one which needed clearing up. He attributed a certain action taken by me to the influence of what I may or may not possess in private life, a sub-conscious self. In public business, I do not admit the influence of a sub-conscious self. We are accustomed to act either on the deliberations of Government where Government have discussed the question, or on our own judgment where we consider that we are justified in committing Government. As for my sub-conscious self, if it exists at all, the Honourable Member may be sure that it is locked up somewhere in its metaphysical cupboard; it does not accompany me to the office. Again, he suggests that if Government on a particular occasion finds itself in the lobby with various elements with which it is not accustomed to associate in a division, there must be something sinister about it; his detective mind seeks for some obscure and probably discredited reason. Well, I for my part have already attempted both elsewhere and here to give a clear explanation of my reasons for the action. I took. I have put them in as clear language as possible, and if that is not sufficient to dispel the doubts and suspicions of the Honourable Member's mind, then I am afraid that I cannot help him any further. It seems to me that when a responsible Member of Government has taken action largely on his own judgment on an occasion such as that referred to, in which his judgment must be swayed to a certain extent by what he sees going on around him in a deliberative assembly, and when subsequently he gives his explanation of the reasons which influenced him, he has a right to ask that that explanation should be accepted without suggestions that there is still some underlying motive behind it. I should never come here and suggest that an extra half per cent. (as now proposed) or an extra 4 per cent. (as originally proposed) on the general import duty would benefit the Honourable Member and his friends who hold shares in Bombay mills—or degrade myself by suggesting that the Honourable Member, sinking his sense of what is due to the country, advocated an increase in the import duty for purely sordid motives; and if I do not make that charge against the Honourable Member, I think he should in turn give me the courtesy of acquitting me of any purpose except that which I put forward to him. It may be that the purpose was insufficient; it may be that the reason was right, it may be that it was wrong; but that was the reason and there was nothing behind it. I am not responsible for the

'Times' in a leader considers that Members of the Legislative Assembly thought that they would be enlisting the sympathies of Manchester by the vote they gave. I gave my vote and my friends voted with me on that occasion on other grounds. We thought that we were justified in so voting, as I have said before, purely on the merits of the case. But let me leave this point, and return to the motion. I do not advise this Council to stultify itself by supporting the Honourable Member in an attempt to raise the import duty by half per cent. in order to assert a principle of which no further assertion can possibly be required. I remember that in the old days certain American politicians were fond of indulging in season and out of season in a pastime which was described as twisting the tail of the lion. My friend in an excess of heroism to-day desires to follow the same example. It was never a profitable pursuit, it is not always a healthy one. I think it just as reasonable for the Honourable Member to ask the Council to vote a proposition of this kind as it was for the countryman in the story to spend a hot afternoon jumping on a toad in order that he might teach it to be a toad; I consider his attitude just as logical as that of the lady who bonnetted a policeman in order to prove her political capacity for recording a vote.

The HONOURABLE SAIYID RAZA ALI: I have an amendment on the same subject, Sir.

The HONOURABLE THE PRESIDENT: If the Honourable Member has got an amendment on the same subject, he cannot move it, because it has already been moved.

The HONOURABLE SAIYID RAZA ALI: But not the same amendment. My amendment is a different one. It is on the same subject, namely, on the raising of cotton import duty, but it is not the same as the one moved by my Honourable Friend, Mr. Lalubhai Samaldas. I simply want to know whether this is the time for me to move my amendment.

The HONOURABLE THE PRESIDENT: The question before the House is that the amendment moved by the Honourable Mr. Lalubhai Samaldas be made.

The Amendment was rejected.

The HONOURABLE SAIYID RAZA ALI: The next amendment on the same subject is mine on the printed paper. The amendment appears as No. 4. It reads as follows:—

'After Part V add the following:—

'Part V (a).—Articles which are liable to duty at 11½ per cent. *ad valorem*. 123(a)—Cotton goods'.

The HONOURABLE THE PRESIDENT: I beg the Honourable Member's pardon. I read the amendment on the paper in his name as also 11½ per cent. which is the same as the one moved by the Honourable Mr. Lalubhai Samaldas and already disposed of. The only difference between his amendment and that of the Honourable Mr. Lalubhai is this 11½ per cent. Is that so?

The HONOURABLE SAIYID RAZA ALI: Yes, it is so.

The HONOURABLE THE PRESIDENT: Then that amendment cannot be moved as after the previous discussion it would be a frivolous amendment and I rule it out.

* 'That the words '11½ per cent.' be substituted for the words '11 per cent.' in the column with the heading 'Rate of duty' on page 7 of the Bill against 'Cotton piece-goods'.

[The Honourable the President.]

Item 45 was adopted.

Item 46 was adopted.

Part II of the Schedule was added to the Bill.

Part III. Articles which are liable to duty at 2½ per cent. *ad valorem*. Items 47 to 57 were adopted.

The HONOURABLE THE PRESIDENT: The question is:

'That Part III of the Schedule stand part of the Bill.'

The motion was adopted.

Part III of the Schedule was added to the Bill.

The HONOURABLE THE PRESIDENT: Part IV. Articles which are liable to duty at 10 per cent. *ad valorem*. Items 58 to 64. The question is:

'That Part IV of the Schedule stand part of the Bill.'

The motion was adopted.

Part IV of the Schedule was added to the Bill.

The HONOURABLE THE PRESIDENT: Part V. Articles which are liable to duty at 15 per cent. *ad valorem*. Items 65 to 86. The question is:

'That Items 65 to 86 of Part V. of the Schedule stand part of the Bill.'

The motion was adopted.

The HONOURABLE SAIYID RAZA ALI: Sir, the amendment of which I have given notice and which has been printed stands in the following terms:—

'In No. 87, Part V, before the word 'carriages' add 'bicycles'.

Now, as a matter purely of drafting, it has been recast, Sir, and I believe the typed amendment is before you. It reads now:—

'In No. 87, Part V, omit the word 'bicycles' and re-insert it before the words 'Carriages and Carts' in both places where they occur'.

I will at once explain that 'bicycles' have been mentioned in item No. 127, to which I will come presently and are therefore liable to pay a duty, as proposed in the Schedule, of 30 per cent. *ad valorem*. What I propose to do is to take out bicycles from a duty of 30 per cent. *ad valorem*, and place them in Part V of the Schedule so that they may not be liable to duty exceeding 15 per cent. *ad valorem*. Sir, I will ask Honourable Members to consider this from a purely financial point of view. The amendment does not involve the consideration of any political questions or political principles. It is solely a matter of finance. The position, Sir, as we find, is that the Finance Bill has been considerably modified by the Chamber where it was introduced. As I took occasion to remark on the 8th March when the Budget discussion took place, the Budget of this year was, in fact, more favourable to the rich than to the poor. I cited instances to that effect that day, and in spite of the attempts that have been made by the other House to improve the character of the Bill, I am afraid it remains yet open to the charge that it favours the rich at the expense of the poor.

What is it that we find in the Budget? We find that machinery was included in those articles which were liable to pay the enhanced duty. Now, under pressure from very influential quarters, the Government have had to give in on that point. Heavy machinery is no longer liable to the additional duty and it has been transferred to a much more advantageous position in the Schedule. But, so far as bicycles are concerned, nobody has taken care to see as to what class of people use these handy machines

and as to whether the additional tax would not press heavily on that class. I may at once explain that bicycles are at present chargeable with an import duty of 20 per cent. That we find in the Finance Bill that was passed last year. Now, this year it is proposed that an addition of 50 per cent. should take place and instead of 20 per cent. duty *ad valorem* they should pay a duty of 30 per cent. *ad valorem*. Now, I do not think it is necessary for me to state before the Honourable Members of this House that people who use these machines are, as a rule, not rich men; mostly, bicycles are used by men employed in various offices, artisans and clerks. These are men who with difficulty at times can afford to purchase a bicycle without paying the price by the instalment system. Now, my submission is that if you raise the duty by 50 per cent. that falls very heavily on this deserving class of people. If the objection against any additional taxation being imposed on machinery was that it would injuriously affect the industries in this country because people may in certain cases have to borrow the amount not having taken the additional tax into consideration, I submit, Sir, with much greater force, can the same argument be used in favour of those who use these cheap and handy machines. What I just want to satisfy Honourable Members about is that those on whom the tax would fall—and it is a right proposition that the tax falls on the consumer—can ill afford to bear this additional amount of taxation. Now let us see, Sir, whether from a business point of view, the raising of the duty on bicycles is justified and just. If the past figures be taken into consideration, it would appear, Sir, that the raising of duty on bicycles has been very prejudicial to this class of our import trade, and instead of the Finance Department getting more money by raising the taxation, in fact they have been getting much less than they used to get before the additional taxation came into force. I need not emphasise the importance of the law of diminishing returns as applied to additional taxation. If you raise your duty beyond the capacity of those who mostly consume or use a certain article,—if you raise the duty beyond that, then naturally, instead of your getting more money, you will be getting much less than you did before. This proposition becomes quite clear from the return of the past three years. We find, Sir, that in the year 1919-20, the value of bicycles imported was Rs. 22,79,872. Now the next year was a booming year no doubt, it was an exceptional year, and therefore the amount went up to a large figure, in 1919-20, the value of these articles went up to Rs. 86,34,047. But let us see what has been the fate of this class of articles ever since the duty was raised last year. We find, Sir, that in the 10 months—all the figures I have given to the Council are for ten months—commencing from the 1st April and ending on the 31st of January of the succeeding year, when the additional taxation remained in force, the value of imported bicycles fell to Rs. 12,70,805. No doubt, Sir, I am prepared to make every allowance in respect of the year 1920-21 which was an exceptional year. But there is no reason why the value of this imported article should have fallen short very considerably of the value of articles that were imported in 1919-20. Again, if Honourable Members will look at the number of these articles imported, we find that whereas during the ten months of the year 1919-20 we imported 13,503, and during the corresponding ten months of the year 1920-21 we imported 45,255 machines, in the current year during the corresponding 10 months, we imported only 4,173 machines which again shows, Sir, that, as compared with the number of articles imported in 1919-20, we imported only one-third of the total number. This conclusively shows, Sir, that, instead of getting more revenue by raising taxation, we have been getting less than we were getting before we did so. My

[Saiyid Raza Ali.]

submission is that if this part of the Bill is accepted and items Nos. 87 and 127 left as they are, with bicycles paying a duty of 30 per cent. *ad valorem*, then we will get much less than what we have received even in the bad current year. I do not know, Sir, if this proposition was put forward before the other House. The information at my disposal shows that it was not. I am sure that if these figures had been explained and the fall in the number of imported articles because of the increase in duty had been clearly shown, this Bill would not have come before us in the form in which it has, as the other House would not have allowed a duty of 30 per cent. *ad valorem* to be levied on these articles. Considering these facts, Sir, I submit that these two words be added to item No. 87 in Part V. This will necessitate a corresponding alteration in item No. 127. That alteration

The HONOURABLE THE PRESIDENT: If the Honourable Member succeeds in his amendment he can move his consequential alteration in the other item. If he does not succeed, the question will not arise.

The HONOURABLE SAIYID RAZA ALI: Very good, Sir.

The HONOURABLE THE PRESIDENT: The amendment moved is to omit the word 'bicycles' in item No. 87 in Part V of Schedule II, and to re-insert it before the words 'Carriages and Carts.'

The amendment is a little obscure, but the intention is to remove 'bicycles' from the 30 per cent. *ad valorem* duty list to the 15 per cent.

The HONOURABLE MR. C. A. INNES: Sir, I am prepared to admit the Honourable Member's facts, but I am not prepared to accept the inferences which the Honourable Member has drawn from those facts. It is a fact that in the year 1921 there was a very large reduction in our imports of bicycles; but that very large reduction was not, in my opinion, merely due to the fact that we had raised the duty on bicycles to 20 per cent. This point can be best illustrated by giving figures of the number of bicycles imported in a series of years. In the five years ending 1919 the average number of bicycles which were imported in any one year was about 12,000. In 1920 that number rose to 54,000. Everybody knows that the year 1920 was a boom year, owing to the high exchange value of the rupee, and very large orders were placed with Home manufacturers for bicycles and other things; and as a consequence we began the year 1921 with very large stocks. The net reduction in our imports which has taken place in the year 1921 was in my opinion due much more to the very large stocks we had at the beginning of the year than to the increase in the duty. I think there is not the slightest doubt about that. At the same time, I am prepared to admit that the 30 per cent. duty on bicycles is perhaps on the high side. We were rather doubtful about it ourselves, and after consultation we are prepared to meet the Honourable Member to a certain extent. But I am afraid that the Government cannot accept the amendment proposed by Saiyid Raza Ali. In the first place his amendment would leave items 87 and 127 of the tariff in a very curious form; and in the second place, having had great experience myself in the drafting of these two items, I know how extremely difficult it is and how extremely dangerous it is to make alterations in the wording of those items at a moment's notice. But what I am prepared to do is this. If the Honourable Member will withdraw his amendment, I on my part am prepared to give an undertaking

that in the exercise of our powers under section 23 of the Sea Customs Act, we will remit so much of the duty as will bring it down to 15 per cent. I hope this will meet with the wishes of the Honourable Member. It may not involve an alteration in this Bill, but it does meet the Honourable Member's point.

The HONOURABLE MR. SETHNA: I hope, Sir, that the assurance given by the Honourable the Commerce Member will satisfy my Honourable friend. There is, however, one point, which I wish to bring to the notice of this House. The Honourable Mover has brought his amendment in regard to bicycles. I do not see why tricycles should not also be brought in, and I hope, that I am in order in requesting the Honourable the Commerce Member to include tricycles also in whatever action he decides to take.

The HONOURABLE MR. C. A. INNES: Certainly.

The Honourable Saiyid Raza Ali rose to speak.

The HONOURABLE THE PRESIDENT: The Honourable Member may ask for leave to withdraw his amendment.

The HONOURABLE SAIYID RAZA ALI: That is what I propose to do, Sir. But the only thing

The HONOURABLE THE PRESIDENT: In doing so he may not make a speech.

The HONOURABLE SAIYID RAZA ALI: I don't propose to make a speech. Only I want tricycles also to be included. That is all. I beg to withdraw my amendment.

The Amendment was, by leave of the Council, withdrawn.

The HONOURABLE THE PRESIDENT: The question is:

'That Item 87 stand part of the Schedule'.

The motion was adopted.

The HONOURABLE THE PRESIDENT: The question is:

'That Items 88 to 96 stand part of the Schedule'.

The HONOURABLE SAIYID RAZA ALI: I have got an amendment on Item No. 96, Sir.

The HONOURABLE THE PRESIDENT: The amendment apparently is that item 96 be omitted.

The HONOURABLE SAIYID RAZA ALI: No, Sir. That was the amendment I sent in, but subsequently I gave notice of another amendment. As it appears in the printed list, it would mean that this sort of machinery would not be liable to any duty which was of course not what I intended. As it at present stands, the amendment is this: Remove item No. 96 together with the heading and the two lines opposite the figure, from Part V and insert it at the end of Part II with 20 per cent. as the amount of duty, re-numbering it as 47.

The HONOURABLE THE PRESIDENT: I want a moment to consider the amendment. The Honourable Member seems to be in some difficulty with his amendment.

The HONOURABLE SAIYID RAZA ALI: This 20 per cent. is wrong. It ought to be 2½. That is my mistake.

The HONOURABLE THE PRESIDENT: Part III has already been passed, you cannot go back to Part III.

The HONOURABLE SAIYID RAZA ALI: We can certainly add to it.

The HONOURABLE THE PRESIDENT: The Honourable Member should have moved this amendment when Part III was under consideration. Had I been aware of the Honourable Member's real amendment, I would have advised him to move it at that stage. We have now passed the Schedule which deals with those articles which were liable to 2½ per cent.

The HONOURABLE SAIYID RAZA ALI: Since it is a purely legal point, I should explain that no doubt we have passed Part III, but even now it is open to us to add something to that.

The HONOURABLE THE PRESIDENT: The Honourable Member is not only entirely out of order but he is wasting the time of the House. If this amendment had been given to me earlier, or had been expressed in the terms intended, I would have drawn his attention to it in the place where he should have moved it; but he has allowed the opportunity to pass by. He can now speak on Item No. 96 if he wishes to do so, but he cannot now move his amendment.

The HONOURABLE SAIYID RAZA ALI: Sir, the present duty on the machinery mentioned in item 96 is 11 per cent. *ad valorem*. It is proposed now to raise it from 11 to 15 per cent. Now, the kind of machinery that is described in the item is generally used by manual or animal labour, and looking to the conditions that obtain in this country, I submit that it is very desirable that this kind of machinery should be encouraged. Now machinery of this character can be very useful in stimulating our cottage industries, and therefore I submit that the raising by a very substantial amount the duty on this class of articles is not at all desirable. (A voice: 'The duty has not been raised; it has been in existence for years'). If my Honourable friend will refer to Article 95 of Act VI of 1921 he will find that the duty on this article is 11 per cent. which it is proposed to raise to 15 per cent. There is a clear and definite increase to be made under this head, and if my facts are not wrong, then I say that looking to the quarter on which it will fall, it is clearly desirable that this addition should not be sanctioned. 15 per cent. is a very large amount, and looking to what has taken place in regard to other and more important kind of machinery, I submit that surely it is but just and right in the interests of poor people and small trades that this duty should not be raised. I propose, Sir, that the duty of 15 per cent. should not be sanctioned and in any case it should be cut down to 2½ per cent. I cannot propose now, unless you give me special permission, as to where that item should be placed. But that is purely a matter of drafting. It can be placed anywhere. The real point is this, that this duty should not stand at 15 per cent. *ad valorem*, but should be cut down to 2½ per cent.

The HONOURABLE MR. C. A. INNES: Sir, I have had very considerable difficulty in trying to arrive at the exact purport of the Honourable Member's amendment. As it stands in the paper before me, it merely suggests that item No. 96 should be deleted. The effect of that deletion merely would be that these particular articles to which the Honourable

Member refers would come under item No. 123—all other articles not otherwise specified, 15 per cent. Sir, that was my first difficulty in dealing with the Honourable Member's amendment.

The HONOURABLE SAIYID RAZA ALI: As to that I have handed in a subsequent amendment for 2½ per cent.

The HONOURABLE MR. C. A. INNES: Sir, ever since our tariff system has been brought into force, we have always distinguished between power machinery and small hand machines. Ever since 1895 we have had specially favoured rates for power machinery for factories in order to encourage large scale industries in India. The other machinery—small hand machines—have always come within our general *ad valorem* rates. It is quite true, as the Honourable Member says, that we have raised that rate from 11 per cent. to 15 per cent. this year, that is to say, we have added 4 per cent. on to the duty on these machines. But, Sir, I will point out that these machines, knitting machines, sewing machines, are the most important of that class. In this case the consumers will have to pay. I think the Council will be well-advised in leaving this machinery at the place where it has stood ever since we have had our tariff, namely, the general *ad valorem* rate.

The HONOURABLE THE PRESIDENT: The question is:

'That Item 96 (Machinery) in Schedule I stand part of the Bill.'

The motion was adopted.

The HONOURABLE THE PRESIDENT: The question is:

'That Items 97 to 123 in Part V of Schedule I stand part of the Bill.'

The motion was adopted.

Part V of the Schedule was added to the Bill.

The HONOURABLE SAIYID RAZA ALI: What has happened to Item 96?

The HONOURABLE THE PRESIDENT: The amendment was ruled out of order and the clause adopted as it stands.

The HONOURABLE THE PRESIDENT: The question is:

'That Items 124 to 141 in Part VI of Schedule I stand part of the Bill.'

The motion was adopted.

Part VI of the Schedule was added to the Bill.

SCHEDULE I was added to the Bill.

The HONOURABLE THE PRESIDENT: Since the Honourable Saiyid Raza Ali has withdrawn his amendment, the consequential amendment (Item 127) does not arise.

The HONOURABLE THE PRESIDENT: The question is:

'That clause 4 stand part of the Bill.'

The HONOURABLE SAIYID RAZA ALI: That is, subject to my amendment.

The HONOURABLE LALA SUKHBIR SINHA: I have also an amendment to this.

The HONOURABLE THE PRESIDENT: The Schedules will be taken later.

Clause 4 was added to the Bill.

We now turn to Schedule II of the Bill, the Schedule to be inserted in the Indian Post Office Act, 1898.

The HONOURABLE SAIYID RAZA ALI: Sir, I beg to move—

'In the Schedule to be inserted in the Indian Post Office Act, 1898, immediately below the heading 'Letters' add—

'For a weight not exceeding half a tola in an embossed envelope Three quarters of an anna.'

Now, Sir, we know that the three quarters of an anna stamp has been done away with under the Bill which is before the Council for consideration. We also know the important fact that the Telegraph Office is being run at a loss and that the Honourable the Finance Member has to face a deficit under that heading. (A Voice: 'The Post Office.')

The HONOURABLE MR. B. N. SARMA: Both together.

The HONOURABLE SAIYID RAZA ALI: In the speech delivered by the Honourable the Finance Member on the 1st of March both the departments have been dealt with together. I am not in a position to say as to what is the amount of loss under Post Office and what is that under Telegraphs

The HONOURABLE SIR MALCOLM HAILEY: A loss of 171 lakhs under the Post Office and a gain of about 80 or 90 lakhs under Telegraphs.

The HONOURABLE SAIYID RAZA ALI: I thank the Honourable the Finance Member for giving me this information. Therefore, Sir, in order to make these departments self-supporting, it is proposed to raise the postal rates. The proposal is to do away with the 3 pies postcard

The HONOURABLE THE PRESIDENT: Which amendment is the Honourable Member moving?

The HONOURABLE SAIYID RAZA ALI: The first one.

The HONOURABLE THE PRESIDENT: The first amendment seems to be later than the second amendment. If the Honourable Member will refer to the Schedule he will see that, under the heading 'Letters' apparently his second amendment refers to the first entry and not to the second entry, and he proposes to add his first amendment after the second amendment.

The HONOURABLE SAIYID RAZA ALI: The second amendment will come after the first.

The HONOURABLE THE PRESIDENT: I do not understand the amendment.

The HONOURABLE SAIYID RAZA ALI: My amendment is this: I just want to add that $\frac{1}{2}$ of an anna should carry all weights not exceeding half a tola; that is one. So far as weights above that are concerned, weights exceeding half a tola but not exceeding $2\frac{1}{2}$ tolas should be carried by a stamp of one anna. That is the second amendment. Nine pies, I propose, should be the postage payable on a letter not weighing more than half a tola. If this is carried it would necessarily involve a change in the rest of the clause in the Schedule as it stands. Therefore, in order to move the first amendment, I have to refer to the second one. I hope I have made any point clear.

The HONOURABLE THE PRESIDENT: I think I understand the Honourable Member's point now; but there was no necessity to put the word 'Letters' in his second amendment.

The HONOURABLE SAIYID RAZA ALI: I am sorry, Sir, I did that. My submission is that the policy of the post office in keeping their accounts in the manner they do is to a very large extent responsible for the supposed deficit. It appears that the system of accounting has undergone a certain change, and therefore the deficit with which we are faced appears much larger than it would if the accounts were kept on the older system. Now, I find in this big blue book at page 311 that under Interest on Debt it is stated:

'Owing to the transfer of capital outlay on the Indian Postal and Telegraph Department outside the revenue account it has been decided to make a charge to the revenue account of the department on account of interest on past outlay as in the case of capital outlay on railways and irrigation works. The debits on this account in the revised estimate for the current year and the budget for next year are estimated at Rs. 60 and Rs. 66 lakhs, respectively.'

This, I understand, means that before the current year no interest was chargeable on the outlay on the Post and Telegraph offices. I take it, Sir, that that is what it means. If that is so, it is a distinct departure in the policy on which the accounts are kept, and therefore in these two years the amounts of Rs. 60 lakhs and Rs. 66 lakhs have been shown, which ought not to have been shown if we had stuck to our old system of accounts. Now, the Honourable Sir Malcolm Hailey was good enough to give me the deficit figure relating to the Postal Department at Rs. 171 lakhs. Actually a very considerable reduction, if I am right, will have to be made in this figure. I am very anxious to know the details on that point, and I believe the Honourable the Finance Member will make it clear in his reply, although I will not have any right of reply

The HONOURABLE SIR MALCOLM HAILEY: Perhaps it will suit the Honourable Member if I point out to him what exactly happened. The interest that he refers to is charged only on telegraph capital expenditure and does not affect the post office side of the account. If we had followed the old method of our annual accounts, we should have put down all expenditure on account of telegraphs to the revenue account instead of placing 140 lakhs to capital expenditure, and charging telegraphs only with the interest. The deduction which the Honourable Member draws is not therefore fully correct.

The HONOURABLE SAIYID RAZA ALI: I should like to know what was the system two years before.

The HONOURABLE SIR MALCOLM HAILEY: Two years ago, in dealing with telegraphs we put all expenditure down in our annual accounts to revenue, though, of course, we kept a *pro forma* account, showing separately capital and revenue expenditure.

The HONOURABLE SAIYID RAZA ALI: Now, Sir, so far as the explanation goes, I am told that it applies to the Telegraph department and not to the Post Office department. Since I am now dealing with the post office side, I shall not go into that question any further.

Sir, the question is as to what should be the policy of the State as regards the departments which serve the public and which are maintained for the service and convenience of the public. On this matter I may very briefly explain the departments concerned as also the Finance Department which seem to have come under the spell of the idea that these two departments, i.e., the telegraph and the postal, are not maintained so much for the convenience of the public as to enable the State to get as large profits out of

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them as possible. The old theory on the other hand, as Honourable Members know, was that these are not the departments to which the State is entitled to look forward for revenue purposes but they were intended to promote the general convenience of the public. This was the theory that was put forward by the Post Office Commission in the year 1850 in their bulky report which has been referred to in his book by the present Director General of Posts and Telegraphs. This is how the policy is enunciated. I shall read out only two or three lines, and my Honourable Friends will see as to what has been the policy consistently followed till two years ago, and what is to-day the policy of Government. This is what he says:

'The report of the Commissioners is contained in a bulky volume of some six hundred pages, of which the preamble is most interesting and throws a great deal of light on the domestic history of India in the first half of the nineteenth century. The reforms are based throughout on the principle that the Post Office is to be maintained for the benefit of the people of India and not for the purposes of swelling the revenues, and it is greatly to the credit of the Government of India that in all times of stress and strain, as well as in times of prosperity they have loyally observed this principle, although there have been many temptations to act contrary to it.'

Commenting on this, I can only say that unfortunately the Government of India have fallen a victim now to this temptation, namely, to look to this department for purposes of revenue. Therefore, Sir, I say that it is the duty of the State as much as lies in its power not to exploit these departments for revenue purposes. It has been stated in his speech by the Honourable Sir Malcolm Hailey that it has been found necessary to raise additional taxation with a view to meet the deficit.

I agree with the Honourable the Finance Member that an attempt should be made to raise taxation, but that should not go beyond reasonable bounds. The burden should only be so much as can be borne by the people on whose shoulders it is placed. It should not crush them. The present proposal is to raise the postal rates and to raise the minimum postage to one anna. My submission is that it is too high in view of the conditions prevailing in this country when it is taken along with the fact that simultaneously the Bill aims at raising the value of the postcard to six pies. It is true, Sir, that it is our duty to help the Government in meeting the deficit. All the same I maintain that the Honourable the Finance Member is defeating his own object in raising the duty so high. I believe he knows what has been the effect of the raising of the postal rates in England. There that policy has resulted in a very huge drop in the number of letters, postcards and printed circulars carried by post. Under letters alone the fall in number comes to over 12 crores. Under postcards the fall is much heavier, and under circulars and price lists the fall in number is represented by nine crores and fifty lakhs. As I said in another connection, of course there is such a thing as the law of diminishing returns as applied to this subject. If you raise the tax too high, naturally the result is that people do not make use of those articles or those channels which you are taxing. That in fact would be clear to the Honourable the Finance Member if he would refer to his own Budget. Last year certain proposals were put forward. In fact, certain additional taxes were put. What has been the result? The result is, Sir, that the actual income has very considerably fallen short of the amount that was expected to be raised. That is but natural. In the same manner if we accept the proposals that have been laid before us, I feel sure that the proposals for additional taxation would not bring to us the extra money, but much less than the amount of money that

we expect under these proposals. Therefore, Sir, I suggest that to help the Government we are quite prepared to keep the price of the postcard at six pies, but there is no reason why the minimum postage should not be reduced from one anna to nine pies, provided it should carry half a tola and not more.

If this argument finds favour with Honourable Members I will at once explain what would be the expected amount of loss. The figures that I have gathered during the course of the debate in the other House show that the Department expects to get an excess revenue of Rs. 70 lakhs on postcards and Rs. 90 lakhs on letters. It is calculated that 80 per cent. of the letters sent are below half a tola. That being so, the proportionate amount represented by three pies, by which amount I propose to reduce the minimum postage stamp would be something like Rs. 35 or 36 lakhs. Now, the question is, whether this proposal is one which should find favour with Honourable Members. I submit, Sir, that the budget proposals that we have sanctioned hit the poor very hard indeed, as was pointed out by an Honourable Member during the course of the debate this morning. There is already much discontent in the land. I do not want to take much advantage of that factor, but it is undeniable that there is discontent in the land. Now you want to raise the duty on an article that is used by the man in the street, and he really will not be able to give a warm welcome to a proposal of this character. Therefore, I say that looking to the merits of the case on the one hand, looking to the somewhat objectionable manner in which it was confidently stated last year that revenue would increase under this head, which expectations have not been realised, and looking to the amount of discontent to which this additional taxation is sure to give rise,—I submit that the best course would be to keep the minimum price of the postage stamp at nine pies. That, of course, does not touch those letters which weigh more than half a tola, and so far as the revenue from that source is concerned, that will not be affected. As regards the second part of my amendment, I have made it clear as to what would be the postage payable on a weight exceeding half a tola. With that end in view I have put forward the second amendment, namely, that if the weight exceeds half a tola, then that should be chargeable with a postage of one anna; and I have inserted a few amending words in the Schedule. For these reasons, I think it is very necessary that this Council should be pleased to take the matter into consideration and reduce the price of the minimum postage stamp from one anna to nine pies.

The HONOURABLE MR. C. BOROOAH: Do I understand, Sir, that the Honourable Member has stated that if this amendment is carried into effect the loss in the postal revenues will be 25 lakhs. (A voice: '36 lakhs').

The HONOURABLE THE PRESIDENT: Amendment moved:—

'In the Schedule to be inserted in the Indian Post Office Act, 1898, immediately below the heading 'Letters' add—

'5. For a weight not exceeding half a tola in an embossed envelope. . . . Three quarters of an anna.

'6. Under the heading 'Letters' between the words 'For a weight' and 'not exceeding' insert 'exceeding half a tola but.'

The HONOURABLE MR. B. N. SARMA: The Government appreciates fully the desire of many Honourable Members to keep within very low limits the duty on postage so that it may not work as a hardship upon the people and the Government also are equally desirous of not unduly raising the duty if it were possible to do so in the interests of the Department in general and of public finance in particular. I shall not deal with the question of general finance now, but I would confine myself, in the first place,

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to the proposal in so far as it would affect the Post Office administration itself. The Honourable Member seems to consider that there is a desire on the part of the Government to depart from the wise policy of not looking to the postal administration as a source of revenue, and that under a sore temptation they are devising proposals during this year which would give them an additional revenue in relief of the general deficit with which they are faced.

(At this stage the Honourable the President vacated the Chair and it was occupied by the Honourable Sir Zulfiqar Ali Khan.)

We shall omit for a moment from our consideration the Telegraph Department, and let us see as to whether this criticism is pertinent and correct in so far as the Postal Department is concerned. The Honourable Member has already stated that the Government expects a deficit of 90 lakhs during the coming year both in respect of the Postal and Telegraph Departments, combined together and taken as a whole. Now it is difficult to allocate profit and loss on each of these Departments during the coming year; it is only a guess; but I may inform the House that, judging from the figures for the actuals which are available we find that in 1920-21 we made a profit of 81 lakhs on Telegraphs and there is no reason as to why we should not make at least that amount during the coming year. Now if our total loss on the two Departments together is to be 90 lakhs, it follows that we estimate the loss on Posts alone to be about 171 lakhs, so that if this additional revenue of 160 lakhs is to be given to us, it is just possible that we shall be still running the Post Office at a loss of about 11 lakhs; which, perhaps, we will be able to recoup from the telegraph revenue: so that the net total may possibly be beneficial to the State as a whole, but there is no warrant whatsoever for the statement that we are utilizing the Post Office as an instrument for making revenue for the relief of the general exchequer. Well, so much for the first point. Now the question is as to whether, in the interests of the Department itself, it is desirable that we should run the administration at a loss, or whether we should try to make both ends meet and, if possible, gain a little so that there may be money for the very many improvements which have to be effected if we are to carry relief to the doors of the poor. Much has been said both here and elsewhere, and rightly too, that we should attempt to benefit the poor as far as we can and assist them by the establishment of postal communications, and, if possible, telegraph communications, in the vicinity of many more towns and villages in order that they may derive benefit, not merely in the speedier carriage of the mails, but also by the establishment of banking facilities, money order facilities, and so on. Now I put it to the House as to whether, if a Department be run at a loss, it would be possible for the Member in charge of that Department to induce the rest of the Government of India to embark on a policy of expenditure which may be absolutely necessary for the purpose of bringing relief to the poor man's door. Ordinarily, unless a Department is worked at some profit, human nature being what it is, that Department would not be treated favourably, and I therefore ask the House to treat this Department generously, so that it may discharge its functions efficiently and satisfactorily.

Now there is another point. There seems to be a misconception that the carriage of these mails is a source of profit. If we analyse the figures—at this late hour I do not propose to do it—Honourable Members will find that the Post Office is making a profit on Money Orders, on Savings Banks and

other services the whole of which is now going towards meeting the cost of carriage of postcards and letters. Therefore, treating this branch separately, it is a distinct loss, and we shall be perfectly justified in asking the general public to make the carriage of mails, if not a profitable transaction, at least a commercially possible transaction. We incurred last year an additional expenditure of, approximately, 130 lakhs of rupees in revising the scales of pay of the subordinate establishments of the Post Office. It is a progressive scale of pay we have instituted and for some time to come we must look forward to additional expenditure on this account alone. If you ask us to be content with very low rates of postage the net result will be, not only difficulty in carrying on the administration successfully and efficiently even as far as it now goes, but a denial of opportunity for affording any additional facilities by the establishment of new post offices which are so necessary. We have received applications from various Provincial Governments asking for the establishment of new post offices in various parts. Now it has been made clear in the other House, that under the old scale of establishment charges, for a new post office to be started a yield of revenue monthly of about Rs. 20 was required. With the present cost of establishment you cannot start a post office unless you can be assured of Rs. 40. Unless, therefore, you double your income there is no possibility of starting a new post office. And it must be remembered that there is a great need for additional post offices; we have far too few at present for the needs of the population, considering the large number of villages, etc., which are without postal facilities in the country. I would request the House to bear this aspect of the question in mind and not to be governed merely by the consideration that we should not raise the postal rate. I shall not deal further with this Departmental aspect of the question. The Telegraph Department cannot always be looked to as a source of revenue in order to recoup losses in the Post Office. Honourable Members will realize that we would like, if possible, to reduce the telegraph rates. But we have to make improvements, construct new buildings, etc. There are several applications for telegraph offices. Consequently, the little profit which we may make must be utilized, if possible, for the benefit of the Telegraph Department. And if these two Departments are run together at a profit, I am sure that Honourable Members will not grudge that profit, because every pie of it can be usefully spent by the Department in introducing various improvements. So much for the Departmental point of view.

Then, Sir, is this a year in which we can afford to cut down our revenue by 36 lakhs of rupees? Much has been said already on this subject, and I do not like to weary the House with a repetition of the arguments. But I would like to say that it would be dangerous indeed to attempt any further curtailment of the sources of revenue, especially when the Government has so readily, though with great reluctance, accepted the wishes of both Houses and has met them as far as they possibly can. From the administrative point of view we shall be very gravely inconvenienced. Last year Honourable Members reduced the proposed rate of postage to 9 pies in some cases which has resulted in a loss in the budgeted figure. A suggestion has also been made for the introduction of an embossed envelope. But it will take us some months to introduce it, possibly six months. The process of manufacture will be costly, and it will always be administratively inconvenient to weigh letters to see that they are not over weight . . .

The HONOURABLE SAIYID RAZA ALI: My idea was that the people who really need embossed envelopes should be in a position to use them, and

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that it should not be open to commercial firms to send their letters with a half-anna stamp.

The HONOURABLE MR. B. N. SARMA: Experience has shown that the commercial public would—and there is no way of preventing them—try to utilise this cheap postage as far as they can by using thin paper and other expedients and saving money; and secondly, the Honourable Member's object cannot be given effect to in practice without giving equal benefit to all the members of the public, whose interests he might not have in mind just at the present moment. I therefore suggest that the House should not accept this amendment on the grounds I have put forward.

The HONOURABLE MR. E. M. COOK: Sir, I move that the Question be now put.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, coming from a village, I can assure you that we have got many difficulties in connection with the Post office. When the post office is not in the village people get the letters sometimes a week or 10 days after the letter has come to the post office, and it is for this reason that I think that some tax should be levied, as the Honourable Member in charge has explained, so that these villages may get their post in time. There are men who write letters as a luxury and invite their friends to do the same. There are others who know how to read and write and simply do nothing else except to write long letters for nothing. That is the reason why last year I objected to the reduction of the postal rates and said that Government should levy more tax so as to make both ends of the department meet. Then, the only others who write letters are commercial people and there is no harm if they spend money, because they get the benefit out of the letters. So, I very strongly support the Honourable Member that the same rate should remain as in the Bill.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: Sir, I beg to move that the Question be now put.

The HONOURABLE SAIYID RAZA ALI: The first amendment will come first. If it is negatived then the second automatically falls.

The HONOURABLE SIR ZULFIQAR ALI KHAN:—

The question is:

'That the following amendment be made.'

'In the Schedule to be inserted in the Indian Post Office Act, 1898, immediately below the heading 'letters' add—

5. 'For a weight not exceeding half a tola in an embossed envelope Three quarters of an anna.'

6. 'Under the heading 'Letters' between the words 'for a weight' and 'not exceeding' insert 'exceeding half a tola but'.'

The Amendment was rejected.

The HONOURABLE SAIYID RAZA ALI: I want a division, Sir.

(At this stage the Honourable Sir Zulfiqar Ali Khan vacated the Chair and the Honourable the President resumed his seat).

The HONOURABLE THE PRESIDENT: Did the Honourable Member ask for a division?

The HONOURABLE SAIYID RAZA ALI: Yes.

The HONOURABLE THE PRESIDENT: The House will divide by show of hands.

(Three Honourable Members were in favour of the Amendment and the rest against it).

The Amendment was therefore rejected.

The HONOURABLE THE PRESIDENT: Does that refer to both the amendments?

The HONOURABLE SAIYID RAZA ALI: Yes.

The HONOURABLE LALA SUKHBIR SINHA: Sir, I hope Honourable Members will find something for consideration in my proposal, which I am going to make. The proposal* is that instead of having a single postcard of half an anna, there may be a letter postcard of half an anna. There will be no reduction in postage. The fact is that the Postal Department is running at a loss and the Finance Member is justified in increasing the postage. To raise the single postcard from $\frac{1}{2}$ to $\frac{1}{4}$ anna will no doubt cause the poor people to suffer, but as the question has been discussed in the Assembly I have no hope of getting back the single postcard. Instead, therefore, of having a single postcard of half anna, it might be desirable to have a letter postcard of half anna, as we have in England. The advantage will be that those who might want to write something confidential or private will not have to use the one anna envelope but could use the letter postcard, gumming it and using it as an envelope. At present there will be no alternative than to use the half anna postcard or one anna envelope. Business-men also shall feel it very much, but if this proposal is adopted, they will either use half anna letter postcard or one anna envelope. It may be said from the Government side that the cost of making this letter paper will be much, and the revenue in view will be reduced. I submit that there may be extra charge for making the letter paper, but it will be very useful to people. If the cost is much, it can be met by reducing the size of the postcard by one-quarter, or reducing the thickness of the postcard paper. If the Postal Department will try, they can do it. I will have no objection if they keep the postcard for half anna and introduce this letter postcard for $\frac{1}{2}$ anna.

Looking to the convenience of business-men and others, I think if this amendment is carried, it will be much more acceptable to the people because they will either use the letter postcard as an envelope, or use one anna envelope as they like.

The HONOURABLE MR. E. M. COOK: I oppose this amendment for three reasons. In the first place we cannot possibly afford to lose any money. Secondly, I feel that this 'letter postcard' which I presume is the same thing as a letter card, will lend itself to very serious abuses. Thirdly, my Honourable friend's amendment, as drafted, would have the effect of abolishing postcards altogether, and I am not in favour of that.

The HONOURABLE THE PRESIDENT: The question is:

'That in the first Schedule under section 4, page 15, in place of 'postcards, single, $\frac{1}{2}$ anna, reply 1 anna' the following should be substituted, 'letter postcards $\frac{1}{2}$ anna'.'

The Amendment was rejected.

* That in the first Schedule under section 4, page 15, in place of 'postcards, single, $\frac{1}{2}$ anna, reply 1 anna' the following should be substituted: 'letter postcards $\frac{1}{2}$ anna.'

The HONOURABLE THE PRESIDENT: The question is:

'That the Schedule contained in the Second Schedule under consideration stand part of the Bill.'

The motion was adopted.

SCHEDULE II was added to the Bill.

The HONOURABLE THE PRESIDENT: The question is:

'That Clause 5 stand part of the Bill.'

The motion was adopted.

Clause 5 was added to the Bill.

The HONOURABLE THE PRESIDENT: The question is:

'That Clause 6 stand part of the Bill.'

The motion was adopted.

Clause 6 was added to the Bill.

The HONOURABLE THE PRESIDENT: The question is:

'That Clause 7 stand part of the Bill.'

The motion was adopted.

Clause 7 was added to the Bill.

The HONOURABLE THE PRESIDENT: The question is:

'That Clause 8 stand part of the Bill.'

The motion was adopted.

Clause 8 was added to the Bill.

The HONOURABLE THE PRESIDENT: The question is:

'That sub-clause (3) to Clause 1 stand part of the Bill.'

The motion was adopted.

Clause 1 was added to the Bill.

The HONOURABLE THE PRESIDENT: I forgot to put Schedule III to the House. The question is:

'That Schedule III stand part of the Bill.'

The motion was adopted.

SCHEDULE III was added to the Bill.

The HONOURABLE THE PRESIDENT: The question is:

'That the Preamble stand part of the Bill.'

The motion was adopted.

The Preamble was added to the Bill.

The HONOURABLE MR. E. M. COOK: Sir, I beg to move that the Bill, as passed by the Legislative Assembly, be passed.

The HONOURABLE MR. V. G. KALE: Sir, when the Budget came up for discussion before this House, I felt it my duty to characterise it as dismal and most uninspiring. I am indeed pleased to find that certain important changes have been introduced into the Budget since then and much of the proposed taxation has been cut down. I have, however, no grounds for making any important change in the view to which I gave expression at the time. The expenditure still stands on a very high level and the burden of taxation is also very great. All the same, I have no hesitation in giving expression to my sense of appreciation of the great trouble and care which the Honourable the Finance Member, his coadjutors and assistants have taken in framing their Budget and piloting it through the two Houses in the face of strong opposition and strong criticisms. In spite of the fact that I feel that the financial position is unsatisfactory, I cannot but pay my tribute of appreciation to the Finance Department for the great services that they have rendered in enabling the two Houses to carry their taxation measures through. The Finance Department in India, as in England, is expected always to exercise a rigid control over the spending departments. The Finance Member is always regarded as the watch dog of Government, keeping his eye upon the different departments which are making demands upon it for expenditure. I am sure the Honourable Sir Malcolm Hailey has done his very best to cut down the expenditure of the various departments, resisting the demands made upon him from various quarters. It is not, however, the Finance Member or the Finance Department that can alone be held responsible for the financial position of a country. It is the policy that is at the back of the national expenditure that is of the greatest importance. It is not to be supposed that the Finance Member can do and undo things as he likes. To a certain extent he has got power, to a certain extent he can exercise control, and a very salutary control it is. We do want in India what is called in England treasury control to be exercised everywhere, but, unless the Government as a whole helps the Finance Member in carrying out what he regards as financial reforms, it is not possible for the Finance Department to do anything that the people want it to do. I wish, therefore, that the Government of India will take into their serious consideration the question of adjusting their whole policy to the changed conditions of the country in its financial aspect. Expenditure, as it has been well observed, is only a by-product of the activities of Government, and the activities depend upon Government policy. And we do want a policy of retrenchment and economy, a policy that will lead to the economic development of the country, a policy that will conduce to the creation of a greater amount of wealth in the country, which could be tapped for further development of that economic condition. The laying down of such a policy is absolutely necessary. At the present moment I realise what the Finance Member has said, namely, 'in spite of your desire to cut down expenditure, you cannot do it all at once.' I realise that, but the next best thing that the Government can do is immediately to lay down a policy of reducing expenditure in the course of a few years. That is what is required, and it is some satisfaction that the Government has decided to appoint a Retrenchment Committee. The Retrenchment Committee will have its difficulties, however, and, unless the Committee and the Government co-operate and work harmoniously together, that Committee, however strong, will not be able to do much tangible work. That is the experience of other countries, and the Government of India will have to give all the help in its power to the Retrenchment Committee and to the Members of the two Houses. We are asking for retrenchment

[Mr. V. G. Kale.]

and economy. If the Government does this and sets itself sincerely to the task of cutting down expenditure in every possible way and of encouraging the productive capacity and the productive activities of the country, I am quite sure that the financial position next year and in the course of the next few years will be very satisfactory. Let us hope that the very gloomy financial situation, as we see it to-day, will have undergone important alteration in the course of the coming twelve months. There is a deficit which the Government have undoubtedly to face, but if our trade looks up and the present economic depression passes away to a considerable extent, let us hope that by this time next year we shall have no fear of a deficit and that our financial position will have been vastly improved.

With these words, I support the motion before the House.

The HONOURABLE SIR MANECKJI DADABHOY: Sir, I wish to associate myself with what has fallen from the Honourable Mr. Kale in regard to our acknowledgments of gratitude to the Honourable the Finance Member and his able lieutenants. It is a matter of congratulation that there has been a happy and a harmonious settlement of this unpleasant Bill. Both sides have made concessions; both sides have adopted the policy of give and take. In the course of the Budget discussion we had very severely to criticise the policy of Government. We had severely to criticise certain measures, but we had the satisfaction to find that the Government has very readily and cheerfully respected popular opinion; that the Government has made on the whole concessions which will be appreciated and I trust assent of the Governor General. Sir, we hope that when we meet again here next year it will be under very happy and different circumstances. We hope the financial position by that time will have considerably improved. We and that we shall have an opportunity of congratulating the Honourable the Finance Member then on retrenchment and stringent economy effected in the expenditure of the Government of India. We also trust he will have some of the good luck of his predecessors and that next year will bring to the revenues of the Government of India windfalls and fresh accretions and income and that this is the last time that we shall hear of a deficit budget.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, I endorse every word of what the two previous speakers have said in praise of the Finance Member and the Finance Department. But there is one thing, Sir. Some of us to-day have felt how it was that it happened that all proposals, good, bad or indifferent that were brought forward in this House were thrown out. All that we ask in this House is that if we are nonentities, either end us or mend us.

The HONOURABLE SIR EDGAR HOLBERTON: Speaking more or less seriously on behalf of myself and some other Members, I do want to say a word in addition to what has been said by Sir Umar Hayat Khan. I do not desire to protest—I do not know how to put it—but I think it would be better in future years if we were not told that our amendments would be turned down because things had been passed in the other House. I shall ask, Sir, that in future our amendments might possibly be turned down not quite on those lines.

The HONOURABLE SAIYID RAZA ALI: With reference, Sir, to the remarks that have just fallen from the previous speakers, I think it is my

duty to make one or two observations. I must congratulate this House on the very good sense that it has displayed in the discussion of the Finance Bill. The controversy into which this matter can be dragged, if we act incautiously, can assume serious proportions. I do not think we are justified in making a grievance of it that we are not in a position to cut down the Bill to the extent of one half or very considerably modify, alter or add to it. The position is very clear. In fact, the grievance of my Honourable friends, the previous speakers, ought to be against their own colleagues in this Council who did not give a willing ear to the proposals that they put forward. I do not think they are justified in complaining of the other House. We must admit that the other House is the popular House and naturally, if I may be excused for saying so, its voice carries greater weight with the country. All the same that does not mean that our voice does not carry weight; but at the same time it is our duty, if I may be excused for mentioning on oft quoted word, elder statesmen—it is our duty as elder statesmen to show that calmness and that dignity which, if this House is to be the senior House, it must show in the course of all discussions and not be jealous of the other Chamber. I will be extremely sorry if that sense of jealousy develops, and I am sure, if it does it will lead to very serious consequences.

The HONOURABLE SIR MALCOLM HAILEY: Every one knows the proverb regarding the manner in which certain unwise persons step in where angels fear to tread; and if I step in now, it may only be because I am an unwise person; but in truth my real reason is that the ground which has just been developed is of a somewhat delicate nature. I should be very sorry indeed if a charge could with justice be brought against any of us on our side that we have demanded that all amendments must be 'turned down' because the matter had been decided in the other Assembly. I cannot trace the exact authorship of the words which were given to us just now as a quotation; but I am quite sure that there is not one of us here on our side who if we had by any inadvertence in the course of the debate used such expressions would not regret them, and desire to withdraw them. (Hear, hear). The attitude that I and some of my friends have taken to-day, on certain questions is simply this, that we desired to give way to the strong opinion expressed elsewhere which we understood was generally representative of the opinion here and in the country. We desired to put no pressure on the House to accept our own views. We showed ourselves, I hope, fully willing to discuss the matter in all its aspects, and we simply declared from the first what our own position would be. The matter had been discussed very widely here during the course of the general discussion; it had been discussed throughout the country and the press, and lately debated in another Chamber. We felt it necessary for our part to give way, not entirely out of goodwill, but largely because we could not help ourselves (Hear, hear and applause), and yielded to a general weight of opinion which we felt too strong for us. (Hear, hear and applause).

I desire to thank my Honourable friends here who have spoken so generously of my department in regard to the manner in which it has presented the Budget and enabled the Legislature to deal with it. My department has no easy task in times like the present, when the course of world affairs seems so much against us, when so many of our anticipations are falsified by circumstances, when so many of our fondest hopes are continually frustrated. The country owes a debt of gratitude to many branches of

[24TH MARCH 1922.]

[Sir Malcolm Hailey.]

the Finance Department. Even if we have not always, as some of our critics claim, been strong enough to restrict the growth of expenditure, even if our control over the Government of India has not been sufficiently pronounced (and I again quote our critics here) to effect all the economy that is desired, nevertheless, there are other branches the value of whose working financiers, bankers and commercial men know well. In abnormal times like the present when we have to live largely on floating debt, when our treasury bills are an important part in the financial transactions of the country, when the successful conduct of our regular loans is of such vital importance, a false step on our part might be dangerous or might even promote a crisis. I hope the House will agree with me that under the guidance of the men who have directed those branches of our work no such false step has been taken. (Hear, hear).

As to our exercising true treasury control as the Honourable Mr. Kale expressed it, I can say with confidence one thing. We have honestly endeavoured for the last two years to keep down fresh expenditure. There are, I think, sitting here on the Benches beside me many witnesses, not I believe what are called in the courts willing witnesses, perhaps even what are called hostile witnesses, of the persistence with which we have sought for economy. That we have not been able to readjust the general standards of expenditure to the changing conditions of the country's finances is perhaps true. That as a consequence not entirely of our inability to exercise control, but of altering circumstances our expenditure is now at a scale which it is difficult to justify in view of the financial condition of the country, may perhaps also be said not without truth. We are seeking the assistance of an expert and authoritative committee which we hope will partly enable us to readjust matters in that direction. But the process cannot be an immediate one; it must be discriminating and gradual. How far it can extend it is impossible for us to decide or determine to-day. But that an effort will be made, I say in all sincerity (Hear, hear), and that Government will be behind that effort, I also say in all earnestness (Hear, hear).

Well, Sir, here our Budget stands with a deficit of Rs. 916 lakhs. I and my friends here to-day have already said sufficient, I think, of the apprehensions with which we regard the operations of the coming year. The Honourable Sir Maneckji Dadabhoy complimented us on the cheerfulness with which we have met that situation. Sir, if there was cheerfulness, it was with my Honourable friend; it is not with us and it cannot be with us. I cannot disguise from the House that although we may do our best to meet the complicated situation which has now presented itself, although we shall do our best to meet the many difficulties that will occur in financing this deficit during the coming year, and although we shall do our best to effect such further economies as may be possible in order to ease our burden in meeting these difficulties, yet the situation remains one which justifies grave apprehension. With that, Sir, I may be allowed to conclude—not a happy note, I fear. If there is any addition that I can make, it is only this, that I hope that the House, whether it may agree with the steps that we have to take in what we consider to be in the best interests of India's finances or not, whether it views the questions which arise from day to day from the same angle of vision as we do or not, nevertheless will always show itself as broadminded in its criticisms as it has been to-day.

The HONOURABLE THE PRESIDENT: The question is that:

'The Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, further to amend the Indian Tariff Act, 1894, and the Indian Post Office Act, 1898, to amend the Indian Paper Currency (Amendment) Act, 1920, to impose an excise duty on kerosene, to fix rates of income-tax and to abolish the freight tax, as passed by the Legislative Assembly, be passed.'

The motion was adopted.

PRESS LAW REPEAL AND AMENDMENT BILL.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I must apologise for interrupting at this moment. I recognise the irregularity of the procedure. My excuse is that I shall have no other opportunity of referring for fair consideration a matter of some importance. The Bill to repeal the Press Act will come to-morrow before the other Chamber, and I wish to inquire whether, if that Bill is passed by the other Chamber, you would consent not only to the Bill being laid on the table on the 27th, but also to a motion that the Bill be taken into consideration being moved without the notice that is usual, and also if that motion is carried, to a motion being made that the Bill be passed. My reason for making this suggestion is that if this procedure is not possible there will apparently be no other opportunity of bringing the Bill before this Council this Session, and that would mean that the Bill will be held up till the next Session. We propose that copies of the Bill should be circulated, if it is passed by the Assembly, to-morrow evening to all Members so that they will have an opportunity of studying the papers before it comes on, if you sanction that procedure.

The HONOURABLE THE PRESIDENT: I think it is but proper that the Honourable Member should give this House an opportunity of knowing what is in his mind. So far as I am personally concerned, when the Bill is passed and is laid before this Council, I will consider the matter.

The Council will now stand adjourned till 11 O'clock on Monday, the 27th March, 1922.

The Council adjourned till Monday, the 27th March, at Eleven of the Clock.

[Sir Malcolm Hailey.]

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COUNCIL OF STATE.

Monday, the 27th March, 1922.

The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

QUESTIONS AND ANSWERS.

The HONOURABLE THE PRESIDENT: The Honourable Raja Motichand.

The HONOURABLE LALA SUKHBIR SINHA: Sir, he is not here. He has authorised me to request the Government Member to reply to his questions if he has no objection.

The HONOURABLE THE PRESIDENT: (to the Honourable Mr. Lindsay): Has the Government Member any objection?

The HONOURABLE MR. H. A. F. LINDSAY: No, I have no objection.

The HONOURABLE THE PRESIDENT: The Honourable Member will reply to it.

STRIKE ON THE E. I. RAILWAY.

*142. The HONOURABLE RAJA MOTI CHAND: (a) Is it a fact, as reported in the *Pioneer* of Sunday, February 19th, 1922, that strikers at Ghaziabad have instituted their own Courts and have been punishing non-strikers?

(b) If so, what action, if any, do the Government propose to take to deal with this?

The HONOURABLE MR. H. A. F. LINDSAY: There were rumours that a Khilafat court had been established at Ghaziabad in order to deal with non-strikers. The Government of India were not able to ascertain definitely whether such a court really was established, and as the strikers have returned to duty, they do not propose to take any further action in the matter.

DEMANDS OF STRIKERS, E. I. RAILWAY.

143. The HONOURABLE RAJA MOTI CHAND: (a) Will the Government be pleased to state what the demands of the strikers on the East Indian Railway are; and (b) whether it is possible for the Government to meet any or all the demands?

The HONOURABLE MR. H. A. F. LINDSAY: One of the difficulties of the authorities in this matter has been to know with whom they have to deal. A meeting of delegates was held at Tundla on 28th February last and formulated certain demands. These demands were discussed by Mr. Andrews on behalf of the men with the Agent and a provisional settlement was arrived at. The terms of this settlement have been published in the press. Most of the strikers from Jhajha to Kalka have returned to duty on hearing

* The Honourable Member was absent.

of this settlement, but below Jhajha and Howrah the strikers are still holding out.

The HONOURABLE SAIYID RAZA ALI: May I ask a supplementary question to question No. 143, Sir? Are Government prepared to direct the Agent of the East Indian Railway that none of those employees who went on strike should be dismissed inasmuch as from what I have seen in the press now, the real bone of contention centres round the point whether those men who have been dismissed should be retaken or not.

The HONOURABLE MR. H. A. F. LINDSAY: The Agent has full authority to settle the matter.

The HONOURABLE SAIYID RAZA ALI: Are the Government prepared to interfere in the matter?

The HONOURABLE MR. H. A. F. LINDSAY: There is no need for Government to interfere.

LEGISLATION FOR STRIKES ON RAILWAYS.

144. The HONOURABLE RAJA MOTI CHAND: Is it a fact that in certain countries strike on railways is a crime? If so, do the Government propose to undertake any similar legislation?

The HONOURABLE MR. H. A. F. LINDSAY: Yes; particulars of legislation in different countries are given in Bulletin No. 23 of the Bulletins of Indian Industries and Labour which are distributed to the Honourable Members of this Assembly. In India, however, the going out on strike, or the advocacy of a strike, is not of itself a criminal offence, and Government do not at present propose to introduce legislation such as that suggested.

OVERCROWDING OF 3RD CLASS COMPARTMENTS

145. The HONOURABLE RAJA MOTI CHAND: (a) Is the Government aware that it is the general complaint that even under normal conditions third class compartments on Indian Railways are very frequently overcrowded?

(b) If so, what action, if any, do the Government propose to take to prevent such overcrowding?

The HONOURABLE MR. H. A. F. LINDSAY: (a) and (b) Yes. As the Honourable Member is no doubt aware, the remedy lies in the provision of more rolling stock and of better traffic facilities. Improvement is therefore a matter of time and money, but the subject is one which is always engaging the attention of the Government and the Railway Administrations.

OVERCROWDING ON RAILWAYS.

146. The HONOURABLE RAJA MOTI CHAND: (a) Has the attention of the Government been drawn to a recent decision of the Patna High Court reported in the *Pioneer* of the 3rd March, 1922, upholding the action of a traveller prosecuted for bringing a train to a halt by pulling the chain for use in grave emergencies as the only alternative to suffocation?

(b) Do the Government propose to take any action to prevent this sort of overcrowding in Railways? If so, what?

The HONOURABLE MR. H. A. F. LINDSAY: (a) The reply is in the affirmative.

(b) The Honourable Member is referred to the answer given to him to-day on the same subject.

EUROPEAN AND ANGLO-INDIAN EMPLOYEES ON RAILWAYS.

147. The HONOURABLE RAJA MOTI CHAND: (a) Is it a fact that of the total employees on Indian Railways at the close of the year 1920-21, 6,901 were Europeans and 11,699 Anglo-Indians?

(b) Will the Government be pleased to state how many Indians were in the same grade as the 6,901 Europeans and 11,699 Anglo-Indians?

The HONOURABLE MR. H. A. F. LINDSAY: (a) The reply is in the affirmative.

(b) Government have not this information and, in view of the expenditure of time and labour involved in its collection, they do not propose to obtain it.

The HONOURABLE SAIYID RAZA ALI: I want to ask a supplementary question with reference to No. 147. Will Government be pleased to take such steps as they consider advisable in order to introduce the Indian element in larger numbers?

The HONOURABLE MR. H. A. F. LINDSAY: I think if the Honourable Member refers to the last report of the Railway Department, he will see that all possible measures are being taken to increase the Indianisation of the Railways.

TRAINING OF INDIANS IN MECHANICAL ENGINEERING.

148. The HONOURABLE RAJA MOTI CHAND: (a) Is it a fact that regular schemes for the training of educated Indians in mechanical engineering have been drawn up by Indian Railway authorities for an adequate supply of skilled workmen in their mechanical services?

(b) Do the Government propose to publish the scheme in the near future? If so, how soon?

The HONOURABLE MR. H. A. F. LINDSAY: The more important railways provide facilities for the training of Indians as mechanics in their workshops and of recent years enlarged the scope of the training and improved the facilities at shops and technical classes, as it is recognised that the efficient training of Indians for these posts is a most important consideration. It is believed that these facilities are already sufficiently well known and appreciated at the various Railway centres where they exist to render any special steps for their publication unnecessary.

EUROPEANS AND INDIANS, WIRELESS BRANCH.

149. The HONOURABLE RAJA MOTI CHAND: (a) Is it a fact that out of a staff of 155 men engaged by the Telegraph Department on Wireless, none are Indians, the percentage being 46 Europeans, 54 domiciled Europeans, Indians nil?

(b) If so, will the Government be pleased to state the circumstances under which no Indians could be so employed?

(c) Do the Government propose to give any chance to Indians on wireless?

The HONOURABLE MR. B. N. SARMA: (a) The exact percentages are:

Europeans, 49 per cent.

Domiciled Europeans, 28 per cent.

Anglo-Indians, 23 per cent.

Indians, Nil.

(b) Before the war, the only civilians employed on wireless were a few specially selected men; and during the war, all stations were worked by the Army or Navy. After the war, wireless Telegraph stations reverted to civil control, but no additional personnel has been employed pending the introduction of the new scheme recently sanctioned.

(c) Under the scheme of reorganisation referred to in (b), stations will employ civil and military personnel in approximately equal proportions, and Indian recruits will be given every opportunity and encouragement to reach the higher posts. Moreover, if the supply of recruits is suitable and sufficient, it is proposed, in due course, to replace military telegraphists by civilians.

STRIKE ON E. I. RAILWAY.

150. The HONOURABLE RAJA MOTI CHAND: (a) Is it a fact that the strike on the East Indian Railway is entirely due to the preaching of lawlessness and racial hatred among the more ignorant classes of the community?

(b) Is it also a fact that intimidation and the incitements of political extremists are responsible for the refusal of large bodies of men to return to their work?

(c) If so, what action, if any, do the Government propose to take in the matter?

The HONOURABLE MR. H. A. F. LINDSAY: (a) The Honourable Member knows the facts and can draw his own conclusions.

(b) The Government of India believe that as in most strikes cases of intimidation have occurred, but intimidation being a non-cognizable offence it is always difficult to prevent it.

(c) The Government can be trusted to take action where offences against the law have been proved.

WELCOME TO THE RIGHT HONOURABLE SRINIVASA SASTRI.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I believe I am voicing the opinion of all the Members of this Council, whether officials or non-officials, when I extend a very hearty welcome to our friend the Right Honourable Srinivasa Sastri. (Cheers). Mr. Sastri has been away from us for practically two Sessions, but as he was doing very important work for the country and for the Empire, I think, although we have missed his presence and his leadership here in this House, we are not going to grudge him his absence on account of the services that he has rendered there. We all felt proud when we read of the announcement that His Gracious Majesty the King Emperor gave him the honour of Privy Councillorship. The honour was not for him only, Sir. I believe it was meant, in the first instance, for this Council, and, in the second instance, for the whole country. At least we

take it that the honour was for us also. Those of us who have watched his career whether in Genoa, England or America, have seen what eminent services he has rendered to the country, and we are quite sure that when he goes again to Australia and Canada, he will render similar eminent service to the country in those parts also. With these words, Sir, I beg to congratulate my Right Honourable friend, Mr. Srinivasa Sastri, on the honour that has been done to him by His Majesty, the King Emperor, and wish him a long and happy life of usefulness to the country. (Cheers).

The HONOURABLE MR. K. V. RANGASWAMY AIYYANGAR: Sir, I wish to associate myself with the remarks that have fallen from my friend the Honourable Mr. Lalubhai Samaldas. Mr. Sastri is known to me for the last 20 years, and I have a great respect for him with all my differences in his politics. I should congratulate him on his successful tour abroad and wish him good luck and long life.

The HONOURABLE THE PRESIDENT: I should like also to associate myself from the Chair with the remarks that have fallen from the Honourable Members who have spoken. I endorse every word they have said and need only say how much we have missed the Right Honourable Srinivasa Sastri and how glad we are to see him back again. I will only add one word and that is, I trust that during the remainder of the Session he will attend with the greatest punctuality. (Laughter.)

The RIGHT HONOURABLE V. S. SRINIVASA SASTRI: Sir, I am really very happy to be back as one of you here in the Indian Council of State. I can assure you that amidst my duties abroad I never for one moment failed to remember the Council of State and the Legislative Assembly whose work I had often to interpret at a great distance to people, some of whom were profoundly interested in our advance and some of whom, as you may only expect, were disposed to be rather critical of our work. I was not very happy to be away from India at a time which was so full of difficulties and anxieties—difficulties and anxieties which I always felt it was my duty to have shared with you on the spot. I have forgotten it. I have not been addressing you, Sir. But all the time I was feeling that it was a great honour done to me to be able so to interpret the new regime as, if I may be allowed to say so, to enlist more sympathy in the West than we have hitherto enjoyed. Sir, I cannot let this occasion pass without thanking you from the bottom of my heart for allowing this departure from the routine in order that we may exchange cordial good wishes. I am profoundly touched by the way in which my friends have referred to the honour which I perfectly agree with them was meant more for the country that I represent than for myself. I am very pleased indeed to note that my countrymen regard my time spent abroad as not having been spent uselessly, and they consider that I have done nothing to discredit those whom I had the good fortune to represent. It is a great grief to me that I have to go away so soon, after of course putting in the possible attendance during the rest of the Session. But during the time that I shall be away again, I hope similarly to make known India's point of view to the Dominions for, if I have learnt one thing more than another during the recent months, it is that in future even more than in the past the public opinion of the Dominions and the public opinion of America will be of tremendous influence in shaping the policy of Great Britain even towards India, and if I may be allowed some opportunities of making known India's point of view and India's ambitions at their best in those parts of the great Commonwealth to which we are so proud to belong—if I may

[The Right Honourable Srinivasa Sastri.]

be allowed those opportunities—I think my absence, sad as it will be otherwise, will be relieved by the thought that I should still be serving away from you the same cause which you here are serving.

I thank you, Sir, once more.

BILLS AS PASSED IN LEGISLATIVE ASSEMBLY LAID ON TABLE.

The HONOURABLE MR. H. MONCRIEFF SMITH: Sir, in accordance with rule 25 of the Indian Legislative Rules, I lay on the table the Bills which were passed by the Legislative Assembly at its meeting of the 25th March 1922. They are:

1. A Bill to repeal the Indian Press Act, 1910 and the Newspapers (Incitements to Offences) Act, 1908, and to make certain provisions in regard to the liability of editors of newspapers, and to facilitate the registration of printers and publishers; and to provide for the seizure and disposal of certain documents; and
2. A Bill to regulate the employment of child labour in ports in British India.

PRESS LAW REPEAL AND AMENDMENT BILL.

The HONOURABLE MR. S. P. O'DONNELL: With reference to the intimation which you gave on Saturday last when I mentioned this matter, I beg to inquire whether you would permit a motion to be moved to-day, that the Bill to repeal the Indian Press Act and the Newspapers (Incitements to Offences) Act be taken into consideration. If, Sir, it is not found possible to accede to that suggestion, I beg to inquire whether you would permit me to give notice that the same motion will be made to-morrow.

The HONOURABLE THE PRESIDENT: I should like to inquire from the Honourable gentleman when this Bill was introduced in the Assembly, and what was its progress there?

The HONOURABLE MR. S. P. O'DONNELL: The Bill was introduced in the Assembly on the 15th September 1921. It was referred to a Select Committee and the Report of the Select Committee was presented on the 1st March this year. The Report was circulated to Members of the Assembly the same day. The Report of the Select Committee was taken into consideration in the Assembly and the Bill was passed on the 25th March. The Bill, as passed by the Assembly, was circulated to the Members of this Council on the 25th March.

The HONOURABLE THE PRESIDENT: The Honourable Member very rightly mentioned this Bill on Friday, and therefore, the Honourable Members have had some intimation of the fact that the Bill might be laid on the table to-day, and taken into consideration. I will say at once that I cannot regard an attempt to make a motion on the day the Bill is laid as justifiable. This is an important Bill, and if the Council of State is to discharge its functions with regard to legislation, it must have some

time for the consideration of the Bill and some time for sending in amendments if they are found necessary. It is true that the Honourable Member mentioned the matter to me on Friday, and that Honourable Members may have followed the progress of the Bill. In these circumstances, although I cannot allow the motion to be made to-day, I am prepared to allow the Honourable Member to give notice now fixing to-morrow for discussion, but that will be subject to this reservation that the ordinary rule which requires amendments to be sent in with two days' clear notice will be abrogated and the Government must be prepared to deal with amendments as they are put forward. Honourable Members will, I am sure, hand in their amendments, if any, in time. If, therefore, the Honourable Member will give notice for to-morrow, I will fix a meeting of the Council of State for to-morrow.

The HONOURABLE MR. S. P. O'DONNELL: I am much obliged for the permission to allow the motion to be made to-morrow. I beg to give notice of my motion to be made to-morrow. (Here hands in notice.)

The HONOURABLE THE PRESIDENT: Is there any notice with reference to the other Bill?

INDIAN PORTS (AMENDMENT) BILL.

The HONOURABLE MR. H. A. F. LINDSAY: There is a notice with regard to the Bill to regulate the employment of child labour in ports in British India which was passed in the Legislative Assembly on Saturday last and is laid on the table to-day. I should like to know if you will allow me to hand in a notice asking for the Bill to be taken up to-morrow?

The HONOURABLE THE PRESIDENT: I should like to inquire of the Honourable Member what is his particular justification for asking for a departure from the ordinary rule in this case of three days' notice.

The HONOURABLE MR. H. A. F. LINDSAY: In this particular case we hope to give legislative effect to a Convention which was passed and accepted in the Washington Conference and adopted and ratified on behalf of India. One clause of that Convention insists that signatory Governments shall give effect to the Convention by the 1st July, 1922. There was unfortunately a slight delay in considering the Bill in the other House as a small amendment was brought up and a few days' notice was required to consider it. The amendment was accepted by Government and the Bill was passed in the Assembly. In view of the fact that legislation under the terms of the Convention should be passed, if possible, before the 1st July 1922, I hope there will be sufficient justification in this case.

The HONOURABLE THE PRESIDENT: In view of what the Honourable Member has said, I will very reluctantly allow notice to be given for to-morrow. I feel it my duty to say that it is not a right thing to come to the Council of State at the end of a dying Session and then state that a Bill must be passed owing to some Convention or some outside force, especially when it is not clear that the Bill has been proceeded with with unusual rapidity in the other Chamber. I desire to make it quite clear that in so far as it involves the exercise of my powers of discretion and so long as I am in the Chair, I will be no party to the rapid passing of legislation at the end of a Session unless there are arguments of paramount public importance. (Hear, hear.)

[27TH MARCH 1922.]

The HONOURABLE MR. H. A. F. LINDSAY: Sir, I give notice for to-morrow.

The HONOURABLE THE PRESIDENT: In these circumstances, it will be necessary to hold a meeting of the Council of State to-morrow, and as there is no further business before the House, the Council stands adjourned till 11 o'clock to-morrow, the 28th March 1922.

The Council adjourned till Tuesday, the 28th March, 1922, at Eleven of the Clock.

COUNCIL OF STATE.

Tuesday, the 28th March, 1922.

The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

PHOTOGRAPH OF THE CASKET PRESENTED TO H. R. H. THE PRINCE OF WALES.

The HONOURABLE THE PRESIDENT: I have received a letter from the Joint Secretaries of the Prince of Wales Casket Fund, Sir Jamsetjee Jeejibhoy and the Honourable Sir Zulfiqar Ali Khan. They have sent as a present to the Council a copy of the photograph of the casket which the Indian Legislature presented to the Prince. The photograph is a very interesting one. It is placed on the table of the House, so that Honourable Members may see it. I propose to direct the Secretary to write to these gentlemen thanking them for their gift, and to direct that the copy of the photograph be framed and placed in the Library of the Council. I hope this will meet with the approval of the House.

MESSAGE FROM LEGISLATIVE ASSEMBLY.

The SECRETARY OF THE COUNCIL: A message has been received from the Legislative Assembly through the Secretary of that Chamber.

The HONOURABLE THE PRESIDENT: Let the message be read.

The SECRETARY OF THE COUNCIL: The message runs as follows:

'I am directed to inform you that the Legislative Assembly have, at their meeting of the 27th March, 1922, agreed without any amendments to the Bill to provide for the incorporation of Trustees for the European Hospital for mental diseases at Ranchi, and to make provision for other matters in relation thereto, which was passed by the Council of State on the 21st March, 1922.'

GOVERNOR GENERAL'S ASSENT TO INDIAN FINANCE BILL.

The SECRETARY OF THE COUNCIL: Sir, information has been received that His Excellency has been pleased to grant his assent to the following Bill, namely, the Indian Finance Act, 1922.

QUESTIONS AND ANSWERS.

INDIAN CADETS ADMITTED TO SANDHURST.

151. The HONOURABLE LALA SUKHBIR SINHA: Will Government be pleased to state: (i) out of the Indian Cadets who were sent in several batches of 5 each to the Royal Military College, Sandhurst, how many of each batch were commissioned as officers and how many rejected, and for what reasons?

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(ii) Are those who were granted commissions still serving in the Army, or have they resigned?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (i) and (ii) A statement is laid on the table of the House giving the information asked for by the Honourable Member.

Statement showing the number of Indian cadets admitted to the Royal Military College, Sandhurst—Terms, Spring, 1919 to Spring, 1922.

Term.	ADMITTED TO R. M. C., SANDHURST.		OF THOSE MENTIONED IN COLUMNS I AND II.			VI REMARKS.
	I Selected in India.	II Selected at Home.	III Passed out of R. M. C. and granted commissions in the I. A.	IV Casualties.	V Still at R. M. C., Sandhurst.	
Spring, 1919 .	3	2	2 (aa)	3(a)	...	(a) 2 died, 1 failed to develop physically and withdrew.
Autumn, 1919.	3	2	4	1(b)	...	(aa) 1 who passed out absented himself.
Spring, 1920 .	3	2	2	2(c)	1(cc)	(b) Found unsuitable and withdrawn.
Autumn, 1920.	3	2	...	...	5	(c) Found unsuitable and withdrawn.
Spring, 1921 .	5	...	...	1(d)	4	(cc) Failed to pass up and missed a term.
Autumn, 1921	4	1	...	1(e)	4	(d) Found unsuitable and withdrawn.
Spring, 1922 .	2 (f)	2 (f)	...	...	4	(e) Left ship at Aden and returned to India.
	23	11	8 (g)	8	18	(f) Only 2 candidates qualified at the examination in India and only 2 suitable candidates presented themselves at India Office.
						(g) 7 are actually serving, vide "(aa)" above.

INDIAN MEDICAL AND EDUCATIONAL SERVICES.

152. *The HONOURABLE RAJA MOTI CHAND: Referring to the answer of the Government to my question No. 172 put at the Council Meeting held on Tuesday, September 27, 1921, will the Government be pleased to state—

- the circumstances under which it is necessary for a candidate for the Indian Medical Service to possess a qualification registrable only in Great Britain and Ireland and not in India;
- what the Medical Acts are as referred to in the answer;
- the result of the consideration by Government of the question of a journey outside India for securing admission to the Indian Medical Service;

* The Honourable Member was absent.

(d) the conditions necessary for securing admission to the Indian Educational Service?

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: (a) It is necessary for a candidate for the Indian Medical Service to possess a qualification registrable in Great Britain and Ireland, because such a qualification is prescribed by the regulations laid down by the Secretary of State for India.

(b) The Medical Acts referred to are the Medical Acts of 1858 (21 & 22 Vict., Cap. 90), and of 1886 (49 & 50 Vict., Cap. 48).

(c) The question is still under consideration.

(d) The general conditions regarding admission to the Indian Medical Service are shown in a document published by the India Office, a copy of which will be supplied to the Honourable Member.

NORTH-WEST FRONTIER OPERATIONS.

153. The HONOURABLE RAJA MOTI CHAND: (a) Is it a fact that the actual expenditure on account of the North-West Frontier Operations during the six years ended the 31st March, 1920, has been close upon 29 crores of rupees?

(b) Do the Government propose to adopt a policy that may secure a practically permanent settlement of the Frontier problem and prevent such expenditure?

The HONOURABLE MR. S. P. O'DONNELL (on behalf of Mr. Denys Bray): (a) Yes, but of this sum 24 crores were spent in the year ending the 31st March, 1920, the year of the Afghan War.

(b) The Government have had this object consistently in view since the year 1848 when the problem first engaged their attention.

MUSLIM REFUGEES IN MALABAR.

154. The HONOURABLE RAJA MOTI CHAND: Is it a fact that the non-Muslim refugees from the Moplah rebel zone are afraid of the consequences of a return to their homes now that the revolt has been quelled? If so, what measures, if any, do the Government propose to take to remove this dread of hate and vengeance?

The HONOURABLE MR. S. P. O'DONNELL: Government believe that, except in south-east Calicut taluk where armed gangs are still at large in the hills, most non-muslim refugees have already returned or are returning to their homes. Till recently there were economic difficulties, but these are being removed by the grant of loans on easy terms to those who need them to make a fresh start in life. The chief exceptions are those who have been forcibly converted and the bigger Jenmis who took refuge in Cochin State and have no desire to return. In the case of those who have been forcibly converted there is a natural fear of the consequences, and the Local Government are making every endeavour to accelerate the arrest and removal of those Mapillas responsible for such conversions. Efforts are also being made to arrest and try all those who might be considered a danger to the community so long as they are at large. Additional Magistrates with powers of Summary Courts are being appointed and the presence of military and armed police, 200 of whom are now being distributed to selected posts in the affected area, should afford ample protection.

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PROTECTION OF WIVES AND FAMILIES OF INDIAN SOLDIERS.

155. The HONOURABLE RAJA MOTI CHAND: Is it a fact that the wives and families of an Indian regiment lately ordered on active service petitioned the authorities against the order for the despatch of the unit for fear of being subjected to oppression and terrorism by political agitators while their protectors were away on service?

If so, what measures, if any, do the Government propose to take for the protection of the wives and families of such Indian soldiers?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) So far as the Government of India are aware, no petitions on the subject referred to have been received by the authorities. It is a fact, however, that recently the wives of a large number of men in an Indian regiment prayed in the regional Gurdwara that the battalion should not be sent to Waziristan. On inquiry, it was ascertained that the motives which prompted these prayers were as stated by the Honourable Member.

(b) Local Governments have been asked to take such steps as they may consider desirable to prevent the families of soldiers absent from their homes from being subjected to persecution or intimidation.

REPORT OF SELECT COMMITTEE ON AMENDMENT OF COUNCIL OF STATE STANDING ORDERS.

The HONOURABLE MR. V. G. KALE: I beg to present the Report of the Select Committee appointed to consider and report on the proposed amendments in the Council of State Standing Orders. Copies of these amendments have been placed before the Members of the House, and I do not propose to make any remarks upon the amendments just at this moment because the House will require some time for the consideration of the amendments and they may therefore be taken into consideration at a later stage.

PRESS LAW REPEAL AND AMENDMENT BILL.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I beg to move that the Bill to repeal the Indian Press Act, 1910, and the Newspapers (Incitements to Offences) Act, 1908, and to make certain provisions in regard to the liability of editors of newspapers and to facilitate the registration of printers and publishers; and to provide for the seizure and disposal of certain documents, as passed by the Legislative Assembly, be taken into consideration.

Sir, I do not think it is necessary for me to detain the Council for long in explaining the reasons and objects of this Bill. It will be within the recollection of the Council that last year a Committee was appointed to examine the Press Act, the Press and Registration of Books Act and the Newspapers (Incitements to Offences) Act. That Committee contained a majority of non-officials on it, and I think it will be agreed that its members were well qualified to advise on the subject. They took evidence, they went exhaustively into all the questions and considerations of public policy that arose in connection with these Acts and finally they formulated certain recommendations for which they gave full reasons in their Report. That Report, I presume, has been seen by every Honourable Member, and it is therefore unnecessary for me to recapitulate the arguments set out in it.

Subsequently a Bill which embodied the recommendations of the Committee, was introduced in September last. That Bill proposed to repeal the Press Act, 1910 and the Newspapers (Incitements to Offences) Act, 1908. At the same time power was retained to confiscate openly seditious documents, subject, however, to the safeguard that any person who was interested in such a document could apply to the High Court and if he made such an application, the onus would lie on the Government to prove that the document was of the seditious character alleged by Government. If the Government failed to make good that contention, then under the Bill the order would be set aside. Further, and as a necessary corollary to that provision, the Bill provided for the prevention of the import of seditious literature through the ports and its transmission by the post. That power was also subject to the scrutiny of the High Court, and if the case were taken to the High Court, the onus would lie on Government to show that the documents in question were of the character alleged by Government. The Bill proposed that the Press and Registration of Books Act, 1867, should be retained, but subject to certain modifications. Firstly, persons registering under that Act and editors of newspapers must be persons who had attained majority. Secondly, in the case of newspapers, the name of the editor must be clearly printed on the front page of the issue. There were also minor amendments regarding the terms of imprisonment prescribed under the Press and Registration of Books Act and technical changes in the method of registration which were designed to suit the convenience of both the printer and the publisher. That Bill was referred to a Select Committee of the Assembly which made certain changes therein. In the first place, in view of the criticisms which had been levelled against the requirement that the name of the editor should appear on the front page of the newspaper, the Select Committee provided that the name should appear in some part of the issue. Secondly, certain small amendments were made in new section 8A of that Act which were designed to relieve the Magistrate in some cases of the necessity of himself holding the inquiry contemplated by that section and also allowed for an extension of the period within which a declaration has to be made by a person whose name has wrongly appeared as the editor of a newspaper. Thirdly, the pecuniary penalty imposed under sections 12, 18, 14 and 15 was reduced from Rs. 5,000 to Rs. 2,000. Fourthly, it was provided that if an officer, under the provisions of the Sea Customs Act or the Post Office Act, detained any package or postal article, he must give notice forthwith to the addressee or consignee. And, lastly, a slight amendment was made in new section 99D of the Criminal Procedure Code in order to remove any doubt that might arise as to the character of the evidence which the Special Tribunal might require when hearing an application under the new provisions of the Code. The Report of the Committee was presented subsequently to the Assembly and the Bill, as amended by the Select Committee, was passed with only a few formal amendments.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: I first want to ask for one ruling, Sir. If the Bill is taken into consideration we can only discuss broad principles but not the details. I want your ruling, Sir, if we can discuss details?

The HONOURABLE THE PRESIDENT: The present motion is that the Bill be taken into consideration. That is the second reading debate, and the Honourable Member can speak on any principles which arise out of

[The Honourable the President.]

the Bill. If the present motion is carried, I shall then put the Bill to the Chamber clause by clause. As each clause is put to the House, the Honourable Member will have an opportunity of speaking on every single clause of the Bill, if he so wishes.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: The first thing is that this Bill has been brought up at the eleventh hour when the House is practically empty. I think, Sir, that the Bill ought not to have been brought up at this stage, because this Chamber, as you remarked yesterday, is the last Chamber, and if things are hurried in this way, there is no other Chamber to stop it; and I hope, Sir, that such things should be considered because the masses suffer by such changes, and not the platform speakers or newspaper publishers, to whose clamour we should not accede. Now, Sir, when this Bill was first brought in, there were two different ideas. The first was the old policy of conciliation and weakness. That happily has been changed. (*An Honourable Member*: 'No'). It was considered desirable, Sir, to conciliate those who were irreconcilable; and I think, Sir, time has shown that that policy did not work out. It was said in England in both the Houses that, 'such storms come and pass away, don't you move,' but we all thought this was wrong, and it has come true that such storms have come and have come to stay, and it will take some time before they pass away. It was said, Sir, 'let them be given a long rope, they will hang themselves.' That has not been done because you know, Sir, that those who executed people thought such rope was too long. (*An Honourable Member*: 'I have no experience'). Then, Sir, the thing is that at that time when the Bill was introduced, things were very much better than they are now. We have to see, Sir, then, whether the situation at that time when the Bill was introduced was worse than now. I will just in a few words put it before the House how things have since changed. There are battalions that have got arms, and they defy the law, and they go through a sort of drill as the Army does. The House already knows, Sir, that since that time the people have tried to seduce the soldiers and have been punished for it. The police has similarly been tampered with, and the introduction of the new Bill will show that the situation is so changed that it should not be considered proper that such a Bill should be introduced now. I think some of the Government Members know that some ruffians have gone to the extent of approaching the wives of soldiers and telling them, when the soldiers are away—

'if you don't get your husbands back from service, we will rob you of your property.'

There are others who say:

'that it is our own railway, why should we buy tickets?'

and there have been several such cases. Everybody knows the awful tragedy of Malabar. Hundreds of people have been killed, and there are certain rumours abroad which I do not like to mention because it will be giving publicity to them; but it would be a very nice thing if Government were to publish the facts about it, about all the men who were killed, I mean the number. Then, Sir, we all know what happened at Bombay, Madras, Chauri Chaura and Peshawar, etc. We have been closely following how people behaved when His Royal Highness the Prince of Wales was here. See the difference between the Indian States, where

there is an Indian ruler, how things happened there, and how things happened when actually His Royal Highness came into British India. When this law was passed, it was considered by the country that there was a necessity for this law; it was only then passed. The question is, whether the necessity which was existing then has diminished or whether it has increased now; we have to judge whether the situation is better now.

Then there are no doubt papers on the subject. I have seen some papers which never will publish an article that anybody can put their hands on. But if a man would read it for about a month, he would think that something materially has gone wrong with Government, and unless one is a very staunch loyalist, there is every chance of his falling into their hands. I have seen myself in Lahore pamphlets being sold, and when I read them I could not understand how such pamphlets, which were so much against the Government, were being allowed to be published. These are only possible when the Press is absolutely allowed a free hand, or at any rate is controlled with a weak hand. Then, Sir, if one man only utters a few words, or says something, or even gets an audience of a hundred or two hundred men, he does not carry much weight, because they cannot travel fast, but the mischief only comes when that speech and those utterances are actually put into the Press, and then they go from Baluchistan to Burma and from the Himalayas to Lanka and Cape Comorin. I believe, Sir, that that policy which I was just speaking about when I was interrupted has been changed to this extent that in future all those who break the law and give trouble to the law-abiding citizens of His Majesty, will not be allowed any latitude any more. There has been a change of the Heads of Departments, and naturally even that change also brings with it some difference of policy. These newspaper people, or those who write in that style would lose their living or lose their name if they give up their creed. Sir, when a man begins to get that sort of intoxication of reading papers which abuse the Government, well he is at first satisfied with a particular paper but later on he seeks for still more seditious paper, and as the editors of the papers know very well that they can only sell papers when they criticise Government in and out of season, they for their own money try and write things which are undesirable and not in the best interests of the country and its rulers. Our people, Sir, who are half-educated, have got a wrong idea in their heads; directly they see things which are written in print, they say, this cannot be wrong; and if anybody says: 'it is wrong, they say: 'oh, we have seen it written in a paper.' There are men, Sir, who can, if you are kind to them, realize your kindness and be grateful for it; but there are men who, if you are kind to them, at once think that there is something underneath your kindness, that you either want something from them or that you desire to please them because they are *Bahadurs*. This has hitherto been the policy of Government, and it is not a good policy. This Bill is a weapon; is it better to throw your weapon away and when you require it again mould a new one, perhaps when it is too late to use it effectively? We all know, Sir, that there is an Indian Penal Code in which there is a penalty for certain offences of death and of transportation for life. Does that trouble any one who goes and breaks the law? Everyone knows that the law is there and knows that if he breaks it, he will suffer the penalty provided. If a Penal Code with such heavy penalties does not offend any one who does not wish to break the law, why should this law offend? If people do not infringe the law they will not have to suffer in any way and it might just as well remain on the Statute-book. Sir, the Government is

[Colonel Sir Umar Hayat Khan.]

like a railway train in which we are the passengers. When the train moves we naturally move with it; and if we see the train approaching a broken bridge it is our duty to shout and to wave a red flag.

Another point, Sir, is that the Press is controlled by the extremists and they are active, while, on the other side, we are inactive. Even in a province like mine, which is near the borders where there is considerable trouble and Bolshevik propaganda the Council there has not allowed a single pice for Government propaganda purposes, while the other provinces who are far away from the seat of trouble do provide something in order that the truth on the Government side may be known and wrong rumours confuted? I think it is very necessary that while we are so inactive, those who are so active in bringing the country to trouble should have their activities somewhat curtailed by such laws as it is now proposed to repeal. The responsibility for whatever may happen will rest upon this Chamber and the other Chamber. Things seem to be working towards a revolution and in showing this weakness they will be responsible for whatever happens.

The power and effectiveness of this law can be shown in another way, Sir. A man who is imprisoned can be replaced by another without much difficulty; but if a newspaper is brought to an end financial considerations have to be weighed before another can take its place; and I think it is very necessary that such a restriction should be placed on papers which are dangerous to the country. If I am allowed I will now move a very innocent amendment

The HONOURABLE THE PRESIDENT: The Honourable Member cannot move an amendment until the motion for consideration of the Bill has been passed by the Chamber. Once that has been passed he can move it when the relevant clause is taken up.

The HONOURABLE SIR MANECKJI DADABHOY: Sir, I shall not inflict on this Council a long speech on this occasion, when at the fag end of our labours a Bill of such paramount importance has been placed before the Council, but, in view of the explanation given by the Honourable Mr. O'Donnell yesterday, there is no other alternative but to proceed with this Bill in the spirit in which it is laid before the Council. Sir, as one who took a somewhat prominent part when the Press Act was brought before the late Imperial Council in 1910, as one who had then to give his unwilling support to that measure on account of the grave situation facing the country, I think it is only in the fitness of things that I should rise to-day to say a few words and not only congratulate Government, but congratulate the country on the sane action that Government has adopted in repealing the old Act. Sir, we are all aware of the circumstance under which both the Newspaper Incitement Act and the Press Act were brought into operation. At that time revolutionary conspiracies were going on all over the country, which came into existence through the unhappy events that had taken place in Bengal—I refer to the Partition of Bengal. Sir, it was then that some newspapers took a prominent and nefarious part in incitements to murders and in incitement of conspiracies and in aiding the activities of revolutionary bodies. At that time it was feared that the Act would work considerable hardship, that it would fetter the liberty of the press, that it would stop all healthy journalism and free criticism of Government measures and policy. But many of my Colleagues and I

under the stress of the times were compelled to give our unwilling assent to a measure which was of a very retrograde character, almost the first of its kind in the history of British rule in India. Only one similar measure had previously preceded it, the Vernacular Press Act, which, after a three years' inglorious career, was abolished. There was no other measure approaching the Press Act of 1910 in point of severity, in point of unfairness and in its retrograde character. Sir, recent events have proved conclusively that the policy of Government in passing the Act of 1910 was not a wise one. Those who have watched the progress of events during the last ten years must have come to only one conclusion, and that conclusion is, that the Act of 1910 was not justified. It has been stated by the highest Courts of justice in this country and by the most eminent of English Judges that the Act was of a very far-reaching character, and that in its administration it caused not only serious injustice but grave hardship. I am indeed sorry to have heard our friend, Colonel Sir Umar Hayat Khan, support to-day a measure which the whole country with one voice has condemned. If my Honourable friend had been in touch with the public pulse, if my Honourable friend had been in touch with the sad and absorbing events of the past few years, if my Honourable friend had only been aware of what has been said from the Bench and by the most eminent Jurists that have ever adorned the Indian Bench, he would not have to-day flippantly spoken in support of an Act which, I submit, is not fit to remain on our or any Statute-book. Sir, things are very much altered to-day. This Act cannot now in the present state of reforms be allowed to be continued for a moment. It would be incompatible with the spirit of reforms, it would be incompatible with the present policy of Government in which the representatives of the people have been associated, that this dangerous Act should be allowed to remain in force. Sir, it is necessary both in the interests of Government and in the interests of the representatives of the country on whom now devolves the duty of seeing through all legislative measures that there should be free, legitimate and unfettered criticism of their action. It is necessary not only that Government measures should be properly and candidly criticised, but it is necessary that the public newspapers should have a right to fearlessly criticise the action of their representatives to whom transferred subjects are assigned and on whom additional responsibility has been conferred by Statute. In view of this great political achievement I think the action taken by Government is a wise one. It is a matter of great satisfaction that the Committee, which was presided over by our able Law Member, Dr. Tej Bahadur Sapru, and on which there were so many non-official Members, should have come to a unanimous conclusion on all matters. It is a very healthy sign of the times and I am very pleased to note that in the sister House when this Bill was brought it was passed without one dissentient vote. It is a misfortune that our friend, Sir Umar Hayat Khan should have raised a dissenting voice. However, I have much confidence in the judgment of this Council. I have not the slightest doubt that the action of Government will be approved in this Council with practical unanimity. One belated act of justice has at last been done. The Government have seen its way to abolish a measure which has not only caused racial bitterness, which has not only put Indian journalism in a very serious state of disadvantage, but has also stifled the rise and progress of honest and fair journalism.

Sir, as regards the principle of this Bill I shall not refer any further, I think there is no cause for apprehension, as stated by my friend, Sir Umar

[Sir Maneckji Dadabhoy.]

Hayat Khan. The ordinary machinery of law is quite adequate to deal with cases which have been pointed out by our Honourable Colleague. The two all-powerful sections of the Penal Code, 124A and 158A and the provisions of the Criminal Procedure Code are quite comprehensive, are quite sufficient and adequate, to meet any contingency that may arise in the country. As the Council is unfortunately aware, the Press Act has been the root-cause of many of our troubles. Except the Rowlatt Act, which was passed and which has now disappeared from our Statute-book, no other Act in the country has excited so much public resentment, so much public discontent and so much wholesale dissatisfaction, and I am now pleased that that odious Act has been removed. Everybody is agreed that there should be some provision for stifling sedition and dissemination of seditious leaflets, and the Government were right in transferring certain harmless provisions of the old Act into other existing Acts which is now in a consolidated form before the Council to-day. I should have been very sorry if the Press Act had been only modified or altered. The country demanded its total repeal, and we have to congratulate the Government on the courageous and judicious step which they have taken, a step which will restore confidence in the policy of Government, not only in the arena of journalism, but also among the people at large.

The HONOURABLE SAYID RAZA ALI: Sir, this Bill has been introduced by the Government not a minute too soon. My only regret is that, as you were pleased to note yesterday, Sir, the Bill has been brought before this Council at the fag end of the Session when it is hardly possible for us to make an attempt to incorporate any useful amendments into the Bill which is being placed on the Statute-book without postponing it indefinitely or at least for a period of six months, which course, Sir, I take it, nobody in this Council Chamber, except my Honourable friend, Sir Umar Hayat Khan, is prepared to take. Sir, so far as the policy of the Government is concerned, that is fully contained in the short Bill with its voluminous appendices which has been placed before us. My Honourable and gallant friend, Colonel Sir Umar Hayat Khan, has questioned the Government's policy of conciliation and has advocated that stern measures be taken against all those whom he calls irreconcilables. In this connection, Sir, he has proposed the giving of a long rope to this class of people. I do not know, Sir, what view the front Government benches take of his long rope, but I surely recommend the suggestion for a careful consideration of the Retrenchment Committee which is shortly going to sit. Sir, as Honourable Members are aware, our expenditure exceeds our revenue, and we are in need of retrenchment. It is a matter of congratulation that in the case of the rope, the taller the man is, the shorter the rope, that will be required for his execution.

Now, Sir, coming to the history of the present measure, I do not want to take up much time of my Honourable Colleagues. I would only say that as soon as the Reforms were put into force—and that I must note was during the time of the late Viceroy, Lord Chelmsford—an attempt was made by one of our distinguished countrymen to secure the repeal of the Press Act and the Newspapers (Incitements to Offences) Act. Mr. Seshagiri Ayyar gave notice of a Bill and took time by the forelock. I must say that Government were not slow to respond. The Press Committee, over which my friend, the Honourable Dr. Sapru, presided, sat from day to day and went through the whole subject very carefully. Their report, dated the 14th July, 1921, was published broadcast. During the last Simla

Session on the 15th September 1921, the present Bill was introduced in the other House. A Select Committee was appointed on the 26th September to consider the legislation that has been proposed. It does not appear from the papers that have been supplied to us on what date the Select Committee made their report. The Report of the Select Committee is short, and to a certain extent, sweet. That Report was placed along with the skeleton of the Bill before the Legislative Assembly. I must, while I am on this point, acknowledge that the Government took care, both when they appointed the Press Committee and also the Select Committee to consider the Bill, to have a substantial non-official majority on them. That certainly is a course which has very considerably commended itself to the Legislature. The Bill, as is known to Honourable Members, was passed on Saturday, the 25th March, by the Assembly. It is a matter of some regret, Sir, that the measure was not set down for consideration before the Legislature earlier in the Session. Had that course been adopted, we would have been free to give more time to the measure and to consider it more fully. That, however, is a thing on which I do not want to dwell at any length. I wish, however, to say a few words on the general principles of the Bill. No one who reads the Bill carefully will fail to be struck by the manner in which this legislation has been proposed. The operative part of the Bill, as Honourable Members will see, is not to be found in the body of the Bill, but has been transferred from the body to the Schedules. There are no less than 4 Schedules attached to the Bill. Now, I am not one of those, Sir, who would oppose amending measures being brought before the Legislature in connection with the Post Office Act, the Criminal Procedure Code and the other two Acts which these Schedules seek to amend. What I object to is this. Instead of bringing a substantive measure to amend these Acts, instead of bringing forward four separate Bills, you quietly and covertly shove them into the Schedules, and thereby change the whole law, as contained in those four important Acts. I again say that I do not object to your amending activities, but what I say is,

For God's sake, whatever you do, do it openly and do it in such a manner that Honourable Members may know as to what you are doing and may have a fair estimate of the effect of what you are doing.

Still, Sir, for the reasons I have stated, I am not prepared to throw out the Bill. I am surprised that the other House, where legal talent is so strongly represented, should not have noticed this important point. All the same, Sir, when I have said this much, I have said all I have to say, short of bringing forward any amendments, which course I am not prepared to take at this stage.

Sir, among the benefits that have been conferred by British rule on this country, two of the greatest are freedom of association and freedom of speech. Of course, nobody, can think of any country which can claim to have anything like freedom of speech unless it has freedom of press. I must say that fortunately in this country, before the eventful year 1910 to which reference has been made by Sir Maneckji Dadabhoy, almost uninterruptedly for a period of 75 years there was freedom of press in this country. The two short intervals when the press was muzzled were the period following the Mutiny, when direct control of the press was taken for one year and the other period of three years which fell during the time of Lord Lytton, from 1878 to 1881. With the exception of these two brief periods the press enjoyed almost complete liberty. A very considerable departure from this policy was made in the year 1910 on account of the revolutionary movement and anarchical crimes that were committed during the time of Lord

[Saiyid Raza Ali.]

Minto in certain parts of the country. Those members who supported the Bill which was brought in 1910, gave it their qualified support. So far as we can judge, Sir, there is not the least doubt that, excepting the unfortunate Bill known as the Rowlatt Bill, there is no measure that has been productive of greater discontent and greater unrest than the Indian Press Act of 1910. Sir, the Bill was wrong in principle and was bound in any case, to lead to undesirable consequences, but the manner in which it was worked by a number of Provincial Governments made the effect truly disastrous. It must be acknowledged that certain Governments did not embark on a wholesale policy of repression under the Indian Press Act. I am glad to say that the Governments of Bombay and Madras made as discriminate a use of it as from their point of view they could under the circumstances. On the other hand, when we come to the Governments of the United Provinces and the Punjab, we find that the provisions have been enforced in such a manner as to entirely kill the nationalist press. To our shame, it must be acknowledged that there is hardly any nationalist organ left in these two provinces worth the name. I again say that if a man commits sedition—and I know, Sir, that that word is to certain Members in this Chamber what a red rag is to a bull—that man is to be punished. There is not the least doubt that the general law or the ordinary law is quite sufficient for that purpose. Sir, to-day is indeed a happy day, when we have assembled to assist in the burial ceremonies of this monster which during the last 12 years has brought untold misery upon this country. But what is the reception, Sir, that the country has given to this Bill? Sir, justice belated is justice denied. That is exactly what has come to pass so far as the effect of this Bill is concerned. I make bold to say, Sir, that if this step had been taken in 1917, when a very important deputation, headed by no less a man than Mr. B. G. Horniman, waited on Lord Chelmsford advocating the repeal of this Act, it would have sent a thrill of joy and thankfulness from one end of the country to the other. As a matter of fact, Sir, the public have hardly taken any notice of this truly liberal measure that the Government have proposed. No words of acknowledgment or thankfulness were uttered in the other Chamber when the Bill came up before it. What is its fate in this Council? We find that there are only two persons who are prepared to assist the Government in the burial of this monster—I to eulogise the courage shown by the Government in killing this dread monster and my Honourable and gallant friend, Colonel Sir Umar Hayat Khan, to place a wreath on its grave. The Press Act, fortunately for us, is going, but there is another danger that has arisen recently, and it is necessary for Government, if I may be allowed to suggest, Sir, to take power in this behalf. I refer to the defamatory and mischievous statements that are cabled to England from India by half a dozen English agitators that claim to be the special correspondents of the Home papers, and a few other persons, also about half a dozen in number, namely, the globe-trotters who in the course of their brief visits to this vast Continent claim to know more than the Government of India on the one hand, and the two Chambers of the Legislature, on the other. Sir, I do not propose that the Government of India should exercise any very rigid censorship over those sensational items of news that are being sent. All the same, it is but just and proper that the Government of India should recast at least some provisions of the Indian Telegraph Act, and, if it is desirable, also of the Indian Post Office Act, so that the statements which cannot be calculated and which are not likely, I should say, to do any good either to the cause of England or to

the cause of India should not be sent six thousand miles away; and, in the words of an illustrious person, 'we should not be dictated to' by these correspondents and globe-trotters 'at a distance of six thousand miles away.' Sir, up till now we have been used to being ruled in the name of the King-Emperor by Parliament on the one hand, and by the Government of India on the other. A new Estate, if I may be allowed to say so, has arisen recently in the shape of these adventurers. The damage that is being done by these articles is incalculable. So far back as the year 1910, the late lamented Mr. Gokhale, while speaking on the Press Act, referred to the mischief that was wrought by writings in a certain section of the Anglo-Indian and English Press, in these words

The HONOURABLE THE PRESIDENT: Does the Honourable Member propose to follow this up with an amendment that the Bill should be confined to certain classes of papers?

The HONOURABLE SAIYID RAZA ALI: I am speaking, Sir, only on general principles and throwing out suggestions to the Government of India for such action as they may be pleased to take. The late Mr. Gokhale said:

'My Lord, I doubt if many Englishmen realise how large a share these writings have had in turning so many of my countrymen against British rule. The terms of race arrogance and contempt in which some of these papers constantly speak of the Indians, and specially of educated Indians, cut into the mind more than the lash can cut into the flesh.'

Sir, if this was true so far back as the year 1910, much more is this true to-day when the whole situation has been changed. Sir, in the name of His Majesty's Indian subjects, in the name of the citizens of this vast Continent, and in the name of that awakening India that claims an equality of status and a position of partnership in the Commonwealth, I raise my humble voice of protest against this infamous section of the Press which is adopting most disreputable methods in trying to prejudice our cause before the English public and thus keeping India under perpetual tutelage.

With these words, Sir, I support the motion of my Honourable friend, Mr. O'Donnell.

The HONOURABLE DR. T. B. SAPRU: Sir, I should have thought that a measure like this which was introduced by the Government, and which has been accepted by the other House unanimously, would not evoke such vehement opposition as it has this morning on the part of my Honourable and gallant friend, Sir Umar Hayat Khan of Tiwana. I do not say that there is no force in some of the arguments which he has put forward this morning before this House. But I would venture to assure the House that every single argument which he has put forward to-day was present to the minds of the Members of the Government who are responsible for this Bill, and it was certainly present to the minds of the Members of the Committee which I had the honour to preside over. (Hear, hear). That Committee, as the Honourable Mr. O'Donnell has already pointed out to this House, met for several weeks together in Simla last year. It recorded a large mass of evidence. Among the witnesses who were examined were some European gentlemen and one European lady, and the one thing which stands out above every other thing, is the absolute unanimity of all the witnesses who were examined by the Committee, so far as the main basic principles of this Bill are concerned. I will just remind the House of the

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questions which the Committee formulated for its consideration in paragraph 4 of the Report. Those questions are stated as follows:—

'The chief questions that have to be examined in our opinion are, firstly, whether the Act has been effective in preventing the evil against which it was directed; secondly, whether legislation of this character is now necessary for the maintenance of law and order; and, thirdly, whether on a comparison of the advantages and disadvantages which the retention of the Act would involve, its continuance is desirable in the public interest.'

Now every one of these questions is discussed at length in the Report of the Committee, and I refrain from reading it out, because I assume that every Member of this Honourable House has taken the trouble of going through that Report. There are, however, just one or two points to which I shall briefly refer, and I will show that these points were prominently present to the minds of the Members of the Committee. If we bear in mind the conditions that prevailed in this country about the time that the Press Act was passed, what is it that we find at that time? It was really the Press which was the more powerful organ of agitation at that time. There were certain papers in Calcutta and other places which were really responsible for carrying on a revolutionary propaganda, and it was because it was found at that time that the ordinary law of the land was not able to cope with the activities of those papers, that resort was had unwillingly to a measure of this character. The situation at present is in one material respect very much different from what it was in 1910. To-day it is really the platform which is the more powerful organ of popular agitation than the Press, or at any rate to put it more mildly, I may say that the platform is as powerful an organ of agitation as the Press was in 1910. Dealing with this aspect of the question, the Committee which met at Simla observed as follows:

'Moreover, we believe that the more direct and violent forms of sedition are now disseminated more from the platform and through the agency of itinerary propagandists than by the Press, and no press law can be effective for the repression of such activities. In our opinion, therefore, it must be admitted that the Act has not been wholly effective in securing the object which it was enacted to achieve. We observe that one witness before us went so far as to say that it had both been futile and irritating.'

Dealing with the revolutionary propaganda to which my Honourable friend, Sir Umar Hayat Khan, referred, the Committee made the following observations, and I will again venture to read one or two sentences from their report. The Committee made the following observations:

'The political situation has undergone great changes since 1910, and the necessity for the retention of the Act must be examined in the light of the new constitutional position created by the inauguration of Reforms. Many of us feel that the retention of this law is, in these circumstances, not only unnecessary, but incompatible with the increasing association of representatives of the people in the administration of the country. We believe also that the malignant influence of the seditious organs of the press will in future be, and in fact is, already beginning to be, counteracted by the growth of distinct parties and politics, each supported by its own press, supplemented by the activities of a properly organized bureau of information the value of which was admitted by many witnesses. It is true that the scope of the Act is not limited to the prevention of sedition, but it is not necessary for us to discuss in detail the subsidiary provisions included in section 4 of the Act, as we believe that these provisions have seldom been used and that the evils against which they are directed can be checked by the ordinary law.'

It will thus appear, Sir, that all these points which have been raised this morning by my Honourable Friend, Sir Umar Hayat Khan, were present to the minds of the Committee, and subsequently to the minds of the Government, and I hope that even Sir Umar Hayat Khan will give at least this

much credit to the Government, that they are as careful about the future of this country as he himself is.

There is one more point to which I will refer, and that is, with reference to some of the arguments that have been raised by my friend, Saiyid Raza Ali. I am not at all concerned with the latter portion of his speech in which he referred to certain newspaper correspondents. I have shown that this Bill has nothing to do with that, and I therefore shall not refer to that part of his speech. I understood him to say—I speak subject to correction by him—that so far as this Bill was concerned, it incorporated many changes in some other Acts which were already on the Statute-book and he expressed his disapproval of that. Quite apart from the drafting difficulty which my Department and I experienced in drawing up a Bill of this character, it seems to me that My Honourable friend has overlooked the recommendations of the Committee which are incorporated in the last portion of the Report. The first of those recommendations was that the Press Act should be repealed. That has been done, Sir. The second recommendation was that the Newspapers (Incitements to Offences) Act should be repealed. That, I claim, has been done. The third recommendation was that the Press and Registration of Books Act, the Sea Customs Act and the Post Office Act should be amended, where necessary, to meet the following conclusions:

'(a) The name of the editor should be inscribed on every issue of a newspaper, and the editor should be subject to the same liabilities as the printer and the publisher as regards criminal and civil responsibility.'

I think that, in substance, effect has been given to that recommendation in this Bill. I am aware that objection was taken by certain newspapers and by certain publicists that it was not desirable that newspaper editors should be required to print their names on the top of it. I remember distinctly one paper on the Punjab side described it as an outrage on journalistic modesty. We have tried to spare those journalistic feelings of modesty so far as this particular matter is concerned, and if my Honourable friend will look at the provisions of the Bill, as it now stands, I think he will find that there is no room for any apprehension in regard to the modesty of the editor.

Before I proceed with the second condition I would like to say that one of the difficulties, in fact, the most serious difficulty, which the Committee had to consider, was how best to fix responsibility on the editor. We looked up various systems of law relating to the subject, and we found that in a certain Continental country the custom was to require the proprietor of a newspaper to appoint a person who was legally known as the 'responsible editor,' and this responsible editor was really responsible for everything that appeared in the newspaper. In France, the custom has been to fix responsibility on the Managing Director or the Directing Editor, as he is sometimes called. We, therefore, decided that, in the interest of justice and in the interest of the efficiency of the administration of the Act, it was desirable to have some provision which would enable us to fix responsibility on the real editor, and it is for that reason that we have introduced certain provisions in this Bill.

The second condition of the third recommendation is:

'(b) Any person registering under the Press and Registration of Books Act should be a major as defined by the Indian Majority Act.'

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I believe we have given effect to that. Then there is the recommendation that:

'(c) Local Governments should retain the power of confiscating openly seditious leaflets, subject to the owner of the press or any other person aggrieved being able to protest before a Court and challenge the seizure of any such document in which case the Local Government ordering confiscation should be called upon to prove the seditious character of the document.'

To this also effect has been given.

I will omit the rest of our recommendations because they are not of the same important character, but I can assure my Honourable Friend, Saiyid Raza Ali, that, so far as the recommendations of the Committee are concerned, they have been most faithfully given effect to in the Bill which has been drawn up, and I do not think that we could have given effect to those recommendations in any other form, unless, of course, we were to introduce four or five different Bills, and it was not considered desirable that we should have separate Bills when we could deal with all these matters in a single Bill.

The HONOURABLE THE PRESIDENT: The question is:

'That the Bill to repeal the Indian Press Act, 1910, and the Newspapers (Incitements to Offences) Act, 1908, and to make certain provisions in regard to the liability of editors of newspapers, and to facilitate the registration of printers and publishers; and to provide for the seizure and disposal of certain documents, as passed by the Legislative Assembly, be taken into consideration.'

The motion was adopted.

The HONOURABLE THE PRESIDENT: We will postpone consideration of the Preamble, as usual, and I shall call the Bill clause by clause. Clause 1

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, I move that as an amendment to clause 1 of the Bill, the following sub-clause be added:

'(3) It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, direct.'

I think this is a very modest request and a very innocent amendment. It does not alter the Bill at all, and if my amendment is adopted, it would not block the Bill.

I would, however, just like to make one thing clear before I proceed further. When I gave notice of this amendment and before I spoke to-day I knew that I would come in for criticism, but somebody had to do it and put the other side of the shield before the House. It is for this reason, Sir, that I have moved this amendment. The situation in the country, especially in my part of the country, in the last few days has gone from bad to worse, and my object in moving this amendment, was that at any rate that position should be made clear and should be put before the Government. I quite sympathise with my friends who have spoken against me, because their angle of vision is different. I represent the Punjab, the martial classes, and that part of the Punjab from which the army is mainly recruited. There the people are not fond of talking, they go in for action.

If my friends were living amongst those people, they would have more of my ideas than their present ideas as shown by their speeches to-day, because they know that the people of other parts simply talk and do

nothing. The Government is at the helm and is responsible. But directly when there is trouble and when anyone comes to help, they say it is very kind of the man, but when the Press runs him down, they do not help him. That is one of the causes why I have brought forward this amendment. Things are coming to a climax. They may go to that pitch within a month or two or three, and it will therefore be very advisable to see the trend of events and have this Bill as a prize. We can tell them—

'If you behave well, here is a prize, but if you go on breaking all the other laws, there will be still one more for you to contend with.'

I am glad, Sir, that one of my friends who was very frightened of this monster of the Law has been so pleased because it has been killed. I was not going to do anything against that particular Law and thus was not so frightened. One of my brave friends here, Sir, will be able to tell you the difference between people and people. Now, the martial people in the Punjab are absolutely different from others, and he will be able to say what happened at Peshawar the other day. It is for this reason that I wanted that this Bill be deferred till such a time that a wire to each of the Local Governments was sent, ascertaining whether the situation is going from bad to worse and after that it would only take two or three days to issue a notification. I just wanted to draw the attention of the Government to this fact and nothing more. Also if this Bill is stopped, people would know that all things are not done in their own way, but if they begin to play the fool, there is something yet in hand that could be used. I cannot understand this, Sir, that on the one hand prosecutions are going on and on the other, we are showing weakness to the Press. It is absolutely inconsistent. With these few remarks, Sir, I put forward this amendment for the decision of this Council.

The HONOURABLE MIAN SIR MUHAMMAD SHAFI: The main argument put forward by my Honourable friend, Colonel Sir Umar Hayat Khan, in support of the amendment which he has placed before the House is that according to him, the political conditions in the province which he represents are entirely different from those obtaining in the other provinces of India. With regard to that observation, I wish only to say this, that it so happens that in the Government of India there is at this moment a Member who comes from the very same province of which my Honourable Friend, Sir Umar Hayat Khan, claims to be a representative. (Hear, hear). He has made at least as careful a study of the political conditions obtaining in his own province as the Honourable Sir Umar Hayat Khan, and he, at any rate, has no misgivings whatever as regards the results of the Bill which has been placed before this Council by the Government of India.

The HONOURABLE MR. S. P. O'DONNELL: Sir, the modest amendment, as he described it, moved by the Honourable Colonel Sir Umar Hayat Khan, is, as I understand it, designed to postpone indefinitely the date on which this Bill, if it becomes an Act, will come into operation. It is perfectly true that as the amendment stands it would be open to the Government, if the Bill became an Act, to notify the following day that the Act should be in operation. But he made it perfectly clear that that was not his intention. His idea was quite obviously that the coming into operation of the Act should be postponed till all the clouds had lifted, till the sky was perfectly clear and the barometer was definitely set fair. Now, Sir, I do not for a moment suggest that there are in the existing political situation no factors or elements which shall give rise to anxiety.

[Mr. S. P. O'Donnell.]

Undoubtedly there are disquieting features. It is also true that there is a section of the Press which seeks continually to vilify the Government's actions and its motives. And it lies on the face of this Bill that some remedies at present available against papers of that character will, if the Bill becomes law, no longer be available. It is far from true indeed that no remedies will remain. Anyone who examines dispassionately the terms of this Bill will see that considerable remedies remain. Nevertheless, it is not claimed that this is a perfect Bill. It is possible that some loopholes, some means of evading the law, may be found. Still whatever risks are involved—and they are not such as need seriously add to our anxieties—are risks which in the opinion of the Government ought to be run. The reasons for that view were set out by the Honourable the Law Member, and in the Report of the Committee, which every Member has doubtless read, and may be summarised in the statement to be found in paragraph 8 thereof, namely:

'That in the altered circumstances created by the Reforms, the advantages likely to be secured by the repeal of this measure outweigh the benefits which could be obtained by its retention on the Statute-book.'

I hope, therefore, that this Council will not see its way to accept this amendment.

The HONOURABLE SIR ZULFIQAR ALI KHAN: Sir, I did not want to interence at all at this stage of the discussion of this Bill, as I have been feeling very unwell since yesterday, but my Honourable Colleague, the Honourable Colonel Sir Umar Hayat Khan, has, in his speech when proposing the amendment, said that the situation in the province of the Punjab is such that a further postponement of this Bill would be desirable. Sir, my experience of this Press Act since its birth in 1910 has been this, that the stronger the application of this Act, the greater the agitation against its provisions, and although since then so many repressive measures have been passed, the situation all over the country has gone from bad to worse. Therefore, Sir, let us not suppose that by virtue of such repressive measures we can stop the agitation in the country, but we can do it by impressing on the people the idea that if Government sees that a certain measure has no effect, then they will see the justice of removing it. Sir, justice seeks no expedients. Justice must be for the sake of justice. The people understand no other way on the part of the rulers. Their custom is to look upon the acts of Government as guided by a sense of justice, and I must congratulate Government on this occasion on having taken courage to do justice in spite of the apprehended consequences. With these few words, as I am feeling unwell, I must oppose this amendment.

The HONOURABLE SAIYID RAZA ALI: Sir, I rise to make no speech, but to ask my Honourable Friend, Sir Umar Hyat Khan, to withdraw his amendment. On this subject there is a unanimity of Indian opinion. It may be that my friend thinks otherwise, but we all know that the exception proves the rule and perhaps he is the exception rather than the rule. As one of his Colleagues and perhaps as one of his humble friends I will ask him to oblige us by withdrawing his amendment.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: I agree with the suggestion and I will ask the House to allow me to withdraw my amendment.

The Amendment was, by leave of the Council, withdrawn.

Clauses 1, 2, and 3, and item 1 of Schedule I were added to the Bill.

The HONOURABLE MR. V. G. KALE: For reasons which are obvious, I do not want to oppose the First Schedule. However, I must say that I am not convinced by the reasons given by the Honourable the Law Member in support of the introduction of the editor into this Act. If I understood him correctly, he wishes that the responsibility of the editor being very great it must be definitely fixed and it must be possible for the Government to hit the editor if it is found that he has committed any serious offence. But I do not see how the situation will be improved by the requirement that the name of the editor should be printed on each copy of a newspaper. It may be possible that the name put down in a copy of the newspaper does not represent the real editor at all, and after all to my mind the crucial act is the act of publication and the rest are subordinate matters. What is of the greatest importance is the publication, and consequently if a publisher of a newspaper is responsible, I do not think that the editor need also be brought in. Then even if as required the name of the Editor is printed upon each copy of a newspaper, it is just possible that the names may be changed from day to day and from time to time and there may be dummy editors. What is there to prevent the so-called evil continuing even when this item has been introduced? I know that many editors very strongly resent this attempt as an attempt to give notoriety to some people and bring them into the limelight, and they feel this as entirely superfluous. They say that the editor might take responsibility in his capacity as publisher, and I think that this clause which has been introduced is entirely superfluous. I do not however at this stage want to oppose the introduction of that item.

The HONOURABLE DR. T. B. SAPRU: I may frankly say in reply to the question raised by my friend Professor Kale, that this was the one matter which gave the committee, over which I had the honour to preside, the greatest possible trouble. This matter again engaged the attention of the Select Committee and we discussed it at considerable length. The same point which has been raised by my friend, Professor Kale, was raised again during the debate by one Member in the Assembly, and so far as the Government are concerned they have always been anxious to get some better constructive suggestion, and that better constructive suggestion has not yet come from any direction or from any quarter. If I am frankly asked whether the provisions of this Bill in regard to this matter are perfect, I am prepared to say that they are not. At the same time as I have just submitted nothing better could occur to us. We put it to the various editors whom we examined whether they would like that their names should be registered before the District Magistrate. I believe, with the exception of one or two, all of them raised their hands in horror and said that they would not like to go before the District Magistrate for registration purposes, and this particular view was pressed before us by not a few prominent editors. We examined this subject and we ourselves felt that it was possible that fraud might be practised on the Statute, and in order to meet it, as far as possible, we introduced a clause to which I think the Honourable Mr. Kale did not make reference in his speech. I refer to item 5 of the Schedule. I will read it to the House, so that it may see what the point is:

'If any person, whose name has appeared as editor on a copy of a newspaper, claims that he was not the editor of the issue on which his name has so appeared, he may within two weeks of his becoming aware that his name has been so published,

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[Dr. T. B. Sapru.]

appear before a District, Presidency, or Sub-divisional Magistrate and make a declaration that his name was incorrectly published in that issue as that of the Editor thereof, and if the Magistrate after making such inquiry or causing such inquiry to be made as he may consider necessary is satisfied that such declaration is true, he shall certify accordingly, and on that certificate being given the provisions of section 7 shall not apply to that person in respect of that issue of the newspaper.

The HONOURABLE MR. V. G. KALE: What will happen to those who committed that fraud?

The HONOURABLE DR. T. B. SAPRU: I do not see the point.

The HONOURABLE MR. V. G. KALE: What will happen to those who put the name of the wrong person on the paper?

The HONOURABLE DR. T. B. SAPRU: They incur certain liabilities under the law. There is the ordinary law of the land, the Penal Code, which will be quite sufficient to deal with them, but I would also remind the Honourable Member of sections 12, 13 and 14 of the Press Act. I will read out section 12:

'Whoever shall print or publish any book or paper otherwise than in conformity with the rule contained in section 3 of this Act shall, on conviction before a Magistrate, be punished by fine not exceeding five thousand rupees, or by simple imprisonment for a term not exceeding two years, or by both.'

If my Honourable friend will refer to item No. 7 of Schedule I, he will find that in sections 12, 13, 14 and 15, for the words 'two years', wherever they occur, the words 'six months', and for the words 'five thousand' the words 'two thousand' shall be substituted; so that the penalties remain, but their amount has been reduced. I think in the case of a fraud there will be no difficulty in catching the man who has committed the fraud. It was for these reasons that we decided that the best of the various courses suggested to us was to require the editor to print his name somewhere or other prominently on every issue of the newspaper, so that it should not be difficult for us to fix the responsibility on him. I will only remind my Honourable Friend, Mr. Kale, of the difficulty which was experienced in Bengal at the time or about the time that this Press Act was passed, namely, that young boys of 15 or 16 appeared before Courts and declared that they were the editors, thus defeating the intention of the law. Now it was really because we felt that it was possible to defeat the law by putting forward such bogus editors, that we had to frame this section so that the responsibility might be directly fixed.

The HONOURABLE THE PRESIDENT: The question is:

'That Item 2 of Schedule I stand part of the Bill.'

The motion was adopted.

Item 2 was added to Schedule I of the Bill.

The HONOURABLE THE PRESIDENT: The question is:

'That Items 3 to 9 of Schedule I stand part of the Bill.'

The motion was adopted.

Items 3 to 9 were added to Schedule I of the Bill.

SCHEDULE I was added to the Bill.

The HONOURABLE THE PRESIDENT: The question is:

'That clause 4 stand part of the Bill.'

The motion was adopted.

Clause 4 was added to the Bill.

The HONOURABLE THE PRESIDENT: (The Second Schedule. The Sea Customs Act, 1878. The new sections 181A, 181B and 181C.)

The question is:

'That the Second Schedule stand part of the Bill.'

The motion was adopted.

SCHEDULE II was added to the Bill.

The HONOURABLE THE PRESIDENT: The question is:

'That Clause 5 stand part of the Bill.'

The motion was adopted.

Clause 5 was added to the Bill.

The HONOURABLE THE PRESIDENT: The Third Schedule: The Code of Criminal Procedure, 1898. I will again refer to the new sections 99A, 99B, 99C, 99D

The HONOURABLE SAIYID RAZA ALI: May I just add, Sir, that it is perhaps useful to note that both clauses 99B and 99D have been improved upon when the Bill was before the Legislative Assembly. The words 'the issue of the newspapers' were added by the Assembly.

The HONOURABLE THE PRESIDENT: 99E, 99F, 99G.

The question is:

'That the Third Schedule stand part of the Bill.'

The motion was adopted.

SCHEDULE III was added to the Bill.

The HONOURABLE THE PRESIDENT: The question is:

'That clause 6 stand part of the Bill.'

The motion was adopted.

Clause 6 was added to the Bill.

The HONOURABLE THE PRESIDENT: The Fourth Schedule: I will again deal with each of the new clauses as they occur in the Schedule: 27A, 27B.

The HONOURABLE SAIYID RAZA ALI: The only suggestion I would make, Sir, is that I hope if the Government thought in future it was practicable, it might add section 153A also to 124A in clause 27B.

The HONOURABLE DR. T. B. SAPRU: I rise to a point of order. Does my Honourable friend propose any amendment?

The HONOURABLE SAIYID RAZA ALI: I do not propose any amendment I simply suggest for the future consideration of Government that if they thought it necessary from the working of the Act hereafter.

The HONOURABLE THE PRESIDENT: I think if the Honourable Member wants to make a suggestion which is really in the nature of an amendment

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[The Honourable the President.]

he ought to move it, or otherwise confine himself to a general discussion of the clause. It is not fair to Government to have to answer a mere suggestion.

The HONOURABLE SAIYID RAZA ALI: I did raise that point in the general discussion, and I suggested that power should be taken by Government to deal with such papers as tend to excite racial hatred.

The HONOURABLE THE PRESIDENT: The Honourable Member does not move an amendment?

The HONOURABLE SAIYID RAZA ALI: No, Sir.

The HONOURABLE THE PRESIDENT: 27C, 27D.

The question is:

'That the Fourth Schedule stand part of the Bill.'

The motion was adopted.

SCHEDULE IV was added to the Bill.

The HONOURABLE THE PRESIDENT: The question is:

'That the Preamble stand part of the Bill.'

The motion was adopted.

The PREAMBLE was added to the Bill.

The HONOURABLE MR S. P. O'DONNELL: Sir, I beg to move that the Bill, as passed by the Legislative Assembly, be passed.

The HONOURABLE THE PRESIDENT: The question is:

'That the Bill, as passed by the Legislative Assembly, be passed.'

The motion was adopted.

INDIAN PORTS (AMENDMENT) BILL.

The HONOURABLE MR. H. A. F. LINDSAY: Sir, I move that the Bill to regulate the employment of child labour in ports in British India, as passed by the Legislative Assembly, be taken into consideration.

This is a short Bill, Sir, and I will not detain the House disproportionately long in explaining it. In 1919, an International Labour Conference was held at Washington at which there were present the Honourable Sir Alexander Murray, who is unfortunately not here to-day, representing Indian employers, and Mr. Joshi, representing Indian labour. At that Conference a Draft Convention was adopted which prohibited the employment of children in the transport industry, at docks, wharves and quays, excluding only transport by hand. The minimum age-limit of 12 was adopted for India. The Convention was referred to both Houses last Session and was accepted by them and ratified on behalf of India. This Bill, Sir, seeks to give effect to the engagement then made. There are only two points to which I think it necessary to draw the attention of the House in relation to this Bill. The first is that, although the original Convention made a distinct exception in favour of goods transported by hand, that is to say, children were allowed, under the original Convention, to be employed in such classes of industry, that proviso has not been embodied in the Bill as it stands before us to-day. The question of the desirability of allowing such an exception in India was raised in the Assembly. Government did not object to the omission of the proviso, and hence it has been omitted in the present Bill.

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The second point is that the machinery to which the Bill gives effect is, that rules shall be issued by Local Governments giving force to the provisions of the Convention. The effect of that is that any differences owing to variation of local conditions in the provinces will receive effect. At the same time the House will notice that these rule-making powers are not optional but compulsory, and that Local Government *must*, therefore, issue these rules and give effect to the Convention. I am sure that this small Bill will appeal to the humanitarian feelings of the House and I commend it to them for their favourable consideration.

The HONOURABLE THE PRESIDENT: The question is:

'That the Bill to regulate the employment of child labour in ports in British India, as passed by the Legislative Assembly, be taken into consideration.'

The motion was adopted.

The HONOURABLE MR. H. A. F. LINDSAY: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The HONOURABLE THE PRESIDENT: The question is:

'That the Bill to regulate the employment of child labour in ports in British India, as passed by the Legislative Assembly be passed.'

The motion was adopted.

PRESIDENT'S FAREWELL SPEECH.

The HONOURABLE THE PRESIDENT: As I shall not have an opportunity of addressing Members again before the close of the present Session, I should like to thank them for their continued support of the Chair and their ready assistance in all the work connected with the Council during this Session. For various reasons which I do not propose to enter upon our numbers this Session have been greatly depleted and the attendance at times has been very small. This has cast great responsibility upon those Members who have attended, and I should like to say that they have discharged their duties with great diligence. I can only say I hope that when we meet again in Simla we shall be almost at full strength and that the empty benches which have not been an infrequent feature of the present Session will be filled by those who perhaps may have benefited by their long rest. I wish the Members of the Council farewell for the present, a pleasant journey to their homes, and all health and prosperity till we meet again.

It is now my duty to read the proclamation by His Excellency the Viceroy proroguing this Council.

PROROGATION OF SESSION.

(The Council stood while the proclamation was read.)

'In pursuance of sub-section (2) of section 63 D of the Government of India Act, I, Rufus Daniel, Earl of Reading, hereby prorogue the Session of the Council of State on the conclusion of its business on Tuesday, the 28th March, 1922.'



READING,

Viceroy and Governor General.'

27th March, 1922.

தமிழ்த் தலை ஆவணக்காப்பக துணைம,
எழுத்ப்பு, சென்னை-600 009.

தவணைத்தாள்.

சே. எண் :

பி. எஸ் :

[illegible]

S.F. 259A-6-1,00,000-30-1-24.

